

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on February 15, 2024

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 205, Honolulu, HI 96813

Pursuant to section 92-3.7, Hawaii Revised Statutes (HRS), this meeting was held remotely with Board members, Staff, Applicants, and the Public participating via Zoom meeting venue, and an In-Person meeting location available for public participation at the State of Hawai'i, Leiopapa A Kamehameha, State Office Tower Building, 235 S. Beretania St., Suite 205, Honolulu, HI 96813.

Members Present, virtually:

Lyle Tabata, Kauai County Member, Vice-Chair, (Acting Chair)
Jesse Cooke, Honolulu County Member (Mr. Cooke)
Glenn Hong, Member-At-Large (Mr. Hong)
Sharon Hurd, HDOA, Ex-Officio Member (Ms. Hurd)
Ryan Kanakaole, Designated Representative, DLNR, Ex-Officio Member Ms. Dawn Chang (Mr. Kanakaole)
Jason Okuhama, Member-At-Large (Mr. Okuhama)
Karen Seddon, Member-At-Large (Ms. Seddon)
Jayson Watts, Maui County Member (Mr. Watts)
Dane Wicker, Designated Representative, DBEDT, Ex-Officio Member James Tokioka (Mr. Wicker)

Members Excused:

Warren Watanabe, Member-At-Large, Chair

Counsel Present, virtually:

Delanie Prescott-Tate, Deputy Attorney General (Ms. Prescott-Tate)

Staff Present, virtually:

Wendy L. Gady, Executive Director (Ms. Gady)
Mark Takemoto, Executive Assistant (Mr. Takemoto)
Ken Nakamoto, Project Manager (Mr. Nakamoto)
Lyle Roe, Asset Manager (Mr. Roe)
Roger Clemente, Property Manager (Mr. Clemente)
Ingrid Hisatake, Executive Secretary

Guests Present, virtually:

Fred Berg
Joshua Uehara, Kekaha Agriculture Association (Mr. Uehara)
Kimi Makaiua
Mark Ladao
Mike Faye
Rae Gee
Rep Cochran
Scott Ishikawa
Thomas Heaton

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Guests Present, physical location:

None.

A. Call to Order

Acting Chair called the meeting to order at 9:03 A.M.

Acting Chair conducted a roll call of the Board. Acting Chair called the name of each board member and asked them to acknowledge their presence and state who if anyone over the age of eighteen was present in the room with them. Acting Chair stated that the roll call served as a roll call vote, and for each subsequent vote, he would ask if there were any objections. If there were no objections the motion would be approved on the same basis as the roll call.

Acting Chair conducted a roll call of the Board. Acting Chair called the name of each board member and asked them to identify their presence with a “here” or “present” and to state who if anyone over the age of eighteen was present in the room with them. Acting Chair stated that the roll call served as a roll call vote, and for each subsequent vote, he would ask if there were any objections. If there were no objections the motion would be approved on the same basis as the roll call.

Roll call: Acting Chair, Mr. Cooke, Mr. Hong, Ms. Hurd, Mr. Kanakaole, Mr. Okuhama, Ms. Seddon, Mr. Watts, and Mr. Wicker.

B. Approval of Minutes

1. Regular Session Minutes, November 16, 2023

Acting Chair called for a motion to approve the November 16th regular session minutes.

Motion to approve: Mr. Okuhama; Second: Mr. Wicker.

Acting Chair asked if there was any presentation from staff. There was none.

Acting Chair asked if anyone for the public wished to give testimony. There was none.

Acting Chair asked for Board discussion. There was none.

Acting Chair called for the vote. Hearing no objections the motion to approve the November 16th, 2023, regular session minutes was approved: 9-0.

2. Regular Session Minutes, January 18, 2024

Deferred to March meeting

3. Executive Session Minutes, January 18, 2024

Deferred to March meeting

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Chairperson’s Report

1. None

Committee Reports

1. None

E. Action Items

- 1. Request for approval to refer License Agreement No. LI-GA1713 issued to Touan Farm LLC for 25.191 tillable acres at Wahiawa, Oahu, Hawaii, TMK (1) 7-1-012:001 (por.), to the Department of the Attorney General for enforcement action.**

Acting Chair called on staff to give a briefing on this item.

Mr. Roe requested that this action item be deferred until the March meeting as he was still awaiting the total amount of arrearage.

Acting Chair deferred the matter until the next meeting.

- 2. Request for approval to enter into a memorandum of understanding (MOU) between ADC, Hawaii Technology Development Corporation (HTDC), and Natural Energy Laboratory of Hawaii Authority (NELHA), and Hawaii Department of Agriculture (HDOA) to encourage, support, and facilitate planning and research-related activities.**

Acting Chair called for a motion to approve.

Motion to approve: Mr. Wicker; Second: Mr. Kanakaole.

Acting Chair asked if there was any presentation by staff.

Mr. Roe said he didn’t have much to add beyond what’s in the submittal. It’s really to formalize an arrangement between the three entities and ADC regarding cooperation on various matters that relate to all four entities. Ms. Gady may have more information on this, but that’s really what this is.

Acting Chair asked Ms. Gady if she had anything to add.

Ms. Gady said it really shows that we have a strategic investment in the future of aquaculture and that we are going to formalize our relationship with our sister agencies of NELHA, HTDC, and HDOA and look for ways to scale up some of the existing tenants at NELHA. The plan is for us to start meeting quarterly to look for opportunities.

Acting Chair asked if there was anyone from the public who wished to give testimony. There was none.

Acting Chair asked if there was any Board discussion.

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Ms. Hurd said she wanted to add that a lot of the MOU was in existence prior to this year's legislative session. What we learned from this session was that many of the agencies were working toward the same goal. But we were not in agreement on division of responsibilities. It was really at the advice of the Ways and Means committee that we shouldn't all be working towards the same goal without meeting and collaborating at a higher level. That prompted HDOA to join the MOU with our purpose being to double food production. We are in there with our own agenda; our own mission. And that was how HDOA asked to be included.

Acting Chair said he was in total agreement with that because if we all go on our individual path we're not going to be able to synergize each other's strengths and weaknesses to provide a better product. Aquaculture's something new for ADC to get involved with. There's a lot of positives, especially with the shrimp farm we have under our jurisdiction in Kekaha. Makes a lot of sense. Any further discussion by the Board? Hearing none, Acting Chair called for the vote. Hearing no objections the motion was approved: 9-0.

3. Request to re-authorize the Board's delegation of authority to the Executive Director to execute non-extraordinary rights-of-entry without Board approval

Acting Chair called for a motion to approve.

Motion to approve: Mr. Wicker; Second: Ms. Hurd.

Acting Chair asked if there was any presentation by staff?

Mr. Roe said the submittal pretty much summarizes it, but in 2014 the Board granted the executive director the right to issue non-extraordinary rights-of-entry. This was primarily for issues such as if HECO needs to get through one of our gates to read a meter. Or for utility, maintenance, third party surveyors who might need access to the property to work on different projects. That's the sort of thing that this delegation authorizes the executive director to do without coming to the board and asking for approval. Extraordinary rights of entry would include such things as, we've had the elementary school request access to use ADC's property for parking, stuff like that would still come to the board. This is just for typical run of the mill, not extraordinary rights-of-entry.

Acting Chair asked if there was anyone from the public who wished to provide testimony. There was none.

Acting Chair asked if there was any Board discussion.

Ms. Hurd stated that she just wanted to make the association to a recent action taken by the Hawaii Board of Agriculture (HBOA), to ask that HBOA approval not be required for what they consider non-substantive type decisions such as whether or not to send a violation of \$500 to the attorney general for collection, something like that, they asked that we set a limit. So this would be similar, you know, when it's something that is not of great significance to ADC or to the public, that we allow the executive director, or in my case, it was the chair of the board, the authority to act without HBOA approval so there's precedent for it in my experience.

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Acting Chair said that makes perfect sense and called on Mr. Watts.

Mr. Watts stated that although he's okay with authorizing it, could we make sure we get reports, so we are aware of what's being approved. If not, we'll never know about it. So can we just get something either monthly or in the Executive Director's weekly report.

Acting Chair replied, so noted, Ms. Gady can list those in her weekly reports, which are very detailed and comprehensive. I think I get everything I need to know from the weekly reports. If not, I pick up the phone. Acting Chair asked if there was any further discussion. Hearing none, Acting Chair called for the vote. Hearing no objections to the delegation, the motion was approved: 9-0.

4. Appointment of members to the Board's standing Administration Committee (*no submittal*)

Acting Chair noted this measure was being withdrawn at this time to allow the land application review committee to finish its assigned work that was presently on-going. We will return to this item hopefully at the next meeting. Any questions? Hearing none we'll move on to Action Item Number 5.

5. Request for approval to establish a permitted interaction group to provide recommendations to the Board related to ADC's strategic plan regarding land (*no submittal*)

Acting Chair called for a motion to approve.

Motion to approve: Mr. Wicker; Second: Mr. Hong.

Acting Chair asked for presentation by staff.

Mr. Roe said this request was to establish three permitted interaction groups (PIGs) with different focuses. This was really a mechanism to provide input on ADC's strategic planning. One group related to land, one related to water, and the other related to agri-business efficiencies; value added stuff, projects, various things like that. What we're looking for here was for approval to establish three groups.

Acting Chair asked if anyone from the public wished to provide testimony. There was none.

Acting Chair asked for Board discussion and called on Mr. Watts.

Mr. Watts asked if these PIGs were gonna be reporting, or receiving reports, or meeting with the Office of Planning and Strategic Development (OPSD) who was drafting ADC's strategic plan?

Mr. Roe said that was really going to be the call of the Chair when the tasks of the various committees were assigned.

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Mr. Watts said okay, I just wanted to make sure that whatever information comes from these PIGs was not wasted and it's applied to that strategic planning report.

Mr. Roe said just to clarify the purpose of a PIG was to provide recommendations to the Board. The PIG would presumably meet with the Executive Director and with OPSD and such, and then, provide their recommendations based on that to the Board.

Chair called on Ms. Gady.

Ms. Gady stated that she wanted to speak to Mr. Watts point that there was a considerable amount of information that the staff and OPSD have been accumulating and it's easiest to break it down by land, water, and agri-efficiencies because the end goal was for the PIGs to provide strategic direction in terms of the goals, the objectives, and any policy recommendations that would go to the Board. There's so much information to digest to start drafting this high level view of what the goals and strategies are coming out of the Board. It allows for some pretty significant work within the permitted interaction groups.

Mr. Watts said he thought this was a good idea. The Board has a lot of people with a lot of expertise and if we could actually line up these PIGs with people's backgrounds that would be very helpful to OPSD and how they draft this report.

Acting Chair called on Mr. Wicker.

Mr. Wicker asked if we get this on the next agenda? I think these are good ideas, numbers 5, 6, and 7. But on our next agenda, the overall plan for the strategic plan. So, if we're working with OPSD, what was the ask of them? What's the timeline and deliverables? And then it would map out and show certain phases in order to accomplish this benchmark we need to establish these PIGs. So we kind of have an understanding of what's being asked. I could see why we would need to break it down into these individual groups, but what's the end game? What's the ask of OPSD? If we can get that on the next agenda to understand what the deliverables are for OPSD and a timeline.

Acting Chair asked Ms. Gady if she was prepared to provide that structure that was discussed earlier, or do we assemble the interaction groups first and then fill in.

Ms. Gady responded that she would suggest, and it obviously it's Acting Chair's choice, to just establish the groups so that the information can be disseminated, and the groups could start working on the accumulation of data amongst the three permitted interaction groups and I strongly concur with Mr. Wicker that at the next board meeting we can kind of frame out a timeline with some goals that the PIGs formulate.

Ms. Prescott-Tate stated, just a reminder that the tasks to be assigned to the committees must be presented at a public meeting.

Mr. Wicker said I think it'd be helpful to understand what the overall strategy was and then why we need to establish these PIGs. Then what those asks were and delivering that content back to OPSD. That can be captured all at once.

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Acting Chair said that was a good suggestion to shoot for the next meeting and called on Ms. Hurd for comment.

Ms. Hurd asked if she could be considered for the land committee.

Mr. Nakamoto said that a member of the public wished to comment.

Acting Chair asked for public comment.

Mr. Uehara stated that he was with the Kekaha Ag Association (KAA) and that he liked the idea, but wanted to suggest that when KAA comes to the board there's a lot of context and history in a lot of the projects we were working on that are very long term and he always feels like there was never enough time to give all of that information to the Board for consideration in your decision making. It seems like these permitted interaction groups would be a good venue to have subsets of the Board to at least dive into much greater detail on. On some of the issues that we have to deal with and I'm sure are relevant to your other properties as well. He just wanted to say it would be a good idea if it was understood and intentional that these groups might actually spend some time with external stakeholders for each of the properties in question so they can get more in-depth information and background because it seems pretty difficult to provide that kind of information in a board meeting. It just takes so long to do that.

Acting Chair asked if anyone had any questions for Mr. Ueyehara? He's been a wealth of knowledge for us so we should take advantage of his attending. Anybody have questions?

Ms. Gady said she can't begin to articulate the passion and time that the staff has put into gathering resources to present to these PIGs. Mr. Takemoto has a 400+ page study on all the water systems across the state to provide to the water committee relative to some of the recommendations out of that study. There's also a bill actually going through the legislature right now to update that study. Staff has really done a diligent job of pulling together a strong base of information for the PIGs to start with.

Acting Chair said there's a whole lot of information out there to go through and the members who I'm about to nominate, I ask for your acceptance to be on this initial group. First was there anymore public testimony? There was none. Was there any further board discussion. There was none.

Acting Chair called for the vote asking if there were any objections to creating a permitted interaction group related to the ADC strategy plan regarding land. Hearing no objection the motion was approved: 9-0.

As Acting Chair pursuant to Article 4, section 3 of the ADC bylaws and section 92-2.5, *Hawai'i Revised Statute*, Ms. Seddon and Mr. Hong were appointed to the land ad hoc committee permitted interaction group. The scope of the committee's inquiry will be defined at the next board meeting as suggested by Mr. Wicker.

Mr. Hong appreciated the appointment but asked to be considered for the water PIG but deferred to Acting Chair's judgment.

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Acting Chair said point taken, but asked if for now it could be left as is. I'll go through these three permitted interaction groups and then if you feel strongly we'll move people around after that.

6. Request for approval to establish a permitted interaction group to provide recommendations to the Board related to ADC's strategic plan regarding water (no submittal)

Acting Chair called for a motion to approve.

Motion to approve: Mr. Wicker; Second: Mr. Hong.

Acting Chair asked for staff presentation.

Mr. Roe stated same as last item except substitute the word water. We're really just looking for Board input to ADC strategic planning regarding water systems; acquisition; focus; anything water related in the State as it relates to ADC strategic planning.

Acting Chair asked if there was any public comments. There was none.

Acting Chair stated that he believed there were system resources available for support and asked if there was any Board discussion? There was none.

Acting Chair called for the vote. Hearing no objections the motion was approved: 9-0.

Pursuant to Article 4, section 3 of the ADC bylaws and section 92-2.5, *Hawai'i Revised Statutes*, Acting Chair appointed himself and Mr. Kanakaole to the water ad hoc committee permitted interaction group. And as previously stated the scope of the committee's inquiry will be defined at the next board meeting.

Acting Chair asked if Mr. Kanakaole was part of the Commission on Water Resource Management (CWRM)?

Mr. Kanakaole said he was the deputy on the DLNR side; the deputy for CWRM was currently acting deputy, Dean Uyeno, however, DLNR does oversee CWRM, and he's worked on water matters before and thanked Acting Chair for the appointment to the group.

7. Request for approval to establish a permitted interaction group to provide recommendations to the Board related to ADC's strategic plan regarding agribusiness efficiencies (no submittal)

Acting Chair called for a motion to approve?

Motion to Approve: Mr. Watts; Second: Mr. Hong.

Acting Chair asked for staff presentation.

Mr. Roe said more of the same but wanted to touch on what agribusiness efficiencies were. We're talking about projects that ADC undertakes to assist our farmers. Whether it's

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building a value-added facility; food safe processing center; training or classes for any number of things; succession planning. Anything that ADC might wish to do going forward to assist farmers in their operations.

Acting Chair asked if there was anybody from the public who wished to give testimony? There was none.

Acting Chair asked if there was any board discussion. There was none.

Acting Chair called for the vote. Hearing no objections the motion to create the agribusiness efficiencies permitted interaction group was approved: 9-0.

Pursuant to Article 4, section 3 of the ADC bylaws and section 92-2.5, *Hawai'i Revised Statute*, Acting Chair appointed Mr. Wicker and Mr. Cooke to the agribusiness efficiency's ad hoc committee permitted interaction group. The scope of the committee's inquiry will be defined at the next board meeting.

Acting Chair stated that Action Items 8 and 9 will be taken out of order following Informational Item Number 4.

F. Informational Items

1. Presentation by Dane Wicker, Deputy Director, Department of Business, Economic Development, and Tourism regarding the budget process for the State of Hawai'i.

Acting Chair called on Mr. Wicker to give his presentation on the budget process.

Mr. Wicker said there was no PowerPoint presentation because it's a pretty simple process to explain. ADC is one of DBEDT's attached sixteen agencies. All of DBEDT's attached agencies and programs prepare their own budgets internally with their team and work with DBEDT's Administrative Service Office (ASO) in putting together their proposed budgets. The director's office and DBEDT then meet with our ASO team and review their budgets and work with the program managers if we have any questions to help in justifying their request. DBEDT work's backwards from the administration's timeline. Last year DBEDT's budget was due in September. The Department of Budget and Finance reviews our department's overall budget requests. They make their recommendations to the governor and the governor submits the overall administrative budget and sends that down in December to the legislature. Our process for DBEDT itself, we may add, dependent on the department's strategy and direction. But we leave it up to the departments for the most part. Knowing what their capacity needs are and what resources are needed but it always helps when we can tie it into the program strategic direction and the alignment with the department strategic direction. That's a summary of it.

Acting Chair asked if there was anyone from the public who wishes to give testimony. There was none.

Acting Chair asked if there was any Board discussion and called on Ms. Gady for comment.

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Ms. Gady said it was helpful to have an informal conversation with Mr. Wicker earlier this week. It's her first legislative session and there's a lot of things being tossed around. There were things that were going to transition in March and it's kind of a giant question mark on some of the things that will be coming to ADC. Expect the next weekly report to lay out like a pictogram that shows things that are for sure in ADC's wheelhouse and kind of a bubble of things that are being tossed around in Ag as potential projects or opportunities for ADC. I remember a past board member saying that it's really hard to start the budgeting process until the legislature is over, because that's when you really know what's in your budget for fiscal year 2025. So May and June is probably the perfect time to start our fiscal year 2026 budgeting process because at that point we'll know what's come out of the legislature and the new fiscal year starts July first. That seems like a pretty fast turn with things due in September. Ms. Gady asked the Board to hold July 18th for a face-to-face board meeting on Oahu and August 15th for a face-to-face board meeting on Kauai. Ms. Gady agreed with Mr. Wicker that it makes sense to have overall strategy to frame the budget asks but would like to hear from Mr. Watts.

Mr. Watts said in his confirmation process he got questions from the senators about transparency and stuff. My question about the budget goes along with those questions and promises needed to be transparent. Implementing a process where the budget can be discussed by the Board and staff and that is the way to get there. Mr. Watts appreciated getting this on the agenda and looked forward to the face-to-face meetings.

Acting Chair said thank you for everybody's commitment and pursuit of trying to get a budget because after three years on the Board he's never seen a budget. It's on us board members to work with our ED to help create something. In the past it was done in a vacuum with not much staff participation. But now as vice chair I'm working with the ED to ensure we get staff support in creating the budget. So, it's bottom up versus top down and let's see how this process works. Ms. Gady do you have any more comments?

Ms. Gady stated that she wanted to add that one of the later outcomes of the PIGs and the strategic planning process was that the Board can have an active role in determining future capital improvement projects, not just for the lands we have, but the lands and the strategy to come.

Acting Chair added that Ms. Gady has been sending out the legislative packages for everybody and if you look how heavily loaded Kauai is, that's where the action is. Let's not hold our breath about the packages, it's a work in process. We need to get our government executive offices and legislative offices involved to help support all of this activity that's going on. The legislators have brought forward these initiatives, hopefully we can get some of this passed with funding. But it takes a ton of effort and we have got to infiltrate every island now because that's our charge. I believe Maui is next. It's a lot of rubbing elbows and listening to the people out there. I had a head start because I worked a lot of that land out there and know and understand some of the challenges. But those challenges will turn into opportunities if we get what we need through the legislature.

2. Update regarding sunshine lawsuit filed by Public First Law Center, Civil No. 24-0000050, First Circuit Court, State of Hawaii.

This item is to be taken out of order following Informational Item 4.

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3. Presentation by Brian Miyamoto, Executive Director, Hawaii Farm Bureau, regarding the 2024 Farm Fair.

Acting Chair stated that he was informed earlier that Mr. Miyamoto was not available so we'll move on to Informational Item 4, the Executive Director's report.

4. Executive Director's Report regarding training updates, restrictive use easements, ADC's strategic plan, HPP machine procurement, Kokee Ditch modifications, Ag Days at the Capitol, ADC staffing, introduction of new hires, and budget update.

Ms. Gady said a copy of her report will be sent by email and it will be posted after. She wanted to include some pictures of all the things going on. Starting with the Hawai'i Investment Ready Cohort update that Mr. Okuhama and myself are participating in, which happens once every two years. There were twelve selected entities. You go through four rounds of interviews to finally be selected. It focused on social and environmental issues as they relate to projects and ventures and help provide access to capital. The program includes face to face meetings with the program leaders over ten months and covers business modeling, financial management, overview of financial instruments, due diligence, marketing, presentation development, and culminates with the pitch deck for ADC as we begin to market ourselves. Ms. Gady emphasized that the first face to face was on Big Island, and Mr. Okuhama participated actively through the entire ten months, and he was there all five days. Moving on to the restrictive use easements for TMK's (1) 6-4-001:004, 006 and 008, in December of 2016, ADC and the US Navy incumbered approximately 192.8 acres in Whitmore Village under a restrictive use easement, also called an RUE, to limit development near the naval computer and telecommunications area master station Pacific. The Navy also indicated interest in pending funding opportunities to place RUE's on other ADC properties in close proximity to various Whitmore installations. Funding's available and set to expire on September 30th, 2024. ADC and Navy are working towards developing terms of an RUE on Parcel 6 and 8 on Oahu. The staff will likely present a finalized RUE for the Board's consideration at the March or April Board meeting. This is now in active procurement. In regard to strategic planning, OPSD has been contracted to support the planning process and staff has met with OPSD to narrow the scope of work on a weekly basis. The intent was for the permitted interaction groups to play an active part in this process. The high-pressure processing (HPP) machine procurement has been posted to the state procurement site and Mr. Nakamoto, ADC's Project Manager has scheduled a site meeting with prospective bidders, but because this is an active procurement certain details have to remain confidential until the process is complete. The Waimea Watershed Agreement (WWA) for the Kokee ditch received notification in December of 2023 from the Kauai Island Utility Cooperative (KIUC) that they were abandoning the flow through hydroelectric portion of the West Kauai Energy Project (WKEP), which utilized ADC's Kokee ditch and would have been situated primarily on ADC lands. That portion of the project would have provided significant ag water to ADC and our tenants. At the quarterly meeting of the WWA working group, KIUC noted that their stream channel alteration permit application and their stream diversion works permit application were due to be considered at the January CWRM meeting. At the time KAA and ADC were in discussions with KIUC about the modifications to the WKEP to ensure the modifications met the needs of ADC and our tenants. Upon

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confirmation that KIUC's permit requests were up for consideration at the January 30th CWRM meeting, ADC contacted KIUC to request they withdraw their permit applications pending consensus on potential changes to the Phase One ditch modification. KIUC refused. ADC and KAA submitted testimony that requested CWRM deny or defer approval of the permit applications. Ultimately CWRM approved the stream channel alteration permit application for monitoring, but deferred the approval of the stream diversion works permit application for sixty days to give the working group time to come to consensus on changes to the Phase One modifications. ADC and KAA have met with various parties to the WWA to discuss changes to the Phase One modifications and a meeting of the entire working group was scheduled for February 28th. Next, we had Ag day at the capital on February 8th and ADC staffed two tables, and fielded questions from attendees and legislators who stopped by. Our ADC citrus grower from Kauai as well as an individual who processes taro from an ADC grower to make kulolo were present and provided samples of their products to attendees. Mr. Wicker, Mr. Cooke, and Mr. Hong took time out of their day to spend with ADC. There were 700 to 1000 people going through the capital and the energy for AG was incredible. Next ADC staffing; welcome Mr. Clemente our new property manager. Mr. Clemente come from DLNR and has experience in the Land Management systems that ADC will be implementing. Yesterday the governor released funding for our contract administrator position. The position will support the project manager, asset manager, property manager, and Waiahole Water System Office manager with procurement and other contract related processes. This position supports ADC's work to meet the generally accepted accounting principles, recommended by the auditor. The process to hire will begin the week of 2/20/2024. Once we fill that position ADC will have a full bench for the first time. There was a supplemental budget request into the Governor for a Kauai property manager and a Kauai water system manager. ADC accounting staff was working with the accounting contractor Spire to complete the account reconciliation. We expect it to be completed by the end of the fiscal year June 2024. The information provided by the accounting contractor was required to complete the implementation of the Yardi property management system. It will provide starting balances and double check all of the inputs and include a snapshot of ADC's budget to date. Bottom line, we are operating within our budget; we are not hemorrhaging money; but obviously there are bills that haven't been inputted yet. We need to have Spire double check and audit all of our beginning balances so that we can completely launch. Our two new accounting folks have been diligently working on this. It's been a gnarly situation at best. We're looking forward to June 30th and having some solid numbers for the Board moving forward. Ms. Gady welcomed the DLNR first deputy, who previously served as a deputy attorney general, most recently for the Hawaii Housing Finance and Development Corp and the Mauna Kea Stewardship oversight authority. From 2017 to 2023, he served as counsel for the Department of Hawaiian Homelands. He served as an arbitrator for the state Court, Annexed Arbitration Program, and was appointed to the Public Land Trust Working Group due to his expertise on issues related to the Public Land Trust. Prior to his tenure with the AG, Mr. Kanakaole was an Associate General Counsel and Analyst for the State Office of the Auditor. He also served as a Deputy Corporation Counsel for the County of Hawaii and was a Law Clerk for the Honorable Judge Stephen S. Alm at the First Circuit Court. Mr. Kanakaole was raised on Hawaii Island. Throughout his career he has been involved in economic development and community stewardship efforts there. He's a

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graduate of Kamehameha schools. He received a BA in Political Science from the University of Hawai‘i Hilo and a JD with a certificate in Native Hawaiian Law from the University of Hawai‘i William S. Richardson, School of Law. He now resides on Oahu with his wife and two children. Welcome to the board.

Ms. Gady also welcomed Mr. Cooke, who’s the VP with Ulu Pono Initiative. He provides financial and technical due diligence for investment decisions on various projects. His main focus at Ulu Pono has been to seek and support organizations working to increase local food production across the islands. Since he’s been with Ulu Pono Initiative, Mr. Cooke has been able to cultivate relationships with farmers, ranchers and other growers in a community that is typically fragmented and widespread. He is a graduate of Saint Louis High School in Honolulu. He earned his bachelor’s degree in economics from Emory University and an MBA from J. Mack Robinson College of Business at Georgia State University. Welcome aboard.

Mr. Okuhama congratulated Ms. Gady on filling all the vacant positions. When we were going through the hiring process one of our major concerns was that we had a staff of three. We asked how would you accomplish all that was necessary in cleaning up the organization, getting our financials in order, and just a lot of things that needed to be done. So good job in getting employees on board in such a short period of time. And getting approval now to fill the last remaining one. Thank you.

Acting Chair asked if there were any other comments and welcomed the new Board members and new employees.

The next items are those taken out of order. We’re now moving on to Action Items 8 and 9, and Informational Item 2. Action Items 8 and 9 and Informational Item 2 may be discussed in an executive meeting closed to the public pursuant to HRS section 92-4 and 92-5(a)(4) to allow the Board to consult with the Board’s attorney on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities.

E. Action Items

8. **Discussion regarding the status of Lease Agreement No. LE-K1201 assigned to the State of Hawaii, Department of Education. *The Board may go into executive session to consult with the Board’s attorney on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities. (no submittal)***

Acting Chair stated before we go into executive session, is there any public testimony on action Item 8, which is a discussion regarding the status of lease agreement number LE-K1201 assigned to the State of Hawaii, Department of Education. There was none.

9. **Discussion and action on letter from Senator Donovan Dela Cruz asking the ADC Board to waive attorney-client privilege with regards to the August 8, 2023, executive session minutes relating to candidate interviews, discussion of executive director salary, and board selection of executive director, continued from January 18, 2024, board meeting. *The Board may go into executive session to consult with the Board’s attorney on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities.***

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Acting Chair stated before we move into executive session on to Action Item 9, which is discussion and action on letter from Senator Donovan Dela Cruz asking the ABC board to waive attorney-client privilege with regards to the August 8, 2023, executive session minutes relating to candidate interviews, discussions of the executive director salary and board selection of the executive director continued from January 18, 2024, board meeting, is there was any public testimony on this item? There was none.

F. Informational Items

2. **Update regarding sunshine lawsuit filed by Public First Law Center, Civil No. 24-0000050, First Circuit Court, State of Hawaii. *The Board may go into executive session to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.***

Acting Chair stated before we move into executive session on Informational Item 2, which is an update regarding sunshine lawsuit filed by Public First Law Center, Civil No. 24-0000050, First Circuit Court, State of Hawaii, is there any public testimony on this item? There was none.

Acting Chair asked for a motion to go into executive session?

Motion to enter into executive session pursuant to HRS Section 92-5 on items E8, E9, and F2 to discuss powers, privileges, duties and immunities with our attorney by Mr. Kanakaole.

Mr. Watts asked are we taking all three of these things under one motion.

Ms. Prescott-Tate replied yes, to discuss those three matters in executive session.

Mr. Watts continued; so we're voting on all of it in one motion?

Ms. Prescott-Tate yes, you're voting whether to go into executive session or not.

Acting Chair asked for a second to the motion.

Mr. Cooke seconded the motion.

Acting Chair asked if there was any public testimony regarding the decision to go into executive session? There was none.

Acting Chair asked if there was any Board discussion regarding the decision to go into executive session? There was none.

Acting Chair called for the vote.

Mr. Watts stated he objected to the action involving the Senator's letter.

Ms. Prescott-Tate asked if Acting Chair could conduct a roll call vote?

Acting Chair conducted a roll call vote:

Acting Chair: Yes.

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Mr. Cooke:	Yes.
Mr. Hong:	Yes.
Ms. Hurd:	Yes.
Mr. Kanakaole:	Yes.
Mr. Okuhama:	Yes.
Ms. Seddon:	Yes.
Mr. Watts:	No.
Mr. Wicker:	Yes.

Acting Chair stated motion to move into executive session was approved: 8-1.

Exited the public meeting at 10:11 A.M.

Public session began at 11:15 A.M.

Acting Chair called the public meeting back to order at 11:15 A.M. The presence of Acting Chair, Mr. Cooke, Mr. Hong, Ms. Hurd, Mr. Kanakaole, Mr. Okuhama, Ms. Seddon, Mr. Watts, and Mr. Wicker was noted. Pursuant to Act 19, codified as HRS section 92-4(b) (2023) the following actions were taken by the Board in executive session:

Action Item 8: Lease Agreement No. LE-K1201 assigned to the State of Hawai‘i Department of Education was discussed, and no action be taken.

Action Item 9: The Board discussed Senator Dela Cruz’s request for the Board to waive its attorney-client privilege in regard to the August 8, 2023, executive session minutes related to the candidate interview, discussions of the executive director salary, and board selection of the executive director.

Based upon this discussion in the executive session, Acting Chair called for a motion to deny Senator Dela Cruz’s request to waive the Board’s attorney-client privilege.

Motion to deny Senator Dela Cruz’s request: Ms. Seddon; Second: Ms. Hurd.

Acting Chair asked if there was anyone from the public who wished to provide testimony. There was none.

Acting Chair asked if there was any further board discussion. Mr. Kanakaole and Mr. Cooke recused themselves from voting because they were not at the August 8, 2023 meeting.

Acting Chair conducted a roll call vote:

Acting Chair:	Yes.
Mr. Hong:	Yes.
Ms. Hurd:	Yes.
Mr. Okuhama:	Yes.
Ms. Seddon:	Yes.
Mr. Watts:	No.
Mr. Wicker:	No.

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Ms. Prescott-Tate stated the vote was five to two. The Board needs six to take action. The matter does not pass. No action taken.

Acting Chair proceeded to Informational Item No. 2. The Sunshine lawsuit filed by Public First Law Center under Civil No. 24-0000050 was discussed with no action taken.

G. Adjourn

Having no further business before the board, Acting Chair called for a motion to adjourn.

Motion to adjourn: Mr. Okuhama; Second Mr. Wicker.

Acting Chair asked if there were any objections. Hearing none the motion was approved: 9-0.

The meeting was adjourned at 11:21 A.M.

Date of Next Meeting: The next meeting will be held on March 21, 2024, at 9 A.M.