

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 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:

Warren Watanabe, Member-At-Large, Chair (Chair)
Jesse Cooke, City and County of Honolulu Member (Mr. Cooke)
Glenn Hong, Member-At-Large (Mr. Hong) (left the meeting at 10:00 A.M.)
Dexter Kishida, Designee for HBOA, Ex-Officio Member Ms. Sharon Hurd (Mr. Kishida)
Ryan Kanaka'ole, Designee for DLNR, Ex-Officio Member Ms. Dawn Chang (Mr. Kanaka'ole)
Jason Okuhama, Member-At-Large (Mr. Okuhama)
Dane Wicker, Designee for DBEDT, Ex-Officio Member James Tokioka (Mr. Wicker)

Members Excused:

Karen Seddon, Member-At-Large (Ms. Seddon)
Jayson Watts, Maui County Member
Lyle Tabata, Kauai County Member, Vice-Chair

Counsel Present, virtually:

Delanie Prescott-Tate, Deputy Attorney General
Bryan Yee, Deputy Attorney General (Mr. Yee) (joined the meeting at 9:30 A.M.)

Staff Present, virtually:

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

Guests Present, virtually:

Frankie Empeno (Mr. Empeno)
Frederic Berg
Kimi Makaiau, UHCDC
Mike Faye, Kekaha Agriculture Association
"Observer"
Seta Malufau, Office of Sen. DeCoite

Guests Present, physical location:

None.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

A. Call to Order

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

Chair conducted a roll call of the Board. 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. 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 or abstentions. If there were no objections or abstentions the motion would be approved on the same basis as the roll call.

Roll call: Chair, Mr. Cooke, Mr. Hong, Mr. Kishida, Mr. Kanaka'ole, Mr. Okuhama, and Mr. Wicker acknowledged their presence with no guests present. Mr. Hong left the meeting at 10:00 A.M.

B. Approval of Minutes

1. Regular Session Minutes, March 21, 2024

Chair called for a motion to approve the March 21, 2024 regular session minutes.

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

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

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

Chair asked for Board discussion. There was none.

Mr. Kishida noted that he would abstain from voting since he was not present at the March 21, 2024 meeting.

Chair called for the vote. Hearing no objections, the motion to approve the March 21, 2024, regular session minutes was approved: 6-0; Mr. Kishida abstained. [Chair, Mr. Cooke, Mr. Hong, Mr. Kanaka'ole, Mr. Okuhama, and Mr. Wicker voted in favor of the motion.]

2. Executive Session Minutes, March 21, 2024

Chair called for a motion to approve the March 21, 2024 executive session minutes.

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

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

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

Chair asked for Board discussion.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

Mr. Wicker noted that he would abstain from voting since he left the meeting shortly after the executive session started and Mr. Kishida noted that he would also abstain as he was not present for the March 21, 2024 executive session meeting.

Chair called for the vote. It was noted that the Board lacked quorum with Mr. Wicker and Mr. Kishida abstaining from the vote.

Mr. Wicker withdrew his motion to approve the March 21, 2024 executive session minutes.

Mr. Okuhama withdrew his second to the motion.

Chair deferred the motion to approve to the March 21, 2024 executive session minutes until the next Board Meeting.

3. Regular Session Minutes, April 18, 2024

Chair called for a motion to approve the April 18, 2024 regular session minutes.

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

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

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

Chair asked for Board discussion.

Mr. Hong noted that he would abstain from voting since he was not present at the April 18, 2024 meeting and Mr. Kishida noted that he would also abstain from voting since he was not present at the April 18, 2024 meeting.

As previously noted, with Mr. Hong and Mr. Kishida abstaining from the vote there would not be quorum. Chair deferred the motion to approve the April 18, 2024 minutes from the regular session until the next Board Meeting.

C. Chairperson's Report

1. None

D. Committee Reports

1. Administration Committee Report, May 14, 2024 meeting.

Mr. Roe gave a brief update on behalf of Committee Chair Tabata. Mr. Roe stated that the administration committee discussed matters regarding the scoring process and approved the scoring matrix. The application process closed on May 3, 2024. Thirty-four applications were received. The committee approved the schedule for review of applications. Staff will do an initial review and pull out the ones that were late or incomplete. Then the committee will start reviewing and scoring.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

E. Action Items

1. **Request to (a) rescind board approvals dated January 26, 2022 which approved and accepted Malama Aina Collective LLC as an approved applicant; and (b) terminate the right-of-entry agreement issued to Malama Aina Collective LLC dated April 11, 2022 for property near Mililani Mauka, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 9-5-003:007**

Chair called for a motion to approve.

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

Chair asked if there was any presentation by staff.

Mr. Clemente said it had been nearly two and a half years since ADC approved Malama Aina Collective (MAC) as a tenant. A Right-of-Entry was issued to allow MAC to complete their due diligence. Due to a number of obstacles cited by MAC including high startup costs, lack of reliable water access, and difficulty accessing the property this process was never completed. The location is in a remote area. Recently MAC inquired about subletting the property for livestock. The property is located on a narrow ridge and is considered highly erodible. It is ideally suited for orchard crops. There is no fiscal budget impact to ADC should the board approve the request.

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

Chair asked if there was any Board discussion.

Mr. Wicker asked if the issue was no water infrastructure how do we address that? Is there an opportunity to bring water to the site in the future?

Chair echoed Mr. Wicker's concerns about the water. MAC was hoping to plant tree crops but it appears there is insufficient water for that. The lack of adequate water supply is a concern the Board has been aware of for some time.

Mr. Wicker asked if we anticipate any costs to ADC for the removal of any equipment or materials brought on site.

Mr. Clemente said nothing he was aware of.

Ms. Gady stated that ADC will be looking to see if somebody else has applied for this land. If this parcel remains after this next round of staff recommendations, ADC will do soil testing to see what the optimal crop would be, start to target specific crops, and look at irrigation infrastructure. Thinking about orchard crops, olive trees love that location. Olive trees are ideal for value-add production.

Mr. Cooke asked if his understanding is correct that there's no subleasing of ADC land.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

Mr. Clemente stated that is correct, there is no subleasing of ADC land.

Mr. Roe added there's a board of water supply tank nearby. Initially it was thought there may be the opportunity to coordinate with board of water supply. He doesn't know if MAC actually approached the board of water supply.

Chair asked if there was any further discussion. There was none.

Chair called for the vote. Hearing no objections or abstentions the motion was approved: 7-0.

2. **Request for approval to issue a construction right-of-entry agreement to Kiewit Infrastructure West Company to construct a portion of the Wahiawa-Whitmore pedestrian bridge on ADC property in Whitmore Village, City & County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:009 (por.), :004 (por.)**

Chair called for a motion to approve.

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

Chair asked if there was any presentation by staff.

Mr. Roe stated that last month Kiewit gave a presentation to the Board on construction of the Whitmore Wahiawa pedestrian bridge. ADC will be issuing a pre-construction right-of-entry. This request is for the actual construction that was thought to be significant enough that the board should approve it. Construction is slated to start the third or fourth quarter of this calendar year.

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

Chair asked if there was any Board discussion. There was none.

Chair called for the vote. Hearing no objections or abstentions the motion was approved: 7-0.

3. **Request for (a) rescind board approval dated September 29, 2021 which approved and accepted Cedar Grove Hawaii, LLC as an approved applicant; and (b) terminate the right-of-entry agreement issued to Cedar Grove Hawaii, LLC dated October 13, 2021 for property located in Wahiawa, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 6-4-003:016**

Chair called for a motion to approve.

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

Chair asked if there was any presentation by staff?

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

Mr. Clemente stated that it has been nearly two and a half years since ADC approved Cedar Grove Hawaii's (CGH) application, and that a right-of-entry was issued to allow CGH to complete their due diligence. On July 20, 2023, GCH withdrew their application stating they were unable to utilize such a large piece of property. Staff recently realized that the Board did not rescind the license approval and terminate the right-of-entry. This property was listed as available on the ADC website and applications for this property were received. There is no fiscal budget impact should the Board approve the request.

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

Chair asked if there was any board discussion.

Mr. Wicker asked if there was a map showing where the TMK was.

Mr. Roe worked to pull up a map and share his screen.

Ms. Gady pointed out that in an effort to be better stewards of the assets of ADC, staff has been looking at the rights-of-entry to see how long they've been in place, and if there has been no movement in terms of conservation planning and production, bringing this to the Board's attention. ADC currently has thirty-four applicants who desperately need land. The number one issue for farmers on Oahu is actually access to land.

Chair stated that a yearly status report of things like this inactivity on ADC lands, on lands that have already been approved, would bring awareness of issues the Board could help address.

Mr. Wicker asked what CGH was going to use the 500 acres for?

Mr. Roe stated they were largely rural crops like potato, sweet potatoes, beans, cucumbers, that sort of thing. They were also looking at truck crops. Mr. Roe shared a map (submittal page 65) that showed the 510 acre parcel. This is the largest parcel ADC has on Oahu.

Chair called on Mr. Okuhama.

Mr. Okuhama said this parcel is next to the Savio Ohana Farms development; you look to the right and that's where Savio is doing the two acre and up condominium project. I would imagine this property would have to be leased as one 500-acre parcel or can it be broken up?

Mr. Roe stated that ADC has received a number of applications from displaced farmers who are going to be losing their property down in Kunia later this year. This might be a location to place some of the higher scoring farmers that meet all the criteria the committee is looking for.

Ms. Gady stated that these farmers have expressed an interest in forming a co-op, so that would present an easier management option. ADC is working on the water system for that.

Mr. Hong asked for a description of the water access.

Mr. Roe stated that the Wahiawa ditch runs through a portion right up here, and there's a flume that comes right through here. One of the three wells ADC is purchasing from Dole is right

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

there. It's still unknown how soon that water can get there. Right now the access to water is where the Wahiawa ditch goes under Kamehameha highway.

Chair asked if there were any other questions from the board members. There was none.

Chair called for the vote. Hearing no objections or abstentions the motion was approved: 7-0.

4. **Request to (a) dissolve the permitted interaction group to provide recommendations to the board related to ADC's strategic plan regarding land, previously approved at the board meetings held on February 15 and March 21, 2024, and (b) establish a new permitted interaction group to provide recommendations to the board related to ADC's strategic plan regarding land; appointment of members thereto**

Chair called for a motion to approve.

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

Chair asked for presentation by staff.

Mr. Roe said when there are additions needed to the membership of permitted interaction groups (PIG), law requires the PIG be dissolved and the Board authorize the Chair to create a new one and then appoint members to the new PIG.

Ms. Gady clarified that one of the PIG members could not devote the time necessary to serve, so a replacement member was needed.

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

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

Chair mentioned that he believes a PIG should consist of more than two members, and that's another reason why it was brought back for board action.

Chair called for the vote. Hearing no objections or abstentions the motion was approved: 7-0.

Chair appointed Mr. Hong, Mr. Okuhama, and Mr. Cooke to the land group. The land group is to investigate and report back to the full board on information to be incorporated into the Agribusiness plan as required by HRS section 163D-5, which establishes the goals, objectives, policies, and priority guidelines for ADC's development strategy. The information collected should be geared toward objectives and outcomes that include metrics, timeframes, budget expectations and annual performance goals and measures that will allow ADC to be evaluated annually. The land group may consider additional items contained on page 100 of the March 21, 2024, board submittal package. The land group shall prepare a written report for presentation to the board that contains recommendations for inclusion in the ADC Strategic Plan report. This presentation is tentatively scheduled for the June 20th meeting.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

5. **Request for approval to authorize rent credits in the amount of \$5,152.40 under License Agreement LI-KA1409 issued to Antone J. Reis, Jr. for work at ADC's request to restore Hanamaulu Ditch flows at Kalepa, County of Kauai, State of Hawaii, Tax Map Key (4) 3-9-002:001 (por.)**

Chair called for a motion to approve.

Motion to approve: Mr. Kanaka'ole; Second: Mr. Kishida.

Chair asked for staff presentation.

Mr. Roe noted that earlier this year, Kauai had significant rains in the Hanamaulu ditches that are part of the East Kauai irrigation system. ADC doesn't own it; it's still under the jurisdiction of Department of Land And Natural Resources (DLNR). A number of ADC tenants rely on that ditch and water because a portion of that ditch runs through various tenant's properties through earth and tunnels that don't have any sort of culvert protecting them. Because of the rains, the mouth of some of those tunnels collapsed and blocked stream flow to the farmers in Kalepa. Those crops were in danger of dying because of no water. ADC identified where the blockage was and reached out to Mr. Reis and his family asking to help restore the stream flow by clearing the mouth of the tunnel that collapsed. They cleared a significant portion. The submittal shows one of those stream mouths. You can see some of that collapse. It's a huge tunnel. They dug through that channel there; you can see the shovel marks. It was a lot of work for him and his sons. They did restore the stream flow. There were two other tunnel mouths that collapsed and had to be cleared. This was done at ADC's request. Mr. Reis provided an accounting of his expenses that are on page 74 of the submittal. Staff recommends approval.

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

Chair asked for board discussion.

Mr. Kanaka'ole stated that license conditions put it on the licensee to do routine maintenance like debris management and vegetation management. Wouldn't this type of work be considered routine maintenance?

Mr. Roe stated it's due to the immediate need to clear the ditch as soon as possible, to restore the stream flow. ADC's downstream tenants are growing sweet potato (Lin's Farm). By the time we heard about it, it was already three or four days of no water, so we tried to act fast to restore water flow. You are correct, it is a term of the license that the licensees are supposed to maintain any portion of the ditch that goes through their property, but you can see the nature of the tunnel there, it's prone to collapse.

Mr. Kanaka'ole asked if the East Kauai irrigation system acquisition appropriation, would include funds for repair and maintenance for things like this?

Mr. Roe confirmed that it does. ADC is struggling to prioritize how much to spend on that particular portion of the ditch. There may be other ways to circumvent that portion of the ditch entirely. But that's still in discussion.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

Ms. Gady stated that there is a study coming from the Hawaii Department of Agriculture that is in addition to the due diligence that ADC has been doing on the East Kauai Irrigation System and asked Mr. Kishida if he could comment.

Mr. Kishida stated the East Kauai irrigation document should be done by the end of summer and it should contain some recommendations.

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

Chair called for the vote. Hearing no objections or abstentions the motion was approved: 7-0.

6. Presentation of the draft annual performance review of the executive director by the permitted interaction group established on March 21, 2024 for the purpose of conducting the annual performance review of the executive director

Chair noted that Mr. Wicker was the only member of the PIG in attendance and asked if he was going to present on this agenda item or should it be deferred due to the unavailability of Ms. Seddon and Ms. Hurd.

Mr. Wicker asked that it be deferred.

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

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

Chair deferred this item to the next meeting.

F. Informational Items

1. Letter from Councilperson Bill DeCosta, County of Kauai, regarding ADC's land application process and status

Chair stated that Agenda Items F 1 and 2 were informational items so there will be no motion or vote needed. Chair called on Ms. Gady for remarks.

Ms. Gady stated that Councilperson DeCosta (Mr. DeCosta) sent a letter to ADC dated May 2, 2024 that was addressed to the Chair, members of the Board, and Executive Director. Mr. DeCosta asked for information on a Kekaha land applicant, Keala Foundation. Staff distributed the letter to the Chair and the Board. Staff contacted Keala Foundation directly. Mr. DeCosta expressed concern regarding fire mitigation on Kauai. Mr. DeCosta and the Kauai City Council Chair Rapozo, have also approached Lieutenant Governor Sylvia Luke and Ms. Gady about setting up a meeting to discuss fire mitigation. Ms. Gady is scheduled to speak at the Kauai City Council meeting on June 5th to talk about fire mitigation regarding ADC's land on Kauai. It is unknown if other adjoining landowners such as DLNR or DHHL [Department of Hawaiian Homelands]

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

have also been asked to attend the fire mitigation meetings. These adjacent landowners have a much larger footprint on Kauai than ADC. Does the Board have a suggested action in response to Mr. DeCosta's letter.

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

Chair asked if there was any board discussion.

Mr. Kanaka'ole stated he was unaware of an invitation to DLNR.

Mr. Cooke mentioned that he thinks it would be good to know about ADC's plan on how to improve wildfire mitigation or what Kauai City Council wanted ADC to do.

Mr. Roe noted that Keala Foundation is a land applicant. They did submit an application that will be reviewed by the Administration Committee. Given the fact that it's a pending application it may not be appropriate to discuss it in public.

Mr. Kanaka'ole asked for clarification on Mr. DeCosta's relationship to the Keala Foundation.

Mr. Roe stated ADC is uncertain. It has raised some eyebrows in our office.

Ms. Gady stated that ADC's had multiple applicants from Kauai but this was the only applicant that was followed up on by the council.

Mr. Hong left the meeting at 10:00 A.M.

2. Presentation by Supervising Deputy Attorney General Bryan C. Yee on what it means to be a corporation placed within the Hawaii Department of Business, Economic Development, and Tourism for administrative purposes, as guided by section 26-35, Hawaii Revised Statutes

Mr. Yee stated he would provide a fairly short presentation on one particular subject. HRS section 26-35 describes the administrative supervision of boards and commissions that are placed within the administrative control or supervision of a department. The concept is basically that substantive decisions are made by the board; administrative decisions are made by the department. This is because boards and commissions do not necessarily have large staff and so administrative assistance is provided by the subject matter department. In the case of ADC, they are administratively attached to the department of business, economic development, and tourism (DBEDT). DBEDT has more staff than some boards and commissions. ADC is administratively attached, and this law does apply to ADC. The first section says that the head of the department, the Director of DBEDT, shall represent the Board or Commission in communications with the Governor and with the legislature unless the legislature or a legislative committee communicates directly with the Board or Commission. It means that before you submit testimony to the legislature, you

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

submit that testimony to the DBEDT Director. Before you talk to the Governor, you go through the Director of DBEDT unless the legislature or committee directly communicates with you. It's the choice of the legislature, not ADC's choice. The second section is financial requirements from State funds of the Board or Commission shall be submitted through the head of the department and included in the budget for the department. Many boards and commissions really do not have financial staff, so all of their financial issues will go through the head of the department and your budget request does not get submitted directly to the legislature, it goes through the DBEDT Director to the Governor's office and included in DBEDT's budget. The third section is all rules adopted by the Board or Commission shall be subject to the approval of the Governor. This is really a repeat of another law, it just means that the rules that you pass cannot become effective unless the Governor approves it. The fourth section is the employment, appointment, promotion, transfer, demotion, discharge, and job descriptions of all officers and employees of, or under the jurisdiction of the Board or Commission shall be determined by the Board or Commission, subject to approval of the head of the Department and to applicable personnel laws. It's best described as the board proposes, the department disposes. The department doesn't get to say, hire this person, but they can say no you may not hire this person. They don't choose the person, but they have the right to refuse the hiring, the promotion, the appointment, the transfer, etc. It's a split in job responsibilities between the board and the department. And of course, the board is subject to applicable personnel laws. Although most boards and subject matter departments get along well there is sometimes conflict between the department and the board. Just realize you need to work with each other. This is just my observation of prior problems with boards. The fifth section is that all purchases of supplies, equipment, or furniture by the Board or Commission, shall be subject to the approval of the head of the department. As in employment issues, the board makes the request, but that request could be disapproved by the department. So anytime contracts or invoices are paid by ADC the DBEDT Director must approve. This can sometimes be delegated to the board, but that is the choice of the DBEDT Director, not the board. In some cases, the DBEDT Director will not delegate procurement authority to a board. In some cases he will. It's a choice by the DBEDT Director. The sixth section is the head of the department shall have the power to allocate the space or spaces available to the department and which are to be occupied by the Board or Commission. If you want more space, you go to the DBEDT Director and ask. It is the choice of the DBEDT Director as to whether or not to grant that. Section seven, any quasi-judicial functions of the Board or Commission shall not be subject to the approval, review, or control of the head of the department. This just emphasizes the substantive decisions of the board lay with the board. In this case, ADC does not exercise any quasi-judicial functions. That's the statutory provisions regarding the division of responsibilities between the board and DBEDT.

Chair asked if there were any questions. There was none.

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

Chair asked if there was any board discussion.

Ms. Gady added that this topic was meant to be part of board orientation but since we still have one vacant board seat that may be delayed. Some attached agencies have

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

bylaws and some have policies and procedures. Ms. Gady asked Mr. Yee if he could you tell what the differences are between bylaws versus policies and procedures.

Mr. Yee stated for me rules and policies are best. Rules have to follow a particular procedure set out in statue, which involves public hearings, approval by the Governor, etc. Rules are anything that affects the public. As a general matter, if you're going to set out rights of the public, those should be rules. Policy should be more internal management or simply informational material. The Board can just adopt policy. Bylaws are a remnant from a time when we wanted certain boards to act like a private agency rather than a public one. Bylaws were sometimes simply policies that were called bylaws. If the bylaw contained a rule that bylaw actually had to be adopted through the regular rulemaking process. You look at the substance of the bylaw to determine its role. The bylaw is a policy called a bylaw, unless it contains something that you know substantively needed to be considered a rule.

Chair asked if there were any further questions from the board. There were none.

3. Executive Director's Report regarding prior weekly reports to the board

Ms. Gady gave some highlights over the last four weeks. The weekly reports are posted on the ADC website. New ADC logos are in the reports. Everyone please provide feedback. The logo design will be on the June agenda. The land application process is going smoothly. Mr. Clemente's work in the field has caught the attention of the Wahiawa community who have called and complimented his way of connecting with the houseless individuals. There were forty-four individuals living on ADC property; we are now down to eight. Two individuals were reunited with their families. ADC is now fully staffed. The new contract manager, Mr. Empeno, will start on Monday. ADC will be transitioning to a new financial system effective July 1. The ADC accountants are working to get the new financial system up and running. ADC's accounting contractor has drafted a financial policy and procedure manual for Board review. An appraisal for Oahu and Kauai has been contracted to determine the current rental rate for ADC lands. The Board will need this information in the future. ADC is in the process of submitting a defense infrastructure grant to upgrade the bridges on our Kekaha property. ADC has been given notice to proceed with discussions regarding land acquisition in Central Oahu for the Wahiawa Dam reservoir irrigation system. Mr. Okuhama and Ms. Gady are actively engaged with the Hawaii Investment Ready program. They are working exclusively on ADC's strategy. Hawaii Investment Ready does coaching and training for presenting investment pitches. The end goal is to give ADC the opportunity to pitch to 150 investors here on Oahu.

Chair asked if there were any questions for executive director. There were none.

G. Adjourn

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

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

Approved April 20, 2024

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on May 16, 2024

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

Chair called for the vote. Hearing no objections or abstentions the motion was approved: 6-0.

The meeting was adjourned at 10:16 A.M.

Date of Next Meeting: The next meeting will be held in-person on June 20, 2024, at 9 A.M.