JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAI'I
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OULU AINA MAHIAI

Notice of Regular Meeting of the Board of Directors

Held via Teleconference with In-Person Viewing Location

March 20, 2025
9:00 a.m.

Pursuant to section 92-3.7, *Hawaii Revised Statutes*, this meeting will be held using interactive conference technology (ICT). Board members, staff, persons with business before the Board, and the public may participate remotely online using ICT, or may participate via the in-person meeting site which provides ICT.

Interested persons may submit written testimony in advance of the meeting, which will be distributed to Board members prior to the meeting. If possible, we request that testimony be received by our office not less than seventy-two hours prior to the meeting to ensure that staff has time to disseminate it and that Board members have time to review it. Written testimony may be submitted electronically to dbedt.adc@hawaii.gov or sent via U.S. Postal Service, or delivered to:

Agribusiness Development Corporation
235 S. Beretania Street, Suite 205
Honolulu, Hawaii 96813

When testifying via ICT, via telephone, or in-person, you will be asked to identify yourself and the organization you represent, if any. Each testifier will be limited to two minutes of testimony per agenda item.

The public may participate in the meeting via:

ICT:	https://us06web.zoom.us/j/83067226905
Telephone:	(669) 900-6833, Webinar ID: 830 6722 6905
In-Person:	Leiopapa A Kamehameha State Office Tower Building 235 South Beretania St, Rm. 204 Honolulu, Hawaii 96813

ICT ACCESS
To view the meeting and provide live oral testimony, please use the link above. You will be asked to enter your name in order to access the meeting as an attendee. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous. You will also be asked for an email address. You may fill in this field with any entry in an email format, e.g., ****@****.com.

As an attendee, your microphone will be automatically muted. When the Chairperson asks for public testimony, you may click the Raise Hand button found on your Zoom screen to indicate that you wish to testify about that agenda item. The Chairperson or staff will individually enable each testifier to unmute their microphone. When recognized by the Chairperson, please unmute your microphone before speaking and mute your microphone after you have finished speaking.

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to two minutes of testimony per agenda item.

TELEPHONE ACCESS
If you do not have ICT access, you may get audio-only access by calling the Telephone Number listed above.

Upon dialing the number, you will be prompted to enter the Meeting ID that is listed next to the Telephone Number above. After entering the Meeting ID, you will be asked to either enter your panelist number or wait to be admitted into the meeting. You will not have a panelist number. Please wait until you are admitted into the meeting.

When the Chairperson asks for public testimony, you may indicate you want to testify by entering "#" and then "9" on your telephone's keypad. After entering "#" and then "9", a voice prompt will let you know that the host of the meeting has been notified. When recognized by the Chairperson, you may unmute yourself by pressing "#" and then "6" on your telephone. A voice prompt will let you know that you are unmuted. Once you are finished speaking, please enter "#" and then "6" again to mute yourself.

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to two minutes of testimony per agenda item.

Instructions to attend State of Hawaii virtual board meetings may be found online at https://cca.hawaii.gov/pvl/files/2020/08/State-of-Hawaii-Virtual-Board-Attendee-Instructions.pdf.

IN-PERSON ACCESS
There will also be one meeting location, open to the public, which will have an audio-visual connection. That meeting will be held at the In-Person location noted above.

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to two minutes of testimony per agenda item.

LOSS OF CONNECTIVITY
In the event of a loss of ICT connectivity, the meeting will be recessed for a period not to exceed thirty minutes to restore connectivity with all board members and the public in-person access location noted above. In the event that audio connectivity is re-established within thirty minutes without video connectivity, interested participants can access the meeting via the telephone number and Meeting ID number noted above. In the further event that connectivity is unable to be restored within thirty minutes, the meeting will be automatically continued to a date and time to be posted on the ADC website at https://dbedt.hawaii.gov/adc/ no later than close of business the next business day. New ICT, telephone, and in-person access information will be posted on the website no less than twenty-four hours prior to the continued meeting date. Alternatively, if a decision is made to terminate the meeting, the termination will be posted on the ADC website.

SPECIAL ASSISTANCE
If you require special assistance, accommodations, modifications, auxiliary aids, or services to participate in the public meeting process, including translation or interpretation services, please contact staff at (808) 586-0186 or by email at dbedt.adc@hawaii.gov.

Please allow sufficient time for ADC staff to meet requests for special assistance, accommodation, modifications, auxiliary aids, translation, or interpretation services.

NOTE: MATERIALS FOR THIS AGENDA WILL BE AVAILABLE FOR REVIEW IN THE ADC OFFICE, 235 S. BERETANIA STREET, SUITE 205, HONOLULU, HAWAII 96813 A MINIMUM OF 48 HOURS (excluding weekends and holidays) PRIOR TO THE MEETING.

Agribusiness Development Corporation Non-Discrimination Statement

The Agribusiness Development Corporation does not discriminate on the basis of race, color, sex, national origin, age, or disability, or any other class as protected under applicable federal or state law, in administration of its programs, or activities, and the Agribusiness Development Corporation does not intimidate or retaliate against any individual or group because they have exercised their rights to participate in actions protected by, or oppose action prohibited by, 40 C.F.R. Parts 5 and 7, or for the purpose of interfering with such rights.

If you have any questions about this notice or any of the Agribusiness Development Corporation's non-discrimination programs, policies, or procedures, you may contact:

Mark Takemoto
Acting Title VI Non-Discrimination Coordinator
235 S. Beretania St., Ste 205 Honolulu, HI 96813
(808) 586-0186
dbedt.adc.titlevi@hawaii.gov

If you believe that you have been discriminated against with respect to an Agribusiness Development Corporation program or activity, you may contact the Acting Non-Discrimination Coordinator identified above.

AGENDA

A. Call to Order & Roll Call

B. Approval of Minutes

1. Regular Session Minutes, November 21, 2024
2. Executive Session Minutes, November 21, 2024
3. Regular Session Minutes, December 5, 2024
4. Executive Session Minutes, December 6, 2024
5. Regular Session Minutes, January 16, 2025
6. Regular Session Minutes, March 3, 2025

C. Chairperson Report

1. None

D. Committee & Permitted Interaction Group Reports

1. None

E. Action Items

1. Request to accept and approve the recommendations of the report and findings of the land license permitted interaction group established on January 16, 2025
2. Request to accept and approve the executive director permitted interaction group recommendations for the fiscal year 2025 goals and the process to complete the fiscal year 2025 evaluation, recommendation to retain, salary recommendation for the 2026 fiscal year, and the 2026 fiscal year goals for the ADC executive director
3. Request to accept and approve the recommendations of the value-add permitted interaction group
4. Request for approval to issue a new license agreement to Kekaha Agriculture Association for 3.21 gross acres, more or less, of land and improvements in District of Waimea, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)

5. Request for approval to establish a permitted interaction group of the Board of Directors for the purpose of conducting the annual performance review of the executive director for fiscal year 2025; make a recommendation on retention of the executive director for fiscal year 2026; make a salary recommendation for the executive director for fiscal year 2026; and develop goals and performance measures for the executive director for fiscal year 2026; appointment of members thereto

6. Request for approval to issue a new license to Thomas Nizo doing-business-as Historic Waimea Theatre and Cultural Arts Center for 7.02 gross acres, more or less, of land for purposes of siting a construction base yard for construction of an access road on Department of Hawaiian Homelands property, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)

7. Request for approval to refer License Agreement No. LI-K1701 (as amended), issued to Rong Seng Chen doing-business-as Funing Farm, to the Department of the Attorney General for possible legal action due to rent delinquency, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key. No. (4) 1-2-002:001 (por.)

8. Request for approval to execute and enter a memorandum of understanding between the State of Hawaii Agribusiness Development Corporation and the Hawaii Farm Bureau Federation to host the 2025 Hawaii State Farm Fair in Whitmore Village, County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:037 (por.), :041 (por.), :044 (por.)

9. Request for approval to issue a new license agreement in lieu of Hawaii Department of Land and Natural Resources General Lease No. S-5367 as assigned to Sunrise Capital, Inc. for Parcel D in District of Waimea, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:022

10. Request for approval to establish a permitted interaction group of the Board of Directors for the purpose of attending the Lieutenant Governor's Washington, D.C. trip on March 23-26, 2025 pursuant to the requirements of section 92-2.5(b), Hawaii Revised Statues; appointment of members thereto

F. Informational Items

1. Video presentation of the Waiahole Water System

2. Update by the Department of the Attorney General regarding the draft National Pollutant Discharge Elimination System permit for the Mana plain, District of Waimea, County of Kauai, State of Hawaii. *The Board may go into executive session pursuant to section 92-4, and 92-5(a)(4), Hawaii Revised Statutes, to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.*

3. Update by the Department of the Attorney General regarding the lawsuit filed by Public First Law Center, Civil No. 24-0000050, First Circuit Court, State of Hawaii. *The Board may go into executive session pursuant to section 92-4, and 92-5(a)(4), Hawaii Revised Statutes, to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.*

4. Executive Director's Report regarding past weekly reports (click here), an update regarding the purchase of the Wahiawa lands associated with the Wahiawa Dam acquisition, and the status of the notice of violation issued to Ohana Hui Ventures, Inc.

G. Adjourn

The Board may go into executive session on any agenda item pursuant to the exceptions provided under section §92-5, Hawaii Revised Statutes.

AGRIBUSINESS DEVELOPMENT CORPORATION
Minutes of the Regular Meeting of the Board of Directors held on November 21, 2024
Via Zoom Teleconference and In-Person at 235 S. Beretania Street, 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 Office Tower, 235 S. Beretania Street, Suite 205, Honolulu, HI 96813

Members in Attendance, virtually:

Lyle Tabata, Kauai County member (Chair)
Jesse Cooke, Honolulu City and County member (Member Cooke)
Glenn Hong, member-at-large (Member Hong)
Sharon Hurd, HDOA ex officio member (Member Hurd) exited the meeting at 11:30 a.m.
Ciara Kahahane, designee for DLNR ex-officio member Dawn Chang (Member Kahahane) exited the meeting at 11:02 a.m.
Dean Okimoto, member-at-large (Member Okimoto)
Jason Okuhama, member-at-large (Member Okuhama)
Karen Seddon, member-at-large (Member Seddon)
Nathan Trump, Hawaii County member (Member Trump)
Jayson Watts, Maui County member (Member Watts) entered the meeting at 9:08 a.m. and exited the meeting at 11:20 a.m.
Dane Wicker, designee for DBEDT ex officio member James Tokioka (Member Wicker)

Members Excused:

None

Counsel Present, virtually:

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

Staff Present, virtually:

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

Guests Present, virtually:

ADC Guest
Aldric Ulep, LTG
Amy Perruso
(Amy) Otter.ai notes
Benjamin Berridge, Stantec GS Inc. (Mr. Berridge)
Bryan Yee, Deputy Attorney General

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AGRIBUSINESS DEVELOPMENT CORPORATION
Minutes of the Regular Meeting of the Board of Directors held on November 21, 2024
Via Zoom Teleconference and In-Person at 235 S. Beretania Street, Suite 205, Honolulu, HI 96813

FIN - Stacey
Guest Guest 1
Guest Guest 2
Joshua Uyehara (Mr. Uyehara)
Kaleo Chang
Kimi Makaiau
Malachi Burrows
Mike Faye
Office of Sen. DeCoite
Ted Tyler
Thomas Heaton
WAM Staff

Guests Present, In-Person:

Albert Tiberi, Department of Education
Randy Moore, Department of Education
Ryan Roylo, Deputy Attorney General

A. Call to Order:

Chair called the meeting to order at 9:02 a.m.

Chair conducted a roll call of the Board members present. Chair called the name of each Board member and asked them to verbally acknowledge their presence and state who, if anyone over the age of eighteen, was present in the room with them. The roll call served as a roll call vote and for each subsequent vote, Chair would ask if there were any objections or abstentions. If there were none, the motion would be approved on the same basis as the initial roll call.

Roll call: Chair, Member Cooke, Member Hong, Member Hurd, Member Kahahane, Member Okimoto, Member Okuhama, Member Seddon, Member Trump, and Member Wicker acknowledged their presence with no one in the room with them. Member Watts entered the meeting at 9:08 a.m.

B. Approval of Minutes

1. Regular Session Minutes, August 20, 2024

Chair called for a motion to approve.

Motion by Member Wicker; Second by Member Hong.

Chair asked if there was any presentation from staff. 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.

Member Hong corrected a misspelling on submittal page 13: should be Empeno not Empena.

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

Chair called for the vote on the motion to approve the minutes as amended: Hearing no objections or abstentions the motion was unanimously approved: 10-0.

2. Executive Session Minutes, August 20, 2024

Member Watts entered the meeting at 9:08 a.m.

Chair called for a motion to approve.

Motion by Member Trump; Second by Member Okimoto.

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 11-0.

C. Chairperson's Report

1. Chair said he had something to report in executive session.

D. Committee & Permitted Interaction Group Reports

1. Administration Committee charging for the new applicants CAM, etc.

Chair called on Ms. Gady for presentation on the Administration Committee meeting held on October 11, 2024.

Ms. Gady stated that the Administration Committee met and reviewed the fiscal year 2024 actuals and the fiscal year 2025 budget; reviewed the recent appraisal on Oahu and Kauai CAM [common area maintenance fees], license fees for pasture and diversified ag; and a recommendation for license rates for new licensees. A request was made for staff to inquire about the membership fee for ADC to join the Hawaii Chamber of Commerce. Staff was also asked to inquire what the current tenants thought about the appraisal fees. No action was taken by the committee.

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

Chair asked if there was any Board discussion.

Member Watts was concerned about the current lessees being unaware of the appraisal documents and asked that the Board, current lessees, and people who are thinking about becoming lessees be given copies of the appraisal to allow for public comment.

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2. Presentation of report and findings of the land permitted interaction group

Chair called on Ms. Gady to present the land permitted interaction group's report and recommendations.

Ms. Gady stated that one of the strategic recommendations was to recognize the need for faster action and implementation by ADC; that staff revisit the HRS chapter 343 exemptions; create a fire mitigation plan; suggest changes to the land management policy and procedures manual; create communication plan for the land application process; update the land management policies; update the soil conservation plans; and update the termination of license procedures. Second recommendation was to acknowledge that ADC has commercial property in its asset portfolio and ask staff to create draft commercial property policy and procedure manual based on best management practices. Third recommendation was to proactively show dynamic and aggressive leadership in agribusiness. Moving forward, ask staff to create a report on the difference between licenses and leases, and the pros and cons of each. Create maps that include acres under license, and acres available, and unfarmable lands.

Chair asked if anyone from the public wished to give testimony.

Mr. Uyehara with Kekaha Agriculture Association (KAA) asked that KAA to be involved in the review of the land management policy that pertains to Kekaha property, which is consistent with past practices. He believes it would be good for KAA to be involved in a review of potential changes related to the Kekaha property.

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

Chair stated that the land permitted interaction group was dissolved and the vote on this agenda item would take place at the next meeting.

3. Presentation of report and findings of the distribution permitted interaction group

Chair called on Ms. Gady to provide the distribution permitted interaction group report and recommendations.

Ms. Gady stated that there were three strategic recommendations. First, to recognize the strategic significance and urgency of the distribution of water and power as part of the ADC statute; second was to actively protect the need for water and food production; and third was to proactively show dynamic and aggressive leadership in agribusiness around distribution services. Staff was requested to draft a distribution services plan for the ADC Board to review; draft potential distribution services, acquisitions for food production, including any assets that may impact food production; create a Hawaii Fire mitigation plan; create a comprehensive capital improvement plan; identify gaps in food production due to insufficient water in ADC lands; and conduct a salary survey for distribution services staffing.

Chair asked if anyone from the public wished to give testimony.

Mr. Uyehara from KAA had the same comment asking that KAA be allowed to comment on the irrigation, water, and power, which is currently under the management of KAA, at least in regard to the Kekaha property.

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

Chair stated that the distribution permitted interaction group was dissolved and the vote on this agenda item would take place at the next meeting.

4. Presentation of report and findings of the CIP permitted interaction group

Chair called on Ms. Gady to provide the CIP [capital improvement project] permitted interaction group report and recommendations.

Ms. Gady described what was recommended for ADC to submit to DBEDT [department of business economic development and tourism] for fiscal year 2026. See pages 030 to 031 of the submittal.

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

Chair asked if there was any Board discussion.

Member Wicker stated that B&F recommendations are public. There was an opportunity for rebuttal and we are asking for reconsideration of putting some of these items back in.

Chair stated that the CIP permitted interaction group was dissolved and the vote on this agenda item would take place at the next meeting.

5. Presentation of report and findings of the land opportunities project for small and disadvantaged farmers on Oahu

Chair called on Mr. Clemente to provide the report and recommendations for the land opportunities for small and disadvantaged farms on Oahu permitted interaction group.

Mr. Clemente read the submittal into the record. See submittal pages 033-035. There were three recommendations, that: 1) applicants meet the USDA definition of socially disadvantaged farmers and ranchers; 2) the program be limited to truck crop farmers; and 3) award minimum size lots of ten acres and maximum size lots of one hundred acres for field crops.

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

Chair asked if there was any Board discussion.

Ms. Gady stated that the ADC statute was changed in 2022 to add a requirement that ADC help small, disadvantaged farmers.

Member Cooke asked if licensees would be responsible for the development of irrigation water infrastructure. If so, do these folks have the resources necessary to do that.

Ms. Gady replied yes, they do. These individual families plan to hui up so that they will work together to put in the infrastructure. That's something they've done in the past. They could also use help from the community, from nonprofits, to establish small reservoirs.

Member Wicker added that the Wahiawa irrigation system will eventually be a potential source of water.

Member Okimoto stated that for processing, potable water is going to be crucial. Are there plans for hooking up to the Board of Water Supply or is it going to be reservoir water that needs to be brought up to potable standards.

Member Wicker stated that a well on the west side of Kamehameha Highway could potentially be a potable water resource and there's a neighboring irrigation system DBEDT is exploring.

Member Okimoto stated that he has a concern about a couple of farmers on Kauai that were being displaced. Is there a timeline of how we can give them land before being displaced?

Chair said that was part of his report for Executive Session.

Mr. Roe added that Agenda Item E-7 is a request for approval to establish a permitted interaction group to make recommendations on land opportunities on the island of Kauai.

Member Okuhama stated we've got to remember that the Kunia farmers lease is up soon. When their lease expires they're out. In a few months they have to wind down operations, look for a new location and plant. They're definitely going to need water.

Chair stated that the permitted interaction group for the land opportunities project for small and disadvantaged farmers on Oahu was now dissolved and the vote on this agenda item would take place at the next meeting.

E. Action Items

1. Request for Approval for Pioneer Hi-Bred International Inc. to Upgrade Site Access Culvert Bridge in Kekaha, County of Kauai, State of Hawaii Tax Map Key (4) 1-2-002:001 (por.)

Chair called for a motion to approve.

Motion by Member Okuhama; Second by Member Hong.

Chair called on Mr. Empeno for the staff presentation.

Mr. Empeno stated that in 2019 ADC obtained a structural assessment for a culvert bridge that provides access to Pioneer Hybrid International's (Pioneer) licensed property and found the bridge to be in poor condition. On July 24, 2024, Pioneer asked that the bridge be replaced to allow access by heavy weight vehicles in case of emergency or fire. Pioneer purchased a replacement bridge with an estimated fifty ton capacity. Pioneer intends to pay for removal of the old bridge, site design, materials, and installation. Staff requests that the Board authorize Pioneer to upgrade the culvert bridge and find that pursuant to ADC's Comprehensive Exemption List dated May 1, 2018, the Board declare that the bridge replacement will have minimal or no significant impact on the environment and is exempt from environmental assessment pursuant to chapter 343, HRS.

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.

Chair asked Mr. Empeno to ensure the precast bridge has a structural stamp that denotes the support capacity.

Mr. Empeno stated he would follow up with Pioneer.

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 unanimously approved: 11-0.

Chair stated that items E-2 and E-3 were being deferred for more discussion with the Department of Education and hopefully the things will be resolved for the next Board meeting in December.

2. **Request for approval to terminate Lease Agreement No. LE-K1201 assigned to Hawaii Department of Education; and delegate authority to the executive director to execute a Memorandum of Agreement with the Hawaii Department of Education regarding access to ADC-tenant operations in Kekaha, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)**

   Chair deferred Agenda Item E-2.

3. **Request for approval to issue a new land license agreement to State of Hawaii, Department of Education for 4.8 acres, more or less, of land for the purpose of building a centralized kitchen facility in Whitmore Village, City and County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:009 (por.); :004 (por.)**

   Chair deferred Agenda Item E-3.

4. **Request to authorize the executive director to negotiate and execute a Memorandum of Agreement with the Hawaii Farm Bureau Federation**

   Chair stated that he would like to correct the agenda. The document to be executed is a Memorandum of Understanding, not a Memorandum of Agreement.

   Chair called for a motion to approve.

   Motion by Member Wicker; Second by Member Okimoto.

   Chair called on Mr. Roe for the staff presentation.

   Mr. Roe stated that the Hawaii Farm Bureau (HFB) has been holding their annual Farm Fair for many years and this year they would like to use ADC land for the Farm Fair. The memorandum of understanding would formalize the process that ADC would use to work with HFB.

   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. There was none.

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Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 11-0.

Chair stated that agenda Items E-5 and E-6 are related. In order to add another task to the executive director evaluation permitted interaction group that was formed at the last meeting, the permitted interaction group must be dissolved and reformed.

5. **Request to dissolve the executive director goals and objectives permitted interaction group**

   Chair called for a motion to approve.

   Motion by Member Wicker; Second by Member Trump.

   Chair called on Lyle Roe for the staff presentation.

   Mr. Roe stated that the reason for this action is the original scope of the Permitted Interaction Group didn't include asking the committee to consider salary recommendations. We're asking the Board to dissolve the original group, and create a new permitted interaction group with the added scope.

   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. There was none.

   Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 11-0.

6. **Request to establish a permitted interaction group to develop goals and objectives for the executive director for FY 2024/2025; to consider salary amount for the executive director for FY 2025 and to consider salary amount for the executive director retroactive July 1, 2024; appointment of members thereto**

   Chair stated that he would like to make another correction to the Agenda. Item E-6 of the Agenda, and the Subject Line on submittal page 122 should be amended to read: Request for approval to establish a permitted interaction group to develop goals and objectives for the executive director for FY 2024-2025 and to consider the salary amount for the executive director for FY 2024-2025, to cover the time period between July 1, 2024 and June 30, 2025; appointment of members thereto.

   Chair called for a motion to approve.

   Motion by Member Wicker; Second by Member Cooke.

   Chair called on Mr. Roe for the staff presentation.

   Mr. Roe stated that the prior request dissolved the permitted interaction group to develop goals and objectives for the executive director. This request is to form a new one to consider the original scope plus the salary considerations for fiscal year 2025.

   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. There was none.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 11-0.

Chair appointed Member Seddon, Member Watts, and himself to this permitted interaction group and instructed the group to develop specific goals and objectives for the executive director to accomplish during FY 2024-2025 and make a salary recommendation for that same time period. Be prepared to present the report with the goals, objectives, and salary recommendation at the next regular Board meeting on December 5, 2024.

Member Wicker asked to be considered for this permitted interaction group.

Chair took Member Wicker's request under advisement and would get back to him.

7. **Request for approval to establish a permitted interaction group to make recommendations on land opportunities project on the island of Kauai for small and disadvantaged land applicants; appointment of members thereto**

Chair called for a motion to approve.

Motion by Member Wicker; Second by Member Okimoto.

Chair called on Mr. Clemente for the staff presentation.

Mr. Clemente read the submittal into the record. See submittal pages 127-128. Staff recommended that the Board approve the request, and that Chair appoint members to a permitted interaction group to consider a small and disadvantaged farmer/rancher program on Kauai, that the group be dissolved upon presentation of the final report and that the Board declare that the proposed action is de minimis and will have minimal or no significant effect on the environmental pursuant to ADC's comprehensive exemption list dated May 1, 2018.

Chair asked if there was anyone from the public wish to give testimony.

Mr. Uyehara asked that the Board consider partnering with KAA on this project. KAA has several ongoing projects right now doing the same thing. KAA is familiar with the property, infrastructure conditions, suitability for crops in different locations and things related to the property. This is part of KAA's ongoing strategic effort so they would like to be part of this project.

Hearing no further public testimony, Chair asked if there was any Board discussion.

Member Hong noted that there was a reference to Exhibit A in the submittal but it was missing from his materials. Did Exhibit A show the proposed location?

Mr. Clemente replied that Exhibit A was supposed to be a map of Kekaha and Kalepa, which was inadvertently omitted from the submittal.

There was no further Board discussion.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 11-0.

Chair appointed Member Okimoto, Member Cooke, and himself to the permitted interaction group and instructed the group to consider a potential land opportunity project for small and disadvantaged farmers who may be imminently displaced from their current farming operations on Kauai. The group was to consider and determine the proposed location, criteria, timeframe, special license terms, and eligibility requirements for the proposed project. The group shall include KAA in discussion regarding Kekaha and present the report containing findings and recommendation to the full Board.

8. Request to authorize the executive director to negotiate and execute a Memorandum of Agreement with the Hawaii Department of Agriculture to acquire the Wahiawa Spillway TMK (1)7-1-012-014

Chair called for a motion to approve.

Motion by Member Wicker; Second by Member Hong.

Chair called on Mr. Takemoto for the staff presentation.

Mr. Takemoto explained that this request was related to the Wahiawa irrigation system. As previously discussed this irrigation water is much needed for agriculture operations on the North Shore. It's also related to projects currently occurring on ADC property. During the 2023 Legislative Session, Act 218 provided funds to make improvements to the Wahiawa Reservoir Dam spillway. The Hawaii Department of Agriculture (HDOA) was assigned to make the improvements, and after completion transfer ownership of the irrigation system to ADC to operate. Act 218 assigned HDOA to purchase the property, but HDOA does not have the statutory authority to purchase real property. This memorandum of agreement will allow HDOA to transfer the funds to ADC who will complete the purchase with approval by the governor.

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.

Member Hurd clarified that at no point will HDOA own anything and will not control management of the property.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 11-0.

F. Informational Items

Chair said at this point they were moving onto informational items. The following are for informational purposes only, so there will be no motion or vote needed.

1. **Presentation regarding the practical implications of the Draft NPDES Permit issued to the Agribusiness Development Corporation (HI0021940) and County of Kauai (HI0021945) for the outfalls of the Mana Plain Drainage Ditch System**

Chair called on Mr. Berridge from Stantec GS Inc. for the presentation. Mr. Berridge has been conducting ADC's court ordered environmental testing for many years, and based upon the years of testing, he will speak on the challenges that may result from the draft NPDES permit requirements.

Mr. Berridge shared a PowerPoint presentation and talked about the preservation of agricultural lands on Kauai, the water and irrigation, and financial stressors that are already being carried by ADC and its tenants. A copy of the PowerPoint presentation is attached to the minutes. Mr. Berridge focused on the immediate implications to ADC. This permit signals the beginning of the end of agriculture in Hawaii. It attempts to regulate 7 ocean outfalls on the West Side of Kauai. It is important to understand that these canals were engineered during the sugar era. HDOH is trying to figure out how to regulate post-sugar by using industrial facility regulation. The outfall at Kikiola Boat Harbor was expected to be monitored by Kauai County but HDOH made ADC and County of Kauai co-permittees. Under this permit you've got 7 outfalls, and an extensive list of parameters, or pollutant list, for each outfall. The co-permittees would be required to monitor all sites for an extensive list of parameters. ADC has been monitoring this area since 2020. The draft NPDES permit conditions represent a significant increase in testing and obviously additional cost and effort. The sample points for enterococcus and turbidity would be exceeded most of the time, which is pretty common throughout the State, where there is soil erosion and ungulates. The maps show areas of concern; bare soil that is actually not on ADC property. It's in the upper watershed on DHHL property. The way the permit is issued, ADC and County of Kauai will be responsible for water quality at the coast discharge points. This is the first time we've seen an NPDES permit issued for this type of modified stream. HDOH is treating this watershed like an industrial facility. They're imposing a vast list of parameters with frequent monthly monitoring requirements with very stringent water quality standards that appear to be unachievable.

What does this mean for ADC and potentially the rest of the State? There's a significant cost to either comply with this permit, or pay for violations or penalties, which typically goes towards corrective actions. If this permit is issued there would be significant costs to either comply or cover violations. It also sets a precedent of treating a watershed like an industrial facility. The vast list of parameters are typically not relevant to the water quality issues within the watershed. It imposes unnecessary costs to landowners and doesn't actually solve the problem. We expect to see the same story playing out across the State. We would expect similar litigation to take place on similar properties. With this permit being in the draft phase, we see two courses of action. One is for ADC and County of Kauai to prepare to comply with the permit. There would be significant costs involving watershed management strategies to prevent the pollutants from entering waterways that we think are probably most effective in impacting water quality. But in order to comply, you're going to need some type of treatment near the discharge point or a strategy that could include combining outfalls or multiple treatment systems. Any of those options would be extremely expensive and not necessarily practical. We're estimating treatment costs in excess of one hundred million dollars, and the annual cost for the monitoring

alone in the permit to be millions of dollars. Similar landowners can expect similar costs. Compliance is one option, and challenging the permit through available avenues is another. We encourage folks to engage with their elected officials. There are legal challenges; try and persuade the regulators to use reasonable and cost effective strategies to improve water quality. Get all the State agencies together to encourage nonpoint source solutions for these type of watersheds. Get the message out to the community, especially those that could be impacted. We want them to be educated and engaged, especially folks that will be immediately impacted. We're trying to get the message out that NPDES permits are an effective regulatory tool for certain operations, they're not meant for what HDOH is trying to apply here. NPDES is required for the discharge of pollutants from any point source. 40 CFR section 122.2 actually states that a point source does not include return flows from irrigated agriculture, agricultural storm runoff. 40 CFR section 122.3 also excludes agricultural land from such point source regulations explicitly. There are arguments to be made. In summary, HDOH is proposing to issue an NPDES permit for outfalls from agricultural lands in West Kauai on the Mana plain. We do not feel that NPDES permits are the right regulatory tool to manage water quality on West Kauai and if HDOH is successful in issuing this permit, it will have implications for any stream or waterway with an outfall to the ocean throughout the State. Again, we feel there are two courses of actions: prepare for the new precedent; or prepare to challenge the permit and find a more effective solution. We encourage the Board members and the general public to engage, become informed, and make public comment on this draft permit before the comment period ends.

Chair asked if there was any Board discussion.

Member Wicker asked for a copy of the PowerPoint presentation due to the amount of information provided and appreciated being given actual options to move forward.

Chair asked if there was anyone from the public who wished to give testimony.

Mr. Uyehara from KAA stated that they have been internally assessing the legal issues and looking for options and solutions. For example the Open Floodable Space project that KAA was able to secure DOD [Department of Defense] funding to help address the suspended solids. We have tried to address the underlying physical issues here and noted that whoever is going to be working on this is going to have to address the Clean Water Act and the Hawaii Administrative Rules that were outlined in the presentation. It's a lot of detailed work and thinking through the precedence. KAA members have agricultural and land interest elsewhere in the State and for agriculture to expand in Hawaii, this is something we need to tackle very quickly. It is an issue with a long history and very far reaching precedent.

There was no further public testimony.

Member Hurd added that this issue does have far reaching consequences and appreciated that Mr. Berridge pointed out there are statutes in place that exempt natural runways and agricultural operations. The effects of climate change result in more frequent and intense weather events like runoff and the effect it has on the ocean. Pointing out that existing legislation exempts natural and agricultural operations is very important. Right now we're talking about a specific parcel in Kauai, but it does have statewide implications.

Member Kahahane noted that she was unaware of the background of this matter and asked if applying for the NPDES permit was part of a settlement in a pending case.

Mr. Berridge replied that there were two NPDES permit applications that were part of two separate cases. HDOH combined these two separate cases into a single draft permit.

Member Kahahane asked if one of the cases involved ADC against HDOH.

Ms. Prescott-Tate replied that there are several cases involving different parties and if you want to confer with the Board's attorney the Board could move into executive session.

Member Kahahane said she had to leave at 11 a.m. so it was unnecessary to confer with the Board's attorney on this question at this time.

2. Executive Director's Report

Chair asked to defer the executive director's report until after the executive session.

Ms. Gady agreed.

Chair stated that HRS section 92-4 allows the Board to hold an executive meeting closed to the public. HRS section 92-5(a)(4) allows the Board to consult with the Board's attorney on questions and issues pertaining to the powers, duties, privileges, immunities, and liabilities and/or HRS section 92-5(a)(8), allows the Board to deliberate on matters that require the consideration of information that must be kept confidential pursuant to State or Federal law. The Board will be discussing informational matters related to the Chair's report, which must be kept confidential.

Chair called for a motion to go into executive session.

Motion by Member Wicker; second by Member Okuhama.

Chair asked if there was any public testimony. There was none.

Chair conducted a roll call vote:

Chair	Yes
Member Cooke	Yes
Member Hong	Yes
Member Hurd	Yes
Member Kahahane	Yes
Member Okimoto	Yes
Member Okuhama	Yes
Member Seddon	Yes
Member Trump	Yes
Member Watts	Yes
Member Wicker	Yes

The motion was unanimously approved: 11-0.

The public meeting was in recess subject to reconvening at the conclusion of the executive session.

Exited the public meeting at 10:37 a.m.

Member Kahahane exited the meeting at 11:02 a.m.

Member Watts exited the meeting at 11:20 a.m.

Member Hurd exited the meeting at 11:30 a.m.

Chair called the meeting back to order at 11:33 a.m.

Chair stated that pursuant to HRS section 92-4(b) (2023), the following actions were taken by the Board in executive session. The Board discussed confidential information related to a possible land purchase.

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

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

Recalling Agenda Item F-2: Executive Director's Report

Chair called on Ms. Gady for the executive director's report.

Ms. Gady gave some highlights from her weekly reports that are available on the ADC website. ADC is in the process of licensing land for the first time since COVID. Ms. Gady and Member Wicker attended the Ag Leadership Conference along with Chair, Member Hurd, Member Cooke, Member Okuhama, and Member Watts.

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

Chair asked if there was any more discussion from the Board members. There was none.

G. Adjourn

Chair called for a motion to adjourn.

Motion by Member Trump; Second by Member Cooke.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 8-0.

Having no further business before the Board Chair adjourned the meeting at 11:37 a.m.

DRAFT

State of Hawai'i
Agribusiness Development Corporation
Hui Ho'oulu Aina Mahiai

National Pollutant Discharge Elimination System (NPDES) Draft Permit for the Mānā Plain Drainage Ditch System on Kaua'i
(Draft Permit No. HI0021940/HI0021945)

November 21, 2024

Benjamin Berridge, PMP, AICP
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Principal - Water Resources Management

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Meeting Overview

- Review of Draft NPDES Permit for the Mānā Plain Drainage Ditch System on Kaua'i
  - Overview
  - Precedent setting permit with statewide impacts
  - Stringent water quality criteria, streams are not pipes
  - Expectations of exceedances
- Immediate Impacts to ADC and Tenants on the Mānā Plain
  - Challenge of upland contributions
  - High costs for compliance (treatment plant) or violation penalties
  - Beginning of the end of agriculture
- Broader State Impacts and Precedent
- Courses of Actions on Draft Permit

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Draft NPDES Permit Summary

- The approval of a proposed National Pollutant Discharge Elimination System (NPDES) permit (Draft (Permit No. HI0021940/HI0021945) for the Mānā Plain Drainage Ditch System on Kaua'i signals the beginning of the end of agriculture in Hawai'i

- Statewide impacts with risk of setting regulatory precedent for ANY ocean discharges in Hawai'i
  - Regulates modified streams similar to industrial facility ocean outfalls
  - Highly stringent water quality limits and extensive list of parameters for analysis

- Comments are being accepted through November 29, 2024, by the Hawai'i Department of Health.

- Co-Permittees
  - State of Hawai'i Agribusiness Development Corporation (ADC)
  - County of Kaua'i

- Regulates 7 Ocean Outfalls
  - Dry Ditch, Kawaiele, Nohili, Kikiaola Harbor, Cox Drain, First Ditch and Second Ditch

Draft NPDES Permit Summary - Outfalls

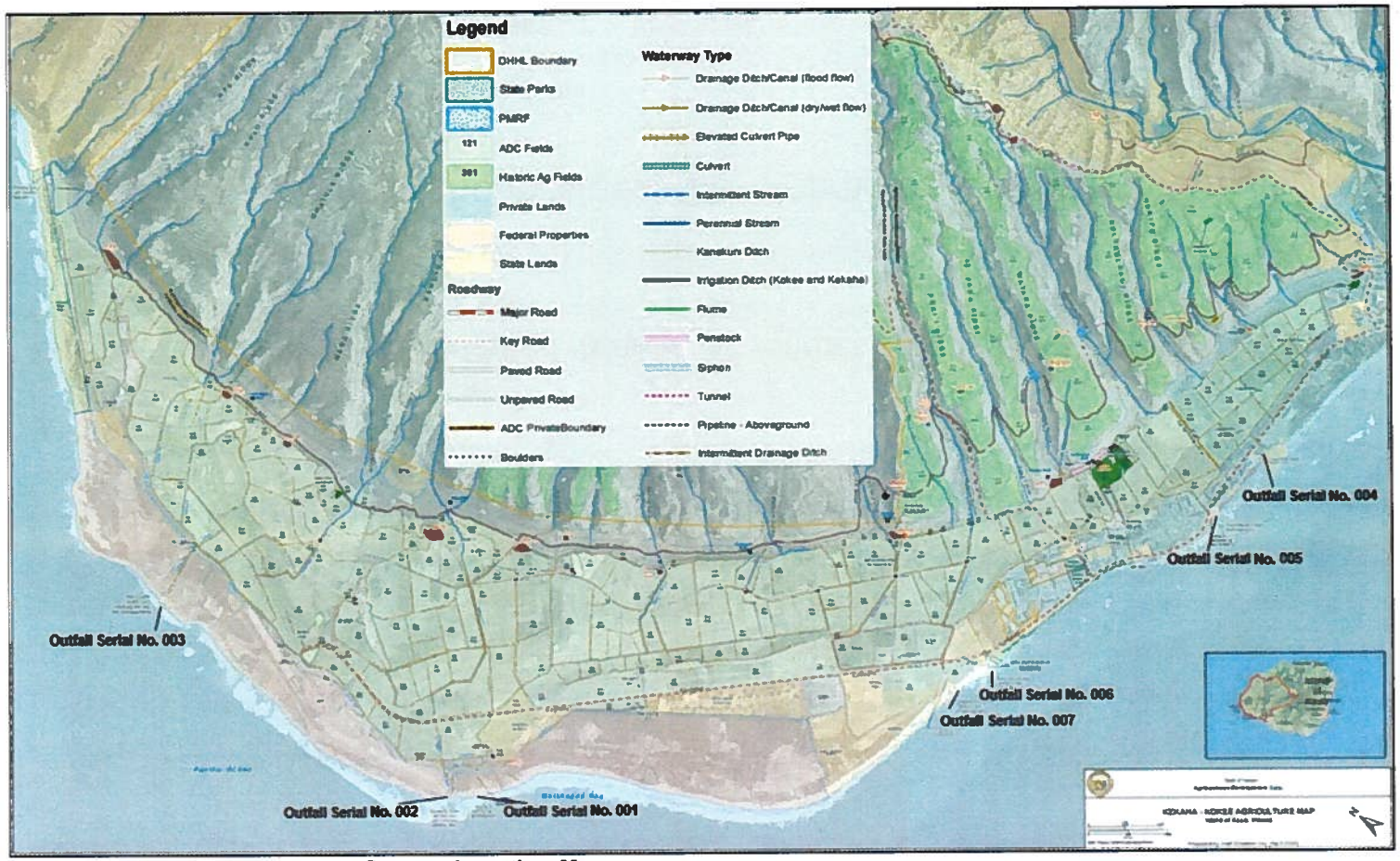

Figure 1 – Mana Plain Drainage System Location Map

Outfall 1 – Dry Ditch
Outfall 2 – Kawaiele Outlet (E-1)
Outfall 3 – Nohili Outlet (near D-8)
Outfall 4 – Kikiaola Harbor Drain
Outfall 5 – Cox Drain (E-2)
Outfall 6 – First Ditch (WW-2)
Outfall 7 – Second Ditch (WW-3)

Draft NPDES Permit Summary – Kikiaola

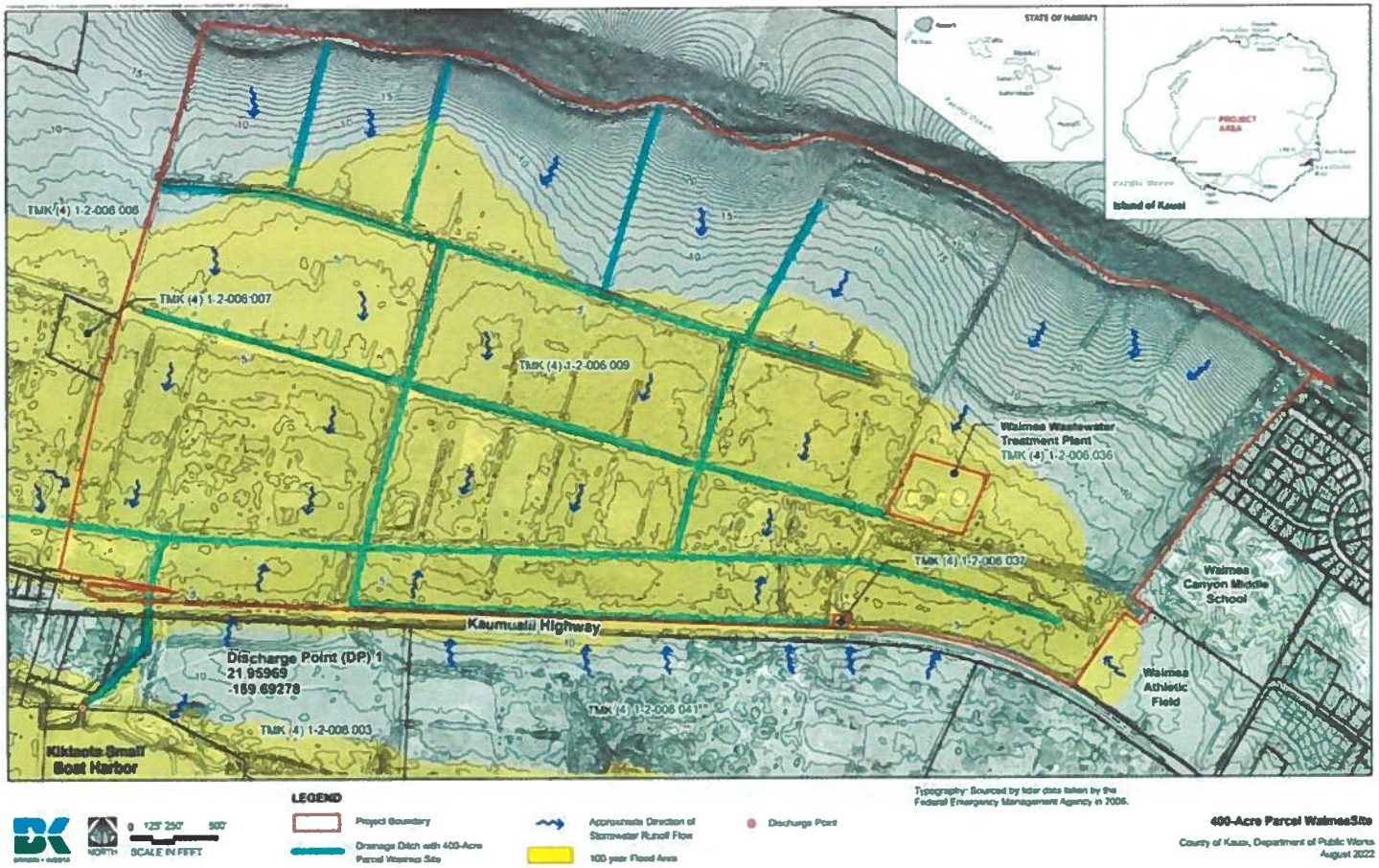

Figure 2 – County of Kauai's 400-Acre Parcel Waimea Site Topographic Map

Draft NPDES Permit Summary - Parameters

NPDES Outfall	Description	Comment	Flow	Duration of Discharge	pH	Ammonia Nitrogen	Total Nitrogen	Total Phosphorus	Turbidity	Enterococcus	Accute Toxicity Pimephales promelas	Acute Toxicity Geriodaphnia dubia	Chronic Toxicity Tripneustes gratilla	Section A Pollutant List
Units			MGD	hours	standard	µg/L	µg/L	µg/L	NTU	CFU/100 mL	pass/fail	pass/fail	pass/fail	
Sample Type			--	Calculated	Grab	Grab	Grab	Grab	Grab	Grab	24-Hr Composite	24-Hr Composite	24-Hr Composite	
Outfall 002	**Kawaiele Outlet**	**Dry and wet weather flow**	X	--	X	X	X	X	X	X	X	X	X	X
Frequency			Continuous/estimate	--	1/Day	1/Month	1/Month	1/Month	1/Month	1/Month	1/Quarter	1/Quarter	1/Quarter	1/Year
Discharge Limitation														
Single Sample Maximum			--	--	7.0 ≤ pH ≤ 8.6	5.0	180	30	0.50	--	Pass	Pass	Pass	See Section A Effluent Limitations
Daily Maximum			--	--		--	--	--		130	--	--	--	
Monthly Geometric Mean			--	--		--	--	--		35	--	--	--	
Annual Geometric Mean			--	--		2.0	110	16	0.20	--	--	--	--	
Outfall 004	**Kidaola Harbor**	**Flood flow only**	X	X	X	X	X	X	X	X	X	X	X	X
Frequency			Continuous/estimate	1/discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Year during discharge
Discharge Limitation														
Single Sample Maximum			--	--	7.0 ≤ pH ≤ 8.6	15.0	350	60	1.50	--	Pass	Pass	Pass	See Section A Effluent Limitations
Daily Maximum			--	--		--	--	--	--	130	--	--	--	
Monthly Geometric Mean			--	--		--	--	--	--	35	--	--	--	
Annual Geometric Mean			--	--		3.5	150	20	0.40	--	--	--	--	
Outfall 001	**Dry Ditch**	**Flood flow only**	X	X	X	X	X	X	X	X	X	X	X	X
Outfall 003	**Nokill Outlet**	**Flood weather flow only during pumping**	X	X	X	X	X	X	X	X	X	X	X	X
Outfall 005	**Cox Drain**	**Sand Berm opened during flood conditions**	X	X	X	X	X	X	X	X	X	X	X	X
Outfall 006	**First Ditch Outlet**	**Flood flow only**	X	X	X	X	X	X	X	X	X	X	X	X
Outfall 007	**Second Ditch Outlet**	**Flood flow only**	X	X	X	X	X	X	X	X	X	X	X	X
Frequency			Continuous/estimate	1/discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Quarter during discharge	1/Year during discharge
Discharge Limitation														
Single Sample Maximum			--	--	7.0 ≤ pH ≤ 8.6	9.0	250	45	1.0	130	Pass	Pass	Pass	See Section A Effluent Limitations
Daily Maximum			--	--		--	--	--	--	--	--	--	--	
Monthly Geometric Mean			--	--		--	--	--	--	35	--	--	--	
Annual Geometric Mean			--	--		2.0	110	16	0.20	--	--	--	--	

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Draft NPDES Permit Summary - Parameters

Parameter	Previous Monitoring Requirement (2024)	Draft NPDES
Flow	- -	X
Turbidity	X	X
Temperature	X	- -
Salinity	X	- -
DO	X	- -
pH	X	X
Enterococcus	X	X
TPH	X	- -
Arsenic	X	Part A List
Mercury	X	Part A List
Atrazine (3 sites)	X	- -
Chlorpyrifos (3 sites)	X	Part A List
Metolachlor (3 sites)	X	- -
Glyphosate (3 sites)	X	- -
Paraquat dichloride (3 sites)	X	- -
Permethrin (3 sites)	X	- -
Toxicity (3 sites)	X	X
Ammonia nitrogen	- -	X
Total nitrogen	- -	X
Total Phosphorous	- -	X
NPDES Part A List	- -	X

Parameter[1,2,3]
Acenaphthene
Acrolein
Acrylonitrile
Aldrin
Anthracene
Benzo(a)Anthracene
Dibenzo(a,h)Anthracene

Parameter[1,2,3]
Antimony
Arsenic
Benzene
Benzidine
Beryllium
Bromoform
Butylbenzyl Phthalate
Cadmium
Carbon Tetrachloride
Chlordane
Chlorine
Chlorobenzene
Chlorodibromomethane
Bis(2-Chloroethyl) Ether
Chloroform
Bis(Chloromethyl) Ether
2-Chloronaphthalene
2-Chlorophenol
3-Methyl-4-Chlorophenol
Chlorpyrifos
Chromium (VI)
Chrysene
Copper
Cyanide
Demeton
Di-n-Butyl Phthalate
Dichlorobenzenes
1,2-Dichlorobenzene
1,3-Dichlorobenzene
1,4-Dischlorobenzene
3,3'-Dichlorobenzidine
Dichlorobromomethane
DDD
DDE
DDT
1,2-Dichloroethane
1,1-Dichloroethylene
Trans-1,2-Dichloroethylene
2,4-Dichlorophenol
Chlorophenoxy Herbicide (2,4-D)
Dichloropropanes

Parameter[1,2,3]
1,2-Dichloropropane
1,3-Dichloropropene
Dieldrin
Diethyl Phthalate
Dimethyl Phthalate
2,4-Dimethylphenol
Dinitrophenols
2,4-Dinitrophenol
2-Methyl-4,6-Dinitrophenol
Dinitrotoluenes
2,4-Dinitrotoluene
1,2-Diphenylhydrazine
Endosulfan
alpha-Endosulfan
beta-Endosulfan
Endosulfan Sulfate
Endrin
Endrin Aldehyde
Ethylbenzene
Bis(2-Ethylhexyl) Phthalate
Fluoranthene
Benzo(b)fluoranthene
Benzo(k)fluoranthene
Fluorene
Guthion
Heptachlor
Heptachlor Epoxide
Hexachlorobenzene
Hexachlorobutadiene
Hexachlorocyclohexane -technical
Hexachlorocyclohexane-alpha
Hexachlorocyclohexane-beta
Hexachlorocyclohexane -gamma
Hexachlorocyclopentadiene
Hexachloroethane
Isophorone
Lead
Malathion
Mercury
Methoxychlor
Methyl Bromide

Parameter[1,2,3]
Methylene Chloride
Bis(2-Chloro-1-methylethyl) Ether
Methylmercury
Mirex
Naphthalene
Nickel
Nitrobenzene
Nitrophenols
Nitrosamines
Nitrosodibutylamine
Nitrosodiethylamine
N-Nitrosodimethylamine
N-Nitrosodiphenylamine
N-Nitrosodi-n-Propylamine
Nitrosopyrrolidine
Pentachlorobenzene
Pentachloroethane
Pentachlorophenol
Phenol
Polychlorinated Biphenyls (PCBs)
Pyrene
Benzo(a)Pyrene
Indeno(1,2,3-cd) Pyrene
Selenium
Silver
1,2,4,5-Tetrachlorobenzene
2,3,7,8-TCDD (Dioxin)
1,1,2,2-Tetrachloroethane
Tetrachloroethylene
2,3,5,6-Tetrachlorophenol
Thallium
Toluene
Toxaphene
Tributyltin
1,2,4-Trichlorobenzene
1,1,1-Trichloroethane
1,1,2-Trichloroethane
Trichloroethylene
2,4,5-Trichlorophenol
2,4,6-Trichlorophenol
Chlorophenoxy Herbicide (2,4,5-TP)

Parameter[1,2,3]
Vinyl Chloride
Zinc

NPDES Part A Pollutant List

Stantec Draft NPDES Permit Summary – Schedule/Parameters

Draft NPDES Permit

Parameter(s)	Qualifier	Sample type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	# parameters monitored	# locations	subtotal parameters	Total parameters per year	Total monitoring events
Outfall 002 (Kawaiele Outlet)																		1577	12 (not including pH)
Flow	Sample during dry/wet weather	calculated	Continuous (estimate)												--	--	--		
pH		grab	Daily												365	1	365		
List 1		grab	X	X	X	X	X	X	X	X	X	X	X	X	60	1	60		
List 2		24-hr composite	X			X			X			X			12	1	12		
NPDES Part A List		grab?	X												132	1	132		
Outfall 001 (Dry Ditch), 003 (Nokiti Outlet), 004 (Kikiaola Harbor), 005 (Cox Drain), 006 (First Ditch), 007 (Second Ditch)																			
Flow	Only during flood flow (up to 4 times per year)	calculated	Continuous (estimate)												--	--	--		
pH		grab	1/discharge												4	6	24		
List 1		grab	X			X			X			X			20	6	120		
List 2		24-hr composite	X			X			X			X			12	6	72		
NPDES Part A List		grab?	X												132	6	792		

List 1: ammonia nitrogen, total nitrogen, total phophorous, turbidity, enterococcus

List 2: Accute toxicity, chronic toxicity

Red text = significant scope increase from current (2024 and previous years) monitoring

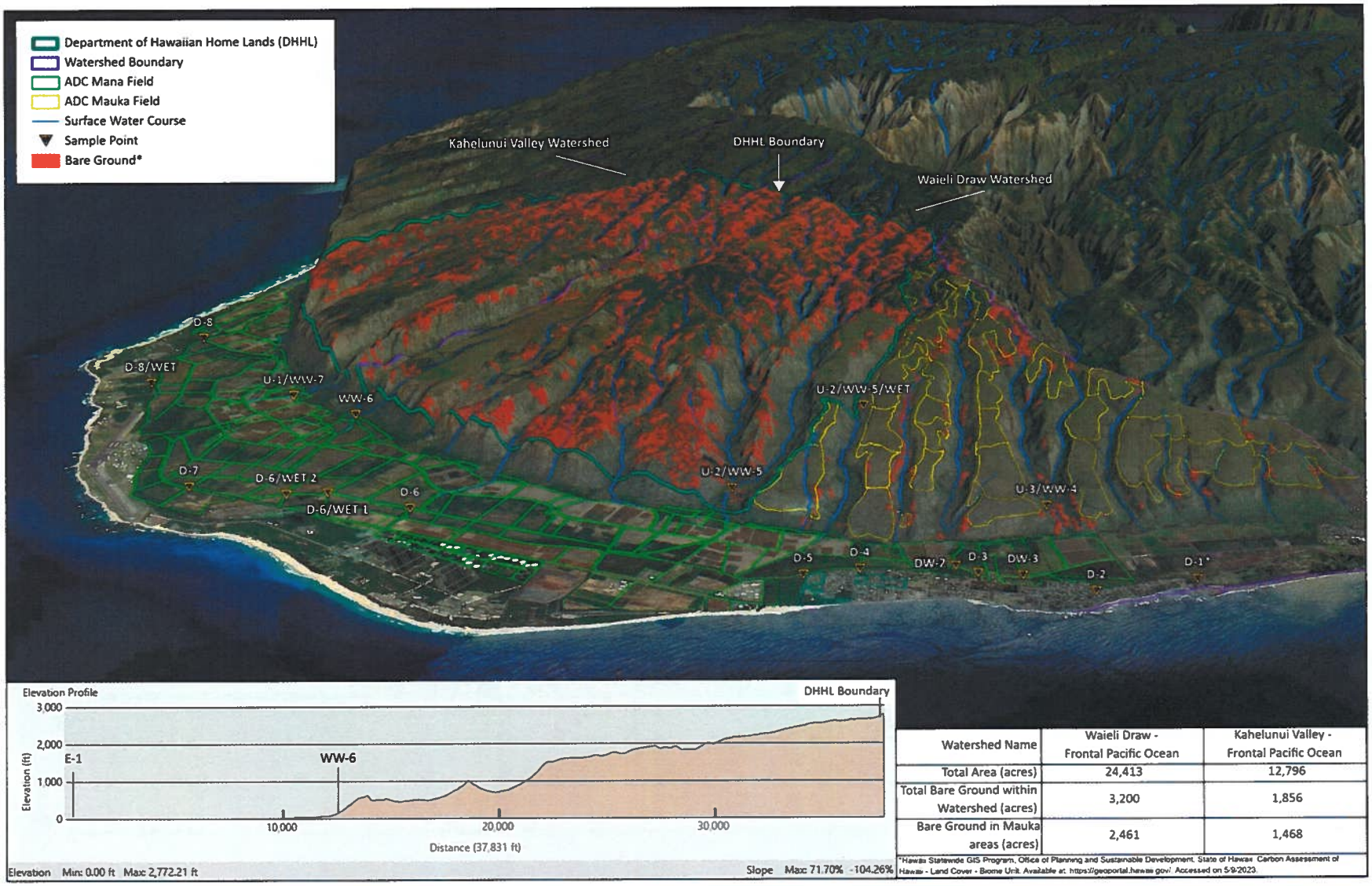
2024 Current Monitoring

Parameter(s)	Qualifier	Sample type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	# parameters monitored	# locations	subtotal parameters	Total parameters per year	Total monitoring events
U-2/WW-5; U-3/WW-4; WW-2; WW-3; WW-8; D-4; D-6; D-7; D-8, E-1; E-2																		453	4
Turbidity	2 dry and 2 wet weather events (separate quarters)	grab samples	X			X			X			X			36	11	396		
Temperature																			
Salinity																			
DO																			
pH																			
Enterococcus																			
TPH																			
Arsenic																			
Mercury																			
E-1, E-2, WW-3																			
Atrazine	2 dry and 2 wet weather events (separate quarters)	grab samples	X			X			X			X			16	3	48		
Metolachlor																			
Paraquat dichloride																			
Permethrin																			
Toxicity	1 dry and 1 wet event	grab	X						X						3	3	9		

Stantec Enterococcus and Turbidity Monitoring (2019-2024)

Draft NPDES Criteria			Upland				Mana Plain Drainage Sample Locations											Outlets	
Paremeter	Units	Daily Maximum /Simple Samle Maximum	U-1/ WW-7	U-2/ WW-5	U-3/ WW-4	WW-6	D-2	D-3	D-4	D-5	D-6	D-7	D-8	DW-1/ WW-1	DW-2	WW-2	WW-3	E1	E2
Enterococcus	CFU/100 mL	130	100% 3,100 - 24,000	100% 228- 69,000	100% 140- 4,400	100% 590- 20,000	100% 132- 13,000	93% 340- 24,000	100% 250- 24,000	90% 180- 1200	71% 200- 20,000	100% 260- 24,000	94% 320- 13,000	60% 400- 800	90% 200- 3,400	25% 150- 2,200	69% 140- 24,000	36% 180- 17,000	83% 210- 4600
Turbidity	NTU	0.5-1.5*	100% 911- 3,289	100% 3.89- 4000	100% 11.4- 4,000	100% 1.58- 4,000	100% 4.75- 38.6	100% 3.51- 4,000	94% 3.79- 4,000	92% 1.86- 99	100% 5.82- 4,000	100% 21.4- 4,000	100% 4.64- 4,000	100% 2.46- 2,820	100% 4.69- 1,509	92% 3.72- 4,000	100% 1.63- 4,000	95% 2.09- 4,000	100% 1.95- 23

- Table shows percent of past samples that would exceed future proposed criteria (red=2 OOM+)
- Cannot distinguish upland contributions (e.g., erosion + ungulates) from *Mānā Plain activities/unlined ditch contributions.*
- *Monitoring from 2019-2024 shows enterococcus and turbidity would exceed the criteria at outlets (E-1, E-2) most of the time (particularly during wet weather events)*



Watershed Name	Waieli Draw - Frontal Pacific Ocean	Kahelunui Valley - Frontal Pacific Ocean
Total Area (acres)	24,413	12,796
Total Bare Ground within Watershed (acres)	3,200	1,856
Bare Ground in Mauka areas (acres)	2,461	1,468

*Hawaii Statewide GIS Program, Office of Planning and Sustainable Development. State of Hawaii Carbon Assessment of Hawaii - Land Cover - Biome Unit. Available at: https://geoportal.hawaii.gov/. Accessed on 5-9-2023.

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What does this Mean for ADC… and the State?

- **Cost** - Upfront and long-term costs to comply or cover violations penalties.

- **Precedent** - New precedent set treating the watershed like an industrial facility imposing a vast list of parameters, with monthly monitoring, requiring extremely strict water quality requirements on the last landowner discharging to the ocean.

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ADC MĀNĀ PLAIN MONITORING 2019-2024

Together we will do great things

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Courses of Action

- COA 1: ADC and County of Kaua'i can prepare to comply with the permit.
  - Expect significant costs in watershed management strategies to prevent pollutants form entering waterways as well as treatment system near the coast.
    - ROM Cost: $100M+ (Not including potential land acquisition)
  - Expect significant costs in long term monitoring in addition to treatment.
    - ROM Cost:$1-2M annually
  - Expect similar requirements across the state for similar landowners.
- COA 2: ADC and County of Kaua'i could work with HDOH through public comment, elected officials, legal challenge, and other avenues to persuade a more reasonable and effective regulatory strategy.
  - More cost-effective strategy
  - Encourage non-point source solutions and regulations

Stantec Encourage Outreach

- Get the message out get the communities, especially those that could be impacted educated and engaged.

Call for Action

Keep Your Food Local - Support Agriculture in Hawaii

The approval of a proposed National Pollutant Discharge Elimination System (NPDES) permit for the Mānā Plain Drainage Ditch System on Kaua'i signals the beginning of the end of agriculture in Hawai'i! Voice your concerns now – this is a precedent-setting issue with statewide impacts. Comments are being accepted through November 29, 2024, by the Hawai'i Department of Health. Act now!

NPDES Permits are for THIS

- The Hawai'i Department of Health Clean Water Branch is proposing to issue a NPDES permit for outfalls from agricultural lands on the Mānā Plain. NPDES permits are intended to control water pollution from man-made infrastructure or industry sources NOT agriculture or natural waterways
- An NPDES permit is not the right regulatory tool to manage water quality for waterways that flow mauka to makai through an entire watershed with multiple landowners
- If the Hawai'i Department of Health issues this NPDES permit, it will have implications for any stream or waterway with an outfall to the ocean statewide. These outfalls could also be regulated under NPDES permits with the responsibility falling upon landowners to meet permit requirements and face fines

Not THIS

- Responsible parties include tenant farmers, agricultural lands, federal lands, DLNR lands, DHHL lands, State Parks, and any other landowners in the watershed
- These landowners could be held financially responsible for permit violations of an improper permit. This could decrease the amount of public funding that these landowners and agencies such as DLNR and DHHL can use to protect the watershed.
- The cost to comply with the improper permit and/or violation costs would drive out agricultural production throughout the state and could lead to exorbitant costs to treat stream waters as industrial waste waters.

You can make a difference! Continue to the next page for details on how to submit a comment

Act Now To Submit a Comment or Request a Public Hearing – Comments Accepted Through November 29, 2024

- E-mail: cleanwaterbranch@doh.hawaii.gov
- Mail: Hawai'i Department of Health Clean Water Branch, P.O. Box 3378, Honolulu, HI 96801-3378
- Include your name, address, and email address with your comment
- The comment must also include the reason why you believe the NPDES permit is inappropriate and reference the associated federal regulation. Some examples you can use in your comment to the State are provided below for your convenience.

The Hawai'i Department of Health Clean Water Branch has very specific comment submittal requirements, please consider including the following objection, specific references, and a request for a public hearing in your comment. Don't forget to include your name, address, and email address in your submittal.

Some examples with regulatory citations that illustrate that the NPDES permit does not apply to this agricultural area include:

- I object to the approval of NPDES permit Nos. HI0021940 and HI0021945 for outfalls of the Mana Plain Drainage Ditch System. The NPDES permit is not the right tool to use to use for this purpose. I recommend that the State of Hawai'i Department of Health develop a permitting system with the objectives of Hawai'i Administrative Rules HAR 11-56 to control pollution from public lands due to agriculture forestry, marinas, and recreational boating.
- I would like to request that a public hearing be held on this proposed NPDES permit Nos. HI0021940 and HI0021945 as it violates 40 CFR §122.2 and 40 CFR §122.3.
- A NPDES Permit is required for the discharge of "pollutants" from any "point source". 40 CFR §122.2 states that the term of "point source" does not include return flows from irrigated agriculture or agricultural storm water runoff.
- 40 CFR §122.3(e) excludes pollutants from non-point source agriculture and silvicultural activities, including storm water runoff from orchards, cultivated crops, pastures, range lands, and forest lands from the requirement of a NPDES permit.

To read the full text of the proposed NPDES permit Nos. HI0021940 and HI0021945, go to:
https://health.hawaii.gov/cwb/clean-water-branch-home-page/public-notices-and-updates/

Legal Challenge and Elected Officials

- Encourage counsel and elected officials to review legality and effectiveness of this precedent setting regulatory approach.

Not "Point Source"

- A NPDES Permit is required for the discharge of "pollutants" from any "point source". 40 CFR §122.2 states that the term of "point source" does not include return flows from irrigated agriculture or agricultural storm water runoff.

Exempt as Agricultural Land

- 40 CFR §122.3(e) excludes pollutants from non-point source agriculture and silvicultural activities, including storm water runoff from orchards, cultivated crops, pastures, range lands, and forest lands from the requirement of a NPDES permit.

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Summary

- The Hawai'i Department of Health Clean Water Branch is proposing to issue a NPDES permit for outfalls from agricultural lands on the Mānā Plain. NPDES permits are intended to control water pollution from man-made infrastructure or industry sources NOT agriculture or natural waterways.

- A NPDES permit is not the right regulatory tool to manage water quality for water ways that flows mauka to makai through an entire watershed with multiple landowners.

- If the Hawai'i Department of Health issues this NPDES permit, it will have implications for any stream or waterway with an outfall to the ocean statewide. These outfalls could also be regulated under NPDES permits with the responsibility falling upon landowners to meet permit requirements and face fines and thus SIGNIFICANT COSTS!

- This will set new precedent that could have significant costs to the state to comply with overreaching permits that could signal the end of agriculture in the state.

- Permitees have two COAS at this stage, prepare to comply or prepare to fight the permit.

- Please take the first step to submit challenges and public comments to the draft permit during the public comment period ending November 29, 2024.

State of Hawai'i
Agribusiness Development Corporation
Hui Ho'oulu Aina Mahiai

Questions?

Actions?

Benjamin Berridge, PMP, AICP
Pacific Branch Manager/Senior Project Manager
Principal - Water Resources Management

Direct: 808 531-9407
benjamin.berridge@stantecgs.com

Stantec
737 Bishop Street, Suite 3050
Honolulu HI 96813

Stantec

AGRIBUSINESS DEVELOPMENT CORPORATION
Minutes of the Board of Directors Meeting held Virtually on December 5, 2024
Via Zoom Teleconference and In-Person at 235 S. Beretania Street, Suite 204, 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 Office Tower, 235 S. Beretania Street, Suite 204, Honolulu, HI 96813

Members in Attendance, virtually:

Lyle Tabata, Kauai County member (Chair)
Jesse Cooke, Honolulu City and County member (Member Cooke)
Sharon Hurd, HDOA ex officio member (Member Hurd)
Ciara Kahahane, designee for DLNR ex-officio member Dawn Chang (Member Kahahane)
Dean Okimoto, member-at-large (Member Okimoto)
Jason Okuhama, member-at-large (Member Okuhama)
Karen Seddon, member-at-large (Member Seddon)
Nathan Trump, Hawaii County member (Member Trump) (joined at 9:25 a.m.)
Jayson Watts, Maui County member (Member Watts) (joined at 9:07 a.m.)
Mary Alice Evans, designee for DBEDT ex officio member James Tokioka (Member Evans)

Members Excused:

Glenn Hong, member-at-large (Member Hong)

Counsel Present, virtually:

Jennifer Waihee-Polk, Deputy Attorney General (Ms. Waihee-Polk)
Delanie Prescott-Tate, Deputy Attorney General
Tina Tsuchiyama, Deputy Attorney General
Bryan Yee, Deputy Attorney General

Staff Present, virtually:

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

Guests Present, virtually:

ADC Guest
Chuck B
David Bissel, KIUC
Dexter Kishida, HDOA
Elise Lowe
Kylie Wager Cruz, EarthJustice (Ms. Cruz)
Malachi Burrows

DRAFT

AGRIBUSINESS DEVELOPMENT CORPORATION
Minutes of the Board of Directors Meeting held Virtually on December 5, 2024
Via Zoom Teleconference and In-Person at 235 S. Beretania Street, Suite 204, Honolulu, HI 96813

Mark Ladao (1)
Mark Ladao (2)
Megan Kane
Michael Jenkins
Mike Faye, KAA (Mr. Faye)
Nick Molinari, AES Hawaii (Mr. Molinari)
Reggie Garcia, Senator Richards Office
Shane Peters, President of Peters Communication LLC (Mr. Peters)
Thora-Jean Cuaresma (Ms. Cuaresma)
WAM Staff

Guests Present, In-Person

Albert Tiberi, DOE (Mr. Tiberi)

A. Call to Order:

Chair called the meeting to order at 9:02 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. The roll call served as a roll call vote and for each subsequent vote Chair would ask if there were any objections or abstentions. If there were none, the motion would be approved on the same basis as the initial roll call.

Roll call: Chair, Member Cooke, Member Hurd, Member Kahahane, Member Okimoto, Member Okuhama, Member Seddon, and Member Evans acknowledged their presence with no one in the room with them. Member Trump joined the meeting at 9:25 a.m. Member Watts joined the meeting at 9:07 a.m.

B. Approval of Minutes

1. Regular Session Minutes, October 24, 2024

Deferred to January 16, 2025 meeting.

2. Special Meeting Minutes, November 1, 2024

Deferred to January 16, 2025 meeting.

3. Regular Session Minutes, November 21, 2024

Deferred to January 16, 2025 meeting.

C. Chairperson's Report

There was none.

D. Committee & Permitted Interaction Group Reports

1. Presentation of report and findings of the land opportunities project for small and disadvantaged farmers on Kauai

Chair called on Mr. Clemente to give the report.

Mr. Clemente stated that the first land application permitted interaction group established on March 19, 2024 evaluated forty-three land applications and awarded points for experience, marketability of products, finances, business plan, and farming practices. Only seven applicants met or exceeded the minimum established score. A second land opportunities project permitted interaction group was established on November 21, 2024 to evaluate the lower scoring applicants for a potential land opportunity project for small and disadvantaged farmers on Kauai. The second land opportunities permitted interaction group finds that the lot size should be a minimum of ten acres; that land was available in Kekaha and Kalepa but there was no water available in Kalepa so the applicant should be responsible for developing irrigation water infrastructure; and while Kekaha land was ready for farming, Kalepa land was overgrown and it should be made clear that the land was available "as is." The second land opportunities project group made three recommendations for selecting applicants for the small, disadvantaged farmers program on Kauai. One recommendation was to use the criteria established by the United States Department of Agriculture for use in identifying socially disadvantaged farmers. Second, was to limit the program to truck crop farmers. And third, was to limit the farm size to minimum ten acres and maximum of one hundred acres. Staff recommended the Board consider the findings and recommendations of the second land opportunities permitted interaction group.

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

Chair asked if there was any board discussion.

Member Evans asked if the recommendation included authorizing the executive director to finalize the selection process and proceed to negotiating licenses.

Chair responded that today was just for receiving the recommendations from the second land opportunities project permitted interaction group and discussion and decision making will be held at a later date.

Member Watts joined the meeting at 9:07 a.m.

2. Presentation of report and findings of the executive director goals and objectives permitted interaction group

Chair called on Member Seddon to provide the report and findings and recommendations of the executive directors, goals and objectives permitted interaction group.

Member Seddon stated that the report was the same one provided earlier but with two exceptions. A section was added for demonstrating fiscal responsibility and a recommendation that the executive director's salary be increased in an amount up to $156,960 for fiscal year 2025. This was a parity increase retroactive to July 1, 2024.

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

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

3. Presentation of report and findings of the value-add permitted interaction group

Chair asked if Member Watts was prepared to make the presentation.

Ms. Gady interjected that the matter was being deferred to the January meeting.

E. Action Items

1. Request for approval to Terminate Lease Agreement No. LE-K1201 assigned to Hawaii Department of Education; and delegate authority to the executive director to execute a Memorandum of Agreement with the Hawaii Department of Education regarding access to ADC-tenant operations in Kekaha, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)

Chair called for a motion to approve.

Motion by Member Evans; Second by Member Okuhama.

Chair called on Mr. Roe for the presentation.

Mr. Roe suggested that Ms. Gady would be better able to speak to recent events.

Ms. Gady stated that the term of the memorandum of agreement (MOA) had changed and the lease termination date and execution of documents were subject to agreement. This was a really good opportunity for ADC to work with the Department of Education (DOE) in creating some workforce development initiatives.

Chair asked if there was anyone from the public who wished to testify.

Mr. Tiberi from DOE said he was speaking on behalf of Deputy Superintendent Randy Moore who submitted written testimony pointing out that the MOA attached to the submittal was not the current version and was actually a couple of versions behind. The parties were still negotiating and he asked that the matter be deferred until an agreement was reached.

Ms. Waihee-Polk recommended that the matter be deferred until the documents have been finalized. That way the Board will know exactly what action was being approved.

Ms. Gady agreed that the matter should be deferred until the next meeting.

Member Evans withdrew her motion to approve.

Member Okuhama withdrew his second of the motion.

Chair deferred this item until the January meeting.

DRAFT

2. Request for approval to issue a new land license agreement to State of Hawaii, Department of Education for 4.8 acres, more or less, of land for the purpose of building a centralized kitchen facility in Whitmore Village, City & County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:009 (por.); :004 (por.), deferred from November 21, 2024

Chair stated that this item was being deferred to the next meeting.

3. Request to accept and approve the findings and recommendations of the land permitted interaction group

Member Trump joined the meeting at 9:25 a.m.

Chair called for a motion to approve.

Motion by Member Okimoto; Second by Member Cooke.

Chair called on Mr. Clemente for the presentation.

Mr. Clemente stated that the land permitted interaction group was established to investigate and report back to the Board with information to be incorporated into the Hawaii Agribusiness Plan created by section 163D-5, Hawaii Revised Statutes (HRS). The land permitted interaction group was to collect information 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 permitted interaction group created a report and recommendations that were presented to the Board at the November 21, 2024 meeting. The report and recommendations were reproduced on pages 071 to 075 of the submittal. The recommendations included: 1) recognize the need for faster action and implementation by ADC; 2) acknowledge that ADC has commercial property in its asset portfolio; and 3) proactively showing "dynamic and aggressive leadership" in agribusiness. Staff recommended that the Board accept and approve the recommendations of the land permitted interaction group.

Chair asked if there was any public 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 unanimously approved: 10-0.

4. Request to accept and approve the findings and recommendations of the land opportunities project for small and disadvantaged farmers on Oahu

Chair asked for a motion to approve.

Motion by Member Trump; Second by Member Kahahane.

Chair called on Mr. Clemente for the presentation.

Mr. Clemente stated that ADC solicited applications from interested farmers to fill the remaining vacant lots on Oahu and Kauai. ADC received forty-three applications. Of those applications only seven met or exceeded the minimum score established. On November 1, 2024, ADC considered a land opportunity project for small and disadvantaged farmers on Oahu and Kauai. A new small farmer land opportunity permitted interaction group was formed to determine the eligibility requirements, criteria, and land location for the proposed land opportunity for small and disadvantaged farmers. The small farmer land opportunity permitted interaction group reported its findings and recommendations regarding Oahu to the Board on November 21, 2024. The report and recommendations were reproduced on pages 077 to 079 of the submittal. The small farmer land opportunity permitted interaction group suggested that selected farmers meet the definition of a "socially disadvantaged farmer" used by the United States Department of Agriculture (USDA); that ADC limit the program to truck crop farmers; and, the minimum farm acreage be ten acres and the maximum one hundred acres for field crops. Staff recommended approval of the recommendations for use in selecting applicants for the small, disadvantaged farmer program on Oahu.

Chair asked if anyone from the public 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 unanimously approved: 10-0.

5. Request to accept and approve the findings and recommendations of the distribution permitted interaction group

Chair called for a motion to approve.

Motion by Member Okimoto; Second by Member Okuhama.

Chair called on Mr. Takemoto for the staff presentation.

Mr. Takemoto stated that the distribution management permitted interaction group covering water infrastructure and electric systems was assigned to investigate and report back to the Board with information to be incorporated into the Agribusiness Plan required by HRS section 163D-5. The group was to report on objectives and outcomes that include metrics, timeframes, budget expectations, and annual performance goals and measures that would allow ADC to evaluate accomplishments annually. The distribution management permitted interaction group submitted its report and recommendations to the Board on November 21, 2024. The report and recommendations were reproduced on pages 083 to 087 of the submittal. The distribution management permitted interaction group suggested that the Board recognize the strategic significance and urgency of distribution of water and power as part of the ADC statute "for the economic, environmental and social benefit of the people of Hawaii"; that ADC actively protect the need for water in food production; and proactively show "dynamic and aggressive leadership" in agribusiness around distribution services. Staff recommended approval of the distribution management permitted interaction group's recommendations.

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

Chair asked if there was any Board discussion.

Member Kahahane remarked that she was really encouraged to see ADC was looking at reuse opportunities and increasing storage capacity, which is extremely important due to drought conditions becoming more common.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

6. Request to accept and approve the findings and recommendations of the Capital Improvement Project permitted interaction group

Chair called for a motion to approve.

Motion by Member Kahahane; Second by Member Cooke.

Chair called on Mr. Takemoto for the staff presentation.

Mr. Takemoto said that a permitted interaction group was created and assigned to promulgate, review, evaluate, and prioritize capital improvement projects (CIP), in coordination with the executive director, to provide guidance and recommendations to the Board on FY2026 CIP requests. The report and recommendations of the CIP permitted interaction group was submitted to the Board on November 21, 2024. The report and recommendations were reproduced on pages 089 to 091 of the submittal. It was noted that this report and recommendation was too late to make it into ADC's FY2026 budget request. Recommendations include starting the CIP planning process earlier; update the CIP throughout the year; and, continue review of budget to incorporate changes. Staff recommended approval of the CIP permitted interaction group's recommendations.

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. Chair stated that the list of CIP projects should be supported and to review the executive director's weekly reports for more information.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

7. Request to establish a permitted interaction group to take public testimony and develop a policy regarding solar energy production on ADC lands; appointment of members thereto

Chair stated that Agenda Item E-7, E-9, and F-1 are related to installation of solar equipment for energy production on agricultural land. Chair called for a motion to approve Agenda Item E-7.

Motion by Member Cooke; Second by Member Okimoto.

Chair called on Mr. Roe for the presentation.

Mr. Roe said the Board should be aware that over the last few years ADC has received many requests for non-agricultural uses of agricultural land. To date the Board has not established a policy or provided guidance to staff on requests ADC has received for use of ADC land for such things as solar production, shooting ranges, and landfills. This request is to establish a permitted interaction group to research and take public testimony for purposes of developing a policy regarding solar energy production on ag land. There are a number of things to consider, one being the purpose of the land set aside to ADC for agricultural purposes and being ceded lands; how does that play into what is permitted on ADC lands. These are the sort of questions we hope the permitted interaction group can delve into.

Chair asked if there was anyone from the public who wished to testify.

Ms. Cuaresama testified on a matter that occurred in Wahiawa and not on the creation of a permitted interaction group to develop a policy regarding solar energy production.

Mr. Faye testified on behalf of KAA and asked that KAA be included in the solar energy production discussion to provide a different perspective on solar on some of the marginal ag lands.

Chair asked if there was any Board discussion.

Member Okimoto said that ADC should work with the solar companies and the ag community because we need both things to move forward. Ag activities should be able to remain on the land with the solar panels. This is better for Hawaii.

Member Watts renewed his request for KAA to be involved in ADC Board meetings. The wealth of information KAA has is unparalleled to what ADC Staff has.

Member Hurd asked that the permitted interaction group consider the rules and regulations that are already in place for agriculture related activities at both the state and county levels.

Mr. Roe noted that Staff would be providing all relevant materials for the permitted interaction group to consider.

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair appointed Member Kahahane, Member Okimoto, and himself to the solar energy policy permitted interaction group and instructed the group to 1) consider solar needs for ADC tenant activity across ADC-owned and ceded lands; 2) the appropriateness of solar activity on ADC lands relative to ADC's mission; 3) hold public meetings to accept

testimony from the public and ADC stakeholders regarding ADC's policy for solar activity; and 4) develop a proposed policy for solar energy production on ADC lands. The group is to prepare a report and recommendations and present the report and recommendations to the full Board as soon as possible. An ADC staff member will be appointed to help facilitate the public meetings and include KAA in the Kekaha discussion.

Member Kahahane and Member Okimoto accepted the appointment.

Informational Item F-1 was taken out of order before Action Items E-8 and E-9.

F. Informational Items

1. Presentation of Nick Molinari, Director of Project Development for AES Hawaii, and Shane Peters, President of Peters Communication LLC regarding a proposed solar project in Kekaha, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001

Chair called on Mr. Molinari and Mr. Peters for the presentation.

Mr. Molinari introduced himself as the director of project development for AES Solar Plus Storage Project (AES) and shared a PowerPoint presentation, which was reproduced on submittal pages 099-110. AES requested a right of entry to conduct due diligence activities for a proposed project that would provide energy to Kauai households. The project would be funded through a program with the USDA Rural Utilities Service and would make a meaningful contribution to the State's mandate of 100% renewable energy by 2045.

Mr. Peters spoke about existing regulations under HRS chapter 205, which relates to agricultural districts with B soil classifications and solar projects like this. A State special use permit will also be required. This project may trigger HRS chapter 343 review and possibly federal environmental review based on the use of federal funds. There will be rigorous oversight of this project. To Member Okimoto's point, they would like to see solar harmonize with agriculture. A power purchase agreement between the utility and the developer, Mana Solar LLC is needed. There's a duration to the power purchase agreement because the lifespan of solar equipment is about twenty-five years. After that all the components will be removed and the land returned to its existing condition. It's unlike traditional development that's more permanent in nature. And the Public Utilities Commission will have oversight over the price consumers will pay, which will be lower than energy provided using fossil fuel. Importantly it will help the State reach its 100% renewable energy goals.

Mr. Molinari provided some background on the previous West Kauai Energy Project (WKEP) that was proposed by KIUC [Kauai Island Utility Cooperative]. This project was in development for many years that involved many components, most notably hydroelectric generation pump storage, hydro, as well as a solar and battery storage. A lawsuit filed under HRS chapter 343 and the uncertainty around that litigation resulted in KIUC withdrawing the project. AES is now independently developing a new solar plus storage project without the hydroelectric element. AES is seeking a right of entry for this new scaled down proposed project.

Mr. Peters reiterated they are requesting a right of entry, and not an obligation on ADC's part to approve the project. There are a lot of regulations and approvals that go into this type of project. This will allow the process to begin. The timeline [submittal page 110] shows the activities anticipated as part of the process. Any lease terms and conditions and easements would not come until later.

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.

Member Okimoto stated that ADC's mission was food production – agriculture. ADC's gonna prioritize agriculture over solar.

Member Evans asked AES if the preliminary due diligence considered any C, D, or E lands in the Mana area as opposed to these A and B lands that have productive soil characteristics and water available.

Mr. Molinari responded that they have looked at several other pieces of land in the area and have had preliminary discussions with others. We need to continue due diligence, and the right of entry will allow us to do that.

Member Hurd urged AES to look for C, D and E lands. B lands are suitable for agricultural production. There should be a balance between food production and energy production.

Mr. Roe stated that if a farmer was interested in the property, they would get priority but at the moment there's enough other lands available that it is not necessarily an either or proposition.

Member Trump asked about the past productivity and current potential for agriculture on the property.

Chair responded in the past it was used to grow sugarcane. This is farmable land. For right now the subject is a right of entry for AES to perform due diligence.

Ms. Gady remarked that staff would like to do some soil testing of lands that are not currently licensed to get an idea of what would be the best crops for individual parcels.

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

Chair noted that we're moving back to Action Items. Action Item E-9 will be taken out of order before Action Item E-8.

E. Action Items, continued

9. Request for approval to issue a Right-of-Entry to Mana Solar + Storage, LLC (a subsidiary of AES Corporation) to Fields 218, 219, 220, and 321 to conduct due

diligence activities for a proposed solar energy production project in Kekaha, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)

Chair advised the Board that he would not be voting on this matter as he had a conflict of interest because a family member was involved.

Chair called for a motion to approve.

Motion by Member Okimoto; Second by Member Trump.

Chair called on Mr. Roe for the staff presentation.

Mr. Roe stated that the submittal was self-explanatory but he wanted to point out that the WKEP previously had a right of entry, which was issued to AES and KIUC, and those fields were part of that project. The right of entry was terminated due to dissolution of the project. This is a new request and although the Board has delegated authority to the executive director to issue non-extraordinary rights of entry, given the fact that the land was set aside to ADC for agriculture and related purposes, and that this project is primarily an energy project that does not have an agricultural component, Staff believes this is an extraordinary request and that's why we're bringing it to the Board.

Chair asked if anyone from the public wished to give testimony.

Mr. Faye spoke on behalf of KAA in support of issuing a right of entry for due diligence. Based on discussion with AES KAA believes there will be a net benefit to agriculture on the Kekaha lands. In spite of the land being classified as B, these are marginal lands that flood quite a bit. They're part of the Kawaiele Pond area. This would also help diversify the membership of KAA. And we produce energy too through the two hydroelectric plants and we have a power purchase agreement with KIUC. We are considering solar too, or other energy production. We use a lot of power pumping water to serve the agricultural tenants and aquaculture activities.

Chair asked if there was any Board discussion.

Member Evans asked if KAA has a micro grid and does KAA wheel the hydropower electricity you're currently generating.

Mr. Faye said it's not technically a micro grid because we connect with the KIUC grid under a power purchase agreement. We sell power to them or they sell power to us when we don't have enough.

Member Evans asked how long the fields have been vacant.

Mr. Roe stated that the last time they were used was 2017, if not earlier.

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

Chair called for a roll call vote:

Chair	Abstained (recused)
Member Cooke	Yes
Member Hurd	Yes
Member Kahahane	Yes
Member Okimoto	Yes
Member Okuhama	Yes
Member Seddon	Yes
Member Trump	Yes
Member Watts	Yes
Member Evans	Yes

The motion approved: 9 yes – 0 no; 1 recused.

Return to Action Item E-8 that will be discussed in Executive Session.

8. Request for approval to hire a Special Deputy Attorney General to represent the State of Hawaii, Agribusiness Development Corporation in matters relating to the National Pollutant Discharge Elimination System (NPDES) Draft Permit for the Mana Plain drainage ditch system on Kauai resulting from Orders issued by United States District Court Judge Derrick K. Watson in Na Kia‘i Kai, et al. v. Nakatani, Civil No. 18-00005, and Na Kia‘i Kai, et al. v. County of Kauai, et al, Civil No. 22-00304

Chair stated that Action Item 8 would be discussed in executive session pursuant to HRS sections 92-4 and 92-5(a)(4).

Chair called for a motion to approve.

Motion by Member Evans; second by Member Kahahane.

Chair asked if anyone from the public wished to provide testimony on this agenda item.

Ms. Cruz stated that she is an attorney with EarthJustice (EJ), and represented Na Kia‘i Kai, Surfrider Foundation, and Pesticide Action Network in the lawsuits listed in the agenda. EJ just wanted to mahalo ADC for settling the remedies phase of the litigation, which resulted in interim water quality monitoring and best management practices until the Hawaii Department of Health (HDOH) got around to issuing a draft permit. HDOH’s issuance of the draft permit was a huge step in our years of work on this issue. There may be some differences of opinion on what the permit should contain, but she did notice a couple of alarming statements made in ADC’s comments on the draft permit. The first was that the discharges should be exempt from the Clean Water Act and the second was that ADC should not be responsible for meeting effluent limitations at the point of discharge from the ditches to the ocean. I just wanted to remind the Board that the Court has already ruled on these issues and I strongly caution the Board if they are going to hire special counsel to not relitigate these issues that have already been decided and not appealed. Continuing to fight over whether or not these sources need to be permitted at these particular locations would be a waste of ADC’s and the State’s limited resources. What we really want here is to focus on how to clean up the pollution on the plain and from the ditches that ADC controls. We really do want to focus on solutions rather than continuing to engage in lawsuits. I also

wanted to note that reducing water diversions to and from the Waimea River and its tributaries to the plain would also reduce the need to discharge in the first place and reduce the need for restrictions through NPDES permits. ADC could also focus on restoring wetlands and areas that are already being flooded or aren't being used for agriculture, which would help to filter out the pollution before it reaches the ocean and make it easier to comply with any permit terms. Thank you for the opportunity to submit testimony.

There being no further public testimony, Chair asked for a motion to move into executive session.

Motion by Member Evans; second by Member Watts.

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

Chair conducted a roll call vote:

Chair	Yes
Member Cooke	Yes
Member Hurd	Yes
Member Kahahane	Yes
Member Okimoto	Yes
Member Okuhama	Yes
Member Seddon	Yes
Member Trump	Yes
Member Watts	Yes
Member Evans	Yes

Motion approved: 10 yes – 0 no.

Chair recessed the public meeting subject to reconvening at the conclusion of the executive session.

Meeting recessed at 10:53 a.m.

Back on the public record

Chair called the meeting back to order at 11:38 a.m.

Chair stated that pursuant to HRS section 92-4(b) (2023), the Board discussed Agenda Action Item E-8 with the Board's attorney. No action was taken in executive session.

Chair continued saying that the motion for request to hire a Special Deputy Attorney General to represent ADC in matters relating to the NPDES draft permit for a Mana Plain drainage ditch system on Kauai resulting from the order issued by United States District Court Judge Derrick K. Watson in Civil No. 18-00005 and County of Kauai, et al., in Civil No. 22-00304 was earlier moved on by Member Evans and seconded by Member Kahahane.

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

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

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Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Returned to Informational Item F-2.

2. Executive Director's Report

Chair referred the Board Members and public to the executive director's reports for October 21, 2024, October 28, 2024, November 4, 2024, and November 11, 2024, which were available on the ADC website or by clicking on the link in the agenda.

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. There was none.

G. Adjourn

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

Motion by Member Watts; Second by Member Okimoto.

Chair asked if there was any public testimony or board discussion. There was none.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Meeting adjourned at 11:41 a.m.

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AGRIBUSINESS DEVELOPMENT CORPORATION
Minutes of the Board of Directors Meeting held Virtually on January 16, 2025
Via Zoom Teleconference and In-Person at 235 S. Beretania Street, Suite 204, 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 Office Tower, 235 S. Beretania Street, Suite 204, Honolulu, HI 96813

Members in Attendance, virtually:

Lyle Tabata, Kauai County member (Chair)
Jesse Cooke, Honolulu City and County member (Member Cooke)
Sharon Hurd, HDOA ex officio member (Member Hurd)
Ciara Kahahane, designee for DLNR ex-officio member Dawn Chang (Member Kahahane)
Dean Okimoto, member-at-large (Member Okimoto)
Jason Okuhama, member-at-large (Member Okuhama)
Karen Seddon, member-at-large (Member Seddon)
Nathan Trump, Hawaii County member (Member Trump)
Jayson Watts, Maui County member (Member Watts)
Dane Wicker, designee for DBEDT ex officio member James Tokioka (Member Wicker)

Members Excused:

Glenn Hong, member-at-large

Counsel Present, virtually:

Jennifer Waihee-Polk, Deputy Attorney General (Ms. Waihee-Polk)
Delanie Prescott-Tate, Deputy Attorney General
Tina Tsuchiyama, Deputy Attorney General (Ms. Tsuchiyama)

Staff Present, virtually:

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

Guests Present, virtually:

ADC Guest
Alex Sou
Grant Kunishima
Jenny
Josh Uyehara
Kimi Makaiau, UHCDC
Mac Blanchard
Manawakolu
Mike Faye, KAA (Mr. Faye)
Roy

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AGRIBUSINESS DEVELOPMENT CORPORATION
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Via Zoom Teleconference and In-Person at 235 S. Beretania Street, Suite 204, Honolulu, HI 96813

Ryan Kagimoto
Tai-Li Medeiros
Thora-Jean Cuaresma (Ms. Cuaresma)
WAM Staff

Guests Present, In-Person

Albert Tiberi, HDOE (Mr. Tiberi)
Camille Masutomi, HDOE
Cherisse Shikada, HDOE
Jadine Urasaki, HDOE (Ms. Urasaki)
Ryan Roylo, Deputy Attorney General

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. The roll call served as a roll call vote and for each subsequent vote Chair would ask if there were any objections or abstentions. If there were none, the motion would be approved on the same basis as the initial roll call.

Roll call: Chair, Member Cooke, Member Hurd, Member Kahahane, Member Okimoto, Member Okuhama, Member Seddon, Member Trump, Member Watts, and Member Wicker acknowledged their presence with no one in the room with them.

B. Approval of Minutes

1. Regular Session Minutes, October 24, 2024

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Okuhama.

Chair asked if anyone from the public wished to give 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 unanimously approved: 10-0.

2. Special Session Minutes, November 1, 2024

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Hurd.

Chair asked if anyone from the public wished to give 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 unanimously approved: 10-0.

3. Regular Session Minutes, November 21, 2024

Deferred to the next meeting.

4. Executive Session Minutes, November 21, 2024

Deferred to the next meeting.

5. Regular Session Minutes, December 5, 2024

Deferred to the next meeting.

6. Special Session Minutes, December 6, 2024

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Cooke.

Chair asked if anyone from the public wished to give 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 unanimously approved: 10-0.

7. Executive Session Minutes, December 6, 2024

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Okuhama.

Chair asked if anyone from the public wished to give 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 unanimously approved: 10-0.

C. Chairperson's Report

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Chair stated that he did not have a report except to note that he attended opening day of the legislature with the executive director.

D. Committee & Permitted Interaction Group Reports

1. Presentation of the Land Application permitted interaction group's findings and recommendations for developing a program for small, disadvantaged farmers on Kauai

This agenda item was WITHDRAWN. It was included by mistake.

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

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

2. Presentation of report and findings of the value-add permitted interaction group, deferred from December 5, 2024

Chair called on Member Watts to provide the permitted interaction group report and recommendations.

Member Watts was not prepared to make the presentation.

Chair deferred the matter until the next meeting.

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

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

3. Report and findings of the Administration Committee for the determination of the license fee for new applicants based on current appraisal rates

The Administration Committee met on Friday, October 11, 2024, and Tuesday, January 14, 2025, and were able to come up with recommendations for Oahu only. The Administration Committee recommends that the new Oahu land applicants pay a license fee of $1,800 per acre per year.

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

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

Chair stated that the Administration Committee is a standing committee. They will continue to work on making a license fee recommendation for Kauai new land applicants. The discussion and vote on the new land application license fee for Oahu will be held at the next regular meeting.

E. Action Items

Chair stated that Action Item E-9 would be taken out of order.

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9. Request for approval to enter into a one-time program to preserve the agricultural value of lands held under License Agreement Nos. LI-08202 and LI-K0801 issued to Hartung Brothers, Inc. for land in Kekaha, County of Kauai, State of Hawaii, Tax Map Key (4) 1-2-002:001 (por.) and for the Executive Director to manage this program

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Kahahane.

Chair asked for the staff presentation.

Mr. Takemoto said that Hartung Brothers Inc. (Hartung) had lost a significant contract and was asking the board approval to maintain some acreage in managed fallow. The State would benefit by having the land maintained; keeping the fuel loads down preventing wildfires; and easily reopened for farming. Hartung asked that they manage the program in conjunction with the ADC executive director.

Chair asked if anyone from the public wished to give testimony.

Mr. Uyehara testified that Hartung lost a contract that had accounted for use of a majority of their ADC acreage. This was followed by a significant reduction in force. Hartung is aggressively pursuing other business opportunities for food production as well as replacement contract in seed corn production. Hopefully this arrangement will give Hartung some flexibility to pursue a couple of other things in the pipeline and bring all the acreage back into production.

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair stated that Action Item E-3 would be taken out of order.

3. Request to consent to sublicense under License Agreement No. LI-K1001, issued to Sunrise Capital, Inc., to Hartung Brothers Hawaii, LLC for 181.67 acres, more or less, of fields 311, 312, 313 in Kekaha, County of Kauai, State of Hawaii, Tax Map Key (4) 1-2-002:001 (por.)

Chair called for a Motion to Approve.

Motion by Member Kahahane; Second by Member Wicker.

Chair asked for the staff presentation.

Mr. Roe stated that Sunrise had previously issued a sublicense to Hartung in 2019, which terminated on January 1, 2025. This request is to consent to a new sublicense for continued use of the same fields for two years. Sunrise had not developed the land. Hartung put the land into agricultural use. It's assumed that this land will soon pass from Sunrise to Aloun by way of license assignment.

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

Chair asked if there was any board discussion.

Member Kahahane inquired about rent reopening that did not occur in 2020.

Mr. Roe replied that in 2020 the rent reopening with Sunrise was never done. The reopening issue is being raised in agenda item E-4. Sunrise has agreed to take care of it. This is a sublicense issue. It was mentioned in the submittal so the board was aware.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair stated that they would return to Agenda Action Item E-1.

1. **Request for approval to terminate Lease Agreement No. LE-K1201 assigned to Hawaii Department of Education; and delegate authority to the executive director to execute a Memorandum of Agreement with the Hawaii Department of Education regarding access to Agribusiness Development Corporation tenant operations in Kekaha, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.), deferred from December 5, 2024**

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Kahahane.

Chair asked for the staff presentation.

Mr. Roe stated that when Beck's Hybrid left Kekaha the Hawaii Department of Education (HDOE) purchased the building and assumed the lease for the ten acre parcel. ADC has been negotiating with HDOE to acquire the building for a processing facility. ADC and HDOE have reached an agreement and the Memorandum of Agreement (MOA) is attached to the submittal.

Chair noted that testimony was received from HDOE that states negotiations are still ongoing.

Ms. Gady said that there were some material changes to the MOA and asked that the matter be deferred to the next meeting.

Chair asked if anyone from the public wished to give testimony.

Ms. Urasaki from HDOE stated that staff was still collaborating with ADC and they have concerns about the documents attached to the submittal because they are not the same documents they have been working on with their attorney general. HDOE would like to continue to work on the documents to reach a definite agreement.

Chair asked if it was appropriate to proceed with approval of the agenda item knowing the submittal was inaccurate.

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Ms. Waihee-Polk replied that if the board wanted legal advice they should go into executive session.

Member Kahahane asked if HDOE could explain if there were any major differences. It seemed the differences in the documents were rather minor.

"ADC Guest" from HDOE explained that the differences were not substantive, but the document was not the same one they worked on.

Chair stated he would entertain the motion with the understanding that negotiations were still continuing and the documents in the submittal were not the proper documents.

Ms. Waihee-Polk said the board would be approving inaccurate documents and it would have to come before you again to approve the correct documents. The matter could be deferred until an agreement was reached and documents corrected.

Member Wicker asked if the changes were not substantive, could the HDOE members present in-person review the documents and announce the changes here on the record in front of us. Then we can vote knowing what the revisions are.

Ms. Urasaki replied that HDOE would have to sit down and do a side-by-side comparison of the two documents. It's just that the attached documents are not in the form we had agreed on.

Mr. Tiberi remarked that the documents were agreed upon some time ago and if you are asking us to explain the differences between the two versions we would need a break to go over the two documents. It's like the attached documents are prior drafts that do not contain the last edits. They are minor edits but it may take some time to proof as to form.

Member Watts asked if the board can just approve with amendments.

Ms. Waihee-Polk said you would need to know what the amendments were unless you're sure they're not substantial. The thing is you don't know. You guys would be voting without knowledge of what was on the document.

Member Okimoto asked if HDOE could go over the documents and bring the changes back to the board today.

Ms. Urasaki stated the HDOE members present could review the documents right now and identify the changes on the record.

Chair deferred Agenda Item E-1 until the end of today's agenda.

2. Request for approval to issue a new land license agreement to State of Hawaii, Department of Education for 4.8 acres, more or less, of land for the purpose of building a centralized kitchen facility in Whitmore Village, City and County of

Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:009 (por.); :004 (por.), deferred from December 5, 2024

This matter was deferred until the next regular meeting.

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

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

Chair stated Agenda Action Item E-3 was previously heard out of order. Moving on to E-4.

4. Request for Board determination of the amount of rent increase retroactive to rent reopening date under former Hawaii Department of Agriculture, Kekaha Agricultural Park Lease Nos. S-8001, S-8002, S-8005, S-8008, S-8012, S-8013, S-8017, and S-8020

Chair reminded the board that these leases were issued to Sunrise Capital Inc. and have previously been before the board. Chair called for a motion to approve.

Motion by Member Wicker; second by Member Okimoto.

Chair asked for the staff presentation.

Mr. Roe explained that the rent reopening was missed in 2020. The rent was supposed to be reassessed by appraisal. In 2022 the board approved the Policies and Procedures Manual, recommending 2.5% increase every five years. Staff recommends the board approve a retroactive rent increase of 2.5% every five years. Sunrise has agreed to this increase.

Chair asked if anyone from the public wished to give 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 unanimously approved: 10-0.

5. Request to approve the report and findings of the goals and objectives for the executive director permitted interaction group, deferred from December 6, 2024

This agenda item was WITHDRAWN. It was included by mistake. The subject matter of this agenda item will be addressed by Agenda Item E-11.

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

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

6. Request to approve the report and findings for the criteria of the land opportunities project on the island of Kauai permitted interaction group

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Chair called for a Motion to Approve.

Motion by Member Cooke; Second by Member Wicker.

Chair called on staff for the presentation.

Ms. Gady stated that the Kauai land opportunities permitted interaction group recommended that the USDA guidelines be used to define who qualifies as a small and disadvantaged farmer and asked that the vote on this agenda item be delayed until after Agenda Item E-10.

Chair stated that this agenda item would be taken out of order after Agenda Item 10.

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

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

7. Request to consent to the transfer of the Mililani Technology Park (phase 2 portion) from the Hawaii Technology Development Corporation for lands in Mililani, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 9-5-002:057; :039; 9-5-046:010

Chair called for a motion to approve.

Motion by Member Kahahane; second by Member Wicker.

Chair called on staff for the presentation.

Ms. Gady stated this parcel has a long history. It was originally slated to be an emergency responder campus but that project didn't move forward. The parcel is about one hundred fifty acres. Technological improvements are key to staying in farming and farming for the next generation. Having this parcel and being able to put it into an ag technology park recognizes the desire of the farming community to include technology. But there are conditions that come along with this property that will need to be unwound.

Member Wicker said this is an opportunity to commit to the 2019 Food Security Act. There is the potential to do greenhouse infrastructure facility. We're currently working with the University of Hawaii Community Design Center (UHCDC) including some area for warehouses. There's demand from students for ag programs and student learning technologies out of Leilehua High School, Waipahu High School, and Mililani. There is the opportunity for these high school students to go straight into the workforce. Part of the vision is resilient greenhouse infrastructure facilities and collaborating with the Hawaii Technology Development Corp. (HTDC), the State agency that is transferring this land to ADC for ag tech innovation. We can welcome those students who are doing robotics or software applications to be in the field. Vertical ag as well as an ag region to help us address biosecurity issues. This is a huge opportunity. Once we receive this land, UHCDC can move forward with a proof of concept plan.

Member Cooke asked if they were still thinking of doing the greenhouses near the regional kitchen or were they planning on shifting to this tech park.

Member Wicker said the original plan was greenhouses next to the regional kitchen. We're looking to build resilient greenhouse infrastructure and indoor farming as disaster preparedness; in the event of a category five hurricane or wildfire.

Ms. Gady added that there has been a huge need expressed by the farming community for greenhouses, cold storage, and dry storage. The Mililani Tech Park is off the H-2 and it's a straight shot to the harbor and key distributors within the State.

Member Hurd noted that there would need to be a land use change, but if the Land Use Commission would allow it this would be a real boon to agriculture by adding technology, which can be very expensive and difficult to get. It could be a place for highly skilled positions like microbiologists and entomology work. We don't have that skill set in the State. This is much needed.

Member Wicker said having a tech park allows for a partnership with HTDC. In a past trip to New Zealand, we saw how robots were being developed for harvesting. We can provide research and development opportunities.

Member Okuhama raised some concern over the conditions imposed by the Land Use Commission and the City and County rezoning ordinances on the Mililani Tech Park Development. This will be a very costly and time consuming endeavor to undo all the conditions. Has ADC actually vetted the costs associated with this project?

Ms. Gady replied that ADC has requested money in its budget and we're hopeful we will get additional support.

Member Wicker said that a lot of land the State acquires have challenges. The State should provide financial support for a project that will decrease imports and bring food security.

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

Chair asked if there was any more board discussion.

Member Watts cautioned the board on its budget saying ADC has a lot of expenses and no guarantee funding will be provided.

Member Okuhama reiterated his concern about the conditions attached to the land and the associated costs of road work and bridge work. These are very costly.

Member Wicker stated that the legislature through HTDC purchased the land for the first responder campus. That fell through. This was former pineapple land and ADC's statute mandated utilizing former plantation lands. General funds from the legislature should be provided for that purpose.

Ms. Gady shared that ADC will work with the Department of Transportation on applying for federal grants to make the necessary infrastructure improvements. There's opportunities for partnership within the DBEDT agencies.

Member Okimoto stated he could not imagine legislators not seeing the benefit of developing technology for agriculture.

Member Wicker said we're land banking here, sitting on one hundred fifty acres that could be repurposed twenty or thirty years from now.

Member Watts said he wasn't against the project, just uncomfortable voting on things that we admit we don't have the money for.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

8. Request to establish a permitted interaction group to develop policies and guidelines for the establishment and implementation of an Agribusiness Development Corporation subsidiary related to the Entrepreneur Product Innovation Network Center project pursuant to section 163D-6, Hawaii Revised Statutes

Chair called for a motion to approve.

Motion by Member Trump; second by Member Kahahane.

Chair asked staff for the presentation.

Ms. Gady stated that our statute allows ADC to form subsidiaries. That's a way to gather additional funds for establish an Entrepreneur Product Innovation Network (EPIC). We need information on how that process would work step by step so I ask the board to create a permitted interaction group to create a policy.

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

Chair asked if there was any board discussion.

Member Watts asked if EPIC was different from the food and product innovation network that the University of Hawaii already has. In Maui there's a Food Innovation Center. Would this be a duplicate of work and projects that are currently operating or is this something new.

Ms. Gady replied that the group was to create policies and guidelines for creating a subsidiary network in support of food innovation centers. Basically it's the next step up once the entrepreneur gets nurtured by the network like our High Pressure Processing facility. Providing cold refrigeration, buying a building, or providing an opportunity for private industry to invest in us.

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Member Watts asked if ADC would be operating it.

Ms. Gady said that's why we're asking for help to create policies, guidelines, best management practices; how to fulfill our statute.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair appointed Member Wicker, Member Cooke and Member Watts to the permitted interaction group and asked the group members to draft policy for creating a subsidiary utilizing the attachment to the submittal.

Chair Recalled Agenda Item E-1.

Chair recalled Agenda Item E-1, noting that the request was for approval to terminate Lease Agreement No. LE-K1201 assigned to HDOE; and request to delegate authority to the executive director to execute a MOA with HDOE regarding access to ADC tenant operations in Kekaha had been moved and seconded, and HDOE was ready to identify changes to the draft documents attached to the submittal to conform with HDOE's more recent versions.

Mr. Roe shared his screen with the board and members of the public, which highlighted the changes.

Chair asked that the changes be placed on the record.

Ms. Tsuchiyama stated that she was the deputy attorney general who assisted in drafting the documents. The first change was the effective date at the bottom of the page was changed from January 1, 2025 to January 31, 2025. However, it was agreed that the effective date will be blank and once it was signed it'll read January 31, 2025, which was the agreed upon termination date of the lease, as provided in the MOA. The second change was the addition of approved as to form signature blocks on the second page. HDOE requested that the deputy attorneys general assigned to this matter, me and Ryan Roylo for HDOE, also sign. There were no material changes or substantive differences from the document attached to the agenda, and the form agreed upon.

Chair asked if there was any further discussion.

Mr. Tiberi from HDOE added that in addition to what Ms. Tsuchiyama highlighted for you, there are a number of small changes, like commas, changing lowercase to uppercase, and correction of misspellings. Do you want to go through those corrections as well? Otherwise the form displayed on the screen is correct.

Chair stated that grammatical errors and typos are not substantive changes.

Ms. Waihee-Polk agreed.

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Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair stated Agenda Item E-9 was previously taken out of order. Moving on to E-10.

10. Request to establish a Land License permitted interaction group to rescore all the applications received using two criteria: Criteria of 300 points or above, and if designated a small, disadvantaged farmer based on the USDA definition, with a report to be provided at the February 20, 2025 ADC Board meeting and a decision vote on March 3, 2025 at the ADC Special Board meeting to modify/accept/deny the recommendation

Chair called for a motion to approve.

Motion by Member Okimoto; second by Member Trump.

Chair asked staff for the presentation.

Ms. Gady clarified that the USDA definition of small, socially disadvantaged farmers is a socially disadvantaged group or farmer or rancher who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regard to their individual qualities. This term means a farmer or rancher who is a member of a socially disadvantaged group, specifically members who have been subjected to racial or ethnic prejudice without regard to their individual qualities. These groups include African Americans, American Indians, Alaskan natives, Hispanics, Asians, Pacific Islanders, and women.

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

Chair asked if there was any board discussion.

Member Okimoto asked what the term “disadvantaged” meant.

Ms. Gady said the statute was from the Food Ag Conservation and Trade Act. It’s a long statute, but it definitely includes the vast majority of our land applicants.

Member Watts asked if this re-scoring was for all the applications.

Ms. Gady explained that it was discovered that the applications were scored improperly, which resulted in applicants receiving lower scores. A perfect score was four hundred points and only those who scored three hundred or above were considered. Only six applicants scored over three hundred points. The scoring process was supposed to be conducted using a four person committee. Instead, a five person committee reviewed the applications, which diluted the scores. The top scorers probably will not be affected but in order to give everyone a level playing field the applications will be rescored.

Member Watts asked if this delay would cause a hardship on those applicants that were about to lose their land and needed to move their plants as soon as possible.

Ms. Gady replied that they were trying to move the process forward and fast as possible, asking the group to meet tomorrow to rescore everybody; give the report at the February 20th board meeting, and schedule a special meeting for March 3rd to vote.

Member Okuhama asked if the socially disadvantaged farmers and ranchers automatically qualified or if scoring mattered.

Ms. Gady responded that all applications would be rescored. The applicants scoring three hundred and above will be offered land starting highest to lowest. If a lower scoring applicant meets the definition of socially disadvantaged farmer or rancher, their score would be used to rank them highest to lowest for land in the disadvantaged farmer program. The lowest score cut off will be up to the permitted interaction group.

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair appointed Member Cooke, Member Okimoto, Member Trump and himself to this permitted interaction group. The group was to:

1. Meet on January 17, 2025 and rescore all applications received; be available for any additional farm site visits.
    a. Pick a chairperson
    b. Use two criteria for list of recommended licensees:
        i. Original Criteria of 300 points or above.
        ii. Designated Small Disadvantaged Farmer based on the USDA definition which will be considered for the 511-acre parcel on Oahu & fit for Kekaha on Kauai.
    c. Determine what if any farms need to be visited.
    d. Set date for next meeting.
2. No later than February 9, 2025, determine license list for recommendations and draft the report for the board.
3. February 10, 2025, submit to ADC staff the written report to be included in the ADC board meeting agenda and submittal package.
4. February 14, 2025: Agenda and submittal package uploaded.
5. February 20, 2025: ADC board receives the Land Permitted Interaction Group report for review and discussion.
6. March 3, 2025: ADC board has a special board meeting to vote on the Land Permitted Interaction Group's recommendation.

Chair noted that the first meeting would be tomorrow at 9:30 a.m.

11. Request to establish an ED Evaluation for Pay Increase & Goal Setting for FY25 and FY26 permitted interaction group to review prior PIG goals drafted with staff input, Current ED self-evaluation based on BOD goals set by the Board & establish SMART goals for FY25 & FY26. The PIG is to deliver a written report

by February 10, 2025 to ADC Staff for bundling with agenda submittal package posted February 14, 2025, present the report at the February 20, 2025 ADC BOD meeting, and March 3, 2025 ADC BOD to hold a Special Board Meeting to vote on the recommendation SMART goals for FY25 & FY26

Chair called for a motion to approve.

Motion by Member Okimoto; second by Member Cooke.

Chair asked for the presentation by staff.

Ms. Gady stated that she thought it would be helpful moving forward to have SMART goals set and to acknowledge what she had accomplished during the first half of fiscal year 2025. It is key that the board set goals for her so she can set goals for the staff.

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

Chair asked if there was any more board discussion.

Member Watts asked why a special board meeting was necessary.

Chair replied that this action was way overdue and he'd like to get this done as soon as possible to provide direction for Ms. Gady.

Member Trump noted that holding a special meeting on March 3rd was necessary for the land application review permitted interaction group to finish up the selection process.

Member Hurd also noted that the evaluation, goals, and objectives was way overdue.

Member Watts remarked that he was appointed to the evaluation permitted interaction group but was never invited to the meetings.

Chair clarified that he meant to appoint "Jason" Okuhama who did participate in the meetings and he took full responsibility for the miscommunication. He was trying to fix the mistake now.

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

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair appointed Member Okuhama, Member Wicker, and himself to the permitted interaction group and identified the following tasks:

1. Tasks to be completed:

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a. Meet on January 17, 2025; pick a chairperson and set schedule for meetings.
b. Meet to review permitted interaction group goals drafted with staff input; executive director self-evaluation based on former executive director's goals set by the board; SMART goals for FY2025 & 2026.
c. Draft report for the board.

2. February 10, 2025: Submit to ADC staff the written report to be included in the ADC board meeting agenda and submittal package.
3. February 14, 2025: Agenda and submittal package uploaded.
4. February 20, 2025: ADC board receives the executive director evaluation for pay increase and setting goals for FY2025 and FY2026 permitted interaction group report for review and discussion.
5. March 3, 2025: ADC board has Special Board Meeting to vote on the executive director evaluation for pay increase & setting goals for FY2025 and FY2026 permitted interaction group recommendation.

Chair recalled Agenda Item E-6.

Chair recapped where they left off: the motion to request approval of the report and findings for the criteria of the land opportunities project on the island of Kauai permitted interaction group was moved and seconded; and, there was no one from the public that wished to testify. A new land license permitted interaction group was established by Agenda Item E-10 to review the land applications.

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

F. Informational Items

The following items are for discussion only so there will be no need for a motion or vote on these matters.

1. Update regarding Notice of Violation issued to Ohana Hui Ventures, Inc. dated October 22, 2024 under License Agreement No. LI-W194-23-01

Chair called on Mr. Roe for the update.

Mr. Roe reminded the board about the issue of Ohana Hui Ventures (OHV) holding a mud bogging event on land licensed from ADC, which resulted in staff issuing a notice of violation (NOV). The background was laid out in the submittal. Basically OHV responded to the NOV and promised not to do it again. The issue of sublicensing was raised but staff was unable to confirm there was any sublicensing going on. Staff continues to conduct unannounced inspections.

Member Okuhama asked what would happen if OHV continued to violate the license.

Mr. Roe replied the procedure was set out in the policies and procedures manual. OHV will be given an opportunity to correct. There is a time line. If the violation continues the board can approve referral of the matter to the Attorney General's office and move to terminate the license.

Member Watts asked if there was evidence this type of event had happened before.

Mr. Roe responded not that he was aware of. The Keiki Construction event happened several years ago. They had the appropriate permits. In retrospect that event should have come before the board for approval.

Chair asked if anyone from the public wished to give testimony.

Ms. Cuaresma testified that since the mud bogging event multiple activities have occurred. She received a video dated January 10, 2025, showing motocross bikers on the land. They are all over social media. She claimed that OHV had verbally threatened her nephews. And she heard OHV was having CDL training classes on the land. She asked that OHV's license be terminated immediately.

Mr. Roe replied that ADC was not aware of any further violations. If Ms. Cuaresma has any evidence ADC will certainly look at it. The motocross issues are most likely trespassers. ADC did receive a video from Ms. Cuaresma that showed a member of the public trespassing on OHV's licensed property. A member of the public did call the City and County of Honolulu Department of Permitting and Planning (DPP) to report stockpiling of RAP material by OHV. The matter was investigated and found no violation. DPP reported that the RAP was being used to stabilize dirt roads that were muddy and difficult to access. Road maintenance is an activity allowed on agricultural zoned land. Staff continues to go out there and inspect.

Ms. Gady added that No Trespassing signs have been ordered and will be placed on the perimeter of ADC lands to give the public notice of unlawful trespassing.

Member Hurd mentioned that trespassing on ag land was a huge problem, which led to the death of a rancher who would be alive today if there was no trespassing. Department of Agriculture has ordered one thousand signs to help detour trespassing and posters that encourage people to report instances of trespass. The Department of Law Enforcement is making great efforts to assist farmers and ranchers in dealing with trespassers on agricultural land.

Member Watts asked Ms. Cuaresma if the police were notified about the alleged threats.

Ms. Cuaresma said the incident was reported to the Whitmore Community Center Park director.

Member Cooke recommended that ADC do random spot checks of the property instead of giving them advance notice.

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Manawakolu testified as a member of the Whitmore Village community. He claimed there was sublicensing going on and claimed that if the gate was open it was not trespassing.

Mr. Roe replied that these are state lands, not public lands. They're operating private businesses. Unless you have an invitation to be on the land it's trespassing.

Manawakolu claimed that OHV had told him numerous times "to come see my farm" and it's not trespassing if the gates are open, cars are parked, and events are going on. I think this land is not being managed properly and ADC only goes and checks when someone makes a complaint. Water lines are being built, trenches are being dug. It's all on social media. Don't turn a blind eye to this property.

Mr. Roe noted that digging water lines and trenches and irrigation ditches are critical components of agriculture.

Ms. Gady advised that board that spot checks are occurring and no unauthorized activity observed. ADC is not turning a blind eye to OHV. We have policies and procedures that we are following.

Chair asked if there was any more discussion. There was none. This was just an informational item.

2. Executive Director's Report

Chair called on Ms. Gady to give her report.

Ms. Gady briefly mentioned items discussed in her weekly reports.

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

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

G. Adjourn

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

Motion by Member Cooke; Second by Member Okuhama.

Chair asked if there was any public testimony or board discussion. There was none.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Meeting adjourned at 11:18 a.m.

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STATE OF HAWAI'I

AGRIBUSINESS DEVELOPMENT CORPORATION

E-1

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
March 20, 2025

Subject: Request to accept and approve the recommendations of the report and findings of the land license permitted interaction group established on January 16, 2025

Applicant: Agribusiness Development Corporation (ADC)

Authority: Section 163D-4 (a)(6), Hawaii Revised Statutes (HRS)

BACKGROUND:
At the Board meeting held on January 16, 2025, the Board approved Chair's request to establish a new Land License permitted interaction group (LL Group). A new LL Group needed to be created due to the discovery that the rating system used by the previous land application permitted interaction group was flawed and resulted in lower scores. Chair appointed Member Cooke, Member Okimoto, Member Trump, and himself to the LL Group.

Chair asked the LL Group to:

1. Meet on January 17, 2025 and rescore all applications received; be available for any additional farm site visits.
   a. Pick a chairperson
   b. Use two criteria for list of recommended licensees:
      i. Original Criteria of 300 points or above.
      ii. Designated Small Disadvantaged Farmer based on the USDA definition which will be considered for the 511-acre parcel on Oahu & fit for Kekaha on Kauai.
   c. Determine what if any farms need to be visited.
   d. Set date for next meeting.
2. No later than February 9, 2025, determine license list for recommendations and draft the report for the board.
3. February 10, 2025, submit to ADC staff the written report to be included in the ADC board meeting agenda and submittal package.
4. February 14, 2025: Agenda and submittal package uploaded.
5. February 20, 2025: ADC board receives the Land Permitted Interaction Group report for review and discussion.
6. March 3, 2025: ADC board has a special board meeting to vote on the Land Permitted Interaction Group's recommendation.

According to the discussion held on January 16, 2025, the LL Group was formed to rescore all of the land applications using previously established criteria. Applicants scoring 300 and above would be offered land starting with the highest scorer to the lowest scorer, until there was no more available land. If a lower scoring applicant met the definition of a socially disadvantaged

farmer or rancher, their score would be ranked highest to lowest, and those applicants would be offered a parcel within an area specially designated for a program related to socially disadvantaged farmers or ranchers.

The LL Group met and rescored all applicants. At the Board meeting held on March 3, 2025 the LL Group recommended that applicants who scored over 300 points be offered vacant land and those applicants that scored less than 300 point and met the USDA definition of small, disadvantaged farmers or ranchers be offered land in an area specifically designated for the small, disadvantaged farmer or rancher program.

After presenting their report, the LL Group was dissolved.

Request:
The LL Group requests that the Board accept and approve the report and recommendations presented at the March 3, 2025 Board meeting.

Staff further requests that the Board direct staff to complete the land application process as follows:

1. Contact highest scoring applicants via letter to determine if they are still interested in obtaining a land license from ADC.
2. If still interested, arrange a meeting with applicant to select parcel of land and provide information necessary for issuance for right-of-entry.
3. Advise applicant that the length of the right-of-entry will be dependent upon consistently conducting activities in support of land licensing, including but not limited to, obtaining insurance, soil testing, reasonable land preparation, preparation of conservation plan and farm utilization plan.
4. Once the tenant submits the conservation plan and farm utilization plan to ADC, staff will initiate board action for issuance of the license agreement to commence farming/ranching activity.

Respectfully Submitted,

_____
Lyle Tabata
LL Group Chairperson

STATE OF HAWAI'I

AGRIBUSINESS DEVELOPMENT CORPORATION

E-2

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
March 20, 2025

Subject: Request to accept and approve the executive director permitted interaction group report and recommendations for the fiscal year 2025 goals and the process to complete the fiscal year 2025 evaluation, recommendation to retain, salary recommendation for the 2026 fiscal year, and the 2026 fiscal year goals for the ADC executive director

Applicant: Agribusiness Development Corporation (ADC)

Authority: Section 163D-3 (d)-(f), Hawaii Revised Statutes (HRS)

BACKGROUND:
Section 163D-3 (d)-(f), HRS states:

> *(d) The board shall appoint an executive director, who shall serve at the pleasure of the board and shall be exempt from chapter 76. The salary of the executive director shall be set by the board.*
>
> *(e) The board shall develop and document annual goals and performance measures for the executive director that allow the board to annually evaluate the executive director's work to ensure compliance by the corporation with statutory requirements and achievement of its statutory purposes.*
>
> *(f) The board shall evaluate and document the evaluation of the executive director's performance annually, or more frequently upon the request of at least four board members, based on annual goals, performance measures, and other relevant criteria.*

The ED was hired and began work on August 21, 2023. The Board did not provide the new ED with annual goals and performance measures. However, the new ED was informed of and did implement the annual goals and performance measures that were given to the ED's predecessor on April 20, 2023.

On March 21, 2024, the Board approved former chair Warren Watanabe's (Former Chair Watanabe) request to establish a permitted interaction group for purposes of conducting the ED annual performance review. Former Chair Watanabe appointed Member Seddon, Member Hurd, and Member Wicker to the ED evaluation permitted interaction group. Former Chair Watanabe directed the ED evaluation group to document the evaluation, prepare a list of annual goals and performance measures, indicate whether or not the ED should be retained and whether or not a salary increase was warranted. The ED evaluation group was to make its report at the June 20, 2024 Board meeting. The ED evaluation group's report was deferred from May 16, 2024, June 20, 2024, July 18, 2024, and August 1, 2024. On September 19, 2024, the ED evaluation group gave its report to the Board. The ED evaluation group evaluated the ED performance from

August 2023 to June 2024 and recommended that the ED be retained for another year. The ED evaluation group recommended performance objectives for the July 2024 to June 2025 fiscal year. The ED evaluation group could not unanimously decide on a salary recommendation. After presenting its report the ED evaluation group was dissolved. On October 24, 2024, the Board accepted the ED evaluation groups recommendation and approved retaining the ED for another year.

At the Board meeting held on October 24, 2024, Chair Tabata (Chair) requested the Board's approval to establish a new permitted interaction group to establish ED goals and objectives for FY 2025 (July 2024 to June 2025). The Board granted Chair's request. Chair appointed himself, Member Seddon, Member Watts, and Member Wicker to the permitted interaction group. The ED evaluation group was asked to develop specific goals and objectives for the ED to accomplish during fiscal year 2024-2025 and report the group's recommendations at the next Board meeting.

On November 21, 2024, Chair asked to dissolve the ED evaluation group established at the October 24, 2024 Board meeting in order to add an additional task for the group to accomplish. The Board approved Chair's request and the ED evaluation group established on October 24, 2024 was dissolved. Thereafter, Chair requested the Board's approval to establish a new permitted interaction group to develop goals and objectives for the ED for fiscal year 2024-2025 and to consider the salary amount for the ED for fiscal year 2024-2025, to cover the time period between July 1, 2024 and June 30, 2025. The Board granted Chair's request. Chair appointed himself, Member Seddon, and Member Watts to the ED evaluation permitted interaction group. Member Wicker asked to be a part of the group, which Chair took under advisement. The ED evaluation group was asked to develop specific goals and objectives for the ED to accomplish during fiscal year 2024-2025 and to make a salary recommendation for the same time period. The ED evaluation group was to present its report with the goals, objectives, and salary recommendation at the December 5, 2024 Board meeting.

On December 5, 2024, Member Seddon presented the ED evaluation group's report and recommendations to the Board. A copy of the report was attached to the Board submittal at pages 011-014. The report contained performance objectives and goals, and a salary recommendation.

At the Board meeting held on December 6, 2024, it was discovered that the wrong "Jayson" was appointed to the ED evaluation group on October 24, 2024. Although Chair said "Jayson Watts" was appointed to the ED evaluation group on October 24, 2024, he meant to appoint "Jason Okuhama" to the group. Chair, Member Seddon, and Member Okuhama participated in the ED evaluation permitted interaction group meetings and contributed to the final report and recommendations of the group that were presented at the December 5, 2024 meeting. After discovery of the group membership error, the matter was deferred indefinitely.

At the Board meeting held on January 16, 2025, the Chair asked the Board to approve his "Request to establish a [sic] ED Evaluation for Pay Increase & Goal Setting for FY25 and FY26

permitted interaction group to review prior PIG goals drafted with staff input, Current ED self-evaluation based on BOD goals set by the Board, & establish SMART goals for FY25 & FY26. The PIG is to deliver a written report by 2/10 to ADC Staff for bundling with agenda submittal package posted 2/16 [corrected to **2/14** on the record], present the report at the 2/20 ADC BOD meeting, and 3/3 ADC BOD to hold a Special Board Meeting to vote on the recommendation SMART goals for FY25 & FY26". The Board approved Chair's request. Chair appointed himself, Member Okuhama, and Member Wicker to the ED Evaluation permitted interaction group. The ED evaluation group was asked to:

1. Meet on January 17, 2025; pick a chairperson (Jason Okuhama), and set schedule for meetings;
2. Meet to review permitted interaction group goals drafted with staff input; executive director self-evaluation based on former executive director's goals set by the Board; SMART goals for FY2025 & 2026.
3. Draft report for the Board.
4. February 10, 2025: Submit to ADC staff the written report to be included in the ADC Board meeting agenda and submittal package.
5. February 14, 2025: Agenda and submittal package uploaded.
6. February 20, 2025: ADC Board receives the executive director evaluation for pay increase and setting goals for FY2025 and FY2026 permitted interaction group report for review and discussion.
7. March 3, 2025: ADC Board has Special Board Meeting to vote on the executive director evaluation for pay increase & setting goals for FY2025 and FY2026 permitted interaction group recommendation.

The ED Evaluation permitted interaction group met and developed performance goals and objectives for the time period between July 1, 2024 and June 30, 2025.

The ED Evaluation permitted interaction group reported their findings at the March 3, 2025 ADC regular board meeting.

<u>Request</u>:
Request to accept and approve the report and recommendation of the ED Evaluation group of fiscal year 2025 goals for the ED and prepared the report and recommendations, attached as "Exhibit A". The group used "SMART GOAL" - **S**pecific, **M**easurable, **A**chievable, **R**elevant, and **T**ime-Bound, as a guide:

> **Specific**: The goal is clear and states what will be done and who will do it.
> **Measurable**: The goal includes how you will measure your progress.
> **Achievable**: The goal is realistic and can be achieved within a specific time frame.
> **Relevant**: The goal makes sense and fits the purpose of your project.
> **Time-bound**: The goal has a clear deadline.

Because section 163D-3 (e), HRS, requires the Board to conduct an "annual" goals and performance evaluation, the ED Evaluation group recommends that the ED's performance evaluation and salary discussion for fiscal year 2026 be conducted **after** the Board votes to approve the current fiscal year 2025 performance evaluation, which is tentatively scheduled for vote at the next ADC Board meeting.

The ED Evaluation permitted interaction group requests the Board adopt and approve the Performance Goals and Objectives set forth in the attached Annual Goals as Exhibit "A". The ED Evaluation group further requests that a new ED Evaluation permitted interaction group be created to complete the following tasks:

1. Establish the 2026 fiscal year goals for the ED (March – May 2025, timeframe);
2. Evaluate the performance of the executive director for the 2025 fiscal year (April 2025);
3. Make a recommendation whether to retain the ED for another year (May 2025); and
4. Make a salary recommendation (May 2025).

Adherence to the timeframe referenced above will allow the 2025 fiscal year annual performance evaluation to be completed before the annual evaluation of the 2026 fiscal year begins. Ensuring that the 2026 fiscal year goals and objectives are approved by the Board before July 1, 2025 will allow the Board's annual obligation to evaluate the ED's prior year performance and create future goals to proceed as intended by section 163D-3(d)-(f), HRS.

Respectfully Submitted,

_____

Jason Okuhama
ED PIG Chairperson

Agribusiness Development Corporation
Executive Director
Performance Goals and Objectives

Annual Goals and Objectives - July 1, 2024 to June 30, 2025

1. LEADERSHIP

Specific Goals:

- Dole Wells Acquisition: Secure formal acquisition documents and funding by Q4 FY 2024/2025. Collaboration with DLNR and the Department of the Attorney General for legal processes, leveraging ADC's existing experience in irrigation system acquisitions (e.g., East Kauai Irrigation System transition).

- PIG Facilitation: Track the number of Permitted Interaction Group (PIG) meetings facilitated with assigned staff and ensure 90% of meetings are completed on schedule with progress reports submitted to the ADC Board.

- ADC Agribusiness Development Plan: Establish a hard completion date for Office of Planning and Sustainable Development (OPSD) to complete the ADC Agribusiness Development Plan. If necessary, assign staff to assist OPSD in completing Agribusiness Development Plan.

Measurable and Achievable:

- Dole Wells Acquisition: Secured formal acquisition documents and funding for Dole Well acquisition by Q4 FY 2024/2025.

- PIG Facilitation: Utilized existing staff resources and assigned dedicated project managers to ensure 90% of meetings were on schedule and progress reports are submitted to Board.

- ADC Agribusiness Development Plan: Final date set for OPSD to complete the ADC Agribusiness Development Plan with assistance from ADC Staff.

2. STAFF DEVELOPMENT

Specific Goals:

- Staff Meetings: Conduct a minimum of 26 bi-weekly staff meetings within FY 2024/2025.
- Work Monitoring System: Implement the system by Q2 FY 2024/2025 and conduct quarterly performance reviews to adjust workloads.
- Cross-Training: Ensure 80% of staff complete at least one cross-training session by Q3 FY 2024/2025.
- Continuing Education: Apply lessons learned from staff development practices to achieve at least 75% staff participation in one State HRD or private training by FY end.
- Grant Writer Hiring: Hire a qualified grant writer by Q4 FY 2024/2025, with legislative support secured by mid-year.
- Kauai Staff Positions: Hire Kauai Property Manager and Water Manager positions by FYE 2025.

Measurable and Achievable:

- Staff Meetings: Confirmed 26 bi-weekly staff meetings by FY 2024/2025.
- Work Monitoring System: Implement internal tools like the Yardi system to monitor workload distribution, ensuring feasibility.
- Cross Training: Confirmed 80% of staff completed at least one cross-training session by Q3 FY 2024/2025.
- Continuing Education: Applied lessons learned from staff development practices to meet 75% staff participation in FY 2024/2025.
- Grant Writer Hired: Grant writer hired in FY 2024/2025.
- Kauai Staff Positions: Leveraged ADC's current recruitment strategies as successfully demonstrated in the hiring of the Kauai Property Manager and Water Manager positions by FY 2024/2025.

3. MANAGEMENT

Specific Goals:

- File Management System: Fully operational system for electronic and physical file storage implemented by Q3 FY 2024/2025, with quarterly audits to ensure compliance.
- Records Retention Policy: Finalize and implement the policy by Q2 FY 2024/2025, with staff training completed within one month of implementation.

- Audit Issues: Address 100% of outstanding audit findings by June 30, 2025, with quarterly status updates provided to the Board.

- Yardi System - Maximizing Use: Utilize Yardi System for water use agreement and land management.

Measurable and Achievable:

- File Management System: File Management System operational by Q3 FY 2024/2025.

- Records Retention Policy: Final Records Retention Policy with staff training implemented by Q2 FY 2024/2025.

- Audit Issues: 100% of outstanding audit findings addressed by June 30, 2025, with quarterly status updates provided to Board. Audit issues will follow the SOP developed and initiated, as seen with the East Kauai Irrigation System acquisition.

- Yardi System: Utilized Yardi system best practices to apply to water use agreements and land management.

4. BOARD RELATIONS

Specific Goals:

- Weekly Reports: Ensure 100% of ED Weekly Reports are submitted on time and uploaded to the ADC website within 48 hours.

- Timely Board Packages: Distribute comprehensive Board packages at least five business days before each meeting, maintaining 100% on-time delivery rate. Allows Board sufficient time to review meeting materials and time for any questions.

- Major Project Schedule: Update and share the CIP Major Project Schedule quarterly. Allows detailed tracking and reporting of CIP projects and strategic plan progress.

Measurable and Achievable:

- Weekly Reports: Confirm Weekly Reports have been submitted on time and uploaded to ADC website within 48 hours.

- Board Packages: Confirm that Board packages distributed 5 business days prior to each Board Meeting with 100% on-time delivery.

- Major Project Schedule: Confirm submission of quarterly CIP Major Project Schedule.

5. PERSONAL DEVELOPMENT

Specific Goals:

- Leadership Development: Incorporate leadership development into existing meetings with the Board and staff, utilizing feedback from the ED Evaluation Permitted Interaction Group.

- Leadership Delegation: Conduct bi-monthly check-ins with the Board Chair to assess progress in delegation and leadership distribution.

- Professional Growth: Complete at least two professional development courses in FY 2024/2025.

- Public Image: Issue at least three public relations statements or media engagements annually, measuring improved public perception through stakeholder feedback in FY 2024/2025. Enhance public relations efforts through collaboration with Mana Means and Strategies 360, as outlined in recent reports.

- Salary Increase: ED to prepare performance-based self-evaluation to justify yearly salary adjustment by Q4 FY 2024/2025.

Measurable and Achievable:

- Leadership Development: Incorporate ED Evaluation PIG feedback in leadership development.

- Leadership Delegation: Board Chair to provide feedback on delegation and leadership distribution prior to yearly ED Evaluation.

- Professional Growth: Confirm ED completion of at least two professional development courses prior to yearly ED Evaluation.

- Public Image: Confirm three public relations statements or media engagements by FY 2025, and collaboration with ADC's public relations companies.

HRS Chapter 163D establishes the framework for ADC's role in promoting and developing diversified agriculture in Hawaii. The SMART goals outlined above directly support several key sections:

- §163D-2 (Purpose): Goals like acquiring Dole Wells and enhancing water infrastructure align with ADC's mission to support agricultural development.

- §163D-4 (Powers and Duties): Management goals such as developing a records retention policy and addressing audit issues directly support ADC's administrative and operational responsibilities.

- §163D-6 (Acquisition of Property): The leadership goal of completing the Dole Wells acquisition and the management of land portfolios relate to ADC's authority to acquire and manage agricultural properties.

- §163D-13 (Development and Management of Facilities): Goals related to Capital Improvement Projects (CIP), such as the Waiahole Irrigation System and Kekaha Ditch Bridge, directly support the development and management of agricultural infrastructure.

STATE OF HAWAI'I
AGRIBUSINESS DEVELOPMENT CORPORATION

E-3

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
March 20, 2025

Subject:	Request to accept and approve the recommendations of the value-add permitted interaction group
Applicant:	Agribusiness Development Corporation (ADC)
Authority:	92-2.5(b), Hawaii Revised Statutes

BACKGROUND:
The ADC Board of Directors (Board) established the value-add permitted interaction group (VPIG) at their meeting on March 21, 2024. The scope of the VPIG was to investigate and report back to the Board on the following matters: develop recommendations to the full Board regarding strategic planning involving agribusiness efficiencies including special projects, farmer assistance, capital improvements, etc., utilizing the Hawaii Investment Ready process.

The VPIG provided their report to the Board at the board meeting held on February 20, 2025 and was dissolved upon the presentation of their report.

REQUEST:
Request that the Board accept and approve the report made by the VPIG at the February 20, 2025 meeting (Exhibit "A"). (Request)

RECOMMENDATION:
Based on the foregoing, staff recommends that the Board:

1. Approve the Request.

Respectfully Submitted,

WENDY L. GADY
Executive Director

Attachment(s)
Exhibit A Final Report of the Value-Add Permitted Interaction Group

January 29, 2025

FINAL REPORT OF THE VALUE-ADD PERMITTED INTERACTION GROUP

TO: Lyle Tabata, Chair and the Board of Directors of the Agribusiness Development Corporation

FROM: Jayson Watts, Chair and Members of the Value-Add Permitted Interaction Group

RE: Final Report of the Value-Add Permitted Interaction Group

Executive Summary

The Agribusiness Development Corporation (ADC) has a statutory mandate under Hawaii Revised Statutes (HRS) Chapter 163D to create value-added opportunities in the agricultural sector for the economic, environmental, and social benefit of Hawaii's people. This includes fostering agricultural innovation, increasing local food production, addressing systemic food system challenges, providing support services for farmers, and developing infrastructure that supports long-term sustainability.

To fulfill this mission, ADC plays a critical role in land acquisition, infrastructure development, farmer support services, and the establishment of shared facilities essential for agricultural growth. By securing and managing land for affordable agricultural use, ADC ensures that farmers have the necessary resources to cultivate and expand their operations. Additionally, ADC's investment in infrastructure—such as cold storage, preprocessing facilities, and logistics hubs—helps resolve supply chain inefficiencies. Shared facilities further enable small and mid-sized farmers to access advanced technologies and services, fostering collaboration and innovation. These efforts empower farmers to process, package, and market their products more effectively, enhancing profitability and strengthening Hawaii's agricultural sector.

Strengthening Existing Commitments, The Importance of Data, Statistics, and Business Training in Agriculture

Data, statistics, and business training are essential tools for modern agriculture, enabling farmers to make informed decisions, optimize resources, and achieve long-term sustainability. Access to these resources can enhance productivity, resilience, and financial stability for those farming on ADC lands. By leveraging insights on past yields, market trends, and environmental factors, farmers can make strategic choices about crop selection, resource allocation, and risk management—ensuring their operations remain profitable and adaptable.

In addition to improving financial and operational planning, these tools support environmental stewardship and efficiency. Precision agriculture technologies, combined with data insights, allow farmers to minimize costs while reducing their environmental impact through optimized use of water, fertilizers, and other inputs. Business training further equips farmers with essential

skills such as budgeting, expense tracking, and securing funding, strengthening their ability to scale operations and navigate market fluctuations.

As ADC pursues value-added opportunities to elevate agricultural production, fostering an environment where farmers can succeed is paramount. By expanding access to data-driven decision-making, business development resources, and cutting-edge technologies, ADC can empower its farmers to improve efficiency, enhance product value, and contribute to a stronger local food system. When farmers have the tools to grow their businesses and maximize the value of their products, ADC advances its broader mission of strengthening Hawaii's agricultural industry and promoting long-term sustainability.

ADC has demonstrated its commitment to value-added agriculture through initiatives such as the Central Oahu Agriculture and Food Hub and the Wahiawa Value-Added Product Development Center. These projects address supply chain challenges and support small and mid-size farmers by providing preprocessing technologies, food safety training, and essential logistics services. Expanding these efforts is critical. The nearly 4,000 acres of agricultural land managed by ADC in Central Oahu should be prioritized for farmers committed to supplying the HIDOE with fresh, locally grown produce for student meals. HIDOE also needs to increase its efforts and the support services it provides to ADC farmers who want to supply Hawaii schools.

To further strengthen these initiatives, ADC should:

1. **Establish a Statewide Food and Product Innovation Network (FPIN)** – Connect businesses to manufacturing equipment, expert guidance, and certifications for both local and export markets to facilitate value-added production and economic diversification.

2. **Expand Training and Business Development Resources** – Offer courses in entrepreneurship, marketing, and business management to help farmers and agribusinesses capitalize on market opportunities and innovate product offerings.

3. **Enhance Preprocessing Services** – Provide essential post-harvest treatments such as cleaning, grading, and processing to meet specialized equipment requirements, reduce losses, and improve product quality. ADC should also prepare farmers to meet FPIN facility needs, including advanced technologies like high-pressure processing.

4. **Increase Cold Storage Capacity** – Develop statewide cold storage solutions to prevent spoilage, allow better market timing, and aggregate produce from multiple farmers to meet institutional volume requirements.

5. **Provide Distribution Services -** For individual farmers, distributing products can be cost-prohibitive due to high transportation and logistics costs. Many small and mid-size farmers cannot afford their own hauling vehicles and equipment. Providing distribution services will allow local farmers with limited resources to supply FPIN facilities.

6. **Integrate Packaging Services** – Equip ADC hubs with specialized packaging technology to improve shelf life, transportation efficiency, and marketability for processed and semi-processed goods.

7. **Strengthen Collaboration with Partner Organizations** – Align preprocessing, packaging, and distribution services with the needs of Hawaii's regional economies and county-specific agricultural priorities.

8. **Expand Food Safety Training** – Offer accessible, affordable training programs for small and mid-size farmers, focusing on USDA standards such as Harmonized GAP Plus+ and GroupGAP certifications. Multilingual resources should be developed to support Hawaii's diverse agricultural workforce.

9. **Engage HIDOE to Strengthen Local Procurement** – Advocate for policies that incentivize HIDOE to work with ADC farmers to grow produce specifically for Hawaii schools, ensuring a steady supply of fresh, local food for students.

10. **Develop a Regional Aggregate Facility System** – Establish a network of aggregate facilities to support small and mid-size farmers by centralizing collection, preprocessing, storage, and distribution services. These facilities will enable farmers to efficiently supply both value-added markets and institutional buyers, including HIDOE's regional kitchens.

Integrating these systems into ADC's infrastructure and the FPIN will enhance market access, improve farmer profitability, and strengthen Hawaii's local food security. By building on these successes and incorporating additional resources, ADC can further support local farmers while expanding the state's food production and processing capacity. These initiatives will boost the economic viability of local agriculture while advancing long-term food security and sustainability across Hawai‘i.

Aligning Goals with Food Security and Economic Diversification

ADC's initiatives play a vital role in reducing Hawaii's dependence on imported foods and strengthening local food systems. By scaling food production and fostering value-added opportunities, ADC advances Hawaii's food security goals and economic diversification. Key actions include:

1. **Developing Regional Innovation Hubs** within the FPIN to integrate resources for product development, manufacturing, and marketing, helping farmers transition from small-scale trials to full-scale commercialization.

2. **Providing Low-Risk Commercial Production Opportunities** through shared-use facilities equipped with advanced technologies that meet industry standards for both local and export markets.

3. **Expanding Workforce Development Programs** to train agricultural workers in value-added production processes, ensuring they are equipped for an evolving market.

4. **Enhancing Export Potential** by offering compliance programs and certifications that enable farmers to meet offshore market requirements.

5. **Supporting Small and Mid-Size Farmers** with affordable food safety training, helping them meet regulatory requirements and gain access to institutional markets such as schools and retail chains.

6. **Improving Distribution Services** to connect farmers with larger markets, address transportation challenges, and aggregate produce for high-volume demands. This includes logistical support to facilitate delivery to FPIN facilities and institutional buyers.

7. **Leveraging FPIN Resources** to provide businesses with specialized equipment, process optimization guidance, and entrepreneurial support, fostering innovation and growth.

By expanding access to these resources, ADC strengthens local agriculture, drives economic growth, and ensures a sustainable, secure food supply for Hawaii's residents.

Recommendations

1) Immediate Action Items

a) **Whitmore Lease and Hawaii State Department of Education (HIDOE) MOA** – Finalize the lease and agreement with HIDOE to enhance centralized processing and meal delivery, streamlining logistics, and ensuring consistent supply chains for institutional food programs. Design incentives for HIDOE to work with ADC farmers and increase local food content in school meals.

b) **Expansion of Critical Support Services** – Enhance ADC farmers' access to distribution, preprocessing, cold storage, packaging, and food safety training. These services will strengthen the agricultural value chain, improving farmer profitability and marketability.

c) **Small Animal Slaughterhouse Feasibility** – Conduct feasibility studies for small animal slaughterhouses on Maui, Hawai'i Island, Kauai, and Oahu. Assess market demand, infrastructure, environmental impact, and long-term sustainability. If viable, secure funding and establish facilities to reduce import dependence and support local livestock producers.

d) **Land Acquisition for Expansion** – Initiate land acquisition processes on Maui, Molokai, and Hawaii Island to expand ADC's reach, increasing farming capacity and ensuring access to affordable agricultural land for small and mid-sized farmers.

2) Mid-Term Goals

a) **Statewide Mapping of Agricultural Assets** – Conduct a comprehensive assessment of existing and potential value-added infrastructure, including FPIN facilities, slaughterhouses, cold storage, and distribution centers. Use data to identify investment gaps and optimize resource allocation.

b) **Legislative Advocacy for Neighbor Island Projects** – Engage lawmakers and stakeholders to secure funding for capital improvement projects focused on land and infrastructure expansion, fostering public-private collaboration to address island-specific agricultural needs.

3) Expansion to Neighbor Islands

a) **Land Portfolio Expansion** – Extend ADC's agricultural land holdings to Maui, Molokai, and Hawaii Island, prioritizing affordability and accessibility for small and mid-size farmers.

b) **County-Specific Processing Hubs** – Establish value-added processing hubs on Maui, Molokai, and Hawaii Island, modeled after successful initiatives like the Central Oahu Agriculture and Food Hub but tailored to each island's unique agricultural strengths.

4) Long-Term Vision

a) **Island-Specific Value-Added Production Hubs** – Develop integrated processing, distribution, and food safety training centers on all major islands, enabling farmers to leverage advanced technologies and expand market opportunities.

b) **Investment in Innovation and Market Trends** – Regularly assess emerging agricultural technologies and industry trends to ensure Hawaii's competitiveness in value-added agriculture, focusing on efficiency, sustainability, and farmer profitability.

c) **Diversification of Protein Production** – Support aquaculture and small animal farming through investments in feed mills, processing facilities, and workforce training to strengthen food security and reduce import dependency.

5) Community and Legislative Engagement

a) Local Stakeholder Engagement – Encourage board members with constituency seats to take an active role in island-specific collaborations with cooperatives, community organizations, and farmers. By serving as liaisons, they help ensure that ADC initiatives align with the unique agricultural needs of their respective islands.

b) **Legislative Advocacy Strategy** – Actively involve board members with constituency seats to participate in legislative advocacy for their respective islands, focusing on securing funding for agricultural and infrastructure projects that address island-specific challenges.

c) **Accountability and Reporting** – Require board members leading engagement efforts to provide regular updates to the full board, detailing community feedback, project progress, and challenges. This structured reporting ensures transparency and informed decision-making.

d) **Strengthening Partnerships** – Encourage board members to build relationships with state and county agencies, private stakeholders, and agricultural cooperatives to align priorities, secure additional resources, and leverage funding opportunities for their respective islands.

e) University of Hawaii Collaboration – ADC should actively engage with the University of Hawaii System to support food innovation centers within community colleges and collaborate on joint projects. This engagement will ensure financial sustainability, proper resource utilization, and alignment with agricultural and workforce development needs across the state.

f) **Economic Impact Analysis with the University of Hawaii Economic Research Office (UHERO)** – ADC should collaborate with UHERO to conduct economic impact analyses, leveraging UHERO's expertise to gather data and insights specific to each island's agricultural sector and the overall state economy. This partnership will help ADC make informed, data-driven decisions that maximize economic benefits statewide.

Conclusion

The ADC plays a critical role in strengthening Hawaii's agricultural sector through strategic land management, infrastructure investments, and value-added opportunities. Its statutory mandate to foster agricultural innovation and economic resilience remains central to ensuring local food security and long-term sustainability.

ADC's initiatives—such as the statewide FPIN, expanded preprocessing and cold storage capabilities, and enhanced food safety training—are designed to address supply chain inefficiencies and support the scalability of small and mid-sized farmers. By integrating data-driven decision-making, workforce development, and business training, ADC is equipping farmers with the tools needed to compete in an evolving market while advancing the state's self-sufficiency goals.

The corporation's commitment to regional expansion—including land acquisition, county-specific processing hubs, and feasibility studies for small animal slaughterhouses—ensures that agricultural growth is inclusive and tailored to each island's unique needs. Institutional procurement partnerships, particularly with the HIDOE, provide a direct pathway to increasing the supply of fresh, locally grown food for schools, bolstering both food security and economic diversification.

Moving forward, ADC must remain proactive in legislative advocacy, community engagement, and public-private collaboration to secure the necessary resources and funding for these initiatives. Strengthening partnerships with state and county agencies, industry stakeholders, and the University of Hawaii System, especially the Community Colleges, will be crucial to expanding innovation in value-added agriculture.

By implementing these strategic recommendations, ADC will enhance local food production, improve farmer profitability, and ensure that Hawaii's agricultural sector remains resilient in the face of evolving economic and environmental challenges. The execution of these priorities will not only strengthen Hawaii's food systems but also lay the foundation for a sustainable, diversified, and prosperous agricultural future for the state.

STATE OF HAWAI'I
AGRIBUSINESS DEVELOPMENT CORPORATION

E-4

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
March 20, 2025

Subject:	Request for approval to issue a new license agreement to Kekaha Agriculture Association for 3.21 gross acres, more or less, of land and improvements in District of Waimea, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)
Applicant:	Kekaha Agriculture Association
Authority:	163D-4(a)(5), Hawaii Revised Statutes
Area:	3.21 gross acres, more or less
Field ID:	C-SHOP (Premises) (Exhibit "A")
Tax Map Key:	(4) 1-2-002:001 (Property)
Land Status:	Set aside to the Agribusiness Development Corporation by Governor's Executive Order No. 4007 for *Agricultural and Related Purposes*
Trust Land Status:	Section 5(b) lands of the Hawaii Admission Act Yes ☒ No ☐ DHHL 30% entitlement lands pursuant to the Hawaii State Constitution? Yes ☒ No ☐
Zoning:	SLUD: Agricultural CZO: Agricultural
Character of Use:	Agricultural base yard, equipment repair, storage
Land Doc. Type:	License
Term:	2 years, 3 months (January 1, 2025 – March 31, 2027) (license term shall expire upon expiration of the Restated Memorandum of Agreement between ADC and KAA dated August 29, 2008; 1 option to extend for 5 years.
Rent	**Annual Rent: $10,110.00** (see Table 1)

BACKGROUND:
License Agreement No. LI-K1502 (Andros License) was issued to Andros Engineering Corporation (Andros) effective January 1, 2015. Following the termination and withdrawal of Andros operations from Hawaii, the License as assumed by Kekaha Agriculture Association (KAA) as License Agreement No. LI-K-23-01 (KAA License) for the remaining term of the Andros License. The KAA License expired on December 31, 2024 and KAA maintains use of the Premises under holdover terms as a base yard, storage site, and equipment repair site.

Revocable Permit No. RP-K-22-01 was issued to Kekaha Agriculture Association effective September 1, 2023 for 1.0 gross acres of unimproved open space. KAA's original intent was to site an office trailer on the location following unexpected termination of a prior lease agreement for off-site office space, however other, more-permanent and preferable, office space options were pursued.

Non-exclusive use of the carpentry shop has long been enjoyed by KAA as a site for storing equipment and supplies and as a morning gathering place for start-of-day activities, although use of the facilities has never been formally documented or approved.

REQUEST:
Request that the Board approve a new license to Kekaha Agriculture Association for the combined Premises (base yard, unimproved open space, and carpentry shop) for a term of January 1, 2025 – March 31, 2027 with an option to extend for an additional 5 years, subject to the mutual consent of ADC and KAA.

OPERATIONAL PLAN:
The use of the Premises includes equipment and supplies storage, equipment repair operations, warehousing, plastics recycling aggregations, agricultural washing station, and taro plantings (see Exhibit "B")

CONSERVATION/BMP PLAN:
Applicant will be required to develop an approved conservation plan, as well as implement best management practices for the Premises.

CHAPTER 343:
Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the "(1) use of state land or county lands, or the use of state or county funds[.]" In this case, the project would trigger an environmental assessment because it proposes the use of state lands. However, the action is exempt under the Comprehensive Exemption List for the Agribusiness Development Corporation dated May 1, 2018, Exemption Class 10, Item(s) 9, 12, and 14.

DISCUSSION:
KAA is a tenant in good standing with ADC, current on all rents and KAA License obligations. The new license will be coterminous with the ADC/KAA Restated Memorandum of Agreement which expires on March 31, 2027. Additionally, the license will include 1 option to extend for an

additional 5 years, subject to the mutual consent of ADC and KAA. The new license will represent $10,110.00 of (mostly) continuing annual rental income to ADC (rent escalator not included).

Table 1 C-SHOP Rent Breakdown

Area (acreage)	Rate/acre/year	Annual Rent	Rationale
Base Yard (1.5 ac)	$6,560.00	$9,840.00	+2.5% current base rent
C-shop (0.8 ac)	$150.00	$120.00	Facilities are generally stable, but aged and in need of repair
Frontage (1.0 ac)	$150.00	$150.00	Unimproved open space
Total		**$10,110.00**	

RECOMMENDATION(S):
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions, and the terms and conditions stated herein:
   a. KAA shall not sublicense any portion of the property without ADC's consent; and
   b. KAA shall develop an approved conservation/BMP plan for the Premises; and
   c. Rental rate is subject to 2.5% increase of base annual rent following exercise of option.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated May 1, 2018, the proposed disposition will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,

Lyle Roe

LYLE ROE
Asset Manager

Approved for Submittal:

Wendy Gady
Executive Director

Attachment(s)
Exhibit A Map
Exhibit B Land Utilization Plan

ADC
AGRIBUSINESS DEVELOPMENT CORPORATION

C-SHOP
3.21 gross acres
Kekaha, Kauai, Hawaii

TMK (4) 1-2-002:001 (por.)

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Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community, This work is licensed under the Esri Master License Agreement.View Summary | View Terms of UseExport: This layer is not intended to be used to export tiles for offline. , Esri, USGS This map was developed by the Agribusiness Development Corporation, State of Hawaii.

Kekaha Agriculture Association

01/01/2025

DRAFT

Utilization Plan for the former Andros Facility, currently LI-K-23-01 Kekaha Agriculture Association; former Kekaha Sugar Carpenter Shop, and Kekaha Road Frontage Lot

Kekaha, Kauai, Hawaii

Kekaha Agriculture Association currently utilizes these spaces as a base yard and support facility for agricultural projects on Agribusiness Development Corporation holding in Kekaha. The short-term plan (1-3 years) is to continue using these facilities as they are currently being used.

Given a longer-term commitment, Kekaha Ag will develop a master plan, in concurrence with ADC, that would include:

- Integration of the Waiaka Farms Plan
- Interim plans to better integrate and improve utilities, security and use, of the three parts, and for the renovation of the aging, yet solid, Carpenter Shop
- Plans for an Administration building(s) for Kekaha Ag and the Waiaka Farms

DRAFT

FORMER ANDROS SHOP, now LI-K-23-01 issued to Kekaha Agriculture Association

The subject facility is on approximately 1.5 acres of clear, level, graded land in Kekaha. The perimeter is partially fenced, and those non-fenced areas protected by a wide drainage ditch. The site borders an ITC rental space and the Kekaha Ag operation's "Carpenter Shop", both of which are also fenced.

Improvements include a 40'x64' concrete slab on which three shipping containers are positioned, and all covered by an iron roof. These are configured to provide two work bays, one set up for metal fabrication and the other, generic shop space. Electric power is provided by Kekaha Ag power. County potable water is provided by an arrangement with an adjacent private landowner. Currently two Kekaha Ag shipping containers, and loose pipe fittings held for the Pressurized System, are sited on the property.

Equipment purchased from Andros includes welders, air compressors, grinders, a drill press, tire changing machine, hydraulic hose crimping machine, hand tools, work tables, storage racks, icemaker, and metal fabrication supplies. There is a complete set of equipment for agricultural plastics (primarily chemical containers and drip tube) recycling.

The mauka bay is used by Kauai Taro Company to process post-harvest taro. Equipment includes a stainless steel three-compartment sink, specialized mechanical taro washing machine, and a 12x12 walk-in freezer.

Rolling stock and implements assigned to the facility include a Caterpillar Forklift, John Deere 4720 tractor, Flail Mower, and Tiller.

Fire extinguishers are current and under an annual inspection agreement. The building is insured for fire and liability.

UTILIZATION PLAN

1. Continue metal fabrication and equipment repair facility for ADC Tenants
2. Develop, although modified, agricultural plastics recycling, as a service to ADC tenants and outside agricultural operations.
3. Storage and laydown yard for Pressurized System installation.
4. Additional base yard and support facility for Kekaha Ag operations.
5. Refrigerated & Freezer Storage of post-harvest crops

DRAFT

CARPENTER SHOP

The Carpenter Shop has been the base of Kekaha Agriculture Association operations since the closure of Kekaha Sugar. The handsome, mostly open, structure is believed to have been built in the mid 1930's. The 6,188 (approx.) square foot building is on a concrete slab-on-grade, walls 1x12 board and batten construction, open truss roof structure with a corrugated iron roof. See floor plan attached. The building is used for daily operations meetings, storage of tools, equipment, and electrical supplies, spare motors and transformers, and vehicle parking. A small restroom is in the main building. Electric Power

A small wooden storage building contains historic field maps.

An Outside Storage area holds several new transformers for the Pressurized System.

Two dilapidated office structures (non-historic) are located within the premises and should be considered for demolition.

The perimeter is partially fenced, and the unfenced boundary is adjacent to property licensed to ITC.

UTILIZATION PLAN

1. Office space for ditchmen
2. Continue use as base of Kekaha Agriculture Association base of field and electrical operations,
3. Central gathering location in times of fires and emergencies
4. Location of morning stand and work assignments
5. Parking and storage of ATV, irrigation ditch maintenance tools and equipment
6. Storage of electrical components, including transformers, spare motors, wire, distribution system supplies
7. Storage for field maps. Maps contain currently relevant information on irrigation main lines, roads, and other infrastructure.
8. Develop renovation plans for structure to meet current wind loads, deferred maintenance, plumbing and electrical systems, and paint.

DRAFT

KEKAHA ROAD FRONTAGE LOT (RP-K-22-01)

This lot is located makai of the Carpenter Shop and fronts the Kekaha Main Track, Kekaha Road, and the old Kekaha Sugar Mill. The area was formerly used as temporary parking of equipment, containers, etc. Currently, a secure communications structure containing Kekaha Ag's security cameras server, with a high-speed internet connection, is sited on the property. Electric Power is drawn from the Carpenter Shop. Spare wooden power poles are stored on the property. A Kekaha Ag weather station is located on the property. Adjacent to the site, two DOFAW 40' containers are parked, as is a water standpipe.

UTILIZATION PLAN

1. Continue current site for Communications Building, Weather Station, and Pole Storage.
2. Reserve for possible future Kekaha Ag, and/or Waiaka Farms Administration building
3. Possible future location of Waiaka Farmers Market

DRAFT

~~ END ~~

STATE OF HAWAI'I

AGRIBUSINESS DEVELOPMENT CORPORATION

E-5

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
March 20, 2025

Subject:	Request for approval to establish a permitted interaction group of the Board of Directors for the purpose of conducting the annual performance review of the executive director for fiscal year 2025; make a recommendation on retention of the executive director for fiscal year 2026; make a salary recommendation for the executive director for fiscal year 2026; and develop goals and performance measures for the executive director for fiscal year 2026; appointment of members thereto
Applicant:	Agribusiness Development Corporation (ADC)
Authority:	Section 163D-3(e) & (f), Hawaii Revised Statutes

BACKGROUND:
Section 163D-3(e) & (f), Hawaii Revised Statutes, states that:

> *(e) The board shall develop and document annual goals and performance measures for the executive director that allow the board to annually evaluate the executive director's work to ensure compliance by the corporation with statutory requirements and achievement of its statutory purposes.*
>
> *(f) The board shall evaluate and document the evaluation of the executive director's performance annually, or more frequently upon the request of at least four board members, based on annual goals, performance measures, and other relevant criteria.*

REQUEST:
Request for approval to establish a permitted interaction group of the Board of Directors for purposes of: 1) conducting the fiscal year 2025 annual performance review of the executive director for the time period covering July 1, 2024 to June 30, 2025; 2) make a recommendation on retention of the executive director for fiscal year 2026, covering the time period between July 1, 2025 to June 30, 2026; 3) make a salary recommendation for the executive director for fiscal year 2026; and 4) develop goals, objectives, and performance measures for the executive director to accomplish during fiscal year 2026.

The Executive Director Evaluation permitted interaction group shall complete the following tasks **no later than the May 15, 2025 Board Meeting**:

1. Evaluate the performance of the executive director for fiscal year 2025, covering the time period from July 1, 2024 to June 30, 2025, based on the annual goals, objectives, performance measures, and other relevant criteria established by the Board for fiscal year 2025;
2. In conducting the fiscal year 2025 performance evaluation, the permitted interaction group shall interview the executive director, and may interview current and former ADC employees;
3. Make a recommendation whether to retain the executive director for another year and document the recommendation for presentation to the Board;
4. Make a salary recommendation for fiscal year 2026 and document the recommendation for presentation to the Board;
5. Develop annual goals and performance measures for the executive director to accomplish

during fiscal year 2026 to allow the Board to evaluate the executive director's work during fiscal year 2026, and document the goals and performance measures for presentation to the Board; and

6. Prepare a report for presentation to the Board at the May 15, 2025 meeting that contains the FY2025 performance evaluation of the executive director, retention recommendation, salary recommendation, and the FY 2026 goals and performance measures.

Adherence to the May 15, 2025 timeline will allow the 2025 fiscal year annual performance evaluation to be completed, and goals and performance measures created before the annual evaluation period for fiscal year 2026 begins. Ensuring that the 2026 fiscal year goals and objectives are approved by the Board before June 30, 2025 will allow the Board to fulfill its obligation to annually evaluate the executive director's prior year performance and create future goals as intended by the legislature, pursuant to the requirements of section 163D-3 (d) to (f), HRS.

OPERATIONAL PLAN:
N/A

CONSERVATION PLAN:
N/A

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT COMPLIANCE:
N/A

REMARKS & DISCUSSION:
Other than staff time, it is not anticipated that there will be any financial impact by the approval of this Request.

RECOMMENDATION:
Based on the foregoing, it is recommended that the Board:

1. Approve the Request, subject to the following condition(s):

    a. The executive director evaluation permitted interaction group shall report its findings and recommendations to the full Board at the conclusion of its review and development of goals, no later than May 15, 2025.

Respectfully Submitted,

_____
Lyle Tabata
Chairperson

STATE OF HAWAI'I
AGRIBUSINESS DEVELOPMENT CORPORATION

E-6

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
March 20, 2025

Subject:	Request for approval to issue a new license to Thomas Nizo doing-business-as Historic Waimea Theatre and Cultural Art Center for 7.08 gross acres, more or less, of land for purposes of siting a construction base yard for construction of an access road on Department of Hawaiian Homelands property, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)
Applicant:	Thomas Nizo dba Historic Waimea Theatre and Cultural Art Center (Applicant)
Authority:	163D-4(a)(5), Hawaii Revised Statutes
Area:	7.08 gross acres, more or less
Field No(s):	Temporary Base Yard 1 (Premises) (Exhibit "A")
Tax Map Key:	(4) 1-2-002:001 (Property)
Land Status:	Set aside to the Agribusiness Development Corporation by Governor's Executive Order No. 4007 for Agricultural and Related Purposes
Trust Land Status:	Section 5(b) lands of the Hawaii Admission Act Yes ☒ No ☐ DHHL 30% entitlement lands pursuant to the Hawaii State Constitution? Yes ☒ No ☐
Zoning:	SLUD: Agricultural CZO: Agricultural
Character of Use:	Base yard, equipment storage
Land Doc. Type:	License
Term:	3 years
Rental Rate	$0 per acre per year **Annual Rent: $0**

BACKGROUND:
Niu Valley is situated on the west side of the island of Kauai in the District of Waimea and straddles Agribusiness Development Corporation (ADC) property and Hawaii Department of Hawaiian Homelands (DHHL) property (see Exhibit "A"). A decrepit and defunct access road exists along the floor of the valley that leads from the Mana plains to DHHL mauka lands above. Mr. Thomas Nizo dba Historic Waimea Theatre and Cultural Arts Center (Applicant) received grant funding and equipment loans to repair and restore the Niu Valley road on DHHL property. The work will be accomplished by a limited number of contractors and local volunteers.

REQUEST:
Applicant requests new license for 7.08 gross acres, more or less, of land upon which to situate a construction base yard for the Niu Valley road project for the Department of Hawaiian Homelands Kekaha association and beneficiaries.

OPERATIONAL PLAN:
Applicant intend to fence and stage heavy equipment and construction equipment at the Premises as part of a road construction project to repair and restore the Niu Valley access road on DHHL property. The project does not include repairing and upgrading the road on ADC property.

CONSERVATION/BMP PLAN:
Applicant is required to consult with Hawaii Department of Health to determine if a construction NPDES is required, and, if so, to include the base yard under the permit.

CHAPTER 343:
Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the "(1) use of state land or county lands, or the use of state or county funds[.]" In this case, the project triggers an environmental assessment because it proposes the use of state lands. However, the activity is exempt from the requirement under Exemption Class 6, Item 1 of the Comprehensive Exemption List for the Agribusiness Development Corporation dated May 1, 2018.

DISCUSSION:
The Premises are currently vacant lands and are not suited for agricultural purposes. There is no anticipated fiscal impact to ADC, however, the Applicant has agreed to clear the site of any remaining detritus from the plantation era and return the Premises in pristine condition at the expiration of the term. Applicant is required to coordinate gate access to the site with KAA for their agents, contractors, and volunteers.

RECOMMENDATION:
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
   a. License shall be for a term of 3 years; and
   b. Applicant shall not sublicense any part, or the whole, of the Premises; and

c. In lieu of rent, Applicant shall clear their own equipment and fencing, as well as any debris or derelict junk and equipment (including, but not limited to, abandoned vehicles, rusty pipes, abandoned farm equipment, trash, etc.) from the Premises, and shall return the Premises in pristine condition at the license expiration; and
d. Applicant shall include the Premises under any NPDES permit that the project may be required to obtain.
e. Applicant shall indemnify ADC against any and all claims by Applicant, Applicant's agents, Applicant's contractors, and Applicant's volunteers.
f. Applicant shall coordinate access to the Premises with the Kekaha Agriculture Association for any and all contractors, agents, and volunteers associated with the project.

2. Declare that, pursuant to ADC's Comprehensive Exemption List dated May 1, 2018, the proposed disposition will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

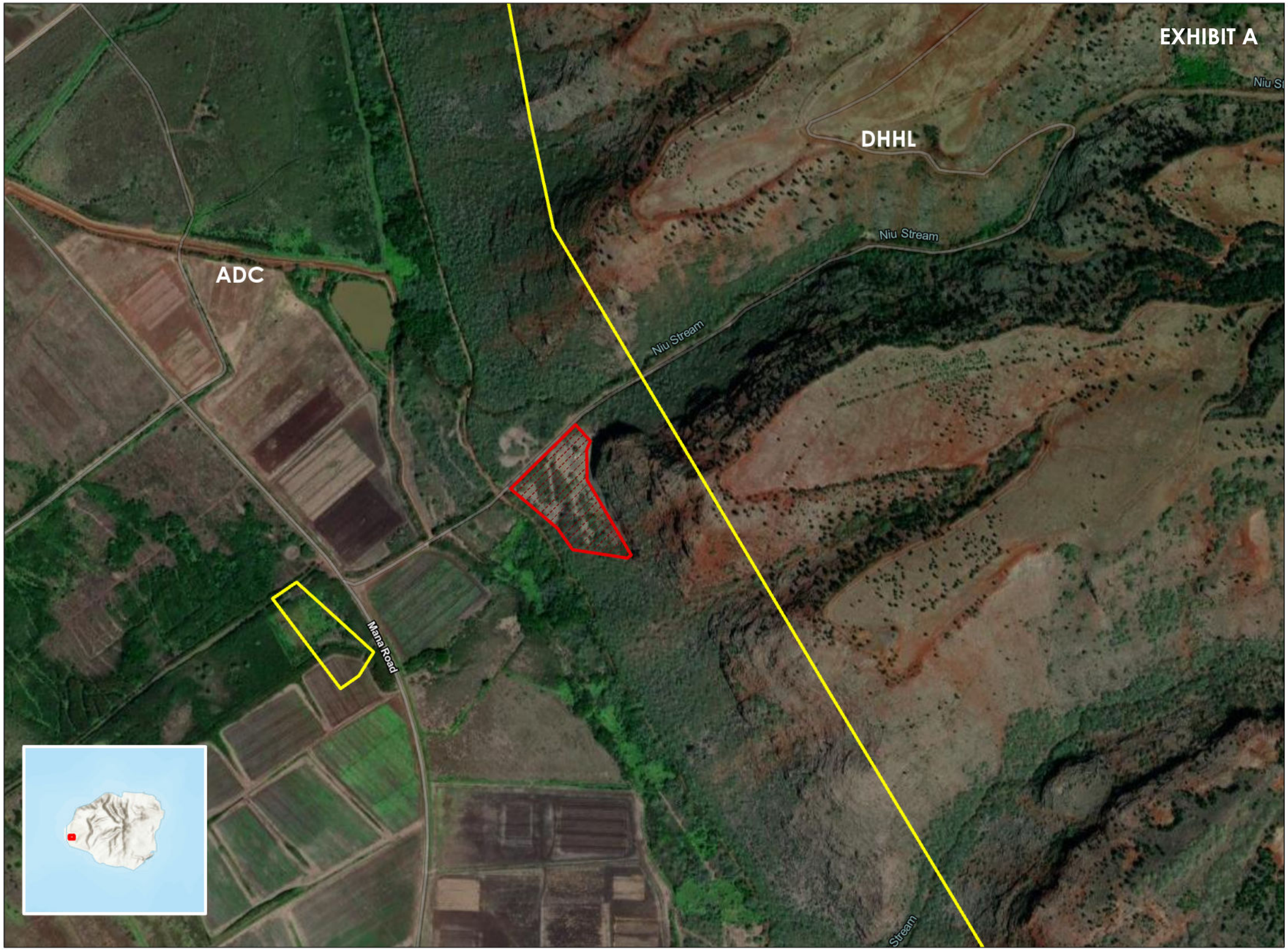
Respectfully Submitted,

Lyle Roe

LYLE ROE
Asset Manager

Approved for Submittal:

Wendy Gady
Executive Director



ADC
AGRIBUSINESS DEVELOPMENT CORPORATION

Base Yard 1
7.08 gross acres
Kekaha, Kauai, Hawaii

TMK (4) 1-2-002:001 (por.)

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Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community, This work is licensed under the Esri Master License Agreement.View Summary | View Terms of UseExport: This layer is not intended to be used to export tiles for offline. . Esri, USGS, Map data © OpenStreetMap contributors, Microsoft, Facebook, Google, Esri Community Maps contributors, Map layer by Esri This map was developed by the Agribusiness Development Corporation, State of Hawaii.

EXHIBIT B

Ua Mau Ke Ea O Ka Aina I Ka Pono

Aina Ka Ike Project

Requesting Safe Passage through ADC

Historic Waimea Theater and Cultural Arts Center

Oct 28, 2024

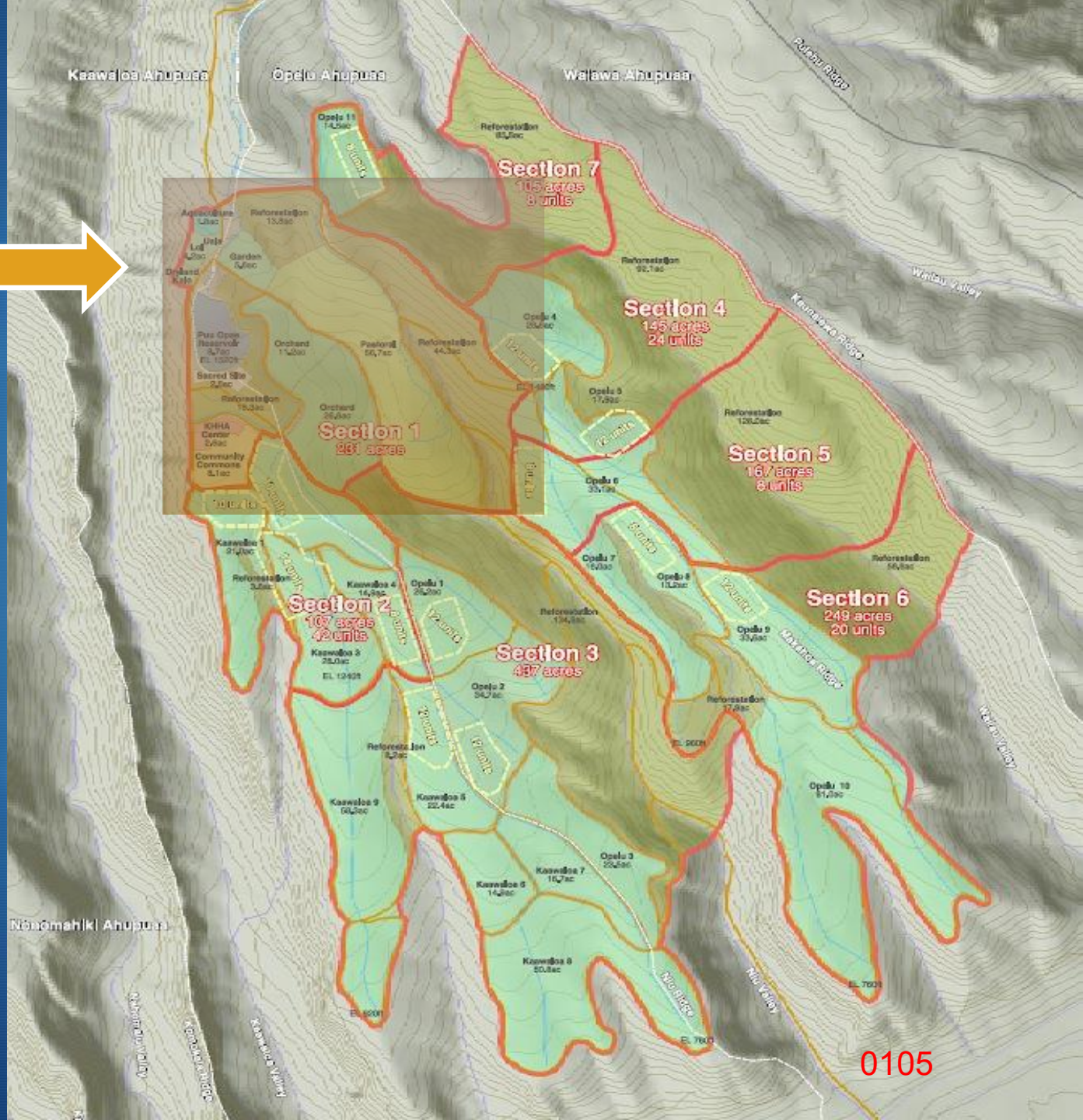
Restoration of an Ahupuaa that puts Hawaiians back on Their Homelands creating Puuhonua for Kanaka

1,440 Acres: 7 Section (Proposal)
Section 1: 231 Acres (License)

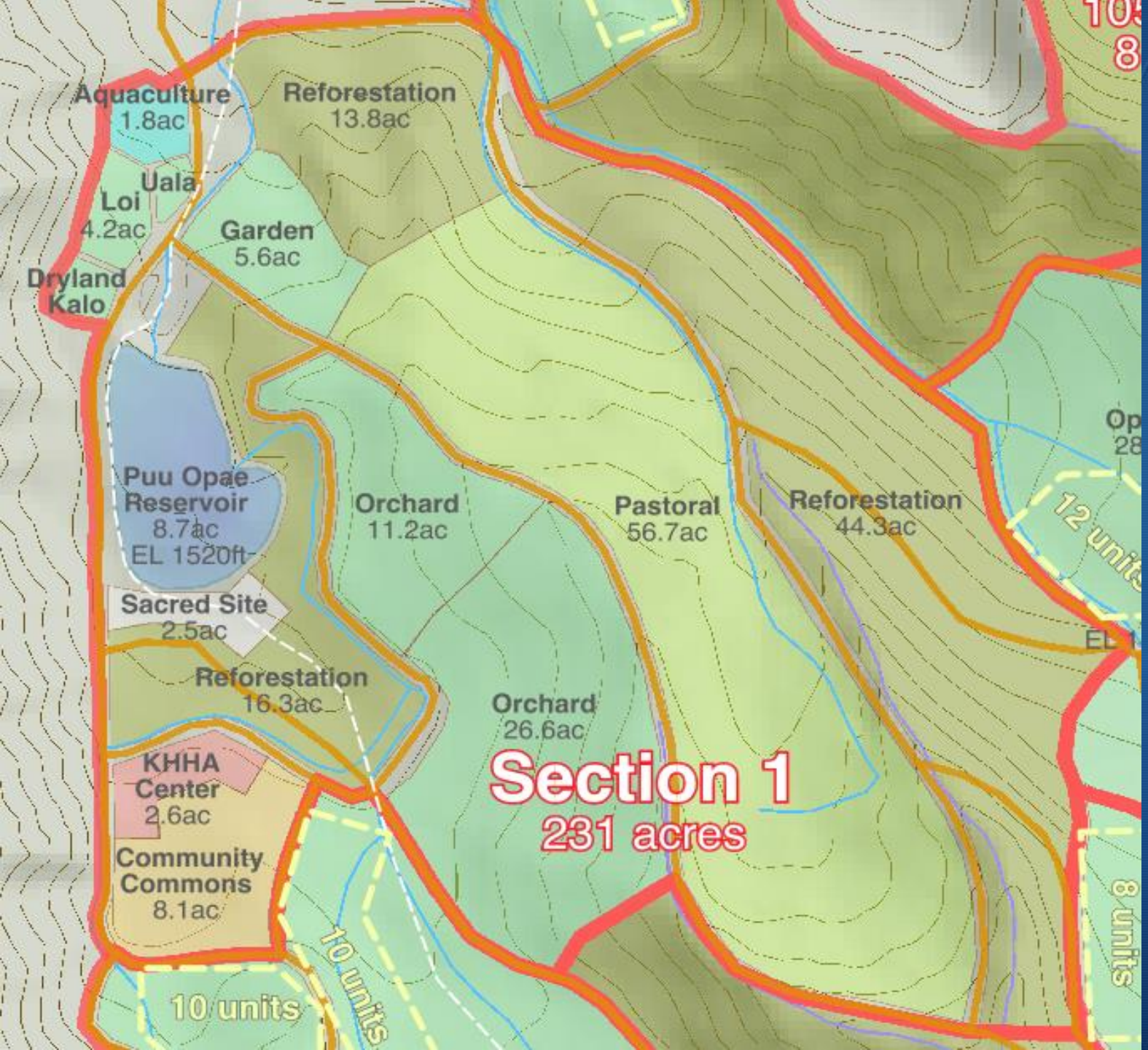
- October 30, 2017 signed a 25-year term license agreement
- 2018 remediate land, repairs to roads, ditches, irrigation, etc.
- 2019 maintaining water consistency for loi & test crops
- 2020 reconnected with Kupuna and Partners as Covid hit
  - heavy rains washing out Niu Valley access road, leaving a single emergency exit for project.

Section 1:
First 231 Acres are part of a Larger 1,440 acre Integrated Farm and Irrigation System

The "Puuwai"



Section 1 Detail



400+ Supporters…
and more each day
They Offer Support, Work,
Skills, Equipment
& Services
0107

0108

Small Groups Continue to Kokua
The Work Continues…
0109

0110

Our Malama "Dollars": almost $2 Million

Road repair, equipment operation, training, surveying, architecture, field work, digging loi, administration, botanical experts, soil advice, trainers, onsite workers, typing, technology, transportation, tools, soil testing, cultural consultations, farm design, cooperative advisor, carpenter, technology, field work, trainer, curriculum, equipment, permitting, legal, supplies, cooking, seedlings, geo-mapping, grant writing, etc…

Big Things are Happening

- Malama Aina – healthy lands
- Hooulu Mahiai – to growing farmers
- Puuhonua – a place of refuge
- Kulanui O Puu Opae – University of Puu Opae

Partners:

- Ke Kula Niihau O Kekaha
- Kula Aupuni Niihau A Kahelelani Aloha
- Kekaha Elementary School
- St Theresa School

Supporters:

- Kekaha Host Community Benefit Program
- Kaunalewa Organization
- Kauai Economical Development Board

Why Are We Here

- Looking for access Clarification on Old Mana Road
  - Old Mana Road is impassable during flooding
- Requesting Safe Access to Niu Valley for equipment through Cottonwood Road gate
- Requesting 4 keys or own lock, for Emergency access and exiting on Cottonwood Road gate
- We are open to other safe options

Video of Niu Valley Road looking toward Mana

Top of Niu Valley Road before culvert:
Asking for Safe Access to Niu Valley for equipment

Old Mana Road 4-miles long

- Not safe to pass due to flooding
- Swampy 1 mile section of road
- Trucking in Heavy Equipment not an option

Old Mana Road 4-miles long

- Not safe to pass due to flooding
- Swampy 1 mile section of road
- Trucking in Heavy Equipment not an option

Video of Old Mana Road 4-miles long

- Not safe to pass due to flooding
- Swampy 1 mile section of road
- Trucking in Heavy Equipment not an option

Cottonwood Road Access

- Safe roadways estimated 2 mile
- Heavy Equipment safe passage

Cottonwood Road Access

- Safe roadways estimated 2 mile
- Heavy Equipment safe passage

STATE OF HAWAI'I
AGRIBUSINESS DEVELOPMENT CORPORATION

E-7

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
March 20, 2025

Subject:	Request for approval to refer License Agreement No. LI-K1701 (as amended), issued to Rong Seng Chen doing-business-as Funing Farm, to the Department of the Attorney General for possible legal action due to rent delinquency, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key. No. (4) 1-2-002:001 (por.)
Applicant:	Agribusiness Development Corporation (ADC)
Authority:	163D-4(a)(5), Hawaii Revised Statutes
Area:	62.26 gross acres, more or less
Field No(s):	106, 206 (Premises) (Exhibit "A")
Tax Map Key:	(4) 1-2-002:001 (Property)
Land Status:	Set aside to the Agribusiness Development Corporation by Governor's Executive Order No. 4007 for Agricultural and Related Purposes
Trust Land Status:	Section 5(b) lands of the Hawaii Admission Act Yes ☒ No ☐ DHHL 30% entitlement lands pursuant to the Hawaii State Constitution? Yes ☒ No ☐
Zoning:	SLUD: Agricultural CZO: Agricultural
Character of Use:	Agricultural
Land Doc. Type:	License
Term:	35 years (currently in year 7)
Rental Rate	$150 per acre per year (re-open at year 10, 20, 30) **Annual Rent: $9,339.00/year**

BACKGROUND:
The Board of Directors (Board) of the Agribusiness Development Corporation approved License Agreement No. LI-K1701 (License) issued to Rong Seng Chen dba Funing Farm (Licensee) for Fields 106, 206, and 207 in Kekaha, Kauai for 150 gross acres, more or less, was effective April 1, 2017. However, Licensee almost immediately began accruing rent and common area infrastructure fee arrearages. Licensee requested that Field 207 be removed from the License and that ADC waive the rents for that field. The Board approved a first amendment to the License effective November 1, 2019 that removed the field and waived the assessed rents for that field.

Licensee continued to accrue late rents with promises to come current as soon as possible. The delinquency was brought to the Board's attention at its August 25, 2021 meeting. The Board approved referral of the License to the Department of the Attorney General for possible legal action. Licensee entered into a payment plan and the delinquency was reduced.

In March 2022, Licensee requested landowner concurrence for USDA Natural Resources Conservation Service to develop an updated conservation plan that included funding for high tunnel structures. ADC withheld concurrence until delinquency was paid in full.

In early 2025, a review of accounts indicated that Licensee was again in significant arrearage (Exhibit "B"). Staff notes that Licensee is in arrearage with Kekaha Agriculture Association, as well.

REQUEST:
Staff requests that the Board authorize the referral of the License to the Department of the Attorney General for possible legal action, including termination of the License and eviction, due to longstanding rent payment delinquency and failure to submit an approved conservation plan (Request).

OPERATIONAL PLAN:
Licensee grows a variety of orchard and row crops, including papaya, banana, green onion, head cabbage, and other vegetables.

CONSERVATION PLAN:
ADC does not have a conservation plan on file.

CHAPTER 343:
Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the "(1) use of state land or county lands, or the use of state or county funds[.]" In this case, the action does not trigger an environmental assessment because it is de minimis.

DISCUSSION:
Licensee has a lengthy history of delinquency and is not a tenant in good standing. As of this writing, Licensee maintains an open balance $20,061.87 (including service fees and interest). No

payment has been received from the Licensee since June 14, 2023. Termination of the License would result in a loss of $9,339.00 in rental income to ADC. However, for the limited purpose of this action, there is no fiscal impact to ADC.

RECOMMENDATION(S):
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
   a. Any subsequent request for termination of the License shall be brought before the Board for consideration.

Respectfully Submitted,

Lyle Roe

LYLE ROE
Asset Manager

Approved for Submittal:

Wendy Gady
Executive Director

Attachment(s)
Exhibit A Map
Exhibit B Rong Seng Chen Arrearage w/ Service Fees and Interest

AGRIBUSINESS DEVELOPMENT CORPORATION

Fields 106, 206
62.26 gross acres
Kekaha, Kauai, Hawaii

TMK (4) 1-2-002:001 (por.)

N
W E
S

0.10.05 0 0.1 0.2 0.3 0.4
Miles

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community, This work is licensed under the Esri Master License Agreement.View Summary | View Terms of UseExport: This layer is not intended to be used to export tiles for offline. . Esri, USGS, Map data © OpenStreetMap contributors, Microsoft, Facebook, Google, Esri Community Maps contributors, Map layer by Esri This map was developed by the Agribusiness Development Corporation, State of Hawaii.

EXHIBIT B

Rong Seng Chen Arrearage w/ Service Fees and Interest

Monthly Period	Invoice No.	Rate	Late Fee	1% interest	late Totals	Water	Total Delinquency
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Colun	Column 8
Feb-23	KE2281	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Mar-23	KE2299	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Apr-23	KE2317	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Jun-23	KE2349	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Jul-23	KE2362	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Aug-23	KE2374	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Sep-23	KE2386	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Oct-23	KE2453	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Nov-23	KE2466	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Dec-23	KE2488	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Jan-24	2534	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Feb-24	2605	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Mar-24	2669	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Apr-24	2741	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
May-24	2816	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Jun-24	2895	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Jul-24	2976	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Aug-24	3048	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Sep-24	3126	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Oct-24	3155	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Nov-24	3229	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Dec-24	3329	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Jan-25	3405	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Feb-25	3493	$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
Mar-25		$ 778.13	$ 50.00	$ 7.78	$ 57.78		$ 835.91
		$ 18,675.12	$ 1,200.00	$ 186.75	$ 1,386.75	**Total**	**$ 20,061.87**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAI'I
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OULU AINA MAHIAI

March 20, 2025

Subject: Request for approval to execute and enter a memorandum of understanding between the State of Hawaii Agribusiness Development Corporation and the Hawaii Farm Bureau Federation to host the 2025 Hawaii State Farm Fair in Whitmore Village, County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:037 (por.), :041 (por.), :044 (por.)

Applicant: Agribusiness Development Corporation (ADC)

Authority: 163D-4(a)(5) and (15), Hawai´i Revised Statutes

BACKGROUND:
Hawaii Farm Bureau Federation (HFBF) is a domestic nonprofit advocacy organization for all agriculture in the state of Hawaii. Since 1962, HFBF has hosted an annual farm fair every year to showcase the agriculture community in Hawaii. The event has been hosted at multiple locations over the years with the most recent event being held at Kualoa Ranch on the windward side of Oahu. However, Kualoa Ranch has given HFBF notice that lands previously utilized for the farm fair are no longer available. HFBF has requested an area 10 acres in or near Whitmore Village for the purpose of hosting the 2025 Hawaii State Farm Fair.

REQUEST:
Staff requests that the Board authorize the Executive Director to execute Memorandum of Understandings (MOUs) (Exhibit "A") between ADC and HFBF, which delineates the roles and responsibilities of the parties for the planning and organization of the 2025 Hawaii State Farm Fair in Whitmore, Oahu. (Request).

OPERATIONAL PLAN:
The farm fair is a two-day event and hosts approximately 15,000 attendees. The parking space and venue for the event will be located on ADC property. Activities include a petting zoo, food stalls, country market, agricultural equipment demonstrations, and other attractions.

CONSERVATION PLAN:
N/A

CHAPTER 343:
Under *Hawaii Revised Statutes* (HRS) §343-5(a), an environmental assessment shall be required

for actions, that propose, among other things, the "(1) use of state land or county lands, or the use of state or county funds[.]" In this case, the project triggers an environmental assessment because it proposes the use of state or county lands.

In accordance with the Comprehensive Exemption List for the Agribusiness Development Corporation dated May 1, 2018, the subject Request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 10, item 9, which includes "Creation or termination of easements, covenants, or other rights in structures or land[.]" The Request is a de minimis action that will probably have minimal or no significant effect on the environment and should be declared exempt from the preparation of an environmental assessment.

DISCUSSION:
HFBF has conducted a rigorous search for alternative fairgrounds and most, for various reasons, have not been available or compatible with the purposes of the farm fair. The property proposed for the farm fair is already being prepared for agricultural activities by ADC, which includes land clearing and water meter installation. Apart from the work already-in-progress and ADC staff time, this activity will have a neutral effect on ADC income and budget.

RECOMMENDATION:
Based on the foregoing, it is recommended that the Board:

1. Approve the Request, subject to the following conditions:
   a. HFBF shall obtain appropriate insurance to cover the event that shall indemnify ADC and the property, and
   b. HFBF shall indemnify and hold harmless ADC from all claims, and
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated May 1, 2018, the proposed disposition will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to HRS Chapter 343.

Respectfully Submitted,

Ken T. Nakamoto

KEN NAKAMOTO
Project Manager

Approved for Submission:

Wendy Gady
Executive Director

EXHIBIT A

MEMORANDUM OF UNDERSTANDING
BETWEEN
STATE OF HAWAII AGRIBUSINESS DEVELOPMENT CORPORATION
AND
HAWAII FARM BUREAU FEDERATION

This Memorandum of Understanding (MOU) is effective as of _____, 2025, by and between the State of Hawaii Agribusiness Development Corporation (ADC), whose business and mailing address is 235 S. Beretania St., Suite 205, Honolulu, HI 96813, and the Hawaii Farm Bureau Federation (HFBF), whose mailing address is P.O. Box 253, Kunia, HI 96759, each a Party and collectively, the Parties.

RECITALS

WHEREAS, HFB is a domestic advocacy organization for all agriculture in the State of Hawaii; and

WHEREAS, since 1962, HFBF has hosted an annual Farm Fair at multiple locations over the years; and

WHEREAS, most recently the Farm Fair was held at Kualoa Ranch where approximately 15,000 attendees over two days participated in activities that included a petting zoo, food booths, country market, and agricultural equipment demonstrations; and

WHEREAS, in 2023 Kualoa Ranch gave HFBF notice that the lands used for the Farm Fair would not be available in 2024; and

WHEREAS, ADC has some vacant agricultural land available near Whitmore Village, Oahu, that may be suitable for purposes of providing a venue and parking for the Farm Fair; and

WHEREAS, HFBF wishes to utilize the vacant agricultural land for the Farm Fair, and ADC desires to provide the vacant agricultural land to HFBF for holding the Farm Fair;

NOW THEREFORE, the Parties agree as follows:

1. Purpose

The purpose of this MOU is to establish an agreement between ADC and HFBF regarding the temporary use of ADC's agricultural property for the purpose of hosting a Farm Fair. The fair aims to promote agricultural awareness, community engagement, and provide an opportunity for local vendors and farmers to showcase their products and services.

2. Property Description

The property to be used for the event is located at tax map key numbers (1) 7-1-002:037; (1) 7-1-002:044; and (1) 7-1-002:041, which encompasses approximately 52 acres. Areas specifically designated for use will be agreed upon and marked prior to the event.

3. Term; Event Date and Time

Term: This MOU shall remain in effect for one year unless sooner terminated by either Party in accordance with paragraph 10 of this MOU. This MOU shall automatically renew for successive terms of one year unless either Party provides thirty days written notice to the other of its intent not to renew or the agricultural land is no longer available.

The Farm Fair will take place on:

Date(s): TBD
Setup: TBD
Event Start and End Times: TBD
Teardown/Removal of Materials: TBD

4. HFBF's Responsibilities

HFBF agrees to:

Event Planning: Coordinate all aspects of the Farm Fair, including logistics, vendors, programming, and scheduling.

Permits and Compliance: Obtain all necessary permits, licenses, and insurance policies required by state and local authorities.

Insurance: Provide proof of liability insurance covering the event, with ADC named as an additional insured party. Coverage should be no less than $1,000,000.00 per occurrence.

Security and Safety: Ensure security and emergency measures are in place, including crowd control, medical assistance, and fire safety.

Setup and Teardown: Set up and remove all equipment, tents, and temporary structures within the agreed time frames and ensure that the property is restored to its original condition after the event.

Waste Management: Arrange for proper disposal of waste and recycling generated during the event and leave the site free from litter and debris.

Parking and Traffic Management: Designate and manage parking areas and traffic flow to prevent disruption to surrounding areas.

Respect Agricultural Land: Ensure attendees respect the boundaries of designated fair areas and do not damage crops, livestock, fencing, or other agricultural features.

5. ADC Responsibilities

ADC agrees to:

Property Access: Grant access to HFBF for setup, the event, and teardown during the agreed-upon dates and times.

Use of Facilities: Permit the use of designated areas of the property for activities including vendor stalls, food and beverage service, and public entertainment.

Site Information: Provide basic property information and orientation to HFBF, including layout, utilities access, and emergency points.

Utility Access: Provide access to utilities such as water and electricity if available, to be used as per prior arrangement and with a clear understanding of consumption limitations.

6. Financial Terms

Rental/Usage Fee: HFBF agrees to pay ADC a rental fee of $_____ for the use of the property, due by _____. Any additional charges related to utility usage or damage repair will be billed within ten days post-event.

Deposit: A refundable deposit of $_____ is required to cover potential damages and will be returned within fourteen days after the property has been inspected post-event.

7. Liability and Indemnification

Liability Waiver: HFBF assumes all responsibility for the actions of its staff, vendors, and participants during the Farm Fair and agrees to hold ADC harmless from any claims, damages, or losses that may arise due to the event.

Indemnification: HFBF agrees to indemnify and hold harmless ADC from any claims, lawsuits, or damages related to injury, property damage, or other incidents occurring during the event.

8. Cancellation Policy

Notice of Cancellation: HFBF agrees to provide written notice to ADC at least fourteen calendar days prior to the event in case of cancellation. If HFBF cancels within less than fourteen calendar days of the event, ADC reserves the right to retain all of the rental fee as compensation.

Force Majeure: Neither party shall be held liable for failure to perform its obligations under this MOU if such failure is caused by events beyond the reasonable control of the parties, including natural disasters, governmental orders, or other unforeseeable events.

9. Property Restoration

HFBF agrees to restore the property to its original condition, removing all event-related equipment, debris, and any temporary structures. Any damage to the property or facilities will be assessed, and repair costs will be the HFBF's responsibility.

10. Amendment and Termination

Amendment: This MOU may be amended only by written mutual agreement of both parties.

Termination: Either party may terminate this MOU with thirty days prior written notice to the other Party.

11. Miscellaneous

Governing Law; Severability: This MOU shall be governed by and construed in accordance with the laws of the State of Hawaii. If any provision of this MOU is held to be invalid or unenforceable, the validity of the other provisions shall remain unaffected.

Entire Agreement: This MOU constitutes the entire agreement between the Parties and supersedes all prior agreements or understandings, written or oral, relating to the subject matter.

Paragraph Headings: The paragraph headings are inserted only for convenience and reference and shall in no way define, describe, or limit the scope or intent of any provision of this MOU.

12. Counterparts: This MOU may be executed in one or more counterparts, each of which shall be deemed an original, and said counterparts will together constitute one and the same agreement and shall be binding on each of the Parties notwithstanding that all of the Parties are not signatory to the original or the same counterpart. The submission of a signature page by facsimile transmission, or similar electronic submission facility (e.g., email) shall be deemed to constitute an "original" signature page for all purposes, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

[The remainder of this page intentionally left blank; signature page follows.]

THE PARTIES HERETO HAVE REVIEWED, AGREED TO, AND EXECUTED THIS MEMORANDUM OF UNDERSTANDING EFFECTIVE ON THE DATE FIRST NOTED ABOVE.

HAWAII FARM BUREAU FEDERATION

By: _____
Brian Miyamoto, President

Date: _____

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

By: _____
Wendy Gady, Executive Director

Date: _____

EXHIBIT “A”

52 Acres
Tax Map Keys 7-1-02-37 & 7-1-02-44
Pupusas en Hawaii
Whitmore Ave
Whitmore Ave
Saipan Dr
Ali'i Agriculture Farms
Agtech Pacific
Whitmore Ave
52 Acres
Helemano Elementary School
Legend
Ali'i Agriculture Farms
Feature 1
Feature 2
Feature 3
Green World Coffee Farm
Helemano Elementary School
Google Earth
Image © 2024 Airbus
1000 ft

STATE OF HAWAI'I
AGRIBUSINESS DEVELOPMENT CORPORATION

E-9

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
March 20, 2025

Subject:	Request for approval to issue a new license agreement in lieu of Hawaii Department of Land and Natural Resources General Lease No. S-5367 as assigned to Sunrise Capital, Inc. for Parcel D in District of Waimea, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:022
Applicant:	Sunrise Capital, Inc. (Applicant)
Authority:	163D-4(a)(5), Hawaii Revised Statutes
Area:	5.195 gross acres
Field No(s):	Parcel D (Premises) (Exhibit "A")
Tax Map Key:	(4) 1-2-002:022 (Property)
Land Status:	Set aside to the Agribusiness Development Corporation by Governor's Executive Order No. 4660 in 2021 for *Agricultural and Related Purposes*
Trust Land Status:	Section 5(b) lands of the Hawaii Admission Act Yes ☒ No ☐ DHHL 30% entitlement lands pursuant to the Hawaii State Constitution? Yes ☐ No ☒
Zoning:	SLUD: Agricultural CZO: Open Space
Character of Use:	Aquaculture
Land Doc. Type:	License
Term:	35 years (currently in year 30)
Rental Rate	Current Rate: $612.13/acre/year (re-opening due) **Annual Rent: $3,180**

BACKGROUND:
Governor's Executive Order No. 4660 issued September 23, 2021 set aside the Kekaha Agricultural Park and 5 non-agricultural park parcels from the Hawaii Department of Agriculture to the Agribusiness Development Corporation (ADC) for *"agricultural and related purposes."* Included in the transfer was the subject Parcel D under Hawaii Department of Land and Natural Resources (DLNR) General Lease No. S-5367 (Lease) as assigned to Sunrise Capital, Inc. ADC and Applicant wish to convert the Lease to and ADC license.

The Kekaha Agricultural Park parcels were approved for conversion to ADC licenses in July 2024, however this non-ag park parcel was inadvertently omitted.

REQUEST:
That the ADC Board of Directors approves the conversion of the Lease to an ADC license, subject to all of the standard terms and conditions for ADC Kekaha lands for the remaining term of the Lease.

OPERATIONAL PLAN:
Parcel D is utilized by Sunrise, under the Lease, for their hatchery operations. Utilization will remain the same under the license.

CONSERVATION PLAN:
Applicant has developed an approved conservation plan in accordance with USDA Natural Resources Conservation Service practices.

CHAPTER 343:
Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the "(1) use of state land or county lands, or the use of state or county funds[.]" However, for purposes of this Request, the action is considered de minimis and not subject to the requirement to conduct an environmental assessment.

DISCUSSION:
Applicant is currently a tenant in good standing with ADC. This Request is one step in an admittedly slow process of converting the parcels set aside to ADC under Executive Order 4660 to ADC leases and licenses. Applicant currently owes $3,180 annually under the Lease. However the lease reopening was missed in August 2024. Staff proposes reopening at 2.5% increase of base annual rent rather than by appraisal, effective August 2, 2024. License will expire on July 31, 2029.

RECOMMENDATION(S):
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following condition(s):
   a. August 1, 2025 reopening shall be 2.5 of current base rent rather than by appraisal.
   b. Applicant shall execute membership or a written agreement with the Kekaha Agriculture Association.

2. Declare that, pursuant to ADC's Comprehensive Exemption List dated May 1, 2018, the proposed action is de minimis and will have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,

Lyle Roe

LYLE ROE
Asset Manager

Approved for Submittal:

Wendy Gady
Executive Director

Attachment(s)
Exhibit A Map

ADC
AGRIBUSINESS DEVELOPMENT CORPORATION

Parcel D
5.195 gross acres
Kekaha, Kauai, Hawaii

TMK (4) 1-2-002:022 (por.)

N
W E
S

0.04 0.02 0 0.04 0.07 0.11 0.14
Miles

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community, This work is licensed under the Esri Master License Agreement.View Summary | View Terms of UseExport: This layer is not intended to be used to export tiles for offline. , Esri, USGS This map was developed by the Agribusiness Development Corporation, State of Hawaii.

STATE OF HAWAI'I
AGRIBUSINESS DEVELOPMENT CORPORATION

E-10

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
March 20, 2025

Subject:	Request for approval to establish a permitted interaction group of the Board of Directors for the purpose of attending the Lieutenant Governor's Washington, D.C. trip on March 23-26, 2025 pursuant to the requirements of section 92-2.5(b), Hawaii Revised Statues; appointment of members thereto
Applicant:	Agribusiness Development Corporation (ADC)
Authority:	92-2.5(b) or (e), Hawaii Revised Statutes

BACKGROUND:
A delegation of agricultural stakeholders, including several members of the ADC Board of Directors (Board), will be traveling to Washington, D.C. for the Lt. Governor's Hawaii-USDA Policy Summit March 23-26, 2025.

REQUEST:
That the Board authorize the establishment of a permitted interaction group for the purpose of traveling with and attending the Lt. Governor's Hawaii-USDA Policy Summit in Washington, D.C., that will include attending workshops, meeting with federal and state agriculture officials (see Exhibit "A" which is included in the Request by reference); that the chairperson appoint the invited members to the permitted interaction group (Request).

RECOMMENDATION(S):
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
   a. The Board determines that the itemized agenda topics constitute Board business[1]; and
   b. The permitted interaction group members shall report on their attendance and the matters presented and discussed that relate to board business at the next Board meeting following the trip; and
   c. The permitted interaction group shall dissolve upon their final travel report to the Board.

Respectfully Submitted,

WENDY L. GADY
Executive Director

Attachment(s)
Exhibit A Hawaii-USDA Policy Summit Agenda (draft)

[1] Section 92-2 HRS reads in part " "Board business" means specific matters over which a board has supervision, control, jurisdiction, or advisory power, that are actually pending before the board, or that can be reasonably anticipated to arise before the board in the foreseeable future."

Hawaii-USDA Policy Summit

Monday, March 24 to Wednesday, March 26 | Washington, D.C.

Overview

- 2nd Annual Hawaii-USDA Policy Summit
    - Meetings with National Agriculture Groups and USDA Policy meetings

Policy Priorities

- Labeling and Exports (Truth in Labeling)
- Biosecurity Protections
- Increasing Agricultural Production (Rural Infrastructure)
- Farm Bill 2025

Tentative Agenda

- SUNDAY, March 23rd
    - Monday Prep Dinner Meeting (optional)
- MONDAY, March 24th (start at 9:00 am, may be earlier depending on potential breakfast meeting)
    - American Farm Bureau
    - Discussion on Hawaii Agriculture Plan
    - National Cattlemen's Beef Association
    - Biotechnology Innovation Organization (BIO)
    - USDA Prep Dinner Meeting
- TUESDAY, March 25th (start time potentially at 7:30 am)
    - USDA Meetings
- WEDNESDAY, March 26th (start time at 9:00 am)
    - Food and Drug Administration Foundation
    - CODEL Meetings

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAI'I

AGRIBUSINESS DEVELOPMENT CORPORATION

HUI HO'OULU AINA MAHIAI

DA: March 14, 2025

TO: Agribusiness Development Corporation Board of Directors

FR: Wendy Gady, Executive Director

RE: March Month of Review

Agribusiness Highlights for the Month:

- Administrative
  - Submitted 4 Federal Delegation Grant Requests
  - Met with each staff member to review Position Description and being outlining Goals & Objectives for FY26
  - Staff Expansion: Actively finishing interviews for Kauai Water & Kauai Property Managers, posting Kauai Water Workers, and application review of CRFPIN
  - Working with OPSD & UHCDC regarding deliverables for ADC Strategic Plan
  - Working with DBEDT & WAM on FY26 Budget Requests and answering questions
- Land
  - *Ag Land Oahu:* Staff is working hard on planning for future licensees on Oahu ADC lands, Ordering No Trespassing & Ag Crime Reporting Signs, Working with Department of Law Enforcement (DLE) for FY26 tenant meetings & CIP planning, Annual Tenant Reviews in Progress, Working on A/R, addressing tenant outstanding violations, Developing a Master conservation plan with ORC&D
  - *Commercial Land Oahu:* Working with Tenant Exits in Whitmore in preparation of DAGS infrastructure construction, working to complete Mililani Tech Park Parcel, working with HDOE on Centralized Kitchen parcel, DLE is developing costs for security moving forward
  - *Ag Land Kauai:* Ordering No Trespassing & Ag Crime Reporting signs working with Hartung on change in farm plan, Annual Tenant Reviews in Progress, Working on A/R, addressing tenant outstanding violations, fielding calls from applicants regarding license status, working with Admin Committee regarding rates for new tenants, Master conservation plan for parcels
  - *Commercial Land Big Island:* Working on rent appraisal for 2-acre Shipman Industrial Park land, and assessing potential sites for acquisition
- Distribution Services:
  - *Oahu:* Working with SEO regarding Dept. of Energy grant opportunity, working with Waiahole Irrigation System short term equipment needs, updating inventory and long-term system maintenance; working on Wahiawa Irrigation System acquisition with DLNR and HDOE, waiting news on WATERSmart grant outcome
  - *Kauai:* Working with DLNR on EKIS transfer, working with KAA and DHHL on Kokee System, KAA on Kekaha System, NPDES special counsel hired and working on cost estimates for compliance with draft permit, KAA Monthly Report is Attached- KAA President is available for questions

Business Development Highlights for the Month:

- Agribusiness: UHCDC on EPIC plan for Whitmore; HFBF For Farm Fair, HPP Facility, EPIC center ideas on Big Island, Kauai and Maui
- Agritourism: Working with HTA on grant opportunities and possible study
- Aquaculture Industry: Working on Feed Mill Concept, and Ag Day at the Capitol
- Egg Industry: Working on possible Egg cracking facility location and business plan
- Institutional: Farm to School with HDOE
- Large Animal Industry: Feed mill Concept
- Military: Pump Maintenance on Oahu, Defense Community Infrastructure Program Grant
- Small Animal Industry: Slaughterhouse on Oahu Business Plan
- Solar: PIG Developing Policies
- Subsidiaries: PIG Developing Policies

Legislative Briefing:

GM587: Submitting Dean Okimoto for consideration & confirmation to the ADC BOD passed committee & heads to the Senate floor.

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SB448: Appropriates funds to ADC for Central Oahu ag easement

SB558: Food and Product Innovation Network funding

SB739: Allows Governor to exchange private ag land for state-owned parcels that could be used for housing

SB1541: Appropriates funds for Waiahole Water System bond debt & tunnel repair

SB1657: Amends Chapter 163D HRS to include condemnation

KEKAHA AGRICULTURE ASSOCIATION

A NON-PROFIT AGRICULTURAL COOPERATIVE
Est. 2003

Manager's Report

January 2025

The new year started off with uncertainties for Kekaha Agriculture Association. The unusually dry weather pattern continued yet again throughout January, raising questions about the realistic viability of farming on the mauka lands. A request for legislative funding for critically needed repairs to the Kokee Ditch system did not make it our Representative on time, seriously impacting our ability to operate the ditch practically and efficiently. The ability to discharge water into the ocean will be costly and in cases may not be allowed, if a draft discharge permit goes into effect by April. And, Kekaha Ag' lifeblood, the Common Infrastructure Fee, is taking a $72,000 reduction per month due to a temporary reclassification of some 1,700 acres from tillable acres to managed fallow.

We look forward, however, to these challenges, and to completing some long-term improvements this year, like the Waiawa Hydro replacement, Kokee streams diversions, REPI projects, and hopefully, post-harvest processing facilities.

Pasture LZ (note another helicopter approaching the LZ) 1/25/2025

Summary Information
January 2025

Rainfall (inches)	October	November	December	January
Actual (KAA Office)	**0.14**	**0.17**	**unk**	**0.87**
Actual (PMRF)	**1.16**	**0.09**	**0.71**	**1.88**
Average(weather.com)	*2.61*	*2.57*	*4.30*	*3.10*
Actual YTD (PMRF)	**18.65**	**18.74**	**19.45**	**1.88**
Average Year to Date	*14.97*	*17.54*	*21.84*	*3.10*
Puu Opae Rainfall	1.53	0.29	0.83	4.43
Waiakoali Rainfall	2.94	3.31	2.98	11.50
Water Usage (mgd)				
Surface	0.99	0.92	1.00	1.04
Pumped	0.52	0.45	0.45	0.45
Kokee	0.40	0.18	0.18	0.15
Total	**1.91**	**1.55**	**1.63**	**1.64**
Ditch/River Flows (mgd)				
Hukipo	**6.15**	**7.50**	**5.84**	**5.92**
Waimea River	**40**	**57**	**24**	**68**
Mauka Hydro	**15**	**20**	**14**	**17**
Power (kWh)				
Mauka	303,940	316,688	317,333	309,590
Waiawa	34,130	Est 26,880	Est 47,150	6,720
Total	**338,070**	**343,568**	**364,483**	**316,310**
Internal kW Usage (kW)	**365,078**	**316,688**	**403,537**	**394,946**
Power sold to KIUC (kW)	**38,400**	**90,000**	**38,400**	**46,800**
Bought from KIUC (kW)	**156,000**	**108,600**	**183,600**	**133,200**
Net KIUC Revenue	**($29,873)**	**($15,003)**	**($36,479)**	**($24,157)**
Blended Rate per kW	$0.18	$0.17	$0.19	$0.17

POWER GENERATION and DISTRIBUTION

Power generation slipped down slightly from the six-month high in December to 316,310 kW. Higher Kekaha Ditch Flow late in January allowed the Waiawa Hydro to run for a couple days, producing 6,700 kW. Every kWh counts. The Blended Rate was 17 cents per kW.

A high wind event, which affected the whole island, took down two KIUC poles on Kiko Road on January 29th. The Kekaha Ag lines share the poles, and it was fortunate that Kekaha Ag power had been turned of for tree trimming a week earlier. KIUC replaced the poles and repaired the line, including ours, in early February.

IRRIGATION SYSTEMS

Irrigation demand remained low in January, Water usage on the Mana Plain in December was only 1.45 MGD, and in January 1.49 MGD. The Kekaha Ditch flow average was below 6 MGD, as it was the previous month.

The Kokee Ditch continues to be closely monitored as drought conditions persisted thought January, although punctuated by occasional freshets. Flow at the Puu Moe weir was monitored regularly, and estimated to be around 150,000 gallons per day, down from the needed 500,000 gallons per day. Ditch users in the lower areas, both DHHL beneficiaries and ADC tenants, did not receive water for most of the month.

Other ditch operations activities:

- At Puu Moe, ditch flow is divided equally between the ADC and DHHL sections.
- The wind event late in January brought the usual leaves, twigs and branches into the ditches, blocking the flow of water. Trees that fell on ditch access roads and trails needed to be removed.
- Cleaning Kokee Ditch between Puu Lua and Puu Moe was completed, however, the section needs to be revisited to remove trees downed by that late month wind event
- Work started on cleaning portions of the ditch below Wines
- The “lost” Halemanu Flume was found in good condition. Not actually a flume, but a short portion of open ditch that can capture the ephemeral Halemanu Stream flows. See photo next page. Note position of pani boards, to allow high flows to escape into Waimea Canyon.

Halemanu Stream ‘flume’

- Black Pipe Flume. Material was purchased to repair the wooden trestle and painted with sealant. A helicopter reconnaissance was flown on January 20 to determine how and where the tools and material could be flown in safely. On the flight, the intakes at Kokee, Kauaikinana, Kawaikoi, and Waiakoali streams were checked for material landing sites. Safe sites were found for all locations.

- Also, on the flight an unknown adit was located down-ditch of the Kawaikoi diversion, and leaking badly. This is perhaps the cause of low ditch flows into Puu Lua. A few days later, Kekaha Ag personnel hiked, or better, partially rappelled down to the adit and found that the tunnel ceiling had collapsed, blocking virtually all water, especially at low flows, from Kawaikoi and Waiakoali. The adit does have a pani gate to discharge water back into Kawaikoi Stream. The blockage was cleared in early February, and new pani boards installed. Ditch flow improved greatly.

DRAINAGE SYSTEM

Removing sediment from the Niu Valley Ravine Drain at Field 117 was completed in January.

The ravine drain between Field 115 and 116 was also cleaned, with the excavated soil place on the Field 116 Pump Station access road to reduce flooding of the road. Below the Main Track, the bank of the drain ditch was modified to send sediment ladened water into a portion of Field 215, to test the ability of filling low elevation fields with sediment from storm runoff.

At the end of January, the Waipao Ravine Drain was being cleaned.

ROADS and BRIDGES

Mowing took place on the drainage access roads in Filed 119, on the highway frontage at Field 309, and along the Main Track.

The Waimea Valley crossings remain passable, unusual for this time of year.

Equipment was mobilized to the Main Track at Field 108 to start rebuilding the road surface with the newly acquired recycled asphalt material.

FIELDS AND FACILITIES – Miscellaneous Operation

Engineers working for Hawaiian Telcom contacted Kekaha Ag inquiring where to locate fiber access points on a proposed communication line being installed on the "Seven-Mile Line" up Waiaka Ridge. Three locations were requested, one at the PTZ camera location above the pig pens, another about halfway up the ridge at a site that has sweeping views of the mauka fields, and the last at the Wines' gate. The intent is to have security cameras and communications abilities at these locations.

A four inch gate valve at the Filed 208 standpipe was replaced with a four inch ball valve. The County Landfill uses the standpipe for filling their water wagon numerous times daily, and gate valves don't seem to be able to handle the heavy use. We anticipate the ball valve lasting longer.

EQUIPMENT Update

- Grader Cat 14E. This is the older grader. Brakes still not repaired, but the machine is usable on flat terrain
- JD6430 and Batwing Mower. Waiting for tech to calibrate throttle sensor.
- Case 145 Boom Mower. Allied Machinery got it running again.

A used F550 flatbed truck was purchase in January. Price paid allowed Kekaha Ag to also acquire 21,000# GVW tilt-bed equipment trailer that had been on hold for the last several years.

INCIDENTS & SECURITY

Fires. On Monday, January 27, an abandoned car was found on fire at the open lot east of the Kekaha Mill. Kekaha Ag personnel responded but the Kauai Fire Department had the fire under control in minutes.

A small brush fire was extinguished in Field 105 at a little after 10 pm on January 28 by Kauai Fire Department. Kekaha Ag staff mopped up smoldering logs with the Corteva water wagon. Security camera footage shows a person entering the area through the "Fuel Station" gate and departing quickly a few minutes before the fire was reported.

Feral cattle have been damaging taro loi in Field 107, mango seedlings in Field 106, and structures at the Corteva Kekaha Shade House facility. We have met with Kani's Wildlife Control to step up efforts to mitigate the problem.

DIRT SALES

The County removed 2,205 cubic yards of dirt in January. Sales totaled $11,466, split evenly between ADC and Kekaha Ag.

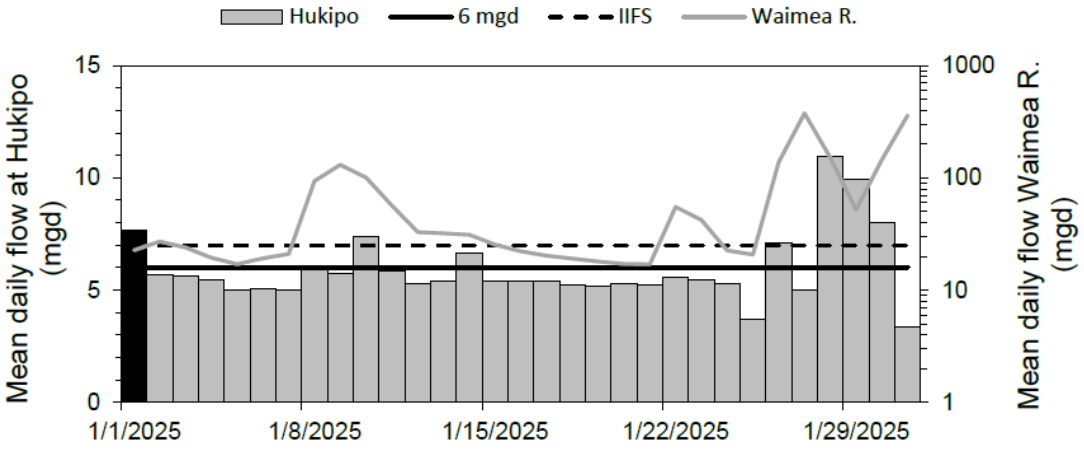
In January, Kekaha Ag provided assistance by moving rocks and boulders from what little dirt is left at the current burrow site.

Future sales of cover soil from the Paua site do not look good. Nearly all of the soil has been removed from the area the County has under their NPDES permit, and they are reluctant to move the west side of the ephemeral Paua Stream due to the high content of rock.

WAIMEA WATERSHED AGREEMENT

Meters and Gauges were all read on February 3rd and monthly reports filed for F3 reporting to ADC and well-deep readings logged into the State's database. KBay Environmental Services completed the Hukipo report, and it was sent to ADC separately.

KBay reported in their Hukipo Report for January that the mean daily flow in the Kekaha Ditch for January was 5.92 mgd, and that the flow in the ditch exceeded 10 million gallons day on January 28, and exceeded 6 mgd on only one day when the Waimea River was less than 25 mgd, illustrated in the chart below.



KBAYES January 2025

KBAYES also calculated that the Waimea River flowed an average of 68 million gallons per day measured in the vicinity of the Cassel Farm. Flows through the penstock was about 17 mgd, at Top of Ditch 15 mgd and at Hukipo 5.9 mgd.

A sensor was installed in the Waiahulu Open Ditch, but the ditch has not been rated yet. Once done, the monitoring plan for the Waimea River and Kekaha Ditch will be complete

KEKAHA DRAINAGE MANAGEMENT PLAN (Clean Water Settlement Agreement)
It is anticipated that the draft NPDES permit prepared by the State Department of Health will be issued in April; one permit for all ocean outfalls from Kikiaola to Nohili, with the County of Kauai, and the ADC named as co-permittees. Contested case filings are expected from ADC, Kekaha Ag, and the County of Kauai.

STATUS of PROJECTS in PROGRESS

KODIS Ph 1
Final designs for the four Kokee streams gates were approved and authorized for fabrication. We expect shipment in March or April, in time for installation this summer.

Water for PMRF.
No activity.

Mana Solar + Storage
AES received a right of entry from ADC to re-install monitoring stations in the proposed solar fields. Kekaha Ag issued a key and two green vehicle placards for use by AES subcontractors.

REPI/Open Floodable Space
See Project Manager's report attached.

Paua Valley Rock Crushing
No Action

Kokee RAP Material

Per agreement, Kekaha Ag paid $10,000 for the better recycled asphalt material (RAP) delivered to Field 105. Dump truck loads of dirt, mixed material, and clean RAP were pushed and consolidated into respective piles. As mentioned earlier in this report, Kekaha Ag plans to start improving the Main Track in February.

A second dump site for new material was cleared at the entry of the old Government Road for material we plan to use rebuilding the road to the Waiawa Power House.

Waiawa Hydro Replacement.

The building permit application was submitted in January, and is currently under review by the County agencies.

Design detail submittals are being processed by the ITC, the general contractor, and approved by Kekaha Ag and ADC.

Mana Quarry

Pohaku completed grading work at the Mana Quarry by the end of November, however several large pieces of equipment remained on site.

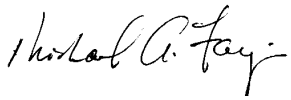
Kiko Road Gate

A County Building Permit was approved for the Kiko Road Gate.

Community and Government

A Report for January 2025 by Stephanie Iona is attached.

Respectfully Submitted,



02/25/2025