

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on March 20, 2025

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., 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 of Hawai'i, Leiopapa A Kamehameha, State Office Tower Building, 235 S. Beretania St., Suite 204, Honolulu, HI 96813.

Members Present, virtually:

Lyle Tabata, Kauai County Member, Chair (Chair)
Jesse Cooke, City and County of Honolulu Member (Member Cooke)
Glenn Hong, Member-At-Large (Member Hong)
Sharon Hurd, Ex-Officio Member for HBOA (Member Hurd) (left the meeting at 10:15 a.m.)
Ciara Kahahane, Designee for DLNR, Ex-Officio Member Ms. 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) (left the meeting at 11:00 a.m.)
Nathan Trump, Hawaii County (Member Trump)
Jayson Watts, Maui County Member (Member Watts)
Dane Wicker, Designee for DBEDT, Ex-Officio Member James Tokioka (Member Wicker)

Members Excused:

None

Counsel Present, virtually:

Delanie Prescott-Tate, Deputy Attorney General (Ms. Prescott-Tate)
David Matsumiya, Deputy Attorney General (left the meeting at 9:25 a.m.)
Kelcie Nagata, Deputy Attorney General (left the meeting at 9:25 a.m.)

Staff Present, virtually:

Wendy L. Gady, Executive Director (Ms. Gady)
Mark Takemoto, Sr. Executive Assistant (Mr. Takemoto)
Lyle Roe, Asset Manager (Mr. Roe)
Ken Nakamoto, Project Manager (Mr. Nakamoto)
Ingrid Hisatake, Executive Secretary
John Bautista, Waiahole Ditch System Supervisor

Guests Present, virtually:

ADC Guest
Charles
Kylie Wager Cruz, EarthJustice
Mark Ladao
Mike Faye (Mr. Faye), Kehaka Agriculture Association (KAA)
Scott Ishikawa, Becker Communications
Scotty Wong, Ohana Hui Ventures, Inc.
Thomas Heaton
Thomas Nizo (Mr. Nizo), Historic Waimea Theatre and Cultural Arts Center

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Guests Present, physical location:

None

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. Chair stated that the roll call served as a roll call vote, and for each subsequent vote, he would ask if there were any objections or abstentions. If there were no objections or abstentions the motion would be approved on the same basis as the roll call.

Roll call: Chair, Member Cooke, Member Hong, 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.

Agenda Items F-2 and F-3 taken out of order.

Chair announced that the Board would be taking Informational Agenda Items F-2 and F-3 out of order so the attorneys can get back to work. These two matters will be held in executive session pursuant to HRS section 92-4 and HRS section 92-5(a) to allow the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities. The first matter, Agenda Item F-2, is an update by the Department of the Attorney General regarding the National Pollutant Discharge Elimination System permit for the Mana plain, District of Waimea, County of Kauai, State of Hawaii.

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

Chair stated that the second matter, Agenda Item F-3 was an 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.

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

Chair called for a Motion to go into Executive Session.

Motion by Member Kahahane; Second by Member Wicker.

Chair asked if there was anyone from the public who wished to give testimony regarding the decision to go into executive session. There was none.

Chair conducted a roll call vote:

- | | |
|-----------------|-----|
| 1. Chair | Yes |
| 2. Member Cooke | Yes |
| 3. Member Hong | Yes |
| 4. Member Hurd | Yes |

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- | | |
|--------------------|-----|
| 5. Member Kahahane | Yes |
| 6. Member Okimoto | Yes |
| 7. Member Okuhama | Yes |
| 8. Member Seddon | Yes |
| 9. Member Trump | Yes |
| 10. Member Watts | Yes |
| 11. 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 9:07 a.m.

Public meeting reconvened at 9:55 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 Agenda Items F-2 and F-3 with the Board's attorney, pursuant to HRS section 92-5(a)(4). No further action was taken.

B. Approval of Minutes

1. Regular Session Minutes, November 21, 2024

Chair called for a Motion to Approve.

Motion by Member Cooke; Second by Member Wicker.

Chair asked if there was any Staff presentation. 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 Kahahane stated that she would abstain from voting because she was not present at the November 21, 2024 meeting.

Chair called for the vote. Chair, Member Cooke, Member Hong, Member Hurd, Member Okimoto, Member Okuhama, Member Seddon, Member Trump, Member Watts, and Member Wicker voted to approve the November 21, 2024 regular session minutes. Approved: 10-0. Member Kahahane abstained.

2. Executive Session Minutes, November 21, 2024

Chair stated that during the executive session held on November 21, 2024, the Board discussed agenda item F-1, a presentation regarding the practical implications of the Draft National Pollutant Discharge Elimination System [NPDES] Permit issued to the Agribusiness Development Corporation and County of Kauai for the outfalls of the Mana Plain Drainage Ditch System, and briefly discussed a possible business transaction raised in the Chair's report. HRS sections 92-4 and 92-5(a)(4) allows a meeting to be closed to

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the public when necessary to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, and 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. In order to maintain the confidentiality of matters discussed in executive session, the draft minutes were provided directly to Board Members for review. Chair asked that the Board members respect the confidentiality of the executive session when discussing approval of these minutes.

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Trump.

Chair asked if there was any Staff presentation. 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.

3. Regular Session Minutes, December 5, 2024

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Trump.

Chair asked if there was any Staff presentation. 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 stated that he would abstain from voting because he was not present at the December 5, 2024 meeting.

Chair called for the vote. Chair, Member Cooke, Member Hurd, Member Kahahane, Member Okimoto, Member Okuhama, Member Seddon, Member Trump, Member Watts, and Member Wicker voted to approve the December 5, 2024 regular session minutes. Approved: 10-0. Member Hong abstained.

4. Executive Session Minutes, December 6, 2024

Chair withdrew this matter explaining that the December 6, 2024 Executive Session Minutes were approved at the January 16, 2025 Board meeting.

5. Regular Session Minutes, January 16, 2025

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Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Kahahane.

Chair asked if there was any Staff presentation. 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 stated that he would abstain from voting because he was not present at the January 16, 2025 meeting.

Chair called for the vote. Chair, Member Cooke, Member Hurd, Member Kahahane, Member Okimoto, Member Okuhama, Member Seddon, Member Trump, Member Watts, and Member Wicker voted to approve the January 16, 2025 regular session minutes. Approved: 10-0. Member Hong abstained.

6. Regular Session Minutes, March 3, 2025

Chair deferred approval of the March 3, 2025 minutes until the next meeting.

C. Chairperson's Report

1. None

D. Committee Reports

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

Chair called for a motion to approve.

Motion to approve: Member Trump; Second: Member Wicker.

Chair stated that at the last meeting the Land License Permitted Interaction Group recommended that all of the rescored land applicants that scored over 300 points be offered vacant land and those applicants that scored less than 300 points 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. The Land License Group requested that the Board accept and approve the recommendations presented at the March 3rd Board meeting. The ADC Staff further requested that the Board direct staff to complete the land application process by:

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- (1) Contacting the highest scoring applicants via letter to determine if they are still interested in obtaining a land license from ADC.
- (2) If the applicant is still interested, arrange a meeting with the applicant to select a parcel of land and provide information necessary for issuance of a right-of-entry.
- (3) Advise the 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.

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.

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

Chair called for a motion to approve.

Motion to approve: Member Wicker; Second by Member Cooke.

Chair called on Member Okuhama for the presentation.

Member Okuhama said that at the March 3rd Board meeting, the Executive Director (ED) Evaluation Permitted Interaction Group prepared and recommended SMART Goals, which are Specific, Measurable, Achievable, Relevant, and Time-Bound goals for the ED to accomplish for FY2025. Because HRS section 163D-3(e) requires the Board to conduct 'annual' goals and performance evaluation, the ED Evaluation group recommended that the ED's performance evaluation and salary discussion for fiscal year 2026 be conducted by another permitted interaction group to be established after the Board votes to approve the current fiscal year 2025 performance evaluation. The ED Evaluation group recommended that the Board approve the goals and objectives on pages 0075 to 0079 of the submittal and establish another permitted interaction group to conduct the FY2026 ED performance evaluation.

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 approved: 11-0.

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3. Request to accept and approve the recommendations of the value-add permitted interaction group

Chair called for a motion to approve.

Motion to approve: Member Wicker; Second by Member Cooke.

Chair called on Ms. Gady for the presentation.

Ms. Gady said Member Watts did an amazing job putting together the report for the value added permitted interaction group. It show-cases all the projects and programs ADC is currently working on that align well with value-add. That report will be used to develop ADC's strategic plan.

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.

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.)

Chair called for a motion to approve.

Motion to approve: Member Wicker; Second by Member Kahahane.

Chair called on Mr. Roe for the Staff presentation.

Mr. Roe stated that Andros Engineering was a licensee in Kekaha. They had a base yard and provided some recycling and repair services for some of ADC's tenants. When Andros closed up operations in Hawaii KAA assumed the roughly two years left on the Andros license. After that, ADC granted KAA a one acre piece of adjacent land, for an office trailer. Between those two sites sits the old plantation carpentry shop that KAA has historically used for a base yard. This request combines the Andros location, the carpentry shop, and the office trailer location under one license.

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

Mr. Faye from KAA said that he was available to answer any questions. When Andros pulled out, KAA purchased the equipment and continued where Andros left off. KAA didn't want things to fall into disrepair. KAA felt it was important to support both the large licensees as well as the smaller farmers.

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.

- 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**

Chair called for a motion to approve.

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

Member Hurd exited the meeting at 10:15 a.m.

Chair made the presentation stating that as discussed under Agenda Item E-2, pursuant to HRS section 163D-3(f), the Board must conduct an evaluation of the executive director annually. The Board just established the ED goals and objectives for fiscal year 2025, which ends on June 30, 2025. A new permitted interaction group must be established to 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.
- (6) Prepare a report for presentation to the Board at the May 15, 2025 Board meeting that contains the FY2025 performance evaluation of the executive director, retention recommendation, salary recommendation, and the FY 2026 goals and performance measures.

This timeline must be strictly adhered to in order for the Board to fulfill its obligation under HRS section 163D-3 (d) to (f).

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Member Watts was not visible on camera from 10:17 a.m. to 10:26 a.m.

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 approved: 9-0 (Member Hurd left the meeting at 10:15 a.m. and Member Watts was not present on camera during the vote).

Chair appointed himself, Member Okuhama, and Member Wicker to this permitted interaction group. The tasks listed on pages 0096 and 0097 of the submittal are to be completed and presented to the full Board at the May 15, 2025 Board meeting.

- 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.)**

Chair called for a motion to approve.

Motion to approve: Member Wicker; Second by Member Kahahane.

Chair called on Mr. Roe for the Staff presentation.

Mr. Roe stated that Mr. Nizo represents a consortium of the Kekaha Homestead Association. These DHHL [Department of Hawaiian Home Lands] members are working to repair the Niu Valley Road that leads from ADC property up to DHHL's Mauka Homestead lands. They're seeking a base yard location for equipment and supplies during the road repair project. In lieu of rent, there's some old equipment on the property that Mr. Nizo and his group will clean up once they're done.

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

Mr. Nizo said he's with the Historic Waimea Theatre and Cultural Arts Center and he was trying to help the community. The Aina is not just land, its everything that feeds us. That road will feed Hawaiians in the near future. This is in line with ADC's goals and mission to create farmers. In partnership with ADC we will take that piece of land and leave it in better condition than when we get it. We're just a bunch of Hawaiians who are taking on this project to build that road for the next three years so we can have better access to the upper lands. We may come back to the table in three years and see where that leads. DHHL and ADC build a partnership to the future.

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

Chair called for the vote. Hearing no objections or abstentions the motion was approved: 9-0 (Member Watts was not present on camera during the vote).

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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.)**

Chair called for a motion to approve.

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

Chair called on Mr. Roe for the Staff presentation.

Mr. Roe stated that this request is to again refer ADC tenant Rong Seng Chen to the AG's office for enforcement action. At one point they had caught up, but they are behind again. You can refer to the submittal that shows the current balances along with service fees and interest. The amount is in excess of \$20,000. They are also delinquent in the common area maintenance fee to KAA.

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

Mr. Faye said that he supports Mr. Roe's testimony. Funing Farms is behind in their common area maintenance fees. We have worked with them in the past and he's available for any questions.

Member Watts was visible on camera at 10:26 a.m.

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.

8. **Request for approval to execute and enter a memorandum of understanding (MOU) 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.)**

Chair called for a motion to approve.

Motion to approve: Member Wicker; Second by Member Okuhama.

Chair called on Mr. Nakamoto for the Staff presentation.

Mr. Nakamoto said he would stand on his submittal and was available for questions.

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.

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Member Okuhama said the rental usage fee on the MOU was blank. Is ADC going to charge the Hawaii Farm Bureau anything? Did Kualoa Ranch charge them anything when they were having the fair over there?

Ms. Gady responded that ADC would be charging a fee for the fifteen acres. It is a two-day event. The amount has not been decided. If ADC is going to use this area as an event space that can be rented out to other organizations that amount must be decided. We can put that on a future agenda.

Chair asked if the Hawaii Farm Bureau would be cleaning up after the event.

Ms. Gady said typically they will handle all the traffic control, parking, prep, and clean up. ADC is trying to get the Board of Water Supply to install a water line so there will be water for the animals. But if not, they will have to bring in water trucks.

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.

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

Chair called for a motion to approve.

Motion to approve: Member Wicker; Second by Member Okimoto.

Chair called on Mr. Roe for the Staff presentation.

Mr. Roe said the Board should be aware that ADC approved the transfer of most of the Sunrise Capital ag park leases to Aloun Kauai Farms last August 2024. Sunrise intended to keep two properties. One was field 408 and the other was an old DLNR lease agreement. When ADC converted the old Department of Agriculture (HDOA) leases to ADC licenses, it was also their intention to convert the DLNR lease to an ADC license. Sunrise has agreed to this and the ADC license will also include the obligation to KAA for the common area maintenance fees.

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.

10. Request for approval to establish a permitted interaction group of the Board of Directors for the purpose of attending the Lieutenant Governor's

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Washington, D.C. trip on March 23-26, 2025 pursuant to the requirements of section 92-2.5(b), Hawaii Revised Statutes; appointment of members thereto

Chair stated that the Lt. Governor invited Chair Hurd, Member Trump, Member Watts, and Member Wicker to attend the Hawaii-USDA Policy Summit in Washington D.C. The agenda for the Hawaii-USDA Policy Summit was attached to the submittal on page 0140. The four Board members were invited because of their everyday work within the Hawaii agricultural community, and not because they are members of the ADC Board. Certain Board members were concerned about violating HRS section 92-2.5, the section of the Sunshine Law that addresses permitted interactions between board members and would like the Chair to create a permitted interaction group of the four invitees so they may participate in discussions and attend informational meetings or presentations together.

The concerned Board members seek establishment of a permitted interaction group under HRS section 92-2.5(b), which provides that two or more members of a board, but less than the number of members that would constitute a quorum for the board, may be assigned to:

- (1) Investigate a matter relating to board business; provided that:
 - (A) The scope of the investigation and the scope of each member's authority are defined at a meeting of the board;
 - (B) All resulting findings and recommendations are presented to the board at a meeting of the board; and
 - (C) Deliberation and decision-making on the matter investigated, if any, occurs only at a duly noticed meeting of the board held no less than six business days after the meeting at which the findings and recommendations of the investigation were presented to the board; . . .

HRS section 92-2.5(e), identifies another permitted interaction. Two or more members of a board, but less than the number of members that would constitute a quorum for the board, may attend an informational meeting or presentation on matters relating to board business, including a meeting of another entity, legislative hearing, convention, seminar, or community meeting; provided that the meeting or presentation is not specifically and exclusively organized for or directed toward members of the board. The board members in attendance may participate in discussion, including discussion among themselves; provided that the discussions occur during and as part of the informational meeting or presentation; provided further that no commitment relating to a vote on the matter is made or sought. At the next duly noticed meeting of the board, the board members shall report their attendance and the matters presented and discussed that related to board business at the informational meeting or presentation.

Importantly, for either HRS section 92-2.5(b) or 92-2.5(e) to apply, the subject matter of the discussion or presentation must be "board business".

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The term “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.

The topics itemized on the Hawaii-USDA Policy Summit agenda do not appear to fall under the supervision, control, jurisdiction, or advisory power of the Board. Nor does it appear that these topics will fall under the supervision, control, jurisdiction, or advisory power of the Board, now or in the near future.

In order to establish a permitted interaction group of the Board of Directors for the purpose of attending the Lt. Governor’s Washington, D.C. trip on March 23-26, 2025, the summit must constitute board business.

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 Watts said he believes the permitted interaction group needs to be appointed. In addition to the Board members, the executive director was invited to attend and was asked by the Lt. Governor’s office to lead a discussion session on rural development. This discussion may hit on some ADC issues. Just to be safe and transparent he believed a permitted interaction group should be formed and the Board members who attend should report back to the Board.

Chair called for a Motion to determine if attendance at the Hawaii-USDA Policy Summit constituted board business.

Motion to approve: Member Cooke; Second by Member Wicker.

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

Chair conducted a roll-call vote explaining that a “yes” vote means the Board does have supervision, control, jurisdiction, or advisory power over the subject matter on the summit agenda. A “no” vote means the Board does not have supervision control jurisdiction or advisory power over the subject matter on the summit agenda.

Chair conducted the roll-call vote:

1.	Chair	Yes
2.	Member Cooke	Yes
3.	Member Hong	Yes
4.	Member Kahahane	Yes
5.	Member Okimoto	Yes
6.	Member Okuhama	Yes
7.	Member Seddon	Yes
8.	Member Trump	Yes
9.	Member Watts	Yes
10.	Member Wicker	Yes

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The motion was unanimously approved: 10-0.

Chair appointed Member Hurd, Member Trump, Member Watts, and Member Wicker to this permitted interaction group. Chair directed the group members to attend the summit and prepare a report to the Board detailing all information pertinent to the Board's supervision, control, jurisdiction, and/or advisory power.

F. Informational Items

1. Video presentation of the Waiahole Water System

Chair called on Ms. Gady for the video presentation on the Waiahole Water System.

Ms. Gady gave some background on the Waiahole system as the video played. In March for Ag Day at the Capitol, ADC displayed the video with one of the Waiahole workers there to answer questions. The Waiahole system started in February 1916 and had water flowing through it by May 1916. In July of 1999, the Legislature voted to procure a bond for \$8.5 million for ADC to acquire the system, which is 26.4 miles long, with 15 miles of tunnels, 10 miles of open ditches, and 1.4 miles of siphons. It is completely gravity fed. There is 9.5 million gallons of water storage at Reservoir 225; 14 million gallons of water storage at Reservoir 155, which is now named the Nakatani Reservoir. A staff of five manages the system. Each staff member is responsible for five miles of the system. The video was shot via drone. Senate Bill No. 1541 that would retire the Waiahole Water System Debt. There is a tunnel in a siphon that is collapsing. 40% of ADC's revenue goes towards servicing the debt for this asset.

Mr. Takemoto said that some of the Waiahole staff was present if there are any questions. ADC has been entrusted with the responsibility to pass this system on to future generations. It's a lot of work that we are doing to maintain and improve the system. This system is very important and like a lot of other systems from the plantation era, we could never replace them if we had to. We need to be good stewards of this asset for the next generation.

Member Cooke asked how many farmers there are, and what production results from use of this system. He's working on something with UH to do survey or land mapping of ADC land to get an understanding of what's being grown and how much. If we can also figure out through that survey and mapping all of the farming that's resulting from all these different water systems. It makes it easier for us to go after funding later if we have that type of information.

Ms. Gady said the system feeds over 5,000 acres of prime ag land. It serves over 70 small and medium sized farmers of which maybe 80% would fall in the USDA's description of small, disadvantaged farmers. They need this system in order to grow their crops. This system is 24/7, 365 days a year.

Chair said he considers this one of the seven wonders of the state. It is similar to the West Kauai water system. This water goes all the way to the Ewa plain. Is there any more Board discussion. There was none.

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

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on March 20, 2025

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

Member Watts was not visible on camera from 10:57 a.m. to 11:07 a.m.

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.***

This item was taken out of order at the beginning of the meeting.

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.***

This item was taken out of order at the beginning of the meeting.

4. **Executive Director's Report regarding past weekly reports, 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.**

Member Seddon left the meeting at 11:00 a.m.

Chair called on Ms. Gady to give her executive director's report.

Ms. Gady said she just wanted to touch on a few things. The weekly reports are on the ADC website. We are in the process of entering into a memorandum of agreement with HDOA to acquire the property pursuant to Act 218 regarding the Wahiawa lands associated with the Wahiawa dam acquisition. Act 218 also has TMKs that go directly to DLNR. The due diligence for the acquisition has been completed by ADC and HDOA. Over 17,500 acres of former sugar and pineapple land are reliant for six months out of the year for the water through the system. If ADC doesn't acquire this system, it will be decommissioned. With no reliable water source would be the kiss of death for 17,000 acres of diversified ag. Once the acquisition goes through, HDOA will have funds to do the design or redesign of the spillway. Ohana Hui Ventures, we are still awaiting some additional paperwork or information that we had requested. At the April Board meeting, we are going to invite recent licensees to give an update on their farm plan. I think it would be good for the Board to meet and hear from the individuals that are farming the land that ADC is responsible for. If anyone has suggestions for policies or support that we can take to Washington, D.C. please reach out. And KAA's monthly report is attached. Ms. Gady asked if Mr. Faye had anything to say.

Mr. Faye said they've been experiencing drought. It has been challenging to get water to everybody on the Kokee ditch system, which is very similar to the video that you just saw on the Waiahole system. The other challenge we're having are the changes going on with the seed industry and the reclassification of 1,600 acres of Hartung lands. KAA's income was affected. We'll be sending a report each month.

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Member Cooke stated that the KAA report shows \$72,000 reduction in income per month. What percentage of revenues is that?

Mr. Faye replied about 60%.

Member Wicker asked who was responsible for putting tenants on the property. Is it ADC or KAA.

Mr. Faye replied ADC is responsible for putting tenants on the land. KAA manages the water delivery and the microgrid. Moving the 1600 acres into a non-tillable acreage rate was at the request of one of the seed companies. It was not something that staff arbitrarily decided to do.

Member Wicker asked if ADC had a wait-list for Kauai.

Ms. Gady responded that we have new land applicants who scored over 300 or more who are ready to be placed on lands. As well as individuals that fit the category for the USDA definition of small and disadvantaged farmers. The action was only taken today in terms of approving individuals on that list for licenses.

Member Wicker asked once we place the new land applicants on the Kauai lands, what will the vacancy rate be.

Ms. Gady replied maybe 1 to 2 percent. The greatest demand for ag land is on Oahu because of the transportation costs from the neighbor islands.

Chair added that ADC is in the final process of closing the Dole Wells purchase, which will add to our ability to provide irrigation.

Member Watts was visible on camera at 11:07 a.m.

G. Adjourn

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

Motion to adjourn: Member Wicker; Second by Member Kahahane.

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

The meeting was adjourned at 11:09 a.m.

Date of Next Meeting: The next meeting will be held on April 17, 2025, at 9 a.m.