

AGRIBUSINESS DEVELOPMENT CORPORATION
Minutes of the Board of Directors meeting on December 11, 2019
1849 Auiki Street, Honolulu, Hawaii 96819

Members:

Sandra Kato-Klutke	Lloyd Haraguchi
Yukio Kitagawa	Douglas Schenk
Kevin Hopkins (auditing meeting)	Warren Watanabe
Phyllis Shimabukuro-Geiser (9:40AM)	Leilyn Koev

Absent:

Michael McCartney	Kaleo Manuel
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Staff:

James Nakatani
Myra Kaichi
Lynn Owan
Ken Nakamoto
Todd Low

Counsel:

Andrew Goff, Deputy Attorney General

A. Call to Order:

Chairperson Kato-Klutke called the meeting to order at 9:01 a.m.

B. Approval of minutes from the July 31, 2019 meeting.

Douglas Schenk moved to approve the recommendation. Lloyd Haraguchi seconded the motion.

Chair asked for any corrections to the amended minutes. No corrections. Motion carried unanimously as amended.

Approval of minutes from the October 9, 2019 meeting.

Douglas Schenk moved to approve the recommendation. Lloyd Haraguchi seconded the motion.

Chair asked for any corrections to the minutes. No corrections. Motion carried unanimously as amended.

C. Request for approval to issue Right of Entry to the University of Hawaii for geophysical research on land on Oahu, Tax Map Key(s): (1) 6-5-05-09; (1) 6-5-01-44; (1) 6-5-01-14; (1) 6-5-02-06; (1) 6-5-02-08; (1) 6-5-02-31; (1) 6-5-02-01; (1) 6-5-02-25; (1) 7-1-01-02; (1) 7-1-

01-03; (1) 7-1-01-05; (1) 7-1-01-12; (1) 6-4-04-08; (1) 7-1-02-46; (1) 7-1-02-47; (1) 7- 1-02-34; (1) 7-1-02-04; (1) 7-1-02-09; (1) 7-1-02-37; (1) 7-1-02-44; and (1) 9-5-03-07.

Mr. Nakamoto made the presentation.

Douglas Schenk moved to approve the recommendation. Lloyd Haraguchi seconded the motion.

Kevin Kelly (UH) provided detailed Ike Wai project knowledge. The UH team just completed a data gathering exercise on adjacent Dole lands and has gained experience working with agriculture operations. The project is a collaboration with the Commission on Water Resource Management (CWRM). Updates and data will be shared with the ADC BOD on periodic basis.

Motion carried unanimously.

- D. Request for approval to renew Revocable Permit No. 7004 for Gary Smith in Kekaha, Kauai, TMK (4)1-2-02-01 (por.).

Ms. Owan made the presentation.

Lloyd Haraguchi moved to approve the recommendation. Douglas Schenk seconded the motion.

Motion carried unanimously.

- E. Request for approval to renew Revocable Permit No. 7299 for Senter Petroleum, in Kekaha, Kauai, Tax Map Key (4)1-2-02-01 (por.).

Ms. Owan made the presentation.

Lloyd Haraguchi moved to approve the recommendation. Warren Watanabe seconded the motion.

Mr. Haraguchi inquired about Senter Petroleum's ability to offset any financial liability from its operations. ADC staff will provide company financial background to ensure there are resources in place to reduce any liability to ADC.

Motion carried unanimously.

- F. Request for conditional approval of the issuance of new right of entry and soil-removal agreement to County of Kauai, Tax Map Key (4)1-2-02-001 (por) and the termination of License No. LI-K1103 to County of Kauai and Waste Management of Hawaii, Inc.

Ms. Kaichi requested deferral of the item.

Item deferred.

- G. Request for approval to renew Revocable Permit No. 1802 to William J. Sanchez for 419 acres in Unit A, located in Kalepa, Kauai, Tax Map Key (4) 3-9-02-20 (por.).

Ms. Owan made the presentation.

Lloyd Haraguchi moved to approve the recommendation. Douglas Schenk seconded the motion.

Mr. Schenk inquired as to how much production occurs on the land and where is it sold. Ms. Kato-Klutke reported that the beef is sold locally and is also processed as jerky.

Motion carried unanimously.

- H. Request for approval for Green Energy Team to sublicense to Taiwan Gu and Hawaii Golden Farm LLC for approximately 90 total acres of Unit J and a portion of Unit N, Tax Map Key (4)3-9-002-001 (por).

Ms. Owan made the presentation. She requested that the title be amended to reflect 57.8 acres instead of 90 acres.

Douglas Schenk moved to approve the recommendation. Warren Watanabe seconded the motion.

Mr. Kitagawa inquired about the strategy behind the sub-license request. ADC staff is working with the agriculture operations to take advantage of fallow fields and make the lands more productive through crop rotation. Mr. Haraguchi requested the word "and" in second recommendation in the submittal be changed to "by".

Motion carried unanimously.

- I. Request for approval to amend tillable acreage under License LI-KA 1405, issued to Elesther Calipjo, from 305.43 acres to 178.10 acres, more or less, in Kalepa, Kauai, Tax Map Keys (4)03-09-002-020 (por) and (4)03-09-02-09.

Ms. Owan made the presentation.

Douglas Schenk moved to approve the recommendation. Lloyd Haraguchi seconded the motion.

Mr. Schenk inquired about the type of activity on the land. ADC staff reported a mixture of cattle and diversified agriculture (5 acres). Ms. Kato-Klutke recommended that more accurate maps be made to assist decision making.

Motion carried unanimously.

- J. Request for approval to renew License No. LI-K1102 issued to Aurora Bunao and Arnold Bunao, in Kalepa, Kauai, Tax Map Keys: (4) 3-9-02-20

Ms. Owan made the presentation.

Lloyd Haraguchi moved to approve the recommendation. Douglas Schenk seconded the motion.

Discussion centered on the diversification of agriculture operations through sub-licenses (see item H. Mr. & Mrs. Bunao attended to meeting. ADC reported that a cattle operation can improve their cash flow by partnering with more intensive agriculture operations that require less acreage. Ms. Shimabukuro-Geiser offered that the UH-CTAHR is interested in this new diversification model and could assist in building a framework. Mr. Schenk applauded ADC's efforts to improve the agriculture production and commercial viability of their tenants. Mr. Watanabe inquired whether short-term licenses are an effective means for sub-licensing terrestrial farmers. Further discussion regarded whether this type of arrangement benefits both parties involved.

Motion deferred.

- M. Request to adopt the Land Investigative Committee's recommendations for selecting applicants for ADC land licenses. (Item taken out of agenda sequence).

Mr. Nakamoto made the presentation.

Lloyd Haraguchi moved to approve the recommendation. Douglas Schenk seconded the motion.

David Chan provided a farmer's perspective on the selection process and opportunity the new land affords. He does not sub-license but that individual farmers on his payroll. ADC staff will ensure proper documentation is provided per labor laws. Mr. Kitagawa was pleased that the farmers would be initially focusing on the local markets. Mr. Schenk acknowledged Mr. Nakamoto's efforts to facilitate the application process. Mr. Nakamoto informed the Board that the next steps will be to issue Rights of Entry to the farmers to provide them with access to the property to do their due diligence, land prep, and soil conservation planning.

Motion carried unanimously.

- K Update on Clean Water Act Federal Lawsuit, Na Kia'i Kai, Surfrider Foundation and Pesticide Action Network North America vs State of Hawaii, Agribusiness Development Corporation and Department of Health, Civil No. 1:16-cv-00405-ACK-RLP, Order Re: Summary Judgment and Dismissal.

and

- L. Update on Complaint over Galbraith lands by Ohana Best LLC vs. State of Hawaii, Agribusiness Development Corporation and James Nakatani in his individual capacity and as executive director of ADC, Civil No. 19-1-1640-10, Circuit Court, State of Hawaii.

Mr. Goff made the presentation on both items.

Lloyd Haraguchi moved to enter Executive Session. Douglas Schenk seconded the motion. The board emerged from executive session without any action.

N. Executive Director's Reports and Updates:

1. Kekaha
 - a. Update on Complaint Under Title VI of the Civil Rights Act of 1964, EPA File No. 45RNO-16-R9.
2. Whitmore
3. Outreach
4. 2020 ADC Strategic Plan DRAFT

Executive Director Nakatani made the presentation.

O. Adjourn

The meeting was adjourned at 12:15 p.m.

Respectfully submitted,

/s/ Todd Low _____

Todd Low
Acting Secretary