

**DRAFT**

**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Director meeting of August 19, 2015  
Department of Agriculture Animal Industry Conference Room  
99-941 Halawa Valley Street, Aiea, Hawaii 96701

Members:

Letitia Uyehara	Douglas Schenk
Sandra Kato-Klutke	Denise Albano
Margarita Hopkins	Yukio Kitagawa
Roy Hardy, DLNR	Phyllis Shimabukuro-Geiser, DOA

Absent:

Lloyd Haraguchi	Wayne Thom, DBEDT
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Guests:

David Penn, DLNR-DOFAW Linda Rosehill, Rosehill & Associates

Staff:

James Nakatani  
Ivan Kawamoto  
Ken Nakamoto  
Lynn Owan  
Cindy Doi

Counsel:

Myra Kaichi, Deputy Attorney General

A. Call to Order.

Chair Uyehara called the meeting to order at 9:03 a.m.

B. Approval of the Minutes of July 22, 2015 meeting.

Ms. Klutke moved to approve; Mr. Schenk seconded the motion; motion carried unanimously.

C. Approval to Issue a Revocable Permit to Helemano Farms, LLC for Agriculture Purposes in Whitmore, Oahu; Tax Map Key (1) 7-1-1-02-04 (por) and (1) 7-1-02-09 (por).

Mr. Nakamoto made the presentation for the approval to issue a revocable permit to Helemano Farms. They have been leasing 10 acres for diversified agriculture production from Dole since 2002. After reaching an agreement with Dole to increase the acreage of their production area from 10 acres to 30 acres, the property was sold to the State and the agreement was never finalized. The land agreement was amended in 2005 to include a 0.33-acre, a plant nursery and storage facility which is a portion of a Quonset hut located on the 24-acre parcel. When ADC acquired this parcel in 2013, it received

complaints about a strong odor coming from the surfboard manufacturer in the adjacent room. Also there were security issues due to numerous individuals frequenting the property unchecked at all hours of the day. To address these concerns, ADC relocated the Permittee from the smell and establish a checkpoint to monitor and deter undesirable individuals. In addition to helping ADC secure the property, the Permittee has been helping clear trees and repair a dilapidated greenhouse. ADC is negotiating a long-term license to ratify all the changes to their land agreement, which includes the increase in acreage of the useable land and the relocation of their nursery and storage facility. Since an agreement is still pending, ADC is requesting to issue a revocable permit during the interim.

The recommendation is to approve the issuance of a revocable permit to Helemano Farms, LLC subject to the following terms and conditions: (1) the term of this revocable permit shall be on a month-to-month basis; and (2) the base rent shall be \$1,000 per year based on \$30.00 per acre for the agriculture land plus \$100.00 for the nursery area.

Mr. Schenk moved to approve the recommendation; Ms. Hopkins seconded the motion.

Ms. Hopkins asked if the surfboard shop is under ADC. Mr. Nakamoto replied yes, the surfboard shop lease is a carryover from Dole and their lease expires in December.

Mr. Kitagawa said he would like to support Helemano Farm who has been doing a real good job and his products are well sawed after. He propagates his own trees from cuttings. It provides a desired need for the community with his products and should support him as much as we can.

Motion carried unanimously.

D. Approval of a Cooperative Management Agreement (CMA) and Right of Entry to the State Department of Land and Natural Resources (DLNR) Division of Forestry and Wildlife (DOFAW) for agricultural and renewal energy purposes and for the hunting of game birds and game mammals in Unit L, the Waimea District from Tax Map Key: (4) 1-2-002:por 1, Kekaha, Kauai.

Mr. Kawamoto made the presentation on the CMA and Right of Entry to DLNR DOFAW for agricultural and renewable energy purposes and for the hunting of game birds and game mammals in Unit L, the Waimea District. Under the proposed ten year agreement, DLNR will submit to ADC, each year, a plan for the management and hunting of wildlife in Unit L including any plans for or changes to the development and maintenance of the area including boundaries, hunt access, informational and boundary signs, and development and maintenance projects, plans for animal management and control within the CMA, proposed hunting periods, administrative rules and plans for the management of the hunt. Such plans shall be subject to the approval of the ADC with consultation from the Kekaha Agriculture Association (KAA) prior to opening of each hunting season. The management plan includes each plan element identified in the proposed CMA. By mutual agreement of the BLNR and the ADC, this agreement may be extended, amended, renewed and if warranted terminate in writing at any time prior to the expiration date. The right of entry provides access to Unit L, mauka lands on the island of Kauai to control damage to agricultural and natural resources while providing opportunities for public hunting. The KAA supports the CMA and the intent to allow public hunting on the Kekaha mauka lands in Unit L. The proposed agreement also has an annual review period by which both the ADC and the

KAA can review and make changes to the plan. The DLNR would also become the lead agency responding to forest wild fires as well as provide fire mitigation measures for Unit L.

The recommendation is to approve the cooperative management agreement and right to entry request to DLNR – DOFAW for agricultural and renewable energy purposes and for hunting in Unit L for a ten year period in Kekaha, Kauai.

Mr. Schenk moved to approve the recommendations; Ms. Hopkins seconded the motion.

Mr. David Penn from DLNR DOFAW was present to answer any questions.

Mr. Penn commented that the hunting season is from July to January and no hunter access from February to June. From July to August the hunt is pig and deer, archery only. September to October, pig and deer, mussel loader only. November to January, birds, shot gun only. Also no dogs allowed.

Ms. Hopkins asked why the agreement has no mention of liability. Mr. Penn stated that there is language about liability in the agreement. When anyone obtains a hunting license from their department there is a waiver that is attached to that hunting license. In addition to the management agreement there is an additional liability waiver for each person who is accessing these hunting units. This hunting agreement was open previously through less formal agreements.

Ms. Hopkins asked if there are any complaints between the hunters and ADC, who would take care of the complaints. Mr. Penn replied the first point of contact would be DLNR district office in Lihue and the Wildlife management staff. If there are any problems with trespassing, hunting violations, fire arms, it is in this agreement therefore a stronger response from the conservation and resource enforcement at DLNR DOFAW would then be involved. Mr. Penn stated that they would work closely with ADC and KAA on all the issues. They do have plans in the future to put a fence along the base of the Pali to control animal movement from the heights into the crop area.

Mr. Kitagawa asked what kind of agricultural and renewable energy is being done on the property now. Mr. Kawamoto replied at the time in 2011 PacWest planned a biomass conversion to energy plant. But that is no longer applicable now. ADC wants to protect the natural resources and control the population from affecting agriculture down the road. Mr. Kitagawa asked whether DLNR should take control of this property instead of ADC. Unless there is good reason to keep it in agriculture, DLNR should take over the management of the property. Mr. Nakatani stated that there was an energy company that took about 700 acres of the 1500 acres that is usable. There may be a cattle company that might be interested. He did agree with Mr. Kitagawa that if there is no purpose for the property then we should return it.

Ms. Klutke asked how many permits does DLNR issue and how many hunters are allowed on any given day. Mr. Penn replied a 1000 acre unit could support may be three hunting parties on a given day. For the deer season there is a limit and tags are given. He was not sure on the bird season and the pig and goat season he was not too sure on the limited number of hunters. Ms. Klutke stated people has asked her where they would be able to hunt. So if it is open there, the hunters should go to DLNR to get their permit and register. Mr. Penn stated during the hunting season there are three hunting check stations. In DLNR's hunting rules which is given to each hunter applying for a permit, there is a map attached and a

table of Unit L which shows the hunting periods, restrictions and a footnote that states that opening of these lands for hunting is subject to the landowner who is ADC.

Chair asked Mr. Penn to provide this information to Ms. Klutke who is ADC's Kauai board member so she could inform anyone if she is asked.

Ms. Klutke moved to amend the approval to delete in the title the renewable energy purposes; Mr. Schenk seconded the motion; motion carried unanimously.

Motion carried unanimously.

E. Request approval of after-the-fact renewal of Revocable Permit No. K1101 to Kekaha Agriculture Association (KAA) in Kekaha, Kauai, TMK (4) 1-2-002:001 (por).

Ms. Owan made the presentation for the approval of after-the-fact renewal of Revocable Permit No. K1101 to KAA. The KAA is a farmer cooperative association for the purpose of promoting the effective compatible agriculture/aquaculture business uses of Kekaha agriculture lands. Approximately 7,800 acres of Kekaha agricultural lands located on the Mana Plain are on a flood plain, drainage of the land is critical to the success of cultivating crops. Under the RP K1101, the KAA maintains the channels and roadways within Fields 343, 424 and 425 which is located adjacent to the Pacific Missile Range Facility. This strategic location enables KAA to facilitate proper drainage and prevent flooding of the surrounding areas. Inadvertently, renewals to extend in May 2014 and May 2015 were overlooked. Therefore, approval is respectfully requested to retroactively extend RP K1101 from May 5, 2014 to May 4, 2015, and May 5, 2014 to May 4, 2016.

The recommendation is to approve the after-the-fact renewal of RP K1101 to Kekaha Agriculture Association for Fields 343, 424 and 425 at the respective rent from May 5, 2014, to May 4, 2015 and the current term May 5, 2015 to May 4, 2016.

Mr. Schenk moved to approve the recommendation; Ms. Hopkins seconded the motion.

Ms. Hopkins asked how the rent amounts are determined for each permit. Ms. Owan replied we do have a land development committee who does all reviews.

Motion carried unanimously.

F. Request to Renewal Revocable Permit No. 7448 for William J. Sanchez for Unit A located at Kalepa, Kauai, Tax Map Key (4) 3-9-002:020 (por).

Ms. Owan made the presentation. This is a request to renew revocable permit (RP) No. 7448 for William J. Sanchez for Unit A located in Kalepa, Kauai. Unit A is 598 net acres with gross acres of 619. The RP term is month to month from November 1, 2015 to October 31, 2016. The base rent is \$15 per acre per year for a total of \$8,970 a year.

Mr. Sanchez has been leasing various State-owned parcels of land in Kalepa and Puna. He has been sole proprietor of a contracting business for more than 30 years and operates his own equipment to clear and

maintain his leased land. He continues to work with the Natural Resource Conservation Service to implement a current pasture management plan. His current term of RP 7448 terminates on October 31, 2015 and is in good standing with the ADC and is current with his rent payments.

The recommendation is to approve the renewal of RP 7448 to William Sanchez, for Unit A, effective November 1, 2015, at the respective monthly rent on a month-to-month basis, the term not to exceed October 31, 2016, unless otherwise extended by ADC.

Ms. Hopkins moved to approve the recommendation; Ms. Albano seconded the motion.

Ms. Albano asked about Mr. Sanchez's other business. Mr. Sanchez leases from others for his other contracting business which we do not know where they are located.

Motion carried unanimously.

#### G. Election of Vice-Chairperson

Chair mentioned that because of the vacancy of Alan Takemoto, a vice chair is needed. She asked Ms. Klutke and Mr. Kitagawa to serve on this committee to nominate a vice chair.

Ms. Klutke nominated and moved for Lloyd Haraguchi to serve as vice chair; Mr. Kitagawa seconded the motion; motion carried unanimously.

#### H. Executive director's reports and updates:

##### 1. Kekaha, Kauai

Mr. Nakatani reported on the NPDES situation. The best route was to withdraw the NPDES permit and come up with a plan. He, Ms. Kaichi, Ms. Owan and Phyllis Shimabukuro-Geiser met with the Department of Health's deputy to discuss the ADC's options. DOH offered to work cooperatively with the ADC to develop best management practices and a comprehensive management plan pursuant to the ADC continue to monitor the water quality and continue to seek ways of reducing nutrient levels and turbidity. He did have a meeting with the county and mayor to apprise them of the status of the nonpoint source runoff and to collectively discuss some of the concerns which must be addressed by the management plan. It is a complex problem that involves many agencies. There are a lot of issues that are not easy to solve but everyone needs to work together to come up with a solution.

Mr. Nakatani mentioned that the use and occupancy agreement with the state Department of Transportation, Highways Division is for the board's information. The KAA intends to temporarily shut down the Kekaha Ditch within the next few weeks to make repairs to the Black Siphon just above the point where the tail waters used to enter the Kekaha Ditch. This shutdown will stop all irrigation water from flowing through the Kekaha Ditch after the point of the Black Siphon, including irrigation waters diverted to the Menehune Ditch and taro farmers below. In an effort to maintain a small but constant flow of water to the Menehune Ditch, an agreement has been reached with the state highways to install an 8 inch pipeline, parallel to the existing highway culvert to route the Kokee Ditch tail water to the Kekaha Ditch. Construction is anticipated to commence on August 17, 2015.

2. Galbraith agricultural land, Wahiawa, Oahu.

A contractor was awarded to upgrade and operate the Galbraith irrigation system. Upgrades to the Bott Well pump and industrial diesel engine are nearly complete and repairs to five of the six irrigation stand pipes have been completed.

On July 23, 2015 final repairs to stand pipe no. 4 was scheduled but halted by OHA due to unresolved land issues. By not repairing the stand pipe on OHA's parcel, water delivery to OHA's and Galbraith Lot 5 will be without irrigation water from the Bott Well. ADC has begun to explore alternative irrigation pipeline routes to Lot 5 outside of OHA's parcel boundary.

Once the land survey is completed which designates the placement for roads and farmer parcels, the contractor will design an irrigation system to provide hook up to the small farm parcels from the main 12" pipeline. Presently irrigation water from the Bott Well is provided to Kelena Farms.

Target date for well water is January 2016.

Chair appointed members to the land development committee: Doug Schenk as chair, members: Lloyd Haraguchi, Yuki Kitagawa and Scott Enright. Mr. Nakatani would provide information to the committee on land issues.

The next meeting is scheduled for September 30<sup>th</sup> which is the 5<sup>th</sup> Wednesday. Please check your calendars to see if you are available and if not please contact Cindy.

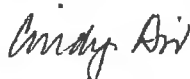
Mr. Hardy said that this will be his last ADC meeting. Next week the new deputy for the Water Commission will come on board who is Jeffrey Pearson and would probably be the representative of the DLNR. He stated that it was a pleasure working with everyone on the ADC Board. Chair thanked him for his contribution to the ADC Board.

Ms. Hopkins said at the last meeting on the executive director's report, it was mentioned of having a Whitmore community meeting. She would like to attend this meeting. Mr. Nakatani explained the situation that people in Whitmore were complaining of encroachment on state lands. Because there is a complaint, we need to address the situation. The thought was to hire a professional mediator to help with this situation. The Board members will be kept informed.

Mr. Schenk moved to adjourn; Ms. Hopkins seconded the motion; motion carried unanimously

Meeting adjourned at 10:05 a.m.

Respectfully submitted,



Cindy Doi  
secretary