

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors meeting of January 28, 2015

Department of Agriculture Conference Room – 4398 Pua Loke Street, Lihue, Hawaii
96766

Members:

Letitia Uyehara	Alan Takemoto
Douglas Schenk	Sandra Kato-Klutke
Yukio Kitagawa	Lloyd Haraguchi
Denise Albano	Phyllis Shimabukuro-Geiser, DOA
Margarita Hopkins	

Absent:

Mary Alice Evans, DBEDT Designee, DLNR

Guests:

Gilles Lebbe, Green Energy Team	Linda Rosehill, Rosehill & Associates
Dawn Huff, KIUC/Joule Group	David Bissell, KIUC
Sherwood Conant, HDOA	Galen Kawakami, DLNR
Derek Rapozo, Rancher	Leslie Milnes, EKWUC/Kalepa
Arumusami Katir, Saiva Church	Hara Nandi, Saiva Church
Clayton Kubo, Kekaha	Fern Rosenstiel, Ohana O Kauai
Wendell Kabutan, self	Joe Manine, self
Hena Calerto-Raco, Waiawa Taro Farmer	

Staff:

James Nakatani
Ivan Kawamoto
Ken Nakamoto
Cindy Doi

Counsel:

Myra Kaichi, Deputy Attorney General

A. Call to order.

Chairperson Uyehara called the meeting to order at 9:05 a.m.

Chair welcomed Phyllis Shimabukuro-Geiser, deputy chairperson of the Board of Agriculture who will be representing the Chair in his absence.

B. Approval of minutes from the December 17, 2014 meeting.

Ms. Hopkins moved to approve the minutes; Mr. Haraguchi seconded the motion; motion carried unanimously.

option which does not utilize existing ag lands and does use an existing reservoir. KIUC would like to move that project forward but at the moment it is out of their hands as they are waiting on DHHL. They have looked at many options around the island especially on the west side because of the elevation difference.

Mr. Kitagawa asked what is secondary source that is often referred to. Ms. Huff replied that the irrigation on the plains come from Kekaha Ditch which is the primary source. If this project goes forward it would provide a secondary source of irrigation for the plains area. Mr. Kitagawa asked if the primary source of this project is to serve KIUC's purposes. Ms. Huff replied that they would be shuttling the same amount of water up and down with the intention of keeping enough water in that reservoir for irrigation if needed. Mr. Kitagawa asked if they had an estimate of the amount of water that could be used for diversified ag. Ms. Huff replied they could supply what is needed and would be capable of delivering the amount needed, when it is needed. Mr. Kitagawa stated that what and when is needed could be different from KIUC's needs unless the secondary water source is at the level needed. Ms. Huff replied that their plan is to maintain the level in the reservoir to always be able to provide the irrigation needs. Mr. Bissell commented that they would fill the pond and run the water back and forth and have access in the pond but "always" could not be said because there could be times there would be not enough water in it for a couple a days. Ms. Huff stated the design for 30 million gallons was based on what they estimated might be needed for irrigation plus the amount being shuttled up and down. Mr. Kitagawa stated that his concern is that KIUC would provide the farmers only when KIUC did not need it; however, the agricultural needs would be fairly constant so they need to provide the constancy of that amount of water that is coming and going for the agricultural users. Ms. Huff stated if that becomes the farmer's main source of water then additional water can be delivered.

Mr. Calerto-Raco, a taro farmer from Waiawa Valley, asked what valley would the water come down through. Ms. Huff replied it would be piped to Mana. KAA is looking at an extensive irrigation system in the plains; Waiawa valley might be the best access. Mr. Raco stated they are receiving water from Kekaha ditch and occasionally ADC turns on and off that water for irrigation and maintenance. Historically the water use to come down to Waiawa valley and he was wondering, with the meetings with DHHL and trying to restore that Ahuaapua in Waiawa, whether that original water is going to be flowing through that valley. They are trying to work for the water to be returned because right now their water is being diverted from Waimea river. Ms. Huff stated that this project would not be changing the current diversions but just putting the water that is already being diverted into the pipe. Mr. Raco said they will keep in touch with KIUC on this project.

Mr. Manine presented his concerns with this project. He stated that he felt that KIUC's project is not legal and that he is the rightful owner of the property of land that the project is being conducted on. Mr. Nakatani commented that this is an update or briefing of this project with no decision making.

Mr. Kubo commented that the Kekaha ditch system comes from Waimea river and has nothing to do with the Kokee ditch system. He stated that everyone here is so concerned with agriculture but not about the public.

There was a comment that if this is a public meeting, why was it held here. There is no parking for the public to attend.

Mr. Kabutan asked what gives ADC the authority to give the seed companies the water use and by-pass the proper procedures of using the water and be held accountable to returning the water back into the system, uncontaminated and unpolluted. Why is KIUC coming here to ask ADC about the water and not going to the commission to ask about the water. Mr. Nakatani replied that ADC does not by-pass but does go through the proper procedures to the water commission.

Short break was called at 10:40 am.

E. Briefing of the Kalepa roads and water systems.

Mr. Gilles Lebbe from Green Energy Team (GET) briefed everyone with a power point presentation of the Kalepa roads and water systems.

He stated there is one urgent matter that needs attention which is a culvert that channels water from upper Aahoaka reservoir to lower Aahoaka reservoir. When there was heavy rains last year that flooded the area, and the road was used as a dam. The road was not built to act as a dam. They used all their efforts and machines and operators, and reopened the old culverts. They had to bypass the ditch which was silted in, but there is still work that needs to be done. The water is not clogging and can go back to lower Aahoaka reservoir. But there are two culverts that need replacement which he will point out when the members go on the tour this afternoon.

Also, the sides of the road are eroding and if that erosion continues, the road will eventually collapse. Continue to improve the ditch all the way up to lower Aahoaka reservoir so the water can flow.

Two other sections – the first is Kuamoo road to fields G and H - is in very bad shape and should be restored by removing vegetation, restoring drainage and recrowning the road.

The other section is near Mervin Rapozo's fields all the way to Willy Sanchez's fields and GET's fields - the roads have a fencing problem. Mervin Rapozo agreed to move the fence and the Kalepa Coalition (KK) agreed to do the work if GET pays for the materials. There has been some difficulty executing the work.

Another problem area is in Derek Rapozo's field where the fencing is located on the road; Derek does not agree to move the fence. But if they can't move the fence they can't restore the road and they do need access to their fields.

Ms. Hopkins asked how are all of these improvements being financed. Mr. Lebbe replied contractually the KK signed a MOU with ADC to restore and maintain the common element roads. In practice, GET has been paying for all the improvements with the KK paying for materials. In the long run, they have come into a maintenance agreement where the KK does the maintenance.

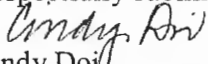
Rev Katir gave some history about the roads before Mr. Lebbe was involved with GET. He stated that with discussion between ADC, DLNR and KK it was decided that each tenant would give 25% of their parcel to GET which totaled 1,000 acres. Regarding the road there was no obligation on the KK to restore the road. That was an understanding that because GET would need the road in good shape in order to do their work they would restore the road. The KK was not obliged to anything beyond maintenance. Before the 10 years while they were on the road it was passable and fixed as needed; their standards were pretty low. Now GET is doing a great job on the road but they have run into infrastructure problems like these culverts which is beyond the call of duty as far as the road because it would cost \$10,000+ to replace the culverts. He had asked ADC to help with that sort of repairs because that is a level of repair that was not anticipated of the restoration of the road. The top section of the road is bad and he would like the ADC to help restore the road and not put all the cost to GET. Regarding the fencing, no one specified the road width at the beginning therefore it is a problem now. He can understand why Derek does not want to give up some of his pasture lands for the widening of the road. But the road does need to be wider. Mr. Lebbe commented that it is not clear on the map when it comes to boundaries but if we want roads, they need the right of way, and it seems that they cannot come to a decision at the KK because of the moving of the fence which is expensive.

Mr. Les Milnes who is the president of KK, commented on the road and fencing. The MOU is to take care and maintain the roads but moving of the fence they did agree that they would participate. The KK did come up with the \$2,000 expense however they did not have the manpower to move the fence so they paid GET to move the fence. There is a continual maintenance program that they have under the MOU for the infrastructure to maintain and make improvements that have been put in by GET. With their RPs being converted to licenses, their rent has gone up and are looking to improving the roads and looking at ADC for support.

F. Adjourn

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

Meeting adjourned at 11:25 am.

Respectfully submitted,

Cindy Doi
secretary