

## AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Director Meeting of July 22, 2015  
Department of Agriculture Animal Industry Conference Room  
99-941 Halawa Valley Street, Aiea, Hawaii 96701

### Members:

Letitia Uyehara	Douglas Schenk
Sandi Kato-Klutke	Denise Albano
Lloyd Haraguchi	Margarita Hopkins
Yukio Kitagawa	Roy Hardy, DLNR
Wayne Thom, DBEDT	Phyllis Shimabukuro-Geiser, DOA

### Staff:

James Nakatani  
Ivan Kawamoto  
Ken Nakamoto  
Lynn Owan  
Cindy Doi

### Counsel:

Myra Kaichi

A. Called to order.

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

B. Approved of minutes from the May 27, 2015 meeting.

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

C. Approval to issue a revocable permit to Elmer Magaoay for personal residence purposes, Whitmore, Oahu, Tax Map Key: (1) 7-1-002-004 (por).

Mr. Kawamoto made the presentation to issue a revocable permit to Elmer Magaoay for personal residence purposes for 1,100 square feet. This would be a month-to-month basis for a period not to exceed one year from the date of its issuance, subject to conversion to a longer term land license. The base rental rate is \$700 per month. The ADC recently acquired 257 acres from Dole Food Company in Whitmore, Oahu. Buildings A & B referred to as the Clubhouse (700 sq. ft) and Victor's house (400 sq. ft.) at 1116 Whitmore Avenue for a total of 1,100 square feet. Since January 5, 2005, Elmer and Daisy Magaoay have been utilizing the two buildings as single family dwellings under a rental agreement issued by Dole Foods. Mr. Magaoay had previously assisted Dole as a resident caretaker, and continues to provide on-site management services under the ADC ownership. Daisy Magaoay no longer resides on the premises. ADC is requesting authorization to issue a 30-day revocable permit during the interim to provide ADC with time to consider a longer term lease or land license agreement. The recommendation is to approve the issuance of a 30 day revocable permit to Elmer Magaoay, alone, to serve as his personal residence in Whitmore in exchange for his continued services with the following terms and conditions: (1) terminate the present residential rental agreement and apply for a revocable permit; (2) the term of this revocable permit shall be on a month-to-month basis; and (3) the base rent shall be \$700 per month.

Mr. Nakatani stated we will continue with what Mr. Magaoay is presently doing. What we want to do is to look at all these submittals that was received from Dole and continue as is then come back to the Board to provide a better picture on the terms and conditions. This would be a carry over for now.

Mr. Schenk moved to approve the staff recommendations; Mr. Haraguchi seconded the motion; motion carried unanimously.

- D. Approval to issue a revocable permit to William H. Wise II, DBA Waihii Farms for Agricultural purposes, Whitmore, Oahu, Tax Map Key: (1) 7-1-002-004 (por).

Mr. Nakamoto made the presentation to issue a revocable permit to William H. Wise II, dba Waihii Farms for agricultural purposes. The lease term would be on a month-to-month basis for a period not to exceed one year from the date of its issuance, subject to conversion to a longer term land license. The ADC recently acquired 257 acres from Dole Food Company in Whitmore, Oahu. Since 1999, Waihii Farms have been leasing roughly 16 acres and being utilized as an ornamental floriculture nursery. The lease expired on December 31, 2013, after which time, the applicant has continued to occupy the premises on a month-to-month bases. Although Dole did not offer Waihii Farms any option to extend the terms of their lease, negotiations between ADC and Waihii Farms for a long-term license are on-going. Because negotiations are still pending, ADC staff is requesting approval of a 30-day revocable permit during the interim. The recommendation is approval of the issuance of a revocable permit to William H. Wise II, dba Waihii Farms in Whitmore, with the following terms and conditions: (1) term of this revocable permit shall be on a month-to-month basis; and (2) base rent shall be \$725 per month.

Ms. Hopkins moved to approve the recommendation; Mr. Thom seconded the motion; motion carried unanimously.

- E. Request to decision on whether to pursue the permit renewal application before the Hawaii Department of Health, Clean Water Branch for a National Pollutant Discharge Elimination System (NPDES) in Kekaha, or to seek a Federal agricultural exemption under 40 C.F.R. 122.3.

Ms. Owan made the presentation for a request of a decision on whether to pursue the permit renewal application for the DOH, Clean Water Branch for a NPDES in Kekaha, or to seek a Federal agricultural exemption under 40 C.F.R. 122.3.

In January 2001, the Kekaha Sugar Company transferred the ownership of its NPDES permit for discharge outlets in Kekaha to the ADC. Since that time, the ADC has been the permittee and has continued to monitor the report of discharges, zones of mixing and benthic studies to the HDOH and the U.S. Environmental Protection Agency. The NPDES permit was last renewed in February 2007 and was set to expire on August 31, 2011. In February 2011, the ADC submitted its renewal application to extend the permit, acceptance was administratively extended by HDOH since 2011. Upon request by the HDOH, on June 2, 2015, the ADC, its NPDES consultant, Ms. Iris Terashima of I Terashima Environmental Services and representatives from the HDOH Clean Water Branch met to discuss whether or not the ADC would like to continue with processing its NPDES permit renewal. HDOH advised that the permitting requirements for minimum standards had evolved over time, and that should the permit be renewed, stricter limits and new parameters would be required. Ms. Terashima cautioned that these new water quality standards would be extremely difficult to meet, particularly at approval, and that the ADC would need to submit a compliance schedule to be approved by HDOH to allow additional time within which to comply with the stricter standards. Alternatively, the ADC has the option to seek a federal agricultural exemption from NPDES monitoring, pursuant to the Code of Federal Regulations (CFR). Under this option, the ADC would withdraw its renewal application and pursue the exemption instead. If the ADC opts to seek an exemption from the permitting requirement, the ADC must prepare and manage a consolidated soil conservation plan in conjunction with establishing best management practices for the Mana Plain in order to improve the quality for the water within the drainage ditches. It must also identify waste streams associated with the Mauka and Waiawa hydroelectric power plants. The HDOH has given the ADC a deadline of August 3, 2015 to inform them of the decision to continue with the NPDES Permit renewal or to withdraw it.

The recommendation is that: (1) board consult with legal counsel in executive session pursuant to HRS 92-5(a)(4) to discuss the board's powers, duties, privileges, immunities, and liabilities with respect to the options presented; (2) the board authorize the withdrawal of the ADC's application to renew NPDES Permit; (3) the board authorize staff to work with CWB staff and its environmental consultant to seek an exemption from the permitting requirements, to identify problems that may be associated with any outfall of water that has passed through the hydroelectric power plants, to prepare a consolidated soil

conservation plan, and to institute best management practices for between water quality within the drainage ditches in the Mana Plain in Kekaha.

Chair said a copy of a letter was given to the Board members from Councilmember Hooser stating that he is in opposition of ADC seeking an exemption.

Chair asked for a call for a vote to go into Executive session pursuant to Hawaii Revised Statutes 92-5(a)(4), in order to consult with its attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities.

Ms. Klutke moved to go into executive session; Ms. Hopkins seconded the motion; motion carried unanimously.

Executive session was called at 9:20 a.m.

Out of executive session at 11:15

Mr. Schenk moved to delegate to the executive director the authority to withdraw the application to renew, and to seek a federal exemption of, the NPDES permit prior by August 3, 2015; Ms. Hopkins seconded the motion; motion carried unanimously.

F. Executive Director's Reports and Updates:

1. Kalepa, Kauai

Taiwan Gu's ginger root and sweet potato farming operation has expanded to Kalepa, Kauai in 2015.

2. Galbraith agricultural lands

Unfortunately, Larry Jeff's inaugural watermelon planting experienced a crop failure due to pest infestation.

3. Whitmore parcel 257 acres

The ADC is planning a community meeting in August to discuss the State's future plans to manage the recently acquired 257-acre Dole parcel which abuts private property in Whitmore Village.

After purchasing the 257-acre parcel, ADC received complaints from several Whitmore residents regarding homeless camps, trespassing, erosion, illegal structures, and unpermitted activities on what is now State land. Anticipating a lengthy discussion, ADC obtained the services of a professional mediator to help facilitate the meeting. There will be no decision making at the meeting. It is an information exchange between ADC and the Whitmore resident. The purpose of the meeting is to informally discuss ADC's general approach to property and land management, identify current and emerging issues, and ensure good future communication. The date, time and location are to be determined. Board members, other elected and appointed officials will be invited to listen and participate in the discussion.

Meeting adjourned at 11:30 am.

Respectfully submitted,



Cindy Doi  
secretary