



# NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

*An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism*



**Draft**

**BOARD OF DIRECTORS  
MEETING MINUTES  
Tuesday, November 16, 2021  
10:00 a.m.**

**An Interactive Conference Technology Meeting was held at**

**NELHA OceanView Conference Room  
Hale Iako Building  
73-970 Makako Bay Drive  
Kailua-Kona, HI 96740**

**and via Zoom Video Conferencing Software.**

**Members/Designees in Attendance**

William Mielcke (Gov. Appointee/Chair)  
Cyd Miyashiro (Gov. Appointee/Vice Chair)  
Linda Rosehill (Gov. Appointee)  
Robert Masuda (DLNR)  
Dr. Vassilis Syrmos (University of Hawaii)  
Dr. Phil Bossert (RAC Secretary)  
Alan Hilton (RAC Chair)  
Neil Sims (Tenant Representative)  
Dick Jones (Tenant Representative)

**Guests/Staff Present**

Greg Barbour (Executive Director)  
Keith Olson (NELHA)  
Dr. Alex Leonard (NELHA)  
Gregg Kinkley (Deputy AG)  
Mathew Goldsborough (Forever Oceans)  
Jeff Milisen (Forever Oceans)  
Yishan Wong (Terraformation, Inc)  
Yee Lee (Terraformation Inc)  
Dr. Greg Asner (Arizona State Univ.)  
Kate Logan (County of Hawaii)  
Cody Brooks, (RTO Insider)

**Board Members Not Attending and Excused**

Douglass Adams (County of Hawaii).  
Chung Chang (DBEDT)

- **Item 1. Call to Order.**

The meeting was called to order by Chair Mielcke at 10:03 a.m. Upon calling the meeting to order, Chair Mielcke introduced and welcomed Gregg Kinkley as the Deputy AG for this meeting. Chair Mielcke requested a roll call of Board members, NELHA staff, and guests in attendance.

- **Item 2. Approval October 19, 2021 NELHA Board of Directors' Meeting Minutes.**

Chair Mielcke entertained a motion to approve the October 19, 2021 minutes. The motion was made by Director Masuda and seconded by Director Rosehill. No discussion ensued or corrections were noted. The Board voted by roll call. Vice-Chair Miyashiro was not available for the vote due to a temporary network error. The motion carried unanimously 7-0.

**Chair Mielcke announced that Items 4 and 6b would be taken next before returning to Item 3 as there are several members of the public for these items.**

- **Item 4. Informational Presentation from HOST Park Clients – Forever Oceans.**

Mathew Goldsborough from Forever Oceans gave a summary of their operations over the past seven years at HOST Park. They are an open ocean aquaculture company with approximately 20 engineers, scientists, and technicians. employees. Their Kona operations functions as their research center. They have had multiple successful grow outs over the past three years at their open ocean cage that is remotely controlled approximately six miles off the Kona coast. They are in the process of expanding their R&D operations.

Director Rosehill inquired as to the species they grow and if they plan to add additional species. Mr. Goldsborough responded that they are growing kampachi and have no plans at this time to add additional species.

Director Sims asked about the utility of a pre-approved offshore corridor and what it would need mean to Forever Oceans. Mr. Goldsborough responded that they're very interested in anything that would better define permitting processes especially knowing the time frames involved. This would assist in with working with investors. Wind is an issue for them, and the further south and out of the wind line is best.

Director Hilton asked about unwanted access to cages. Mr. Goldsborough responded that this does occur sometimes. Occasionally, fishing line get entangled in the cage. Safety from fishermen is important particularly when divers are in the water.

Director Masuda asked about availability of incident reports from interaction with

local fishermen. Mr. Goldsborough responded that they sometimes get blamed for issues that they are not involved with, such as fuel leaks from fishing boats nearby. Also reports regarding impacts on endangered species are inaccurate. They are trying to work closer with the local community to better explain their operations.

- **Item 6b. New Business – Request for Approval in concept for Terraformation, Inc. for a Ridge to Reef Sustainability project at the Gateway Center.\***

**Cody Brooks joined the meeting at 10:27 a.m.**

**Director Jones joined the meeting at 10:29 a.m.**

ED Barbour summarized the Terraformation, Inc. (“Terraformation”) proposal which NELHA finds quite exciting. From a larger perspective this will assist in attracting additional sustainability-oriented companies and ocean conservation companies.

Terraformation is requesting an approval in concept to utilize the NELHA Gateway Center including its two main buildings and some outdoor space for their Ridge to Reef Sustainability Project. Terraformation (<https://www.terraformation.com/>) aims to positively impact climate change through native forest restoration. The company develops and tests solutions including solar desalination technology to address freshwater scarcity in arid lands and off grid seed banks. Terraformation’s first pilot project is in Kohala where they process desalinated water and are in the process of planting native tropical sandalwood.

Through their efforts in addressing global climate issues, Terraformation is exploring a partnership with Arizona State University (“ASU”) Center for Global Discovery and Conservation Science. Forestry interventions can assist with providing favorable conditions for reef restoration. This partnership provides a basis for a unique multidisciplinary ridge to reef collaboration which requires space to meet as well as space to demonstrate coral propagation and seed bank technologies.

Terraformation is based on the island of Hawaii and currently has approximately 30 employees and volunteers throughout the island. The company is seeking a central location office space for some of these employees to work and gather. The ASU group is led By Dr, Greg Asner and has 9 tenured faculty on the island and a variety of support staff and students, also located in different areas of the island.

A preliminary proposal was submitted on September 29, 2021, by Terraformation in order to seek NELHA Board approval in concept (see Attachment 1) to utilize the Gateway Center office and conference buildings for convening Terraformation and ASU people as well as other researchers, entrepreneurs, students, and visitors

with a keen interest in ridge to reef sustainability efforts. The group also wishes to utilize one acre of outdoor space to establish a coral reef containerized facility and a containerized seed bank center.

This project was introduced to NELHA by the County of Hawaii following the County's sustainability summit earlier this year, there has been significant interest by a variety of parties to explore the opportunity to develop the O'oma land to the South of NELHA as a center of sustainability that can make use of some of the resources available at NELHA. This project aims to play a role in this larger vision and perhaps serve as a catalyst.

NELHA conducted due diligence on their proposal and identified a number of issues for further review and resolution such as: 1) ability to pay rent; 2) impact on the Friends of NELHA operations; 3) maintenance of the building; 4) visual issues with the containerized demonstration in the 1 acre adjacent to the building; 5) coral restoration issues; 6) lease terms; and, 7) timing. Staff recommends that the NELHA Board provide an approval in concept for the Terraformation project and direct NELHA staff to continue working with Terraformation and its partners to address the areas of concern before submitting a final proposal for NELHA Board approval.

ED Barbour introduced Ms. Kate Logan from the County of Hawaii, Mr. Yee Lee from Terraformation and Dr. Greg Asner from ASU to provide some background on their focus.

Director Masuda commented that he is very supportive of this concept and that DLNR has been working closely with Dr. Asner regarding coral restoration, an issue which has significant priority for DLNR.

Director Masuda made a motion, seconded by Director Hilton to approve the staff recommendation for "approval in concept" for Terraformation proposal. The Board voted by roll call. The motion carried 7-0 with Director Jones and Director Sims recusing themselves.

- **Item 3. Financial Report: Approval and Decision Making.**

ED Barbour presented an overview and summary of the Financial Report in the board packet (Attachment A). Chair Mielcke called for a motion to accept the report. Vice Chair Miyashiro made the motion which was seconded by Director Masuda. The Board voted by roll call. The motion carried unanimously 9-0. There being no further discussion or questions concerning the Financial Report, Chair Mielcke thanked NELHA and its staff for its report.

- **Item 5a. Report from the Special Investigative Committee regarding the annual performance evaluation of the NELHA Executive Director.**

Director Masuda made a motion to go into Executive Session to discuss personnel issues. Seconded by Director Hilton. 9-0 vote to go into Executive Session. After discussion, the Board decided that an executive session is unnecessary as they will only be discussing the evaluation process. Director Masuda made a motion to exit Executive Session which was seconded by Director Hilton. 9-0 vote to exit Executive Session.

Deputy Attorney General Kinkley summarized the process of establishing a special investigative committee, reporting from the committee to the Board at a second meeting followed by the third meeting during which the report details will be discussed and the Board can take action on the recommendations.

Chair Mielcke moved to accept the report as circulated, Director Masuda seconded. A roll call vote was 9-0 and unanimous.

- **Item 6a. New Business – Request for Lease Rent Deferral for Pacific Hybreed Inc\*.**

Executive Director Barbour stated Pacific Hybreed is an oyster production facility that has been here a few years and has some issues with venture financing. They have requested to defer the rent payments covering the last three months of 2021, to be paid over 6 months starting January 2022. Staff recommendation is to provide them with a deferral as requested at prime plus one.

Director Masuda mentioned that DLNR has adopted the principal of deferring during the pandemic and recommends a deferral. Director Masuda made a motion to approve the staff recommendation and Director Hilton seconded. The Board voted by roll call. The motion carried 7-0 with Director Jones and Director Sims recusing themselves.

- **Item 7. Executive Director's Informational Status Report on ongoing projects including: new leases; seawater system maintenance; new potable water supply update; aquaculture accelerator and investment fund initiative; new EDA grant applications regarding the ocean economy, renewable distributed energy resources initiative including grant applications and solicitations for microgrids, energy storage, and solar desalination; analysis HOST Park energy system.\***

ED Barbour presented an overview and summary of NELHA's major goals and key projects timeline as contained in the Board Packet (Attachment B) as part of the Executive Director's Information Status Report.

Chair Mielcke asked if there were any questions or comments. Hearing no further questions or comments, the report was accepted unanimously as presented.

- **Item 8. Announcements.**

ED Barbour noted that there may be a special Board Meeting next month to discuss a final approval of the Terraformation Inc lease.

- **Item 9. Adjournment.**

Chair Mielcke adjourned the meeting at 11:43 a.m.

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