



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

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



**NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY (NELHA)
RESEARCH ADVISORY COMMITTEE
MEETING MINUTES
Monday, August 26, 2019
9:30 a.m.**

**NELHA Oceanview Conference Room
Hale Iako Building
73-970 Makako Bay Drive
Kailua-Kona Hawaii 96740**

RAC Members

Alan Hilton, Chair
Donald Thomas
Philip Bossert

Staff

Gregory Barbour (NELHA)
Laurence Sombardier (NELHA)
Stacey Burge (NELHA)

BOD Members

William Mielcke (Gov Appointee)

1. Call to Order.

The meeting was called to order at 9:32am by Chair Hilton.

2. Review the Role of Research Advisory Committee (RAC)

The Research Advisory Committee (RAC) members were provided the excerpt from HRS Chapter 227D-4. Director Hilton recommended the RAC members review HRS 227D which is the state statute governing NELHA. The RAC Chair and Secretary sit on the NELHA Board of Directors.

Director Hilton reminded members of the RAC, that the RAC Chair and RAC Secretary, and the NELHA Board of Directors, are required to submit an annual financial disclosure statement. Other members of the RAC are not required to do so.

The present RAC members were provided with a letter dated July 13, 2006 signed by Bryan Yee, who was the Deputy Attorney General at the time. This letter clarifies the RAC's role as a technical advisor to the NELHA Board.

Director Thomas explained, prior to 2006, the RAC received close guidance from the attorney general, Bryan Yee at that time. Under Mr. Yee's guidance, the RAC had to be very careful to avoid intra or inter committee communications. Email between RAC members was used to ensure the RAC followed Sunshine Laws at the time.

Mr. Bossert asked for clarification on how NELHA communicates a request for an opinion or advice. Director Hilton explained the NELHA Board can request advice or recommendations from the RAC at the NELHA board meetings. Director Hilton stated the way it was explained to him by Mr. Yee, if the RAC does not hold a meeting, the role of the RAC is limited to presenting the individual opinions which are summarized by the RAC Chair and submitted to the Board.

The RAC meets infrequently. In the event there is an issue the RAC is asked to comment or advise on, a special meeting, referred to as a “special interaction committee” or a “permitted integration group” may be convened. This meeting is solely for the purpose of providing the NELHA Board of Directors opinions on a significant technical or business issue. The RAC may provide the Board a committee recommendation rather than individual opinions.

Depending upon the issue in question, additional meetings between the Board and the RAC may take place as needed. An example of this type of meeting was the NELHA biosecurity practices which took place in 2015. This issue required significant time and input from the RAC who had the necessary knowledge and background needed to address the multiple factors to develop robust biosecurity policies for NELHA.

Director Hilton stated that he believes the RAC individual opinions have been useful and actionable by NELHA staff. Director Barbour added that the Board of Directors appreciates the information provided by the RAC. Director Hilton indicated there is some concern with the term “scientific” as there are times the RAC is asked to comment on economic or sound business plans. The RAC does have members that are well versed in these disciplines and can provide technical opinions.

The other driver for holding RAC meetings is when there is the need for an election for either the RAC director or secretary.

3. Discussion and Decision Making of Nomination and Election of Member to Serve as RAC Secretary

Chair Hilton entertained a motion to nominate Dr. Phillip Bossert to be appointed to the NELHA Research Advisory Committee. Director Thomas made the motion which to nominate Dr. Philip Bossert as RAC Secretary. A vote was taken, and the motion passed unanimously 2-0.

4. Discussion and Decision-Making regarding 4.5-acre project Final approval for Fat Fish Farms LLC, dba Kanaloa Octopus Farm

Preliminary inputs from the RAC were delivered to the NELHA Board of Directors on July 16, 2019 by Director Hilton. Since then, the RAC has been provided a revised proposal addressing the issues from the first proposal. No additional comments have been received from RAC members. Director Hilton asked the RAC to agree to vote as a committee and provide the committee recommendation to the NELHA Board of Directors.

The revised proposal addresses the previous issues from the first proposal and the NELHA staff have verified the revised proposal is acceptable.

Director Thomas asked about Kanaloa's eco-tourism. Director Hilton stated they provide tours to the public and the demand is more than Kanaloa facility can currently handle. ED Barbour stated that Kanaloa is the first company at NELHA that has developed a business model that uses visitor revenue to support the research. Kanaloa's other revenue streams for the octopus are as a food product, research specimens, and for fish tanks. Kanaloa's tour revenue is on track to exceed the \$500K projection for this year.

Director Hilton entertained a motion to approve Kanaloa's final proposal at the Committee level, to be submitted to the NELHA Board of Directors. Director Thomas made the motion to accept the proposal and Director Thomas seconded the motion. A vote was taken, and the motion passed unanimously, 3-0.

Director Bossert had a follow up question regarding RAC recommendations and how they are implemented by the NELHA Board of Directors. Specifically, if the RAC makes a recommendation to the board, is the Board of Directors allowed to act on the recommendation or must the Board wait until the following board meeting when the issue at hand is on the agenda?

Director Hilton suggested that the RAC seeks input from AG Daniel Jacob. The NELHA Board of Directors is meeting today, 8/26/19. In today's case, the RAC can make a committee recommendation for an action to be taken up by the Board. The Board then has the choice to act on the recommendation or approve it. The alternative is not to provide input from the RAC for today's meeting.

Director Barbour state that as long as the meeting is not a specialized investigative committee, the board can act on RAC recommendations without it being an agenda NELHA Board of Directors agenda item.

5. Suggestions for potential RAC members.

Director Hilton stated the RAC needs additional members as three members have recently resigned. Director Hilton has reached out to 3 potential board RAC members.

- John Wiltshire, Emeritus Faculty Department of Ocean and Resources Engineering University of Hawaii Mānoa
- Pat Cross, Program Manager for Hawaii Natural Energy Institute
- Tom Reed, President Ocean Imagining Consultants

Director Hilton will provide the CV's for these potential committee members to Director Barbour for review at the next NELHA Board meeting. A Board agenda item is required to appoint new RAC members. It is preferred the RAC have 8 members. Director Hilton would like to have someone who has an aquaculture background.

Director Thomas suggested Scott Sullivan, co-founder and Vice President Sea Engineering, Inc. Director Thomas will reach out to him.

6. Announcements

None

7. Adjournment

The meeting adjourned at 10:04am.