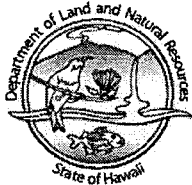


GM 395

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
RUSSELL Y. TSUJI
Deputy Director**

**Before the Senate Committees on
ENERGY AND ENVIRONMENT and
ECONOMIC DEVELOPMENT AND TECHNOLOGY**

**Monday, April 12, 2010
10:15 A.M.
State Capitol, Conference Room 225**

**GOVERNOR'S MESSAGE 395 –
SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE BOARD OF
DIRECTORS OF THE NATURAL ENERGY LABORATORY OF HAWAII
AUTHORITY, GUBERNATORIAL NOMINEE, MICHAEL BUCHAL,
FOR A TERM TO EXPIRE 06-30-2014**

The Department of Land and Natural Resources (Department) is pleased to strongly support Governor's Message (GM) 395 on the nomination of Michael Buchal to the Board of Directors of the Natural Energy Laboratory of Hawaii Authority (NELHA) for a for a term to expire 06-30-2014.

The Department has an interest in the activities at NELHA for various reasons. First, the Department is the landlord under a master ground lease issued to NELHA. In addition, the Chairperson of the Department, or its designee serves as an ex officio voting member of the Board of Directors of NELHA. I have been the Chairperson's designee on the Board of Directors of NELHA since starting with the Department as an administrator in 2005, and continue to serve on the Board in my current capacity as Deputy Director of the Department. I also previously advised the staff and Board of NELHA as its assigned deputy attorney general.

I came to know Mr. Buchal while he was affiliated with Big Island Abalone Company (BIAC) where he spent nine years holding various positions including scientist through president or general manager. BIAC began at NELHA in 1997 as a small research project located on a few hundred square feet within the NELHA Research Compound. In 1998, Mr. Buchal joined the Kona BIAC project. The research project quickly developed its potential to ramp up to commercial scale production and by 2000 began its relocation to ten acres in the HOST (Hawaii

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Ocean Science & Technology) Park section of the NELHA properties. Being the first commercial tenant in this section of the Park brought with it many pioneering decisions for facility design, seawater delivery, security concerns, economical optimization of abalone production, and market development. BIAC was able to break into the highly competitive Japanese seafood market and quickly become an established leading producer of Japanese abalone, or "ezo," earning the Governor's Exporter of the Year Award in 2003. Since 1998, Mr. Buchal has played an active role in the company's development at NELHA, first as scientific technical staff, and eventually serving as president or general manager of the steadily growing company.

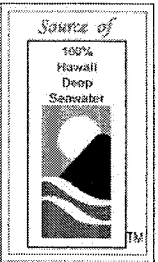
While with BIAC and continuing today as an independent aquaculture consultant, Mr. Buchal has been, and continues to be a regular attendee at the meetings of the Board of Directors of NELHA. I have always found Mr. Buchal's testimony and comments at those meetings to be insightful, well thought-out and helpful to the Board and staff. His analyses have been objective, and he is a levelheaded, fair-minded person. These qualities and traits of Mr. Buchal will serve him well as a new member of the Board of Directors of NELHA.

The Department and I personally, strongly support GM 395 on the nomination of Michael Buchal to Board of Directors of the Natural Energy Laboratory of Hawaii Authority.



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

An Attached Agency of the Department of Business, Economic Development & Tourism, State of Hawaii



Statement of
RON BAIRD
CHIEF EXECUTIVE OFFICER
Natural Energy Laboratory of Hawaii Authority
before the
SENATE COMMITTEE ON ENERGY AND ENVIROMENT
April 12, 2010
10:05 A.M.
State Capitol Conference Room 225

in consideration of
GM 395
MICHAEL BUCHAL, GOVERNOR'S NOMINEE TO THE BOARD OF DIRECTORS
OF THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

Chair Gabbard, Vice-Chair English, and members of the Senate Committee on Energy and Environment, I am Ron Baird Chief Executive Officer of the Natural Energy Laboratory of Hawaii Authority, located in Kailua-Kona on the great island of Hawaii.

This hearing is for the purpose of reviewing the nomination of Michael Buchal to the Board of Directors of the Natural Energy Laboratory of Hawaii authority for a term of four years.

Mr. Buchal was a vice-president, president, director, and manager of Big Island Abalone Corporation, a NELHA tenant, during his association with that company from 1998 to 2007.

Since 2007 he has been a consultant for Keahole Point Association, the NELHA tenants' association. In that position, Mr. Buchal has represented the KPA on seawater rates and other issues relating to NELHA, their landlord. He also did this while associated with Big Island Abalone Corporation.

I have gotten to know Mr. Buchal well during the hours of discussion regarding seawater rates charged tenants. These charges are to reimburse NELHA for the cost of producing the water for use by the tenants and his ideas regarding how to make NELHA more efficient.

Thank you very much for your consideration of my testimony and if you have any questions, I would be happy to hear and answer them now to the best of my ability.

From: Brian Goldstein [brian@bgoldstein.com]
Sent: Friday, April 09, 2010 10:16 PM
To: ENETestimony
Subject: Testimony

**Testimony of
Brian Goldstein
Title
Before the
Senate Committees:
Energy and Environment
Economic Development and Technology**

Monday April 12, 2010, 10:15 am
Room 225, State Capitol

In consideration of
GM 395
Gubernatorial Nominee Michael Buchal

Chair Gabbard, Chair Fukunaga and Members of the Committees:

My name is Brian Goldstein and I currently serve as NELHA's Vice Chair as an ex-officio member of the Board (HTDC). It is my pleasure to provide testimony in support of the confirmation of Michael Buchal to the Board of Directors (BOD) of the Natural Energy Laboratory of Hawaii Authority (NELHA).

I have known Mr. Buchal for over six years as a fellow tenant at NELHA, and as a consultant who advocates for tenants before the NELHA Board. Mr. Buchal is intelligent, has a strong work ethic and is detail oriented.

While serving on the NELHA BOD, I have interfaced with him on numerous occasions on matters ranging from seawater rate calculations to long range master planning of Authority's development. He has a good understanding of current NELHA operations and practices as well as the challenges and opportunities facing NELHA in the future. He is very supportive of NELHA missions and always eager to learn more. We currently are serving on a NELHA committee together and I have been impressed with his dedication and collaboration with the committee members and NELHA staff, as well as, the thoroughness of his analyses and proposals.

As a former tenant of NELHA myself, I can attest that Mr. Buchal's experience as a tenant and businessperson will provide a valuable perspective to the NELHA BOD. His scientific background will make him a valuable addition to discussion of a variety of NELHA activities. His tenant representation and consulting experience, and depth of knowledge gained about NELHA, are a unique and tremendous asset to the NELHA BOD.

I have counseled Mr. Buchal on the broader approach, responsibilities and perspective that will be necessary for him to be a collaborative and productive Board member. I believe he will be an excellent Board member and contribute to NELHA's success in the future. I wholeheartedly endorse his nomination and hope to work with him as a fellow BOD member.

I strongly urge the Committees to vote in support of his confirmation.

Rock Riggs

From: Carol Phelan [sphenoid@bigplanet.com]
Sent: Saturday, April 10, 2010 8:04 PM
To: ENETestimony
Subject: Testimony for CEEH, April 12, 2010, Conference Room 225

From Sara Peck, UH Sea Grant College Program Coastal Resources
Extension Agent

peck@hawaii.edu

Testimony
Committee on Energy and Environment Hearing
April 12, 2010
10:05 am
Conference Room 225, State Capitol

Dear Chairman Senator Gabbard and Vice Chairman Senator English,

I strongly recommend nominee Mr. Michael Buchal as a member of the Natural Energy Laboratory of Hawaii Board of Directors.

As a University of Hawaii Sea Grant College Program extension agent for 17 years, and with my office located at the Energy Laboratory where Michael Buchal worked for several years, I feel I can offer this support well justified.

My observation is that Mr. Buchal makes reasoned, informed statements in meetings we have both attended. As manager of the Big Island Abalone Corporation, he took that company from a research to a business export model. During his years at NELHA, he served as president of the Keahole Point Association, which is the tenants' organization, and represented the association in a number of settings including the NELHA Board of Directors.

Mr. Buchal is quick thinking, grasps the big picture and can deftly explain a complicated concept to laypersons. Mr. Buchal understands the Hawaii business, political and host cultures and can maneuver within the constraints of those entities. His ability to apply appropriate diplomacy to a situation is exceptional.

Mr. Buchal is that rare combination of scientist and businessman. The NELHA BOD needs more members who understand the challenges of aquaculture, the restrictions and conditions under which NELHA must operate. Mr. Buchal's past experience working within that framework presents him as the best possible choice for this position.

Thank you for your time and consideration. I can be contacted at my office, (808)329-2861 if you have questions.

Sincerely,

Sara Peck, UH Sea Grant College Program Coastal Resources Extension Agent

peck@hawaii.edu

gabbard1 - Carlton

From: Gerry Cysewski [gcysewski@cyanotech.com]
Sent: Wednesday, April 07, 2010 4:13 PM
To: ENETestimony
Subject: Testimony for Committee on Energy and Environment April 12, 2010, 10:05 am

Testimony

Committee on Energy and Environment Hearing

April 12, 2010

10:05 am

Conference Room 225, State Capitol

Dear Chairmen Senator Gabbard and Vice Chairmen Senator English,

I am the president of the Keahole Point Association (KPA) which is an association of tenants at the Natural Energy Laboratory of Hawaii Authority (NELHA).

The KPA strongly supports the nomination of Michael Buchal to the Board of Directors of NELHA. Mr. Buchal has both a strong technical and business background. In addition, his past employment as President of Big Island Abalone gave him a deep understanding of all operations of NELHA. Mr. Buchal is familiar with all aspects of NELHA's operation; from NELHA's seawater pumping system to NELHA's accounting system. He understands the challenges both NELHA and tenants at NELHA face and understands that the success of NELHA and the success of tenants at NELHA are mutually dependant. Mr. Buchal will bring a unique, valuable, and knowledgeable perspective to the NELHA Board.

The KPA strong urge confirmation of Michael Buchal to the Board of Director of NELHA.

Thank you for your consideration.

Sincerely

Gerald R. Cysewski, Ph.D.

Chief Science Officer & Executive Vice President, Cyanotech Corporation

President, Keahole point Association

Main Phone: 808.326.1353

Direct Phone: 808.334.9420

Fax: 808.329.3597

www.cyanotech.com

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gabbard1 - Carlton

From: Hiroshi Arai [harai_abalone@msn.com]
Sent: Friday, April 09, 2010 9:02 AM
To: ENETestimony
Cc: Gerry Cysewski
Subject: Fw: Michael Buchal

April 9, 2010

Dear Chairman Senator Gabbard and Vice Chairman Senator English,

I would like to take this opportunity to strongly support the nomination of Michael Buchal to NELHA's Board of Directors.

Michael Buchal was a young biologist when he joined Big Island Abalone Corporation (BIAC). For seven years I worked closely with Michael and experienced first hand his extensive capabilities.

During his BIAC years he also served as President of the Keahole Point Association (KPA). These qualifications enable him to be a viable candidate for the Board as he has hands on know-how of NELHA operations such as the seawater pumping system and the structure of NELHA operations together with experience as a tenant of NELHA.

He has more than sufficient knowledge, experience, and desire to be an effective member of NELHA's Board of Directors. I certainly stand behind Michael Buchal's nominations and look very much forward to his confirmation.

Thank you for your kind attention,

Hiroshi Arai
CEO, Big Island Abalone Corporation

UNLIMITED AQUACULTURE CORPORATION

BOX 5D, 475 MELMORE ROAD

BOWEN ISLAND, B.C. VAN IGO PHONE/FAX 604.947-2154/2146

E-mail: dmacq.bowen@gmail.com Cell 604.340-8664

April 8th, 2010

To: Committee on Energy and the Environment
Senator Mike Gabbard, Chair
Senator J. Kalani English, Vice Chair

Re: GM 395 - Submitting for consideration and confirmation to the Board of Director's of the Natural Energy Laboratory of Hawai'i Authority, Gubernatorial Nominee, Michael Buchal, for a term to expire 6-30-2014.

Dear Sir's:

I was the President of Unlimited Aquaculture LLC, a former tenant at NELHA and had many opportunities to interact with the nominee, Mr. Michael Buchal.

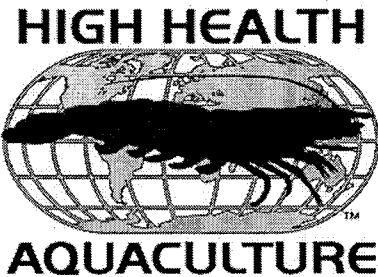
I found Michael to be a very enthusiastic, dedicated, analytical businessman who could conceptualize and implement programs for advancing aquaculture and other operations at NELHA. Michael is an articulate speaker and can take on complex tasks and deliver what he has promised when he promised it. I believe he has a good rapport with the Tenants and NELHA's Director's, Administration and Staff and would be an excellent addition to the Board.

If I were considering getting involved in another business at NELHA or elsewhere in Hawaii, Mike would be the first person that I would involve in its development and operation.

Yours truly,



Don W. MacQuarrie, President



73-4460 Queen Kaahumanu Hwy
#117 Kailua-Kona, Hawaii 96740
phone/fax: 808-329-6018
jim.wyban@gmail.com
www.SPFGenetics.com

April 9, 2010

Testimony

Committee on Energy and Environment Hearing
April 12, 2010, 10:05 am
Conference Room 225, State Capitol

Dear Chairmen Senator Gabbard and Vice Chairmen Senator English,

I am President & Founder of High Health Aquaculture (HHA) - a tenant in good standing at the Natural Energy Laboratory of Hawaii Authority (NELHA) since 1994.

HHA strongly supports the nomination of Michael Buchal to the Board of Directors of NELHA. Mr. Buchal has both a strong technical and business background. In addition, his past employment as President of Big Island Abalone gave him a good understanding of NELHA operations: from NELHA's seawater pumping system to NELHA's accounting system. He understands the challenges NELHA and tenants face and understands their success is mutually dependant. Mr. Buchal will bring clear thinking, experience and knowledgeable perspective to the NELHA Board.

HHA urges you to confirm Michael Buchal to the Board of Director of NELHA.

Thank you for your consideration.

Best regards,

A handwritten signature in cursive script that reads "Jim Wyban".

Jim Wyban PhD
High Health Aquaculture Inc.
Kona Hawaii USA

gabbard1 - Carlton

From: OR-Carol [carol@oceanrider.com]
Sent: Friday, April 09, 2010 11:37 AM
To: ENETestimony
Subject: NELHA

Testimony

Committee on Energy and Environment Hearing
April 12, 2010
10:05 am
Conference Room 225, State Capitol

Dear Chairmen Senator Gabbard and Vice Chairmen Senator English,

I am the president and owner of Ocean Rider Seahorse Farm at the Natural Energy Laboratory of Hawaii Authority (NELHA). We have been a tenant here since 1998. We produce farm raised seahorses for the pet trade along with other Hawaiian Reef Fish in order to reduce the pressure on the taking of wild caught fish of our reefs here in Hawaii for pets. We also offer very dynamic and popular tours of our seahorse farm with a strong educational and ocean conservation theme. We are very discouraged with the current Executive Director elected by the NELHA Board and of the very poor management of the NELHA Board of the NELHA staff and park. We feel our business has been compromised by this poor management and that the only way to change the situation is by appointing qualified, honest, and dedicated professionals who are not motivated by politics or personal greed, but who truly want to see the NELHA park succeed for its contribution to ocean science and to our economy in a sustainable eco conscious way.

I feel that the nomination of Michael Buchal to the Board of Directors of NELHA will help to bring change to the shockingly bad management by the current NELHA BOD. Mr. Buchal has both a strong technical and business background. In addition, his past employment as President of Big Island Abalone gave him a deep understanding of all operations of NELHA. Mr. Buchal is familiar with all aspects of NELHA's operation; from NELHA's seawater pumping system to NELHA's accounting system. He understands the challenges both NELHA and tenants at NELHA face and understands that the success of NELHA and the success of tenants at NELHA are mutually dependant. Mr. Buchal will bring a unique, valuable, and knowledgeable perspective to the NELHA Board.

Please help us to bring positive change to NELHA by electing Michael Buchal to the NELHA BOD.

Thank you for your consideration.

Sincerely

Carol Cozzi-Schmarr
President/Owner/Founder
Ocean Rider, Inc
www.seahorse.com
808 329 6840
808 329 6841 fax.

gabbard1 - Carlton

From: Phil Wilson [phil@konacoldlobsters.com]
Sent: Friday, April 09, 2010 11:57 AM
To: ENETestimony
Subject: GM395 Committee on Energy and Environment

Testimony for Committee on Energy and Environment Hearing April 12, 2010

10:05 am

Conference Room 225, State Capitol

Dear Chariman Senator Mike Gabbard and Vice Chairman Senator J. Kalani English

I am Phil Wilson, Vice President of Kona Cold Lobsters Ltd. a tenant of the Natural Energy Laboratory of Hawaii Authority (NELHA) since 1987, and former President of the Keahole Point Association, an association of the tenants at NELHA.

I strongly support the nomination of Michael Buchal to the Board of Directors of NELHA. I have worked closely with Mr. Buchal on NELHA matters over the years and have always found his knowledge, participation and contribution to be generous and of the highest integrity. As past president of Big Island Abalone Corporation located at NELHA Mr. Buchal has a working understanding of the NELHA seawater systems and the NELHA administration. This familiarity will provide an invaluable addition to the policy deliberations of the NELHA Board of Directors. Mr. Buchal is uniquely qualified to address the codependency between the tenants and the administration and enhance the success of the public private partnership known as NELHA.

Thank you for your consideration.

Sincerely,
Phil Wilson
Vice President, Kona Cold Lobsters Ltd.
808 329-4332 office, 808 640-7288 cell

gabbard1 - Carlton

From: Guy Toyama [kailuakona3000@gmail.com]
Sent: Friday, April 09, 2010 12:30 PM
To: ENETestimony
Subject: GM 395 Testimony

Testimony in Support

Committee on Energy and Environment Hearing

April 12, 2010

10:05 am

Conference Room 225, State Capitol

Dear Chairman Senator Gabbard and Vice Chairman Senator English,

I represent Savers Holdings, Ltd, a tenant at the Natural Energy Laboratory of Hawaii Authority (NELHA).

I strongly support the nomination of Michael Buchal to the Board of Directors of NELHA. Mr. Buchal has both a strong technical and business background and has a deep understanding of all operations of NELHA. He understands the challenges both NELHA and tenants at NELHA face and understands that the success of NELHA and the success of tenants at NELHA are mutually dependant. Mr. Buchal will bring a unique, valuable, and knowledgeable perspective to the NELHA Board.

We strongly believe that Mr. Buchals alignment of making NELHA a successful place for stimulating economic development in sustainable technologies is a key to the success of Hawaii's future.

I strongly urge confirmation of Michael Buchal to the Board of Director of NELHA.

Thank you for your consideration.

Sincerely

Guy Toyama
Savers Holdings, Ltd.

SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

Senator Mike Gabbard, Chair
Senator J. Kalani English, Vice Chair

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

Senator Carol Fukunaga, Chair
Senator Rosalyn H. Baker, Vice Chair

Date: Monday, April 12, 2010
TIME: 10:15 a.m.
PLACE: Conference Room 225
State Capitol
415 South Beretania Street

SUBJECT: GM 395 Submitting for consideration and confirmation to the Board of Directors of the Natural Energy Laboratory of Hawaii Authority, Gubernatorial Nominee, MICHAEL BUCHAL, for a term to expire 6-30-2014.

Chair Gabbard and Chair Fukunaga, Vice Chairs English and Baker and Committee Members, my name is John Corbin and I wish to offer strong support for the confirmation of Michael Buchal to the Board of Directors (BOD) of the Natural Laboratory of Hawaii Authority (NELHA).

I was formerly Manager of the State Aquaculture Development Program (ADP) for 30 years, until 2006. From 1981 to 2006 I had the privilege of almost continuous membership on the NELHA Board; over the years serving as: Chair or Vice Chair of the Board; Chair or Secretary of the Research Advisory Committee; and a member, with distinguished colleagues from science, government and business, on various Board committees.

While serving as Manager of ADP and a member of the BOD, I worked with and observed Michael Buchal as he developed the Big Island Abalone Company. He is eminently qualified to serve on the NELHA BOD based on his educational background in science and his business experience of establishing and operating a large-scale aquaculture company at NELHA. He has great understanding of BOD processes, the facility infrastructure and the facility budget.

Having worked closely with him, I can say he thoroughly understands the challenges facing NELHA going forward. Importantly, I can also vouch for his excellent technical and business knowledge and his professionalism, as well as the fact that he conducts himself with the utmost integrity.

According to the latest NELHA Annual Report, of the 43 current tenants, 17 or 40 % are involved in aquaculture and algal biotechnology. These tenants are also the major users of the deep ocean water supply and pumping system. I believe the Governor has wisely nominated an outstanding individual for the NELHA BOD, who has a strong general science and business background, with a focus in aquaculture. There is no doubt in my mind that he will significantly contribute to successful BOD management of the current and future challenges facing NELHA.

I urge your confirmation of Michal Buchal to the BOD of NELHA. Thank you for the opportunity to make these comments.

John S. Corbin MS,CFP,AICP
President
Aquaculture Planning & Advocacy LLC
47-215 Iuiu Street
Kaneohe, Hawaii 96744
Ph. 808 239-8316



April 8, 2010

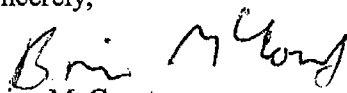
Re: Michael Buchal nomination to NELHA Board of Directors

To Chairman Gabbard and members of the Committee on Energy and Environment,

For several years, in the 1980's, I worked as a research technician for RCUH at the NELHA Keahole Point facility.

I have known Michael Buchal, as a client and personally, since before he moved to Hawaii. I believe that his knowledge, integrity and extensive experience with Big Island Abalone Corp. and working with NELHA make him an ideal candidate for the NELHA Board of Directors, and I strongly support his nomination.

Sincerely,


Brian McCourt
REALTOR®, Principal Broker

BuchalNELHA.doc

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McCourt@McCourtRealty.com

gabbard1 - Carlton

From: Rock Riggs
Sent: Friday, April 09, 2010 10:41 AM
To: gabbard1 - Carlton; ENETestimony
Subject: FW: Letter of Support

From: Mike Schiff [mailto:schiffmike@hotmail.com]
Sent: Friday, April 09, 2010 10:35 AM
To: Sen. Mike Gabbard; Sen. J. Kalani English
Subject: Letter of Support

RE: Committee on Energy and Environment Hearing
April 12, 2010
10:05 am
Conference Room 225, State Capitol

Dear Chairman Senator Gabbard and Vice Chairman Senator English,

It is with great pleasure that I write to you in recommendation of Michael Buchal . My name is Mike Schiff. I am the Operations Manager of a small business in Kailua Kona. I have known Michael Buchal for four years. He is a friend, excellent father, and intelligent businessman, and is a member of my community in Kailua Kona, HI.

Michael is highly intelligent and is a fine leader. I first got to know Michael in 2006 when we coached our daughters' first AYSO soccer team. I found his diplomatic approach helped the girls work through conflicts and work as a team, and worked with parents to provide a positive atmosphere for all. Michael also refereed games, a task in youth soccer that sometimes requires great diplomacy and sensitivity to opposing viewpoints. Many parents don't take the time to volunteer for these essential roles, that enrich and improve the lives of our children and community's health. I found Michael to be dedicated, honest, highly intelligent, with highest integrity, excellent analytical abilities, and to be exceptionally reliable.

I know him to be a, pragmatic, hardworking, individual who will be an asset to the State of Hawaii and the Natural Energy Laboratory of Hawaii Authority. The Natural Energy Laboratory of Hawaii supports many jobs in Kona and has the potential through to be a strong economic driver in my community of West Hawaii. I believe that Michael Buchal is an excellent choice to serve on the board.

Sincerely,

Mike Schiff
Operations Manager

Kama' aina Diamond Co.
75-1027 Henry St. #113
Kailua-Kona, HI 96740
808.331.1641
808.331.2001 fax
831.332.6893 cell
www.kamaainadiamondcompany.com

From: mbuchal@hawaii.rr.com
To: schiffmike@hotmail.com

Subject: Letter of Support

Date: Thu, 8 Apr 2010 09:27:06 -1000

Hi Mike,

I found out mid-week that I have been nominated to the NELHA Board of Directors and need to submit detailed testimony and solicit letters of support, including friends and family, for a hearing in Oahu on Monday! Would you be willing to write a letter of support and e-mail to the Senator's Office? Sallie took a crack at outlining one last night that I could send along.

Michael

The New Busy is not the too busy. Combine all your e-mail accounts with Hotmail. [Get busy.](#)

Hotmail has tools for the New Busy. Search, chat and e-mail from your inbox. [Learn more.](#)

Rock Riggs

From: Joe Wilson [joe@konacoldlobsters.com]
Sent: Saturday, April 10, 2010 3:25 PM
To: ENETestimony
Subject: GM395 Committee on Energy and Environment

To: ENETestimony@capitol .hawaii.gov
Testimony for Committee on Energy and Environment Hearing
April 12, 2010
10:05am
Conference Room 225, State Capitol
Dear Chairman Senator Mike Gabbard and Vice Chairman Senator J. Kalani English

My name is Joseph N. Wilson, President and Part Owner of Kona Cold Lobsters Ltd. (KCL) For the past 24 years KCL has been a tenant of the Natural Energy Laboratory of Hawaii Authority (NELHA). For the past four years, I have been a member of the Executive Committee of the Keahole Point Association (KPA) which is an association of the tenants at NELHA.

I strongly support the nomination of Michael Buchal to the Board of Directors of NELHA. KPA has undertaken to research and propose detailed changes to the accounting and billing procedures at NELHA. During the review period, I have personally requested that Mr. Michael Buchal be allowed to participate in the analysis and guidelines for setting procedural standards. His knowledge of the workings of the pumps and associated cost are excellent. His aquaculture experience and understanding of the inner workings of NELHA's pumping systems will make him a valuable asset to the Board.

Thank you for your consideration in this matter.

Sincerely,

Joseph N. Wilson
President, Kona Cold Lobsters Ltd.
Member Executive Committee, Keahole Point Association

Rock Riggs

From: Carey Katase [eatlimu@hawaii.rr.com]
Sent: Sunday, April 11, 2010 10:57 AM
To: ENETestimony
Subject: Testimony for Michael Buchal

Testimony for Michael Buchal

To: Senate Committee on Energy and the Environment
From: Steven A. Katase, President Royal Hawaiian Sea Farms, Inc.

We at Royal Hawaiian Sea Farms, Inc. strongly support the nomination of Michael Buchal to the Board of Directors of NELHA. This would be the most significant and appropriate appointment made to the NELHA Board since I have been involved at Keahole Point since 1981. Mr. Buchal has unbiased knowledge, factual data, and the integrity needed to engage and inform all parties involved to develop reasonable policies at NELHA. Michael Buchal is akamai and energetic which has long been lacking from the NELHA Board. If it is the goal of the State of Hawaii to help NELHA succeed by forming a prosperous expanding partnership with businesses, then approve the appointment of Michael Buchal. His direct involvement will provide confidence to private businesses who then can invest capital, create jobs resulting in additional tax revenue for State and local government.

Steven A. Katase
1-808-960-4505

THE SENATE
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2010

COMMITTEE ON ENERGY AND ENVIRONMENT
Senator Mike Gabbard, Chair
Senator J. Kalani English, Vice Chair

COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY
Senator Carol Fukunaga, Chair
Senator Rosslyn H. Baker, Vice Chair

NOTICE OF HEARING

DATE: Monday, April 12, 2010
TIME: 10:15 a.m.
PLACE: Conference Room 225
State Capitol
415 South Beretania Street

A G E N D A

GM 385

Testimony
Status

Submitting for consideration and confirmation to the Board of
Directors of the Natural Energy Laboratory of Hawaii Authority,
Governatorial Nominee, MICHAEL BUCHAL, for a term to expire 6-
30-2014.

ENE/EDT

April 11, 2010

Aloha,

This testimony as noted above is for nominee Michael Buchal. We are good friends with the Buchal Ohana. We met when we first moved to the Big Island in September of 1996. Our daughters were in different activities together and being involved parents we soon met and bonded with the Mike and Sallie.

Our friendship grew as the both our girls had the same teacher for Kindergarten at Holualoa School. It was a wonderful class where parent participation was encouraged and thus all the parents really got to know each other and our children became close friends. Our friendship continues to grow no matter where we live on the Island or where our children go to school.

I can say as a personal reference that Mike is a person of high integrity, honesty, fairness, and good character. Mike is a wonderful father to his daughter Halia, very involved and really on top of her education. I admire this, which speaks to Mike's conscientious approach to his life.

Mike would be a wonderful addition to this Board.

Mahalo,

Allyson Durkin
PO Box 217
Kailua Kona, CA 96745
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allyd@hawaii.rr.com

gabbard1 - Carlton

From: Peter Hain [peterhain@att.net]
Sent: Wednesday, April 07, 2010 1:48 PM
To: ENETestimony
Cc: Mike Buchal
Subject: GM395 Nomination of Michael Buchal to NELHA Board of Directors

Chairman Senator Mike Gabbard
Committee on Energy and Environment
GM395, Monday April 12, 2010

Dear Chairman Gabbard:

I am writing to support the nomination of Michael Buchal to the Board of Directors of the Natural Energy Laboratory of Hawaii. I have known and worked with Mr. Buchal in the aquaculture industry for fifteen years and know him to be an individual of great intelligence and integrity. He not only possesses a Masters Degree in Marine Biology but has a thorough understanding of the day to day of running a business in Hawaii. He has consulted for the Keahole Point Tenants Association for several years and has an in-depth knowledge of NELHA operations and economics. Mr. Buchal has my whole hearted endorsement for a seat on the NELHA BOD.

Sincerely,

Peter Hain

PO Box 245
Tres Pinos, CA

April 10, 2010

Honorable Mike Gabbard

**Committee on Energy and Environment
Conference Room 225, State Capitol
Monday April 12, 2010 – 10:15AM**

Dear Chairman Senator Gabbard, and Members of the Committee,

It is with great pleasure that I write to you in recommendation in the appointment of Michael Buchal. My name is Gregg Durkin. I am the area manager and RME for Matrix Service, an industrial service contractor.

I live in Kailua Kona with my wife, Allyson and our children. My family and I have known Michael Buchal and his family for 4 years. He is a friend, and dedicated father.

My wife and I first got to know Michael in 2006 through our daughters' piano class, and our families quickly formed a friendship. Later, our daughters started kindergarten together at Holualoa Elementary School. Michael and my wife volunteered their time weekly in the classroom working with the children on reading. We know Michael to be hardworking, intelligent, sincere, and committed to friends, family, and his community.

Because of my business, I have a practical interest in the activity at NELHA. In discussions about NELHA with Michael, I have found Michael to be passionate and knowledgeable. He has a practical, hands-on understanding of business management and a strong analytical, logical approach to problem-solving. Michael's knowledge, integrity and dedication will be an asset to the State of Hawaii and the Natural Energy Laboratory of Hawaii Authority.

The Natural Energy Laboratory of Hawaii is an important component of the economy in West Hawaii and has great potential to influence the economic future of Hawaii County. I believe that Michael Buchal is an excellent choice to serve on the Board.

Sincerely,

Gregg Durkin
808-479-0028

Dr Ivor D Williams
3114 Huelani Drive, Honolulu, HI 96822
808 987 4154
ivor@hawaii.edu
April 10, 2010

Mike Gabbard, Committee on Energy and Environment
Carol Fukunaga, Committee on Economic Development and Technology
Conference Room 225, State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: Confirmation of Michael Buchal for NELHA Board of Directors (GM395)

Dear Chair Gabbard, Chair Fukunaga, Members of the Committees,

I am pleased to have the opportunity to offer my strong recommendation of Michael Buchal for a seat on the Natural Energy Laboratory of Hawaii Board.

My name is Ivor Williams. I am marine scientist with a PhD and 15 years of professional experience, the last 7 of which have been spent in Hawaii. I have known Michael Buchal for 6 years as a friend, scientist, businessman, and family man. Our wives were co-workers and our children attended the same preschool and elementary school for most of that time and therefore I know him and his family very well. Since I've known him, Michael has been active in community service, including regularly volunteering at the elementary school. We both participate in AYSO soccer, as coaches, and in other community activities. In my estimation, Michael is an intelligent, informed, responsible and moral person who will take the duties inherent in serving on the NELHA board of directors very seriously.

Michael is passionate and knowledgeable about both science and business, and that combination together with his general intelligence, integrity, and dedication will be a benefit to the State of Hawaii and the Natural Energy Laboratory of Hawaii Authority Board.

Sincerely,

Ivor Williams, PhD

Marisak Weijerman
3114 Huelani Dr.
Honolulu, HI 96822
(808) 230-5620

April 11, 2010

Mike Gabbard, Committee on Energy and Environment
Carol Fukunaga, Committee on Economic and Development and Technology
Conference Rm 225, State Capitol
415 South Beretania St.
Honolulu, HI 96813

Dear Chairman Gabbard, Chairman Fununaga, and Members of the Committee,

It is with great pleasure that I write to you in recommendation in the appointment of Michael Buchal. My name is Mariska Weijerman and I have known Michael for 6 years. I work as a scientist for NOAA-CRED in Honolulu since 2009 but previously worked in lived in Holualoa on the Big Island. I used to work with Michael's wife Sallie at Kaloko-Honokohau National Historical Park and got to know Michael through Sallie.

Michael is a great guy, he is very sincere and respectful and always happy to help out where necessary. I used to see a lot of Michael in the weekends on the side lines of the soccer field and during weekday at the elementary school where we both volunteered. Our families quickly formed a friendship and we also would see each other socially (diving, BBQs boat trips). We know Michael to be hardworking, intelligent, and committed to friends, family, and his community. Michael has a very practical mind and is dedicated to the work he does, whether it is his professional work or building a coop for some chickens. He has helped me out with personal problems I had with an insurance company and gave excellent advice as he would totally read up on things to get to the bottom of the situation. He has also a great sense of humour, is very knowledgeable, and great to be around.

I think that Michael's knowledge, integrity and dedication will be a huge asset to have onboard at the Natural Energy Laboratory of Hawaii Authority.

Sincerely,

Mariska Weijerman

Statement of
Donald Thomas
Before the
**SENATE COMMITTEES ON ENERGY AND ENVIRONMENT
and ECONOMIC DEVELOPMENT AND TECHNOLOGY**

April 12, 2010

10:15 AM

State Capitol, Conference Room 225

in consideration of:

GM395,

**The Nomination of Mr. Michael Buchal
to the Board of Directors of the Natural Energy Laboratory of Hawai'i Authority:**

Chair Gabbard, Vice-Chair English and members of the Senate Committee on Energy and Environment; Chair Fukunaga, Vice-Chair Baker and members of the Senate Committee on Economic Development and Technology, I am a Professor of Geochemistry at the University of Hawaii. I currently Chair the NELHA Research Advisory Committee and have served as a member since its establishment by the Legislature in 1991; I have also served as a member of the Board since that date. I offer this **testimony in support** of Mr. Michael Buchal's nomination to the NELHA Board.

During my tenure on the Board, I have interacted with Mr. Buchal on a variety of issues, both in his capacity as a tenant, and after his affiliation with the tenant company ended. I have found him to be sincere, well informed, and willing to give considerable thought to addressing and resolving whatever task he is working on. With his considerable experience in developing the technology for cultivating marine based animals, I believe that he will prove to be a valuable asset and resource person on the Board. His prior experience at developing and maintaining a commercial aquaculture operation has given him a perspective on the challenges facing not only our existing tenants, but also facing the aquaculture industry at large, that none of the other Board members have. His training in marine science and his technical expertise acquired on the job will also prove valuable to the Board in assessing and addressing potential threats that existing and future tenants will likely encounter as they try to develop and expand their businesses and the aquaculture industry in Hawaii. Having his specialized domain knowledge available to the Board as they deliberate on the multitude of issues that the Board must deal with, will enable us to make more rational and better-informed decisions as we continue to nurture Hawaii's aquaculture industry.

Thank you for this opportunity to offer testimony. The views expressed above are mine alone

and do not reflect an official position of the University of Hawaii.

**Presentation before the Joint Hearing
Senate Committee on Energy and Environment
Senate Committee on Economic Development and Technology
April 12, 2010
Capitol Building Rm 225
10:15 am
Michael Buchal**

**Subject: Nomination to the Board of Directors Natural Energy Laboratory of
Hawaii Authority**

Chair Gabbard, Chair Fukunaga, members of the Senate Committee on Energy and Environment, members of the Senate Committee on Economic Development and Technology, thank you for this opportunity to present background about myself for your consideration of my confirmation to the NELHA Board of Directors.

I moved to Hawaii from Bodega Bay, CA in 1998 to join a startup aquaculture business at the Natural Energy Laboratory of Hawaii Authority (NELHA). Over the next 9 years we developed the company from an R&D enterprise to a commercial farm, Big Island Abalone Corporation (BIAC), consisting of 10 acres that grow high quality abalone. My educational background is science and I have a Master's degree in Fisheries Science from Oregon State University.

I well understand the challenges of developing and operating a business in Hawaii and at NELHA. BIAC was the first business to locate in NELHA's Hawaii Ocean Science and Technology Park (HOST). As such, I worked closely with NELHA staff as BIAC and the facility designed and built infrastructure that today supports many additional tenants and the Gateway Center near the highway.

During the course of 9 years experience, I also served for a period as President of the Keahole Point Association (KPA), an association of tenants. In this role I served as a non-voting tenant representative to the Board of Directors (BOD) and I am familiar with Board processes. I have been a strong supporter of the facility as a tenant business, tenant representative, and a member of the public. I have lobbied on behalf of both NELHA and NELHA's tenants. I have spent quite a bit of time working with board members and staff on critical plans and operational issues. Since leaving BIAC in 2007, I have been consulting in the field of aquaculture and remained active at NELHA, assisting a few tenants with animal husbandry issues, the KPA on various landlord issues, and NELHA staff on seawater analysis. Currently, at the Chairman's request, I am serving as a member of the BOD's Special Investigative Committee on Seawater Rates.

With respect to my qualifications for BOD membership, I am aware that my recent consulting experience at NELHA and past employment by a tenant, could raise concerns of potential conflict of interest. If confirmed, I fully understand that my position

on the Board, and inherent fiduciary responsibility, means my job is to consider and represent the broad interests and goals of NELHA. Should any potential conflict of interest issue arise, I will seek appropriate counsel from the Chair and if needed the State Ethics Commission. I recognize I cannot in good faith consult with NELHA tenants during my service to the BOD and may need to recuse myself from certain discussions, as other board members do, if concerns over appearance of conflict of interest arise.

Membership on the NELHA Board would give me the opportunity to continue to contribute my knowledge and experience to the challenges facing NELHA going forward. This is certainly a very difficult economic climate to build and operate a business, but I believe that NELHA has enormous potential for future growth. Its diverse array of activities, which include a focus on energy, drinking water, and aquaculture research and commercialization, can make major contributions to the Big Island economy.

Hawaii is now home to my family and I and I welcome the opportunity to serve the State and the Big Island community during these very difficult economic times. NELHA is a special and unique place representing innovation and development of technologies and products that will benefit Hawaii, the nation, and the world.

I am honored by this nomination and I respectfully ask for your support of my appointment to the NELHA BOD. Mahalo. I would be happy to answer questions.

April 8, 2010

Dear Senator Gabbard,

I was honored and pleased to hear of my nomination to the Board of Directors of the Natural Energy Laboratory of Hawaii Authority (NELHA). In response to your request dated April 5, 2010 for information to assist the Senate in its confirmation process, please find the following responses to your questions.

1) Why do you wish to be a member of the NELHA Board of Directors?

I would like to help NELHA fulfill its potential to be world class energy research and aquaculture park. I have relevant knowledge and on-site experience to apply to the challenges facing NELHA going forward. I see enormous potential for NELHA in these areas, as well as, general marine science and deep ocean research. I think that Hawaii should be at the forefront of National alternative energy development. NELHA should be a test bed for developing and demonstrating such technologies as OTEC, solar, wind, wave, and biofuel production. NELHA could eventually run its facility and systems totally on renewables, such as OTEC and solar. I also believe that aquaculture is an ideal industry for NELHA; one that utilizes NELHA's facilities and seawater resources to produce products for sale in Hawaii and around the world.

In my roles as a NELHA tenant and tenant representative on the Board, I have worked closely with NELHA staff on operational and fiscal issues. I have a good understanding of the broad challenges facing NELHA, as well as many of the details of operations.

I would work to improve NELHA's relationship with its tenants. In my opinion, NELHA has moved away from the ideal of a public-private partnership for economic development and into a revenue-driven landlord-tenant relationship. This latter relationship has been at times adversarial in nature and has not served the best interest of either party. While NELHA requires revenue to fund its operations, NELHA also needs tenant collaboration and support. Word of mouth from happy tenants is a powerful and necessary marketing tool for NELHA to achieve its goal of being a world class energy and aquaculture development and commercialization facility. I believe my background can allow me to see both sides of any conflicts that arise and assist in their resolution.

2) How do you perceive the role and responsibilities of a member of the NELHA Board of Directors?

I believe that the Board of Directors (BOD) should formulate the strategic plan for short and long-term facility development and operation and monitor its implementation to ensure accountability of staff. The BOD should work with the CEO to set goals and milestones for implementing the plan. The CEO and staff should execute the plan and report any issues to the BOD for resolution. The NELHA BOD in reviewing such important items as: the budget, new tenant business proposals, staff proposals (operations, policy changes, and infrastructure improvements) provides guidance on priorities, allocation of resources and basic facility oversight, assuring that the plan is being implemented.

3) Given your understanding of the role and responsibilities of a member of the NELHA Board of Directors, why do you believe that you are qualified for the position? Please include a brief statement of your skills, expertise, or knowledge that would aid in your decision-making ability as a member of the NELHA Board of Directors.

I have been attending NELHA BOD meetings as a member of the public, tenant and non-voting member of the Board over a period of almost 12 years. I have observed many BOD activities, including discussions about core missions, visioning sessions, and master planning exercises of facility development. I believe that I have the strong interest and skills to work with the NELHA BOD to refine and implement the most recent Master Plan for development. I am trained as a scientist with a degree in Fisheries Science from Oregon State University and am experienced as a businessperson/entrepreneur. I believe that my background in biological science provides me with valuable base knowledge and analytical skills for evaluating research and business proposals presented to the NELHA BOD. My business skills, having been president of Big Island Abalone Corporation, will be useful in reviewing operational and fiscal issues facing NELHA. As a former tenant at NELHA and businessman, I understand the challenges facing a startup business: business plan development, facility construction, operation's management, budget control. I understand the need for timelines and milestones for plan implementation. As a former company President, I understand the need for clear, concise information and accurate data for making decisions and policy.

4) What do you hope to accomplish during your term of service?

Initially, I would hope to complete the current NELHA BOD initiative to implement cost accounting at NELHA so that it may evaluate its activities in a more businesslike manner. Such reporting of costs and revenues is critical for the NELHA BOD and NELHA staff to evaluate current operations, as well as support future development. It is important to understand what activities at NELHA are self-supporting and which require subsidization or elimination. I believe this type of reporting system has been absent and has hampered decision making. This cost accounting approach could provide a transparent process for setting rates for NELHA services such as seawater and land leasing. Handling the accounting in this manner could also go a long way towards improving landlord-tenant relations and provide some predictability to rates in the future, as well as support data driven efficiency improvements for the facility to lower costs.

I would hope also to assist the BOD in refining and implementing the latest NELHA Master Plan for facility development. The NELHA BOD needs a clear roadmap for achieving its goals and objectives. The NELHA staff, CEO and tenants need both short term and long term goals. I believe self-sufficiency for NELHA could be greatly enhanced with increased occupancy of the facility by energy, aquaculture and other types of tenants to amortize land and seawater pumping costs and develop revenue streams to support unsupported costs centers such as education or public access.

I would like to see NELHA operations become more powered by alternative energy sources, such as solar arrays or OTEC. I believe that this should happen both to demonstrate distributed energy technologies and to provide predictable operating costs, e.g. power and water for tenants making large capital investments in long horizon technology and aquaculture businesses.

5) Name three qualities that best describe you and that would make you stand out. How would these qualities benefit the NELHA BOD?

I am knowledgeable about areas that are very important to NELHA's success: science, business planning and development as well as NELHA operations and facilities. I believe that this base of knowledge will be extremely valuable to resolving issues that arise going forward in an increasingly complex world.

I am analytical. The NELHA BOD is frequently presented with complex operational and scientific issues and is often expected to extract information from staff reports or tenant proposals that require specific knowledge of the subject area. I believe that my analytical skills, combined with my base knowledge, allows me to ask the right questions, extract information and analyze information on such matters as pumping systems, operating costs, tenant business proposals, and justification for capital improvements.

I am pragmatic. I take a fact based approach to issues and try to make decisions that are logical and doable. I think that NELHA has a lot of potential to realize. While there are many potential uses for the property, these uses can conflict in ways that are difficult to resolve. I think one important area to focus on is what needs to be achieved to stabilize and fund the facility's business model to achieve the near-term plan goals.

6) Name one previous experience that would make you stand out. How would this benefit the NELHA Board of Directors?

My previous experience with developing and running a large-scale tenant business would provide a valuable perspective to the Board. NELHA has been asked to operate like a business. I am familiar with the cost structure at NELHA and the various long-term goals for the facility. I think that I can help in refining current NELHA practices such as pricing of services and investments in infrastructure, as well as contribute to long-range facility planning and development. I think that I have the ability to see issues from both the tenant's perspective and the landlord's perspective, in terms of NELHA policy and facility development. I think this perspective will be valuable for NELHA to build a stronger private-public partnership. Improving the level of synergy between NELHA and its tenants and the community is critical for long term success and development of the facility.

7) Can you foresee any possible conflicts of interest that could arise during your service on the NELHA Board of Directors?

No. I would obviously no longer consult for current or prospective tenants on any NELHA related issues. **How would you overcome any possible conflicts of interest?** I would anticipate problems before they arise and seek counsel from the Chairman and deputy AG, and if needed the State Ethics Commission if I perceived any potential conflicts or appearance of conflict from any of my outside activities. I would also do what other Board members do in these circumstances and recuse myself from any decision making, if there were a potential conflict perceived or otherwise.

Thank you again for your consideration of my nomination. Please do not hesitate to contact me prior to the hearing with any additional questions or concerns.

Sincerely,

Michael Buchal