

## MINUTES

### FINANCE & ECONOMIC DEVELOPMENT COMMITTEE

August 17, 2022

A meeting of the Finance & Economic Development Committee of the Council of the County of Kaua'i, State of Hawai'i, was called to order by Luke A. Evslin, Chair, at the Council Chambers, 4396 Rice Street, Suite 201, Lihu'e, Kaua'i, on Wednesday, August 17, 2022, at 11:20 a.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock  
Honorable Felicia Cowden  
Honorable Luke A. Evslin  
Honorable KipuKai Kualii  
Honorable Bernard P. Carvalho, Jr., Ex-Officio Member

Excused: Honorable Bill DeCosta  
Honorable Arryl Kaneshiro, Ex-Officio Member

Minutes of the August 3, 2022 Finance & Economic Development Committee Meeting.

Upon motion duly made by Councilmember Kualii, seconded by Councilmember DeCosta, and carried by a vote of 4:0:1 (*Councilmember DeCosta was excused*), the Minutes of the August 3, 2022 Finance & Economic Development Committee Meeting was approved.

The Committee proceeded on its agenda item, as shown in the following Committee Report, which is incorporated herein by reference:

**CR-FED 2022-09:** on FED 2022-01      Communication      (07/28/2022)      from  
Councilmember Cowden, requesting the  
presence of the Director of Finance, to provide  
a briefing on the County of Kaua'i's  
Residential Investor tax classification.  
**(Received for the Record.)**

There being no objections, the Committee recessed at 12:55 p.m., and was called back to order at 3:19 p.m., and proceeded as follows:

Bill No. 2875      A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A,  
SECTIONS 5A-6.4, 5A-8.1(g), 5A-9.1, AND 5A-11.23(a), KAUA'I  
COUNTY CODE 1987, AS AMENDED, RELATING TO REAL  
PROPERTY TAX **(This item was Deferred.)**

Councilmember Kualii moved to recommend approval of Bill No. 2875, seconded by Councilmember Chock.

Committee Chair Evslin:      This is the Agricultural Dedication Bill, introduced by Councilmember DeCosta and me. Councilmember DeCosta is excused today, and he made a request to have the Bill deferred and not to take any action on

amendments. If that is okay with the rest of the Committee Members, my hope is that we can move forward with testimony, have some questions with the Administration, if there are any, take discussion, and then defer. Given that, we will suspend the rules to take public testimony. Is there anyone in the audience wishing to testify? Mr. Robinson, you will have three (3) minutes to testify. Once your time is up, we will ask if there is anyone else in the audience wishing to testify, if not, you will have an additional three (3) minutes. You will have a total of six (6) minutes. Can you state your name for the record before you begin.

There being no objections, the rules were suspended to take public testimony.

BRUCE ROBINSON: My name is Bruce Robinson. I am the managing partner of Ni'ihau Ranch. I am testifying for Ni'ihau and its employees and residents. I gave a letter, which is in front of you. I will not go over the letter, but rather I want to express my appreciation and acknowledgment of the fact that the Council is wanting to simplify and encourage agriculture. As I read through the Bill...I do appreciate that. There is a major defect in the Bill, which I would recommend to the Councilmembers, if you can do it, which is to suspend voting on the Bill until some study is done. This is the first time that eland have been run consecutively with cattle and sheep. No one has ever done this before. There is no real data on this. To decide and carrying capacity, we have to have some experience to find out what the relationship is between the different species living on the island. The eland has proven to be probably one of the healthiest meats around. It has three percent (3%) fat regularly and it goes down to two percent (2%) and it has very high protein. It looks like a very good meat to go commercial with. Having said that, it also has some other reactions that we did not expect in that it browses differently and eats differently from the other animals on the property, and from cattle. This is not a situation where one size fits all. We are going to have to develop criteria which measures properly as a carrying capacity. From my family's viewpoint, we are dedicated agricultural, we have over one hundred fifty (150) years of agricultural dedication behind us, seven (7) generations of farmers and ranchers, and so for us to have to prove that we are dedicated agriculture is hurtful, because we are, that is us. I understand you need rules and regulations. I urge you to get ahold of the Natural Resources Conservation Service (NRCS) and do some scientific data. They have worked with us for years in the *heiau* and we can work with them again. Develop some rules about how we are going to go about measuring carrying capacity...

Committee Chair Evslin: That was your first three (3) minutes. You can come back for an additional three (3) minutes.

Councilmember Cowden: Can I ask a clarifying question?

Committee Chair Evslin: Yes.

Councilmember Cowden: Is the eland like a deer?

Mr. Robinson: No, it is the world's largest antelope.

Councilmember Cowden: How big is it?

Mr. Robinson: The bulls can get up to two thousand three hundred (2,300) pounds.

Councilmember Cowden: Do they look like cattle?

Mr. Robinson: They are bigger, and they require a special slaughterhouse.

Councilmember Cowden: You said something about evapotranspiration.

Mr. Robinson: Correct. A lot of people think that rainfall dictates what you can do with the land, and it is not true. You can have evaporation off of that land, you have to combine the two (2) data in order to get your correct moisture level in the soil. Let us say you have point twenty-five (.25) inches of rainfall every day of the month, but you experience point three six (.36) evapotranspiration, you are going behind every day all month. It is better the fact you are getting rain. To categorize Ni'ihau in the same category as Kaua'i is completely false. You would come up with totally false impression because of the water situation over there. It hurts for us to be hit with a heavy bill on taxes when we cannot physically raise the animals with the water we have.

Committee Chair Evslin: I am going to allow you your additional three (3) minutes now. I believe everyone in the room is from the same entity here. The reason for the rule is to give everyone an opportunity to testify, but since you are all from Gay & Robinson (G&R), I will allow you your additional three (3) minutes now. You can continue testifying.

Mr. Robinson: Do you have further questions?

Councilmember Cowden: You answered my question. You started to talk about how it hurts with the agricultural dedication, have you been impacted by our agricultural dedication bills negatively and how you feel about what is in here with the change and have to roll-back tax in five (5) years?

Mr. Robinson: Those changes are great. I am not criticizing that part. What we need is a consensus on how we come to carrying capacity. That is our most important thing. It is really different from Kaua'i. I think you have been there and you understand the difference. We work on water holes instead of pipes. I guess what we are asking for is a special consideration for Ni'ihau, which is separate from Kaua'i.

Committee Chair Evslin: Do you have additional testimony that you want to give, you can do that now.

Mr. Robinson: I am here to answer questions if you have any.

Committee Chair Evslin: Are there any further clarifying questions? None. Thank you for your testimony. Is there anyone else in the audience wishing to testify?

STUART WELLINGTON: I am in agreement for the Bill. I have the same consideration as Bruce mentioned. I think trying to blanket the stocking rate on any ranch would be detrimental because that is probably the one measuring stick that all ranches live by. How you stock your pastures is going to dictate your success. I can understand why you want to have that in the Bill, but I just think it is going to hurt your legitimate ranchers by putting that in there. I had discussion with some of the Councilmembers and I agree what Bruce just mentioned. We should have some type of criteria that we can use to make an assessment of how much or if the ranch or rancher is in compliance with their stocking rates. I think that rainfall on Kaua'i can be something that we can use. There are so many variables that dictate as far as what you do the stocking rate. Even the location of where your water is. You can have a bunch of grass, but if your animals, your livestock have to walk miles to water, they are only going to walk a certain distance turn around for water. There are so many other variables that are involved and people do not actually realize. Like I said, I am for the Bill, but have some reservations on stocking rates and the five percent (5%) fair market tax rate. Only because properties have been escalated by newcomers and we are getting less and less actual family farmers, because most people are leasing land from large landowners. At the same time, escalating the value is compounded twice on these real farmers. Some consideration on getting that as low as possible. Most of these people have already escalated prices, so the fair market value is already escalated. They have actually escalated their own taxes.

Committee Chair Evslin: That was your first three (3) minutes, but you can have your other three (3) now.

Mr. Wellington: Basically, that is what I wanted to bring to your attention. I personally think that we just omit the stocking rate, because that is how sensitive it is to the success of any livestock operation. That is your true art of your job, is how well you stock your graze, that is really going to determine your success. There are other means that we can use as checks to see if people are compliant and if they should be allowed to continue the dedication. I am more than happy to...if you need to form some group to formulate a proposal. I have experience, I have been in the industry all my life. I would be more than happy to help and educate. Even the people that make the assessments, just make it easier for them to notice certain things that determine...obviously this person is not committed to the dedication. We want to eliminate those people that are hiding behind the true farmers and ranchers.

Committee Chair Evslin: Thank you. Council Vice Chair Chock has a clarifying question.

Councilmember Chock: I would agree with you. This is going to get deferred. We want to move it forward, but we want to do it the right way. I am curious, one, in terms of timing. If we had two (2) weeks, what can we accomplish? One (1) option, as you mentioned is omit, but the other is come up with a criterion. I am wondering if there are models or things that we can work with, so that we could essentially create an amendment that would satisfy what it is we are trying to accomplish.

Mr. Wellington: Bruce mentioned NRCS. Most people have agriculture plans and they have guidelines in there that even to qualify and stay

under their agriculture plans, they will come out and make an assessment whether or not you are following the guideline. I think we can set something like that up for the County and just have some checkmarks: rainfall, species of grass; because different grass allow you different carrying capacity. I mentioned water location. I think another one is how often we actually go out to mow pastures. If someone is honest and is really trying to ranch, they are going to save as much grass as they can, they are not going to shred it up. We should put regulation of how often you mow your pastures, if you are going to have an agriculture dedication. In the past, I shredded my pastures for maintenance reasons once or twice a year. Anything more than that, then you are actually harvesting your own grass. Maybe the use of drones. Someone questioned, "How are you getting in there and monitoring?" People fly drones over us all the time. There are ways that we could do it and make it easy for the assessors to get out there and do their jobs. Protecting the legitimate farmers and ranchers, which is basically why, and I know it is strong to say "omitted," but that is how strongly I feel that the stocking rate is. It really determines the success of our livestock operation.

Councilmember Cowden: What about the size of the animal? Certainly a buffalo, and I just saw a picture of an eland, those are big animals. Your stocking rate for buffalo or bison has to be different than cattle.

Mr. Wellington: Yes.

Councilmember Cowden: We do not have the size of the animal in this Bill, right?

Committee Chair Evslin: It does create different thresholds for goats and sheep, I believe.

Mr. Wellington: Absolutely, even within your beef industry, there are different breeds that are known that will go out and get actually get feed. Charolais will go out and hustle, whereas your Pustertaler and Angus are more lazy, so they do not go out and forge for their own feed. Yes, just in breeds alone, you have different stocking rates. It is that sensitive as far as putting a blanket number on something like that to determine. It is going to motivate ranchers to try and stay compliant and then they will do more damage to the land because they are over-grazing, and a lot of it is irreversible. Once you get erosion, it is a domino effect of damage. That is why I am so passionate about that.

Councilmember Cowden: I have another follow-up. Goats and sheep bite deeper than cattle, right? So, even the animal, itself, I know for different places it is a big difference between cattle and sheep, they used to fight terribly.

Mr. Wellington: Yes. Sheep and goats are more browsers than grazers, so they will eat broadleaf more. They are like 60/40 whereas you have (inaudible) is going to be the opposite, seventy percent (70%) to eighty percent (80%) grazers and twenty percent (20%) browsers. Even the species of livestock is going to...and what they actually have to eat will determine...and that is why you see a lot of ranchers will ranch sheep and cows. One will graze more grass and the other one will clean up and browse more. It is a science and art. That is why the stocking rate is a sensitive issue, because although it seems practical to use that, because it has teeth and you can use as a marker, but it also can tie the hands of a livestock

operator. Especially if he is going to lose his agriculture dedication or motivate him to become compliant and do damage to his area. There is a lot involved.

Councilmember Cowden: Thank you.

Committee Chair Evslin: Councilmember Carvalho has a clarifying question.

Councilmember Carvalho: You mentioned water.

Mr. Wellington: A lot of places you have large tracts of land, your available water for them to drink is in certain locations. As that cattle walk away from the water source and graze, they know that they can only walk so far before they need to go back and drink water again. That will dictate how much they can go out and graze. Now, the easy answer is to put a water trough way out there, but sometimes it is not feasible to do that or there is no available. That must be accounted for too. Location of water makes a difference.

Councilmember Cowden: I am sorry, I am treating you like an expert, but you are, so thank you for coming. Water, drought, right now Waikomo Stream does not seem to be running. We are having water issues. How are you doing? How does that flow into all of this?

Mr. Wellington: That is a perfect example because usually livestock operators will stock their pastures to the worst conditions, drought conditions. That will dictate how much cattle or livestock you should hold, because you never know if it is going to be a drought season, it could happy overnight. Most people will stock their pastures based on the worst conditions. Right now, we are experiencing worst conditions. I have a place in Kōloa and Waikomo is dry right now, right through my ranch. I have a pasture that is sixty-something acres and have thirty-five (35) cows in that pasture, which is about two (2) acres per head. The person down the road is in dirt right now, one mile away from me, and that is the difference in rainfall. I have been lucky getting showers, but just one mile down the road is the difference. We are in a drought condition right now. This is the perfect time to address this and realize the impact it has. Ranchers are actually moving cattle off of their property, looking for other places.

Councilmember Cowden: For water?

Mr. Wellington: For water, yes.

Committee Chair Evslin: Are there further questions? Thank you, Mr. Wellington.

KOA DUNCAN: My name is Koa Duncan. I am the Real Estate Director for Gay & Robinson. We are a company on the Westside separate from Bruce folks on Ni'ihau. I am pretty much here to say the same things that they presented to you. I am going to be quick. I want to commend the Council, especially Councilmember Evslin and Councilmember DeCosta for bringing this to the forefront and also the Department of Finance. We definitely believe there needs improvement to the existing law, so we are generally in favor of the Bill, with the exception of the two (2) points that we have been talking about. We humbly ask for

your consideration to look at these. The first one is the five percent (5%) assessment value. Under the existing law, we believe the agricultural dedication rate for ranches is closer to two percent (2%) to three percent (3%) and bumping it up to five percent (5%) will have a definite impact on ranches throughout the island. It will subsequently increase the taxes that we will be paying. We know that ranching is not a big money-maker, it is fairly profitable, so any increase to the ranches taxes is going to be hard in general. I do not believe that was the intent of the Bill, but more to make it simpler for the property tax department to be able to implement this. Hearing earlier from the Finance Director about all of the challenges that the property tax office faces just to implement property tax rates, I can understand why you are trying to simplify. The second point is going back to the one cow per five-acre ratio. I am not a rancher, so Mr. Wellington had a lot of good things to say, we also have our retired ranch manager here today and he can share more about that. Thinking on your end, we are trying to come up with a solution to help both sides and potentially we could have a third party, maybe NRCS, come out and provide studies to show that our lands are dry and obviously not a lot of rainfall. The carrying capacity we have is just not what it is on the North Shore where they have so much more rain. Thank you.

Committee Chair Evslin: Is there anyone else?

ALAN ROBINSON: I am Alan Robinson. I am speaking for Makaweli Ranch and Gay & Robinson. I am separate from Bruce, I have nothing to do with Ni'ihau. I spent most of my life working for G&R and Makaweli Ranch. I ran Makaweli Ranch for the last forty (40) years. Over the years, I learned that I am not a cowboy, I am a grass farmer, and my cows are my clippers. I manage my cows to forge I have. First of all, I should say that I am in favor of the Bill. It is just those two (2) items of increasing the property tax and trying to hold us to a stocking rate that is not reasonable for us. That will degrade us further down the road because our pasture will end up as dirt. Our cows will starve, and it is not going to work. I do not want to reiterate what everyone else has already said, they said it all, but just on my experience being on the ranch, I know what we can comfortably accommodate, and it is not one-head per five (5) acres. It needs to be hopefully increased or I agree with Mr. Wellington in the fact that we should use some other methods to determine what a viable ranch is. Unless there are questions?

Committee Chair Evslin: Councilmember Cowden.

Councilmember Cowden: Just in the past, how has it been working with the existing agricultural dedication strategy? Have you had any trouble or is this an assistance?

Mr. A. Robinson: My experience is I have had one tax assessor show up in the forty (40) years I have been here. They were questioning one area. I took them in there and proved there were cows in there, but we really had no impact from the property tax and the agricultural exemptions.

Committee Chair Evslin: Are there further clarifying questions?  
None. Thank you.

HOWARD GREENE: Hello, Councilmembers. My name is Howard Greene, Vice President of G&R. I would like to add to what these folks have said. A

prescribed grazing plan is the terminology we all work with here. We have a lot of technical terms that we use, but a lot of times it is just observation in the field from these ranch managers. I know you need a metric of some sort to show and prove that the tax assessor can come out or some sort of method to say that these folks are ranching. The one to five ratio does not work. Ranching is a variable, as these folks have demonstrated. We can supply you with a stocking rate plan that College of Tropical Agriculture has done for Hawai'i and Kaua'i, in particular. That will give you a background on how prescribed grazing is done. The NRCS also has a method of doing prescribed grazing plans. We actually did a particular one in one field on our property and under ideal conditions, yes, we can get one cow to four-acre, which is the current law. That is under extremely ideal conditions that does not take into account any variables for oncoming drought and I also want to add that that is a maintenance level where you would not be finishing off your cattle like we were trying to do on Kaua'i, as we are trying to create an opportunity here where we can finish and process them on the island. That one to four, one to five does not even get us anywhere near that ability. As these folks said, that is very hard to work with. The NRCS does have a very scientific method of determining these stocking rates and they have mitigating issues for drought and the timing of when you would move animals off the land, anticipating weather events based on all sorts of forecasting, types of grass you have. To talk about what Mr. Wellington mentioned on grazing efficiency and that is a huge variable that is not taken into account very often, that these animals do not have water close by, so they are not going to graze areas that have no water. One of the main things that we look at is the pounds of animal per acre. That is ultimately what some of these NRCS spreadsheets tell you is how many pounds of cattle can you have on a particular amount of feed. If that feed is disappearing as observed by the ranchers, they get the cattle out of there. There are a lot of variables and studies out there. Again, I know you need some type of metric to determine that folks are truly ranching, so if we can help out in any way, we would really like to.

Committee Chair Evslin: Council Vice Chair Chock has a clarifying question.

Councilmember Chock: What if all ranchers that are grazing submit a plan that was developed based on NRCS, would that be a feasible request?

Mr. Greene: That would be. I think for some of the larger ranches like ours, those are things we do, but I think it would be harder for some of the smaller ranchers, like Mr. Wellington was alluding to. They just look at the land and determine what is going on based on the conditions. I think everyone could have some sort of prescribed grazing plan in some form or fashion, whether it be complicated or very simple.

Councilmember Chock: Thank you.

Committee Chair Evslin: You mentioned that if you folks are trying to finish cattle, this would make it a lot harder. Presumably is that because if you were doing calf/cow operation, that the calves eat less than the adult? Is it that it makes it easier to raise calves than to raise adults? At one point you mentioned it would be hard for you to finish cattle.

Mr. Green: There are various levels of grazing efficiency that allow maintenance of the body weight as opposed to the other end of the



spectrum, which is full-on fattening up for slaughter. In order to get an animal up to slaughter, you need a tremendous amount of grass and good feed under ideal conditions, lots of water, et cetera.

Committee Chair Evslin: Are there further clarifying questions? Thank you. Is there anyone else in the audience wishing to testify? Seeing none.

There being no objections, the meeting was called back to order, and proceeded as follows:

Committee Chair Evslin: Is there any final discussion or quick questions for the Administration before we take a motion to defer?

Councilmember Chock: There are two (2) obvious issues that are coming up and in preparation for our next meeting, it would be good to hear the direction about what is feasible, so that we can move this.

Committee Chair Evslin: We did meet with G&R. I think we have to meet again. I cannot speak on behalf of Councilmember DeCosta or the Department of Finance, but we should have a follow-up meeting with Mr. Wellington and others from G&R, those who are interested in talking more about this. I think hammering down on what everyone alluded to is this idea of trying to find some quantifiable metric that can be applied consistently across the island in some compacity. If it is some ratio or an independent verification, I think we should have that discussion.

Councilmember Chock: Can that be done in two (2) weeks?

Committee Chair Evslin: I believe so. If we defer today, it comes back to Committee in September 7, 2022, and I will work with Councilmember DeCosta to set up a follow-up meeting.

Councilmember Chock: Thank you.

Committee Chair Evslin: Certainly, you as individuals can meet and come up with your own...the idea at this point as we get to the Committee Meeting is for all of us to be working on this, so I do not want to totally claim ownership in trying to figure this out. If there are other ideas or alternatives, we are all here. Definitely, I will be doing due diligence with Councilmember DeCosta too. I want to address one more thing, the Bill itself has a ratio for cattle, sheep, and goats. It does not mention things like bison or eland. The intention there was for that to be addressed in the rules, so it was not to say that these bison or eland have to fit within these ratios, it was to be addressed separately at some capacity. To be determined in the rules. Councilmember Cowden.

Councilmember Cowden: Another thing I am hearing is that Ni'ihau is a very special condition that do not have plumbing, they have water holes, and that perhaps that needs to be yet another complete difference for that area.

Committee Chair Evslin: Yes. From my point, Ni'ihau is unique in that it requires no County services, so property taxes are meant to pay, in some sense, for the County to operate. I do think there is room for further discussion on how Ni'ihau is taxed, even outside the agricultural dedication program.

Councilmember Cowden: I have a question for Reiko.

Committee Chair Evslin: I will suspend the rules.

Councilmember Cowden: How is Ni‘ihau property taxed?

There being no objections, the rules were suspended.

REIKO MATSUYAMA, Finance Director (*via remote technology*): The entire island is under agricultural dedication.

Councilmember Cowden: So they pay taxes like everyone else?

Ms. Matsuyama: Correct.

Councilmember Cowden: Thank you.

Councilmember Chock: I wanted to hear her thoughts about the five percent (5%). I know we are trying to simplify, but I am curious as to where we are on these requests? There are two (2) items, the five percent (5%) and the stocking rate. Where is the Finance Department on these requests of potential changes?

Ms. Matsuyama: I think you all understand the rationale behind the stocking rate and we are actually becoming more lenient on the cow ratio and a little bit more aggressive on the goat and sheep ratio. The problem is that we would like the ratios in the code as opposed to putting it in the rules. I think we are trying to put it in the code so that we can enforce, but there will be some definition in the rules and so maybe that is definitely where we can get help from the ranchers that are sitting in your room. If we do a stocking rate, at what points do the babies get counted? We would be comparing apples to oranges on what is counted and so that is what I was going to try and define in the rules instead. As long as we have some type of standard, some sort of metrics to prevent land banking because it is a big, big problem for us. Speaking to the ninety-five percent (95%) discount as well, kind of the same thing, it is a very financially lucrative program for farmers. They want that Agricultural Dedication rate, because it is a huge reduction in their tax bill. Because of that, they are going to want this ninety-five percent (95%) discount and I understand that raises some concerns in the agricultural industry especially for the pasture folks that they are at a quarter of what diversified agricultural is at the current rate. Again, you have to think about soil rates and how they just have not changed. These folks have been protected by us not raising the soil rates and quite frankly the soil rates are not in the code and they are not even in the rules, so they are super arbitrary. We could have increased it at any point and we should have, but we have not. I think that whatever happens needs to be codified, so that we have a way to calculate what the tax bill should be.

Councilmember Cowden: Is it a problem to separate Ni‘ihau out and have that be another rate? Especially they are not getting the services. They are basically paying the taxes, but when we are looking at that land use right there, that seems like an extreme example of what we are dealing with. I think about...I am sure you were listening to some of the discussion that was shared. I think about storms. I believe we lost twenty-four (24) bison in a storm, you can have an illness,

you can have problems, so your livestock count can go down with something like death. We had fires, all of that impacts the carrying capacity, so my takeaway is that we need to think about something different than the head count on the animals. Am I hearing you say you are going to think about that?

Ms. Matsuyama: Those are two (2) separate issues. Ni'ihau is one issue and the head count is a separate issue. What Councilmember Evslin was alluding to is to take Ni'ihau outside of agricultural dedication, that would be my preference as well.

Councilmember Cowden: Okay. When we are talking about head count, when we saw Moloka'i had an anthrax problem and they had to eliminate even their existing animals, there is a lot of volatility in the head count of animals. If they have a crisis, that is the wrong time to be throwing an extra tax on people, if they have animal loss or significant flood, I do not know how we manage that? We just heard how we have no flexibility with our real estate investor or when people have a violation and they get a rollback tax or something like that, you folks cannot change, because of the rules that we make. I want to make sure we make the right rules that they do not have a herd collapse and we create a double consequence to not only have the crisis, they get taxed something very high.

Ms. Matsuyama: Even in the current ordinance, there are accommodations to get out of rollbacks, to get out of certain things, you just have to provide a "doctor's note" and get out of a rollback. There are things that can be written into both the ordinance and the rulemaking process, which is going to be a long one.

Committee Chair Evslin: Are there further questions? None. Is there final discussion?

There being no objections, the rules were called back to order, and proceeded as follows:

Councilmember Cowden: We do really need to give some thought about not going with the head count on the livestock. I think there could be a lot of elements to that, because what we do not want is...I regularly use the word "unintended consequences"—we do not want to either abuse the land for the convenience of how we do our count for our property tax and we do not want to abuse our legitimate ranchers. I have seen these drought situations and it seems like Waikomo Stream is more dry than I can remember. I had been out there talking to some ranchers and it seems like an absolute crisis right now. We would have to have a lower stocking rate and then they would be hurt by that, so I want to put that in there. I would be happy to help work on that or if you folks think you are going to be working on it, I would like to know, so I do not do parallel work.

Committee Chair Evslin: I certainly will set up a meeting with the Department of Finance and Councilmember DeCosta and anyone else who wants to discuss setting up a ratio. Other ranchers, you might have suggestions, I could meet up with. The ratio had been an item of contention as we worked through the Bill. There were a number of ranchers who we spoke to who were supportive of it, notably east side and north, and those who can maintain it pretty easily. In our discussions with you folks, we knew it was going to be an issue and that was part of

the reason for five to one ratio for Zone 1, which is Westside lands, and from what I am hearing today I think we need to do more work on that front. Obviously, as everyone understands, the difficulty is trying to come up with some clear objective metric that can help us discourage abuse of the program. Anecdotally, one of the largest sources of abuse are people putting a couple of cattle on a piece of property and getting agricultural dedication for it. How to come up with this objective metric, and we talked about NRCS as one option. The problem, as someone said, is that not a lot of ranchers have a conservation plan, so maybe it could work for the big folks, but the other problem is that NRCS does not actually give you a stocking ratio. I think they will tell you what you can support based on different rate of growth, but does not actually give you an objective ratio, so I think it is still a little mirky on how we move forward with the NRCS. I am hopeful that if we continue to meet, we could hopefully come up with something very clear. Is there further discussion?

Councilmember Carvalho: What I heard is that everyone agrees, but at the same time there are some differences and we have already talked about them, whether it be the livestock, the land, the water. I like the idea about bringing everyone together and going through it again one more time, reviewing everything, because from Ni'ihau to the ranchers here on Kaua'i, everyone together, right? I like the dialogue that went back and forth. This is the opportunity to really...everyone agrees, but at the same time there are little differences here and I like what has been said here. I want to do whatever we have to do. This is very important for us. Thank you.

Committee Chair Evslin: The last thing we want to do is force someone to over-graze. We do not want to see runoff go into the ocean, cause trauma, or a tax policy that is forcing them to have no grass.

Upon motion duly made by Councilmember Cowden, seconded by Councilmember Chock, and carried by a vote of 4:0:1 (*Councilmember DeCosta was excused*), Bill No. 2875 was deferred.

There being no further business, the meeting was adjourned at 4:07 p.m.

Respectfully submitted,



KarLyn Sukehira  
Council Services Assistant I

APPROVED at the Committee Meeting held on September 7, 2022:

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LUKE A. EVSLIN  
Chair, FED Committee