

COUNCIL MEETING

MARCH 23, 2022

The Council Meeting of the Council of the County of Kauaʻi was called to order by Council Chair Arryl Kaneshiro at the Council Chambers, 4396 Rice Street, Suite 201, Līhuʻe, Kauaʻi, on Wednesday, March 23, 2022, at 9:04 a.m., after which the following Members answered the call of the roll:

Honorable Bernard P. Carvalho, Jr.
Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Bill DeCosta
Honorable Luke A. Evslin
Honorable KipuKai Kualiʻi
Honorable Arryl Kaneshiro

Council Chair Kaneshiro: Today's meeting will be conducted pursuant to Act 220, Session Laws of Hawaiʻi 2021 and Governor Ige's Emergency Proclamation Related to COVID-19 (Omicron Variant) dated January 26, 2022. As many of you have seen in the recent press release, we will be re-opening our meetings beginning with our March 28, 2022 Departmental Budget Reviews next Monday. For this morning, we do have registered speakers, so we will take public testimony from registered speakers, followed by those who did not register.

For today, the plan is to take public testimony, read our Public Hearings into the record and then convene our Council Meeting. The first two (2) items for our Council Meeting will be C 2022-60 relating to the Annual Comprehensive Financial Report (ACFR) and related reports, and the Resolution relating to the Kukui'ula CFD. We will then complete the remaining Council Meeting items and finally address our Committee Meeting agenda.

For those testifying this morning, please note that we will go through the list of registered speakers. We will then ask if there are any other testifiers for any of the other agenda items who would like to provide oral testimony. Once we have completed public testimony, it is recommended that those wanting to watch the remainder of the meeting go to the live webcast at www.kauai.gov/webcastmeetings. You may, however, remain on the Zoom link, though it will be audio-only following completion of public testimony.

APPROVAL OF AGENDA.

Councilmember Kualii moved for approval of the agenda, as circulated, seconded by Councilmember DeCosta.

Council Chair Kaneshiro: Are there any questions or discussion on the agenda?

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for approval of the agenda, as circulated, was then put, and unanimously carried.

MINUTES of the following meetings of the Council:

March 9, 2022 Council Meeting

March 9, 2022 Public Hearing re: Bill No. 2844

Councilmember Kualii moved for to approve the minutes, as circulated, seconded by Councilmember Cowden.

Council Chair Kaneshiro: Are there any questions or discussion from the Members?

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for approval of the Minutes, as circulated, was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

CONSENT CALENDAR:

C 2022-53 Communication (02/22/2022) from the Director of Finance, transmitting for Council information, the County of Kauai 2022 Real Property Assessment List pursuant to Section 5A-2.2, Kauai County Code 1987, as amended.

C 2022-54 Communication (02/23/2022) from the Acting County Engineer, transmitting for Council consideration, A Resolution Authorizing The Installation Of A Speed Hump Along Moanakai Road, Kawaihau District, County Of Kauai

C 2022-55 Communication (02/23/2022) from the Mayor, transmitting for Council consideration and confirmation, Mayoral appointee Gerald S. Matsunaga to the Liquor Control Commission – Term ending 12/31/2024.

C 2022-56 Communication (02/24/2022) from the Mayor, transmitting for Council consideration and confirmation, Mayoral appointee Howard J. Leslie to the Salary Commission – Term ending 12/31/2023.

C 2022-57 Communication (03/11/2022) from the Director of Finance, transmitting for Council consideration, a Resolution Approving The Issuance Of Up To \$40,000,000 Aggregate Principal Amount Of Special Tax Revenue Bonds Of The County Of Kaua'i For The County's Community Facilities District No. 2008-1 (Kukui'ula Development Project); Authorizing The Application Of The Proceeds Of The Bonds, Together With Certain Other Available Funds, To Refund Certain Special Tax Revenue Bonds Previously Issued For The District And To Fund The Costs Of Certain Facilities Relating To Such District; Approving The Forms Of The Second Supplemental Trust Indenture, Preliminary Official Statement, Bond Purchase Agreement And Continuing Disclosure Agreements Relating To The Bonds; And Authorizing The Taking Of Further Actions Relating To The Bonds.

C 2022-58 Communication (03/14/2022) from the Director of Finance, transmitting for Council information, supplemental real property tax revenue information pertaining to the estimated reduction in real property tax revenues resulting from the Home Preservation Tax Limitation and Very Low Income Tax Credit relief measures which have been factored in with the existing real property tax rates, and based on the certified Real Property Assessment List for Fiscal Year 2023.

C 2022-59 Communication (03/14/2022) from the Director of Human Resources, transmitting for Council information, the March 15, 2022 Human Resources Reports (Vacancy Report and Recruitment Status Report), pursuant to Section 24 of Ordinance No. B-2021-877, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2021-2022.

Councilmember Kualii moved to receive 2022-53, C 2022-54, C 2022-55, C 2022-56, C 2022-57, and C 2022-58, and C 2022-59 for the record, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: Are there any questions or is there any discussion from the Members?

(No written testimony was received and no registered speakers requested to testify regarding these agenda items.)

The motion to receive 2022-53, C 2022-54, C 2022-55, C 2022-56, C 2022-57, and C 2022-58, and C 2022-59 for the record was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

COMMUNICATIONS:

C 2022-60 Communication (01/31/2022) from Council Chair Kaneshiro, requesting the presence of the Managing Director and the Director of Finance, to discuss the Annual Comprehensive Financial Report (ACFR), Single Audit Reports, and Management Advisory Report for the Fiscal Year Ended June 30, 2021.

Councilmember Kualii moved to receive C 2022-60 for the record, seconded by Councilmember Chock.

Council Chair Kaneshiro: With that, I know there is a presentation on the audit. I will suspend the rules. I will also ask that all Councilmembers hold their questions until the presentation is complete.

(Councilmember Kualii was noted as not present.)

There being no objections, the rules were suspended.

BLAKE S. ISOBE, Managing Principal, N&K CPAs, Inc. *(via remote technology)*: Good morning, thank you. We want to thank the Council and everyone for allowing us the opportunity to present the audit for the County's Financial Statement and the Single Audit Report with you this morning. This is the second year we conducted the audit remotely. With that, we would like to start by thanking the Department of Finance and many others that helped with the completion of the audit this year. With me is John Bautista. He is the other principal on the audit. John will present the direct results of the Fiscal Year (FY) June 30, 2021 audit and other reports we issued. We will start off with the Annual Comprehensive Financial Report (ACFR), we will answer any questions, and then move into the other report. John.

JOHN PAUL BAUTISTA, Principal, N&K CPAs, Inc. *(via remote technology)*: We will start with the three (3) different reports issued this year. 1) ACFR. This is the basic financial statements of the County. 2) Single Audit Report. This is a report on the Federal funds expended by the County during the year. 3) Management Advisory Report. This report states additional recommendations that we came across during our audits that we wanted to bring to your attention.

(Councilmember Kualii was noted as present.)

Starting off with the County's ACFR. On Page 11, you will see the certificate of excellence in recording, which was issued by the Government Finance Officers Association (GFOA). The GFOA looks at the prior year's ACFR to determine that it is in accordance with Government standards, it is transparent, and it provides full disclosure. This is the twenty-eighth year that the County received the certificate from the GFOA. Going on to the different sections of the ACFR, you will find an introductory section which includes both a transmittal from the Department of Finance and the management's discussion in the analysis section. If you flip to page 14 of the ACFR, this is our independent auditor's reports. Our opinion on the Financial statements is on page 15. Here we issue an unmodified on the County's ACFR, which states that it is presented fairly, and otherwise known as a clean opinion. On page 16, we also mention that we issue another report, which is known as the Single Audit Report that we will go over after we the ACFR.

If you look through the ACFR, it is comprised of several sections. We have the Government Wide Financial Statements, followed by the Fund Financial Statements for each of your individual major funds. Next to the Financial Statements that we will touch upon on some the larger notes, Other Supplementary Information, and the unaudited Statistical Section. We will also go over noted items in each area on the next few slides.

If you flip through the ACFR on page 30, this is your County statement of the Net Position. This represents the balance sheet of the County. We wanted to point out fluctuation's year-to-year on some of the line items on this statement of Net Position. Cash and investments—there was an increase on twenty-seven million two hundred thousand dollars (\$27,200,000) from the prior ACFR, which is attributable to increases in advances from Federal and State moneys that are recorded in your Federal and State grant funds. These are for the County's various Capital projects that are ongoing. You also had an increase in your net capital assets of thirty-four million seven hundred thousand dollars (\$34,700,000). This is due to new and ongoing construction with large increases related to your workforce housing infrastructure work, road improvements, and wastewater treatment plant improvements.

Unearned revenue. There was an increase of thirty-nine million seven hundred thousand dollars (\$39,700,000). This directly corresponds to those advance moneys which also increased your cash investments.

There was an increase in the Pension and Other Postemployment Benefits Liability (OPEB) of the County, which totaled four hundred fifty-seven million dollars (\$457,000,000) left this year. Compared to four hundred forty-seven million dollars (\$447,000,000) from the year prior. This is based on the County employees bettering both plans.

Finally, there was a decrease of ten million dollars (\$10,000,000) in your net position from the prior year. This is attributable to current year revenues and expenditures that we will cover on the next slide, Statement of Activities.

If you flip to page 31 of the ACFR, this is your Statement of Activities. Within this statement, you will see expenses on the top left of the statement, and the General Revenue is at the bottom of the page.

General Revenues. There was a notable Real Property Tax increase related to growth in your billable assessed values that includes new construction that is added in additional revenue from tax classification enforcement. This results in the increase. You also had an increase in your assessed values of one billion three hundred million dollars (\$1,300,000,000) to twenty-five billion seven hundred million dollars (\$25,700,000,000) in the current year.

Program Revenues also increased by forty-one million nine hundred thousand dollars (\$41,900,000) due to the category of operating grants and contributions which increased by approximately forty-three million dollars (\$43,000,000). This was due to moneys received from the CARES Act and emergency relief assistance funding during the current year. These increases were offset by a large increase in your expenditures of seventy-one million four hundred thousand dollars (\$71,400,000) in the current year. The primary activities were the direct result of the increase in some of these revenues, including expenditures for the use of those CARES moneys and rental assistance payments, disaster relief projects for repairs to previously damaged infrastructure, increases in pension expenses, and your year-to-year increases in your landfill liabilities.

For your Governmental Fund Financial Statements, they are for major funds which begins on page 35. This presents each individual fund balance sheet and income statement. Some notable fund balance fluctuations are in your various major funds starting with your General Fund. You had an overall decrease of twelve million dollars (\$12,000,000) and this was the direct result of an increase of six million seven hundred thousand dollars (\$6,700,000) of real property tax revenue, but it was offset by a decrease of twelve million four hundred thousand dollars (\$12,400,000) in revenues relating to the Transient Accommodations Tax (TAT) distributions that the State suspended in the current year. Moving to the right on your Solid Waste Disposal Fund, you had an overall increase of nine million eight hundred thousand dollars (\$9,800,000). Your revenues, expenditures, and other financing sources uses, pretty much stayed the same, while transfers stayed the same and relatively offset the other. The major increase in this fund was due to the proceeds received for the issuance of State Revolving Fund loans and those proceeds that were received this year for nine million six hundred thousand dollars (\$9,600,000). A couple more columns to the right, you had an overall decrease of five million nine hundred thousand dollars (\$5,900,000) in your Bond Fund. The decrease is primarily due to

expenditures for capital outlays of three million seven hundred thousand dollars (\$3,700,000) which can fluctuate year-to-year just based on what the County has ongoing, which projects are active, and the completion of each project. It is due to the timing of these projects and when they are incurring expenditures.

We would also like to go over a new statement in this year's ACFR and that is on page 48. This year, the County implemented GASB 84-Fiduciary Activities. What this statement does, is it clarifies the types of moneys that are held and are required to be reported as fiduciary activities. It needs to meet certain criteria and it needs to meet all of these. These would be that the moneys are not under the County's control and not under the County's discretion, it is not derived from the County's own revenue sources, and it is not non-exchange transactions, and it is for the benefit of others that are not involved with the moneys. The Department of Finance reviewed what moneys were held and determined that taxes collected for the State met all these requirements and should be reported as custodial funds. That makes up most of the balance on this statement. Moneys that did not meet this requirement are now reported in your General Fund. Additional information is covered on a later slide when we go over the disclosure notes which starts on the next slide.

Moving on to the notes on to your ACFR. These notes begin on page 49, but we will skip ahead to page 86-102. This is one of the County's biggest liabilities. It presents the County's net position and OPEB liabilities in much greater detail. There were no major changes year-to-year in the measurement of both liabilities and there were only fluctuations in the balances. This is normal and every year there are these same fluctuations. These are due to changes in the expected projections, recognition of contributions, net investment income, benefit payments, and administrative expenses. These fluctuations which affects the liability is all calculated by actuarial reports. With those changes in liabilities, there was a slight increase in your pension contributions of two million dollars (\$2,000,000) in the current year to coincide with the increased liability calculated on the previous slide. Your OPEB contributions stayed comparable year-to-year, as there were not many fluctuations based on the actuarial report.

Moving to the County's landfill liabilities. If you flip to page 103 of the ACFR, this slide details your landfill liability for the current year. There were no major changes to the landfill liability. The current year increase is mainly attributable to the increased capacity usage for the Kekaha II landfill and year-to-year inflation changes for the cost items related to the liability. The County will also obtain a new cost projection in the subsequent year to continue to accurately update the slide on liability going forward.

If you flip to page 109, this notes details three-prior period restatements which resulted in a total of thirteen million dollars (\$13,000,000) that decreased the beginning net position. These were related to these three (3) items. The first being

housing construction in progress. Expenditures related to the Lima Ola project in the prior year were expensed rather than capitalized. This resulted in a one-million-dollar understatement of your Public Housing Revolving Fund. The second item is related to the Solid Waste Disposal Fund and transfers out from the Fund. Project expenditures that were initially funded by the Solid Waste Disposal Fund until the State Revolving Fund loan moneys came in, that were received, were not recorded as a transfer out to the General Capital Improvement Fund. This resulted in a fourteen-million-dollar (\$14,000,000) decrease in the beginning net position for this Fund. Finally, the last item is related to your bond proceeds cash account. Cash under the control of the County's discretion related to the Kukui'ula Special District Bonds were not recorded. This resulted in an understatement of one hundred seventy-nine thousand dollars (\$179,000) in the General Capital Improvement Funding beginning net position. Due to the amount of each adjustment, prior period restatements were completed, and they are reported as a finding in the current year that we will go over in more detail once we get to the Single Audit Report. The final restatement was not a finding, but is due to a change in accounting principle regarding the implementation of GASB 84 that we stated earlier. Because of the change in how custodial funds are reported, beginning net position was established for the cash held in the prior year that met those criteria that we discussed earlier. This resulted in a total restatement of one million three hundred thousand dollars (\$1,300,000) for the custodial funds. That was all that we had for the ACFR report.

Council Chair Kaneshiro: Okay. Before we move on to the other two (2) reports...

Mr. Bautista: Should we go through the Single Audit Report?

Council Chair Kaneshiro: Let us go through questions on this before we move on. Any questions regarding the audit findings? We will hold off until we see the other reports. Are there any questions on the actual ACFR? Councilmember Cowden.

Councilmember Cowden: First of all, I want to say thank you to all the people who did all this detailed work. It is very good. Some of that was a little fast for me. Just some clarity, when we were on page 31 and we are talking about the real property assessed value change, it went up to twenty-seven billion five hundred million dollars (\$27,500,000,000). Where is that on the page? You talked about the increase in the real property assessed value going up. Where do I see those numbers? I missed it.

Mr. Bautisa: Under the General Revenues and Property Taxes there is one hundred fifty-six million dollars (\$156,000,000). In the slides, I

was just stating that that was an increase from the prior year just based on the increase in the assessed values. The assessed values are not stated in this report.

Councilmember Cowden: Okay. What was it? Twenty-seven billion five hundred million dollars (\$27,500,000,000) is the increase? What was the value last year and this year, so that I can see how much it changed?

Mr. Bautista: It increased by one billion three hundred million dollars (\$1,300,000,000) this year. Last year it was around twenty-four billion four hundred million dollars (\$24,400,000,000).

Councilmember Cowden: Okay. I was trying to get a sense of the percentage of increase. Thank you on that. Then, I know you are going to do a bit more, but when I am hearing about the Kukui'ula CFD, it just sounds like it was reported in the wrong place. There was not really a mistake or lack of transparency in the reporting, it was just reported on the wrong page. Is that what I heard?

Mr. Bautista: For the Kukui'ula Bond account? It was a new account. The County was not aware that it had discretion over that account, so it was recorded this year.

Councilmember Cowden: Okay. It was just a simple...

REIKO MATSUYAMA, Director of Finance (*via remote technology*): I could clarify that one, it was my finding. Basically, when we set-up the original Kukui'ula first issuance back in 2012, there were three (3) accounts that needed to be booked as revenue to the County, as they are our accounts. Because it was a new issuance, two (2) of the accounts were not immediately funded and so they had zero (0) balances. We did not pick them up at that time. When we did the issuance back in 2019 again, we just did not realize that the other two (2) accounts...there was turnover at the Bank of New York and at the County. We were not clear which accounts to pick up. Something flushed out this year that we were notified that basically we had to pick them up. It one hundred seventy-eight thousand dollars (\$178,000), but it was in a small fund. It was considered as material and so it shows up as a finding and a restatement.

Councilmember Cowden: Okay, thank you for finding and correcting that. Thank you for clarifying it. I am doing my best to listen. It is complicated and I read through the document, but a lot of skill goes into preparing it. Thank you.

Council Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: Thank you, Mr. Chair. We got a lot of influx of Federal funds that you mentioned. I am curious in terms of accountability. Did

you look into the Federal funding sources and their compliance guidelines, and if we are aligned with that? I did not hear much about that and I am curious if you review that for us too.

Mr. Bautista: As-far-as the Single Audit, we tested four (4) of those programs...well at least three (3) of them as major programs. We tested them for their compliance requirements across all the different departments that money was allocated to. We will cover those programs in the Single Audit section.

Councilmember Chock: Thank you.

Council Chair Kaneshiro: Are there any other questions from the Members? I have a quick question on slide 8, regarding pension liability. Can you explain a little on the increased? I know we started putting more money into ERS and our liability is still increasing. Do you ever see it going down? I think the intent of us putting in the increase rates is for the pension liability to go down. Can you add any information on it? We usually have a presentation on it from ERS every year, but we have not requested one yet and we usually do after the audit. Do you have any input on ERS and our pension liability?

Mr. Isobe: Yes. Let me step in on this one. ERS's liability is calculated by actuarial determination. From the different assumptions that they have to make, there are always changes in the liability whether or not it is funded. If you look between the pension liability and the Other Post-Employment Benefits (OPEB) liability, there are different buckets that you share for the pension versus OPEB which is your own asset bucket. The overall pension liability is a bigger complex and is a shared liability between the State and the counties. We are not actual experts as it relates to the different assumptions they use to come up with this liability, but we do see that you folks make more contributions. The actual increase of the liability is something we are not experts in.

Council Chair Kaneshiro: Okay. Thank you for that. I have always been wary because our pension liability is in a State and County bucket. OPEB is in our own bucket. We have more control over OPEB. I do not know what goes into the pension liability and how it gets collected. I do know...everyone should be contributing to it. It seems that we have less control over that versus our OPEB. At the rates we are putting in for ERS, I would love to see that amount going on. I think we are putting in an astronomical amount of money per employee. That was my question. Are there any further questions on the audit? If not, let us move on. If you have questions, we can always go back, but keep it in its bucket. We will move on to the Single Audit report.

Mr. Bautista: Moving on to the Single Audit report. This is a separate report from the ACFR. It is one of the single reports we received. If you

flip to page 6, this is the report on internal control over financial reporting and compliance in other matters. This is a required report whenever we perform an audit under government auditing standards.

On page 7, from the top, we noted three (3) deficiencies in internal control that we determined to be Material Weaknesses in the current year that we will cover in the findings section on the next few slides.

If you flip to pages 9 through 11, this is our report on the compliance for each major Federal program we tested during the year and the internal control over compliance. This report is required to be issued anytime you expend Federal moneys above a certain threshold.

Page 10. This is our opinion on our audit for each major Federal program. Here, we state that in our opinion, the County complied with all material respects to each compliance requirement for each major Federal program. This means that we did not note any findings in the current year for major Federal programs tested.

Below is our report on internal control over compliance. We note here that we did not identify any significant deficiencies over compliance.

Lastly, on page 11, we have a paragraph which is a report on your Scheduled Expenditures of Federal Awards (SEFA), otherwise known as the SEFA. Here we state that it is also fairly stated, and we issue a clean opinion on it.

Pages 12 through 18, goes through each of your programs that expended Federal moneys this year, which totals eight-three million nine hundred thousand dollars (\$83,900,000) which is on page 18. This was a large increase from the prior year SEFA which had about forty-two million eight hundred thousand dollars (\$42,800,000). This was due to the Coronavirus Relief Fund Moneys along with the Emergency Rental Assistant Payments that were made. This was mainly due to those two (2) new programs.

Page 21. This summary is a schedule of findings and questions class summarizing our entire Single Audit. If you look on the top, it states Financial Statements and the type of auditors' opinion that we issued is unmodified. Again, that is a clean opinion. We noted that there were material weaknesses identified in the current year, but no significant deficiencies or other compliance findings. Below that, on the Federal Awards Section, we noted no material weaknesses, significant deficiencies, or any compliance findings relating to the major programs that we tested in the current year.

Below that, we list the four (4) major programs that we tested in the current year. Three (3) of these are brand new in the current year. The four (4) are the

Coronavirus Relief Fund, the Highway Planning and Construction, a Literacy Rental Assistant Program, and the Disaster Grants for Public Assistance.

The next item below that is the threshold determined to distinguish major programs to be tested in the current year. This is based on the County's SEFA total expenditures. It asks whether the County qualified as a low-risk auditee. It is identified as no, because in the prior year there were material weaknesses that were reported as part of the Single Audit.

On the next slide, we list the differences between each type of finding. Based on the materiality calculated in the current year that is based on aggregated amounts on the County's financial statements. A finding might be material, which we state as a deficiency that would not prevent or detect a material statement in your ACFR or Single Audit.

Below that, a significant deficiency. This is less severe, but important enough to note and to bring to the County's attention and report on it. Below that, is other reportable findings, which is instances of noncompliance that we are required to report based on the uniform guidance and the compliance supplement. In the current year, we only identified material weaknesses in the Single Audit report, and we will cover that on the following slide.

Moving on to the Findings. This begins on page 22 of the Single Audit report. Here, we noted material weaknesses related to the County's construction and progress assets. These findings are already touched upon when we went over the disclosure note for restatements as part of the County's ACFR. When expenditures were incurred in the prior year related to the Lima Ola Project, the expenditures were not properly coded to identify them to be capitalized as part of the County's construction in progress assets. Since the expenditures were not capitalized, they were instead expensed, and decreased the prior year's business-type activities net position by one million dollars (\$1,000,000).

On page 22, we noted a finding relating to the County's State Revolving Fund Loan drawdowns. Dated to current year, we noted that the County recorded an adjustment of fourteen million two hundred thousand dollars (\$14,200,000) for previously recorded revenue that should have been recognized in the prior year. That amount should have been recorded as a transfer from the fund that advanced moneys for those projects, to the fund that which recorded the actual project expenditures. There were no proceeds received for the drawdowns. When the State finally tells the County that the drawdowns are ready, the amount should then be recorded as an increase in other financing sources.

On page 24, we state a current year finding related to the amounts due to the County. During the current year, we noted the County recorded a prior period

adjustment of one hundred seventy-nine thousand dollars (\$179,000). This was the item that Reiko was referring to, to record its portion of special assessment revenues relating to the County of Kaua'i's Community Facilities District Bonds. The moneys are deposited into an account held by the Bond Trustee and the County has at its discretion for authorized County projects and authorized bond administration expenses.

The next couple of slides follow-up on the prior year findings, starting on page 32 of your Single Audit report. The first findings relating to an adjustment to correctly state the County's OPEB liability for contributions made. During the current year's audit, we noted that the ending liability is properly stated based on the County's actuarial report as of June 30, 2021, and that all contributions were properly recorded and stated in the financial statements. Therefore, we deem this recommendation to be accomplished. The second prior year finding was related to the County's Landfill Liability as the most recent report which was not used to estimate the liability. When we looked at the liability in the current year, we noted that the County used the most recent consultant report and additionally updated costs for inflation year-to-year for its various cost line items. The County also anticipates obtaining a new report in the subsequent year to continue to accurately state its liability. Therefore, we also consider this finding to be accomplished. The third finding in the prior year was related to the timely reconciliation of State grant programs. We noted that revenues recorded in the prior year were in the wrong fund or recorded to a project code that should have been closed out. In the current year, we noted that the County has been periodically sending Department Head grants overview reports for review and to reconcile their projects. The Department Heads are also asked to provide statuses for each project to determine a debt point of the project that the department is at. Therefore, we deem this finding to also be accomplished. That concludes the Single Audit report portion.

Council Chair Kaneshiro: Are there any questions on the Single Audit report from the Members? If not, we can move on and come back to answer any questions. We can do the Management and Advisory Report.

Mr. Bautista: Moving on to the Final Report. This is the skinnier Single Audit report. For these reports, starting on page 3, we state that the opportunities in the current year for internal control and operating efficiency, and we wanted to communicate to your attention. On page 4 of that report, during the current year we noted two (2) instances where projects incurred expenditures, but the department did not request for reimbursement throughout the year or requested for minimal reimbursements during the year. Our recommendation is that since the County is advancing moneys for these projects, the County's cash is being tied up. If the County can get reimbursed for expenditures as announced in the grant agreements, the reimbursements would allow the County to utilize its cash for other purposes.

On page 5, we have our final recommendation which is to improve controls over project accounting. During the current year, we noted eleven (11) instances where the County received an approval from a grantor agency to be able to reimburse some of its expenditures. The Department of Finance was not notified to setup the project until the moneys were received. We recommend project codes be setup when the County receives grantor approval to properly account and monitor its projects for the expenditure being reimbursed and for when monies come in.

If you flip to page 7, we followed-up on a prior year's recommendation related to payments through a voucher edit rather than a contracting incumbent for open-ended contracts. This year, we followed up with the Division of Purchasing and obtained memorandum implementing the use blanket purchase orders for all these open-ended contracts to properly incur an estimate of total expenditures. Therefore, we consider this accomplished as we must use the blanket purchase orders for estimating these contracts. That concludes the Management Advisory Report portion of this presentation.

Council Chair Kaneshiro: Are there any questions on any of the reports or on the audit? Councilmember Cowden.

Councilmember Cowden: When we are about to go into the corrective action plan, are we going to hear that next? I appreciate where you highlighted places where we can improve our communication between departments to the Department of Finance. When I think of how far the Department of Finance has come in the last three and one-half (3 ½) years, they are doing a very good job. When there are a few week spots, is Reiko going to be giving us the final part or would I ask for those questions?

Council Chair Kaneshiro: I do not think they were going to read out the corrective actions.

Councilmember Cowden: Okay. I will ask Reiko, Director of Finance.

Council Chair Kaneshiro: I know that in the report they wrote their corrective actions for each one of the auditor's recommendations.

Councilmember Cowden: Yes. Overall, I want to say you are doing a really good job. We had a huge year of a lot of change, turmoil, and money coming from unusual places. Even with this community Finance CFD bond, that is relatively new for us. Where we are seeing the grant expenditures not coming to the Department of Finance quick enough, that basically has been structured to help facilitate. Yay, to all our departments for getting the grants. Do you want to speak to any of that?

Ms. Matsuyama: Yes. I can speak to the grants. For that one, the grants are not being setup. There needs to be a better process. The departments would come to you folks for approval to apply, accept, and expend. There needs to be a better process to communicate that to our budget team who would process the adjusting journal entry to create the receivable. Basically, it is not being setup until they receive the money. Then they are like, "Oh, where is this being coded too," and the project is not setup yet. It is a timing thing. Our budget administrator will do a good job now in sending out quarterly statements. They did a training yesterday with a bunch of the departments. The Fiscal Staff is more aware of what he is sending them and the actions that are needed subsequently.

Councilmember Cowden: Okay. It sounds like you do not need any action out of the Council even though we are part of this chain. I am very pleased at how many grants the different departments have been able to process. Every meeting we are getting more input that helps our budget to be used. I am not making a complaint. I am trying to see if you need anything from us to help that happen, but it sounds like this is internal on the Administration side, identified, and under development for solution.

Ms. Matsuyama: That is correct.

Councilmember Cowden: Okay. Thank you.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Hi, Reiko. How are you?

Ms. Matsuyama: Good morning.

Councilmember DeCosta: Good morning. On page 5, improve controls or project accounting, I noticed that one of the recommendations was to implement the process to require all departments to communicate their funding awards. Reiko, would this allow us to accurately track of the job, incurred cost, and any project that would have an overage...and can we use the overage in another project, or would the project funding have to stay within the boundaries of each department?

Ms. Matsuyama: For the most part, we must get the approval of the grantor for any changes or flexible use of the fund. Basically, this is a timing mechanism in terms of setting up the project before we receive the money.

Councilmember DeCosta: Okay. Thank you.

Council Chair Kaneshiro: Are there any other questions? If not, Councilmember Kualii.

Councilmember Kualii: My question is to the auditors. With the Single Audit Report and when you were talking about the summary of audit results on the bottom of page 21. The threshold of two million five hundred thousand dollars (\$2,500,000), type A & B programs, auditee qualified as a low-risk auditee, and the check is the “no” box, you said a quick thing about why, but I did not catch what you said. It was something about the prior year, can you repeat that, and maybe say a little bit more?

Mr. Bautista: Yes. Because there were those three (3) accomplished prior year material weaknesses, the County had to be noted as not being a low-risk auditee. What this does is that we need to test a larger portion of your current year SEFA...forty percent (40%) as opposed to twenty percent (20%), if you are low-risk auditee.

Councilmember Kualii: Based on how we did this year, do you anticipate that this will change next year—and will we go from “no” to “yes?” We still have findings this year.

Mr. Bautista: Because there were current year material weaknesses, this would be a “no” again for the following year.

Councilmember Kualii: Okay. Thank you.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Can you clarify for me what material witness means? Oh, material weakness. I thought I was hearing a different word. I get the material weakness.

Council Chair Kaneshiro: Are there any further questions from the Members? If not, I will call this meeting back to order. Is there any final discussion from the Members on the audit? Council Vice Chair Chock.

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

Councilmember Chock: Thank you once again for the good work that you folks have contributed to our County. My question was about the application of funds rather than discrepancies of use, recordation, or unifying. We are out of Purchasing Cards (P-Cards) and we are into grants. I foresee a huge amount of opportunity coming with continued Federal funding in grant opportunities that will be disbursed. I think this is a good start to clean some of that up as we move into the next Fiscal Year. I look forward to being able to work with you folks to ensure we are

complying, so that we can maximize our opportunities. Thank you to our Finance Director and those who have helped to complete the audit.

Council Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: I wanted to follow-up on what Councilmember Chock said. Overall, I think knowing the financial overview of everything, I want to compliment the work that has been done. The accomplishments shown, things that have been put on the table that need further follow through, encouraging the departments to be part of the team process and getting information, and our Finance Director and team. From what I have gone through, read, and see before me, I think we have a good solid base. We need to continue to address the red flags as we move forward, but at the same time, coming back with good solid accomplishments that can place every step of the way. I wanted to mention that in this report. *Mahalo* for the good work.

Council Chair Kaneshiro: Is there any other discussion from the Members? Councilmember Cowden.

Councilmember Cowden: I just want to say how much I value having the opportunity to do the audit and having a few weeks ahead of time to read the audit ahead of time. There is a lot of information in here. This is valuable for me when we look at the budget. A question that was answered for me today, partly because of Council Chair Kaneshiro. I noticed in our budget, the benefits are going up more than the salaries, and I could not figure out why that was happening and how we had the increase of benefits in our cost, however, that is ERS. Thank you for a good warmup for the budget, I am glad that we are doing well. *Mahalo* to the Department of Finance for working hard, and to your group for doing a good job and analyzing.

Council Chair Kaneshiro: Is there any other final discussion from the Members? Councilmember DeCosta.

Councilmember DeCosta: I want to say all of this is very cumbersome, especially for the constituents listening. I am very impressed with the Department of Finance. The audit shows full disclosure of excellence for twenty-eight (28) years. I am very proud to be a part of this. Thank you.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I wanted to say *mahalo nui loa*. I think you folks always do a good job and I appreciate all the effort that goes into it. Especially to our Department of Finance. I am excited. I was in a meeting the other day with

the new Treasurer, and I am excited about her ability to help us move things forward as well. Thank you.

Council Chair Kaneshiro: Okay, is there anyone else? If not, thank you. Thank you to the Administration for all your hard work. I know audits are stressful, answering questions, getting information back and forth, I just want to thank everyone on the time and effort they put into getting this down. Thank you also to you folks for the audit. With that, the motion on the floor is to receive.

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion to receive C 2022-60 for the record, was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Let us stay on page 3 and do C 2022-61.

C 2022-61 Communication (03/02/2022) from the Executive on Aging, requesting Council approval to receive and expend State funds, in the amount of \$179,322.00, and to indemnify the State Executive Office on Aging, to be used for the provision of Kūpuna Care, which includes case management, adult day care, assisted transportation, attendant care, homemaker, Kūpuna care transportation, personal care, and home-delivered meals, for the period July 1, 2019 and runs through June 30, 2025.

Councilmember Kualii moved to approve C 2022-61, seconded by Councilmember DeCosta.

Council Chair Kaneshiro: Are there any questions from the Members?
Councilmember Cowden.

Councilmember Cowden: I just want to acknowledge this as we were just discussing the grants that are applied for and approved. I want to send gratitude to the Executive on Aging Takahashi. Great job, consistently. Thank you. You are making a difference.

Council Chair Kaneshiro: Does anyone else have any discussion?

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion to approve C 2022-61 was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

C 2022-62 Communication (03/04/2022) from the Executive on Aging, requesting Council approval to receive and expend State funds, in the amount of \$50,543.00, and to indemnify the State Executive Office on Aging, to be used by the County of Kaua'i, Agency on Elderly Affairs to support the functions of the Aging and Disability Resource Center (ADRC) and be used for staff development, outreach, awareness, education, and collaboration with the No Wrong Door (NWD) Network, for the period June 1, 2020 through May 31, 2022.

Councilmember Kualii moved to approve C 2022-62, seconded by Councilmember Carvalho.

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

Council Chair Kaneshiro: Are there any questions from the Members?
If not, is there any discussion?

The motion to approve C 2022-62 was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

C 2022-63 Communication (03/10/2022) from the Executive on Aging, requesting Council approval of the corrected contract time period of March 1, 2022 to February 29, 2024, for the Senior Center Services Contract Log No. 22-163 previously approved under Council agenda item C 2021-234 (October 20, 2021 Council Meeting).

Councilmember Kualii moved to approve C 2022-63, seconded by Councilmember Cowden.

Council Chair Kaneshiro: Are there any questions on this item from the Members? If not, is there any final discussion?

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion to approve C 2022-63 was then put, and unanimously carried.

There being no objections, Resolution No. 2022-14 was taken out of order.

RESOLUTIONS:

Resolution No. 2022-14 – RESOLUTION APPROVING THE ISSUANCE OF UP TO \$40,000,000 AGGREGATE PRINCIPAL AMOUNT OF SPECIAL TAX REVENUE BONDS OF THE COUNTY OF KAUAI FOR THE COUNTY'S COMMUNITY FACILITIES DISTRICT NO. 2008-1 (KUKUI'ULA DEVELOPMENT PROJECT); AUTHORIZING THE APPLICATION OF THE PROCEEDS OF THE BONDS, TOGETHER WITH CERTAIN OTHER AVAILABLE FUNDS, TO REFUND CERTAIN SPECIAL TAX REVENUE BONDS PREVIOUSLY ISSUED FOR THE DISTRICT AND TO FUND THE COSTS OF CERTAIN FACILITIES RELATING TO SUCH DISTRICT; APPROVING THE FORMS OF THE SECOND SUPPLEMENTAL TRUST INDENTURE, PRELIMINARY OFFICIAL STATEMENT, BOND PURCHASE AGREEMENT AND CONTINUING DISCLOSURE AGREEMENTS RELATING TO THE BONDS; AND AUTHORIZING THE TAKING OF FURTHER ACTIONS RELATING TO THE BONDS

Pursuant to Governor David Y. Ige's Emergency Proclamation Related to COVID-19 (Omicron Variant) dated January 26, 2022, public testimony was taken at the beginning of the day and as follows:

Council Chair Kaneshiro: Roslyn, you have six (6) minutes on that also.

Ms. Cummings: *Mahalo*, Councilmembers for your time today and your due diligence. I looked up what this is all about. From my understanding, a bond is like a contract. I understood bonds as insurance. I was trying to figure out because I studied where the bond is coming from. The Bank of New York Mellon Trust Company who is a trustee...can you please give me...I did a lot of research on it, but I could not figure out what exactly this represents. Could you share with me what this representation of this particular agenda item on the bond is?

Councilmember Chock: She wants to know what a bond is.

Council Chair Kaneshiro: They will have much more detail explanation at the time of the item. Basically, it is a bond that is taken out on a certain number of properties. Those property owners pay an additional real property tax. The County gets a portion of that bond, and they get a portion of the bond to improve infrastructure in the area.

Ms. Cummings: So this bond will improve infrastructure in the Kukui'ula Development area? That is what it sounds like. I want to come out publicly to notify the Councilmembers that I have speaking very largely and advocate against these developments in Kukui'ula and in hopes that this money will not be a part of a continued detriment to the *Kānaka Maoli* people and not just the Hawaiians or *Kānaka Maoli*, but *Kānaka* people in general. I will tell you why. The Kukui'ula Development is probably the largest reason for burial advocacy. I would say that one-third (1/3) of the burial desecration happens because of this development. This is the largest caved area with caverns with one of the largest and significant burials, which is Kamakahalei, who is buried there. I am praying that this money that is being funded, I think of it as blood money. I am hoping that the developer is listening

to me and hearing me loud and clear. At some point, just because this money is coming in to help the infrastructure, it does not mean that as a *Kānaka Maoli*, I should go ahead and praise these people for what they are doing over there. I heard it in a meeting previously where the developer states that we have all these people that we are helping. I have been in the cave system that still has caves in it. Someone went in there and took out bones and artifacts recently. I do not like that. There are bone fragments all over the place. This is the one that is right across where Phase 2 is coming up. It is right over there when you are coming up heading *mauka* on the left-hand side you have Phase 1, on the right-hand side you have upcoming parts of Phase 2. When Goodfellow came in and they created their baseyard, they collapsed that cave system. I walked in to about four (4) of them, to be exact. We found bone fragments and weapon cases in there. We know that it was still in existence. I want you folks to understand where this money is coming from and where it is going to. That is what I want you to keep in mind. We cannot keep allowing this infrastructure to deplete the current natural infrastructure of our ancestors and become a deterrent of people in general. *Mahalo*.

Council Chair Kaneshiro: Okay, thank you for your testimony. We have no questions on that item. Do we have anyone else wishing to testify on any of the items on our agenda?

ELIZABETH OKINAKA (*via remote technology*): *Mahalo*, can you hear me?

Council Chair Kaneshiro: I can hear you. Please state your name for the record.

Ms. Okinaka: My name is Elizabeth Okinaka. I want to give a little bit of input on both Kukui'ula and the other Kōloa plan. I want to say in general that I think a lot of these roundabouts we have to realize, push a lot more development and they are popping up. A lot of them are planned specifically where a lot of these developments are coming in. We need to realize how much we are helping these developments that do not have a proper traffic plan. To me, traffic is a mess already in Kōloa and Po'ipū. Again, we really need to think that these lands are culturally significant. There are endangered species. There are caves and burials that are being destroyed. I just hope you really start thinking about the choices you are making and what we are leaving behind for future generations.

Council Chair Kaneshiro: Thank you, Elizabeth.

Ms. Okinaka: I also want to say for Waita, we do not have any evacuation plan. That also needs to be considered. *Mahalo* for your time.

Council Chair Kaneshiro: Thank you. Is there anyone else on that wants to testify? If not, we will go through our public hearings. We have already taken all the testimony that we have. Not seeing or hearing anyone else on Zoom, this public testimony period is now closed.

Councilmember Kualii moved for adoption of Resolution No. 2022-14, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We did receive written testimony on this item and took testimony earlier on this item. I know there is going to be a presentation on it. I will suspend the rules and let Reiko take it away.

There being no objections, the rules were suspended.

(Councilmember Kualii was noted as not present.)

Ms. Matsuyama: Hi. Good morning, Councilmembers. We are here to discuss the Resolution to get another draw for the Kukui'ula Community Facilities District (CFD). Here in the room with me I have Brian Hirai, Bond Counsel; Adam Bauer and Anna Sarabian from Fieldman, Rolapp & Associates, Inc. who are financial advisors on behalf of the County. I am going to share my screen so we can run through a quick presentation to kind of give you an idea of what is going on here and then we will be open for questions.

ADAM BAUER, Fieldman Rolapp & Associates, Inc. *(via remote technology)*: Thank you. The first slide is the introductory, we are looking at CFD No. 2008-1 and we have the Series 2022 issuance that is more administrative phase, and I will get to details on that. On this slide, titled Background, is what is a creative facilities district, and we will probably end up calling it CFD. A CFD is essentially a financing district that is formed on a specific set of properties. If you look to the yellow box, there is a thing called boundary map. A CFD is identified by the boundary map. Only the parcels within that boundary map are included within the CFD, but there is a special tax that is created, and bonds are issued against that special tax. When these bonds are issued, it is not a general fund obligation; it is not property owners outside of that boundary map, it is only the properties identified by that boundary map that secures those bonds.

(Councilmember Kualii was noted as present.)

So, if we look at the bottom three (3) yellow boxes. The box on the left and the box in the middle, these activities are already completed. We had a pre-formation activity and we also had to form the CFD back in 2008. When we go to the far right, that is where we are doing more the administrative items associated with that formation, and we have one of several bond floats that we are looking at here. Within that, and before you today are bond resolution, indenture, official statement, bond purchase agreement, and some of closing documents as well.

BRIAN HIRAI, Bond Counsel, McCorriston Miller Mukai MacKinnon LLP: *(via remote technology)*: Thank you. I would like to briefly recap how we got to where we are today, and where we are going by way of actions previously taken by this Council. Under Hawai'i law, counties are permitted to form CFDs, and to issue CFD bonds, if they adopt enabling legislation in their County code. In the County of

Kaua'i, Hawai'i Revised Statutes (HRS) and Chapter 26 was enacted to provide the general authorization for the County to establish CFDs and issue bonds. The first action after the adoption of Chapter 26 occurred back in 2008, which was the enactment of Ordinance No. 872, which is the Ordinance of formation that established the district, the CFD, and it authorized a list of types of projects, specific projects and types of projects that could be funded by the CFDs. At the same time, in 2008, it was not anticipated there would be an initial issuance of bonds for some time. The County also enacted Ordinance No. 875, which is a bond ordinance, a general bond ordinance, that authorizes up to one hundred twenty million dollars (\$120,000,000) in CFD bonds for infrastructure projects. There is a fifteen percent (15%) set aside of the available new project proceeds from the bond, a set aside for projects that are designated by the County and serve the general Kōloa-Po'ipū area, not necessarily the CFD, and not necessarily within the CFD. Those projects, whether it is the ones designated by the developer from the pre-approved list that was part of the ordinance formation. There have been two (2) bond floats to-date. The first one was in 2012. It was at that point in time it was appropriate to have the taxes levied. In 2008, there was no bonds outstanding, so there were no expenses to be covered by the special taxes. The special taxes started roughly a year before the first bond float to get the systems going and the tax collections records coming in. That first bond float was about eleven million eight hundred seventy-five thousand dollars (\$11,875,000). It has been paid down to about eleven million three hundred thousand dollars (\$11,300,000). The uses specified projects from the developer's side was water projects; and from the County, the restoration of the *heiau* in the Po'ipū area.

The second bond float was completed seven (7) years. Adam described the special taxes. In the method of doing the special taxes, they relate to the valuation of the property. Obviously, properties within the development get improved and sold off, it creates additional value, additional tax capacity. Therefore, additional capacity to issue bonds. So, we came back in December 2019 with twenty million three hundred twenty thousand dollar (\$20,320,000) of bonds. We have not started paying those down yet, that is coming in the next year or so. It is still at that principal amount. The whole structure of the bond issuance is under the bond Ordinance and the bond document indenture, is that to issue more bonds, a level of special taxes levied in the CFD has to meet specified benchmarks and things like that including debt service coverage ratios. The value of the property generates those special taxes has to meet a specified multiple. I am using big terms, specified multiple, because there are different categories of properties that carry their own multiples. They have to add up to a minimal threshold multiple of the total amount of bonds outstanding. That is where we are today. Since 2019, there have been further developments and further value added to the appraised value of properties which brings us to today's bond.

Mr. Bauer: The next slide is the developer's summary. Within this, while we list two (2) different entities, the parties that we are working with, the management team, has remained the same. We started off with the Kukui'ula Development Company (Hawai'i), LLC (KBCH). That is when we did the formation and the first two (2) bond floats. In November 2021, we started to look at refinancing. Anna will explain that in detail. We also met with the new Chief Financial Officer (CFO) of the new company, Brue Baukol Capital Partners (BBCP). Most people we are dealing with are all the same management team. That gets us to the point of who are these folks. They specialize in properties like this. They do a bit in Colorado, and they feel they have expertise and know how to make these projects work well. However, they did acknowledge that this was already setup and worked well for them from the very beginning. I wanted to give you acronyms and names of who is involved here.

On the next page, we focused on the acreage. Eight hundred ninety-nine (899) gross acres. Four hundred sixty-eight (468) of those acres are subject to the special tax. We had substantial development since 2019, which is the last time we had a meeting like this for the documents. Since then, several things have gone into that. One, the extremely low interest rate environment. Two, the robust housing market. Projects like this have probably benefited better than city-type projects, because there is a "work from anywhere movement" where folks can work more remotely than they were able to before. All these things have contributed to a robust level of development. Next, I will highlight some of that, I will not read off each one of those to you, unless you would like me to? The last bullet point is most important. That shows a value lien. The value of the property compared to the amount of bonds outstanding on it is 19.97:1. This is considered a high value lien ratio. This should be a very attractive product to investors that are looking to buy community facilities district bonds. Anna, I will cover the next slide.

ANNA SARABIAN, Principal, Fieldman, Rolapp & Associates, Inc. (*via remote technology*): Thank you, Adam. The bond float that you are considering today and as Brian mentioned, has two (2) components. The first component is to refinance the 2012 bond float, which is now with Caldwell. We can lower the interest rates for that bond float. The second component is to generate new proceeds. As Brian referred to earlier, fifteen percent (15%) of those the County set aside and will be available for County—designated projects. The principal and interest payment dates on the 2022 bond float will be the same as all the prior bond floats. Interest is paid twice a year, every six (6) months, on May 15th and November 15th. Principal is payable once a year on May 15th each year. For all new money bond floats, they have a term of up to thirty (30) years. The new money component will stretch out to 2051 and the remaining term of the 2012 bond float, which we will refinance in full, goes out to 2042.

In this slide, you can see the preliminary projected sources and uses table, which breaks down the 2022 bond float between the two (2) components. The refining component which is the second column from left to right; and the column to the right is the new component. If you go down to the second to the last row, there are two (2) rows labeled. Acquisition Account and Improvement Account. The Acquisition Account is eight five percent (85%) of the new money component which goes towards Developer Facilities. The Improvement Account is the fifteen percent (15%) that the County set aside for County Designated Facilities. I want to caution you that these are preliminary projections and will be finalized at the time the bonds are priced and at the time that the rates are determined. This slide on the left-hand side, the chart shows the projected reduction in debt service from refinancing the 2012 bond float. The orange line is the current debt service on the 2012 bond float. The green bars are the projected debt service for refunding that bond float. You can see the light gray difference between the orange line and the dark green bonds that are the projected savings. Typically, when a refinancing is considered, we are focused on the level of savings, and we really look at the net present value of savings. That is the savings throughout the term, discounted to present date, and factoring in all the costs of issuance. As a rule of thumb, anytime you are above five percent (5%), that is a good refinancing candidate and should be strongly considered. In our projections, we are looking at over ten percent (10%) based on when the analysis was provided. They are very compelling refining candidate. On the right-hand side, you can see the projected debt service for the bond float that will remain after the 2012 bond float is refinanced, and we layer on top of the 2019 bonds, the new 2022 bonds. Again, both the savings in these are debt service projections which are projections at this point in time, and will be finalized at the time we price the bonds. On the next slide, I will give you back over to Adam to describe some of the team members involved in these transactions.

Mr. Bauer: As we have done before, when you have financing like this, the whole interest and party list that brings together the transaction. The first individual or firm we have on there is Brian's firm. Brian's firm helps with several things. One of the functions here is, he gives an opinion that says, "This bond transaction meets the criteria for tax-exempt status." An investor that lived within Hawai'i would not have to pay State income tax. An investor that lived within the nation would not have to pay Federal income taxes as well. What that does, is it gets you lower interest rates that could otherwise be achieved. That has been enhanced with some of the market volatility in the last two (2) months. The next party on here where it states Fieldman Rolapp & Associates, Inc., that is where Anna and I work. We are your fiduciaries on the transaction and advise on financial matters. Other than working on the transactions, you probably never heard of a special tax consult, CFD administrator. Their responsibility is that they administer between facilities district and make sure they follow the development progression to get the property taxes on the tax roll. Once it is on the tax roll that it flows in, they will pay for the bond. They have a very specialized roll. The next item on there is

appraiser. The role that they serve is a lot like a home mortgage or a refinance. They come in and appraise the home. They do this on a larger scale and look at different grades of development and assign value. Instead of having a five-page report, it is a one hundred-fifty-page report. The underwriter, this is the party that purchases the bonds and resells them to investors. Stifel, Nicholas & Company, Inc. is very well-equipped with land secure financing. With the increase in rate, they also have retail that buys land secure. They are uniquely positioned to help us in this market. The next party that we have on here is Stradling Yocca Carlson & Rauth. They are based out of California, where they do a lot of CFD transactions and has been a key party as a team member, working through the issues here with us. The trustee, this is the party that once the County has collected it, they make sure that bond investors get those funds when they need to get them; but they also work to make sure that funds are transferred between the accounts appropriately, per some of the documents that Brian has drafted, and all of us have commented on along the way.

Ms. Sarabian: This is our timeline and next steps. Today, we are in front of you presenting for your consideration the documents related to the proposed bond float. Pending the County Council's green light to proceed, we are going to be working on finalizing the offering document, which describes the credit to potential investors and working with the team to get that posted. The underwriter will work on answering potential questions that those investors might have and leading us to bond pricing that we are currently targeting right now, April 13th. The bond closing will occur approximately two (2) weeks later by late April. The 2012 bonds will be fully paid off and will no longer exist and be refunded in full on May 15th. With that, we will be happy to open it up for any questions. Thank you.

Council Chair Kaneshiro: While the rules are still suspended, are there any questions on the presentation? Councilmember Cowden.

Councilmember Cowden: First, I want to thank you for the robust hour that you spent with me, and I assume the rest of the Councilmembers, really explaining this in detail. I appreciate what Adam has gone over with the parties in the bond float process. It sounds like it is solid. I see the timing is about a month from now to release that. When I look at the prime interest rate, it is almost at zero (0). I know they raised it a quarter to a half percent (0.25-0.5%). Can you just tell me again what compels people to want to invest when the interest rate is so low? My follow-up question to that is, where is the threshold at which the County assumes liability? We would not be involved if there was no reason. I know we are sort of the middleperson to collect this extra tax and to make sure it gets paid. Can we ever get left holding the liability for this?

Mr. Bauer: The question about who buys it...if you put your money into a savings account, you probably notice that you earn pennies, if that, right? That is probably the extreme in savings and FDIC-insured type of investment.

Then you start moving away from that. There are any number of things, treasuries, certificates of deposits (CDs), and that sort of thing. Eventually you get to the point where you have investors who pay high taxes with a high-marginal tax rate typically. Those investors look for things like this to say, "I do not have to pay State or Federal income tax on the interest" so they are interested in it. There are funds set-up to do this, but there are also individuals that do this on a retail basis. That investor group has looked up and said that with their marginal tax rate bracket that they are in, that investing in something like this is something they want to do. They oftentimes want to have a variety of different types of projects. For this group of investors, this will probably fit nicely within their portfolio. This investor base is looking for that tax exemption and higher yields than you would get on your general obligation (GOs) bonds. Your GOs are rated very highly. What happens with that is that investors loan on an even lower rate than they would loan on this. This investor base will take a little more risk with a smaller development versus the County as a whole and loan at a bit higher rate than those geo bonds.

Councilmember Cowden: Okay.

Mr. Hirai: If I may talk about the potential liability issue...under both State law and Chapter 26, it is expressly stated that these kinds of bonds are not obligations of the issuer or the County, other than from the special taxes levied and collected. The bonds themselves, by law, are required to be levied to that effect. There is an all caps ledger on the form of the bond that is attached and that you will be approving by approving the indenture today, that says the bonds do not constitute obligations of the County of Kaua'i, and goes to say that it is restricted just to those special taxes and that the County is not otherwise obligated.

Councilmember Cowden: Okay, thank you.

Council Chair Kaneshiro: Are there any other questions from the Members? I do believe there might be an amendment. Councilmember Evslin.

Councilmember Evslin: I do have an amendment, but do I do it now?

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

Councilmember Evslin moved to amend Resolution No. 2022-14, as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 1, seconded by Councilmember Kualii.

Councilmember Evslin: This amendment was introduced by request of the Department of Finance. The amendment simply changes the interest rate from

five percent (5%) to five and a half percent (5.5%). I will let Reiko or her team handle that.

There being no objections, the rules were suspended.

Ms. Sarabian: In terms of the amendment, we are amending it to be more conservative as far as the true interest cost noted in the Resolution. Since we have seen some volatility in the marketplace, we thought it would be a more prudent number to amend that from five percent (5%) to five and a half percent (5.5%).

Mr. Hirai: As a maximum.

Ms. Sarabian: As a maximum, not to exceed number.

Mr. Hirai: As Anna had previously noted, at the current levels, we are looking at ten and a half percent (10.5%) net present value savings. It could still be a good deal to higher. It will be done by way of gauging the market and making sure it is the right thing to do. We are just asking for the maximum rate to be approved at the five and a half percent (5.5%) level.

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

Council Chair Kaneshiro: Are there any questions from the Members on the amendment? Okay. Is there any final discussion on the amendment?

Councilmember Chock: No.

Council Chair Kaneshiro: If not...

Councilmember Cowden: I will just acknowledge that that is what I brought up. There are interest increases that are going to be coming this year. I think the first of seven this week. I can understand why they raised this the one half of one percent (0.5%). Releasing it quickly is valuable.

Council Chair Kaneshiro: Is there any other discussion on the amendment?

The motion to amend Resolution No. 2022-14, as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 1 was then put, and unanimously carried.

Council Chair Kaneshiro: We are back to the main motion as amended. Do we have any further questions from the Members? If so, I will suspend the rules.

There being no objections, the rules were suspended.

KAI'ULANI KEKŪANĀO'A (*via remote technology*): Hello. Hello. Is there opportunity for the public to speak?

Council Chair Kaneshiro: We took public testimony earlier this morning. Council Vice Chair Chock.

Ms. Kekūanāo'a: On this matter for Kukui'ula. You took testimony earlier without giving us the opportunity to hear what was being presented?

Council Chair Kaneshiro: Yes, we took all public testimony this morning.

Ms. Kekūanāo'a: You took public testimony without opportunity to hear the presentation?

Council Chair Kaneshiro: Yes. Council Vice Chair Chock.

Ms. Kekūanāo'a: We do not have the opportunity to speak? I have been here waiting to speak this whole time.

Council Chair Kaneshiro: We took public testimony this morning.

Ms. Kekūanāo'a: I would still like to provide public testimony regarding this issue.

Council Chair Kaneshiro: I have Council Vice Chair Chock with the floor and a question.

Councilmember Chock: Thank you for the presentation yesterday. You really answered all of my questions. This is really a sort of broader question and since I have you in the room, I would like to just ask it. The CFDs are I think the first of its kind, at least here on Kaua'i. I am curious to know about the model that we have here and how applicable it is or how feasible it is to duplicate on a smaller scale that might meet some of the needs that the County is looking at filling. For instance, middle gap housing or even affordable housing. Does this model work and have you seen it happen in other areas that we might be looking at in the future, now that we are gone or are going through a process like this, that we might be able to apply?

Mr. Bauer: This model could be applied for other projects. That is a policy decision as to whether that is the direction that the County wants to go. If you look at other states and how they have applied it, they start with a project a lot like what you did. It was kind of a bigger project and as they have gotten comfortable with it, they expanded it out too many other projects. We certainly could see that as a possibility if that is the direction that the County wanted to go.

Councilmember Chock: Okay.

Mr. Hirai: Depending on the mix of the properties within the district, that will determine the RMA or the rate method of apportionment for the tax that would be tailored to the kinds of properties and how to fairly assess the tax on those properties.

Councilmember Chock: Right.

Mr. Hirai: The basic model, yes, the details would be tailored to the properties.

Councilmember Chock: Okay, thank you. If you have any examples of those that you think might fit sort of what we are looking at, I would love to be able to hear...

Ms. Matsuyama: You are still on mute.

Councilmember Chock: If you have any examples, from this team that you have put together, that meets the criteria that we are looking at supporting in the future, I would love to see them. That is just the request. Thank you.

Ms. Matsuyama: Okay.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: I wanted to ask a question just for clarification. This project will work, or we should see it work. That extra fifteen percent (15%) that we are going to get, comes from the residents who can afford to pay these higher taxes. When we are talking about what Council Vice Chair Chock is learning towards, of course the homes that we would build in a more average type of economy or income basis, our constituents would not be able to pay those higher taxes, correct?

Ms. Matsuyama: Yes, I think that leads to what Brian was just saying about how the calculation of the levy would be different on different types of projects.

Mr. Hirai: It also might call for a big commitment in assembling more than one (1) source of funds for the project and to tap into other available sources like the General Fund or what have you, to help take the load of the project costs, so that it would keep the taxes at a more affordable level.

Councilmember DeCosta: Thank you.

Council Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: I just have a quick question on the acquisition account and the improvement account. I just wanted to ask about that and get a little more clarification. Apparently, developer facilities and County-designated facilities...I just wanted an understanding of that again.

Mr. Hirai: The acquisition account is for the developer-designated facilities. Bear in mind, these were already pre-approved back in 2008. That is the list that they are working off. It is called the acquisition account because the developer goes and puts their money into developing and completing that project. When they are done, at that point there is no construction risk, the County floats bonds and uses proceeds of the bond to acquire the project. That is when the project is dedicated to the County. The improvement account is really set aside for the County's own projects to administer through that account. They have a list of projects, they submit the requisition, and it gets paid out of that account for the County's projects.

Councilmember Carvalho: Okay, thank you.

Mr. Hirai: It was important to distinguish between the two so that we do not mix up the two (2) pots of moneys.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Again, to clarify for myself and the public, I know some of this is basically refinancing the earlier bond. That is where we are saying that we are going to see cashflow savings. Is this going to be paying for future infrastructure as well? Is this more infrastructure that is going into these new subdivision approvals?

Mr. Hirai: As I was just saying, these are completed projects.

Councilmember Cowden: All of it?

Mr. Hirai: ...that are being acquired from the developer. They were already...I have a list of projects that we are talking about. One is the final installment of the acquisition of the Western Bypass Road. There are two (2) reservoirs that were accepted for approval by the Department of Water. There was also a roundabout that was also completed. They are just tendering for approval and the funding source is the bonds.

Councilmember Cowden: Okay, thank you.

Council Chair Kaneshiro: Councilmember DeCosta, then Council Vice Chair Chock.

Councilmember DeCosta: That fifteen percent (15%) from the proceeds that we are going to get, does that allow our County the direct authority to make the decision on what projects the County wants to do to benefit our local community, or does the association in that area of Kukui'ula have some kind of input into that fifteen percent (15%)?

Mr. Hirai: It is completely at the County's discretion. What we have done is...remember that 2019 bond issuance, which provided additional funding for County projects, purposefully, we had included authorization at that point, a list of projects that exceeded the amount that would be available. The list of funds that would be selected would be at the County's discretion and the order at which they are selected that provides the flexibility. Since we had those preapproved projects and they are listed on Exhibit "A" to the Resolution. What we are doing is just carrying forward and saying that these bonds can also be used for those already approved projects. The Association has no input to these.

Council Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: Just a follow-up to Councilmember DeCosta's question. We have had some testimony today and we heard some previously as well of concerns of development in the area. I think it is not so much in terms of the CFD, but in terms of the process. Reiko, as Councilmember DeCosta's question was regarding public input, within these projects that we have proposed with using the fifteen percent (15%) or otherwise, will there be a public process in determining those projects moving forward?

Ms. Matsuyama: Whenever we go to add any projects, as Brian said this time around, all the projects were previously approved in 2019. The project list that you approved in 2019 are the projects that were part of the South Kaua'i Community Plan. They were the ones that basically developed the Plan. We just took suggestions from there to create the list of projects to be funded.

Councilmember Chock: Okay, thank you.

Ms. Matsuyama: I will say also on that note, if you do approve this, and we move forward as planned, we will probably include the appropriation of this in the Supplemental Budget and you will see that in May.

Councilmember Chock: Thank you.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Also speaking to the public, I am acknowledging that this money is both reducing our debt service amount and paying for what has already been managed. Something that we discussed individually is my concern about any development that is happening anywhere on the island and the impact on the landfill. I understand that this fifteen percent (15%) cannot go towards the landfill. I just want to be highlighting that building and construction is a big part of our landfill input challenge. I did speak with the developer, and I am going to go out there this weekend. They are going to show me the things they are doing to be reducing input into our landfill or that they already are doing. We want to be open to looking at more ways. I understand that this funding piece is separate from the landfill. The externalization of costs of any development anywhere is something that I am concerned about. We need to work on it as a group. They have been helpful and willing.

Council Chair Kaneshiro: Are there any other questions from the Members? Councilmember Kualii.

Councilmember Kualii: Reiko, in our meeting you said that there are two (2) sets of projects. One involves the Pa'anau Village and the other with all of the street improvements. That is for Michael Moule to talk about in detail. In fact, just to give the public a sense of what this is all about, it is about making the improvements. I think someone questioned traffic too, right? When we talk about pedestrians, bicycles, and street improvements, it is all about making the entire area better for our community. The development in essence has already happened. That would be true, right?

Ms. Matsuyama: Yes, that is correct. The fifteen percent (15%) that we have as a County to designate our own projects, it has to be in the Kōloa-Po'ipū area and in that region. It does not have to impact or benefit Kukui'ula Development at all. It just has to be in the area.

Mr. Hirai: It can address impacts it has currently.

Councilmember Kualii: I think one of the testifiers was thinking that maybe the funds would go into the Kukui'ula project and fix their infrastructure, but this is for the greater area, right?

Mr. Hirai: Correct.

Ms. Matsuyama: Correct.

Councilmember Kualii: Thank you.

Council Chair Kaneshiro: Are there any other questions from the Members on this item. If not, while the rules are still suspended, is the person that wanted to testify still on.

Ms. Kekuanāo'a: Yes, sir.

Council Chair Kaneshiro: You have six (6) minutes. Please state your name for the record.

Ms. Kekuanāo'a: *Aloha.*

Council Chair Kaneshiro: I will let you know when you have thirty (30) seconds left and when your 6-minute time is up.

Ms. Kekuanāo'a: Can I begin?

Council Chair Kaneshiro: Yes, state your name for the record.

Ms. Kekuanāo'a: Kai'ulani. *Aloha.* On behalf of the entire *ahupua'a* of Kōloa, its heirs, assigns, and hereditary lineal undivided interest holders of the Royal Patent Supreme Titleholder, having been made aware of these recent transactions of interest to expand and convert lands, lands of which I hold an undivided interest as stated by law under Hawai'i Revised Statutes (HRS) 172-11. I am here to inform you all that I hold an undivided interest in the lands in which you are attempting to bond/sell/expand. I completely and wholeheartedly am not in support of this project. Instead of hiring mainland investors as an option, it should never be considered. Second, these homes are out of the price range of *Kānaka Maoli*. Also, let it be known by all persons by these present, that I, Kai'ulani am an aboriginal descendent, lineal heir, and representative of heirs and assignees of the Royal Patent titleholder, hereby declare and vest into that interest being informed to you today. Held in allodium with all its rights, title, and interest to include the minimum rights as declared in said certain parcels of land granted by the King Kauikeaouli as described in the registry of lands titles both deposited with the Minister of Interior of the *Ko Hawai'i Pae 'Āina*. These Royal Patents have been

adjudicated by the Board of Commissioners to quiet land titles and authorized by the Hawaiian Government of *Ko Hawai'i Pae 'Āina* and having never been acquired under another jurisdiction is preserved under that said jurisdiction within its legal territory with all the rights and benefits thereof to me, known hereinafter as I continue to speak as heir of an undivided interest. Herein lies the laws and citations supported by my vested claim and that the Hawaiian Kingdom of 1872, Chapter 21, Section 1, every Royal Patent issued upon an award of the Board of Commissioners to quiet land titles shall be in the name of the person to whom the original award was made. Even though the person is deceased or the title to the real estate thereby granted has been alienated and all Royal Patents so issued shall inure to the benefit for the heirs and assigns of the holder of the original award 1872, Chapter 21, Subsection 1, that is your HRS 172-11 that you are obligated to uphold, protect, and enforce. The Land Commission awards, and Royal Patents given to by the King allodium, lands held absolutely in one's own right not of any lord or superior. In the case of Kekiekie v. Dennis 1 Hawai'i 69 (1851), a land commission *kūleana* award held against any Royal Patent of an anterior date will expressly reserve the rights of native tenants. The Plaintiff's title was good against all the world even if the King had not made this reservation. The Plaintiff's title would be good for the people's lands were secured then by the Constitution and laws of the Kingdom and no power can convey them away, not even that of royalty itself. Secured by the 1840 Constitution and that the 1839 Declaration of Rights which incorporated into the 1840 Constitution provided that nothing whatever shall be taken from an individual, except by express provisions of the law. Therefore, the laws that govern and protect allodial title lands in question has freed all allodial titleholders from any obligation to pay any property taxes, eminent domain, or police action when the King releases sovereignty over these lands and transferred it to the awardees. A patent is evidence in a court of law of the regularity of previous steps. The facts behind it can be investigated and a patent cannot collaterally be avoided at law even for fraud. A patent being a superior title must of course prevail over colors of title nor is property of any foreign, domestic, legislation to give themselves subject-matter jurisdiction over such titles which are equitable in nature with a recognized legal status in the Hawaiian Kingdom. I am informing you that the patent is *prima facie*, conclusive evidence for the title. Marsh v. Brooks 49 U.S. Supreme Court 223 233 (1850). A patent once issued is the highest evidence of title and is a final determination of the existence of all facts. Walton v. United States. Foreign U.S. state statutes that give lesser authority ownership of title than the patent cannot even be brought into a Federal Court. Langdon v. Sherwood. I am also informing you this is further reinforced by the 1829 U.S. Supreme Court Foster & Elam v. Nielsen. Allodial lands that were formerly owned by Crown of Spain as an allodial title thus making these lands sovereign onto itself and no longer part of the inventory of the jurisdiction of the Crown of Spain and as such these lands were not transferred in the Treaty to France. What I am saying to you today is that the U.S. Supreme Court has already ruled that the U.S. and agents and agencies do not have authority to assert their jurisdiction upon foreign types of land.

Council Chair Kaneshiro: You have thirty (30) seconds left, Kai‘ulani.

Ms. Kekūanāo‘a: Thirty (30) seconds. In closing, today I state myself as the lineal descendant of all the lands of Kōloa and its entirety. You do not have authority to bond those lands in any form or fashion. I would love to have your address and serve you registered mail notification that you are acting against my right and authority of HRS 172-11 that is supported by law that you put first Royal Patent titleholders as the lineal descendant of that awardee. It belongs to them.

Council Chair Kaneshiro: Your six (6) minutes is up. Can I ask what is your last name for the record?

Ms. Kekūanāo‘a: Medela-Huddy.

Council Chair Kaneshiro: I am sorry, I did not get that. What is your last name for the record?

Ms. Kekūanāo‘a: My last name for the record is Kekūanāo‘a. It is the same as the Royal Patent. Got it. *Aloha. Mahalo* for your time.

Councilmember Cowden: I have a short question.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Can you please send your testimony in to counciltestimony@kauai.gov?

Ms. Kekūanāo‘a: I sent it in a day ago and I am very disappointed in the County of Kaua‘i, because you are not acting in favor of the people who hold the Royal Title. You are going to bond my land. Of course, I am a bit upset.

Council Chair Kaneshiro: Next we have...Councilmember Cowden asked if you could send in your testimony in writing.

Councilmember Cowden: Can you send that testimony in writing, please?

Ms. Kekūanāo‘a: I would be happy to. *Mahalo*. There are other speakers waiting to speak.

Council Chair Kaneshiro: Councilmember DeCosta has a quick question.

Councilmember DeCosta: For the record, my wife is also Hawaiian. She is a descendant to Kamehameha on the Big Island. I am just a Portuguese Spaniard. I do know a little about land acquisitions and land proof. The question I have for you is, you have your *palapala*, I guess is what you Hawaiians call it? Your proof of that Kuleana Land? I know there is a family on Kaua'i who actually was awarded their Kuleana Land because they were able to show proof in court. Do you have that *palapala* that is able to show proof of this land?

Ms. Kekūanāo'a: I sure do. My family has already been awarded in one of the longest-standing cases on Maui. Our genealogy has already been accepted and adjudicated by a Maui judge. I have already filed within the Bureau. I have eighty-six (86) pages of a notarized affidavit that declares myself as a lineal descendant to the entirety of Kōloa.

Council Chair Kaneshiro: Okay. Are there any further questions? If not, you said there was someone else that wanted to testify? Kai'ulani?

Ms. Kekūanāo'a: I believe so. The rest of the heirs I have been able to rally. There are over one thousand (1,000) of us. I was able to get a few to speak today that are lineal descendants to the lands of Kōloa.

Council Chair Kaneshiro: Can I ask how many people are going to speak?

Ms. Kekūanāo'a: I believe there are two (2) that I see in your participants list.

Council Chair Kaneshiro: Do we have other speakers here?

MOANAKĀNE KEKŪANĀO'A (*via remote technology*): Can you hear me?

Council Chair Kaneshiro: Yes. If you can stay on, we are at a caption break. We are going to have to take a 10-minute caption break and we will come back. We have to give the captioner a break.

Mr. Kekūanāo'a: Okay.

Council Chair Kaneshiro: We will come back to your testimony. We will take a 10-minute caption break.

There being no objections, the meeting recessed at 10:40 a.m.

The meeting reconvened at 10:56 a.m., and proceeded as follows:

Council Chair Kaneshiro: Welcome back. We are still taking public testimony. I cannot see who is on, so if someone could just mention their name?

Councilmember Cowden: *Moanakāne.*

Mr. Kekūanāo'a: *Aloha, can you hear me?*

Council Chair Kaneshiro: Yes. You have six (6) minutes, I will let you know when you have thirty (30) seconds left. When your six (6) minutes is up, I am going to interrupt you. Just state your full name for the record and you can start your testimony.

Mr. Kekūanāo'a: It should be quick. My name is Moanakāne Kekūanāo'a and I am a lineal descendant of the original awardee of Royal Patent 7715. I hereby notify all of you of my lineal interest in the said lands. I do hereby state that I am in opposition of the development and expansion. Moving forward, I oppose all plans of expansion in the said parcels. That is all. *Mahalo.*

Council Chair Kaneshiro: Thank you. Do we have anyone else on that wanted to testify?

WĀHINE KEKŪANĀ (*via remote technology*): Hi, I have a testimony.

Council Chair Kaneshiro: Please state your name for the record.

Ms. Kekūanā: Wāhine Kekūanā.

Council Chair Kaneshiro: What was your first name, again?

Ms. Kekūanā: My name is Wāhine Kekūanā.

Council Chair Kaneshiro: Okay.

Ms. Kekūanā: I would like to start off by saying *aloha*. I would like to inform you that I am an heir by lineal descendant of being a titleholder of all that certain parcel of land that is in question here. As an heir, I am hereby notifying you that by Royal Patent 7714, that is held in allodium by King Kauikeaouli, I hereby vest into this interest, and I would like to take this time to make aware that I am completely and wholeheartedly not in support of this project. I do not really have anything else to say. That is all. *Mahalo* for your time.

Council Chair Kaneshiro: Thank you for your testimony. Do we have anyone else wishing to testify.

Ms. Kekūanāo'a: On behalf of the lineal descendants of Kekūanāo'a, that is all that has been brought forth on our behalf. *Mahalo.*

Council Chair Kaneshiro: Okay, thank you.

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

Council Chair Kaneshiro: Are there any final discussions from the Members? Councilmember Cowden.

Councilmember Cowden: I appreciate the testifiers and the struggle that has happened over more than a century. I recognize that some of the injustices that have occurred have been very difficult. In this item, this is a refinance essentially of costs that were in the past in terms of this infrastructure. This is not anything that is perpetuating this project. It is reducing the cost. In supporting the community development fund, the bond, it is not making a statement whether things have been right or wrong in the development. It is simply this piece on this refinance and separate financing to reduce the interest rates.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: We are in final discussion on this piece, right?

Council Chair Kaneshiro: Yes.

Councilmember DeCosta: I want to talk about the fifteen percent (15%) again, and I want to ensure our constituents that are going to read about it in the newspaper or that are watching today, that we are looking out for their best interest in using that funding to benefit the local families who live in the Kōloa-Po'ipū area, and I think they mentioned the Ōma'ō area as well. Like Councilmember Carvalho and I were talking, the school kids that go to the local elementary school, the parks, even that reservoir that Kukui'ula mentioned, many small kids when I was a little boy would hike there and fish for bass and stuff. All those amenities within the community should be available to our residents. That is where I am with the fifteen percent (15%). I also want to make another comment to our *Kānaka Maoli* that were speaking. I am very intrigued by all of their *mana'o*. I would like to let them know that despite all the infrastructure and all of the beautiful million-dollar homes going up in the area, if the Land Court and the Supreme Court gives them back their land one day, they will benefit from modern day homes and infrastructure. I do not think the homes and infrastructure are going to stop them from getting their land back. Maybe we should tell our wealthy Westerners that they are to live there for only a short time. It could possibly be two (2) weeks, twenty (20) years, or many more years. It depends on when they get their land. Thank you.

Council Chair Kaneshiro: Is there any further discussion from the Members? Councilmember Kualii.

Councilmember Kualii: I am supporting this Community Facilities District, bond refunding, and additional issuance of bonds, because the development of Kukui'ula is already there in-place. This is a way for us to make the necessary, already planned improvements, that were decided on by the community on what they wanted to see and what they needed, to address things like traffic. The sidewalks, traffic calming, shared-use path, bicycle facilities, even the Hapa Trail improvements

to be specific, intersection improvements, road improvements, in general...then particularly when it comes to housing, the Pa'anau Village Phases I and II Energy Self-Sufficiency Upgrades, those are all important. I think taking advantage of this opportunity to fund that and to make sure that that can happen faster, as opposed to taking longer is important. People need those things now. That is why I am in full support of this.

Council Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: I will not repeat what my colleagues have already mentioned. I would like to thank our *Kānaka ʻŌiwi* and ancestors of Kauikeaouli. I think these people are always looking for an opportunity to appeal the plight that they are a part of, and have been part of, for generations. This is where it ends up. I want to encourage that plight to continue, and for them to continue acting on their Royal Patent rights as cited in HRS, and to follow through on it. That being said, as Councilmember Kualī'i has also mentioned, where this particular project is and its impact on the good of all for the community, the particular infrastructure funding is necessary to not only maintain access and roads should be looked upon favorably. For those reasons I will be supporting this.

Council Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: I just wanted to *mahalo* the discussion and testimony. We are culturally connected as far as I am concerned. At the same time there have been numerous discussions about this project and area. It was not just put aside. Everybody had a chance to speak up as the projects came to life. I want to be sure that your voice can be heard. At the same time, this project will open doors and continue to move in this area of our island. I support this project as we continue to move forward. I am Hawaiian, but at the same time, we need to really look at continue to talk story and hear the voices of the people. We need to move forward on some of the things that will benefit all, from housing, transportation, and educational system. All that tie into the bigger picture. We are hoping that we can work this out together overall. I think at this level we can move forward in a way that will benefit the entire area as is laid out for us in our community. *Mahalo* for that.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: To basically repeat everything that has been said already. I support the current bond issuance as was said in the presentation and by my colleagues. This is largely a refinance, but also a way for them to continue to fulfill requirements of their original subdivision approval, which is to do these types of infrastructure upgrades. The County is fifteen percent (15%) is an easy win for the County to get nearly three million dollars (\$3,000,000) for projects outside of that that help to increase the public good in the area with essentially no liability on the County's end. The bond issuance is a win-win all around. Regarding the testimony today, I also appreciate the discussion. I want to just recognize that we have Land Court and judicial system which is setup to decide on those claims. We, as Councilmembers do not have the capacity or legal authority to do so. Certainly, as

everyone else has said, I encourage those to continue down the proper process there. Thank you for bringing it to our attention.

Council Chair Kaneshiro: Okay, anyone else? If not, we will take a roll call vote on the main motion as amended.

(Written testimony was received and registered speakers requested to testify regarding this agenda item.)

The motion for adoption of Resolution No. 2022-14 as amended to Resolution No. 2022-14, Draft 1 was then put, and carried by the following vote:

FOR ADOPTION:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Kaneshiro: The motion passes. We are going to go back to the top of page 4.

C 2022-64 Communication (03/10/2022) from the Housing Director, requesting Council approval to perform the following:

- a. Acquire under the County’s Community Development Block Grant (CDBG) Program a residential unit at 3310 Kanakolu Street, Lihue, Hawaii, 96766, Tax Map Key (TMK): (4) 3-8-015:023, for a purchase price of not more than \$660,100.00, based on the 2021 County of Kauai For Sale Limits by Bedroom Count, 120% HUD Income Limits;
- b. Resale by leasehold of 3310 Kanakolu Street, Lihue, Hawaii, 96766, for not more than the leasehold market appraisal, which will be obtained as part of this transaction; and
- c. Authorize the County Clerk to sign legal documents related to the acquisition and resale transactions.

Councilmember Kualii moved to approve C 2022-64, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: Are there any questions? I will suspend the rules. Councilmember Cowden.

Councilmember Cowden: Aloha, Adam. Is this in the Isenberg Subdivision?

There being no objections, the rules were suspended.

ADAM P. ROVERSI, Housing Director: *Aloha*, Chair. This is Adam Roversi, Housing Director, County of Kaua'i. Yes, that is correct. It is in the Isenberg Subdivision immediately next door to the County Park.

Councilmember Cowden: Is this a fresh purchase of ours, or was it already in our inventory, and the people living in it are selling it?

Mr. Roversi: No. This is a brand new, newly constructed home, that is being built by Kaua'i Housing Development Corporation (KHDC) under a cooperative housing agreement with the County of Kaua'i. We initially supported their construction project via the affordable housing agreement which qualified the home for various exemptions and waivers to assist in the construction of the house. The initial plan was KHDC agreeing to offer the house for sale and to market to people on our homebuyers list. Because we had an excess of funding within our CDBG program, we asked if they would be amendable to be allowing us to purchase the house, and we would do the exact same thing that they initially planned and sell the house to someone on our homebuyer list program.

Councilmember Cowden: Okay. This money will essentially get recycled. They will buy the house, we will get the money back when they pay us, and then we will have that money to buy another house. Right?

Mr. Roversi: Yes. Under the CDBG program, you will see that we are purchasing the home at the one hundred twenty percent (120%) Average Median Income (AMI) level, which is near the construction cost of the new home including the land. Under the CDBG program, we will be reselling it at a reduced cost. We will be effectively subsidizing the reduced sale price when we market for households that make eighty percent (80%) and below of Kaua'i median income. We will not exactly be recycling the money, but a portion of it.

Councilmember Cowden: Okay. We might subsidize a couple hundred thousand, or something like that. It is much cheaper than building a house to put someone in. We are getting someone into a house for a couple hundred thousand. My understanding is it will depend upon who the applicant is and what that exact price is. We are happy to be creating this opportunity for a family.

Mr. Roversi: Correct.

Councilmember Cowden: Thank you.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Hi, Adam, I have a question for you. Are we going to have a resale restriction on that home where the median income is eighty thousand dollars (\$80,000), and they cannot resell the home for a certain amount of time? How does that work?

Mr. Roversi: When we resale the home, our intention is to offer it under our Limited Appreciation Leasehold Program. The County will retain ownership of the land. Through that leasehold program, will essentially guarantee that this home will remain affordable forever. It will not be for this specific period. It is a ninety-year lease. The buyer can sell it at any time that they want, but the resale price is regulated by the lease agreement. It will remain affordable and the County would have the first option to purchase it and recycle it within our leasehold program to another qualified Kaua'i resident.

Councilmember DeCosta: Adam, the next question I have is how do we work that list? Is it prioritized, random luck of the draw, lottery? How do you know who is getting the first opportunity to get the buy on that?

Mr. Roversi: The homebuyer list was established back in 2008 when the Housing Policy was originally created. You received a homebuyer number based on when you sign up. The people who have been on the list the longest have the lowest number and therefore, the highest priority.

Councilmember DeCosta: Thank you so much, Adam, for all that you do.

Mr. Roversi: I apologize, because of the audio, I am missing the first several words of everyone's questions. So, I am not hearing everything that is being asked. I hope I did not miss anything if Councilmember DeCosta was asking another question?

Councilmember DeCosta: No, you answered correctly.

Council Chair Kaneshiro: We got it. Are there any further questions from the Members? If not, I will call the meeting back to order. Is there any final discussion?

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

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion to approve C 2022-64 was then put, and unanimously carried.

C 2022-65 Communication (03/10/2022) from the Acting County Engineer, requesting Council approval to apply for, receive, and expend United States Department of Transportation Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant funding in the amount of \$26,000,000.00, and to indemnify the United States Department of Transportation, Federal Highway Administration, and the Hawai'i Department of Transportation, for the Po'ipū Road Mobility and Safety Project.

Pursuant to Governor David Y. Ige's Emergency Proclamation Related to COVID-19 (Omicron Variant) dated January 26, 2022, public testimony was taken at the beginning of the day and as follows:

Ms. Cummings: *Mahalo.* Sorry, I have two (2) sets of notes. The RAISE grant program according to what it states on the site helps communities large and small fix and modernize their infrastructure. Projects will be evaluated on statutory criteria such as safety, environmental sustainability, quality of life, economic competitiveness, state of good repair, partnership, and innovation. I want to clarify that this is only for the Kōloa area, that you are going to be requesting this grant money for? Or is it for Kaua'i infrastructure all around the board? Also, just so we are aware, because it covers a lot of what the issues are...Kōloa itself is horrible when it comes to infrastructure. I get that these roundabouts are coming in and they are a good part of it. We are basically applying for grant money from the Federal government for public purposes of infrastructure, but a lot of the reason we have to update the infrastructure is because of the large push of developments. Where do developers put in their *kuleana* to help the influx. We have twenty-one (21) developments down in Kōloa. The road itself continuously needs repair because of the type of soil that it is on. I was trying to figure out what kind of infrastructure this covers being that Kōloa really has a bad roadway in and out of it all throughout that whole *ahupua'a*. What I gather, it seems like you are applying for this grant money for just Kōloa. That is kind of what I read. Another thing is that the roundabouts are super awesome. I get it. I like the concept. I do not think that should be the only issue. With this infrastructure grant money, is it going to help with the flow of traffic? Now, I have to leave home before 7:00 a.m., if not it is going to take me about an hour to get to Līhu'e to drop my daughter off at the high school. It is that influx of traffic within that same entire district of the *moku Kona*. I just want clarity on that, what will this cover, and how will this help us on Kaua'i.

Council Chair Kaneshiro: Okay, thank you. There will be a presentation on the RAISE grant later today on the agenda. The RAISE grant is specific to the Kōloa-Po'ipū area. It is similar to the Transportation Investment Generating Economic Recovery (TIGER) grant which was specific to Rice Street. These grants are very specific in the area that you can use it on and the area that you are planning for. You cannot ask for the money from the Federal government for one (1) area and then spread it all over the island. I think we heard a lot of that with the TIGER grant when we got it. A lot of people wanted us to spend the money elsewhere, but that is not what the grant was for. The grant was specific to that area. This RAISE grant is a grant specific to the Kōloa-Po'ipū area. This is not the first time we have applied for this RAISE grant for that area. We applied for it last year and it did not get approved by the Federal

government. We have updated it and are trying again to take another swing at it again. Are there any questions?

Ms. Cummings: What is the idea and concept though, for what you are putting in for? The TIGER grant and this is separate, but similar. The Rice Street one is beautiful, and it looks nice to the eyes, but I have seen a lot of people climb a lot of the curbs there and it took up a lot of space. It seems like the Hanalei plan, so I am hoping that in Kōloa we are not going to have all of this cement all over the place and more sights for beautiful eyes. At some point, we live on our island where most of our older people still drive. I see them climbing curbs. Is it a simple complex when it comes to the idea?

Council Chair Kaneshiro: It is a large grant. I am not sure if the Planning Department has it on their website right now. They will have a full presentation on it later today on our agenda. They had a presentation on it, I cannot remember the day, but last year sometime too when they applied for it. I can send you that information probably after this Council Meeting. If you want to, you can stay on and watch the presentation. Later, we can have staff E-mail you a link to the RAISE grant application and some of the meetings where they described the projects that the RAISE grant was going to be for. The RAISE grant did come out of the Kōloa Transportation Plan, which the Kōloa community did several years ago. It had to be early 2010 or somewhere around there. That is where the RAISE grant concept came from. It came from the community's plan.

Ms. Cummings: Okay, thank you.

Councilmember Kualii moved to approve C 2022-65, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony and we heard public testimony this morning on this item. With that, I will suspend the rules and I believe there is a presentation on the RAISE grant.

There being no objections, the rules were suspended.

JODI A. HIGUCHI SAYEGUSA, Deputy Director of Planning (*via remote technology*): Hi, Jodi Higuchi Sayegusa, Planning Department. I will start us off with the RAISE grant application and then I will hand it over to Mr. Michael Moule, who has more details on the project itself. So, first, the RAISE grant, or it is entitled Rebuilding American Infrastructure with Sustainability and Equity grant is a United States Department of Transportation (USDOT) Grant Program opportunity provided under the infrastructure investment and jobs act. RAISE grants are afforded on a competitive basis, by investments to serve transportation infrastructure that will have significant local or regional impacts. The eligible projects include capital improvement projects and planning projects for roads, bridges, transit, rail, and ports. Selection criteria for projects qualifying for RAISE funding will focus on safety, environmental sustainability, quality of life, and economic competitiveness, state of good repair, partnership and innovation. This

year, new criteria was added regarding the project will enhance mobility and community connectivity. The maximum award size for a project is up to twenty-five million dollars (\$25,000,000) per project of the total available funding overall of one million five hundred thousand dollars (\$1,500,000) for fiscal year. No match is required for projects in rural areas like Kauaʻi. However, as part of the request, we are committing to contribute a ten percent (10%) of the total project cost as a show good faith. The application deadline is April 14, 2022. In short, of all of the projects considered across Kauaʻi, this project was chosen as most fitting to submit for this grant opportunity. Based on criterion, as-far-as enhancing the safety of this well utilized road, improvements to community connectivity and mobility by providing bicycle, pedestrian, and transit infrastructure, along with traffic-calming features along Poʻipū Road—and encouraging an overall shift for all roadway users including locals and employees that work in the Poʻipū area, and who trip to and from work, or for recreation. This is also a shift for visitors and resort users in and around Poʻipū, from the use of single-occupancy vehicles towards the use of other modes of travel, including pedestrian and bicycle infrastructure, bike share, and by allowing short-term car rental and car-share at the resorts. That supports the civility sustainability processing ability by decreasing vehicle miles traveled in the area, as well as support healthier lifestyles by improving existing barriers while continuing to maintain the existing character of the existing area. This corridor is also an important evacuation route for both residents and visitors in the event of a natural disaster. Also, at least thirty-five billion dollars (\$35,000,000,000) of the RAISE funds were specifically awarded to projects in areas of persistent (inaudible 22:36) or in disadvantaged communities. The Poʻipū Road borders a historically disadvantaged community. It also borders a federally designated opportunity zone. These designations also place the project in a very competitive position for the RAISE award. With that, I am going to hand it over to Mr. Michael Moule to talk a little bit about the project.

MICHAEL MOULE, Chief of Engineering Division (*via remote technology*): Good morning, Chair and Councilmembers. For the record, my name is Michael Moule, Chief Engineer, County of Kauaʻi. Jodi talked about a few things because we are applying for the RAISE grant. We came to you before asking for the same approval to apply, receive, and expend funds for this project for a similar Federal grant program. We are reapplying this year. Jodi did a great job talking about why this project best meets the RAISE grant criteria which is one of the bullet points on this slide. I want to talk about the funding situation for Federal projects overall, and why this helps not just this area, but can help other areas of the island also. We have many projects programed on the Statewide Transportation Improvement Program (STIP) for federal funding. This increased because of the Infrastructure Investment and Jobs Act that was passed by Congress last year. We get approximately ten million dollars (\$10,000,000) per year, up from seven million dollars (\$7,000,000) to eight million dollars (\$8,000,000) from last year, which is a good thing. We have more money coming to the County of Kauaʻi than we had in the

past thanks to Congress. We still have a Federal funding need that exceeds that, and we do not even have projects in all of the possibly Federally-funded routes on the island. About fifteen million dollars (\$15,000,000) to seventeen million dollars (\$17,000,000) is what we could use for the next five (5) years on average for Federal funding on the various places that we have federal projects planned. If we can apply for this RAISE grant and receive these funds, we can then get more Federal funds in addition to those ten million dollars (\$10,000,000), roughly, per year that we are currently getting on Federal funds through the STIP. Especially during COVID-19 recovery, it is important to pursue every possible funding source. Again, we want to apply for this grant.

As I mentioned, Jodi did a good job going through why this project fits into these criteria. We will look at the project details in a moment. I want to make it clear, if we can get funds for the project on STIP, it means we can take the funds already programmed on the STIP. Sorry, if we can get funds through the RAISE grant, we can take funds already for Po'ipū Road on the STIP, and shift them to other projects. Although this RAISE grant application is for this particular project, Po'ipū Road in the Kōloa-Po'ipū area, getting this grant would actually help all portions of the island, because we would be able to speed up the process, and basically move projects up in the schedule around the island. There are some details associated with that, but I will not go into it today. However, that is the basic premise behind how getting this extra funding works to benefit the entire island.

I want to talk about the history of the project. We did this year, and we will do it again for your sake and the public watching today. This Po'ipū Road Safety and Mobility Project was conceived at public workshops in 2013. I will show some slides from the pictures of the workshop. As part of the South Kaua'i Community Plan in 2015, it was adopted as part of that. We just talked about that in the last agenda item, I believe, when you were talking about the CFD item, the Po'ipū area also has projects from that plan. We had public meetings just before COVID-19 hit to confirm the preliminary design. We had a meeting with resort property stakeholders, we had a meeting with the public, where everyone was invited, and we had a meeting with other businesses, including retailers and landowners in the area. These next few pictures are just examples of the community workshops and some of the visioning exercises at the beginning of the workshop. Some firemen who attended and helped with that process. These are focus group meetings. The photo on the top is landowners or different types of landowners in these different meetings. You have property owners in general. We had two (2) a walking audit where we walked the corridor. One was spent mostly in the Kōloa Town portion near Kōloa Elementary School. These pictures here show the resort portion of the project, in between the existing roundabout and the Grand Hyatt Kaua'i Resort & Spa... We did two (2) walking audits because this project has two (2) distinct pieces. One that serves most of Kōloa Town, one that serves most of the Po'ipū area. We did a closing workshop. After the public developed their ideas and presented their ideas to the people running

the workshop, staff, and others, the closing workshop presented the final preliminary design. I am not going to show the drawings from the design workshop, but the plans that we have today surprisingly match closely to what was proposed in 2013 by the public.

So, this is the scope of work for the project. I will cover this quickly. First and foremost, pavement resurfacing and reconstruction. We are doing some interim pavement improvements right now to take care of the worst places on the road. The whole road from the project limits from Kōloa Road, through Kōloa Town, past Kōloa Elementary School, down to the existing roundabout, almost to the Grand Hyatt Kaua'i Resort & Spa...but, not quite to the resort. That will be the project scope for resurfacing and reconstruction pavement to bring that back up to a serviceable condition. There is a congestion management feature for the project including three (3) proposed new roundabouts: 1) At the intersection of Po'ipū Road and Kōloa Road, which was added to the project recently in part based on Council's request about that; 2) Po'ipū Road at Kiahuna Plantation Drive near Keokis Paradise; and 3) Po'ipū Road at Ala Kinoiki, which is the original Kōloa-Po'ipū Bypass and Pe'e Road about one-half (½) mile from the Grand Hyatt Kaua'i Resort & Spa. It is the East end of the project.

Other congestion management tools there are in the section between Lāwa'i Road, the existing roundabout, and Ala Kinoiki, there are plans to make sure that every place that you can make a left turn, will have a left-turn lane. Right now, most do, but there are three (3) or four (4) driveways or streets that do not have left-turn lanes. Both from a safety and congestion management point-of-view, pull those left turning vehicles out of the way through traffic. In between the intersections and driveways, we would have raised medians that would be planted adding greenery to the center of the street in these locations. We will be continuing a sidewalk on at least one side, but both sides in most areas. In the core of Kōloa Town, sidewalks will be on the sides. As you move from the core of Kōloa Town South towards Po'ipū, it will be on one side, on the side that the new Koa'e Makana Affordable Housing is located on. It will be on the Eastside of the road. When you get close to the roundabout, where you have the shops near the fire station, the sidewalk will pick up on both sides. We will have sidewalks on both sides for most of the section between the roundabout and the Grand Hyatt Kaua'i Resort & Spa with the exception of the vacant land on the *mauka* side of the road near the bypass road. There will not be a sidewalk along that vacant land. The sidewalk would be built if and when that land is developed as discussed in the South Kaua'i Community Plan.

Pedestrian crossing improvements. We already added flashing beacons at some of the existing crosswalks out there, but we want to add crosswalks in several locations. We will talk about that in a moment with the images that I will show. Also, enhance all the crosswalks with raised medians and have them be signed and marked better and narrowing some of the crossing distances.

Bus stops, we will be putting shelters through all the existing stops and adding new bus stops with shelters. Bus stops will be on both sides of the road, because the plan in the future is to run the Kōloa shuttle in both directions along Po'ipū Road. Right now, it runs in the Southbound and Eastbound direction.

Bicycle lanes will also be added on both sides of the road throughout the project.

The next slide shows a map of the project which shows all the things I just described. I will go in reversed order...actually, I will go in the same order. Kōloa at Po'ipū, this is the existing roundabout at Po'ipū Road and Ala Kalanikaumaka and Lāwa'i Road. The new roundabout at Kiahuna Plantation Drive and a new roundabout at Ala Kinoiki. Again, through this corridor from the existing roundabout between the bypasses, there will be left-turn lanes at a few places where there are currently no left-turn lanes. There are a few driveways that do not have left turn lanes now. I do not think there is any streets with turn lanes at this point. The sidewalks. You can see the light green lines on the side—light or dark green...light green is existing, dark green is new. Both sides of the roads down and past the school...one side of the road down to the roundabout, both sides East, and Kipuka or Puka Street, the sidewalk on the North side of the road *mauka* will end, and the sidewalk will continue all the way to the Grand Hyatt Kaua'i Resort & Spa. That will include the existing sidewalks which is right here and not shown on the map. Bike lanes will be on both sides. You can see the dashed purple lines on both sides of the road all the way through. Near the two (2) roundabouts, the two (2) bypass roads, bike lanes would have a stripe buffer, making it more comfortable to ride in that area. Bus stops. The red bus symbols are existing bus stops, and we would be adding shelters to those. This stop would be removed because of the way the plans are to change the circulation of the Kōloa shuttle. The other existing bus stops would have shelters added. This would be removed because we are going to move it to the other side of the intersection. The other blue lines here are new bus stops with shelters.

A few arial images showing the project concepts. These will change a little bit into the final design. We anticipate having our first draft of the proper plans in the next few weeks. This is near Kōloa Elementary School. You can see the crosswalks, bike lanes, and sidewalks working together. Most of these are existing and being worked on right now as part of the Safe Routes to School for Kōloa Elementary School. The sidewalks continuing from this point of the school entrance South, will be built as part of the Po'ipū Road Mobility and Safety Project.

This is an example in the resort area where there is a community resort path. This is the *heiau* on the Southside of the road, this is the road to Po'ipū Beach Park, Hoowili Road. Again, you see the sidewalks on both sides. This left-turn exists, but the median between the turn lanes will be added. The crosswalk here would be added, this one exists, this would be a new crosswalk to better serve the beach park.

The bike lane with a double striped buffer would make it more comfortable to use. You see the two (2) bus stops here on both sides of the road. This is just to give you an example. I am not showing you the entire corridor in this detail. These are examples of what is planned.

Lastly, this is an example of one of the roundabouts that is at Kiahuna Plantation Drive. This is the Keokis Paradise building, in the Po'ipū Shopping Village on the Northeast corner of the intersection. We get complains about all three (3) of the intersections. We get complaints about congestion, potential safety issues, and we look forward to improving those intersections with roundabouts.

The Project Schedule is my last slide. We began final design mid to late of last year. We anticipate having our first set of final plans coming in the next few weeks. We will go through the different review of those and get approvals from all agencies involved with the funding and otherwise. Right now, Federal FY 2023 which begins in October of this year, the funds need to be obligated by April 2023. That might slip a few months, but we anticipate this being in that Federal FY. The funds would be obligated by September 2023. Construction would start in late 2023 or sometime in 2024, that is our current schedule. From what we showed you last year on the schedule, and largely due to the environmental review, historic resources, et cetera, we have to go through the review process. We have it worked out now and we are moving forward with design. One more slide on Project Funding. The estimated construction cost is a round number largely because we are about to get a more detailed estimate as part of our first set of the sixty percent (60%) detail engineering estimate. What we call the engineers preliminary estimate; we should have it a week from today, we will have the information for the application. This number might adjust a little bit when we get that estimate. We are proposing to show a ten percent (10%) match, even though a match is not required for road projects. Part of that is just to show skin in the game and to show USDOT that we want this project, and we are going to put funding in of ten percent (10%). We have existing funds in the CIP Budget. There are various sources for that. I think that memorandum was sent to you, but this is the total amount that is set aside for this project. We proposed to use the FY 2024, General Excise Tax (GET) funds to fund the rest of the match. That is all I have for the presentation. I am available for any questions, if you have any.

Council Chair Kaneshiro: Okay. Thank you for that. While the rules are still suspended. Councilmember Evslin.

Councilmember Evslin: Thank you, Michael, for the presentation. Did I hear you say that the STIP funding has been increased from the infrastructure bill last year, or did I hear that wrong?

Mr. Moule: You heard that correctly. Twice a year, the State does a STIP update where they shift projects around and move them from one year to the next if they are behind or move them up if we have more money like we did this past year. In the fall, they told us right after the Bill was passed, they said, "Counties add twenty percent (20%) to your limitation that is on the STIP," and we did that. As a result, we were able to move some projects up. Po'ipū Road is showing on the STIP. It is not fully funded. We did get funding for it, but it is about nine million dollars (\$9,000,000) short. It could be started next year short of nine million dollars (\$9,000,000). We would have to shift other projects to have it fully funded with Federal funds if we do not get this grant.

Councilmember Evslin: The ten million dollars (\$10,000,000) you mentioned that we get annually from the STIP is the increased amount.

Mr. Moule: Yes, that represents the increase from seven million dollars (\$7,000,000) to ten million dollars (\$10,000,000).

Councilmember Evslin: With the passage of that infrastructure Bill, is there more money that is going to the RAISE Grant Program? Do you think the chances of us getting it is better than it was in the past?

Mr. Moule: Yes. I believe it is fifty percent (50%) more funds. Jodi, is that correct? I think that is the number they added this year for the RAISE program.

Ms. Higuchi Sayegusa: The question was whether this year more money will be directed toward roads. That is true. Fifty percent (50%) are directed toward road projects.

Councilmember Evslin: Awesome, that sounds great. One last question. The center median plant out, I like that idea, I think that adds a lot. Is there a plan and how do we pay to maintain that over time?

Mr. Moule: That is a very good question. When we met with the stakeholders pre-COVID-19, it has been a struggle with some of the stakeholders with revenues during COVID. The resort and other landowners in the area were unanimous in saying that they want to maintain nice landscaping in these areas. We still need to work all those details out and we will be doing that over the next year or so as we finalize the plan and go to construction.

Councilmember Evslin: Great. I am glad that you already had that conversation. This certainly will be adding a lot to the resort experience and the capacity.

Mr. Moule: I think you are muted.

Councilmember Evslin: Sorry. I was just thanking you. I appreciate that you folks already had that conversation with the resorts. This whole project will add a lot to the resort experience, and I hope they can continue to be at the table to help with funding the vacates of that. Thank you.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Hi, Michael. I have several questions. I want to touch on what Councilmember Evslin said about the roundabout foliage and who is going to care for that. I believe the precipitation of the rainfall in Kōloa is very dry. Possibly role modeling of what Arizona does with their red gravel and cactus have very little maintenance and its beautiful. It maintains itself. Just a little word of advice with that. It looks like this RAISE grant is only for resort areas or can we apply it to other areas like the County housing project in 'Ele'ele. Would something like this work so we can create a beautiful walkabout city in 'Ele'ele like we are doing in Kōloa.

Mr. Moule: That is a very good question. There are no limitations of where these funds can be spent. As Jodi mentioned, there is criteria we try to match. We have been told by the staff that this project meets the criteria very well even though it was not selected in the last two (2) rounds. Other projects on the island meet these criteria as well. We chose the apply for this project two (2) years ago and continue to choose to apply for it because it meets it the best. It is also the largest project that we have as-far-as the dollar value, so it makes sense for that reason. This is the best way for the County of Kaua'i to get any RAISE funds because it is the most competitive we think of all our projects. By allowing us to apply the funds that we set aside for this project with the RAISE grant funds and use those other funds for other projects on the island. We have Federal aid projects on the STIP in all areas of the island.

Councilmember DeCosta: I understand we are a resort tourist-based industry and economy; but, it would be nice to have something like this in 'Ele'ele where we can also benefit the local people. The last question I wanted to ask you is it seems like we have a lot of bus stops, and a tremendous amount of insight making this a walkable, bikeable, bus area. Are we going to possibly try and limit the amount of tourists that go in and out of the Po'ipū area with the bus system so we can keep the cars off the road. That traffic is horrific coming in and out of the Kōloa Tree Tunnel area. I would like to see some of this funding, or some type of grant go towards improving the entrance in and out of the Kōloa Tree Tunnel area. I understand if it is only slated for the Po'ipū-Kōloa area. Are we planning to keep the tourists more in the Kōloa-Po'ipū area with the walk, bike, and bus system? Maybe they would have to rent a car one day out of the week? How does that fit into that?

Mr. Moule: I will start and maybe Jodi and Alan can add to that. I think Jodi already talked a little bit about some of the other things being discussed regarding road share. What we are talking about is being discussed a lot here in the County with tourist interest. The County and State is trying to encourage visitors to not necessarily take a rental car for the entire trip, but rather get a shuttle to their hotel and either car share or rent a car near their resort to travel if needed...and use bikes, walking, bus, or private shuttles that are also being discussed in the area to get around locally. That might reduce how many vehicles are coming to and from the airport. If we are using shuttles for that purpose and not driving, that would reduce the congestion at the intersection of Kaumuali'i Highway and Maluhia Road-Kōloa Tree Tunnel Road. I will mention that the State has plans for that intersection. We are all aware of the challenges and the congestion there, especially in the morning drive to work when school is in session. They have both a short-term and long-term project plan for the Kaumuali'i-Maluhia intersection at the tree tunnel. That is not a County responsibility because the main route is a State highway.

Councilmember DeCosta: Thank you, Michael.

Council Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: Thank you. I know we were anticipating a debrief from HDOT on previous grant applications. Have we received that, and have we adjusted this application?

Mr. Moule: Yes, we have. I mentioned briefly that they kept our project well-positioned. Alan or Jodi can talk more about that.

ALAN CLINTON, Administrative Planning Officer: *Aloha,*
Councilmembers, Alan Clinton, for the record, Planning Department. Two (2) weeks ago we had our formal debrief with HDOT. As Mike already indicated, the characteristics of this project were already highly rated. Most of their recommendations were to make sure we make modifications that select the new Notice of Funding Opportunity (NOFO) small adjustments that Jodi mentioned earlier in this presentation. In essence, we are currently looking for ways to improve the application based off of the new NOFO that was provided. For the most part, they recommended that we stick to the big project details that we already outlined in previous applications because the committee is already familiar with this project. Any deviations from existing project plan, may actually confuse the review committee. We are certainly looking for ways to address the small comments, but overall, they had overwhelmingly positive comments.

Councilmember Chock: Thank you. One last question. Michael, I know this is focused on Po'ipū Road. In terms of the surrounding roads, in circulation

of those, and specifically speaking around Po'ipū Beach Park where we have managed parking slated potentially for the future. We already have parking issues on that feeder road towards the park. In the past, I have been told and I see documentation of that road into Po'ipū Beach Park, that the road was a temporary road with the intention of it potentially being a one-way exiting on the opposite side or on the backside of Kāneiolouma Heiau. Have you folks looked at that and is that something that we can ensure is looked at as part of the circulation management.

Mr. Moule: I did not hear discussions from people proposing this idea of a loop on Hoowili Road and the road to Po'ipū Beach Park. I believe it is Kuai Road that connects from Brennecke's Beach to Po'ipū Road, roughly across from where it would connect. Right now, it is a dead end before the *heiau*. It could theoretically be built to connect through and connect to Po'ipū Road roughly across from where Kipuka Street enters. I think it was on one of my slides where I showed that area. We are anticipating connecting that road through there. That property appears that it is part of the *heiau*. I think trying to put a road through there would essentially raise significant historical resources and concerns. We do not have plans to do that as part of this project, but rather to improve the intersection of Po'ipū Road and Hoowili Road to make that safer for all users. I think there is also one of the future projects to be funded by the CFD Bond, that Council talked about earlier. I could be wrong about this, but I believe to try and connect pedestrian and bike paths along Hoowili Road to the beach park from Po'ipū Road is also planned. I know the South Kua'i Community Plan, I think it was one of the ones selected to be funded by that CFD Bond.

Councilmember Chock: Okay. I would revisit that. I realize that we certainly do not want a road through any *heiau*. In speaking to some of the cultural practitioners in the area, one of the recommendations that we were looking at was passed the *heiau* and there was an existing access. I can revisit that separately with you to ensure we are looking at everything. Thank you.

Mr. Moule: It can be looked at. It would most likely be a separate project than what we are doing here. We would need to look at that very carefully and think about the historic resource concerns. That is great. The road would not go through the wall portion of the *heiau*, but I believe it would run through the same parcel.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I have a follow-up to what Councilmember Chock was talking about regarding the approaches with the grant. We know that the Biden Administration is talking a lot about equity. The "E" in "RAISE" means equity. In the writeup from the Acting County Engineer Troy Tanigawa, there is the language about rural communities, areas of persistent poverty, and historically

disadvantaged communities. How is this grant going to get the points needed in that area so it can be successful?

Mr. Clinton: Councilmember, I think I can handle that question. Ultimately, every single time the RAISE grant comes out they have a couple different priorities, and that would be a big piece of this. This year, HDOT came out with a new mapping tool which indicates which census tracts are historically disadvantaged community areas. We will be building off that and including that in our application. Ultimately, a huge element there is to help connect a lot of workers and folks who live in this area and those in resort areas, so that they can choose different transportation options to get to their place of work. That certainly is going to be a big element that we include in the application and something that we will be certainly highlighting.

Councilmember Kualii: That was...

Mr. Moule: If I could just add to that to answer your question Councilmember, another aspect. I know I mentioned connecting housing and work in the Kōloa-Po'ipū area, which is certainly the case. It will be much easier to travel by all modes from Kōloa Town to most of the resorts in Po'ipū, but also to Kōloa Elementary School. With the addition of the sidewalk on the Eastside of Po'ipū Road and both side proportion to Po'ipū Road, will help people being able to walk to Kōloa Elementary School. Bike lanes, the bicyclist will potentially be able to get to Kōloa Town in general. Most significant for the Koa'e Makana Affordable Housing Project. I see children walking up to Po'ipū Road when I go out into our existing Kōloa Safe Routes to School project which is under construction. I have been on the road a few times right before school starts and see children walking up the side and on the grass shoulder of Po'ipū Road. This sidewalk would make that better. That is a big piece of the equity part of this. It is a way for local residents to walk, bus, bike, or drive to school or work in and around the Po'ipū-Kōloa area.

Councilmember Kualii: I definitely think as much detail you can provide on that for the regular and low-income people, and the neighborhoods, the better. The fact that people do not necessarily have to own a car if they live relatively close and can walk, but also having a safe way to walk. We have been talking about it for years. We have done it on Rice Street. This is exciting, the potential is there.

Council Chair Kaneshiro: I have a follow-up while we are on the topic of Kōloa Elementary School. Is there anything we can do to make traffic exiting the school any easier in the morning or afternoon?

Mr. Moule: That is a very good question. We have a small improvement in the plan with the project that is currently under construction at Kōloa Elementary School. We are going to be adding a short two (2) separate lanes,

with a dividing line between the left and right turn lane for Pa'anau Road coming back onto Po'ipū Road. This will allow and make it easier for people making that right turn, you would not have to wait if you are making a left turn. The roundabout proposed the fifth project at the intersection of Kōloa Road and Po'ipū Road will certainly help with congestion in the area in general. Other than that, we do not have any specific plans besides the fact that the current project is underway right now. This project would hopefully allow parents to allow their children to walk and bike to school and reduce the number of parents that need to drive, reducing congestion. School congestion is always a challenge. Doing something like a roundabout or signaling the intersection of Pa'anau and Po'ipū Road, would not be appropriate, because it is only a small time of the day that you have that kind of congestion. It is really a matter of managing the fact that there is going to be congestion at school if parents are still choosing to drive their children to school as much as they do. We are doing what we can do make it better.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Thank you, Michael. I E-mailed you an image of the map on slide 10 that I augmented. I value this grant application and will be supporting it. When I look at the map of the Po'ipū area, I am always worried about flood or tidal wave indentation, and how we have all of this congestion because of the way the road is designed. While you would not put it on this grant, I have a little connector road in there on Kiahuna Plantation to Ala Kinoiki Road...the bypass road. If we had that, you will pull some of that residential traffic away from the Po'ipū congestion. You would have an out flow of density of housing that is being built in condo sets in Kiahuna. Relative to Kōloa Elementary School or any of that, it helps to take a lot of that pressure off of Po'ipū Road. I know there are historic pieces in there, golf courses, so we cannot connect over to Po'ipū Road. What do you think about that? Did you see my E-mail?

Mr. Moule: Yes. I see your E-mail. I can share my screen if you would like me to, but I opened the drawing. Obviously, you cannot do that as you mentioned as part of this project. It is too late to do that. I think these kinds of connections and trying...Kiahuna Plantation Drive in general and its lack of connectivity with only one exit to Po'ipū Road is problematic from a transportation point of view. This happened earlier in 2015, I was not a County employee, I was a consultant working on that project. I was introduced to Po'ipū for the first time back then. I was kind of shocked to see how it connected that whole Kiahuna Plantation area to everything else in the area. I have friends that live in the Wainani subdivision at the very top. They are incredibly close to Kōloa Town, but they need to drive three (3) or four (4) miles around. They walk or bike into town because you can use Hapa Trail. I agree that this is an issue. I know it was looked at and discussed extensively during the South Kua'i Community Plan process. It was not included in that as a possible connection for motor vehicle access, I think because of the

challenges with connecting either along Hapa Road or Trail, which is an even shorter connection than the one off Ala Kinoiki, or across Hapa Road and Trail and across what is mainly a cow pasture between Kiahuna Plantation Drive and Ala Kinoiki.

Councilmember Cowden: I am fine if you do not share your screen, but I am fine if you do.

Mr. Moule: Sure.

Councilmember Cowden: I respect what anyone in the South feels, the people who live in this area. I just always have this certain amount of nervousness that if there was a tidal wave or flood, how do people get out? It is that highlighted little spot.

Mr. Moule: Yes. I can show you what Councilmember Cowden sent to me here. I think that that connection, while theoretically physically possible from an engineering point of view, is not part of the plan because of challenges with both historical resources on the Hapa Trail, as well as land acquisition issues. You have land in that area owned by both mainland Knudsen Trust, but there is also a strip of land along Ala Kinoiki owned by the State. I think there is a challenge there. I do not know if there is Federal land there, but there is State land there.

Councilmember Cowden: Okay.

Mr. Moule: Those are the challenges there. It is possible. I know there are concerns about historical resources throughout that area and I heard a lot recently about the project nearby, the condominium projects that are having similar concerns. Theoretically it is possible, but probably something that would be very challenging to implement.

Councilmember Cowden: Okay.

Mr. Moule: We do think that the roundabouts will manage the congestion, it just means that the people that are driving will have to go further to get from those condominiums and houses in that area to pretty much anywhere.

Councilmember Cowden: Okay, safety is priority one.

Mr. Moule: One other thing that I wanted to mention, as far as tsunami evacuations...those lands are high enough. They are not an issue for tsunami. Once you get...even Kipuka Street here, both of those neighborhoods near Kiahuna Plantation and Kipuka Street, and this neighborhood here near the golf

course...they are forty (40) or fifty (50) feet above sea level once you get about halfway up Kipuka Street or even just to the golf course entrance on Kiahuna Plantation Drive which is right here. There is not a significant concern from me to evacuate if you have a tsunami. You can stay in-place and not be inundated by a tsunami.

Councilmember Cowden: Okay, thank you.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: You can leave your map up. Can you put your cursor on the existing roundabout that we have entering the Kōloa-Po'ipū area to Kukuī'ula? Is that where it is? I noticed that there is a guardrail and banana patch nearby. I am not sure who the owner is there. Is there going to be a connector road from that roundabout through that banana patch and come out to the Tree Tunnel Road in the near future? If so, is that something that the County is going to put in, or is that something that the landowner will contribute to the infrastructure cost of that?

Council Chair Kaneshiro: You are talking about a roundabout that is not on that map right now.

Councilmember DeCosta: It is not?

Council Chair Kaneshiro: No.

Councilmember DeCosta: Okay.

Council Chair Kaneshiro: It is more north. It is the roundabout by Ōma'ō Road.

Councilmember DeCosta: Is that still considered in our Po'ipū project though? I know that roundabout feeds our Po'ipū area.

Mr. Moule: The roundabout that you are talking about is the one up here. We just built it. It is not shown on this map, because it is not part of this project. It was built as part of the Kōloa Road and Maluhia Road project that is just being completed now. The map does not quite go wide enough here. I could pull up Google Maps or Google Earth to show you. The extension of this road...you can kind of see it here at the top of the map...there is a planned extension of Ala Kalanikaumaka or the Western Bypass Road to connect across to Maluhia Road and Ala Kinoiki, the other bypass. I want to pull it up on another map to show you that. That is planned in the future. It is not on the STIP now. It is one of the new road improvements that we think will be added to the STIP eventually. For the moment, all the projects on the STIP are projects to improve and enhance roads that we already

have here on Kaua'i for all modes of transportation. Kind of like this where we are doing congestion management improvements, Safe Routes to Schools improvements, and pedestrian and bus improvements. Those are the currently planned projects. Let me just quickly show you on Google Earth that area if I can. It is a little slow, I am sorry. This is the same area. The road you are talking about would be a road that goes something like this. It connects across like this. That is what was historically called the Northerly Leg of the Western Bypass. It would be an extension of Ala Kalanikaumaka here and is planned. We own the property for it, but it is not yet programmed on the STIP for construction due to the fact that we are focusing on other projects. Councilmember DeCosta, to answer your earlier question about 'Ele'ele, we do have the Hanapēpē Road project that is going to do some very similar improvements for pedestrians, bicyclists, motor vehicles, and paving, that is scheduled for the same fiscal year as this one on the STIP. Just an FYI about that, that is one of the many projects that is a priority over this new road project going over Ōma'o Stream.

Councilmember DeCosta: Thank you for that.

Council Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: Is this a similar process tying in with the TIGER grant? I just wanted to understand the process funding-wise in how everything had to happen one step at a time. Is this a similar process?

Mr. Moule: Yes, it is. The TIGER program became the BUILD program. It was the TIGER program under President Obama. We applied for it and received those funds when you were Mayor. Then it was called the BUILD program under President Trump, and then now it is called the RAISE program under President Biden. It is roughly the same program. The criteria have been adjusted slightly, at least some of them have. The focus of this has been adjusted slightly. For the TIGER one, it was generating economic recovery. That was the focus. For BUILD it was a lot about development. For RAISE it is about sustainability and equity. It is the same kind of program, similar process, different focus, and slightly different criteria. In fact, most of the criteria is the same, they just focus a little differently on what they were choosing based on.

Councilmember Carvalho: I see a walkable and bikeable connected community. They follow similar processes. The reason that I brought that up...there was also a lot of discussion about the cultural side as we begin to move forward. I think Council Vice Chair Chock mentioned that. I just wanted to touch on a little more on connecting with the Kaneioulouma Heiau right there and of course crossing over to Hapa Trail and including some of that discussion at the forefront. Are there walking paths tied into this bigger picture? That was what I was looking at as we continue to discuss this overall project, which is a great project by the way. I want to

make sure that it is covered or if there will be opportunities to look at ways to connect those portions along the way. I wanted to ask that.

Mr. Moule: We are providing connectivity for all modes in this area. I am going to quickly show my screen again of this image near the *heiau* that I had in my presentation. This is the *heiau* area. This is an older image, I believe. There is a new walkway that is in-place on the outside of the wall. This sidewalk here is going to tie directly into that walkway. You will be able to walk along the sidewalk along Po'ipū Road and it will literally "butt up" against the existing walkway that is outside the *heiau* that leads to this plaques and things that are in-place at Kaneioulouma Heiau for local residents and visitors alike to view that area. That is the primary area of how it will tie in. Hapa Road and Trail is another example. This project goes right past there. It is not going to disturb any of the historical aspects of Hapa Road or Trail, but it connects to that area directly at the south end of Hapa Trail.

Councilmember Carvalho: Okay. For transportation as far as bus shelters along the way on both sides of the road area?

Mr. Moule: There is one example right here where there are bus shelters on both sides here and it is almost directly adjacent to the *heiau* in this case.

Councilmember Carvalho: Okay, thank you.

Council Chair Kaneshiro: Are there any other questions from the Members? I know the maps we had did not really show it...but by Po'ipū Shopping Village they are putting in a roundabout. In the past when Po'ipū and Kōloa was really busy, everyone parked along the side of the road, the workers and others. Do we have a solution to put in a parking area or another alternative to where people park? It would be on the right-hand side of the map. You can barely see it, just below the sidewalk.

Mr. Moule: I do not have a map that shows that area specifically. One of the things that we discussed a lot at the public meetings was parking. The three (3) meetings I mentioned, one with the resort stakeholders, one with other property owners, and one with the public. The primary parking that occurs in that area were due to two (2) things. One was mainly Koa Kea employees and the second were the few people that work in the Po'ipū Shopping Village parking right in this area. The Koa Kea employees would park further right, as you mentioned. We did provide a temporary parking area right as COVID-19 hit. We built a little parking area so it would remove...we came to you with a Resolution to prohibit parking everywhere else at that location. This project, at this time, based on the public meetings, we not taking out any parking with this project. The property

owners in the Knudsen Trust are saying that they are going to work with their tenants like Koa Kea, who mainly has their employees parking there, to provide a parking solution for those employees that are parking in these areas. There is no need for parking for visitors for the hotels and resorts. It is just the employees for some of them. It was pretty much unanimous at all three (3) public meetings to say that we do not want parking on Po'ipū Road. The purpose should be travel and transportation and to not put it in. There is room to do it. We could still put it back, but at this time, parking in that area is not being proposed because of what came out of the public meetings.

Council Chair Kaneshiro: Okay, thank you. I did notice they might have cleared or made more parking along Kiahuna Plantation Drive, also, for workers. Maybe that might help relieve the parking along the main road. Again, we have been in COVID-19 mode for kind of a long time. I cannot remember how it looked when it was super crazy down there. Are there any other questions from the Members? Councilmember Evslin.

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

Councilmember Evslin: I am excited that you are applying for this again. I have been strongly in support of it the last two (2) rounds that it came before the Council. I am optimistic with what sounds like fifty percent (50%) more funding for the RAISE program and that maybe our chances will be better this time. I want to reiterate my hope that there would be some type of cost-sharing agreement with the resorts for maintenance of any planting on any center medians or the roundabouts. I think that you have done an amazing job on roundabouts. We have beautiful roundabouts. This stuff obviously costs money, and the resorts are going to be beneficiaries of these types of improvements as it really transforms the experience in Po'ipū as people can easily get by without a car. With that said, I want to reiterate everything that you said. I do think that the primary beneficiaries here will be residents. It will free up STIP funding for resurfacing elsewhere which is huge, and will benefit the island. The large number of affordable homes that will be connected through bike paths and sidewalks to Po'ipū Beach...plus Kōloa Town. In high school, we used to ride bikes from my friend's house in Kōloa Town to Po'ipū Beach. It was a treacherous ride, but it is a short ride. If you have separated bike lanes and sidewalks, you open all Kōloa to be able to get to the beach there. The Safe Routes to Schools, obviously and getting the cars off the roads benefits everybody. By having visitors being able to spend a week in Po'ipū without a rental car is a win-win for everybody. I am exciting about the project and am optimistic. I really appreciate all the work that you did on this. Hopefully we see construction starting next year.

Council Chair Kaneshiro: Does anyone else have anything?
Councilmember DeCosta.

Councilmember DeCosta: Michael, I sent you an E-mail from a local lady, Tess, about speed tables next to Kōloa School to make it safer and have the traffic slow down. I notice that you mentioned about the crosswalks in there. Take a good look at that. That has been a big problem for the *keiki* going across the street going to and from school. I would like to see all our subdivisions look as nice as Kōloa. Thank you.

Council Chair Kaneshiro: Does anyone else have anything to add? I am in complete support of this RAISE grant. That whole transportation study and plan have been worked on by the Kōloa community for years. It was at least over twenty (20) years, from the early 2000s. The Kōloa Community Association worked with someone to do this whole transportation plan for the area knowing that Kōloa would grow. I think it is a benefit to have a strong community group like that to be able to get together, come up with a plan, and move forward. You cannot snap your fingers, get the money, and get all that transportation items done. This is just one step to make that plan a reality. I am just very appreciative that we are taking another stab at it. I think we always have a good chance of getting the RAISE grant money. I know when we did the TIGER grant, as much as we heard some negative comments about it, I had the other counties mad at us for getting the grant. They did not get it. I think this is another opportunity for us. We showed that we are able to accomplish what we needed to do on the TIGER grant, and it gives us a little more credibility when it comes getting other grants. I am hoping that it helps with this RAISE grant. It will definitely be an improvement to the Kōloa-Po'ipū area. Anyone else? Councilmember Cowden.

Councilmember Cowden: I hope you get the grant. Good job.

(No written testimony was received and we had one registered speakers regarding this agenda item.)

The motion to approve C 2022-65 was then put, and unanimously carried.

C 2022-66 Communication (03/11/2022) from the Acting County Engineer, transmitting for Council consideration, A Bill For An Ordinance Amending Chapter 14, Kaua'i County Code 1987, As Amended, Relating To The Plumbing Code.

Councilmember Kualif'i moved to receive C 2022-66 for the record, seconded by Councilmember Chock.

Council Chair Kaneshiro: This is just the Communication. We will take the Bill up later, where we did receive written testimony on it. Are there any questions or discussion on the Communication?

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion to receive C 2022-66 for the record was then put, and unanimously carried.

C 2022-67 Communication (03/15/2022) from the Mayor, transmitting his Fiscal Year 2022-2023 Budget Message, along with the proposed Operating Budget, Capital Improvement Projects (CIP) Budget, and Schedule of Charges and Fees.

Councilmember Kualii moved to receive C 2022-67 for the record, seconded by Councilmember DeCosta.

Council Chair Kaneshiro: This will be coming up later in the agenda and we will be starting our budget meetings tomorrow. Are there any questions or discussion from the Members on this?

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion to receive C 2022-67 for the record was then put, and unanimously carried.

COMMITTEE REPORTS:

PARKS & RECREATION / TRANSPORTATION COMMITTEE:

A report (No. CR-PRT 2022-02) submitted by the Parks & Recreation / Transportation Committee, recommending that the following be Received for the Record:

“Communication (02/10/2022) from Councilmember Cowden, requesting agenda time for a discussion on endangered seabirds, feral cats, and plans for cat sanctuaries on Kaula‘i,”

A report (No. CR-PRT 2022-03) submitted by the Parks & Recreation / Transportation Committee, recommending that the following be Approved as Amended on second and final reading:

“A BILL FOR AN ORDINANCE AMENDING SECTION 19-1.9, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO SCHEDULE OF FEES AND DEPOSITS,”

Councilmember Kualii moved for approval of the reports, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: Are there any questions or discussion from the Members?

(No written testimony was received and no registered speakers requested to testify regarding these agenda items.)

The motion for approval of the reports was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

PLANNING COMMITTEE:

A report (No. CR-PL 2022-03) submitted by the Planning Committee, recommending that the following be Received for the Record:

“Communication (02/17/2022) from the Planning Director, requesting agenda time to present the Waimea 400 Conceptual Master Plan.”

Councilmember Kualii moved for approval of the report, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: Are there any questions or discussion from the Members?

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for approval of the report was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

HOUSING & INTERGOVERNMENTAL RELATIONS COMMITTEE:

A report (No. CR-HIR 2022-01) submitted by the Housing & Intergovernmental Relations Committee, recommending that the following be Received for the Record:

“Communication (02/09/2022) from Councilmember Cowden, requesting agenda time for an informational briefing from members who attended the 2022 National Association of Counties (NACo) Legislative Conference held from February 12-16, 2022, in Washington, D.C.”

Councilmember Kualii moved for approval of the report, seconded by Councilmember Cowden.

Council Chair Kaneshiro: Are there any questions or discussion from the Members?

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for approval of the report was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

Resolution No. 2022-10 – RESOLUTION ESTABLISHING THE REAL PROPERTY TAX RATES FOR THE FISCAL YEAR JULY 1, 2022 TO JUNE 30, 2023 FOR THE COUNTY OF KAUAI

Councilmember Kualii moved that Resolution No. 2022-10 be ordered to print, that a public hearing thereon be scheduled for May 11, 2022 at 5:00 p.m., and that said Resolution be referred to the Committee of the Whole, seconded by Councilmember Chock.

Council Chair Kaneshiro: Do we have any questions or discussion from the Members? Councilmember Cowden.

Councilmember Cowden: I have spoken with the Department of Finance. I am going to be supporting this as we move forward, but I want to call attention to our Residential Investor tax class. When we reduced the threshold to one million three hundred thousand dollars (\$1,300,000), our goal was to create more long-term affordability. What I am seeing, and I imagine the rest of you are getting the same calls or complaints, but at one million three hundred thousand dollars (\$1,300,000), that is basically a house on the northeast side or in the Kōloa-Po'ipū area. This has been very painful for people who have slipped through the cracks. They might not notice the change the word "Investor" so when they get a bill for an extra fourteen thousand dollars (\$14,000) or twenty-seven thousand dollars (\$27,000) on their income tax that they have to appeal and pay or get returned a year later, it is actually doing the opposite of what was intended and there are people who are feeling forced to sell their houses out from under long-term rentals. I just want to acknowledge that while I will approve these rates, I really think that we need to reconsider how we define this "Residential Investor". When they have to have a year-to-year lease, maybe these properties have been held for ten (10) or twenty (20) years, they are long-term leases, and they are really not expecting this big jump in price. There are problems resulting and I have been in communication with the Administration. They might want to make a comment. I just want our group and everybody to know on the record that our Residential Investor goal, I think as we changed that number ahead of this inflationary pressure, had the opposite effect. I want us to revisit that later.

Council Chair Kaneshiro: We can revisit it. Obviously, if we change the rate, it will change the budget. I do want to say that if the unit is being rented long-term, then they would be getting taxed at the Homestead rate.

Councilmember Cowden: They get long-term if it is long-term, Homestead if it is at an affordable rate. People cannot begin to rent at these affordable rates when they are in places where even regular tax rates and insurance are high. I am not talking theoretically; I am talking when people have these leases...when they may have leased it ten (10) years ago or something, they are not meaning to...could you put your hand down just so I do not have to look at it? There are problems, and it is affecting people and causing sales of houses. It is pushing people into that pressure to possibly sell the house. It is unmanageable. The main challenge is that rate that is too low. People do not have property managers that are able to anticipate and know there is a problem. For our budget and for this year, I am not trying to change anything right here and right now. I want to acknowledge that it is problematic.

Council Chair Kaneshiro: So, you are probably looking at a change in the definition versus a change in the rate.

Councilmember Cowden: I am not looking at a change in the rate at all.

Council Chair Kaneshiro: Yes, of a “Residential Investor”.
Councilmember Evslin.

Councilmember Evslin: Just to clarify, they will stay at the Residential rate if they turn in a lease agreement of any value. They get the Homestead rate if they turn in the Long-Term Affordable Rental agreement. They can stay at Residential if anyone is occupying the house.

Councilmember Cowden: Correct. But if they did not know they needed to do it, they did not look carefully, and they did not understand one more word that was put in there...they would need to get a lawyer to go figure it out...it is not easy. We are having a problem with long-term rentals being sold out from under the tenants and the lease is being bought out from under the tenants for several reasons. We have a lot of pressure and this well-intended change in the price has created more of that pressure...that threshold on the valuation of what is an expensive house. Very old, common, termite-ridden houses will fit this number now.

Council Chair Kaneshiro: Is there any further discussion on this item? If not, we will take a roll call vote.

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion that Resolution No. 2022-10 be ordered to print, that a public hearing thereon be scheduled for May 11, 2022 at 5:00 p.m., and that said Resolution be referred to the Committee of the Whole was then put, and carried by the following vote:

FOR MOTION:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST MOTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Tanigawa: Seven (7) ayes.

Council Chair Kaneshiro: The motion passes. Next item.

Resolution No. 2022-11 – RESOLUTION AUTHORIZING THE
INSTALLATION OF A SPEED HUMPS ALONG MOANAKAI ROAD, KAWAIHAU
DISTRICT, COUNTY OF KAUAI

Councilmember Kualii moved for adoption of Resolution No. 2022-11,
seconded by Councilmember Carvalho.

Council Chair Kaneshiro: Are there any questions or discussion from
the Members? I will suspend the rules. Michael, if you could give us a brief
description of this speed hump.

There being no objections, the rules were suspended.

Mr. Moule: This was one that was requested by residents
in the area on Moanakai Road. We went through the whole process. Let me take a
step back. As you are all aware, last year Council passed a new Bill to change the
County's existing Speed Hump Ordinance to be a more comprehensive Traffic
Calming Ordinance. This request came in before that change was finalized. They
did go through the old process of getting the seventy-five percent (75%) of residents'
signatures. We had not had one approved that way in years. They went through that
process. We did not require them to pay the fee outlined in the new process, because
we were already evaluating it and they did get those signatures. We added as allowed
by the new Ordinance at our discretion under the new Ordinance. We did traffic
counts, and it did make sense to do traffic calming, and we are proposing to install
this speed hump along this portion of Moanakai Road where the shared-use path, the
Ke Ala Hele Makalae is adjacent to the...it is a one-way road for cars and a two-way
path on the surface of the pavement. It is an important place to slow traffic. We had
the request from the residents at this location. I am not showing the graphics because
you have that in front of you. I could bring up the Resolution if you would like for me
to show the graphic.

Council Chair Kaneshiro: Are there any questions from the Members on
this?

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

Council Chair Kaneshiro: Is there any final discussion from the Members? If not, we will take a roll call vote.

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for adoption of Resolution No. 2022-11 was then put, and carried by the following vote:

FOR ADOPTION:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Kaneshiro: The motion passes. Next item.

Resolution No. 2022-12 – RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE LIQUOR CONTROL COMMISSION (*Gerald S. Matsunaga*)

Councilmember Kualii moved for adoption of Resolution No. 2022-12, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: Are there any questions or discussion from the Members? If not, we will take a roll call vote.

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for adoption of Resolution No. 2022-12 was then put, and carried by the following vote:

FOR ADOPTION:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Kaneshiro: The motion passes. Next item.

Resolution No. 2022-13 – RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE SALARY COMMISSION (*Howard J. Leslie*)

Councilmember Kualii moved for adoption of Resolution No. 2022-13, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: Are there any questions or discussion from the Members? If not, we will take a roll call vote.

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for adoption of Resolution No. 2022-13 was then put, and carried by the following vote:

FOR ADOPTION:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Kaneshiro: The motion passes. Next item.

BILL FOR FIRST READING:

Proposed Draft Bill (No. 2851) – A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2022 TO JUNE 30, 2023 (*Fiscal Year 2022-2023 Operating Budget*)

Councilmember Kualii moved for passage of Proposed Draft Bill (No. 2851) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 11, 2022 at 5:00 p.m., and that it be referred to the Committee of the Whole, seconded by Councilmember Chock.

Council Chair Kaneshiro: Do we have any questions or discussion from the Members?

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for passage of Proposed Draft Bill (No. 2851) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 11, 2022 at 5:00 p.m., and that it be referred to the Committee of the Whole was then put, and carried by the following vote:

FOR PASSAGE:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Kaneshiro: The motion passes. Next item.

Proposed Draft Bill (No. 2852) – A BILL FOR AN ORDINANCE RELATING TO CAPITAL IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2022 TO JUNE 30, 2023 (*Fiscal Year 2022-2023 CIP Budget*)

Councilmember Kualii moved for passage of Proposed Draft Bill (No. 2852) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 11, 2022 at 5:00 p.m., and that it be referred to the Committee of the Whole, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: Is there any questions or discussion from the Members? If not, roll call vote.

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for passage of Proposed Draft Bill (No. 2852) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 11, 2022 at 5:00 p.m., and that it be referred to the Committee of the Whole was then put, and carried by the following vote:

FOR PASSAGE:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Kaneshiro: The motion passes. Next item.

Proposed Draft Bill (No. 2853) – A BILL FOR AN ORDINANCE AMENDING CHAPTER 14, KAUA'I COUNTY CODE 1987, AS AMENDED, RELATING TO THE PLUMBING CODE

Councilmember Kualii moved for passage of Proposed Draft Bill (No. 2853) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 20, 2022, and that it be referred to the Public Works & Veterans Services Committee, seconded by Councilmember Cowden.

Council Chair Kaneshiro: Do we have any questions from the Members?

Councilmember DeCosta moved to amend Proposed Draft Bill (No. 2853), as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 2, seconded by Councilmember Cowden.

Council Chair Kaneshiro: Did this come from the Administration?

Councilmember DeCosta: Yes, this came from the Administration. Basically, what this does is it keeps the permit fee the same as it is currently.

Council Chair Kaneshiro: Are there any questions on the amendment? If not, any final discussion on the amendment?

The motion to amend Proposed Draft Bill (No. 2853), as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 2 was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. We are back to the main motion as amended. Councilmember Cowden.

Councilmember Cowden: These questions are very simple. I want to acknowledge that I was very happy to see letters of support from both the Plumbing & Mechanical Contractors Association and the Plumbers & Pipefitters Union. Last time we had a plumbing piece in front of us, I think my count was sixteen (16) or seventeen (17) times. I am happy to see that these two organizations are both in agreement. Could you just give us a short synopsis of why we are updating to 2018, so that is four years ago. Is there something since 2018 that we are not updating to? Is 2018 the most recent? What has changed that we are so many years after-the-fact updating to that?

LEOLYNNE ESCALONA, Code Enforcement Officer (*via remote technology*): Good morning, everyone. At the State-level, the 2018 Uniform Plumbing Code was adopted in May of 2020. State law requires each County following their adoption, within two (2) years, we need to adopt our own Code with our amendments. If we do not do so, then by State law, we need to follow the State's adoption of the 2018 Uniform Plumbing Code.

Councilmember Cowden: Okay. Was there reason why we took the absolute end-length time? Did we not want to do it? Is there another one in front of us? Is this just a bookkeeping situation?

Ms. Escalona: I am sorry, Councilmember Cowden?

Councilmember Cowden: If we waited for the end of the two-year window...were we excited to be doing it or were we reluctant to do it? Are we happy?

TROY K. TANIGAWA, Acting County Engineer (*via remote technology*): Councilmember Cowden, I can answer that question. The two-year window is there to provide the time for the various counties to adopt the Code. Our situation here, is that

we are inundated with various items. It took us time to get through the adopted language. We are here presenting it in a timeframe that we feel will be adequate for us to meet the deadline.

Councilmember Cowden: Okay, thank you. All I wanted to know was why there was a wait. It sounds like you were busy with other things, and you are fine with it. I just want to make sure we are happy with where we are at.

Mr. Tanigawa: Yes, we are okay.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: I know that we already approved the amendment, but I do have a quick question. What was the rationale for the fee change or for the amendment?

Mr. Tanigawa: The rationale was just to remove the fee provisions that would increase the fees. We are going to be remaining at the existing fees. That is to keep consistent with messaging that was provided.

Councilmember Evslin: Okay, got it. Thank you.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Troy, can you explain our fees? How are they comparable to what Maui or the Big Island charges? Are we comparable to them? Are we lower than them? Are we higher than them?

Mr. Tanigawa: At this point our fees have been in-place for several years. We are below what the County of Maui is charging for their Plumbing Code permit fees.

Councilmember DeCosta: I just want to let the people building homes in the future know that the County of Kaua'i is looking out for their best interests otherwise we would have probably raised these fees. The plumbers always pass the fee off to the homeowners anyway. Thank you, County of Kaua'i, for looking out for our future homeowners and builders.

Council Chair Kaneshiro: Are there any other questions from the Members?

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

Council Chair Kaneshiro: Is there any final discussion from the Members? If not, could I get a roll call vote?

(Written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for passage of Proposed Draft Bill (No. 2853) as Amended on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 20, 2022, and that it be referred to the Public Works & Veterans Services Committee was then put, and carried by the following vote:

FOR PASSAGE:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Kaneshiro: The motion passes. Next item.

BILL FOR SECOND READING:

Bill No. 2843, Draft 1 – A BILL FOR AN ORDINANCE AMENDING SECTION 19-1.9, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO SCHEDULE OF FEES AND DEPOSITS

Councilmember Kualii moved to approve Bill No. 2843, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: Are there any questions from the Members? I will suspend the rules. Councilmember Cowden.

Councilmember Cowden: My presumption is that there have been no changes to the Bill in any way. There have been no changes in the plan or no new information from Committee, right? Okay.

Council Chair Kaneshiro: I cannot remember what happened in Committee. It did pass out of the Committee. I cannot remember if there were any changes. Councilmember Evslin did have an amendment in Committee.

Councilmember Evslin: I was just going to clarify that. We previously adjusted the ten-dollar fee for parking. We amended it to be twenty dollars (\$20) maximum for the fee or it could be hourly up to twenty dollars (\$20).

Council Chair Kaneshiro: Are there any other questions from the Members on this? Any final discussion from the Members? Councilmember Cowden.

Councilmember Cowden: I am going to continue to vote “no” on this. It is premature and it will cause more problems than it will solve. I understand that it is well-intended. I think it will have particularly negative consequences for Po‘ipū and Hanalei. I understand the goal is to relieve the impacts of the visitors in the one particular parking area and to get some money. I think we could easily wait until we had a study done and a better solution.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: I have said the same thing at first reading and at Committee. I strongly support this Bill. Last year, we passed a Bill authorizing them to do this. By passing this Bill today, as the Department of Parks & Recreation has said repeatedly, this is not going to result in implementation next week. All it does its set-up the process for them to start working with vendors to do a Request for Information (RFI) or Request for Proposal (RFP) eventually. Nothing is going to be implemented, at least certainly on the North Shore, until after the results of the study that we have referred to several times through the Hanalei Initiative. I agree with Councilmember Cowden that that study is going to be important to figure out some implementation options and to ensure that we are looking holistically here at these beach parks and the surrounding communities. Whether we do this today or whether we do it in six (6) months, I do not see the language of this Bill changing in any way. All we are doing is giving them a maximum rate to charge with the ability to go hourly. They have flexibility to go under that. They will implement when they are ready. Lastly, we have talked in-depth about, the rationale that we are at overcapacity for tourism as is stated in our Kaua‘i Tourism Strategic Plan Update, and we need mechanisms to better control the industry. One of the few mechanisms that we have...we have property taxes and zoning, and we can charge fees in beach parks. We are using the tools we have to try and get better control of our tourism industry. I am in strong support of going in this direction. All of that said, we need to continue to work with the Department of Parks & Recreation, the Department of Public Works, and the Planning Department to ensure that we are not creating other problems in other areas and ensuring that we are addressing parking on streets in surrounding neighborhoods. Hopefully we will get a shuttle in some capacity at some of these beach parks. There are certainly a lot of elements to that, and this is just one of them.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: I am going to be supporting this. I took my wife on Spring Break to three (3) different beach parks. Hā‘ena was the best experience. We went down there a little late around 9:00 a.m. and there were tons of parking for the local people. I think we have a good system in-place where it takes care of our locals. The tourists are bused in and they only allow so many tourists parking spots to begin with. We went to Hanalei Beach, and we could not get a

parking spot. I had to drop my wife off. She had to walk into the beach, and I had to run around...by the time I walked, I drank an iced tea. I did not have enough for my bento, and I had a bad experience at Hanalei. I went to Po'ipū Beach and I could not get parking either at Po'ipū Beach. There is an influx of tourists right now. It is Spring Break, and their Spring Break is all year long. I am all about controlling tourism and making sure that the quality of life for our locals is at a high. I am going to be supporting this. There are no ifs, ands, or buts about it.

Council Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: I will be supporting this as well. I think this is a good opportunity for our Parks team to take it to the next level. They need this start. We can really manage it better overall. Obviously, we have an influx of people coming in, but at the same time, it is giving our Parks team a chance to move forward. That is what it is about for me. I just wanted to say that.

Council Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: I will be supporting this as well. I wholeheartedly agree...we could be creating a domino effect here and I do think that we have to start somewhere though. This is a small step. As we move through, hopefully the next Council can see the process move forward so that all aspects of it can be looked at holistically.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I am supporting this as well. This has been a while in the making and I believe that the Administration and the Department of Parks & Recreation will do what they need to do to make sure that it is implemented carefully and appropriately.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Just so we are clear, my goal is not to be pro-tourism per se. I see this as very much hurting the residents in Hanalei. That is who it hurts. This pushes people into their space. The whole area and the whole town of Hanalei...Po'ipū has a little bit of a different dynamic. The whole town of Hanalei ends up becoming a parking lot. The last place to fill will be the areas that have the parking fee on it. They will still be filled, whether it is residents and visitors. Just to be clear, who I am trying to protect is the locals and the residents, however we want to frame that, of the communities that are surrounding right there.

Council Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: My only response is that I think that ship has already sailed. I think it is already affecting them. I think if you look at Hanalei, Tunnels, and you look at all the parks that was illustrated by one of our fellow Councilmember's experiences...we have no choice but to create mechanisms for us to respond to and react to what it is that is happening already. Thus, I think we have to make a move.

Councilmember DeCosta: I want to reiterate on what Councilmember Cowden talked about. Did you go to the beach during Spring Break in Hanalei?

Councilmember Cowden: I know what it is like all the time.

Councilmember DeCosta: Can you answer the question? Did you go to Hanalei Beach or Pier during Spring Break?

Councilmember Cowden: No, but I have been there consistently when the entire place is completely full.

Councilmember DeCosta: Correct. I just went there. It was a bad experience for me, and I do not want to see the locals have a bad experience. I think this is the way to move forward. Like I said, we are not going to solve all the issues during this meeting, and I will wait for the Committee. I want to give our Department of Parks & Recreation a chance. Our locals will have more opportunities to enjoy themselves. The walk from Ching Young Village to Black Pot, the tourists will turn around with their little bags of groceries because it is too far of a walk for them.

Council Chair Kaneshiro: I am in support of this Bill. It is another step we need to take towards progress. It is not going to create a fee for residents or on visitors tomorrow. The next step is to be able to do a study to look at each individual beach park to see what the best mechanism or best way is to manage that area. When that plan comes out, then we will see how it affects residents or visitors. At this point, this Bill does not do that. This Bill just sets the rate so they can move forward on individual studies for each of these places and how it is best to manage them. With that being said, I am in favor of this Bill. Is there any further discussion? If not, roll call vote.

(Written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion to approve Bill No. 2843, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

FOR APPROVAL:	Carvalho, Chock, DeCosta, Evslin Kuali'i, Kaneshiro	TOTAL – 6,
AGAINST APPROVAL:	Cowden	TOTAL – 1,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Six (6) ayes, one (1) no.

Council Chair Kaneshiro: The motion passes. That concludes the business on our agenda. Not seeing or hearing any objections, this meeting is now adjourned. We will take our lunch break and we will be back with our Committee Meetings.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 12:43 p.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA
County Clerk

:ks

(March 23, 2022)

FLOOR AMENDMENT

Resolution No. 2022-14, Relating to the 2022 Kukui'ula Community Facilities District No. 2008-1 Special Tax Revenue Bonds

Introduced by: LUKE A. EVSLIN, Councilmember (By Request)

Amend Resolution No. 2022-14 by amending paragraph number 1 under the BE IT RESOLVED section as follows:

“1. The issuance and sale of up to \$40,000,000 aggregate principal amount of 2022 Bonds is hereby approved, such 2022 Bonds to be issued and sold at such time and upon such terms as shall be determined by the Director of Finance in accordance with the Bond Ordinance, the Bond Indenture and the Acquisition Agreement; provided that (i) the 2022 Bonds shall finally mature not later than May 15, 2051, (ii) the true interest cost of the 2022 Bonds shall not exceed ~~5.0%~~ 5.5% per annum, (iii) the maximum underwriting discount at which the 2022 Bonds are sold by the County shall not exceed 2.0%, and (iv) the County and the Bond Trustee shall have received a certificate from the County's designated Special Tax Administrator confirming satisfaction of the applicable financial ratio requirements for the issuance of the 2022 Bonds pursuant to Section 2.12 of the Bond Indenture. It is expressly understood that the Bonds, including the 2022 Bonds, shall be limited obligations of the County payable solely from, and secured solely by, the Special Tax levied on taxable properties within the District and certain funds and accounts established under the Bond Indenture, and that the full faith and credit of the County shall not be pledged for payment of the principal or redemption price of or interest on such Bonds.”

(Material to be deleted is bracketed. New material to be added is underscored.)

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(March 23, 2022)
 FLOOR AMENDMENT
 Proposed Draft Bill (No. 2853), Relating to the Plumbing Code

Introduced by: BILL DECOSTA, Councilmember (By Request)

Amend Proposed Draft Bill (No. 2853), by amending proposed new Table 104.5, Plumbing Permit Fees, as follows:

“(2) Table 104.5, Plumbing Permit Fees, is deleted in its entirety and replaced with the following:

Table 104.5
Plumbing Permit Fees

<u>For issuing each permit, an application fee of:</u>	<u>\$ 15.00</u>
<u>In addition:</u>	
<u>For each plumbing fixture or trap (including drainage and vent piping):</u>	<u>\$ 7.00</u>
<u>For installation, addition, alteration, demolition, removal, and repair of each building sewer or building drainage system, including the first 50 feet of drain and sewer lines:</u>	<u>\$ 20.00</u>
<u>For each additional foot of drain and sewer lines thereof:</u>	<u>\$ 1.00</u>
<u>For each industrial waste, grease, sand, or dirt interceptors and sewage ejector, including its trap and vent:</u>	<u>\$ 15.00</u>
<u>For installation, addition, alteration, or repair of water piping and/or water treating equipment:</u>	<u>\$ 7.00</u>
<u>For vacuum breakers or backflow protective devices installed subsequent to the installation of the piping or equipment served:</u>	<u>\$ 15.00</u>
<u>For each vacuum breaker or backflow protective device installed to hosebibbs:</u>	<u>\$ 7.00</u>
<u>For each lawn sprinkler system on any one valve including backflow protection devices therefor:</u>	<u>\$ 15.00</u>
<u>For each electric, oil, gas, or solar water heater and/or vent:</u>	<u>\$ 7.00</u>
<u>For each new installation, addition, altering or repairing of gas piping system, house piping and/or exterior piping for lamps, luau torches and other misc. equipment:</u>	<u>\$ 15.00</u>
<u>For each gas appliance:</u>	<u>\$ 7.00</u>
<u>For medical gas piping first five inlet(s) or outlet(s):</u>	
<u>For a specific gas:</u>	<u>\$ 15.00</u>
<u>For each additional inlet or outlet:</u>	<u>\$2.00</u>
<u>For each swimming pool with drainage connection:</u>	<u>\$ 15.00</u>
<u>For any transferability of plumbing permit as herein provided, a transfer fee is required:</u>	<u>\$ 50.00</u>
<u>Reinspection fees assessed under provisions of Chapter 12, Section 109.4</u>	
<u>Reinspections:</u>	<u>\$ 50.00</u>
<u>For foundation work only, the first:</u>	
<u>10 plumbing fixtures:</u>	<u>\$ 15.00</u>
<u>For each additional plumbing fixture</u>	<u>\$ 2.00</u>
<u>For each gray water system:</u>	<u>\$15.00</u>

(All material is new.)

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