

COUNCIL MEETING

JANUARY 7, 2026

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Mel Rapozo at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, January 7, 2026, at 8:58 a.m., after which the following Members answered the call of the roll:

Honorable Addison Bulosan

Honorable Bernard P. Carvalho, Jr. (*Excused at 10:01 a.m.*)

Honorable Felicia Cowden

Honorable Fern Holland

Honorable Arryl Kaneshiro

Honorable KipuKai Kuali'i

Honorable Mel Rapozo

Pursuant to Hawai'i Revised Statutes Section 92-9(a)(4), because a video recording of this meeting is available online, this is to provide a link to the video recording (valid as of the approval date of these minutes): https://kauai.granicus.com/player/clip/2993?view_id=2&redirect=true. Additionally, meeting videos are available at: www.kauai.gov/Government/Council/Webcast-Meetings.

(Note: No one from the public provided oral testimony via the Zoom remote technology platform on any agenda item.)

APPROVAL OF AGENDA.

Councilmember Kuali'i moved for approval of the agenda, as circulated, seconded by Councilmember Carvalho.

Council Chair Rapozo: Is there any discussion or public testimony?

There being no public testimony, the meeting proceeded as follows:

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

Council Chair Rapozo: The motion carries. Next item, please.

MINUTES of the following meeting of the Council:

December 17, 2025 Council Meeting

Councilmember Kuali'i moved to approve the Minutes, as circulated, seconded by Councilmember Carvalho.

Council Chair Rapozo: Is there any discussion or public testimony?

There being no public testimony, the meeting proceeded as follows:

The motion to approve the Minutes, as circulated, was then put, and unanimously carried.

Council Chair Rapozo: The motion carries. Next item, please.

CONSENT CALENDAR:

C 2026-01 Communication (12/29/2025) from Council Chair Rapozo and Council Vice Chair Kuali'i, transmitting for Council consideration, a Resolution Supporting And Reaffirming The Kamehameha Schools' Admissions Policy, Mission, And Its Contributions To The Native Hawaiian Community.

Councilmember Kuali'i moved to receive C 2026-01 for the record, seconded by Councilmember Carvalho.

Council Chair Rapozo: Is there any discussion or public testimony?

There being no public testimony, the meeting proceeded as follows:

The motion to receive C 2026-01 for the record was then put, and unanimously carried.

Council Chair Rapozo: The motion carries. If there is no objection, I would like to take C 2026-04 out of order.

There being no objections, C 2026-04 was taken out of order.

COMMUNICATIONS:

C 2026-04 Communication (12/10/2025) from Council Chair Rapozo and Council Vice Chair Kuali'i, requesting the presence of Roslyn "Roz" Makāula, Director of Government Relations, Kamehameha Schools, to provide a briefing relating to the legal challenge to Kamehameha Schools' admission policy.

Councilmember Kuali'i moved to receive C 2026-04 for the record, seconded by Councilmember Carvalho.

Council Chair Rapozo: I invite Roz or the representatives from Kamehameha Schools to be up here. We have a companion Resolution, and what I will be asking our members is, we will get the briefing, have the discussion and questions, and then we will take the Resolution immediately following the briefing. I will ask that all the discussion happens here at the briefing and then we can move right through the Resolution. Good morning and Happy New Year.

There being no objections, the rules were suspended.

ROSLYN "ROZ" MAKĀULA, Director of Government Relations, Kamehameha Schools: Good morning. Happy New Year. *Mahalo nui loa*, Chair, Council Vice Chair Kuali'i, and Members of the County Council. At this time, I want to introduce our Vice President of Uluhiwa Strategy and Experience, Kēhaunani Abad. She is going to provide today's briefing, follow up with the testimony. *Mahalo*.

Council Chair Rapozo: Good morning.

KĒHAUNANI "KĒHAU" ABAD, Doctor of Philosophy (PhD), Vice President of Uluhiwa Strategy and Experience: *Aloha kākou. Mahalo*, Council Chair Rapozo, Council Vice Chair Kuali'i, and Members of the County Council. I appreciate the opportunity this morning to have some time with you folks.

Council Chair Rapozo: Can you introduce yourself, again, for the captioner?

Ms. Abad: Oh, okay. My name is Kēhau Abad. I am the Vice President of Uluhiwa Strategy and Experience at Kamehameha Schools...so one of the executive team leaders. On behalf of Jack and the rest of the executives, we want to share some *aloha* with you and some information that we think might be helpful for the Resolution you have before you. We thank Council Chair Rapozo and Council Vice Chair Kuali'i, and Councilmembers for your consideration of the Resolution.

Council Chair Rapozo: Were you at Waimea?

Ms. Abad: Yes. We were doing a presentation.

Council Chair Rapozo: At the Waimea Theatre?

Ms. Abad: Yes.

Council Chair Rapozo: You were a little more energetic at the theatre, you were bouncing all over the place.

Ms. Abad: Yes.

Council Chair Rapozo: Let me just say how the agenda item got placed on the agenda. I attended, and I got to hear...I think a lot of people have heard about this litigation that is ongoing, but it was only at that presentation that I got to fully understand what is going on, and in my opinion, how bad it is in what is going on. I did want the community to be able to hear what is truly going on and the best people to do it would be you all, so welcome.

Ms. Abad: *Mahalo nui.* Before we start introducing ourselves, we do not have the entire stack on the situation on the presentation, because I did not want to have you folks double hear it, but for everyone's sake, maybe I will set some context. What we are facing as Kamehameha is a legal challenge bought forward by Edward Blum of Students for Fair Admissions (SFFA); he and his organization are situated in Virginia. They are claiming that we are in violation of a certain federal law 42 U.S.C. §1981 that was actually written a very long time ago. It comes to us from 1866, so this was back right after the Civil War and there was a piece of law initiated to ensure that the emancipated slaves, at the time, which was Abraham Lincoln behind this original Civil Rights legislation that emancipated slaves, would have the opportunity to enter into contracts like everyone else without being discriminated against because at the time, some of them were being discriminated against given where things were at and the society at the time, so if you were trying to rent a home, you might not be able to get a contract, so you were at the whim of a landlord doing who knows what, kicking you out, changing the rent—there was no contract to hold to. The law said that everyone should be able to enter into contracts equally, no discrimination, so that is the law that we are being accused of breaching right now. Just to introduce ourselves, so what is at stake is our preference policy, but we are concerned that if they are looking at Princess Bernice Pauahi Bishop Estate ("Bishop Estate") and saying that her will and her wishes that preference for the *lāhui*, the people that she was caring for as a Chiefess that her wish to care for them is for interpretation and up for a third party from Virginia to impose upon, then what else is at stake? I wanted to share who we are and what other parts of us as an organization might be chipped away at little by little...if they can chip away at this very fundamental part of her will, what else might they be able to chip away at? The use of maybe some of her resources for, buy, and...you get what I mean. You are probably familiar with us; we have our three (3) campuses and thirty (30) preschools. One hundred fifty-seven (157) of these students are from Kaua'i. We have community programs. Every year about sixty-seven million dollars (\$67,000,000) are used to support scholarships and community grants. We have about a dozen different community organizations providing yearlong services for Kaua'i families and students here on-island. In fact, thank you for introducing us to Trysen Kaneshige because I talked to him afterwards, we would love to work with him on some of the four (4) Charter Schools that we support here on-island. I would love to get some murals there, so that is some of the kinds of things we do in the community. We have 'āina here including nearly eleven thousand (11,000) acres of conservation land on the North Shore, Waipā and Lumaha'i. We have an endowment that Kaua'i has very generously...I am not sure what is going on with the...

Council Chair Rapozo: Hang on real quick. I am sorry to do this, but we are going to take a short recess, because the entire purpose of this is to get this

information out to the community and when our projector cannot work...so, we will take a recess and get Information Technology (IT) over here. I am sorry about that.

Ms. Abad: That is ok.

There being no objections, the Council recessed at 9:06 a.m., due to technical difficulties.

The meeting was called back to order at 10:01 a.m., and proceeded as follows:

(Councilmember Carvalho was noted was excused.)

(Councilmember Bulosan was noted as not present.)

Council Chair Rapozo: Thank you for your patience. With that, if you would not mind coming back up? I am sorry for that disruption.

Ms. Abad: *Mahalo. Aloha hou.*

Councilmember Kuali'i: *Aloha.*

Ms. Abad: I am going to summarize a little bit and stick to this slide. So, what we were talking about when we last left off was some of what we have taken: what is Kamehameha, what are we trying to do, and this maybe sums it all. A little artistic rendering of our theory of change, so every five (5) years we have a new strategic plan (SP), as you see there is a QR code to it, our SP2030 and it speaks to where we have come as an organization and where we are headed. Those who remember an older Kamehameha, like when I attended back in the 1950s, we would have never spoken like this. This is not where we were at. We might have said the very first part and it is kind of hard to read in this artistic rendering, like me share it, "When we operate worldclass schools," now, that is Kamehameha in the 1950s, 1960s, but we have been growing, so our theory of change that we are in the process to fulfill in this new strategic plan adds in this notion of, "Develop 'Ōiwi leaders through *E Ola*." What we are saying is that our *haumāna*—when we think about what Princess Bernice Pauahi Bishop ("Pauahi") really wanted to do, right? She wanted to have...and in her will, she says, "Good and industrious men and women." These are people who are going to do good out there in the world, being effective, do things that are going to help the community, the *lāhui*, Hawai'i, and the world, so we are saying that is what we mean by 'Ōiwi leaders and through *E Ola*, it is a set of learner outcomes that speak to these types of things, that we want to still have the sense of *kuleana*, *mālama* in *haumāna*, our students. This is where Kamehameha has been moving in the last ten (10) to fifteen (15) years that we have been really anchoring to who we are as a Hawaiian organization, so that is the regeneration for *haumāna*, and then we are seeing this and regenerate 'āina. Again, this is a different sense than where we were back in the 1960s and 1970s where we saw our 'āina as a way to make money, so that the schools could operate, but we would be like, "No, in order for us to really be successful, we have to think about 'āina as a form of community rejuvenation." How do we make sure that the 'āina is regenerated? How do we make sure that, yes, in some instances it is generating

income, but in some instances, we are focusing on how it is making food for the community and how it is bringing water, creating these great forests that draw water that create aquifers that give us *wai* to drink, so regenerate the *āina* is right there in our theory of chain. Wrapping up, when we operate world-class schools like we have been doing all along, develop *Ōiwi* leaders, a sense of going...these new types of *haumāna* that really know that they have a *kuleana* and regenerate *āina* we will together with our communities. This is sort of that sunset. Long ago there was not sixty-seven million dollars (\$67,000,000) going into community grants and scholarships, but now there is. We realized that community partners are essential. We will, together with our communities, and this last part is where...I feel like it is the big turn that Kamehameha is making in this SP2030 cycle, "Exercise the *ea* necessary for a thriving and self-determined *lāhui*." *Ea* is one of those words that, you know, we hear a lot in other instances like "*Ua mau ke ea o ka āina I ka pono*," and we have heard it referenced as, "The life of the land is perpetuated in righteousness." It has so much more than just life, right, it is the entire set of ideas from breath to agency to rising up to sovereignty to independence, all of that is *ea*, and so we are saying that as we face this sort of issues that we have an a *lāhui*, as Hawai'i, we as a larger Hawaiian community, that we are all here to work for and with. It is *ea* that ultimately some of the biggest solutions to the biggest problems. This is what we are committed to, and this is something we put forth at the close of June, in order to be ready for our next fiscal year, with is July. We put this out there for a while and sure enough, and, you know, the types of challenges that are always before us in October, we had SFFA putting out a *kāhea*, a call out to people, "Hey, who wants to be a plaintiff? We are looking to sue Kamehameha," and by November they had filed their complaint in Court. We are saying at this stage, some of you may have heard a recent announcement, we are saying it is very important for us to double-down in understanding who we are as an organization. We do not see ourselves as being founded by a benefactoress who is looking for tuition in order to provide services to contract this relationship of tuition for the service of education, no, really, it has always been...and we are looking at it "this" way, but they are looking at this "that" way. It has always been the same thing, that this is a Chiefess who is trying to take care of her people, she was endowed with *āina* like many of her *kūpuna*, and what did they do with their *āina*, they managed it well so that people could thrive and make a good living off of that land, and in this case, she saw this land as providing people with education, feeding people with education to then do good, be good and industrious. That is what we are trying to protect is her will to take care of her *lāhui* in this way and to make sure that if this is the *kāhua*, the foundation that they are being provided, that they understand all of our *haumāna*, and I as a graduate—we understand that. We have a *kuleana*. It is not like she is giving us a gift to then go and take care of myself, no, no...this is a *kuleana* that she is exercising and then a *kuleana* that we have to be good and industrious. That is sort of what we see as what it at stake when someone is telling us that they want to define us in their way and say that we cannot continue to do the work that Pauahi had in mind. We appreciate that you folks are taking the time to consider ways that Kamehameha and Pauahi might be supported at this juncture. I am happy to answer any questions that might come up. *Mahalo nui* for the time.

Council Chair Rapozo: Thank you. Again, I apologize. I know the presentation was a little longer, not much, and you talked a lot about the

accomplishments and the plans for Kamehameha Schools and the impact that you all have with our kids here on Kaua'i. We appreciate that part. For me, it was more important to inform the public of what is really going on. For the life of me, I cannot understand how this attorney out in Virginia feels like it is that important to him and his firm to come and "take on" Kamehameha Schools. Just for my own non-lawyer...I always wanted to be a lawyer, but my test scores were too high...and again correct me if I am wrong from what I heard in Waimea and what we just heard today, this was in the will of Pauahi. This was her will. This is what she wanted for the kids of Hawai'i, and this is a private school, and an institution that accepts no federal funds at all.

Ms. Abad: Zero (0).

Council Chair Rapozo: Which, again, in my non-legal analysis, and I do not want to get too technical and legal, I understand you folks are in litigation, so we need to be very careful, but how does that pass the test if we are private, we are not funded by public funds...more important to me is the fact that this was in Pauahi's will. To me, that is a very sacred document, so how does this thing play out?

Ms. Abad: There is a host of different civil rights laws...

(Councilmember Bulosan was noted as present.)

Ms. Abad: As you talked about it, right, because we are a private entity, certain civil rights laws do not apply, because we do not take any federal or even state funding, other civil rights laws do not apply, it is this one (1) piece...42 U.S.C. § 1981 that speaks of contracts and that is the one that we are being charged...that we are supposedly breaching according to SFFA. Again, we feel that our 2006 Ninth Circuit Court ruling is solid, because it was the same thing...back in 2003, there was a case Doe v. Kamehameha Schools/Bernice Pauahi Bishop Estate, 295 F. Supp. 2d 1141 (D. Haw. 2003), it was the exact same charge of breaching 42 U.S.C. § 1981 and we defended it, ultimately we were successful at the Ninth Circuit Court, the appellate court, where we fought the case and stated all of our reasons...we are not this, we are that, like what we were just saying, right, and we believe that...you know, at the time the argument was that Kamehameha is doing exactly the type of thing that Abraham Lincoln was trying to do. The real reason for the 1866 law was to even the playing field and make sure that those emancipated slaves who were not getting contracts were able to get that remediation and at the time that was the argument that we were putting forth. Eight (8) of the seven (7), en banc, justices of the Ninth Circuit Court agreed with us, so we won by an eight (8) to seven (7) margin. On top of that, so we stand on all of that, but on top of that, we are putting forth...like you saw, our strategic plan and saying, "You really need to think about us, not from your cultural lands and applying your view, 'this' way of how you see us that there is someone who is asking for tuition and contract that is granting services and this sort of transactional nature." We are saying, "Really, it has always been more of a relationship between a Chiefess and her people." That is the heart of it. Even if you look at the tuition that we have been charging, it is minimal, it has always been minimal. For the educational costs that occur, tuition has always been historically only about three percent (3%) of the total, and that three percent (3%) is coming from

the fact that...why is it so small? Well, "tuition," and I put the quotes because it is not how most schools' charge tuition, right? About eighty-five percent (85%) to ninety percent (90%) of all of the cost has always been borne by Pauahi. For...

Council Chair Rapozo:

Council Vice Chair Kuali'i.

Ms. Abad: ...any of us in this room who have gone to Kamehameha in earlier times, that is what was given to us. We were always on massive scholarship from Pauahi. It has always been there. She has always been in this relationship. Even today, seventy-five percent (75%) of all *haumāna* are on partial or full financial aid, so that what is really being paid by families is just a tiny margin of the three percent (3%), so we definitely feel that we are able to manage that cost going forward and certainly it is not going to diminish what we are investing in the community. We are solidly, holding fast to keep the same investments going, scholarships and grants, and making sure that what Pauahi had intended that it be more of a relationship, that we go all the way and we make it clear to everyone—it has always been this and at last week, we said, we are going to move it aside and say, "There should be no mistake by anyone now. It is a Chiefess taking care of her people and it is this *kāhua* of *kuleana*, this foundation of *kuleana* that is being established. I hope that helps to...

Council Chair Rapozo: That helps. The "what the Chiefess wanted for her people," is more of the issue that I have versus what they are claiming is a constitutional violation. It is purely disrespectful. Is it not true that the last lawsuit filed, that the justices ruled in your favor, there was a student that was attempting to gain entry into Kamehameha Schools, correct? So, there was an attorney that said, "Hey, here is a student that,"—they may have gone and sought that person out, but said, "Hey, why do you not try to apply for Kamehameha Schools, get denied, and then we will sue," but the point I am trying to make is that at that point we had a student that was denied entry, and then the lawsuit followed, but in this case, there is no student. Is that correct?

Ms. Abad:

When the first complaint came...

Council Chair Rapozo:

Or did they find one (1) subsequently?

Ms. Abad:

Yes.

Council Chair Rapozo:

They did? Those dirty people.

Ms. Abad:

They filed an amended complaint and...

Council Chair Rapozo:

Yes, you see...

Ms. Abad:

Yes.

Council Chair Rapozo:

That is even more disrespectful.

Ms. Abad: Initially they had not even applied, and the one (1) in this...there is an instance where there is someone who had applied and was put on a waitlist.

Council Chair Rapozo: Are there any questions? Councilmember Cowden.

Councilmember Cowden: I am not sure if it is a question, but more of a...

Council Chair Rapozo: Okay, does anyone else have questions? Councilmember Kaneshiro.

Councilmember Kaneshiro: Is it going to get any traction? When I hear those types of lawsuits, I am just like, "This thing is going to die, they can try to fight it, they can try to make their argument," but I always feel that at the end of the day, they are just "reaching." That is just my opinion from the very start when I see this type of thing. I know it takes time, energy, and money to fight it, which could go to better uses, right? It could be going to more education for students, but at the end of the day, I always feel like it will go away eventually, because I feel like they are just "reaching" with a lawsuit like that. Do you see them getting much traction or is it just a matter of "we need to fight it, spend the time, spend the money," and eventually...

Ms. Abad: We are taking it very seriously for a number of reasons, but one significant reason is that SFFA has been successful. They have sued Harvard University, University of North Carolina at Chapel Hill, and won. They were using the piece of law relating to federal funding, right? Because these universities got federal funding, they are saying, "Okay, now you cannot have affirmative action as part of your application process." Even though what you are trying to do is create a student population that reflects the regular population out there. Of course, this is something that was supported and encouraged ten (10) years ago, but in any case SFFA won, so that type of legal precedence that had been set, that were supportive of that are no longer. That is a change that makes our situation a little different than it was back in 2003 through 2006 when we were fighting the Doe case.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: What court are you facing right now? What level of the courts?

Ms. Abad: The District Court.

Councilmember Cowden: The District Court, okay.

Ms. Abad: The Federal District Court will be the first level.

Councilmember Cowden:
Harvard.

I was looking into this, and it is not just

Ms. Abad:

Yes.

Councilmember Cowden:

The U.S. Air Force Academy.

Ms. Abad:

Yes.

Councilmember Cowden:
“big league,” right?

The levels of who they are going after are the

Ms. Abad:

Yes.

Councilmember Cowden: And so, there are about seven (7) or eight (8) schools that are being challenged and I do not even see Kamehameha Schools on the list, so these are big schools. What about the Native American schools, which I do not think have quite the same foundation that Kamehameha Schools has...I grew up near the reservations, so there were reservation schools and those were intended to separate people from their families, and to separate them from their culture. I have not lived there in a long time. How is that paralleled? Is there any question on a Native American school?

Ms. Abad: SFFA has not gone after those. We believe that it is important for us to be very mindful of our case and its potential impact on others, so that is something that our legal team is taking into consideration.

Councilmember Cowden: When “they swing they want to hit,” because when you look at the foundational institutions that they are going after, they are big, and so I think Kamehameha Schools, maybe they are just trying to grab, “Okay, where can we find an extreme?” If they can take down something as *pono* as Kamehameha Schools, that is a very big statement.

Council Chair Rapozo: Are there any further questions?
Councilmember Kualī'i.

Councilmember Kualī'i: A lot of the attacks on the Native Hawaiian people and the Native Hawaiian programs seem to come under the guise of discrimination of one (1) race of people over another race of people, but is it not true that Native Hawaiians in Hawai'i—it is not about our race, it is about our origin and our being the only 'āina-based people from this place, so the word indigenous, right, I mean, we are the indigenous people of this place. Our *ali'i* who ran the country at the time, continued, even though their rule ended, their connection to the land and to the people continues because of their intelligence, thoughtfulness, compassion, and forward-thinking to continue to invest—what more brilliant way than to ensure the future of a people, of a race, of an indigenous people from a place, then to invest in the education of their young people? The most important thing I thought you said was the thing about creating industrious young men and women and creating them with the responsibility of having to give back. Give back to your family, give back to

your neighbors, give back to your community, give back to your state, give back to the world and the planet. You can spend the rest of your life living Pauahi's legacy in trying to give back. The difference is race-based versus the indigenous original people, right?

Ms. Abad: I think you make a very significant point. When Pauahi wrote her will in 1883, the Hawaiian Kingdom was still well in existence, very strong, in fact. She does specify very clearly in her will that the preference, and she used the word "preference" for aborigines of Native Hawaiian blood, so just like what you are talking about. Because of course at the time in Hawai'i, the Hawaiian Kingdom had many citizens of all sorts of backgrounds, but the lands were designated in such a way that *hoa'āina*, the Native Hawaiian tenants' aborigines had certain rights to lands. She was honoring that understanding that as a Chiefess, it is first and foremost she needs to use her lands to support these people in the kingdom context had a special *kuleana* to the land, a reciprocal relationship with the land. I think that is a really important point that...and some people would make the issue that we need to consider the fact that those rights may still, in many respects as an apology resolution that President Clinton signed and the Congress at that time signed, recognizing those rights were never relinquished and as President Cleveland in 1893 had called it—it was an act of war. Like how some are saying, "What is going on in other parts of the world," it was considered an act of war that President Cleveland defined the United States ruled and how they intervened here.

Councilmember Kuali'i: Thank you.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: There are, there is a brand new one, by the way, so I am happy, five (5) charter schools, that I can think of on this island that are either Hawaiian immersion schools or dominantly perpetuation of Hawaiian culture, and those are open to anyone, which is appropriate because there are many families that maybe do not have Hawaiian *koko*, ancestrally Hawaiian, but they deeply care about and their lives surrounding *hula* or any type of cultural practices. Kamehameha Schools typically support those schools, right?

Ms. Abad: Yes. That is something that we want to emphasize that we would encourage more people to seek such education that are *āina*-based, culture-based, and we are strong supporters, so Kanuikapono Public Charter School ("Kanuikapono"), Kawaikini New Century Public Charter School ("Kawaikini"), Ke Kula Ni'ihiwai O Kekaha (KKNOK), Kula Aupuni Ni'ihiwai A Kahelelani Aloha (KANAKA)—all of those *kula* are supported...

Councilmember Cowden: And now Namahana School in Kīlauea?

Ms. Abad: The ones I just mentioned are the ones we historically had strong relationship with and we of course are open to continuing to develop further relationships, but for over twenty (20) years we have been supporting these schools to some degree and happy to continue doing so.

Councilmember Cowden: And even supporting kids going to Island School, you support that as well, right? Hawaiian kids who attend Island School, they get academic support.

Ms. Abad: We are finishing up some of those Kamehameha Schools Kipona Scholarships ("Kipona") for those who already had Kipona Scholarships, which were scholarships provided to students going to other private schools. We are committed to continuing the general pot of scholarships, we are redesigning that, but redesigning it with the hope to have them more tailored to the specific needs of the different regions and what would Kaua'i most find useful, so some of the other conversations, we would love to have with you folks and others about how do we design them to meet the charge that we have, like we were just talking about, and then the needs of the community.

Councilmember Cowden: The reason why I am asking that is that I am just trying to make it clear and have it confirmed that Kamehameha Schools is happy to help the education...really, anyone who, regardless of race, that wants to be immersed and nourished by 'āina-based, culturally-based education, so it is not that Kamehameha Schools does not embrace people of all ethnic backgrounds and it has a way of helping to nourish them with the new culture, and also people maybe with the right ethnic background or physical background, they can still do other things in the way that they want to? It is only in your core campuses that you are trying to stay tight to nourish your own *keiki* that have the ethnic background, and they can be mixed...

Ms. Abad: Thank you for pointing that out, because really since the 1970s, our extension education programs have been supporting efforts within the public school system and other areas of the community that are completely open to any ethnicity, yes, thank you.

Council Chair Rapozo: Councilmember Kuali'i.

Councilmember Kuali'i: Following up with that, on your slide for Kaiāulu, it states: one hundred fifty (150) partners, two thousand twenty-five (2,025) donors, four thousand one hundred fourteen (4,114) scholarships, and then eighty-two thousand nine hundred three (82,903) learners.

Ms. Abad: Yes.

Councilmember Kuali'i: Is that where this extension education comes under?

Ms. Abad: Yes, so...

Councilmember Kuali'i: What are some other examples of what that is?

Ms. Abad: For instance, on-island here we have the Partners in Development Foundation programs, INPEACE, they have some

programs on Kaua'i, the four (4) charter schools that I had mentioned, so KANAKA, KKNOK, Kawaikini, Kanuikapono, we have some 'āina-based programs as well that we had...let me pulled this up...just a second...Boys & Girls Club of Hawai'i, some of their afterschool programs, Keiki O Ka 'Āina, so those are some of the infant/toddler centers where parents and children have time together, Kumano I Ke Ala (KIKA), Ka Pono Kaiāulu (inaudible), Malama Huleia, and of course the 'āina ulu site, sites Waipā Foundation, Stacy Sproat folks...

Councilmember Kuali'i: Clearly, it is a wide array of investment in community across the state, probably, Kaua'i is just one (1) example, right?

Ms. Abad: Yes, *mahalo*.

Councilmember Kuali'i: Thank you.

Council Chair Rapozo: Are there any further questions? If not, thank you very much.

Ms. Abad: *Mahalo nui*.

Councilmember Kuali'i: *Mahalo*.

Council Chair Rapozo: Is there anyone in the audience wishing to testify? Again, we will be doing the Resolution immediately following this communication, but I will entertain all the discussion on this item. I know we have a couple of young students here; I am not sure if they wanted to testify or not. I was able to meet them yesterday and are so excited to get engaged with local government and they look extremely nervous right now, so that is fine, you do not have to come up.

Ms. Makāula: *Aloha mai*. Aloha, again, Council Chair and County Council. I really appreciate that you paused and looked over to the *keiki* folks and just giving them the opportunity to...thank you for being here. Mahalo. My name is Roz Makāula. I am the Director of Government Relations at Kamehameha Schools. It really is a privilege and an honor to be here before all of you. *Aloha e nā Luna Ho'omalu* Mel Rapozo, *nā Hope Luna Ho'omalu* KipuKai Kuali'i, *a me nā lālā o ka 'Aha Kūkā, aloha mai*. Kamehameha Schools offers our strong support for Resolution No. 2026-01, Supporting and Reaffirming the Kamehameha Schools' admissions policy, mission and its contributions to the Native Hawaiian Community.

We *mahalo* Chair Rapozo and Vice Chair Kuali'i for introducing this Resolution and appreciate the support of the Kaua'i County Council to uphold and affirm the Will of Ke Ali'i Bernice Pauahi Pākī Bishop, which is a powerful expression of her chiefly authority to ensure that through education, generations of Native Hawaiian children will grow, lead, and help restore and sustain their 'ohana, kaiāulu, lāhui, and 'āina.

Kamehameha Schools continues Ke Ali'i Bernice Pauahi's *kauoha*. We do this on our three (3) campuses and thirty (30) preschools focusing on Hawaiian

culture-based education. We also extend Ke Ali‘i Pauahi’s reach by investing in community educational programs and events, ‘āina stewardship, watershed protection, food systems, and renewable energy—strengthening not only Native Hawaiians, but all the people of Hawai‘i. *Mahalo* for your support and for all the work that you do. I am also here for questions.

Council Chair Rapozo: Are there any questions for Roz? I want to say thank you. Again, more for your patience and understanding on our technical problems. Thank you, Roz. I will give the public one (1) more opportunity to testify. Is there any further discussion? Councilmember Cowden.

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

Councilmember Cowden: I would like to say thank you to Kamehameha Schools for the endurance that you had since all this time, the commitment Chiefess Pauahi’s intention, for helping their kids, and I want to say that I see Kamehameha Schools as an important, if not, the foundation of perpetuation of Hawaiian culture in our islands. I wanted to call attention to the charter schools and everything else, it is sprinkled out all over the place, but when I think about if somehow Kamehameha Schools was homogenized into a way that they could not really fit their mission in the depth of which they need to, and I think it is good for kids to be in a group where there is a concentration where they can feel like the norm instead of a minority in their own lands. Over the years that I have been here, I will attend a funeral and I will look, if it is a Hawaiian funeral, there are a lot of people, but if it is not, there might be one (1) or two (2), or when I am at a big event, I only see small handful of people who really have the culture so deeply embedded even in their genes. I think it is great for the kids to go and really be nourished in a concentration of self, empowerment, and to know that they have a real place in the islands. It is sort of an attack on all of us, if we were to lose that anchor that supports any child and anyone who is wanting to paddle or to be strong with their fishing; all these different skillsets, and they are ‘āina-based education and the foods, etcetera. It starts to rip out the heart of our culture if we shut down this mechanism that keeps generating strong and industrious leaders with the *kuleana* to support the culture. I was at an event last night and what was common and it was really strongly is how impacted they were when the have gone across the nation in different places to be in a place where the culture is still alive. I think for all of us whether we share in that history, we still can feel *hānai* into it. Removing this vessel that is a generator of keeping it alive and moving with real fierce and ineffective ability is really hard on even our economy. I hate to be that crass, but it matters to all of us. It is not really about the civil rights issue in a school’s admission policy. It is about supporting and preserving what makes us Hawai‘i. I want to thank you, and I will be supporting the Resolution with all my might. We wish you well.

Council Chair Rapozo:

Councilmember Kaneshiro.

Councilmember Kaneshiro: I want to say that to think about it how amazing the foresight of her will, written over one hundred forty (140) years ago and for it to still be relevant today. I do not think I could ever write something today that

would probably still be relevant in like twenty (20) years, probably. Just having the understanding of the importance of education, protecting and providing opportunity for generations of Native Hawaiians and the impact that it has made on all the lives and the lives that it has touched through all these years is humungous. For me, I will call it a frivolous lawsuit. It is just someone reaching to try and get money. I do not see them suing small schools, which probably would have a way easier chance of winning and making their point. They are suing huge schools that have billions of dollars. Kamehameha Schools have provided so much opportunity in Hawai'i and unfortunately it takes time, money, resources to fight it, but I believe Kamehameha Schools will prevail and come out on top. I will be in full support of our Resolution.

Council Chair Rapozo:

Councilmember Holland.

Councilmember Holland: I find this legal attack on Kamehameha Schools to be pretty atrocious. To me, it is disrespectful, like Chair Rapozo said. You shared so much great information today about the many things you give back and for me when you said about leveling the playing field, the whole point of all of this is to do that. I did some very easy searches on the internet, you can see how much inequality there has been over generations and Native Hawaiians face significant disadvantages through statistics that show higher poverty, unemployment, homelessness; they are overrepresented in our homelessness population here on Kaua'i and across Hawai'i, lower educational opportunities and attainment, and even worst health outcomes. Some of these statistics, which I am not going to read, are pretty astounding and then when you look at when Europeans first arrived, diseases that were brought: syphilis, influenza, smallpox, things that never had generational immunity, eighty-four percent (84%) of Hawaiians may have died over those decades, with an estimate of hundreds of thousands reducing our population from potentially eight hundred (800) to over fifty thousand (50,000) by the late-1800s, a loss comparable to genocide. A very easy statistical quote that you can obtain. Hawaiians lacked any immunity to disease in such a short period of time, we loss so many people and eighty-four percent (84%) of Native Hawaiians and those that remained and those generational descendants of those that remained are already not giving an even playing field. The attack on this opportunity to try to provide that is so offensive and so disrespectful and really, quite obviously I support the Resolution, but I just wanted to share some of that, when you think about the privilege that many come to Hawai'i with and the generational "white privilege" that many people obtained, to then use that. This is a direct attack in evening the playing field. This is a direct attack on those equalities that so many people fought for. Councilmember Kaneshiro and I when we were in Philadelphia spent hours going through this museum about the history of the constitutional amendments that lead to the emancipation of the slaves and equality, and then fifty (50) years later the right for women to vote. It is incredible how hard and how often throughout history I noticed in those timelines how many times we took steps backwards. We passed these things and then we legalize all these exemptions for slavery, and that is the political change that I have realized over the last two (2) decades and being involved in politics, and how hard it is to get that changed and how you much *imua* and you much continue to push that line. For me, obviously, it is a huge support for the Resolution and I am thankful that it was introduced and that we can help in some way to at least show our disappointment and disgust in this attack on Kamehameha Schools and this opportunity for Pauahi's

Trust to be respected and honored. I have nieces and nephews that I helped to apply for the process and getting accepted into Kamehameha Schools, and just seeing the opportunity that it gave them has been incredible. Thank you, folks, for being here, thank you for this opportunity to share this information with the public, and I really hope that you are victorious in this battle.

Council Chair Rapozo:

Councilmember Bulosan.

Councilmember Bulosan: Thank you so much, Council Chair and Council Vice Chair for introducing this Resolution. I am going to be in full support. Mahalo to everyone who showed up and testified, and is present to continue to do all the work that is being done; past, present, and future. E Ola! Pauahi, E Ola! Hawai'i! E Ola, Kamehameha Schools! Ditto everything that was shared. Funny enough, I have a twenty-one (21) month old name Kīla'a and I joke with my wife every day, "I cannot wait to admit him to Kamehameha Schools,"—do they take them as early as twenty-one (21) months, and she is like, "No, we are not sending him to O'ahu." I joke because when I think of what this Resolution means and what Kamehameha Schools mean to our community and to our family, especially to me, it is more than just education, more than experiences or responsibilities to land and people, there is this book that I just read to my son, it recognizes all of the indigenous people who have impacted the world, and there are several. It was actually written a while ago and one was actually acknowledging Pauahi. The thought of legacy in trying to understand how important certain things are for us as a human race is so unmeasurable. It is very important for people who have vision like Pauahi and other organizations and the community to continue to work together to build a better future and work in this life to keep caring for all the things that we care for. It is support important for us as a body, County Council, to do this work and this work as in this Resolution to help make sure that we are on the right path and continue to stay on the right path. When I think about this situation that we are in and I feel it as I am part of it, not separate from what the experience is from any organization that is going through it, I think it is important that wherever we can to step into these uncomfortable spaces whether it is an attack on our partner-organizations or on a direct attack on us. It allows us to think about what matters and work on the things that will make a better place for all of us. I am super excited to pass this because I hope it continues as part of a movement that has already been started and restarted and continue to grow to empower people to feel inspired, to feel strong and willing to do the work to make sure that we have a better place for our community. Thank you to everyone that is here and doing all the work, and again, I will be in full support.

Council Chair Rapozo:

Councilmember Kuali'i.

Councilmember Kuali'i: I wanted to say *mahalo nui loa* to Council Chair Rapozo because you brought this forward and then honored me by asking me to join you. I was not able to see the presentations that were here on-island because I was away travelling, but I am very happy that you saw the presentation and that it inspired you to do this. This is really important. Of course, it is important to me. Thank you. I agree with all of the statements that were made and I wanted to say for sure when Kamehameha is under attack, we are all under attack. That is our people, that is our community, and our entire State. Over one hundred (100) years of

investment in our people, right? As a class of 1980 graduate, I was there for junior high and high school from 1974 to 1986, and Kamehameha also played a role in encouraging me to college and even supporting me while I went to college with financial aid as well. I am a living legacy, a part of Kamehameha and *Ke Ali'i Pauahi*'s legacy. Her investment in me has meant everything in my life to my family and to everything I have been able to achieve, because of that investment. I cannot thank her enough, and thank everyone at Kamehameha enough, so please stand behind Kamehameha forever. Thank you. *Mahalo*. I do not know what is happening.

Council Chair Rapozo: You are making us all cry, is what is happening. I obviously never attended Kamehameha Schools, but I did go to a wedding there at the chapel and it is the prettiest chapel on the planet. I have never seen so much koa...my cousin graduated from Kamehameha, and he got married in the chapel, and I was like, "Wow." I would encourage everyone to go to ksbe.edu and you can get all the information there. It is a compelling presentation. It made me realize how ignorant I am to the history of this place that I call home. In high school, we learn, again, Kaua'i High School not Kamehameha, we learned and it was a chore to just remember Hawaiian names. I cannot remember, it is hard. It was very hard for me. Listening to the presentation and following the timeline that was clearly put out of all the events that occurred and just the struggles that had to happen for us to be where we are at, so we can end up with the product of that with someone here like Councilmember Kuali'i and so many others, it just makes me try to realize what would drive anyone to try to disrupt that. I am trying to be politically correct here, but it is very difficult because I think as what was mentioned, so many opportunities to sue whoever you want, it is not hard anymore especially with Artificial Intelligence (AI) and ChatGPT, you can find a defendant someplace and it is just disturbing that they would choose this little state, and I understand they are looking at the past lawsuits and low-hanging fruit and I know Councilmember Kaneshiro that eventually that will go away, but I know of the little research that I have done on the law firm that they are not going to go away, they are going to fight and appeal and they are going to appeal until it gets to the United States (U.S.) Supreme Court or longer, but why? Why put the Kamehameha Schools' foundation, the Pauahi Foundation through that? All that expense, for what? Is it to prove a point? That is where I struggle and that is where I struggle to remain civil, because I cannot imagine anyone who would choose to do that. Are they that immune to humanity and to our culture? From what I understand one (1) of those attorneys is from Hawai'i, on the Plaintiff's team. How do they sleep at night? Shame on them. They should pick on someone else. It is frustrating for me, and I am not even Hawaiian, but I am sixth generation here. I do not even know my Portuguese culture except for the soup and the bread. I still have so much to learn about the Hawaiian...this has helped me so much. For me, I am trying to grapple with the "why" of these people, like, are they thinking, "Let us go and pick on them, make a name for ourselves, get some publicity?" At what expense? Come on, folks. It is frustrating for me and again for our public and especially to our young ones right here who I got to meet yesterday to talk a little bit about how the legislative process works, I am so happy you folks showed up today...I told them this meeting was the meeting to come. I did not know that the entire system was going to shut down, but that is okay, you folks stayed and you folks are here. What we are talking about today is a resolution versus a bill. We talked about bills yesterday and about how bills become law, but we never really

talked about resolutions. A resolution does not have any effect of law whatsoever. It is a policy statement of this body right here. It is a statement of this Kaua'i County Council, that we want to put out together and say, "This is how we feel about a specific issue." Today's issue is about supporting Kamehameha Schools' admissions policy, so that we do not have to waste funds on defending a lawsuit for something that has been in play for so long, for all the right reasons. Again, as I stated, yes, I am a law-abiding citizen, I swore an oath to uphold the law, but I also think that the most disrespect comes because of the attack of the Will of Pauahi. That to me, is like spitting on her grave and saying, "I know this is what you wanted on your last days, you wanted to take care your own people, but tough." Anyway, I am not going to read the entire Resolution, but for the sake of our young ones today, I do want to share some parts of it, just so you can understand why we are doing what we are...oh, you folks have it? Are you telling me to shut-up and move on?

Councilmember Kuali'i:

There are only two (2) resolvs...

Council Chair Rapozo: Let me just read a couple, and I will read it in Hawaiian. "WHEREAS, Princess Bernice Pauahi Bishop ("Princess Pauahi") witnessed the rapid decline of the Native Hawaiian population during the 19th century due to disease, cultural disruption, and displacement from ancestral lands, and through her 1883 will established the Princess Bernice Pauahi Bishop Estate ("Bishop Estate"), a charitable trust dedicated to founding schools for Native Hawaiian children," to me, that is power. That, to me, is the most important thing. "WHEREAS, new legal challenges, including one brought by Students for Fair Admissions, threaten the 140-year-old admissions policy specifically crafted to fulfill Pauahi's charitable intent and support the educational needs of Native Hawaiians,"—powerful. "WHEREAS, the Council of the County of Kaua'i ("Council") recognizes the profound cultural, educational, and historical importance of the Kamehameha Schools and believes that Princess Pauahi's legacy should be preserved and protected for present and future generations of Native Hawaiians." More than one of my colleagues mentioned about how preserving that rights and benefits for Native Hawaiians is actually beneficial to all of us. This is the most important part of a resolution is where we say, "Be It Resolved." This is where we are telling people, giving the people our statement, our policy statement. "BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAI'I, that the Council strongly supports and reaffirms the Kamehameha Schools' admissions policy, mission, and its contributions to the Native Hawaiian community, and the preservation of Princess Bernice Pauahi Bishop's legacy for future generations. BE IT FURTHER RESOLVED, that the Council urges all levels of government to respect Princess Pauahi's charitable intent and the legal and cultural foundations of the Kamehameha Schools' admissions policy." Now, this Resolution when it passes will be sent to everyone across the country. With that, if there is no further discussion, this is the communication, the motion is to receive.

The motion to receive C 2026-04 for the record was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: The motion carried. With no objection, can we take the Resolution up next? After we do the Resolution, we will take a caption break and then I am going to take the Kaua'i Coffee issue out of order, because I know you folks took up a lot of your worktime today, and we want to get you back to work.

There being no objections, Resolution No. 2026-01 was taken out of order.

RESOLUTION:

Resolution No. 2026-01 – RESOLUTION SUPPORTING AND REAFFIRMING THE KAMEHAMEHA SCHOOLS’ ADMISSIONS POLICY, MISSION, AND ITS CONTRIBUTIONS TO THE NATIVE HAWAIIAN COMMUNITY

Councilmember Kuali'i moved for adoption of Resolution No. 2026-01, seconded by Councilmember Cowden.

Council Chair Rapozo: Is there anyone wishing to testify on the Resolution? Is there any further discussion?

There being no public testimony, the meeting proceeded as follows:

The motion for adoption of Resolution No. 2026-01 was then put, and carried by the following vote:

FOR ADOPTION:	Bulosan, Cowden, Holland, Kaneshiro, Kuali'i, Rapozo	TOTAL – 6,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Carvalho	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Motion passes.

Council Chair Rapozo: With that, we will take a ten-minute caption break.

There being no objections, the Council recessed at 11:00 a.m., to take a caption break.

The meeting was called back to order at 11:14 a.m., and proceeded as follows:

Council Chair Rapozo: Members, with no objections, we will take the Kaua'i Coffee item up so we can get these people back to work.

There being no objections, C 2026-08 was taken out of order.

C 2026-08 Communication (12/24/2025) from Council Chair Rapozo, requesting the presence of Wayne Katayama, Senior Advisor, Kaua'i Coffee, to

provide a briefing regarding the current operations of Kaua'i Coffee as well as any future plans.

Councilmember Kuali'i moved to receive C 2026-08 for the record, seconded by Councilmember Cowden.

Council Chair Rapozo: With that, I will call Mr. Katayama up. Just real briefly, the reason this is on the agenda is that probably a couple weeks ago, social media went crazy about Kaua'i Coffee and this body has some discussions during the Planning Bill regarding the Plantation Camp housing and the Numila project, we talked about the importance of Kaua'i Coffee and how this housing bill that is currently at the Planning Commission now, was going to benefit the employees of Kaua'i Coffee. It was quite shocking to start reading about comments that were being posted about the potential closure of Kaua'i Coffee. I did have some discussions with both the representative of the landowner, as well as Kaua'i Coffee over the last couple of months. While I was aware the negotiations were happening, it was evident by the testimonies that were being posted that it was starting to look like Kaua'i Coffee may go away, and that is quite disturbing and disappointing. I contacted Mr. Katayama to see if he would be okay with giving us an update, more for the benefit of the community and of course their employees. Many of them are here today, and I thank you again for your patience because of the little technical problem. We are way behind schedule. With that, Mr. Katayama, if you could come up. Can you provide us with an update on what is going on? For most of us, Kaua'i Coffee has been part of our island culture for a long time. It is hard to imagine that they would go away.

There being no objections, the rules were suspended.

WAYNE KATAYAMA, Senior Advisor, Kaua'i Coffee: Good morning, Chair Rapozo, Members of the Council. Thank you for having me here today. I am Wayne Katayama, Senior Advisor at Kaua'i Coffee. I cannot overestimate the seriousness of why I am here before you today. Let me put this in perspective, Kaua'i Coffee is a fully integrated premium specialty coffee company. What that means is that we grow the coffee and put it all the way to the bag, all here on the island of Kaua'i. To do that, we have about four million (4,000,000) coffee trees, and we farm about three thousand (3,000) acres. We harvest anywhere from ten million (10,000,000) to twelve million (12,000,000) pounds of cherry coffee, which needs to be processed into about one million (1,000,000) to two million (2,000,000) pounds of green coffee. That is all done at 'Ele'ele. That green coffee is then roasted and put into bags that you will enjoy as Kaua'i Coffee in the mornings. To do that, one of the unique things that we have is that we have three (3) Q Graders on staff, and in the coffee roasting business, that is equivalent to three (3) PhDs (Doctor of Philosophy). Today, we have one hundred forty-one (141) employees that covers all of those responsibilities. You do not, at least I have not reflected on it, because you see people day after day every day, year in year out. But thirty percent (30%) of our workforce has over ten (10) years with us. We have people with twenty (20) years and what is even a "head scratcher" is that three (3) people have fifty (50) years with us, so they must have started when they were about three years old, because they look like they are in the fifties. All of our employees are in the communities, you are

probably related to some of them, you are probably are friends with them, you know their families, and certainly you have come in contact with them throughout your community outreach. I think that is sort of what is the seriousness of where we stand today. Let me take a step back and put this into historical proposal of how we got here. In 2021, Massimo Zanetti Beverage (MZB) Company, which is one of the largest coffee companies in the world, purchased the coffee operation from Alexander & Baldwin Inc. (A&B). A&B had been farming that land for one hundred fifty (150) years from sugar and in the late 1980s started to plant coffee. We had a landowner that was very attuned to how you view the use of agriculture land, the horizon was very long and once you had a monocrop, you were in there for fifty (50) or one hundred (100) years. In 2023, A&B sold its land assets both here on Kaua'i, as well as on Maui, because they had changed their focus. They also had divested a lot of their other companies like Matson, but the land here on Kaua'i was sold to Brue Baukol Capital Partners (BBCP) and they assumed the existing lease of 2023 to the expiration of the lease in 2026, was really two and one-half (2.5) years. BBCP recently has publicly communicated they are not willing to renew the lease and that is the reason why I am here this morning before you, because all one hundred forty-one (141) of our employees will be receiving notices that their jobs will be terminated in the next few weeks. Now, the precise date that they will be terminated will depend how we devest ourselves of the operation, but nonetheless, they will be given a notice, shortly. This does not mean that we at Kaua'i Coffee have given up, and resolved ourselves to the fact that we will be terminating the operations at the end of March, it is not. It is just the opposite, we will continue to seek some counter resolution and hopefully that we will be able to negotiate something successfully by the end of March. That however has put a strain on that 2026 crop. For farming operations and processing operations and the employees behind us represent all facets of our business. We have the agriculture component, we have the processing people, as well as the roasting salespeople all here today, as well as the administrative staff. That is the region of depth of the type of employees that will be affected if we cannot resolve this successfully. Hopefully, we can do something, but again, this is to inform you that there is a cliff, and it will happen on March 28, 2026. Thank you for your time and for you to give me the opportunity to share with you our perspective and what is happening and the impact to not only the operations, but also the community. In our written testimony, we have identified some of the financial impact, as well as the social economic impact. We have tried to be good neighbors. We had Bill No. 2491 and realized that it is very important for the community to rest assured that we are responsible citizens, so post that, we are now Rainforest and Free Trade Certified, which has independent auditors that times being more restrictive than the United States Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration (OSHA). I think we are one of the few farms in the state that have both. Unfortunately, I am unable to discuss specific terms and conditions of the lease, nor I am unavailable to speculate on any post-March 28th activities. But, again, I thank you and I am available for any questions.

Council Chair Rapozo:

Councilmember Cowden.

Councilmember Cowden: Thank you for coming. I appreciate the presence of your team here, too, because it is important to speak to all of you. I have a couple questions, you can tell me if you can answer them or not. What I read in the

press is that they are intending to continue the coffee, just not...without your administration, did I read that correctly?

Mr. Katayama: That has been shared both publicly and to us directly, that they would want to continue a copy operations post our exit. May I share something with you, not to get too academic, but becoming a fully innovated specialty coffee really required three (3) key elements. It took over twenty (20) years to sort of get it to work. 1) The vision of agriculture land. It is not something you can turn over quickly or change in very short periods of time. 2) The availability of resources, both physical resources, the utilities required to run the farm and the processing in terms of water, electricity—it is huge. 3) Financial resources. The funding of the equipment, the crop. Field activities that need to really start in December, you will not get a crop until September, October, November, December—will be milled in January/February, and probably you can sell it in March through the next December. You are talking...your financial security of at least eighteen (18) months in turning, initially. Lastly, you need the intellectual capital. A&B, very comfortable with very long agricultural visions. MZB, one of the largest coffee companies in the world, very comfortable investing in brand development. In terms of roasting coffee technology, in terms of brand development, investing in the marketplace, paying for slotting allowances, very comfortable doing that. It takes those three (3) elements to come together to help launch the brand development and get Kaua'i Coffee where it is today. The last and the most important is community support, what we have from you, from our neighbors from 'Ele'ele and Kalāheo, that is a critical element of why we are here today, is that our neighbors allow us to be here. We are very thankful for that and we do not take that responsibility likely.

Councilmember Cowden: Sorry to ask about the future, but have they shown any intention by coming and looking at the equipment, that land, because I am looking at all of these people that I want to keep their jobs...we are super proud of Kaua'i Coffee and you are a star of Hawai'i/Kaua'i on the Hill in Washington D.C. Has there been an outreach to the team? Is there any sort of look of intention for forward that we are going to keep our crop?

Mr. Katayama: There have been visits by their teams. In terms of the process, it seems like it is very superficial given the length of time there is available. Normally, these things start a lot earlier because there are a lot of details to comprehend, and then there are all the documents that go along with this. Here we are less than one hundred (100) days and none of the details have been addressed. It is sort of very superficial high-level, and again, maintaining the specialty premium coffee business is a challenge.

Councilmember Cowden: I have one (1) more question. I do not mean to dominate. I am concerned about the surface water. It sounds like one hundred fifty (150) years since A&B took it away, surface water on management on Kaua'i, and we were talking earlier about the Kingdom times, they were very good with surface water, the plantations were very good with surface water, and typically that is not the strength of equity partnership or inequity capital investor. The surface water management, how is that handled now and how is that going to be handed off, because surface water is critical in terms of how we move forward with our island?

Mr. Katayama: We have been very fortunate to inherit a small portion of the old sugar water system. Sugar water system is huge. For our three thousand (3,000) acres of coffee, we have two (2) primary water sources: one from Alexander Reservoir and the other is from Hanapēpē River. Our storage capacity is in six (6) reservoirs, four (4) of which are regulated, and all of those require a certain amount of skill and attention to manage. Typically, it flows from Alexander, it would probably be between six million (6,000,000) to eight million (8,000,000) gallons per day when there was water in the reservoir. All of that has to be managed. Our earlier speaker from Kamehameha Schools, it is key that there has been an effort to restore *mauka* to *makai* flows but keeping the water up on the land and dispersing it on the land is far more efficient and recharging aquifers. If we would like to maintain our aquifer system, I think spraying water over three thousand (3,000) acres is much more preferable than having it run into the water, the ocean.

Councilmember Cowden: So, you folks have been managing your water system, and I know that your background is in sugar, so you really understand this deeply. With your potential leaving the land in less than one hundred (100) days, is there any dialogue for passing that knowledge along for the water system? Is that being handled?

Mr. Katayama: Generally, that would take place as part of the transition process. There are certain things that normally take place, there is an asset purchase agreement, there is a service agreement, there is an employee assumption agreement that if you are hiring Kaua'i Coffee employees, what terms and conditions. Today, we are fortunate to have the International Longshore and Warehouse Union (ILWU), which the majority of our workforce are members of, there needs to be an agreement that what is the assumption on the unionized labor force. All of those conversations have not taken place in any great detail.

Councilmember Cowden: Okay.

Council Chair Rapozo: Thank you. Are there any further questions? Kaua'i Coffee is the largest coffee grower in the United States, correct?

Mr. Katayama: That is true, yes.

Council Chair Rapozo: Which is significant. There are a lot of coffee companies in the country. Back in 2011, I remember when MZB—there were a lot of skeptics, including myself, like, "Here we go, here comes a mainland company coming to take over Kaua'i Coffee, the nice, local coffee company." I remember reading all the promises of how this would benefit the community and again, I was very skeptical. Well fast-forward to 2026, and we find out that was an amazing purchase. In fact, they developed the brand now where Kaua'i Coffee is all across the world, which would never have been possible if that sale never occurred. My question is, with MZB...

Mr. Katayama: An Italian name.

Council Chair Rapozo: I thought it was Portuguese. That came this global distribution system though that allowed for Kaua'i Coffee to be sold across the globe. Correct me if I am wrong, but is it our coffee sales abroad more than what it is in our...I could be wrong.

Mr. Katayama: I need to get back on that.

Council Chair Rapozo: I might have read that somewhere, but the point is, let us say that I was interested in purchasing the farm. Let us say that Mel Rapozo all of a sudden wants to be a coffee person and I find some investors and we buy the land, work out the agreements, what will be missing is this global distribution network that is required to sustain the business. If not for MZB purchase of that business, Kaua'i Coffee, back in 2011, do you believe we would be where we are at today as far as Kaua'i Coffee?

Mr. Katayama: I was there prior to that purchase and I was part of that purchase and again, of the three (3) critical elements, A&B had half of it, MZB had the other half, and together they had the wherewithal to move forward to develop a fully integrated coffee company. Generally speaking, you could have people who are good farmers, you could have people who are good processors, and you could have people who are good marketers, but rarely do you have it on Kaua'i, in one (1) place that you have it all. Look at the number of different skills that are required to maintain that. That was the accomplishment of all of these partnerships. Literally, there were partnerships.

Councilmember Cowden: I have two (2) more questions.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: Is there a pathway for Kaua'i Coffee to survive off of that property? Is there going to be any type of way where you can feather on to new land? I know that it takes a while to grow those plants, probably two (2), three (3), or four (4) years to maturity enough to really...

Mr. Katayama: Assuming that you had a good varietal selected to propagate to plant it and have them mature at least five (5) years.

Councilmember Cowden: But we have a good crop, so we can just move that crop, right, but it would take five (5) years, in terms of the variety?

Mr. Katayama: Because of the issues with Coffee Leaf Rust (CLR) and the Coffee Berry Borer (CBB), you would probably want to start in a fresh area with a fresh coffee planting. You do not want to carryover...

Councilmember Cowden: I mean, we would have the seeds, though? We know what variety we want.

Mr. Katayama: We will probably want to diversify even more. Currently we have five (5) different coffee varieties that services twenty

(20) different profiles that we currently offer. We probably want to expand that by different varietals.

Councilmember Cowden: But your market could not manage that transition if it is abrupt, like at the end of March?

Mr. Katayama: That is correct.

(Councilmember Holland was noted as not present.)

Councilmember Cowden: The other question is hard to answer, but you are here right now, how can we help?

Mr. Katayama: Hopefully, that by having this conversation, that we can create a pathway that is a little longer than March, to help us better transition.

Councilmember Cowden: Do you have land that you can move to?

Mr. Katayama: If we had the runway to do that, we will aggressively start seeking some alternative.

Councilmember Cowden: It seems like there is plenty of available farmland on the Westside...

Mr. Katayama: It is consistent with the community plans there anyway.

Councilmember Cowden: I do not know if we can make a resolution or anything like that. This is business. I am sure a lot of those phone calls have been made, but how can we get them to give you a few more years? Is there a certain amount of acreage...we can talk about that later, but I would like to know if you let go of x amount of acres...because if they are going to be doing coffee, you think we would be actually seeing a step that way towards them looking at the machinery, of communicating with your team, because there are jobs out there, I am sure people will get other jobs. Once they are gone, it is hard to bring all these highly skilled people back. I want to help you survive.

Mr. Katayama: Can we get back to you on that?

Councilmember Cowden: Okay.

Mr. Katayama: I will think about that.

Council Chair Rapozo: Just to clarify, four million (4,000,000) trees—that is a lot of trees. If you were to, and again I heard you say you would be better to start fresh and plant new trees, I do not know if you could plant four million (4,000,000) trees, but whatever the case may be. Would you require one hundred forty-one (141) employees during that period? Until your crops are ready,

your crop of coffee is ready to pick, roast...my concern is that if there is a break in this lease and you go and plant, acquire and prep the land, there is going to be a period of time some of these employees will be unemployed.

Mr. Katayama: We have coffee inventory. The coffee that we harvested in 2025 is not yet completely milled. Therefore, we have inventory that will carry us eighteen (18) to twenty-four (24) months.

Council Chair Rapozo: Right, but you will not have...where is all your equipment going to be? Obviously, you are going to lose this land...

Mr. Katayama: But if we are restoring orchards, it will still need the spray trackers, everything but the harvesters.

Council Chair Rapozo: But this would be you dependent on you finding land, getting your equipment and building set up to do all of these activities, right?

Mr. Katayama: Yes.

(Councilmember Holland was noted as present.)

Councilmember Kaneshiro: That was going to be my follow-up question, having land is just one (1) small piece of the puzzle. You can plant as many trees as you want and harvest it, but you need an entire facility to process and distribute, and that takes way longer than a year or two (2) to even try to do it from scratch.

Mr. Katayama: If you are looking on the Westside, you have Gay & Robinson, Agribusiness Development Corporation (ADC), Department of Hawaiian Home Lands (DHHL), there are agricultural suited lands with sufficient water supply that look pretty good, actually.

Council Chair Rapozo: But your facilities now...

Mr. Katayama: It is timing...

Council Chair Rapozo: ...that you require for all of the...I do not know coffee, but are you picking up your equipment here and moving it to the new site? Is that how it would work?

Mr. Katayama: As...

Council Chair Rapozo: Because if that happens, then so much for the new owners to be carrying on with the coffee business, like they are saying they are.

Mr. Katayama: That is part of the...there is a section of our lease with conditions on termination. That is the reason why there needs to be a serious discussion on the asset purchase agreement, because if not, we are

responsible for moving the equipment that we want to keep. Anything that is left behind would be considered abandoned.

Council Chair Rapozo: So, Kaua'i Coffee is going to have to make a decision.

Mr. Katayama: Yes.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: This coffee inventory that you have, it is not yet roasted or it is roasted?

Mr. Katayama: It is not. It is all in green form.

Councilmember Cowden: Okay, so if you have to leave at the end of March, how are you going to process it anyway?

Mr. Katayama: There are several outlets, we can lease the current...

Councilmember Cowden: You can lease your...

Mr. Katayama: That would be a discussion, yes.

Councilmember Cowden: Okay.

Mr. Katayama: If that does not work, then we would have to look for a co-packer somewhere else.

Councilmember Cowden: Okay.

Mr. Katayama: There are a lot of different permutations to this, and because the situation is so fluid, the ideal situation would be we will get an offramp of two (2) years or more, so we can sort of craft a win-win situation.

Councilmember Cowden: Okay, so you could possibly do that. I will say for the record right after the property was bought, I was able to speak with Chad Brue, like two (2) days later for a couple hours, and Kaua'i Coffee is one of the first things that I brought up. I was really relieved to hear that there was a commitment to keeping that going and that seemed like that was something that was very foundational because removing all the coffee, all that, it was very expensive, and I believe that is all important agricultural lands (IAL), so correct me if I am wrong, that cannot get turned into another Kukui'ula, right? That property cannot get turned into that—is that correct?

Mr. Katayama: Not...

Council Chair Rapozo: I can answer that.

Councilmember Cowden: Okay.

Council Chair Rapozo: Because there is only a sliver of land on that parcel that is IAL. It would require rezoning, but the fact of the matter is that it could be.

Councilmember Cowden: But we do not have the roads, water, and everything else.

Council Chair Rapozo: Neither did Kukui‘ula when they started.

Councilmember Cowden: Okay.

Council Chair Rapozo: I am hoping that is not the intent because that would be sad. If that is the intent, then that would be...again, back to the disrespect that we talked about earlier. That would be sad for these folks to come in, purchase the land, talk about preserving agriculture, and then turn around...I am not saying that is what they are doing, but I am just saying that it is not all IAL where you cannot do anything but farm.

Councilmember Cowden: Okay.

Council Chair Rapozo: There is a sliver. I do not want to put you on the spot because you folks are in negotiations, but I am just saying from my research, there is a sliver that is IAL, so that has to remain in agriculture, but all the rest...that would be terrible to get rid of Kaua‘i Coffee and to put up another subdivision. Whether or not it would even be passed through the Planning Commission and County Council at the time, I do not know, but if that is the intent, then that is disappointing. McDonald’s over here, I do not know if they own that land, but let us just say that whoever owns that land kicks out McDonald’s and I decide to open up a hamburger shop, I can take over the place and building, and if they left back their stoves, microwaves, I will keep that, but that will not be a McDonald’s. It is not going to be a McDonald’s, it is going to be “Mel’s” and the hamburger will not taste the same. Mine will probably taste better, but my point is the marketing of McDonald’s is what makes it successful. Not the burgers. Sueoka’s cheeseburger is way better than a McDonald’s cheeseburger, but you do not see Sueoka’s cheeseburger on the television at the football games. The marketing, the global distribution network is what the value is at. I can buy the McDonald’s building, and it will not be a McDonald’s, neither will be this company, whoever decides to buy the land, it will not be a Kaua‘i Coffee. It just would not be. Councilmember Holland.

Councilmember Holland: Correct me if I am wrong. Are there some accusations that they actually intend to continue to brand under your logo and information even if they kick you out? Can you clarify that?

Mr. Katayama: There is an option to buy the brand. There needs to be a brand evaluation.

Councilmember Holland: Wow.

Mr. Katayama: But that will require capital on their part for the branding, then they have to buy the inventory, then they have to buy the equipment. That process really should have started months ago, if that were their intent.

Councilmember Holland: Thank you.

Council Chair Rapozo: Are there any further questions? If not, thank you.

Mr. Katayama: Thank you very much, Chair, for us to really present our view of the outcome in the next ninety (90) days that are going to be critical. I would like to thank the employees for spending their day with us today. Thank you very much.

Council Chair Rapozo: It says a lot when that many employees show up. I am on social media a lot, but I also recognize that is not the most accurate source of information. That is why I wanted it heard today so we can get it directly from Kaua'i Coffee. I just ran into people in the hallway that I have known for a long time, I was not aware that they worked at Kaua'i Coffee. I looked on your website and saw "Roast Masters."

Mr. Katayama: Roast Master, but they are all Q Graders, it is like having a PhD in coffee.

Council Chair Rapozo: I saw their pictures on the website and those are young, local people that are from here that are our Roast Masters.

Mr. Katayama: That is correct.

Council Chair Rapozo: It is just hard to imagine Kaua'i Coffee gone. It is like Kojima's, Ishihara Market, you get so used to it, it is part of the island, it is part of our culture, it is part of our life, and then it is gone.

Mr. Katayama: That is the seriousness of it because to have it developed to where we are today, it was a very long journey. Again, with all the key elements that needed to be put together and to have it dissolved artificially, I think, that is the issue and seriousness of it. Thank you for your questions.

Council Chair Rapozo: Is there anyone in the audience wishing to testify? No? Is there further discussion? Councilmember Cowden.

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

Councilmember Cowden: I really want to make sure we find a way to have a solution because the legacy of what Kaua'i Coffee has become, that is something we have struggled to create for economic diversity and agriculture. It is deeply disappointing for Kaua'i to endure this potential loss. It has been a relatively

new path forward in agriculture relative to sugar that gives us hope for not having overdependence on the visitor industry. Kaua'i Coffee has done a very good job of things like having an eco-tourism piece there, it is educational, it is a really good presentation for what we have. I also appreciate the many different efforts like working with Kaua'i Community Correctional Center (KCCC) to be offering new potential for people who maybe made mistakes and have been incarcerated. There are many different ways where Kaua'i Coffee has been a really good community partner. I do not see benefit for our island, especially...I do not mean to overemphasize the legacy of the water distribution system, the channels and the reservoirs. We need to keep that going. The island could change in so many different ways, the world economy can change in so many different ways, and having that knowledge that is really important about how to manage the land, how to manage the water is essential. Another thing that we look at since the loss of different agricultural products is the fire hazard that comes with unmanaged land. We look hard to find agricultural tenants on the land if they do not own the land to have be there, so it keeps us all safe in many ways. I want to thank everyone in this room who do the jobs you do and to recognize the contribution that you make to the island as a whole. I hope very much that we can find a way, I am hoping that BCCP is listening and that somehow they are just playing a hard game of cards, because I cannot imagine if they are really wanting to take over the coffee business that they are not more deeply engaged in making sure they understand the water systems and make sure that they understand how to hang on to the team that is creating this fine product. I have not tried to step out of line and insert myself in this, I would not do that without an invitation to do such and I do not know what I can create, but I will try my hardest. I am pretty surprised that I am able to sometimes shove something some way, but I want you to know that I am right there with you. I would like to see our government do our very best to keep you folks solid, because we have your back, I want to have your back, and we need you, we appreciate you, and thank you all for what you have done to create a product that is really outstanding. Thank you.

Council Chair Rapozo:

Councilmember Kaneshiro.

Councilmember Kaneshiro: I do not need to hear people testify, I know exactly where they all stand already. I appreciate them coming out and taking out their time to be here. Kaua'i Coffee is exactly what I ran my campaign on, pretty much. I said I am pro-business, pro-agriculture, and that is exactly what they do. More recently, people have been asking how do we keep agriculture sustainable and my answer has always been, "Well, we have to expand, we have to sell our agriculture outside of Kaua'i." During the coronavirus disease 2019 (COVID-19), Kaua'i cannot support itself. We have to reach outside, reach outer islands, reach the nation, reach the world, and Kaua'i Coffee does just that. They market outside of Kaua'i, they do a good job...they have all the pluses that I ran on. They provide a great economic impact to the island, they provide jobs, they are taking care of a large area of agriculture land, which I think is precious to us and we do not see developed. They provide a visitor attraction. For me, I do not know what the solution is. I would love to see Kaua'i Coffee stay there. I do not know what the intention of the landlord is, so it is really hard to say what direction this is going. I hope the find an amicable solution and understand that it is not so easy to just up and get rid of Kaua'i Coffee and think they are going to run a coffee company that is exactly the same and maybe a boutique

coffee company, it is not that easy. Why do that? At the end of the day when you have an operation that is doing great, makes Kaua'i look great, why would you want to interfere with that? I have a friend in Las Vegas, every time we go to the National Association of Counties (NACo), he always asks for Kaua'i Coffee, so I am always bringing him Kaua'i Coffee. We have an upcoming NACo event in February and it was sad, I told him, "I better start stockpiling because I do not know what is going to happen." Any time when me and Senator Dru Kanuha are in the mainland and riding the same taxi, we are always fighting over who has better coffee, Hawai'i Island or Kaua'i, and of course I am always saying, "Kaua'i has better coffee." We have our own coffee brand; we are the largest coffee plantation in the United States (U.S.). It is a legacy and is something to be proud of. I want to see it continue. Anything I can do to help support you folks; I am all there. I will say for landowners that have operations like yours, future development, other things they are trying to do, it is dependent on how they treat their tenants, what they are doing with their land, and I am just putting it out there, it does affect and it will affect what they do in the future and how they are going to be treated in the future. If you encourage a good company like Kaua'i Coffee, it is a lot easier for people to approve things. You kick them out, creating disruption, it is going to be a lot harder to approve things. That is just what I have to say. It is pretty sad to hear. It has been sad. I have a lot of close friends that work there. It is definitely...if you look at our audit, they talk about agriculture and Kaua'i Coffee is in there as one of the bright shining stars for agriculture on Kaua'i, so I hope for an amicable solution. I wish they came with a plan that said they are going to make it better, we are going to help provide more resources, we are going to make Kaua'i Coffee even bigger, but I just do not see that, so it is pretty disheartening. Those are my comments.

Council Chair Rapozo:

Councilmember Bulosan.

Councilmember Bulosan: I want to echo everything Councilmember Kaneshiro shared. Especially when I first thought about running, the particular reason was for businesses and local people. It is hard to look into the crowd and not want to be super mad and cry. To think about what is happening to our community and product that has been a staple to generations of people who have experienced coffee. Funny story...I never drank coffee until two (2) years ago, so I never understood why coffee was important, but now I know. Having a twenty-one (21) month old, I take a quad shot of espresso every day now and I get it, I am like, "Get coffee to everyone, especially parents." I do not know how you function or be a nice person until you have coffee. In reality what happens to Kaua'i Coffee is our mental health is going to go really bad around the world because if you think about the experiences that people get, right, like I literally went to the gift shop yesterday or Monday, and you see the people walking out of there super happy. I had my latte and that changed my life for the next three (3) hours, because for my wife and son, I am not a grumpy, old man. I am not even that old. It is the earlier conversations, thank you, Chair Rapozo, for putting this briefing on the agenda, and for Mr. Katayama for sharing the actual details and everyone for being here. Just like the earlier conversations that we were having, "eō we need to stand up." This makes no sense. It just feels like we are starting this year with just a bunch of attacks on our people, our land, and it is like I want to stand up and not feel this way. Can we just be in this space, make a living, do good things, save lives, save people's mental health, and just

be us? That is what I hope as we deliberate and have these conversations that as everything that is going on in the backend, in the frontend, I want everyone to know that in this corner Kaua'i Coffee, everyone related and all the organizations and the impact you folks do, we are...I am right there with you folks. Any leverage that I can do to help make sure that we continue what you folks are doing, because you are exactly...you are doing exactly what our community needs. Your business is exactly what we need right now to be successful and continue to make the impact. It makes absolutely no sense why we are in this situation with you folks and I hope as we always hope people do good, businesses do good, organizations can change their minds, and I hope minds get changed, and perspectives get incorporated and that we keep going on a better path. Thank you, again, Council Chair, for putting this briefing on the agenda, and thank you all for being here.

Council Chair Rapozo:

Councilmember Holland.

Councilmember Holland: This is another pretty upsetting topic. I also echo a lot of what Councilmember Kaneshiro said. We do need more types of this agriculture. I want to comment also on how much improvement in land management and the incredible benefits that you folks have taken up over the last ten (10) years. Bill No. 2491 was brought up and you folks were caught up in that, actually unintentionally, but the immediate response to doing better and to transitioning into so many changes that were made to move away from restricted use pesticides and to do what you folks could do was an incredible showing of how much you are embedded in this community. I have been so thankful and so encouraged by that transition and the many other agricultural efforts that we need to see like these to expand. We talk so much about moving away from our dependency of tourism. We went through this entire thing, we have goals to double agriculture, double food security, but instead we see a tax like this on such an important agriculture operation that we have. At this time, too, when so many families are struggling, the cost of food has gone up an average of thirty percent (30%), most of us have had our rents, housing costs doubled, and the westside is already...we are still coming off the back of a pretty quick transition out of plantation and the scale of one hundred fifty (150) years of history. This is really upsetting that they would come in and do this. It just seems like another disrespectful move to our community. To the one hundred forty-one (141) workers that whose jobs are at risk now, I empathize and I am just really upset that this situation has been brought forward. I grew up in Kapahi so I did not spend much time on the westside, outside of my late boyfriend's history growing up in Camp 6. I did not really have a great appreciation for how incredible that coffee operation was until I got a monitoring position during the expansion of Lima Ola where I actually spent one year literally parked in between the rows of your coffee. I have some incredible pictures, too, of all the flowers and just seeing those giant, tall harvesting shaky things that go through the aisles, I was blown away by the operation and the water. I got to watch the decommissioning of a 110-year old ditch that I had draw and monitor every single bit of that old Japanese sloot gravity-fed ditch system, which was just an incredible year that I got to spend in 'Ele'ele with more rainbows than I have ever seen in my life. It is like the land of rainbows, it is incredible. I really hope that, like what Councilmember Cowden said, if these people are listening, they will reconsider because they are damaging relationships, not just with you folks and the workers, but with all of us that feel this hit to our community. I do not have too much

more to say, except that I hope a resolution can come about that does not result in you folks getting kicked off the land. If there is anything else this body can do, I would encourage us all to do it. I do not know how we possibly can and this is the reality of the world we live in where "money talks," but I really hope that there is a solution that keeps everyone's jobs and keeps Kaua'i Coffee not just in its current state but growing. We need more orchards; we need more this type of agriculture. Like Councilmember Kaneshiro said about exports. We talk so much about this, and this is just another hit that is really upsetting.

Council Chair Rapozo:

Councilmember Kuali'i.

Councilmember Kuali'i: Primarily, I want to express my gratitude to you, Council Chair Rapozo, for bringing this forward and to Mr. Katayama and everyone at Kaua'i Coffee for everything you have done over the years, I mean you truly have been a vital part of Kaua'i's agricultural heritage and local economy for thirty-eight (38) years. I truly hope and pray that something is worked out. We are definitely at a critical point. We talked about the sixty (60) days advance notice and March 28, 2026...January 28, 2026, so in three (3) weeks, you have to make that notification. I truly hope that something is worked out. I hope you keep us posted and let us know if there is anything we can do to help you. Communities stick together and fight and try. Thank you.

Council Chair Rapozo: Is there any further discussion? If not, thank you all for being here today, I know it is a long day. I wanted to clarify one thing that Councilmember Kaneshiro brought up about Senator Kanuha...I am a coffee aficionado. Ask anyone here, this is always filled with coffee, morning until night. I can sleep after drinking a cup of coffee, and there is no dispute that Kaua'i coffee is better than Kona coffee.

Councilmember Kaneshiro: I agree.

Council Chair Rapozo: Again, thank you for your patience, thanks for being here. Like I said earlier, it says a lot when that many employees can show up to support their employer, the union representatives are here to support the employees. It says a lot. I do not know where this road is going to end up. I am hoping that there is at least an extension in the lease, so more negotiations can occur and worst-case scenario is that if in fact the lease does expire, that I hope that the intention of the landowner is to maintain that very important agricultural operation on the island. I do not know how this works out. My hope is that Kaua'i Coffee will remain and continue, but that is well above our reach. Thanks again.

The motion to receive C 2026-08 for the record was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo:

Motion carries. Next item, please.

There being no objections, C 2026-03 was taken out of order.

C 2026-03 Communication (12/10/2025) from Council Chair Rapozo, requesting the presence of the Managing Director, Director of Finance, and

representatives from N&K CPAs, Inc., to discuss the Annual Comprehensive Financial Report (ACFR), Single Audit Reports, and Management Advisory Report for the Fiscal Year Ended June 30, 2024.

Councilmember Kuali'i moved to receive C 2026-03 for the record.

Council Chair Rapozo: Before we take the motion, it is my intention, for a few reasons, but I am going to ask this Council to refer this to the Committee Meeting next week, to the Finance & Economic Development Committee next week, because I think we all got to see the audit, we all received the audit and we did meet with the Administration, but today we are going to hear from the auditors themselves. I want to have an opportunity to digest what we hear today and what the auditors share with us today and have some time to formulate some questions for the Administration rather than drop it like bombs today and force them to be answering questions that they may not be prepared to answer. Ultimately, that is what I would like. Obviously, that will be up to all of you. I am not saying that we are not going to have the discussion, I want to hear from the auditors, I want hear from the Administration, and definitely have some questions and answers (Q&A) and discussion, and even more so, Councilmember Carvalho is not here, to have this on the Committee agenda where we can expand the questions to more and not put anyone on the spot today.

Councilmember Kuali'i moved to receive C 2026-03 for the record.

Council Chair Rapozo: No, not a motion to receive. We are going to refer to the Committee Meeting.

Councilmember Kuali'i: Are you going to refer later or...

Council Chair Rapozo: Yes, why do you not go and make that motion.

Councilmember Kuali'i moved to refer C 2026-03 to the January 14, 2026 Finance & Economic Development Committee Meeting, seconded by Councilmember Bulosan.

Councilmember Cowden: I have a procedure question.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: There was so much noise in the room, I could not hear the agenda item that she read.

Council Chair Rapozo: We are on the audit item.

Councilmember Cowden: Which agenda item is that?

Councilmember Kuali'i: C 2026-03.

Councilmember Cowden: C 2026-03. They are here in the room, so we are still going to hear from them, right?

Council Chair Rapozo: Yes, so we are going to hear from the auditors, we are going to hear from the Administration, I just wanted to give us an opportunity to expand the discussion after...and I am just asking your...

Councilmember Cowden: I am good with that, and so when we move to defer...

Council Chair Rapozo: We are not moving to defer...

Councilmember Kuali'i: Refer.

Council Chair Rapozo: Refer.

Councilmember Cowden: Okay, refer.

Councilmember Kuali'i: That is why I was confused too.

Council Chair Rapozo: Yes, not defer. We are going to refer it to the committee, so it will show up next week.

Councilmember Kaneshiro: Do we refer the item now or do we refer it after all the discussion?

Council Chair Rapozo: I think we can refer it now, yes, we can refer it now, because it is not a...we can do the motion to refer...

Councilmember Cowden: But just for clarity, we are going to hear it today?

Council Chair Rapozo: Yes, we are going to treat it like as a normal item, I just want to reserve that opportunity to...because based on what I read and what I expect to hear from the auditors, I will have many more questions, but I want to give the Administration an opportunity to get those questions in advance so they can be prepared to respond. With that, we will suspend the rules and have the auditors and Ms. Matsuyama up.

There being no objections, the rules were suspended.

REIKO MATSUYAMA, Managing Director: Good afternoon, Councilmembers. Reiko Matsuyama, Office of the Mayor. I am here to introduce the auditors. We have John Paul and Andrew from N&K CPAs, Inc. They are going to give you a PowerPoint presentation of the audit, they are going to go into the technical details of the audit, going over any significant variances or fluctuations from the prior year, and then they are going to go through all of the findings. There were five (5) findings this year, which is less than there have been in...well, at least the prior year. I just want to point out that all of the findings were like a recordkeeping type of finding, not any

money going out the door, not any money being laundered or fraudulent or any of that type of thing. They will be here to explain more of it. Obviously, we try to avoid findings, but really the findings are what make us better, the findings are ways for us to improve, so we thank the auditors for being here and for being able to uncover some of the things that we did incorrectly in the past or overlooked in the past, and so that is what they are here for. This is the only audit that we have of the County that is a recurring audit. We welcome other types of operational audits or anything else that we can dive deeper into some of our other divisions. This audit is done every year and unfortunately it is like a continuous audit, it has been over the last couple of years, and we will get into a little bit more of that, but these findings will help us turn things around and make sure we do things better and find where areas of improvement are needed. We do have some recurring findings, meaning that there were findings in FY 2023 and they are again findings in FY 2024. Those clearly are unwelcome because they show that we did not improve, we did not make the necessary adjustments from year-to-year. I will say that for this audit, though, it leads us into the bigger question of why is this still delinquent? As we talk about the audit, that is hands down the biggest problem of the audit, is that we were so behind schedule. I fully recognize that being so untimely makes the information that is presented to you basically irrelevant, because we are eighteen (18) months passed by the information that you are looking at now. I fully acknowledge that and I take full responsibility for that. As we sit here today, Malia and Cheslie are basically cleaning up the mess that I made, that I created when I was there as the Director of Finance, and so I will take full responsibility. As we go through this, I know you will have questions about why we are so far delayed, and I will also say that it is not going to be corrected in the immediate future, so I will "fall on the sword" for that too. It is not something that we can immediately fix. Malia and Cheslie are doing the best that they can with what they have, and obviously, with the help of the auditors. I want to be fully transparent that, yes, we are late, we have been late for FY 2023, we are late again for FY 2024, and we will be late again for FY 2025. We will try to "chip away" at those delinquencies to try and get us more caught up. The delays also have an impact on the auditor's schedule and so we realize that ideally we are timely with this and that is all of our goals. Operationally, also for Malia in her shop is that when we can finish this timely, she has more time to work on her staff, you know, do training for her staff, find other operational issues, improvements that they can do on a day-to-day basis with the regular operations, not involved in the ACFR twelve (12) months of the year. And it does cause a lot of burnout for them too. As we go through this, we recognize that we were late, we know that there will be questions on it. I will be here to answer any of those questions on why we were late, but I just wanted to make sure that you folks that is by far the biggest issue with this audit. With that...

Council Chair Rapozo: I appreciate you "falling on the sword," Reiko. I appreciate you taking full responsibility, but I also want to make it very clear that as you might say, "there are some findings and findings are good, but it is not like we lost any money," but the fact of the matter is these are material weaknesses, these are not simple findings. These are material weaknesses, which are the worst type of finding in an audit and these happen every year. We will have some discussion afterwards, but I want to set this upfront before we hear from the auditors that this is not simply findings that make us better. I am going to be honest with you, Reiko,

"we were late last year, we are going to be late this year, and we are going to be late next year" is not acceptable. You need to tell us what we can do to make it work. Is it staffing? That is not an answer that I can accept, "Oh, we will be late again next year," because then it just exponentially compounds and gets worst. We will have some time, we will go through the presentation, but this Administration needs to start thinking what can this Council do to help you folks in this upcoming budget to make this work, so that it will be on time. Do we need to bring in a firm? Do we need to contract a firm to come in to put everything in order? This is not acceptable.

Ms. Matsuyama: We did bring a firm in, we had a firm working with us for the last two (2) ACFRs, and that is what we tried to do to bridge that gap. It was not as effective as we had hoped it would be in dumping more of the workload onto them. It could have been we were not balancing correctly, but we cannot add positions...we could add positions to Malia's staff, but if we hire just Accountant Trainees and Accountant I positions, that is not going to help her. We need to attract the higher level accountants to figure out the complicated the Government Accounting Standards Board (GASB) Government Finance Officers Association (GFOA) recommendations, all of those things that go into this is not lower...and that was our problem. When we lost five (5) of the eight (8) accounting staff, we lost Accountant III positions and above. We replaced them with Accountant Trainees and Accountant I positions. We tried. It was not for lack of trying, we went on a whole range, we tried to recruit the higher-level accountants, and they just were not in the pool of candidates. Malia has done her best. Thank goodness we have her and she has someone that is helping her now, which will help us catch up. I do not think it necessarily exaggerates the problem if we are cutting down the length of time that we are delayed, like, yes...because right now we should be presenting FY 2025.

Council Chair Rapozo: Yes, we are one (1) year behind. So, while you may say it is irrelevant, technically it is, it is relevant in the sense that we got some internal issues that we have to fix.

Ms. Matsuyama: Yes.

Council Chair Rapozo: That is what this audit is telling me and we have not been able to do it. That is where I have a serious concern.

Ms. Matsuyama: If we issued a year ago versus, we issue now, the numbers are not going to change, right, the auditors do their job, the findings would not change, necessarily, unless they are recurring. Therefore, the information that we provided to you would not have changed if we issued it on time or if we issued it now, but yes, we fully recognize that it is late and it should not be late, and we are doing what we can to correct it.

Council Chair Rapozo: Alright. Thank you for your patience, I know we are running a little late, but we had some technical issues early on. What time is your flight?

JOHN PAUL BAUTISTA, Principal, N&K CPAs, Inc.: Three o'clock (3:00 p.m.).

Council Chair Rapozo: Okay, you will miss it.

Mr. Bautista: My name is John Bautista, I am the Audit Engagement Principal, and to my right is Andrew Ho, the Audit Senior Manager for the engagement as well. Today we are presenting, as Reiko said, June 30, 2024. We issued three (3) different reports for the County starting with the Annual Comprehensive Financial Report (ACFR). Everyone should have this large book. These are the financial statements of the County. We also issued a Single Audit Report. This is a report on the federal funds that is expended by the County for the year and a Management Advisory Report, which is an additional recommendation that arises during the audit. We will start with the ACFR.

Going on to the different sections starting with page 1, that is an Introductory Section, which includes a transmittal from the Department of Finance and then also a Management's Discussion and Analysis (MD&A) for the results for that current FY. Flipping to page 14, that is actually are Independent Auditor's Report. In the second paragraph, we state that we issued an unmodified opinion and that the ACFR is presented fairly, which is also known as a "clean opinion" under Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards. We also will go over our basis for opinion...

(Councilmember Holland was noted as present.)

Mr. Bautista: ...that clarifies our responsibilities as your auditors for the audit, which is further detailed on page 50. That is under the second bold header for that page. For an audit, we obtain reasonable assurance on whether the ACFR is free from material misstatements. We also spell out exactly what constitutes performing an audit under the standards of GAAS and GAAP. It actually clarifies what procedures we did perform including understanding County's internal control and performing audit procedures related to our risk assessments. If you flip to page 17, we also mention that we issue another report under Government Auditing Standards, that we will discuss on a later slide. After this report, this ACFR then goes to your Governmentwide Financial Statements, Individual Fund Financial Statements, Notes to the Financial Statements, Other Required Supplemental Information, and finally your unaudited Statistical Section.

We will go over noted items in each of these sections in the next couple of slides. Your County's Statement of Net Position starts on page 31. This is basically the County's balance sheet. This year there was no new pronouncements for FY 2024 so all the line items are consistent year to year, there are no new line items. Just going down the balance sheet for some significant balances, starting with their cash and investments, there was an increase of fifty-nine million dollars (\$59,000,000); this is primarily due to interest activity and increases in fair market value of investments. Going down a couple of lines, due from other governments. That had an increase of fourteen million four hundred thousand dollars (\$14,400,000), which is due to increase in grant activity in the fiscal year and the timing of work that was performed. We will see those changes also in your Statement of Activities when we go to the following page. Even though your capital assets had an increase of thirty-two million six hundred thousand dollars (\$32,600,000)...and a lot of this increase is

due to construction and progress of the Lima Ola Housing Development and various land upgrades and improvements. Going down to your liabilities, deferred inflows on net pension and other postemployment benefits (OPEB) liabilities. These always have year to year changes based off of your third-party actuary reports that drive the changes in these balances. Finally, your net position had an increase of one hundred thirty-four million four hundred thousand dollars (\$134,400,000). This is attributable to current year's increases in your general revenues, such as real property taxes that we will now go over on your statement of activities, which is the following page.

This is your income statement, government-wide for the County. The top left shows your expenses for your government-wide, so there was an increase here. Large portion being due to temporary hazard pay that was accrued prior to issuance of this ACFR to be paid out. Also, additional expenditures related to OPEB and pension expenses. To the right is your program revenue, so some fluctuations there is an increase in your capital grants and contributions of sixty million dollars (\$60,000,000). This is related to housing and urban development and state transportation construction work such as for road improvements. This is shown as increases in your capital assets on your statement of net position. We know that is your general revenue, so this is all of your taxes. Property taxes had an increase due to new construction on the island and a slight increase in the taxable properties. Unrestricted investment and interest earnings also had a large increase. Again, this is due to the fair value increases in investments. The last item to note on this is in your business type activities to the right of that. There was a prior period adjustment. This actually increases your net position for your business type activities and this is related to a liability that was accrued for the sewer fund in 2022. We will go over that in further details on one of the following slides.

Going on to page 34. This presents each individual fund balance sheet and income statement two (2) pages after that. As a whole, we went over the asset and liability fluctuations on the government-wide basis but on the fund level, fluctuations are mainly on the changes in the net position on page 36. The General Fund had an increase of thirteen million seven hundred thousand dollars (\$13,700,000). Again, this was due to tax revenue of twenty-eight million four hundred thousand dollars (\$28,400,000) of an increase that was mentioned from the statement of activities and again an increase in your expenditures of twenty-three million six hundred thousand dollars (\$23,600,000), because of ten million dollars (\$10,000,000) in the temporary hazard pay. A lot of it went into the General Fund. On the bottom of your General Fund column, we do have a prior period adjustment, this is related to investments that were accounted for in the General Fund, but it should have been accounted for in the Solid Waste Disposal Fund, so you will see that exact same prior period adjustment, it is just flipping it from the two (2) funds. On the Solid Waste Disposal Fund, there was a six million six hundred thousand dollars (\$6,600,000) increase. This was related to the fair market value of investments that are being held in the fund. All the way to the right, your General CIP Fund had an increase of nineteen million six hundred thousand dollars (\$19,600,000) and this was related to timing of projects and when the work was performed, offset by transfers into that fund to help fund these projects. That was your fund financial statements, your disclosure notes to these financial statements start on page 51. I will skip ahead to the more substantial liabilities, starting on page 92. On the very bottom of that is just

the initial header for employee benefit plans. Really, this entire section details your pension and your OPEB plans. There were no major changes in the estimates or the year to year of the measurement of both liabilities, so again overall changes in your liability, deferred outflows and inflows, were due to changes in your net investment income benefits paid and other factors. Again, this information that Kaua'i picks up comes from third-party actuarial reports.

Another substantial liability that the County has starts on page 109. This is the County's landfill liability, so it is closure and post-closure care. The current year's increase here is due to the change of some of the inputs in the calculation of the estimate. There was a slight change in the amount of additional years for Kekaha I and Halehaka for remaining post-closure care and monitoring costs and at the same time for Kekaha II Landfill, closure and post-closure costs were increased into forecasting for inflation for that existing estimate for those costs. The final notes that I wanted to point out was on page 115. Here we have note 20, this is related to the restatements I mentioned earlier. The eight million eight hundred thousand dollars (\$8,800,000) is that first paragraph. This was an area of the entry and basically recorded a full liability for a loan, but under GASB, you are supposed to record what was drawn down as of year-end. It was taking off that eight million eight hundred thousand dollars (\$8,800,000) that was accrued for year-end that was not drawn down as of 2023. The second entry is related to that three million dollars (\$3,000,000) adjustment that we saw under governmental funds under General and Solid Waste. Again, the investments should have been flipflopped between General and Solid Waste, but overall, on the statement of activities there was no effect on it because it is just between those two (2) funds. Additional information of this prior period is going to be on the Single Audit slides of the findings and recommendations. Below that, finally, we have a subsequent events note. There was a significant transaction subsequent to 2024, but that information was obtained prior to the issuance of 2024, so it is required that for users of financial statements that you would disclose certain significant transactions and this just notes that the County issued additional bonds after year-end as an advance refunding for 2D10A bonds. That concludes with the ACFR portion of significant transaction and disclosure notes.

Council Chair Rapozo: Are there any questions on that section? Can you go over the landfill closure again, page 109?

Mr. Baustista: Yes. Under GASB 18, you are supposed to accrue thirty (30) years of closure and post-closure care in order to identify the liability that should be there that the County will eventually pay out. There are two (2) closed landfills, Halehaka and Kekaha I.

Council Chair Rapozo: Right.

Mr. Baustista: It was estimated that post-closure care, since they are already closed, would incur another maybe one (1) or two (2) years, based off the contracts that are in place. They accrued for those costs, and then for Kekaha II, that still was open, because of inflationary costs year to year, they are adjusting for it for the existing costs that were already there in the prior year.

Council Chair Rapozo:
for the ACFR part of it?

Okay. Got it. Are there any further questions

Councilmember Cowden:

I will save it until the next meeting.

Mr. Baustista:
start with the Single Audit.

With that, I will hand it over to Andrew to

ANDREW HO, Audit Senior Manager: I am going to go over the two (2) other handouts that John mentioned. First, we have the Single Audit Reports, so this is the slightly less thick bundle than the ACFR. If you turn to page 6, the first report has a report on internal control over financial reporting and compliance and other matters. One (1) major highlight to note is that this report mentions the four (4) findings that we determined to be material weaknesses. Page 9, you are going to come across the second report, which is in regards to the County's use of federal funds under the uniform guidance. Pages 9 through 12 is the report on compliance of each major federal program internal control over compliance specifically and reporting on the schedule of expenditures of federal awards. On page 9, specifically, there is a clean opinion on compliance. From there, in this report, you can flip to page 11, this notes that we did not identify any material weaknesses nor significant deficiencies internal control specifically over compliance. Finally, page 12 mentions the schedule of expenditures of federal awards is fairly stated. From there, flipping to pages 13 through 19, this breaks down all of the federal programs with the specific breakdown of federal expenditures for the fiscal year. One (1) highlight to mention is that there was an increase to fifty-four million five hundred thousand dollars (\$54,500,000) from forty million dollars (\$40,000,000) from the previous year, and this is largely due to housing and transportation programs. The last thing before I flip to page 22, which is a summary of auditor results, is going to be this year we had eight (8) major federal programs that we had to audit. Some of that has to do with required programs that need to be audited per the federal government, some of it has to do with the volume of dollars that were spent during this fiscal period. If you flip to page 22, this is basically a high-level summary. John already mentioned the financial statements unmodified opinion, we are going to go more into depth on the findings. It mentions that federal awards, modified opinion, findings, there is a specific listing there of all eight (8) major federal programs that we did have to audit and then the last thing to note is due to the County not qualifying as a low-risk auditee in this current fiscal period that we audited, that was due to prior year material weakness findings. That resulted in a higher percentage of expenditures that need to be audited.

Council Chair Rapozo:
what is the difference in numbers of programs, generally?

Mr. Bautista:
As a low-risk auditee, we would audit twenty percent (20%) of the expenditures on your Schedule of Expenditures of Federal Awards (SEFA) as a high-risk auditee is forty percent (40%).

Council Chair Rapozo:

Wow. Okay. Got it.

Mr. Ho: But one (1) thing to note is that with the mix of programs that were audited during this fiscal period, some of them were "must selects" anyway, so it is not like that even comes into play with certain thing, so that impacted some of the count too. Moving on, we are going to high-level summary of the types of findings we would typically potentially discuss at a meeting like this. First, material weaknesses, these are high-level, the worse type as Council Chair Rapozo mentioned. Deficiencies of a combination of deficiencies in internal control that prevent or detect the material misstatement, just one (1) thing to mention, if you are talking about compliance and federal awards, that would be listed as material noncompliance. A significant deficiency is a deficiency or combination of deficiencies in internal control, less severe but it is important to merit attention to you folks. Lastly, other reportable findings, findings required to be reported of instances of noncompliance that are required to be reported.

One thing to mention is the word material. This is going to be calculated based on the County's financial statements or in case the schedule of expenditures of federal awards, the dollar amount will determine the materiality for the particular year, or in the case the financial statements, the amounts there. Now, we are going to get into the financial statement findings. First off, we have 2024-001, this is on page 23. This is Improve Controls Over Financial Reporting. This is the first of four of material weaknesses. Basically, there are a bunch of post-closing journal entries that came up during the course of the audit, and these entries should be made either before or during year-end closing, prior to the audit fieldwork starting. This is one of the repeat findings from the previous audit. Second, on page 24...

Council Chair Rapozo: instances"—what is numerous?

On page 23, you said, "We noted numerous

Mr. Bautista: the funds had multiple entries, not just one (1) or two (2). As far as the count, we would have to go back to that.

Each fund...well not every fund, but each of

Council Chair Rapozo:

Numerous is a lot.

Councilmember Bulosan:

Ten (10) or one hundred (100)?

Mr. Bautista: ten (10).

I do not think it is one hundred (100), it is not

Mr. Ho:

It is definitely not ten (10).

Council Chair Rapozo: Okay. I know in your report you say what the effect is, and like Ms. Matsuyama mentioned that it is more ministerial or paper recording and not...I want to make sure that there is no potential for missing money or misallocation or misappropriation of funds.

Yes, but this was, again, a repeat finding.

Mr. Bautista: No, we did not detect that type of finding, it was more about recordkeeping and tying it to statements.

Council Chair Rapozo: Yes, I know you did not detect it, it is not like you were looking for fraud, what I am asking is does this finding tell me that there are no misappropriation or mis...

Mr. Bautista: The objective of the audit is not to find fraud.

Council Chair Rapozo: Correct.

Mr. Bautista: This does not tell you otherwise, I guess.

Council Chair Rapozo: Okay. Next.

Mr. Ho: Pages 24 and 25 covers finding 2024-002; Reconciliation of Investment Balances. This is material weakness two (2) of four (4). This is a two-part finding. First off, during the initial piece of the audit or at the start of the audit, the County's investments were not recorded at fair value as of June 30, 2024 as stated in the third-party custodian statements, and the second piece, which John had mentioned earlier, was there was a prior period adjustment that needed to occur between the General Fund and the Solid Waste Fund due to accounting for investment account in the wrong fund. If you turn to page 26, 2024-003; Untimely Processing of Expenditures – material weakness. This is a new finding. In this case, there were two (2) things that came up. First off, the County did not record roughly six hundred twenty-two thousand (\$622,000) of expenditures in the correct fiscal period. So, it was recorded, it was just in the wrong period a cutoff issue, and then secondly, there was approximately one million nine hundred thousand dollars (\$1,900,000) of expenditures that were not initially tagged for capitalization and initially recorded as capital outlay expenditure versus being designated to book as an asset. We actually have three (3) repeat findings and four (4) material weaknesses, so I miscounted that. The last finding, 2024-004; Due to Other Government Prior Period Adjustment – material weakness. This is a new finding. As John had mentioned earlier, this was specifically related to the Sewer Fund and the County at the time had overstated the government liabilities by approximate eight million eight hundred thousand dollars (\$8,800,000) based on accruing a full loan balance rather than what had been drawn down in terms of draws from the grantor as of the fiscal year end. Keeping in mind, this came up through the reconciliation provided by the County during the audit and some of the information that came up in current year activity after staff asked some additional questions, which resulted in this finding. I know there is a lot that you folks have in terms of discussion and things that you might be concerned about, so I have some good news. We have status on prior findings. Last year's audit, I believe we had about five (5) material weaknesses, two (2) significant deficiencies, for a total of seven (7) reported findings in last year's Single Audit Report. This is on page 35, you will see the status report. Finding 2023-001 is a repeat finding that came up again as 2024-001, and then you have the investment balance finding last year for 2023-002, which came up this year as 2024-002. The good news is, the other findings, the finding related to reconciliation of interfund balances 2023-003 material weakness was accomplished, and we did not come across issues this year for that. If you flip to the next slide, 2023-004, there was an issue regarding controls over accounting for capital assets regarding accounting for a land purchase. We did not come across issues for that in

this current fiscal year's audit. That was accomplished. Finding 2023-005; Landfill Post Closure Costs Prior Period Adjustment – Material Weakness—we did not come across issues regarding that. I think there was an erroneous accrual in the prior year's audit, so no issue, accomplished there. Finding 2023-006; Completeness of Transient Accommodation Tax Revenues – Significant Deficiency—we did not note any issues regarding that in the fiscal year 2024 audit. Lastly, 2023-007; Reconciliation of Loss Reserve Data Prior to Submission to Third Party Actuary – Significant Deficiency—during the prior year's audit. We went through and discussed with management and looked at what they had done, and we believe that was accomplished as well. Seven (7) findings from last year's audit, two (2) repeats, down to four (4) in the report.

Council Chair Rapozo: Alright.

Mr. Ho: The last report we are going to cover today is the Management Advisory Report. On page 3, we discussed using this as an opportunity to strengthen internal controls and operating efficiencies. On page 4, we have finding 2023-001: Compile Compensated Absences Records Accurately. This is a repeat finding. During our audit we noted five (5) instances where employees' total vacation or sick leave hours reported on Workday did not agree to the department accrual report, which is used for the ACFR.

Council Chair Rapozo: I have a question. I understand what Workday is, what is the department accrual report? Is that paper?

Mr. Ho: I believe what happens is each department will submit their breakdown of the employees' vacation and sick hours and that correlates to the actual liability that is booked in the ACFR. They take all of this information from each department to calculate the amount that is booked as a liability on the financial statements.

Council Chair Rapozo: I would assume, though, and maybe we can ask the Administration later, but would the department accrual not come from Workday?

Mr. Ho: It starts with Workday, but based on the previous setup, there is a bunch of different reports, so it is not like you can just "pull it" and set it and forget it. I believe there is a manual process involved to get it from "point A" to "point B." It is not simple as just pulling the report. At least, it was not at that point in time. Due to that, there were some human errors involved and that resulted in some of the findings that came up.

Council Chair Rapozo: Okay. We will wait for the Administration to come up. Next. Are there any further questions? That one is a burn for me, but...

Mr. Ho: Last item, page 10 of the report, just a status updates of 2023-001 and as you folks know this is a repeat finding, so we just wanted to mention that.

Council Chair Rapozo: Are there any questions for the auditors?
They will not be here next week.

Councilmember Cowden: They went through it so fast, it is challenging to keep up.

Council Chair Rapozo: Yes, but it is sort of the same as last year, so it is like hearing it again. Councilmember Holland.

Councilmember Holland: I am the newest Councilmember and I am learning a lot. I am just wondering...I am assuming you folks do this for municipalities across the country.

Mr. Bautista: In the state of Hawai'i.

Councilmember Holland: Across Hawai'i.

Mr. Bautista: We do the County of Maui as well.

Councilmember Holland: Okay. Is that it?

Mr. Bautista: We used to do Hawai'i Island also, but that was a couple of years ago.

Councilmember Holland: In your experience of auditing, whatever experience you have, is findings of five (5) a normal thing that you uncover in audits of this nature? Is it low or high?

Mr. Bautista: I believe the other counties also had similar amount of findings.

Councilmember Holland: Okay.

Mr. Bautista: It is not out of the realm of possibilities for an organization as large as the County.

Councilmember Holland: If you were to rate these findings, in your experience of really bad things you may have found in audits, and the best of the best between one (1) and ten (10)—can you give me a number of ten (10) being the absolute best and one (1) being the absolute worst you have seen in a municipality audit such as this?

Mr. Bautista: I am not sure I can rate from one (1) to ten (10).

Councilmember Holland: Okay, it was worth a try. Thank you.

Councilmember Cowden: I have a follow-up on that. My memory is that a couple or few years ago we got really a good star on our audits, is that right? We were doing excellent.

Mr. Bautista: Well, we used to finish it by January.

Councilmember Cowden: We finished it on time, but were we not getting acknowledged as having done a very good job on it? There was some sort of...

Mr. Bautista: Oh, yes, so if you used to submit by that deadline of December 31st, you would get this GFOA Certificate of Excellence.

Councilmember Cowden: Yes, that is what I mean.

Mr. Bautista: And that used to be near the front of the ACFR.

Councilmember Cowden: Yes, so we had a certificate, but I guess it is not determining the number of findings, it is just that we got it done on time.

Mr. Bautista: Correct.

Councilmember Cowden: Okay, and we do not have that.

Council Chair Rapozo: It is a "participation trophy."

Councilmember Cowden: It is a participation trophy.

Council Chair Rapozo: Everyone gets it if you turn it in on time.

Councilmember Cowden: Okay.

Council Chair Rapozo: It does not mean that we got a flawless audit, you get the certificate, it is just that you turned it in on time, here is your little cookie.

Councilmember Cowden: Okay.

Council Chair Rapozo: I always question...yes, we take so much pride in that certificate, but it only means you turned in on time.

Councilmember Cowden: Okay, because I want to support a little bit of what you said earlier.

Council Chair Rapozo: Because you noticed it is not here in this one.

Councilmember Cowden: Yes, I do notice that. I just want to make sure we do not normalize having it late...because it is like too late to actually be meaningful for this budget, but I appreciate our new Accounting Administrator, who

is here, Malia. We sort of “whipped” through this so fast, it was hard for me to pull up the questions right now, but I did talk to our team, and I can just ask them.

Council Chair Rapozo: The auditors are here to go over the ACFR, the numbers, the sheets, because the findings...the findings are clearly defined and that needs to come from the Administration. It is internal processes that are messed up. That is why in the beginning I am asking the Administration to tell us what you need. I am not going to be up here to...my biggest fear is that Malia would quit. That is my biggest fear right now is Malia would say, “Screw this, they are dumping everything on me,”—I do not want to see that happen. That is why we are here. That is what the value of this audit is for us to make a determination what do you need to fix it? Everything can be fixed. I am not going to “buy” the excuse that we are understaffed or people left us, that is two (2) years ago. What do we need? If we have to invest, then let us invest to get it right. I can tell you, look at next year...if we late next year, we are more than likely be late the year after that. Let us do what we have to do to get it right.

Councilmember Cowden: Yes, it is important to me because for me, I usually go through every single page and as noted make all my little yellow sticky notes on it, because I find this as an essential piece for me prepping my mindset for looking at the budget for knowing where we need to make differences. I needed this a year ago.

Council Chair Rapozo: Are there any further questions?

Councilmember Cowden: And there are a lot of changes.

Council Chair Rapozo: Are there any questions for the auditors? If not, thank you. I guess you will make your flight. If we have any questions, we will...we are not expecting you back next week, but we can send it over, if we have any questions.

Mr. Bautista: Thank you.

Council Chair Rapozo: Again, if you folks have any questions for the Administration that they can answer today. I want a little more time to digest, but it is entirely up to you all.

Councilmember Kaneshiro: While the Department of Human Resources (HR) is here, I have a question on the Workday finding. Is there a way where we can update it, so we do not have to do manual work? Can Workday work with the current system we have? It has always been an issue of updating our entire system and I know we put some money into it, I do not know if we updated anything yet or did the transition, which I know it is completely very difficult to do, but I know Workday is a newer system. Ideally, we would not like to do certain things manually. Have we been able to fix it where we do not have to do something manually for it?

MARISSA “HALA‘I” PULA‘A, Payroll Systems Manager: Hi. My name is Hala‘i Pula‘a. This is my first time getting to talk with you folks. Thank you.

Council Chair Rapozo: Did they prepare you?

Ms. Pula'a: I prepared myself...yes, they did, they did. To answer Councilmember Kaneshiro's question, it has been a continuous work in progress. I have been spending countless hours trying to find that, "Hey, push of the button report" and we magically have a beautiful thing with all the right numbers in it. The best that I can explain based on my knowledge of the Workday system is there are constant updates. Workday sends us annual things, "We have this, we have that," so it is a matter of taking that knowledge and being like, "How can I use it; how can I make these reports to get you folks what you want to see; to make sure the end-user is happy." So far in my research with this system is it is a compilation of different reports that I have to physically take from this, put it in here, take from this one, put it on a spreadsheet, so that department liability report, you asked the auditors about, that is my baby right now since fiscal year 2024.

Council Chair Rapozo: Okay. Let me just ask a really stupid question. Right now, if I went to our fiscal person here, Codie, and said, "Hey, can you print out a list of everyone's vacation balances,"—can she do that on Workday?

Ms. Pula'a: From my knowledge, she can do like a record by each person, not all on one (1) sheet of paper.

Council Chair Rapozo: Okay.

Ms. Pula'a: Yes.

Councilmember Holland: You have to go staff by staff, is what you are saying?

Ms. Pula'a: For certain information.

Council Chair Rapozo: Will Workday compile a list...this is why I ask and you folks were here last year, you were not here, but you were here last year. Last year, we had the same finding.

Ms. Pula'a: Yes.

Council Chair Rapozo: Last year, we were told that it is because we had half of the year on Workday, only half of the year, but "next year we are going to be fine because we are going to have a full year of Workday." Well, we had the full year of Workday, and this is still here. What I am hearing is that with Workday, we do not have the ability to create overtime balance reports even though Workday is what we are using...

Ms. Pula'a: Are we talking about overtime or accrual balances?

Council Chair Rapozo: I am talking about...right now, as I understand it, if an employee wants to take vacation, it is done through Workday.

Ms. Pula'a: Yes.

Council Chair Rapozo: It is electronic.

Ms. Pula'a: Yes.

Council Chair Rapozo: And then the supervisor approves it, like I have to approve everyone's request here.

Ms. Pula'a: Yes.

Council Chair Rapozo: Does Workday have the capability to process or catalog the information, so that if I want to run a report on everyone in my department, how many vacation hours they had, how many vacation hours they took, and what is their remaining number...that is not available in Workday?

Ms. Pula'a: It will give us ones...you can put, "I want to know as of a certain date," that is what I pull for this fiscal year one. I want to know the end balances of a certain date for all these people in this department.

Council Chair Rapozo: Okay.

Ms. Pula'a: I can do that.

Council Chair Rapozo: Okay.

Ms. Pula'a: What it cannot give me is how much did they earn over a fiscal year, so I have to pull another report and then add to my one that I had over here to get all the information, and that is a manual process. We are still catching back with Workday, calling consultants, being like, "Hey, make this work for us." It is an in-progress thing, high priority.

Council Chair Rapozo: It really has not made it more efficient? Well, I should not be talking to you, to you...it really has not made it more efficient?

ANNETTE L. ANDERSON, Director of Human Resources: Annette Anderson, Director of Human Resources. Thank you for the question. I just want to emphasize that the departmental accrual report (DAR) otherwise known as DAR is needed by the Finance Department for the ACFR. There are components of the ACFR that need to be put in.

Council Chair Rapozo: Okay.

Ms. Anderson: And that is the deficiency that we are seeing. The whole Workday program is wonderful, far better than anything we ever had when we had manual. As you probably know, our goal since Workday is to tweak it so we did not have hardly any manual process. I am upset, there is nothing I can do about it, that in order to complete this report that the Department of Finance needs for the ACFR, we have to have Ms. Pula'a do a manual report. Now, she is pulling different

manual reports from Workday, putting it into a spreadsheet and doing all the formulas that you have to do in Excel, and that is where the errors occurred as the auditors pointed out. The good news is that when we got the findings from the auditors, she has also researched, "How can I pull the data together so that we do not have errors," and it is my understanding and she can confirm that we are almost one hundred percent (100%) confident that we have fixed it going forward, because she knows how to create the appropriate formulas when she is pulling all these reports from Workday into a spreadsheet, which again, will be a manual process. To your earlier point, and I had mentioned in the corrective action plan, it is unfortunate, but there is nothing we can do about it. We have HR management system, which is Workday for the payroll, for the time accrual, and now we also have it for recruitment. Workday is a big company that has different types of software, there is a financial management software that Workday has. If we had that, which we do not, and I do not think we will, it would automatically pull the components that are needed for the ACFR, but it is not going to happen.

Council Chair Rapozo: Why is it not going to happen?

Ms. Anderson: Well, that is a procurement issue.

Council Chair Rapozo: Okay.

Ms. Anderson: My understanding is that we are not going to have that from Workday. We are going to have...just like we have now, a different financial system...

Council Chair Rapozo: Yes, and that is part of the problem we have with this County, right, because you have software that cannot integrate.

Ms. Anderson: Well, that is my...

Council Chair Rapozo: ...so we went with Workday, because I remember the sales pitch. We went with Workday to make it all electronic, but because we are using a different part of software to handle a different part of financial reporting, now we have to hire someone to manually input data into a spreadsheet and then manually recover the data from Workday, and now you are telling me that Workday has a module that would eliminate that.

Ms. Anderson: A financial system, I do not know if it is called a module.

Council Chair Rapozo: Well, whatever you want to call it.

Ms. Anderson: Whatever you want to call it.

Council Chair Rapozo: But they have a...

Ms. Anderson: But it is a huge system, it is not just like, "Let us just pick up a little side thing." It is a huge investment for the County. Another

way, I guess it has been represented as you know, HR needs HR software, human resource management system, right, so when we went through the procurement and had all the different vendors, we decided Workday was the best for HR needs, for payroll needs, for being able to do recruitment, so we got Workday. When you have the finance side of the house, looking for what all they do for the finance, and again, I do not want to get into procurement issues, but my understanding is there are different vendors sharing what their product could do and the cost of their product. It is what it is...that the Finance Department has the different system now or will have a different system, or we will have the same. I do not know how to characterize it, but my belief is that it is not going to be Workday, and so yes, I am frustrated, but like I said, I am confident with working with Ms. Pula'a and also others in HR, Jill Niitani, our HR Manager and Brandon Raines, who is the HR Administrator, that we have done our very best to make sure that the way that she is going to compile it for the next fiscal year is not going to have the errors because she figured it out. It is what it is...and the other thing, too, is from the past the departments prepared this accrual report. She took over last year, so now it is on payroll. I cannot promise you that it is going to be perfect, but I feel good. I am upset about what I just say about the manual, but I feel good that we got it.

Council Chair Rapozo: Alright. Councilmember Kaneshiro, did you get your answer?

Councilmember Kaneshiro: Yes. It is not possible to integrate the two (2) systems, but they are trying to do their best on manually or however they are doing it.

Council Chair Rapozo: We have to figure it out how to fix it, is where I am at. When we look at a material weakness, this one is not necessarily a material weakness, but when you get these repeat findings, we have to fix it. If it is...costs should not be the obstacle. I can only imagine how it is for you, Ms. Pula'a, to be pulling all these numbers and then manually putting them on a spreadsheet hoping that number you got from your system is correct.

Ms. Pula'a: It has definitely been a learning experience but just echoing what Ms. Matsuyama mentioned earlier, I in a weird way am very appreciative of the finding, because it makes me want to and perform better and find more efficiencies for not only my reporting, but others, the end-user, asking, "How can we use this complex and robust system to help not only my department, but everyone?" For people to not question their accrual balances. How can we get to that point? I believe in the system. It has so many capabilities. I think the finding offers a meaningful insight and supports stronger accountability on me and my staff to do better for our County employees. I am hopeful.

Councilmember Cowden: Thank you.

Ms. Anderson: One (1) more thing, and Ms. Pula'a can speak to the details, but when we did the findings of the five (5) instances, and her staff did go through the remainder of the employees to ensure everything is correct, because

we know audits, they pick certain things, so that was another step that was done to ensure that everything is correct after we had received the findings.

Council Chair Rapozo: Well, that is what the audit is—it is a tool. Thank you. With that, we can move on. I would expect next week at the Committee Meeting we can dig into each of the other findings, and hopefully the Administration will be prepared to respond. Otherwise, we can take a lunch break and come back and “hammer it out” today.

Councilmember Kuali'i: We need to take a lunch break anyway, correct?

Councilmember Holland: Let us just do it.

Council Chair Rapozo: I think we can wrap up this agenda by 1:30 p.m.

Councilmember Holland: Yes.

Council Chair Rapozo: I know it will keep staff a little long. If we do the Committee Meeting briefing...if we want to do it next week, then we can get through this agenda today and not take a lunch break. Is that okay with staff? Staff, do you folks want to take a break? Are you folks okay? Can you do another fifteen (15) to twenty (20) minutes? We will proceed. The only thing I ask is if you can get your questions across the street as soon as possible, so they can be prepared when they come back.

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

The motion to refer C 2026-03 to the January 14, 2026 Finance & Economic Development Committee Meeting was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carries. Next item, please.

C 2026-02 Communication (12/09/2025) from Assistant Chief of Police Darren D. Rose, Police Operations Bureau, requesting Council approval of the indemnification clause contained in the Navigate360 Master Service Agreement and its Training Terms and Conditions, which continues use of the P3 Tips Crimestoppers platform, enabling community members to anonymously report criminal activity, and to indemnify the County against claims resulting from the company's gross negligence, willful misconduct, or intellectual property infringement.

Councilmember Kuali'i moved to approve C 2026-02, seconded by Councilmember Cowden.

Council Chair Rapozo: Is there any discussion or public testimony?

There being no public testimony, the meeting proceeded as follows:

The motion to approve C 2026-02 was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carries. Next item, please.

C 2026-05 Communication (12/17/2025) from the Executive on Aging, requesting Council approval to receive and expend Federal funds, for the first allotment in the amount of \$9,516.00, for Fiscal Year 2026, and to indemnify the State Executive Office on Aging, for the Nutrition Services Incentive Program (NSIP) provision of congregate and home-delivered meals.

Councilmember Kuali'i moved to approve C 2026-03, seconded by Councilmember Cowden.

Council Chair Rapozo: Is there any discussion or public testimony?

There being no public testimony, the meeting proceeded as follows:

The motion to approve C 2026-03 was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carries. Next item, please.

C 2026-06 Communication (12/18/2025) from the Director of Planning, requesting Council approval to receive and expend Federal/State funds for the Hawai'i Coastal Zone Management (CZM) Program in an amount up to \$200,000.00, and to indemnify the State of Hawai'i in accordance with the State of Hawai'i General Conditions (AG-008 103D) for administering the program. This reoccurring pass-through grant will be utilized to continue the implementation of the CZM Program on Kaua'i commencing July 1, 2025 to June 30, 2026 and will be expended on salaries/wages, travel, and other items for the CZM Program, specifically for the implementation and enforcement of the Special Management Area Rules and Regulations of the County of Kaua'i and Shoreline Setback provisions of Chapter 8, Kaua'i County Code 1987, as amended.

Councilmember Kuali'i moved to approve C 2026-06, seconded by Councilmember Cowden.

Council Chair Rapozo: I do not see the Planning Department here.
Did anyone have any questions?

Councilmember Kaneshiro: I saw Mr. Hull outside earlier, but I am not sure if he stuck around.

Councilmember Cowden: Hi, Ka'āina.

Council Chair Rapozo: I am just asking if anyone has any questions because...

Councilmember Cowden: I have a simple question.

Council Chair Rapozo: Okay.

Councilmember Cowden: This CZM two hundred thousand dollars (\$200,000), is it basically what we have continued to do with our Sea Grant Programs?

There being no objections, the rules were suspended.

KA‘ĀINA S. HULL, Planning Director: Sorry. Ka‘āina Hull, on behalf of the Planning Department. Sorry, Council Chair, I heard you say, “Lunch,” so I decided to walk back to my office, but then I ran back. The Sea Grant Program is funded by the County of Kaua‘i, the CZM funds come from the federal government, are funneled through the State Office of Planning, and are given to the County of Kaua‘i to run our CZM Program. I will say that this two hundred thousand dollars (\$200,000) was not actually released previously by the White House, and we have been somewhat functioning to fund those positions internally...

Councilmember Cowden: Okay.

Mr. Hull: ...until we got signal recently by the Office of Energy Projects (OEP) that we should create a possible funnel in these small, small, small chance that the White House releases the funds.

Councilmember Cowden: That is why it is July 1st through July...because I was wondering why it was after-the-fact.

Mr. Hull: Yes, so when we generally come to Council, that we manually to receive and expend the funds, that is early on in the year. The Office of Planning had made the determination and the assessment that even though Congress had allocated these moneys, the White House was not going to release them. So we never came to this body to request permission to receive and expend, and now it looks like there...not a strong possibility, I will say at least with discussions with OEP, but there is a small possibility of these funds being released. If they are, they felt it appropriate for us to “spin up” the appropriate process to receive these funds.

Councilmember Cowden: Okay, but the people who run our CZM program is mainly one (1) person, right? How many people in that...

Mr. Hull: We have four (4) staff members.

Councilmember Cowden: Four (4) staff, so this is not our University of Hawai‘i (UH)...

Mr. Hull: This does not include that position.

Councilmember Cowden: There are four (4) members, and so we have been pulling that money to pay them from just was excess for unhired people or...

Mr. Hull: We have two (2) vacancies that...and we will probably get into it during the budget review discussions, we have two (2) vacancies that we have not filled with the express purpose because we have been using those funds to fund those live body positions that the federal government no longer provides funds for.

Councilmember Cowden: Okay, so we have avoided losing or laying off people that are critical to our program?

Mr. Hull: Correct.

Councilmember Cowden: Do we think that these moneys are ever going to come in or are we going to have to add different General Fund dollars for moving forward?

Mr. Hull: We will have discussions with the Administration.

Councilmember Cowden: Okay. But with those two (2) positions that we did not hire, is there enough money to keep this program going through until the end of June?

Mr. Hull: The State are somewhat in response to the White House withholding those moneys last year, appropriated moneys statewide for the coastal zone management programs and Kaua'i was allocated roughly ninety-four thousand dollars (\$94,000). We add that ninety-four thousand dollars (\$94,000) to the vacancy positions, and we were able to make the four (4) existing fully-staffed CZM positions whole, if you will.

Councilmember Cowden: And so we will not have a money bill in between then and now?

Mr. Hull: We do not anticipate that.

Councilmember Cowden: And if we get the two hundred thousand dollars (\$200,000), that just goes back in and then we are going to hire these other two (2) positions?

Mr. Hull: We are tracking all of our positions for the purpose of reimbursement even though it was not anticipated, but on the off chance that we are able to get the reimbursement through this two hundred thousand dollars (\$200,000), we have been tracking those hours specifically for that.

Councilmember Cowden: What two (2) positions are not being filled? We were just told that we were behind in the Finance Department because we

had...an unanticipated gap in skilled staffing, who are we not filling in order to be taking care of this?

Mr. Hull: There is a long-range planner position and the excluded managerial position that essentially runs our finances, our budgets, and our administrative staff.

Councilmember Cowden: So, those are two (2) really important positions that are not filled right now? Okay. Alright. Thank you.

Council Chair Rapozo: Are there any further questions for the Planning Department? If not, thank you. Is there any further discussion?

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

The motion to approve C 2026-06 was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carries. Next item, please.

C 2026-07 Communication (12/22/2025) from the Executive on Aging, requesting Council approval to receive and expend donations from three (3) various sources, in the amount of \$340.00, to help offset the costs of the meals served from the Home-Delivered Meals Program. The purpose of the nutrition program is to reduce hunger and food insecurity, and provide meals to the participants.

Councilmember Cowden moved to approve C 2026-07, seconded by Councilmember Bulosan.

Council Chair Rapozo: Is there any discussion or public testimony?

There being no public testimony, the meeting proceeded as follows:

The motion to approve C 2026-07 was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carries. Next item, please.

C 2026-09 Communication (12/26/2025) from the Director of Finance, requesting Council approval to accept unappropriated and unknown/unspecified future obligation terms in the Statement of Work associated with the Transient Accommodations Tax (TAT) Payments Online with Tyler Technologies, which are typical of online payment agreements and present little to no risk to the County.

Councilmember Kuali'i moved to approve C 2026-09, seconded by Councilmember Bulosan.

Council Chair Rapozo: Is there any discussion or public testimony?

Councilmember Cowden: Can I ask Chelsie a quick question?

Council Chair Rapozo: Sure.

Councilmember Cowden: "Unknown/unspecified future obligations," this is sort of weird hearing that.

There being no objections, the rules were suspended.

CHELSIE SAKAI, Director of Finance: This is typical in all of our payment platforms, so if there is a chargeback on our credit card and we do not know that we are going to have it, so we do not have it budgeted. It is "unknown" in that sense.

Councilmember Cowden: Okay. This is our TAT, so someone's credit card that does not work, something like that, so we just do not go after somehow Tyler Technologies?

Ms. Sakai: We are responsible for the chargebacks, if there are any, but we just do not know...

Councilmember Cowden: Tyler Technologies said, "Hey, you people cannot dump...you got a bad card, that is not our challenge." Thank you.

Council Chair Rapozo: This is not an indemnification, this is basically allowing them for agreeing to the term that we will pay the chargebacks.

Councilmember Cowden: Okay.

Council Chair Rapozo: Are there any further questions? If not, thank you.

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

The motion to approve C 2026-09 was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carries. Next item, please.

C 2026-10 Communication (12/26/2025) from the Director of Finance, requesting Council approval to accept travel-related reimbursed expenses from the International Association of Assessing Officers (IAAO) for the County of Kaua'i Real Property Tax Manager to attend the IAAO Governance Committee Meeting, which will be held in Kansas City, Missouri, on February 27–28, 2026. The meeting ensures that the County remains at the forefront of industry standards and best practices, provides networking with others, gains insights into the latest trends and developments in the field, and fosters relationships that can lead to future collaborations.

Councilmember Kuali'i moved to approve C 2026-10, seconded by Councilmember Bulosan.

Council Chair Rapozo: Is there any discussion or public testimony?

There being no public testimony, the meeting proceeded as follows:

The motion to approve C 2026-10 was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carries. Next item, please.

CLAIM:

C 2026-11 Communication (12/22/2025) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Michael Scott, for personal loss and injuries, pursuant to Section 23.06, Charter of the County of Kaua'i.

Councilmember Kuali'i moved to refer C 2026-11 to the Office of the County Attorney for disposition and/or report back to the Council, seconded by Councilmember Bulosan.

Council Chair Rapozo: Is there any discussion or public testimony?
Seeing none.

There being no public testimony, the meeting proceeded as follows:

The motion to refer C 2026-11 to the Office of the County Attorney for disposition and/or report back to the Council was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: The motion carries. That concludes today's agenda. If there are no objections, this meeting is adjourned.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 1:20 p.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA
County Clerk

:dmc