

COUNCIL MEETING

MARCH 11, 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, and Meeting Room 106, Līhu'e, Kaua'i, on Wednesday, March 11, 2026, at 8:52 a.m., after which the following Members answered the call of the roll:

Honorable Bernard P. Carvalho, Jr.
Honorable Felicia Cowden
Honorable Fern Holland
Honorable Arryl Kaneshiro
Honorable KipuKai Kualii
Honorable Mel Rapozo

Excused: Honorable Addison Bulosan

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/3037?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 or via Meeting Room 106 on any agenda item.)

APPROVAL OF AGENDA.

Councilmember Kualii 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 carried by a vote of 6:0:1 (*Councilmember Bulosan was excused*).

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

MINUTES of the following meeting of the Council:

February 18, 2026 Public Hearing re: Bill No. 2980, Bill No. 2982, and Bill No. 2983

Councilmember Kualii 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 carried by a vote of 6:0:1 (*Councilmember Bulosan was excused*).

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

CONSENT CALENDAR:

C 2026-50 Communication (02/06/2026) from the Hawai'i State Association of Counties (HSAC) President, transmitting for Council consideration, HSAC's slate of officers for the HSAC Executive Committee for Calendar Year 2026, pursuant to Section 5 of the Bylaws of the Hawai'i State Association of Counties, Inc.

C 2026-51 Communication (02/18/2026) from the Housing Director, transmitting for Council consideration, a Resolution Authorizing The Filing Of The Kaua'i County 2026 Action Plan (Community Development Block Grant) With The Department Of Housing And Urban Development, United States Of America, For A Grant Under Title I Of The Housing And Community Development Act Of 1974 And 1987 (Public Laws 93-383 And 100-242), As Amended.

C 2026-52 Communication (02/18/2026) from the Assistant Housing Director, transmitting for Council consideration, a Resolution Authorizing The Mayor And The Director Of Finance Of The County Of Kaua'i To Enter Into An Intergovernmental Agreement With The State Of Hawai'i And Department Of Health For A Loan From The State Water Pollution Control Revolving Fund For The Residential Cesspool Conversion Program (County Of Kaua'i Residential Cesspool Conversion Program 2), Project No. RCC00KA-02.

C 2026-53 Communication (02/26/2026) from the County Engineer, transmitting for Council consideration, a Resolution Amending Resolution No. 2024-02, Authorizing The Mayor Or The Director Of Finance Of The County Of Kaua'i To Enter Into An Intergovernmental Agreement With The State Of Hawai'i, Department Of Health For A Loan From The State Water Pollution Control Revolving Fund For The Wailua WWTP Improvements Phase II, Project No. C150055-08.

Councilmember Kualii moved to receive C 2026-50, C 2026-51, C 2026-52, and C 2026-53 for the record, 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 receive C 2026-50, C 2026-51, C 2026-52, and C 2026-53 for the record was then put, and carried by a vote of 6:0:1 (*Councilmember Bulosan was excused*).

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

COMMUNICATIONS:

C 2026-54 Communication (02/10/2026) from the Fire Chief, requesting Council approval to accept a donation of one (1) new 2026 Kawasaki Mule, at an estimated value of \$16,527.74, from the Kaua'i Lifeguard Association, increasing optimum function for emergency response, which will be placed at Hanalei Pine Trees Tower.

Councilmember Kualii moved to approve C 2026-54 with a thank-you letter to follow, seconded by Councilmember Carvalho.

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

Councilmember Cowden: I think we have someone from the Ocean Safety Bureau present. Can we bring him up to say thank you?

Council Chair Rapozo: Do you have a question?

Councilmember Cowden: It is not really a question, well, maybe, yes. Hi, Chad.

There being no objections, the rules were suspended.

CHAD LISTMAN, Ocean Safety Officer III: Hello. Chad Listman, Kaua'i County Lifeguard.

Councilmember Cowden: Is this going to Hanalei?

Mr. Listman: Yes, this is going to Pine Trees (Waioli Beach Park) tower. We have one (1) that has lived its life, and it is about to be retired, and this will help a lot.

Councilmember Cowden: You folks do awesome work. I wanted to, again, acknowledge Chance's rescue, right there at that tower. Does this go out to Kē'e and Hā'ena or is there a separate one out there?

Mr. Listman: We have two (2) all-terrain vehicles (ATVs): one (1) is stationed at Kē'e Beach and the other at Hā'ena Beach. This one will be at Pine Trees, stored in our baseyard.

Councilmember Cowden: Oh, yes, this is a mule, I was thinking jet ski.

Mr. Listman: Yes, it is just a little side-by-side.

Councilmember Cowden: I wanted to thank the Lifeguard Association because it is mostly the visitor industry that pays for it, so I think it is really good to acknowledge that.

Mr. Listman: Yes, it is from one of our donors that used to live on the island. He has since moved away, but he has donated four (4) mules, one (1) jet ski, and I think possibly even one (1) truck.

Councilmember Cowden: Okay, so, this is an individual?

Mr. Listman: An individual donating to the County of Kaua'i, Kaua'i Lifeguard Association (KLA), and then earmarking it for us on the North Shore.

Councilmember Cowden: Okay, well, I do not even know who that is, but for right now...is that "he"?

Mr. Listman: Yes.

Councilmember Cowden: It is a man?

Mr. Listman: Peter Kotour. He does not live here anymore.

Councilmember Cowden: Oh, yes.

Mr. Listman: He was someone that we took care of; he is slightly disabled, and he really enjoyed watching us work at Pavilion Tower and felt safe when we were there. He would get his daily swims in that he needed to stay healthy. He has since moved back to the mainland, and he still calls us every year and checks on us and asks what we need. He cares about us.

Councilmember Cowden: Thank you for sharing that story. It is really important for us to know who...not just for the Council, but also the community to know that we are cared about by different individuals. That is a big gift. Thank you.

Council Chair Rapozo: Thank you. Are there any further questions for our lifeguard? Thank you very much. I appreciate you being here.

Mr. Listman: Thank you.

Council Chair Rapozo: Is there anyone in the audience wishing to testify? *Mahalo* to KLA for always stepping up.

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

The motion to approve C 2026-54 with a thank-you letter to follow was then put, and carried by a vote of 6:0:1 (*Councilmember Bulosan was excused*).

Council Chair Rapozo: Next item, please.

C 2026-55 Communication (02/13/2026) from the Managing Director, requesting Council approval to accept an after-the-fact donation of a 7'x7' three-dimensional (3D) table map of the island of Kaua'i, from the Westin Princeville Resort, with an original cost of \$130,000.00. During recent Resort renovations, the artwork was going to be dismantled and disposed of; the artwork was picked up by the Department of Public Works – Roads Division on February 12, 2026, and will be displayed in the Pi'ikoi atrium in front of the Housing Agency.

Councilmember Kualii moved to approve C 2026-55 with a thank-you letter to follow, seconded by Councilmember Cowden.

Council Chair Rapozo: This is an after-the-fact donation. I want to thank Samira Siale from the Hawai'i Lodging & Tourism Association (HLTA). She reached out to me and said they had this amazing work of art that was going to be demolished in the renovations and asked if the County wanted to get it, and I did not want to see that piece get destroyed. It is a beautiful 3D map of the island. I called Managing Director Reiko Matsuyama, and she said they would gladly take it because they had space for it; we do not have space here. We could not get the request for approval before they were going to dismantle and destroy it, so they did take it and that is why it is an after-the-fact agenda item.

Councilmember Cowden: Is it in place yet? I do not think I have seen it.

Council Chair Rapozo: I think it is. I think it is in the "H" room.

Councilmember Cowden: Is it flat or is it on the wall? Flat?

Council Chair Rapozo: Flat. It is flat with...it is 3D, though, it is a beautiful...

Councilmember Cowden: Is it near the restaurant in the "H" room?

Council Chair Rapozo: Director Matsuyama, can you come up? I want to thank Reiko for saying “yes.”

Councilmember Cowden: It has not been very long since I have been in that area. When did it go up?

There being no objections, the rules were suspended.

REIKO MATSUYAMA, Managing Director: Maybe like three (3) weeks ago. Reiko Matsuyama, Office of the Mayor. Thanks to our Hanalei Roads crew, they are the ones that went urgently, changed their schedule to get it. There was some urgency because they were doing renovations. They were going to demolish it, so, now, it is in that dugout area.

Councilmember Cowden: Okay, near the dugout, near the restaurant. Okay, I am going to go look at it. Wonderful.

Council Chair Rapozo: Thank you, Reiko. Is there any further discussion?

The meeting was called back to order, and proceeded as follows:

The motion to approve C 2026-55 with a thank-you letter to follow was then put, and carried by a vote of 6:0:1 (*Councilmember Bulosan was excused*).

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

C 2026-56 Communication (02/17/2026) from Council Chair Rapozo and Councilmember Kaneshiro, transmitting for Council consideration, A Bill For An Ordinance Amending Chapter 5A, Kaua'i County Code 1987, As Amended, Relating To Real Property Tax.

Councilmember Kualii moved to receive C 2026-56 for the record, seconded by Councilmember Carvalho.

Council Chair Rapozo: This is the communication that is attached to Proposed Draft Bill (No. 2987), which will come up later today, but if anyone here would like to testify on the Ag Bill and not have to wait for it to come up, I will accept your testimony here now.

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

The motion to receive C 2026-56 for the record was then put, and carried by a vote of 6:0:1 (*Councilmember Bulosan was excused*).

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

LEGAL DOCUMENT:

C 2026-57 Communication (02/18/2026) from the Housing Director, recommending Council approval of a Waiver, Release and Indemnity Agreement with the Department of Water for the development of the Lima Ola Community Park Project in Phase I of the Lima Ola Subdivision situated at Tax Map Key (TMK) No. (4) 2-1-013:003:0000 'Ele'ele, Kaua'i, Hawai'i for construction activities.

- Waiver, Release and Indemnity Agreement

Councilmember Kualii moved to approve C 2026-57, 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 C 2026-57 was then put, and carried by a vote of 6:0:1 (*Councilmember Bulosan was excused*).

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

CLAIMS:

C 2026-58 Communication (02/12/2026) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Natalie Rein, for vehicle damage, personal injury, and medical bills, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2026-59 Communication (02/13/2026) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Derrick Ching, for vehicle damage, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2026-60 Communication (02/13/2026) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Gail Mande, for vehicle damage, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2026-61 Communication (02/20/2026) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Carla Hart, for personal injuries and medical bills, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2026-62 Communication (02/23/2026) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Tierra-Rose Perreira, for vehicle damage, pursuant to Section 23.06, Charter of the County of Kaua'i.

Councilmember Kualii moved to refer C 2026-58, C 2026-59, C 2026-60, C 2026-61, and C 2026-62 to the Office of the County Attorney for disposition and/or report back to the Council, 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 refer C 2026-58, C 2026-59, C 2026-60, C 2026-61, and C 2026-62 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 Bulosan was excused*).

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

COMMITTEE REPORTS:

PARKS & RECREATION / TRANSPORTATION COMMITTEE:

A report (No. CR-PRT 2026-01) submitted by the Parks & Recreation / Transportation Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2982 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2025-905, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUA‘I, STATE OF HAWAI‘I, FOR THE FISCAL YEAR JULY 1, 2025 THROUGH JUNE 30, 2026, BY REVISING THE AMOUNTS ESTIMATED IN THE GENERAL FUND (*Kawaihau Road Parks Parcel – \$800,000.00*),”

A report (No. CR-PRT 2026-02) submitted by the Parks & Recreation / Transportation Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2983 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2025-906, AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE COUNTY OF KAUA‘I, STATE OF HAWAI‘I, FOR THE FISCAL YEAR JULY 1, 2025 THROUGH JUNE 30, 2026, BY REVISING THE AMOUNTS ESTIMATED IN THE GENERAL FUND - CIP (*Kawaihau Road Parks Parcel – \$1,300,000.00*),”

Councilmember Kualii moved for approval of the reports, 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 reports was then put, and carried by a vote of 6:0:1 (*Councilmember Bulosan was excused*).

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

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE:

A report (No. CR-FED 2026-03) submitted by the Finance & Economic Development Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2980 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2025-905, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUA‘I, STATE OF HAWAI‘I, FOR THE FISCAL YEAR JULY 1, 2025 THROUGH JUNE 30, 2026, BY REVISING THE AMOUNTS ESTIMATED IN THE GENERAL FUND (*ACFR Year 1 Fiscal Year 2024 Change Order – \$130,000.00*),”

Councilmember Kualii moved for approval of the report, 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 for approval of the report was then put, and carried by a vote of 6:0:1 (*Councilmember Bulosan was excused*).

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

RESOLUTIONS:

Resolution No. 2026-07 – RESOLUTION APPROVING THE HAWAI‘I STATE ASSOCIATION OF COUNTIES SLATE OF OFFICERS FOR CALENDAR YEAR 2026

Councilmember Kualii moved for adoption of Resolution No. 2026-07, seconded by Councilmember Carvalho.

Council Chair Rapozo: Is there any discussion or public testimony? This is the Hawai‘i State Association of Counties (HSAC), one (1) member from each County sits on that board. Basically, our lobbying organization for the counties. Our representative for Kaua‘i is Councilmember Carvalho who will be the new secretary, congratulations, Christiane, you are the new secretary—awesome.

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

The motion for adoption of Resolution No. 2026-07 was then put, and carried by the following vote:

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

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Six (6) ayes and one (1) excused.

Council Chair Rapozo: Next item, please.

Resolution No. 2026-08 – RESOLUTION AUTHORIZING THE FILING OF THE KAUA'I COUNTY 2026 ACTION PLAN (COMMUNITY DEVELOPMENT BLOCK GRANT) WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AND 1987 (PUBLIC LAWS 93-383 AND 100-242), AS AMENDED

Councilmember Kualii moved for adoption of Resolution No. 2026-08, seconded by Councilmember Carvalho.

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

Councilmember Cowden: Are we going to have any discussion on this?

Council Chair Rapozo: That is why we are here; did you want to say something?

Councilmember Cowden: Is Adam not here?

Council Chair Rapozo: I am not sure. I think the Community Development Block Grant (CDBG) person is present. Can you come up, please?

Councilmember Kualii: The entire team is here except Adam.

Councilmember Cowden: I looked at this and it looks fine, but I always think it is important for the public...just in case we have any questions, can you give us a brief overview?

There being no objections, the rules were suspended.

KERRILYN BARROS, CDBG Coordinator: Good morning, Council Chair, Council Vice Chair, and Councilmembers. I am Kerri Barros. I am the Community

Development Block Grant Coordinator. With me is Anna Kanoho, the Federal Support Specialist. We are presenting a resolution to authorize the filing of the annual Action Plan for Program Year 2026. The Action Plan will be sent to the United States Department of Housing and Urban Development (HUD). The Action Plan serves not only as an application for us to receive CBDG funds, but it also serves as a document to show how federal funds will be invested and used during the program year. The Action Plan also provides information on the projects that have been selected and recommended for funding. Anna will describe those projects.

Councilmember Cowden: Maybe just quickly...show which ones were...do they have the money yet or are we applying for the moneys?

ANNA (IPOLANI) KANOHO, Public Housing & Development Program Specialist: Yes.

Councilmember Cowden: Okay, because they are all worthy and so I think it is good just to get at least a quick review of who we are “backing” for this seven hundred eighty-one thousand dollars (\$781,000). Is the eighty thousand dollars (\$80,000) extra? Can you just go ahead and name them, I guess?

Ms. Kanoho: Hello, Council Chair, Council Vice Chair, and Councilmembers. For the record, Anna Kanoho, Federal Programs Support Specialist for the Housing Agency. I will review the recommended projects and the funded amounts for each. We have three (3) Public Facilities and Improvements projects. The first is the Americans with Disabilities Act (ADA) Ramp for Lāwaʻi Youth Transition Home, this is by Hale ʻOpio in the amount of forty thousand seven hundred eighty-eight dollars (\$40,788). This is to design, construct, and install an ADA-compliant ramp to provide access to essential behavioral health and supportive housing services for youth, and for low- to moderate-income families. The second is Kauaʻi – Aukoi Restoration Project; this is by Mental Health Kōkua, in the amount of two hundred eighty-two thousand dollars (\$282,000). This is to renovate an existing group home for adults with serious mental illness (SMI), at risk of homelessness. The last of the Public Facilities and Improvements projects is Kealaula Phase II Photovoltaic System Installation. This is by the Kauaʻi County Housing Agency, in the amount of two hundred thousand dollars (\$200,000). This is to install a photovoltaic system to decrease energy costs at a long-term supportive rental housing project for families transitioning out of homelessness.

Then we have two (2) Public Service projects. The first of these is the Keala Foundation Transportation Program, by the Keala Foundation, in the amount of fifty-seven thousand seven hundred thirty-five dollars (\$57,735). These funds are being used for driver salaries, fuel, maintenance and insurance of existing vehicles to facilitate youth participation in drug prevention and intervention programs supporting mental and physical health and offering reliable transportation for low- to moderate-income families. We also have Makana Training Center (MTC) Youth Development Project. This is by Iwikua, in the amount of fifty-three thousand dollars (\$53,000). These funds will be used for staff salaries, operational costs, and to purchase operation supplies, equipment and assessment tools to conduct an

after-school program for youth (ages 6-8), from low- to moderate-income families to support physical health, emotional well-being and positive engagement.

We have the Administration for CDBG, which includes general program administration, project implementation, oversight, compliance monitoring, evaluation, record-keeping and reporting. This is in the amount of one hundred forty-seven thousand six hundred forty-seven dollars (\$147,647). The total anticipated funding is seven hundred eighty-one thousand one hundred seventy dollars (\$781,170). An alternate project has been identified should any of these projects not proceed; it is a Public Facilities and Improvements project, which is 2026 Hale Ho'omalū Family Center Critical Safety Improvements Project Phase II. This is by Child & Family Services (CFS) Real Property, Inc., in the amount of eighty thousand dollars (\$80,000) for design, permitting and installation of window replacement to enhance safety, functionality and long-term sustainability in serving low- to moderate-income individuals and families. The Housing Agency anticipates receiving seven hundred thirty-eight thousand two hundred thirty-four dollars (\$738,234) and the Housing Agency has also made available forty-two thousand nine hundred thirty-six dollars (\$42,936) from program income, otherwise known as revolving loan funds.

Councilmember Cowden: Okay. Thank you so much. Gratitude to all these organizations that (inaudible) make a difference for the people who are at risk or struggling a little bit. I am really thankful to the Housing Agency for reaching out and finding ways to help our nonprofits, so good job.

Council Chair Rapozo: Councilmember Kualī'i.

Councilmember Kualī'i: Thank you for all of the details. Can you share a little bit about all of the people receiving awards in this cycle? Can you tell us what the program is? Is it an annual cycle? Who is eligible? What are the smallest and largest grants? Is it these basic categories: Public Facilities and Improvements and Public Services that are eligible types of expenditures? The final question about the entire program is, does the entity applying have to be a nonprofit, 501(c)3, or can they have a fiscal sponsor—just an overview of the program?

Ms. Kanoho: If I miss any of your questions, you will have to remind me.

Councilmember Kualī'i: No worries.

Ms. Kanoho: CDBG is the Community Development Block Grant program, of course, funded by the Department of Housing and Urban Development (HUD)—we receive their federal funds. The national objective for CDBG is to serve low- to moderate-income families. This is an annual cycle, correct. Did you ask particularly about the amounts?

Councilmember Kualī'i: Who is eligible? Do they apply to you for a grant?

Ms. Kanoho: Nonprofits apply for these grant funds.

Councilmember Kualii: So, established nonprofits with 501(c)3 or can a newer organization use a fiscal sponsor?

Ms. Barros: *Aloha*, thank you. Kerri Barros. Those who are eligible are usually nonprofits, but CDBG can also fund government or county projects, and we could also fund a for-profit organization. The categories under CDBG is public service-type projects, economic development, housing, and public facilities and improvements. Those are the four (4) categories that can be funded. Because it is an annual grant, we anticipate about seven hundred thousand dollars (\$700,000) annually. Twenty percent (20%) goes to the administration, there is a cap. There is also a cap for public service-type projects, no more than fifteen percent (15%) of the annual grant, and then the remaining can be awarded to the categories—economic development, housing, and public facilities. The lowest amount is usually around twenty-five thousand dollars (\$25,000), that is what we have done in the past, and those are usually for public service-type projects and then whatever is remaining for what we anticipate annually. One could apply for five hundred something thousand dollars for one (1) project.

Councilmember Kualii: Thank you.

Councilmember Cowden: I have a follow-up on that.

Council Chair Rapozo: Okay.

Councilmember Cowden: If entities in our community are watching this, is there a release of when this grant becomes available or can they be proactive and call the Housing Agency and ask to be put on the email list, so when the grant becomes available, they are made aware of it?

Ms. Barros: Yes, to all.

Councilmember Cowden: Okay.

Ms. Barros: It is an annual cycle, so we are always working with three (3) cycles: ones that we have already awarded, we are already preparing for the application cycle that comes out in October of every year, and then we are also accepting calls all year long for technical assistances on what projects are eligible for funding. We post everything on our website; we have public hearings, normally starting in September through November; we do workshops; we post our PowerPoint that has all the information needed for applications; and we are always in the community and the grocery store talking about what projects, what organizations are in need of what and how we can look to see how those projects can be eligible. Yes, to all.

Councilmember Cowden: Okay, thank you. I want to thank you both. I know there are several projects that you help and you help individuals. You folks do some amazing things. I appreciate you.

Council Chair Rapozo: Councilmember Kaneshiro.

Councilmember Kaneshiro: I heard you are retiring, when are you retiring?

Ms. Barros: Yes, I am. May 29th will be my last day.

Councilmember Cowden: Oh, okay.

Council Chair Rapozo: No, it is not.

Councilmember Kaneshiro: Will Anna be taking your spot?

Ms. Barros: At this point, I am not sure, but...

Ms. Kanoho: I will be applying for whatever position.

Councilmember Kaneshiro: I want to thank you for all your service, throughout the years, you have been awesome. Every year, explaining all the projects, and if you look back at how many projects you have awarded and the type of impact they have had, it is probably super huge. I want to say thank you.

Ms. Barros: I appreciate that. I thoroughly enjoyed working in this job. It is just amazing working with the community and other county departments and it has been fun...it is federal funds and it is intense, but it is good work and I have been blessed to work with a lot of good people who do good work.

Council Chair Rapozo: Thank you.

Councilmember Cowden: I have a follow-up.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: I want to encourage you to do strong succession planning, make sure that whoever is behind you is really well-trained up, because I know for individual families you also make a huge difference. I am thinking, "oh, no," because what a gift you are to so many people individually. I am sure that you have changed lives all over this island. I want to make sure that we stay strong and mighty.

Ms. Kanoho: Her succession plan started two (2) years ago.

Councilmember Cowden: Okay.

Ms. Barros: I wanted to say that the leadership of Adam and others in the Administration, there has been such good leadership that we have a plan in place and, yes, Anna was hired to support all of the Housing Agency's federal programs, so she learned all of the different programs in place for when us *kūpuna* get ready to retire. I think we are in a good place for transitioning...

Councilmember Cowden: You hold your age well.

Council Chair Rapozo: Thank you.

Councilmember Kualii: I wanted to say *mahalo*. Thank you for all of your service over the years. It does not even seem like it has been that long, and it is weird to hear you call yourself "*kupuna*." I still remember you working with Joe Shimamoto.

Ms. Barros: Yes.

Councilmember Kualii: Always been good work, so thank you very much.

Council Chair Rapozo: Councilmember Carvalho.

Councilmember Carvalho: I just appreciate all the work you have done from day one all the way up to today. With the *'ohana* now, right, it is the bigger part. I just wanted to thank you for all your hard work. You will leave back some great opportunities for others to take on and move forward for the community. *Mahalo*.

Council Chair Rapozo: Is there anything else? If not, congratulations on your retirement. Thank you. Is there anyone in the audience wishing to testify?

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

The motion for adoption of Resolution No. 2026-08 was then put, and carried by the following vote:

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

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Six (6) ayes and one (1) excused.

Council Chair Rapozo: Next item, please.

Resolution No. 2026-09 – RESOLUTION AUTHORIZING THE MAYOR AND THE DIRECTOR OF FINANCE OF THE COUNTY OF KAUAI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF HAWAII AND DEPARTMENT OF HEALTH FOR A LOAN FROM THE STATE WATER POLLUTION CONTROL REVOLVING FUND FOR THE RESIDENTIAL CESSPOOL CONVERSION PROGRAM (COUNTY OF KAUAI RESIDENTIAL CESSPOOL CONVERSION PROGRAM 2), PROJECT NO. RCC00KA-02

Councilmember Kualii moved for adoption of Resolution No. 2026-09, seconded by Councilmember Carvalho.

Council Chair Rapozo: Is someone here to provide a brief statement?

KOA DUNCAN, Assistant Housing Director: Good morning, Council. Koa Duncan, with the Housing Agency. This is a resolution to approve, it is required...the Department of Health Wastewater branch is giving us another round of funding to continue a second round of the residential cesspool conversion program that the Housing Agency has been administering. We have done it once and this is going to be the second-round fund that we are requesting. If this gets approved, we will work with the Department of Health (DOH) to secure a loan agreement, and then from there we would start the process on the Housing Agency's side to start taking applications and then moving forward with that process. I am here for any questions. This is the second round that we are asking for, but there is a process that we have learned from the first round going through applications, awarding folks. It is a reimbursement grant, so folks who are awarded have to go through the process of paying the money and then installing the septic and then they submit their proof of payment and proof of a letter that they get from DOH. We go back and request to DOH for the money and then we cut checks to the folks who have completed the process—it is a reimbursement grant. There are pros and cons with that, but I think at least with the first round, we had folks that were very happy to get it, definitely stoked to come in and pick up the twenty-thousand-dollar (\$20,000) check after getting the septic completed. With that, I will respond to any questions.

Council Chair Rapozo: Councilmember Kualii and then Councilmember Cowden.

Councilmember Kualii: You shared in your memorandum some highlights from the program.

Mr. Duncan: Yes.

Councilmember Kualii: You received three hundred forty (340) applicants, and you were only able to award one hundred (100).

Mr. Duncan: Correct.

Councilmember Kualii: Do you maintain those two hundred forty (240) additional applicants, and will you try to address them in order of receipt or how is that going to work?

Mr. Duncan: Yes, that is correct. There were three hundred forty (340) people who applied, and the way that we scored them is actually per Kauai County Code Ordinance No. 1104 that had set preferences and priorities. We scored all three hundred forty (340) and the top one hundred (100) scores are who we initially offered the grant agreements to. We kept that scoring list as our master list and going down, which proved to be important because one (1) of the drawbacks of the program was that several people, after the grant, decided it was too expensive, so they decided to drop out. We pulled folks from the next person on our scoring table.

Councilmember Kualii: You talked about the two-million-dollar (\$2,000,000) award coming from the State, right? Is it a two-year award, one million dollars (\$1,000,000) per year? How does that work?

Mr. Duncan: The award for this next round is actually for only one million dollars (\$1,000,000), the first phase was two million dollars (\$2,000,000).

Councilmember Kualii: Okay. We had two million dollars (\$2,000,000) and now we are getting an additional one million dollars (\$1,000,000).

Mr. Duncan: Correct.

Councilmember Kualii: Are you looking at any other potential sources of funding considering there is such a large number of people interested in doing this important conversion, and the pilot obviously seems to be working. If it is working and more funding means we get more done, are you looking at other sources of funding and will you be coming to us during budget for additional funding?

Mr. Duncan: For the second round, the one million dollars (\$1,000,000) is all that we have been able to secure. As far as county funds being applied for this program, I do not think that has been discussed yet.

Councilmember Kualii: When the budget comes, we now have the Housing Fund, we just made some additions to make it more permissive, if you will, to apply to other types of housing support. Would this be eligible for the Housing Fund?

Mr. Duncan: No, this would just be specific to the Department of Wastewater's fund and the residential cesspool grant language that the Housing Agency is following per Ordinance No. 1104.

Councilmember Kualii: Okay. Thank you.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: My memory is that it was two million dollars (\$2,000,000) for the entire State, and we were the only county that raised our hand. Is that right? That happened a couple years ago.

Mr. Duncan: I think that was the case, we were the only island that was able to use the funding for the cesspool...

Councilmember Cowden: Is it one million dollars (\$1,000,000) now because a different island received the other one million dollars (\$1,000,000)?

Mr. Duncan: I believe so. I would have to double check.

Councilmember Cowden: So this time we are going to be able to help fifty (50) houses?

Mr. Duncan: Correct.

Councilmember Cowden: Fifty (50) houses. Were we partnering with Kaua'i Federal Credit Union (FCU) or someone like that...

Mr. Duncan: Yes.

Councilmember Cowden: There was a partnership program, so that the credit union would maybe front the twenty thousand dollars (\$20,000), so that the people when they got the twenty thousand dollars (\$20,000) after it was done, they were able to pay the credit union back—a lot of people did not have the twenty thousand dollars (\$20,000) up front. Am I remembering that correctly?

Mr. Duncan: That is correct. Kaua'i FCU had a septic loan program that allowed folks to take out a loan, pay zero (0) interest until their septic was completed, and then they received grant funding.

Councilmember Cowden: That made this be accessible to so many people because otherwise they would not be able to...do you know if they still have that program this year?

Mr. Duncan: I would have to double check with them, but I think so. It is still available even if you are not going after a grant.

Councilmember Cowden: Can you check? It is good for people to know. I know a lot of people that got called and they did not have twenty thousand dollars (\$20,000) and they let it go, because they did not have the money to start with.

Councilmember Holland: Councilmember Cowden, can I ask for clarity? Where did twenty thousand dollars (\$20,000) come from?

Councilmember Cowden: Two million dollars (\$2,000,000), and it could go up to twenty thousand dollars (\$20,000) per person.

Councilmember Holland: Is that the cap?

Councilmember Cowden: That is the cap.

Mr. Duncan: For the first round, we had two million dollars (\$2,000,000), we awarded one hundred (100) twenty thousand dollars (\$20,000) grants.

Councilmember Holland: Are we keeping it at twenty thousand dollars (\$20,000)? I am wondering because it looks like the cost went up to seventy thousand dollars (\$70,000).

Mr. Duncan: That is a good point. Actually, we do have the flexibility, with the Department of Wastewater Branch, we verified that we could increase it if we felt...

Councilmember Holland: I was thinking this would help more like twenty (20) people.

Mr. Duncan: Yes.

Councilmember Cowden: For clarity, it did not pay the entire thing for everyone and it was not ever twenty thousand dollars (\$20,000) to put it in, it was just a piece to take it further. The plumbers left, they are not exactly septic, but what it seemed happened is once we put this requirement out, all of the septic systems went up from forty thousand dollars (\$40,000) to seventy thousand dollars (\$70,000)...

Council Chair Rapozo: Let us keep it to questions to the Administration. I do not want to get into the discussion of the...this is just to receive the funds.

Councilmember Cowden: Okay.

Council Chair Rapozo: Are there any further questions for Koa?

Mr. Duncan: We are keeping track of what people paid on the grants that we had. The average was about forty-three thousand dollars (\$43,000). The eighty-five (85) that we have done so far, the highest one that we saw someone did was about seventy-seven thousand dollars (\$77,000). We heard from several of the grant recipients that some were quoted over one hundred thousand dollars (\$100,000).

Councilmember Cowden: The good news is that it pays for about half for most people.

Councilmember Kualii'i: Close.

Councilmember Cowden: Close to.

Council Chair Rapozo: Are there any questions? If not, thank you. Is there anyone in the audience wishing to testify? Is there further discussion?
Councilmember Holland.

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

Councilmember Holland: Obviously money is good and helps to convert, we need the money to help people transition, but I am concerned that we need to think way beyond that to address the issue. The cost has gone up so substantially over the last five (5) years, we have a mandate by 2050...we have to open up the options. This is a tiny band aid, I would be surprised if this fully funded, fifteen (15) conversions, so while I am happy to accept it, it is nowhere near enough for what we need.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: I agree and I believe we all did agree in the past, but this is money that was out there that no one in the State was taking. Big shoutouts to our Housing Agency, and I think it was Luke, I cannot remember, but someone helped go, "Let us grab it." It might have been Luke and Mason, it was awhile ago that they were looking at it, and so the Housing Agency had to just stretch to put a plan in place...staffing issue, so it was an effort to help some people, so helping some is better than none. It is not enough but thank you very much for what you have done and what you are going to continue to do.

Council Chair Rapozo: I think the real shame here is the amount we get. It is the amount we get from the State who mandated the deadline for the cesspool conversions, basically forcing the counties to get into this dilemma. I was quoted sixty-two thousand dollars (\$62,000) for a septic with my small, little house. I cannot afford sixty-two thousand dollars (\$62,000), I cannot afford to front the money and get twenty thousand dollars (\$20,000) later. It seems like the people who can do it do not need help. They have the financial ability to go out and get a second mortgage or refinance, and the ones who are trying to build that extra bedroom to keep their kid at home cannot afford it and cannot afford the upfront cost. The discussion we need to have is that the State needs to provide more revenue. If they really want to see this happen by 2050, they need to provide incentives and the revenue, otherwise we are not going to get it done.

Councilmember Holland: The mandate has now made it so people are backed up by years, so I could not even get a quote, and people are saying it could be ten (10) or fifteen (15) years out before their lists have already cleared, and so it is interesting to me about where that money...are those people that are already in line for that, because it is sure not going to be people that are desperate to get it. It just opens up a lot of concern for me.

Council Chair Rapozo: Is there any further discussion? If not, roll call.

The motion for adoption of Resolution No. 2026-09 was then put, and carried by the following vote:

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

Council Chair Rapozo: Next item, please.

Resolution No. 2026-10 – RESOLUTION AMENDING RESOLUTION NO. 2024-02, AUTHORIZING THE MAYOR OR THE DIRECTOR OF FINANCE OF THE COUNTY OF KAUAI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF HAWAII, DEPARTMENT OF HEALTH FOR A LOAN FROM THE STATE WATER POLLUTION CONTROL REVOLVING FUND FOR THE WAILUA WWTP IMPROVEMENTS PHASE II, PROJECT NO. C150055-08

Councilmember Kualii moved for adoption of Resolution No. 2026-10, seconded by Councilmember Cowden.

Council Chair Rapozo: Before we get the Department of Public Works up, I wanted to share a few thoughts and it is really not for the Councilmembers, but more for the public who might be watching this. The ask is for an increase in the Sewer Revolving Fund loan that we approved back in 2014 in the amount of fourteen million dollars (\$14,000,000). That is what is active right now. The ask is for an additional eleven million five hundred thousand dollars (\$11,500,000) to take it to twenty-five million five hundred thousand dollars (\$25,500,000) to do repairs on the Wailua Wastewater Treatment Plant (WWTP) by Lydgate Beach Park. For the public’s information, so they understand what we have before the Administration comes up to do their presentation, that this is a very antiquated facility, it is very old. I will be asking the Administration, so if you do not have the answer, please try to call someone. How much have we paid for emergency repairs over the last five (5) years? I know we paid a lot. This plant that we are talking about is located in a tsunami zone and there is nothing we can do about it, it is there or it is not. The other thing is where this is located, there is no ability to expand this plant, so what we have is what we have and we are not able to expand the capacity, we are not even operating at full capacity right now, because of issues with the system, but we physically cannot expand this plant any larger. We have to make a decision today on whether or not we continue to fund a plant that is antiquated, in a tsunami zone, and cannot be expanded or do we

reassign these funds to building a new plant. That is what I wanted the public to hear, because I think it is a big decision that this body has to make, but I wanted to make sure that the public understands what we are dealing with. With that, can we have the Department of Public Works up?

There being no objections, the rules were suspended.

TROY K. TANIGAWA, County Engineer: Good morning, Chair Rapozo.

Council Chair Rapozo: Good morning.

Mr. Tanigawa: Good morning, Councilmembers. Thank you for that opening. It highlights one of the biggest reasons why this Resolution was proposed. I have been part of a lot of discussion over the last few years about relocation of WWTP. With this item up in today's agenda, I got up early this morning with the matter on my mind. While sitting in this gallery this morning, I decided to write down some of my thoughts. I would like to lead into today's testimony with a summary of those thoughts. I understand the concern and debate for expending significant funds on the current wastewater treatment plant and to instead focus significant spending towards the new wastewater treatment plant that we know is needed to meet future needs. The fact is that without the proposed repairs, WWTP will fail to adequately treat effluent long before a new turnkey facility could be put online to treat all of the Wailua and Kapa'a wastewater. The plant repairs to WWTP are needed as soon as possible, being essential to achieving significant disinfection of treated effluent. Equipment at WWTP is constantly subject to corrosive elements and environment, not only from onshore ocean breezes, but also due to corrosive nature of wastewater. Without the plant repairs, more and more equipment will fail and the quality of effluent will steadily decline until the wastewater treatment plant is unable to achieve compliance with regulatory requirements. Public health and safety will be jeopardized in that time. As done for decades already, continued effluent disposal via the ocean outflow is essential for WWTP. The National Pollutant Discharge Elimination System (NPDES) permit renewal is in the process with the State Department of Health, and now there is more stringent effluent quality parameters with that proposed permit. The proposed project is essential to having capability to achieve and maintain regulatory compliance. I will turn it over to Donald Fujimoto, who has more detail on this matter in his presentation.

Council Chair Rapozo: I want to clarify something you said. The site is subject to extensive corrosion on its equipment and its facilities, because of the location, because of the salt air.

Mr. Tanigawa: That is correct.

Council Chair Rapozo: What improvements would you do that would stop corrosion or stop the salt air from touching our equipment?

Mr. Tanigawa: The elements are what they are, but this facility has been operated for decades, now, roughly about sixty (60) years. We have

this facility and it is the only one we have, so we are going to have to try to keep it together and repair it as long as we need it, until the new plant...

Council Chair Rapozo: My point is we cannot stop salt air, we cannot stop corrosion.

Mr. Tanigawa: That is correct.

Council Chair Rapozo: Go ahead.

DONALD FUJIMOTO, Chief of Wastewater Division: Thank you, Council Chair, for your summary, which is very accurate. I wish it were as simple to say that we can defer the funds because the funds are needed to meet compliance, which is our primary objective right now. Our primary focus...there are a lot of projects that we are going to be asking for and the key is compliance. We are going to make sure we meet compliance and we are not going to be in a situation where we get into fines and consent decrees. Good morning, Honorable Council Chair and Councilmembers. Thank you for promptly scheduling this matter on today's agenda. This meeting is to brief you on our request to increase the State Revolving Fund (SRF) funding approval for the WWTP Phase II, which was approved by the Council on January 18, 2024, actually it was three (3) years ago, not 2014, for fourteen million dollars (\$14,000,000) to the new amount of twenty-five million five hundred thousand dollars (\$25,500,000). This is a short presentation to provide brief background, the budget, the critical timeline, urgency, and to discuss other considerations, such as the landfill relocation because of the location.

WWTP was built in or around 1960 and it is over sixty-five (65) years old, in dire need of repair and upgrades. WWTP Improvement Phase I design was started back in 2002 and construction was completed in 2015 for about two million five hundred thousand dollars (\$2,500,000). This project replaced the old sand filters with a new aqua disk filter, added a new centrifuge dewatering sludge unit, upgraded new blowers for aeration for the activated sludge tanks, demolished the return activated sludge (RAS) and centrifuge building, and provided new RAS pumps and piping. WWTP Improvement Phase II design started back in 2009 and just recently posted on December 2, 2025. This project included upgrading the electrical system from 208 – three (3) phases to 408 – three (3) phase to increase energy efficiency, add a second aqua disk filter, meet redundancy compliance requirements, include a much-needed secondary clarified equipment replacement, aeration tank and piping upgrades, disinfection upgrades, new electrical building, and a plant footprint expansion.

This is a plan view of the existing WWTP, which is situated on two point five (2.5) acres. Upgrade options are limited due to tight space. Engineering estimate for the WWTP Phase II was estimated at fourteen million dollars (\$14,000,000) for construction only. At that time when we went for Council approval, prices were already escalating exponentially, and the reason why we could not go out to bid right away after the approval was the tsunami issue. We had to actually redesign the entire plant to meet the new tsunami building requirements. Our engineers did a fantastic job in meeting this timeline to satisfy the SRF funding deadlines. The revised SRF

funding request is twenty-five million five hundred thousand dollars (\$25,500,000) to cover the entire project cost and is based on the following budget: seventeen million four hundred thousand dollars (\$17,400,000) to cover the low bid price; one million one hundred thousand dollars (\$1,100,000) for construction management; three million dollars (\$3,000,000) to address new compliance requirements for Wailua's National Pollutant Discharge Elimination System (NPDES) permit requirements; and a three million five hundred thousand dollars (\$3,500,000) contingency, at seventeen point five percent (17.5%) of the bid price. It should be noted that this request is conservative to avoid going back again for additional SRF funding to complete the project, and any funds left unexpended will not be charged to the final SRF loan.

Critical Timeline. June 30, 2026 is the SRF funding obligation deadline. We are kind of "put on the books" and this is the drop-dead deadline that we need to expend these funds. Priority was placed to confirm funding amount due to the unpredictable rising construction costs and new tariffs. Back in 2024, the Council approved the funding for fourteen million dollars (\$14,000,000) and this was early 2024. About two (2) years have passed since then and we posted the bid on December 2, 2025, and on February 3, 2026, the bid was opened one (1) week after the original bid deadline. Immediately after the bid opening, a new SRF resolution to reflect the higher cost was drafted and sent to the Department of Health (DOH) on February 7, 2026. Four (4) days later, DOH submitted their revised SRF resolution and a verbal commitment to fund the higher amount. On February 11, 2026, we immediately sent the revised SRF resolution to the Office of the County Attorney for review and approval, which is a required step prior to getting Council approval. On February 27, 2026, we sent the Resolution to Council for approval, and again, we really appreciate the fact that the Council expedited this request for today's agenda.

This table reflects the four (4) bids that resulted in a range of seventeen million four hundred thousand dollars (\$17,400,000) to thirty million two hundred thousand dollars (\$30,200,000). This information is open to the public. As you can see, we have a bidder named Alpha at seventeen million four hundred thousand dollars (\$17,400,000). The second bidder is Oceanic Companies, Inc., at about three million nine hundred thousand dollars (\$3,900,000) higher, at a total amount of twenty-one million two hundred thousand dollars (\$21,200,000). The third bidder was Hansel Phelps bidding at twenty-six million five hundred thousand dollars (\$26,500,000), which is about nine million dollars (\$9,000,000) higher, net difference. The final bidder is Hawaiian Dredging at thirty million dollars (\$30,000,000), with a net difference of twelve million seven hundred thousand dollars (\$12,700,000).

The procurement documents require all bidders to hold their bids for sixty (60) calendar days to process the contact. The deadline to award the contract is April 3, 2026. The bidders were requested to hold their prices for another one hundred twenty (120) days or six (6) months from the bid opening date. The request was to get additional funding. The low bidder responded that they will not expand the procurement period, and to leverage the low bid we need to expedite the funding approval process. The critical path to award the contract, number 1, was to secure the SRF funding for the higher amount, which we got verbally, and now we are asking

the Council for approval of this new SRF funding amount. The last step is, after we get Council approval, to get the written SRF commitment letter.

Other considerations. The existing WWTP site is located in the tsunami zone, where regulatory requirements make the expansion of the WWTP beyond 1.5 million gallons per day (MGD) infeasible and the future relocation necessary. Based on the projections of future development, flows to the WWTP could approach its permitted capacity as soon as 2050, however if cesspool conversion expansion is implemented, the expansion beyond 1.5MGD maybe needed sooner. Developing a new wastewater treatment plant will take over eleven (11) years...right now, we are actually in the second year, so we are actually ten (10) years away. We did a lot of work on the siting study and we are planning on going out to the public to inform the public of the preferred alternative sites and the sites that were considered.

This is a slide from our consultant who is doing the landfill siting. As you can see, these folks are savvy on this PowerPoint. This shows the overall layout and if you add all of the time, I think we are looking at eleven (11) to twelve (12) years. In Phase I, we are probably a good one (1) to two (2) years into Phase I. The environmental permitting will really take a long time to easily get another two (2) years. In summary, with your help, we would like to leverage about three million nine hundred thousand dollars (\$3,900,000) to award the current low bidder. With that, I would like to open to questions or comments.

Council Chair Rapozo: In 2009, you said that Phase II design started with a fourteen-million-dollar (\$14,000,000) estimate and then 2024 is when the Council approved the SRF request for fourteen million dollars (\$14,000,000).

Mr. Fujimoto: Yes.

Council Chair Rapozo: So, what happened in the fifteen (15) years between 2009 and 2024?

Mr. Fujimoto: As I mentioned, according to the timeline our active construction of Phase I was already ongoing in 2015. My understanding is there were higher priority projects, and this was not one of the priority projects that was...

Council Chair Rapozo: Higher priorities than our wastewater?

Mr. Fujimoto: I was not there at the time, so I cannot say.

Council Chair Rapozo: That baffles me, fifteen (15) years...on slide 6, you said DOH returned the revised Resolution, this is with the increased amount of twenty-five million five hundred thousand dollars (\$25,500,000) with comments. What type of comments did they have?

Mr. Fujimoto: Slight grammar changes to the Resolution.

- Council Chair Rapozo: What were they?
- Mr. Fujimoto: There were some grammatical changes.
- Council Chair Rapozo: Like? Were there any conditions or restrictions?
- Mr. Fujimoto: No, no additional conditions, but more grammatical issues.
- Council Chair Rapozo: Based on what you said about looking at the timeline, and I am not going to argue with Kennedy Jenks, but I had the opportunity to talk to a couple of engineering firms that do consulting work in infrastructure and they seem to think this is too long, but anyway you said that the site selection that we already started, and you have some sites that you are going out to the public—what are the sites to be considered?
- Mr. Fujimoto: One of the top considered sites is owned by the Department of Hawaiian Home Lands (DHHL).
- Council Chair Rapozo: Okay.
- Mr. Fujimoto: Obviously.
- Council Chair Rapozo: Where else?
- Mr. Fujimoto: Because of the uncertainty of the DHHL site in reference to the Federal Aviation Administration (FAA) advisory on what can be built within five (5) miles of the airport, we are looking at somewhere *mauka* of the bypass road.
- Council Chair Rapozo: Are those the only two (2) you are talking about, that you said you have some sites considered to go out to the public?
- Mr. Fujimoto: Well we...
- Council Chair Rapozo: Are you ready to go out to the public?
- Mr. Fujimoto: We also looked at a site in Hanamā'ulu, but it also fell within the FAA five-mile requirement.
- Council Chair Rapozo: Councilmember Kualii'i.
- Councilmember Kualii'i: On the Brief Background slide where you talked about Phases I and II. Being that the design started in 2009, and then the fourteen million dollars (\$14,000,000) was approved in 2024, that was fifteen (15) years. Was the design continually worked on, approved, and updated based on new technology or new information? Fifteen (15) years is such a long time.

Mr. Fujimoto: Yes, well, again, I was not there at the time and my only guess is...I have been in Troy's position before and it is not easy getting funding. I think the mayors can attest that wastewater is not the only issue. I was not there, so I do not know what the funding issues were.

Councilmember Kualii: Based on everything that needs to be accomplished at that plant just to meet minimum requirements, keep it operational, obviously we should not be investing in a plant that is not planned to be our future plant, so based on what is the minimum requirement to keep it going, has this plan been fully done? Is Phase II completed or is there going to be Phases III and IV?

Mr. Fujimoto: Yes, thank you for...

Councilmember Kualii: What is that going to cost?

Mr. Fujimoto: We have our consultant here from Kennedy Jenks. Thank you, Councilmember Kualii, that was a great question. I think it is not a matter of investing in the plant so much as repairing the plant to be in compliance. If we are going to repair it, we should make sure that it is not going to break five (5) years later, that is going to last substantially. With the investment we are putting in, a lot of the equipment could be used at the other facilities, the disk filter, for example. There are other systems, modular, what we are doing is trying to fit these requirements into the modular repairs. That is why when you look at the cost, everything is relative, twenty-five million five hundred thousand dollars (\$25,500,000) seems like a lot, but if you remember we just came to you folks for a small sewer pump station repair and that was ten million dollars (\$10,000,000). When you see twenty-five million dollars (\$25,000,000) for a major improvement at Wailua, again, it seems like a deal, if you ask me. Going back to the phasing, yes, there will be another phase, Phase III is estimated at forty million dollars (\$40,000,000) to fifty million dollars (\$50,000,000). That phase is needed to bring us from the existing capacity of 1MGD through the permitted capacity of 1.5MGD. I think I talked about the capacity going out to 2050 and that was based on 1.5MGD. If we are talking about 1MGD, we could reach that as early as 2035, in ten (10) years. We may need that capacity. We all know how long it takes to build a new facility. I am not saying that engineering-wise we cannot do it quickly, we probably can, but it is not only engineering, it is political. It is getting the public to accept the project. The first step is to get a site that the public will support. If we start moving forward and for some reason there is a political fallout, then we have to look backwards, look at our alternatives. That is why our siting study...

Council Chair Rapozo: Before you go on...just because it is frustrating when we keep hearing, "What if this happens."

Mr. Fujimoto: Yes, right.

Council Chair Rapozo: Because if we "if" everything, then no sense, just stop.

Mr. Fujimoto: Yes.

Council Chair Rapozo: The fact is government has to make the decision.

Mr. Fujimoto: Exactly.

Council Chair Rapozo: We need a new plant.

Mr. Fujimoto: Right, but that will not stop the fact that our existing plant needs repair.

Council Chair Rapozo: I do not disagree with you.

Councilmember Kualii: My questions are along the lines of that. You talked about needing it to last substantially, but no, we do not. We only need it to last until the new plant is online. The sooner we get the new plant going and online, the sooner we can...

Mr. Fujimoto: Okay.

Councilmember Kualii: ...transfer over. Why would we invest in making the location at the Lydgate Beach Park last another twenty (20) to forty (40) years when we need to move? The public wants us to move. They do not want "stuff" getting in the ocean anymore and they do not want it being right there on beach where it is susceptible to...right now, maybe "stuff" is going on with the flooding of the river.

Mr. Fujimoto: Thank you, because in the next few months, we will, hopefully, get to the point where we will come to Council and present a siting study and not alternatives. Some of the alternatives are looking at trying to use the existing site, that is an option to consider. Since we are investing, like you said, just to get these repairs, that is another option, but the gamble is that we are still in the tsunami zone, so if there is a tsunami...

Council Chair Rapozo: I want to make sure I understand what you are saying and I hope you are not saying what I think you said. You said an option is to keep it in the tsunami zone? Is that what you just said?

Mr. Fujimoto: The issue with the tsunami zone, the real reason why we need to relocate it is because if we expand the plant, then we need to get it out of there. Technically, there is no reason for us to move right now other than the fact that we are trying to prepare if there is a tsunami. The tsunami requirement does not say that we have to move it.

Council Chair Rapozo: Okay.

Mr. Fujimoto: The reason to move it is because we need to expand the plant.

Council Chair Rapozo: So, I did hear what you said. I am just shocked that you said it, but that is okay.

Councilmember Kualii: You did say there is a Phase III expected and the cost is forty million dollars (\$40,000,000) to fifty million dollars (\$50,000,000). Will that complete everything for that plant for the basic purpose of keeping it operational or will there be a Phase IV with additional costs?

Mr. Fujimoto: Right now, Phase III is essential, it is one of those things that we need now and the other part of Phase III that is going to be important is to address the upgrade and treatment from R-2 to R-1. The state has slowly moved towards higher levels of effluent for the discharge and for injection wells for outflows and injection wells. These are compliance requirement issues.

Councilmember Holland: I have a clarifying question. Did you say Phase III or Phase IV?

Mr. Fujimoto: Phase III.

Councilmember Holland: Phase III is R-1?

Mr. Fujimoto: Right.

Councilmember Holland: That is what I thought.

Mr. Fujimoto: And to upgrade it to the permanent 1.5MGD.

Councilmember Kualii: And the plans for Phase III is for what period?

Mr. Fujimoto: We are hoping to be able to go out to bid at the ending of next year.

Councilmember Kualii: Do you have any sense of emergency and maybe we need to move faster?

Mr. Fujimoto: Well, that is why...

Councilmember Kualii: Because you talk about, "if a tsunami comes," right? You talked about doing repairs now because a tsunami might come, but then doing these repairs and potential expansion and it is sort of being "dragged" out over time.

Mr. Fujimoto: As I mentioned, the tsunami issue actually started because in 2023, when the State forced the counties to adopt the 2018 International Building Code. The adoption of that code changed the maps that we looked at before and it placed these facilities into the tsunami zone. Two (2) facilities now fall into the tsunami zone: Wailua and Waimea. The difference is that in Wailua, any expansions beyond the permanent or permitted capacity must meet tsunami

forces, and the tsunami force is thirty-three (33) feet. Either we need to raise the facilities thirty-three (33) feet or we have to build a wall around it that is thirty-three (33) feet, that can withstand tsunami force. In the case of Waimea, we are only talking about nine (9) feet. In cases on O'ahu, Sand Island, they raised the facilities, all of the improvements, they raised the facilities to address the tsunami requirements.

Councilmember Kualii: The bullets on Phase II, the last bullet says, "Plant footprint expansion." What is that? Is the diagram that follows the existing, current plant or of the plant with expansion plans? Slides 3 and 4.

Mr. Fujimoto: There is a minor change, but the total site that we have is actually three point five (3.5) acres, there is a one-acre piece above that. If you look at the site, Leho Drive to Nalu Road—there is a triangle that some homeless folks were camping at, but if you look at the front of Nalu Road, the existing (inaudible) is actually inside of the property line, so we are going to move that out. Part of the new facilities that we are building have to leverage the existing space in there, and then the upper...

Councilmember Kualii: Where is the ocean?

Mr. Fujimoto: The ocean is at the bottom.

Councilmember Kualii: Over here?

Mr. Fujimoto: Yes. There is a triangular piece on the top that is one-acre, and that is going to be used for the staging area for this plant.

Councilmember Kualii: Does this diagram show what it would be after the completion of Phase II, or after the completion of Phase III, or what it is right now?

Mr. Fujimoto: Because we are trying to minimize the cost, because we do not know if we are going to move the original plant, we are trying to minimize the actual improvements we have to do, the repairs. That is why the footprint will be exactly the same. We could have gone to the one-acre to do long-term investments, but again, that precludes the tsunami building code. We cannot put anything new in this area. We can fix the existing, but we cannot put anything new. The issue about the tsunami zone is really about the future and the ability to try to prevent any losses during a tsunami.

Councilmember Kualii: The fixes you talk about are to maintain current operations at this 1MGD capacity or to get us back up to the 1.5MGD maximum, that we used to have? Based on that capacity, what has been the need over the last several years and what is the projected need? Maybe we have to consider that we have to minimize development in the area because we do not have the wastewater capacity until we get the new plant. You have to give us real numbers, so we know what we are talking about.

Mr. Fujimoto: Okay, thank you. I apologize if I am jumping all over the place, but you are absolutely right. Our target is to meet the permitted capacity, to meet the 1.5MGD.

Councilmember Kualii: How long have we been at 1MGD?

Mr. Fujimoto: For probably the last ten (10) to twenty (20) years now.

Councilmember Kualii: Ten (10) to twenty (20) years?

Mr. Fujimoto: Yes.

Councilmember Kualii: Have we ever gotten to the capacity? With all the development that may have happened in the last ten (10) to twenty (20) years?

Mr. Fujimoto: No.

Councilmember Kualii: Where are we?

Mr. Fujimoto: We are about six hundred thousand gallons...

Councilmember Kualii: Six hundred...okay, so why are we so concerned about making the investments to get to 1.5MGD in a plant that is on the ocean, that we need to move away from when we are not even anywhere close to 1MGD that we have?

Mr. Fujimoto: So...

Councilmember Kualii: Let us cut back and do the minimum repairs.

Mr. Fujimoto: Okay, okay. We actually only have one hundred fifty thousand (150,000) gallons of slack, basically, because the wastewater ordinance says that when you reach seventy-five percent (75%) of the capacity of the plant, then you have to start the design. When you reach ninety percent (90%) of the capacity of the plant, that means only three hundred thousand (300,000) gallons. There are many developments out there, Hokuia Place, that might want to start, and we are going to start hitting that maximum sooner than you think. We are planning for that. We are saying the permitted capacity is 1.5MGD is good for up to 2050.

Councilmember Kualii: There is a law that says we have to project and work towards that in a current plant that we are trying to move away from? Somehow, we need to pursue that. Maybe there is some type of waiver, when they know that we are legitimately moving on the new plant.

Mr. Tanigawa: Thank you, Councilmember Kualii. That is a very good point. What we are asking for today is just to reach compliance with the existing capacity that we have.

Councilmember Kualii: With 1MGD?

Mr. Tanigawa: With 1MGD. That is a separate discussion.

Councilmember Kualii: Yes.

Mr. Tanigawa: And we will come back later.

Council Chair Rapozo: But the reality is what we are hearing today is a master plan to expand this to 1.5MGD or bring it to 1.5MGD, that is the plan.

Mr. Tanigawa: But...

Council Chair Rapozo: That is what I heard. Correct me if I am wrong.

Mr. Tanigawa: If I could clarify, Council Chair Rapozo. The current proposal we have does not commit to us going to 1.5MGD.

Council Chair Rapozo: He said he is ready to go out for bid next year for Phase III, which is another fifty million dollars (\$50,000,000). That is what I heard.

Mr. Tanigawa: We can have a separate discussion about that...

Council Chair Rapozo: We cannot because it is all connected. This is a part of a bigger plan, so if we are supporting this, we are supporting Phase III.

Mr. Tanigawa: Again, what we are proposing here today does not commit us to going for that additional expansion.

Council Chair Rapozo: Maybe you folks disagree, but I do not think it is fair to drop this on us today and tell us to pass this Resolution because...and we have all these questions...we did meet with you all and you told us the plan for Phase III, but that is part of your plan right now to move forward for Wailua—that is your plan. That is what you are planning to do. You said it enough times today, your plan is to take this plant to 1.5MGD after Phase III. When I talked to you the other day it was forty million dollars (\$40,000,000), but now it is forty million dollars (\$40,000,000) to fifty million dollars (\$50,000,000). When we had the estimates in 2024, fourteen million dollars (\$14,000,000), it jumped almost doubled in two (2) years, what is it going to be next year? There is a lot for us to digest, so please do not get mad because we are asking questions. This is a huge decision; this is not about the money. This is about the plan for this island going forward as far as wastewater. That is what this is about, for me anyway. Councilmember Kualii brought up a good point about future development that we know we cannot expand this plant, so we are capped at 1.5MGD, that is all we are going to get, and then when you reach seventy percent (70%) or 1.5MGD, now you have to plan for expansion. That even limits the

capacity even further. Do not get “pissed off” because we are asking questions, and please do not expect me to support this today with a two-hour discussion on why you need this money. We let it go from 2009 to 2024, fifteen (15) years—we let it rot. Today, it is like, “We need it because the bidder said that if we do not award the bid, he is going to pull his bid.” As far as I am concerned, do not do business with that person ever again in the County of Kaua‘i.

Councilmember Kualii: Put out a new request for proposal with a new reduced scope based on what is absolutely necessary and get new bids.

Councilmember Cowden: I have a follow-up.

Councilmember Kualii: You already have fourteen million dollars (\$14,000,000), you already started with design.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: In earlier discussions we talked about risking a consent decree, meaning that the courts can come in and say you have to do this whether you want to or not, maybe we will have someone come in to do it. Can you just clarify...in part of my mind I am thinking we are needing to do this immediate thing to avoid a consent decree. Please help me understand if I have that correct, if we do not do this, then it is the court, right? When you have a consent decree, they will say, “You are violating environmental rights,” and it forces us to do it anyway. Do I have that understanding correct?

Mr. Tanigawa: What we have at risk is falling out of compliance at Wailua. The ocean outfall is necessary for the operation and that is where the compliance issue will lay, well, at least the major portion of it. Once the regulatory agencies step in, then they determine what recourse they are going to take. Consent decree is one of the options that they have exercised in the other counties in the State of Hawai‘i.

Councilmember Cowden: Does it take someone to file a complaint? We did have a complaint, so I am happy we put the three million dollars (\$3,000,000) in here to deal with the NPDES permit problem. Surfrider Kaua‘i brought that forward. If someone like that filed a complaint, is that what triggers us into a consent decree or do the regulators come in and say, “You had twenty (20) years,” and they just come and look anyway?

Mr. Tanigawa: The proposed repairs there are...it goes together. It addresses what is broken there now. If more equipment fails, in any part of what is supposed to be repaired, it jeopardizes the quality of the effluent. Effluent quality is the ultimate goal we are trying to achieve, so we can meet compliance.

Mr. Fujimoto: I apologize for making this seem what it is not. The essential issue is the fact that what we are asking for is compliance related. One thing I learned in a class for information technology (IT) is that information is

power. The more information you get, the better the decisions. I apologize because it appears that you do not have all of the information. I would like to be able to give you all the information you need for the next phase, but we have to come to you for the SRF loan. At that time, you can stop us. If you want to stop us from going for the expansion, then fine. That is your call. My job is to present what we need and your job is to, yes, be responsible and say whether we need it or not but let us do it with all the information. I am not prepared today to fully discuss Phase III. I would like to so that you have all the information before we go down that route.

Council Chair Rapozo: Let me ask a simple question. Would we put a new wastewater plant in a tsunami zone?

Mr. Fujimoto: If it was not in a tsunami zone, that was our plan.

Council Chair Rapozo: I am asking a question. If some private wastewater company wanted to build a facility in a tsunami zone...

DEREK S.K. KAWAKAMI, Mayor: Chair, I felt like we needed an interpreter. These folks are good, but I will break it down to layman's terms. We would not build a new wastewater treatment facility in a tsunami zone.

Council Chair Rapozo: I agree.

Mayor Kawakami: We would not build. We are doing the best at what we have. This is a system that I am still learning about, and what Donald said is true. Many times, I am given information, but it is hard to get all the information because there are other players involved, such as federal regulations, state regulations that consistently shift. We have aging, antiquated infrastructure systems, and if anything, this is a good lesson. When we go to do projects, we cannot let resistance shift us away from hooking people up.

Council Chair Rapozo: Right.

Mayor Kawakami: Once we decide we are going to go with municipal wastewater systems, we are coming to a neighborhood near you, whether you want it or not, having community say, "We do not want it," so we are not going to hook them up is part of the reason why we are here today. We need to make those tough decisions. Unpopular decisions, but right decisions. I want to make it clear that we are doing our best. We would never, ever build a facility in a tsunami zone, especially a wastewater treatment facility.

Council Chair Rapozo: Right. Thank you.

Mayor Kawakami: You are welcome.

Council Chair Rapozo: I hope you can appreciate, Mayor Kawakami, and you can sense the passion and the frustration.

Mayor Kawakami: Same. I am with you.

Council Chair Rapozo: Yes.

Mayor Kawakami: I am with you on this one.

Council Chair Rapozo: It is because this did not happen overnight.

Mayor Kawakami: No.

Council Chair Rapozo: Year after year we get...and we have always approved it all. We have never given the Wastewater Division a hard time. We did question them a couple years ago, which I think is the reason why all of a sudden we are moving, but the fact of the matter is you all come up with these emergency repair funding requests for parts that some have to be fabricated because this plant is so old. Yet we still hear the same thing, "We need this or we will fall out of compliance." We have been spending millions and millions of dollars over the last several years. In the two (2) years for sure what I thought we had been working on relocating and finding a new spot. It does not seem like we have moved in that direction and we are falling back on this option, which is going to cost us a tremendous amount of money when I believe we should be focusing...we will need to take a caption break, but I would ask the consultant to come up after the caption break. I did have some questions as far as his timeline. Part of the timeline he talks about for the land acquisition, he shows three (3) years for stakeholder outreach and land entitlements. I am curious how he came to that number.

Mayor Kawakami: We are looking at relocating. It is extremely complicated to keep these things moving concurrently because the cost of the relocation is going to be exponentially high. The positive thing is that there is some interest from DHHL that could add users onto the system. Right now, a majority of our residents are subsidizing a minority of people that are on our wastewater system, so that is why we make no bones about raising sewer fees, because we realized from an equity standpoint, a majority of Kaua'i residents are subsidizing this system and will never gain any benefits from it. It is a little more complicated than just deciding to move something. We have to pencil it out and there is hope with DHHL coming online that it could become much more of a reality, but government is designed to move like...I do not know...a barge versus a speed boat. If there is anything I realized is the amount of red tape that we have to go through, that we have created for ourselves, like government has created this red tape, forcing the process to move slowly and it can be extremely frustrating. I can hear the frustration in your voice, and I just wanted to come here and say, "I share that frustration as well." It is hard to put it all on our Wastewater Division team because the bulk of their time is just trying to keep the system alive, so we do not have a spill, so that when people flush their toilets that are on the wastewater system, the water goes where it is supposed to. It is not an excuse; it is just the reality of antiquated systems like the one we are working with. It is extremely expensive, and there is less and less federal and state support, so it falls on the backs of our taxpayers to fund these improvements.

Council Chair Rapozo: Thank you. Are there any questions for the Mayor? If not, we will take a caption break now.

There being no objections, the meeting recessed at 10:22 a.m., for the caption break.

The meeting was called back to order at 10:41 a.m., and proceeded as follows:

Council Chair Rapozo: Thank you for being here today. Can you state your name for our captioner?

There being no objections, the rules were suspended.

STEVEN ESAKI, Consultant: My name is Steven Esaki. I am with Kennedy Jenks.

Council Chair Rapozo: Thank you very much. You heard a lot of the discussion, I am not sure how much involvement Kennedy Jenks has in this entire project. Just speaking for myself, my concern is the cost and what does that money get us, does it keep the plant operating, does it go beyond keeping the plant operating, because it is a significant amount of money.

Mr. Esaki: I would like to put everything into context. We understand that the dollar amounts are huge dollar amounts that we are talking about. Last month, the County of Maui finished their final environmental impact statement (EIS) for the central Maui regional wastewater treatment plant. It is a new treatment plant, they are basically relocating the Kahului Wastewater Treatment Plant up *mauka* and they are calling it the Central Maui Wastewater Treatment Plant. That plant will be 3MGD capacity, so very similar to what we are talking about for Wailua, a little bit more. When we ultimately relocate Wailua, we would be planning for something about 3MGD, similar to that. Their cost, currently, is two hundred forty million dollars (\$240,000,000) inclusive of transmission and the new treatment facilities.

Council Chair Rapozo: What is the cost of the construction of the site? Just the site itself?

Mr. Esaki: I do not know, but their total project cost will be two hundred forty million dollars (\$240,000,000).

Council Chair Rapozo: Right, obviously when you add the transmission, etcetera.

Mr. Esaki: That is the current estimate.

Council Chair Rapozo: I am thinking about construction cost. I know we use the word "relocating"—this is not really relocating; this is constructing a new plant. We are not taking the old one and moving it. The old one would be demolished

or used for some other purpose, obviously. The 3MGD for the Maui plant that is being proposed for Maui sits on how many acres?

Mr. Esaki: Fourteen point nine (14.9).

Council Chair Rapozo: That is a plant that is twice the size of what we are looking at.

Mr. Esaki: We would be...

Council Chair Rapozo: What is the capacity?

Mr. Esaki: It is twice the capacity of Wailua.

Council Chair Rapozo: Getting back to the question of this specific request for twenty-five million five hundred thousand dollars (\$25,500,000), what does that do?

Mr. Esaki: What this project will accomplish is improving the disinfection system and having the water be clearing up and clean enough to support R-1 recycled water.

Council Chair Rapozo: But this current twenty-five million five hundred thousand dollars (\$25,500,000). From what I understand Phase III will be R-1.

Mr. Esaki: Right.

Council Chair Rapozo: I am talking about today's discussion.

Mr. Esaki: This project will put in the disinfection system, which is a key component of that recycled water system. The disinfection system that they will be putting in as far as this project will also support the more stringent effluent requirements of the water that enters the Pacific Ocean through their outfall. As you folks are aware, they are currently re-permitting their treatment plant for continued use and that has been a contentious issue. In the process, DOH has lowered the effluent levels of what is permissible into the ocean. This disinfection will support that.

Council Chair Rapozo: What else? There are lots of bullet points on the presentation.

Mr. Esaki: All the improvements support that ultimate goal. The clarifier is to get the water clear enough and clean enough, such that when you hit it with the disinfection, it is effective. Similarly, with the additional filter that they are adding in, you want the clarifier to make the water clear enough so that the filter can work properly. That filter is necessary for that disinfection...when you hit it with disinfection, the bacteria will be adequately killed.

Council Chair Rapozo: I am not sure what level of involvement you have with the County and what your actual job duties are, but did we do a cost comparison analysis between continuing to fund this Wailua Plant with this huge amount of money or pursuing...and I heard we are pursuing a new plant, I just do not think we move quickly, but have we ever done a cost analysis as far as what would be best for the taxpayers of Kaua'i?

Mr. Esaki: We have not done exactly that, however, we have prepared cost estimates for the eventual relocation of the treatment plant, which is similar. I know you had concerns about the timeline of how soon we could relocate the treatment plant, again, I can point you back to Central Maui Regional Wastewater Treatment Plant. Their EIS started, I believe, in June of 2023 and they finished it last month in February of 2026. That was roughly a three-year process. Depending on where we relocate this treatment plant to, we may need, similar to the landfill, a qualified airport wildlife biologist, which would add one year and a half to this project schedule as well. The timeline was the driver, the timeline of how much time we need to relocate this plant made it that we need to meet the NPDES permit, which DOH is planning to issue in May or June with the compliance schedule that we are going to be held under to meet the necessary disinfection requirements. Those are competing demands.

Mr. Fujimoto: Our consultant's primary role is in the siting process. They got a Wailua facility plan and one of the tests was to determine whether we had to relocate or not. With that said, Steven, can you explain what are the requirements for the tsunami zone?

Mr. Esaki: We have to follow the law.

Council Chair Rapozo: I would hope so.

Mr. Esaki: That is our job. As Donald mentioned the Building Code has changed as of 2023 for the County of Kaua'i. That Building Code has activated this requirement, which is the tsunami design requirement, which Donald has referred to. What that tsunami design requirement forces us to consider is what they call a maximum considered tsunami. What that means in the literal code is a tsunami that hits once every two thousand (2,000) years. That is the law. We did not write the law, that law is imposed upon us. In following the law, that is what made expansion beyond the 1.5MGD, very infeasible as Donald mentioned. We would have to plan for a thirty-foot wave, which is very difficult for us to design for. Importantly because we have been working with our Building Division, the Building Division has clarified that we are allowed to restore the capacity of the treatment plant and still meet the law, so that is important. Furthermore, because we have been tracking and working with our Planning Department to identify the rate of growth in the Kapa'a area, to Councilmember Kualii's point, flows have not increased tremendously in that period of time or even since 2009, the flows have not increased. There are developments that we are tracking and we are aware that people want to build like Samuel Mahelona Memorial Hospital (SMMH), for example. With those

additional flows, that gives us a timeline of the time that we need to relocate the treatment plant as well.

Council Chair Rapozo: How comfortable are you with leaving that...you said our Building Division said we can restore it without violating the law but yet the law says your facility has to withstand that tsunami force. I am trying to understand how...

Mr. Esaki: It is for expanding beyond the capacities is what we have been told. Because there is this period of time and because of the tremendous costs of building a new treatment plant, our objective is to meet the legal requirements that the DOH has imposed upon us at that time.

Council Chair Rapozo: This limits our development by leaving it there. You cannot go beyond 1.5MGD.

Mr. Esaki: Without the new treatment plant, that is correct.

Council Chair Rapozo: Yes, I am talking about the facility that is sitting there now.

Mr. Esaki: Yes.

Council Chair Rapozo: Does anyone else have questions for the consultant? Councilmember Kaneshiro.

Councilmember Kaneshiro: Earlier in the conversation you mentioned, "The Federal Aviation Administration (FAA) requiring a five-mile distance,"—where is that coming from?

Mr. Fujimoto: The FAA is an advisor that no one knew about the development, and I think it specifically states landfill and wastewater treatment facilities cannot be built within five (5) miles of any airport. Based on that advisory, that is the reason why the landfill was in Mānā. There was a willing landowner, but the FAA was the single biggest thing that slowed that down, is my understanding. We are hoping that because of technology, there are ways of mitigating their concern about birds and trying to mitigate attractive issues. One is that we are looking at surge capacity, reservoirs, and surge reservoirs, but like Maui, they have a two-acre floating cover, so they actually have a cover over the reservoirs and that mitigates the bird attractive issue, but still the process takes about one and one half years just to get FAA to consider whether they are going to give an extension and just to prepare all the reports and get the biologists to get all the reports to prove that it is not going to impact or increase the bird issues at the airport.

Council Chair Rapozo: Where is the five-mile radius? How far is the proposed site?

- Mr. Fujimoto: Just about the Wailua River.
- Council Chair Rapozo: The highway mile marker five (5) is Lydgate. Right in front of the telephone building or whatever is that switching station. We measured it and it is the river?
- Mr. Fujimoto: It is just about the tip of the river.
- Councilmember Kaneshiro: How long has the FAA requirement been in place?
- Mr. Fujimoto: It has been in there forever.
- Councilmember Holland: It happened after the Hudson crash of the plane in New York.
- Mr. Fujimoto: I know it was there in 2005.
- Council Chair Rapozo: Is the Maui plant within the five-mile radius of a runway?
- Mr. Esaki: I am not sure.
- Mr. Fujimoto: I am not sure. I think it is outside, it looks pretty far.
- Council Chair Rapozo: So, did they do the two-acre cover as an option?
- Mr. Fujimoto: Yes. That is the Kihei reuse facility.
- Mr. Esaki: I will point out that it is not a law, but it is a guidance and it has a lot of...
- Mr. Fujimoto: Right, it is an advisory, which is kind of curious. It is not a requirement, but you are still relying heavily on that advisory in making decisions.
- Councilmember Kaneshiro: I thought the requirement for the solid waste facility was ridiculous, although I can see it attracting birds, but for a wastewater treatment plant, I think it is even more ridiculous.
- Mr. Fujimoto: Yes, right.
- Council Chair Rapozo: You would be required to do the mitigation plan, right? It just makes it a little more difficult. If it takes one and a half (1.5) years, whatever it is, my whole issue is everyday we wait, it is just one and a half (1.5) years longer versus starting now and getting it done sooner.

Mr. Esaki: I will give Donald credit because under his leadership, we are getting our public outreach plan together. We have not reached out to the public just yet.

Mr. Fujimoto: We came to you before. We are a little behind again, I apologize, but we are two (2) years into the project. We finally went through, like I said we looked at all of the criteria and what potential sites would be good, and we are close to getting it out to the stakeholders. We hope to be here to provide you with a presentation.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: If we did not do this twenty-five-million-dollar (\$25,000,000) repair, what is the estimated amount of time before we would be out of compliance?

Mr. Fujimoto: It is hard to say. I can say that the clarifier, for example, is already two (2) years overdue. We do not want to end up doing that twice, putting in a temporary fix and waiting for this final contract, so we have been holding it up, but basically that is where we are.

Mr. Esaki: I would add to that, because of the new NPDES permit, again, that we are waiting to receive...

Councilmember Cowden: Oh, right.

Mr. Esaki: ...it may be as soon as that permit activates.

Councilmember Cowden: That we would be out of compliance?

Mr. Esaki: Correct. That is why we are asking for a period of time with that permit...we have not received it yet, but we have asked for a period of compliance first, to do the repairs.

Councilmember Cowden: The three-million-dollar (\$3,000,000) repair that we are putting in there helps us to be able to be in compliance with the NPDES permit?

Mr. Esaki: Correct.

Mr. Fujimoto: That compliance...

Councilmember Cowden: So, we are already in trouble, possibly?

Mr. Esaki: We are still operating off the old permit, which had a higher limit. We are legal as far as the old permit goes, but when the new permit takes into effect, that is when we will have difficulty.

Council Chair Rapozo: Councilmember Carvalho.

Councilmember Carvalho: What is the timeline?

Mr. Fujimoto: We are hoping that these improvements can be done in two (2) years. Once we get approval and I will give notice to proceed, the project is about two (2) years.

Councilmember Holland: And that should last us for ten (10) years?

Mr. Fujimoto: Hopefully longer than that. Historically this equipment can last as long as thirty (30) to forty (40) years.

Council Chair Rapozo: But the timeline is not doable.

Mr. Tanigawa: That is not a timeframe that we choose to relocate the facility.

Council Chair Rapozo: Right, and I am trying to figure out if it takes two (2) years, will we be out of compliance?

Mr. Fujimoto: Our compliance schedule is for four (4).

Council Chair Rapozo: Can you repeat that?

Mr. Fujimoto: Our compliance schedule is for four (4) years.

Council Chair Rapozo: No, but you are saying April is when we...

Mr. Esaki: Yes, so, maybe as soon as May, they will give us the permit, but because we are still in the process, we requested DOH to give us a four-year period to get our numbers down.

Council Chair Rapozo: I am trying to figure out...because right now the SRF approval is for fourteen million dollars (\$14,000,000).

Mr. Esaki: Yes.

Mr. Fujimoto: You approved of fourteen million dollars (\$14,000,000).

Council Chair Rapozo: That is what is already have at your fingertips.

Mr. Fujimoto: Right, exactly.

Council Chair Rapozo: How far does that fourteen million dollars (\$14,000,000) take us is what I am trying to ask? Does that assure us compliance?

Mr. Fujimoto: That will not...

Council Chair Rapozo: It is hard to say because the bids are not broken down by what is for what.

Mr. Fujimoto: Just based on the line items that we have in the bid, we need all of those just to meet compliance, and that is why I wanted to just change the perspective again. This is about repair. This money is not about transferring money to the new plant, it is about addressing the needed repairs now.

Council Chair Rapozo: Again, I asked what we must do versus what do we want to do.

Mr. Fujimoto: Well...

Council Chair Rapozo: Because I think, again, I know you folks are saying it is two (2) separate discussions, but it is not for me. The future plan of this site including Phase III is part of this discussion because I want to make sure that we are spending what we need to spend to get into compliance and not to move into a Phase III plan that is just going to prolong the construction of the new site. Councilmember Kualii.

Councilmember Kualii: Along those lines, when you talk about this clarifier, rehabilitation, or other types of equipment, you had said a lot of the new equipment could be used at other stations, and then you said something about it being modular. Is the direction we are going in trying to fix something old that is not going to be usable at the new station? How much is a clarifier or rehabilitation equipment? Does it cost one million dollars (\$1,000,000) or ten million dollars (\$10,000,000)? What are the big pieces of equipment that need to be replaced or the upgraded cost, because we do not see any of that?

Mr. Fujimoto: That is what I am trying to say is that the total aggregate project is required. You cannot just break out the pieces and say we do not need compliance.

Councilmember Kualii: No, but can you provide us with that information? What does it cost to get...we have a map here. The map mentions tanks, buildings, structures. What in this map is being replaced and exchanged or upgraded? What type of improvements are you making to each of these things and what are you replacing and for what costs? Easily, when you went out to RFP, you gave them the scope of work of what you needed to see done, but is that the bare minimum or are you trying to make this plant last another twenty (20) to forty (40) years? We do not want it to last another twenty (20) to forty (40) years. We want to do what we need to do and then take the millions and put it into the new plant. Even if we have to start the new plant with a quick version, not the Maui version that takes twenty (20) years and is 3MGD but what the County of Kaua'i needs, which is 1MGD, something less than 1.5MGD. We are not anywhere close to that in our use, right? Start something, something small that can be expandable, but if it is smaller and less expensive, and

it takes less time to build, it can be done already, you can start and be done in five (5) years, not ten (10) to twenty (20) years like Maui.

Mr. Fujimoto: I can give you the exact breakdown of the bid...

Councilmember Kualii: You can, off the top of your head, tell us about the big things? Is there anything that will cost five million dollars (\$5,000,000) or ten million dollars (\$10,000,000)? The answer will probably be no, right?

Mr. Fujimoto: I hear what you are saying. Now, to redesign...this thing will last us ten (10) years which is about the time to get a new plant in place; it will take us probably another year and one half just to get that design, quick band-aid. It is not that simple because DOH has to approve the improvements. We have to go to DOH to get approval for the design. One of the biggest challenges now is to get DOH to review plans. We are being hung up by DOH because they take so long to get back to us. In fact, this project is a good example. We are trying to get this UV part, which is a requirement for the NPDES permit. Right now, we have verbal approval, but we are still working with DOH to get the final approval. I hope that we can satisfy what you want, which is to find a low-cost way to just get us by. I wish there was an easy way to do that. One of things that I see is the longer we wait the higher the cost goes.

Councilmember Holland: I think we are asking for an answer that I do not think we all are meeting in the middle here. Is there anything on this list in Phases I and II, and feel free to put that back up there, but it says, "Fourteen million dollars (\$14,000,000) electrical upgrade," but the very last item on that list is, "Plant footprint expansion." I believe that is part of where we are concerned here and what I am hearing from my colleagues is that are there are things on this list that we can remove that are not necessary to get us to compliance, to get us over the line, to hold us another ten (10) years without fixing it to be four (4) years. Are there items that could be removed where this cost dollar could be brought down to allow us to be in compliance without allowing for the movement of this final item or moving us back to 1.5MGD?

Mr. Fujimoto: Yes. Probably the first item. The electrical upgrade, which is trying to shoot for energy efficiency.

Councilmember Holland: Without redoing the design, without going through a tiered process to redo, are there items that we can cut out?

Mr. Fujimoto: Unfortunately, that is not possible.

Councilmember Holland: Even removing that electrical item would require a two-year extension?

Mr. Fujimoto: Maybe longer because that was one of the biggest parts of the project.

Mr. Esaki: The footprint expansion sounds more than it is.

Councilmember Holland: I think so.

Mr. Esaki: It is just moving that fence out like five (5) feet.

Councilmember Holland: Okay.

Mr. Fujimoto: If you look at the map, you can see where the existing walls are and it is a matter of moving it five (5) feet toward the road.

Councilmember Carvalho: What is the actual layout of that fourteen million dollars (\$14,000,000) that is on the table as we speak? It is like, "We need twenty-five million dollars (\$25,000,000)," okay, but what is this that we can move and what is the timeline in each area?

Mr. Fujimoto: We were looking at the possibility of cutting the award amounts and locking in the contractor and later on giving them the higher amount, but if we are going to be stuck with only fourteen million dollars (\$14,000,000), that is not going to be in compliance. Chopping up the project will not meet compliance.

Council Chair Rapozo: Why is that an additional cost and not in the bid?

Mr. Fujimoto: As Steven mentioned, right now we are in the process of renewing the outfall. Back in 2014, we almost lost the permit. There were some issues and we resolved them with this (inaudible) mixing and all of that. Now we are back into the same contentious and there is a chance that we may lose this permit. If we lose the permit, it is going to be a lot more expensive to try to mitigate effluent disposal, so we are trying to meet compliance and try to do whatever it takes to meet these additional requirements for the permit extension or the renewal. Surfrider was a major part in identifying that the enterococci limits needed to be lowered.

Council Chair Rapozo: What is that work though? Is that not part of the construction contract? What work are you talking about here with the three million dollars (\$3,000,000) that is not connected with...

Mr. Fujimoto: One is the (inaudible) as Steven mentioned, but we are not sure...and that is a gray area now, because the SRF loan is Build America, Buy America (BABA) funded. You need to meet BABA requirements.

Council Chair Rapozo: I have no idea what BABA is.

Mr. Fujimoto: Build America, Buy America. We do not know yet what all of the requirements will be to meet this new outfall permit requirements.

Council Chair Rapozo: How do you know to put three million dollars (\$3,000,000)?

Mr. Fujimoto: Well, we are hoping that...

Council Chair Rapozo: Is it, "Let us just put three million dollars (\$3,000,000)?"

Mr. Fujimoto: Yes, it is high. It is a high guess. We are hoping that this is a high guess...

Council Chair Rapozo: You are not making me feel any better.

Mr. Esaki: As we mentioned the internal enterococci limit will likely be lowered come the next permit by a lot, by a factor of ten (10), which we will have a four-year period, hopefully, we have requested it but have not been given yet. We requested a four-year period to lower our limits down to what will be, hopefully, required of us in the permit. Previous to what we learned as a result of this permitting process, we were going down the path of a chlorine disinfection system because chlorine is what we have been using since the '70s. Because of the new lower limits that have brought to light, that we do need to go to UV disinfection, which was not previously planned for. I believe the three million dollars (\$3,000,000) is for that switch to UV disinfection. The UV disinfection will have a lot of other benefits to it, namely better recycled water quality for the golf course, more consistent operation, as well as meeting the ocean outfall, the lower ocean outfall, and more stringent requirements.

Councilmember Holland: But not R-1?

Mr. Esaki: R-1 is...

Mr. Fujimoto: It is part of it.

Mr. Esaki: It is a major piece of R-1.

Mr. Fujimoto: R-1 requirement is disinfection. We are adding that at the front end, but turbidity might be a question.

Mr. Esaki: Right.

Mr. Fujimoto: That is for a later discussion, it is not required.

Mr. Esaki: The disinfection will be good enough for R-1.

Mr. Fujimoto: This project represents really essential elements needed for compliance. Except for the electrical part, which unfortunately for us, to take that out is going to take several years just to redesign this thing to go back to the old system.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: We are asking for twenty-five million five hundred thousand dollars (\$25,500,000) in the Resolution. When I look at the bid results, we are picking the lowest bidder at seventeen million four hundred thousand dollars (\$17,400,000). We have about an eight-million-dollar (\$8,000,000) difference and if I heard you correctly, you folks are asking for an expanded amount in case there are any types of changes, so you are asking for a guard banding. If you folks get through this at twenty million dollars (\$20,000,000), we would take the other five million dollars (\$5,000,000) because it is an SRF fund, so we are going to take it as needed. If we end up at nineteen million dollars (\$19,000,000), we will not spend twenty-five million dollars (\$25,000,000). When we are talking about three million dollars (\$3,000,000), it is just an estimate and it is an estimate so that we do not have to go back to the State. Hopefully, we are going to come in at less and that is why you pick the lowest bid, you are trying to move quickly. They are doing their best to both get a best price, make it happen so that we can hold on for another ten (10) to twelve (12) years that we need, and we will not get hit with new inflationary pressure. When I see that fourteen million dollars (\$14,000,000), it was looked at in 2009, of course we have inflation since then, and we approved it in 2024. It seems like a lot of inflation right there, we have three million dollars (\$3,000,000), but we are just guard banding. We probably should not worry too much about the twenty-five million dollars (\$25,000,000), when we are likely to come in lower than that, because your numbers are lower than that.

Council Chair Rapozo: You do not have to worry about the twenty-five million dollars (\$25,000,000), I do.

Councilmember Cowden: Well, I...

Council Chair Rapozo: I do, because rarely does a project end under budget. Seventeen percent (17%) contingency, that does not include change orders that may occur. I am not quibbling about three million dollars (\$3,000,000) either. This is much more than the money; I said that earlier. It is the mindset that we have that...remember we just received this last week. The discussions that we had all along with your department and other agencies led me to believe that we were moving very quickly on building the new facility. Now, I am hearing this. I did not see this coming. I do not think it is fair to expect us to have one (1) meeting, a couple of hours, three (3) hours, and say, "Okay, sure, have your twenty-five million five hundred thousand dollars (\$25,500,000)," because you said you need it. Our job is to provide oversight and checks and balances. If any Councilmember has questions, then they should ask and they should get the answers. Councilmember Holland.

Councilmember Holland: I am going to try to ask one (1) more time, and I hope there might be a different answer. Out of all of these items, without going to redesign, is there anything that could potentially cut down the cost to not think long term expansion but just get us to compliance? It is okay if the answer is no. I want to be clear that I am understanding.

Mr. Fujimoto: I wish there were.

Councilmember Holland: Okay.

Mr. Fujimoto: I apologize, Council Chair Rapozo. It is not fair about what we are doing to you folks now, but there is almost four million dollars (\$4,000,000) here. Can we do something? I hear what you are saying. If you want to approve a lower amount, let us say we will go with twenty million dollars (\$20,000,000), and then if we need more money, we may have to come to you again.

Council Chair Rapozo: Like I said, Donald, it is not about the money. It is not about the amount. It is about the direction that the department is heading. That is my concern. It is not about money.

Mr. Fujimoto: Right.

Council Chair Rapozo: It is about, "Does this give you folks a reason to not pursue the new plant"?

Mr. Tanigawa: If I could add. While I am in this position, I will make sure that we proceed as quickly as we can on the new site, because we know this new site is needed to satisfy our future needs. We know that we are limited to 1.5MGD at WWTP that is in the tsunami zone, but that is all we have...

Council Chair Rapozo: After Phase III.

Mr. Tanigawa: No. Well, right, after Phase III to 1.5MGD, but when you have...

Council Chair Rapozo: Which is another fifty million dollars (\$50,000,000).

Mr. Tanigawa: 1MGD during the interim.

Councilmember Kualii: Do not come back to us for that.

Mr. Tanigawa: Right here today, what we are here for today is just to complete this phase to a construction so we can come into compliance.

Council Chair Rapozo: I understand. I am battling with this.

Mr. Tanigawa: This is very important and we are begging for your support.

Council Chair Rapozo: I will save my comments. Councilmember Kualii.

Councilmember Kualii: How long will it take you to provide us with a breakdown of the twenty-five million five hundred thousand dollars (\$25,500,000)? You provided four (4) bullets here: seventeen million four hundred thousand dollars (\$17,400,000), one million one hundred thousand dollars (\$1,100,000), three million dollars (\$3,000,000), and three million five hundred thousand dollars (\$3,500,000). How long will it take you to give us a detailed breakdown of what that is, more than four (4) bullets—with large pieces of equipment, large investments into facilities, structures, and what it actually means that you are doing to keep it operational for a minimum amount of time going forward, not twenty (20) to forty (40) years?

Mr. Fujimoto: I can get you the detailed breakdown for the first two (2) items, the low bid price and actually the one million one hundred thousand dollars (\$1,100,000) for construction management...we are still negotiating that, so we are not sure what the final number will be. The last two (2) are just budget items.

Councilmember Kualii: Okay.

Council Chair Rapozo: Construction management...

Councilmember Kualii: Will any equipment show in the low bid item of seventeen million four hundred thousand dollars (\$17,400,000)?

Mr. Fujimoto: Yes.

Councilmember Kualii: Okay.

Council Chair Rapozo: What is construction management? Is that a consultant we hired to make sure these folks are doing their work?

Mr. Fujimoto: Yes. To make sure they keep them honest, make sure all change orders are justified, make sure they are meeting compliance when they are doing their jobs, and daily inspections, providing all the required reports for the SRF loan.

Council Chair Rapozo: Are there any further questions? I am not sure if there is anyone here in the audience wishing to testify? Do we have any registered speakers? Mr. Hart.

BRUCE HART: For the record, Bruce Hart. I am glad we have moved beyond, "Who we are going to blame." I realize that everyone at this moment

is doing the best they can, but this is a surprise to me. I have been here every time this subject has come up and I have listened. Knowing human nature, if you can get the existing plant into compliance and it is operating, are we going to go back in regards to the new plant, it just does not happen. Maybe the pressure that we are under right now is a good thing, because it is forcing us to have to make a decision. I am in agreement with Councilmember Kualii and Council Chair Rapozo. Everything you said I agree with except for one (1) thing. The vision that we have and the new plant takes precedence over the money, but it is about the money too, and I think you would agree if you really thought it through. From a constituent's viewpoint, a member of this community, the people have to pay for this, and so it is about the money. We are going to spend money on bringing the existing plant into compliance to a point that we can, however many years, depend upon it. I am in complete agreement that this is where it must stop. We need a new plant. One of the things that I am thinking about, do I have a misunderstanding, we are talking about a sewer treatment plant. Just as an example, most of the Wailua Houselots where I live and the Council Chair lives are on cesspool and it has to come into compliance. What would the effect be if we woke up tomorrow morning and all of Wailua Houselots were on this sewer treatment plant, the existing one? In other words, we are not dumping our waste into a cesspool anymore, we were dumping it into this plant. How much more would that be? That is something that if you are looking long-term you were going to have to deal with, because cesspools are on their way out. That is just one (1) thing. Thank you.

Council Chair Rapozo:

Thank you. Next speaker.

TOMMY PASSARELLA: Tommy Passarella. I want to thank everyone here. Councilmember Cowden, Council Chair Rapozo, and Councilmember Carvalho for running for mayor. I pulled something up. I do not know much about wastewater, but one thing I know is that if we limit the amount of water going into the plant, we could be in compliance. Imagine if we flush half as much, imagine if the hotels stepped up so that they have a system to renew some impurities. Let us be honest, if you just had to get rid of urine, that is not a big thing, but if you had to get rid of all the waste, you have to worry about where it is going. I just pulled it up and I do not know much about Okinawa, Japan, other than they are very healthy people. The island of Okinawa has one million seven hundred thousand (1,700,000) people. They have a ton of military, and they are only five hundred (500) square miles, so they are smaller than us. Okinawa uses an advanced seawater reverse osmosis (SWRO), which is "SWRO" destination technology to combat water scarcity primarily through the daily capacity of Chatan Town, that is where it is located. The Okinawa prefectural enterprise bureau manages this facility which blends desalinated water and provides fresh water to the mainland. The process uses membranes to remove ninety-eight percent (98%) of impurities. I do not know if they utilize UV technology that we are looking to do, but UV technology is very efficient and very quick to remove a ton of things that we do not want to go anywhere. How about if we had a self-contained unit where it currently is and that water did not go into the ocean? Combined with this technology that they use, it sounds like a state-of-the-art plant that would be tremendous for us to step up. We do not want to rush into just putting band-aids on something, so if we can get into compliance, it might relax us because

this type of money is not something that we should take lightly. I know that all of you take this seriously, but we need to make this a priority to get into compliance so we can do a more relaxed decision to come up with a state-of-the-art plant so when we do it right, the next time it will be done right and probably be way more efficient, way more cost-effective in the long run. I think it would be a tremendous opportunity to get an expert company to look into what Okinawa's technology uses. Thank you for your time.

Council Chair Rapozo: Thank you very much. Is there anyone else? Is there any discussion? Councilmember Kualii'i.

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

Councilmember Kualii'i: I have another question.

Council Chair Rapozo: Do you have more questions?

Councilmember Kualii'i: How long will it take you to provide the breakdown of the seventeen million four hundred thousand dollars (\$17,400,000)?

There being no objections, the rules were suspended.

Mr. Fujimoto: I think I can get it to you by this afternoon.

Councilmember Kualii'i: This afternoon? Okay. When can you provide an electronic copy of the RFP soliciting the four (4) bids that were received?

Mr. Fujimoto: I can get you that this afternoon by email, electronically.

Councilmember Kualii'i: When can you provide an estimate or the detailed breakdown of the forty million dollars (\$40,000,000) to fifty million dollars (\$50,000,000) that you are asking for Phase III?

Mr. Fujimoto: I am not prepared to provide that. It is still in design.

Councilmember Kualii'i: Where did you even come up with forty million dollars (\$40,000,000) to fifty million dollars (\$50,000,000)? How can you break that down to justify that is how you came up with that number?

Mr. Fujimoto: Because when we were talking with the engineers, we asked them.

Councilmember Kualii'i: So, maybe you can just follow up and provide something with what you already talked to the engineers about.

Mr. Fujimoto: Okay.

Councilmember Kualii: Okay. Thank you. When can you do that?

Mr. Fujimoto: That might take about one (1) week.

Councilmember Kualii: One (1) week, okay.

Mr. Fujimoto: Hopefully.

Councilmember Kualii: When Phase II is completed, where will we be as far as operations and complying? Just talking about Phase II now, the twenty-five million five hundred thousand dollars (\$25,500,000), additional eleven million five hundred thousand dollars (\$11,500,000).

Mr. Fujimoto: We are going to be ten (10) times better than we are right now, but not still complete. Part of Phase III, and that we can start shaving, if the issue is just really compliance, we can start shaving that project down.

Councilmember Kualii: Ten (10) times better but not complete. Is the answer that operations will be fine, but we will not be complying?

Mr. Fujimoto: No, we will be in compliance. A lot better...let us put it this way our assurance of meeting compliance will be a lot better than not having it done.

Councilmember Kualii: Okay, so we will be in compliance and operations will continue.

Mr. Fujimoto: Yes, but there are a couple...

Councilmember Kualii: We are not talking about a tsunami. If a tsunami comes, we are screwed either way, right? Whether we do any of these improvements or not, if a tsunami comes, we are screwed.

Mr. Fujimoto: Right. There are portions of Phase III that would help us maintain compliance.

Councilmember Kualii: So, portions of Phase III will help us maintain compliance.

Mr. Fujimoto: Right.

Councilmember Kualii: So, that was my last question.

Mr. Fujimoto: Yes, I need to get the consultant involved in that.

Councilmember Kualii: Yes, you can follow up later, too. Is Phase III, the forty million dollars (\$40,000,000) to fifty million dollars (\$50,000,000) required to make the investments that we are making in Phase II worthwhile?

Mr. Fujimoto: If I hear you correctly, let us say we want to be in compliance for the existing 1MGD that we are producing, we can shave that number down quite a bit. If we want to get back to the 1.5MGD permitted capacity, then we have to do that project of Phase III.

Councilmember Kualii: Phase III is not required to make the investments in Phase II worthwhile?

Mr. Fujimoto: Yes.

Councilmember Kualii: You have to do Phase II.

Mr. Fujimoto: Right. Phase II is a standalone.

Councilmember Kualii: Okay. I still want all of those things as soon as you can get it and I will not be supporting today, so maybe we can defer it.

Council Chair Rapozo: Councilmember Carvalho.

Councilmember Carvalho: I asked this question before on the fourteen million dollars (\$14,000,000), the specific breakdown on the timing and the timeline for the existing facility, do you have that?

Mr. Fujimoto: I am not sure what you are asking.

Councilmember Carvalho: The fourteen million dollars (\$14,000,000) that we already have...

Mr. Fujimoto: The original estimate did not have a breakdown.

Councilmember Carvalho: I was just asking if there was a breakdown of that money, so we can see exactly what the fourteen million dollars (\$14,000,000) will give us today.

Mr. Fujimoto: Yes.

Councilmember Carvalho: And then what the next steps will be, is all I am saying.

Council Chair Rapozo: Have we reached out to the low bidder to see if he is open to changing his position?

Mr. Fujimoto: Yes.

Council Chair Rapozo: Did he say no?

Mr. Fujimoto: We did not ask him if he was going to change his mind, if that is what you are asking.

Council Chair Rapozo: No, I am asking if we reached out to him and said, "Hey, the Council has some questions and we may not be able to get this passed right away, are you willing to hold your price beyond the..." Have we reached out?

Mr. Fujimoto: Not the second time.

Council Chair Rapozo: Okay.

Councilmember Kualii: But a deferral is two (2) weeks. Are you saying that your bidder is canceling things within two (2) weeks? How much time do we have?

Mr. Fujimoto: We have until April 6 to award, and we need the funding secured to award.

Councilmember Kualii: You should have come to us earlier.

Mr. Fujimoto: Yes, I wish...again, normally we would ask the bidders to hold their price to have more time, but unfortunately the low bidder does not want to extend their price. That is why we are trying to leverage that low price by trying to get the funding approved sooner.

Council Chair Rapozo: Well, that is their call, I guess. To me if I want the job, I would be accommodating to the authority, you know what I mean? If he wants to go down that road, well good luck.

Mr. Fujimoto: Again, what I heard is this company is still trying to figure out what the right price is. They have been bidding a lot of jobs...

Council Chair Rapozo: It is what it is. We have to deal with what we have and that is what we have, and we are going to base our decision on the information we have and not the speculation. If I am bidding a job with the County and the County says, "We need a couple more weeks because the Council has some questions," otherwise there will be no money, because the Council will say no. You make the call Mr. Bidder. You want to play hardball. We can go to the next bidder. Yes, it will cost us three million nine hundred thousand dollars (\$3,900,000) more, but that is the cost of doing business, I guess.

Mr. Fujimoto: I would like to thank you folks for bearing with us, as you mentioned I do not think it is fair that we bring this to you, but again, this is our last attempt to salvage what we got.

Council Chair Rapozo: Every budget that I am present for, we ask you about needs for wastewater and every budget you tell us you are fine. I am just curious about what triggered this massive request all of a sudden when as far as we knew we were funding emergency parts and things, but this came from nowhere. I am curious what the trigger was.

Mr. Fujimoto: We really did not anticipate this big of a change in the bid. We reduced the electrical work. We went back during this period where we redesigned, and we reduced substantially the electrical work. We thought we would be within budget. We were really surprised when the bids came in. I must say that some projects have only one (1) bid and when that happens, we need to think about rebidding, but this project has four (4) bidders. If you look at the range of the bids, I do not think it is going to change.

Council Chair Rapozo: The fourteen million dollars (\$14,000,000) was in 2009, right? Is that what you have in your presentation?

Mr. Fujimoto: No, the estimate was actually based on the 2024 approval.

Council Chair Rapozo: Okay. I am looking at your presentation; it started in 2009 with a fourteen-million-dollar (\$14,000,000) estimate.

Mr. Fujimoto: I was inferring that the fourteen million dollars (\$14,000,000) approval of that SRF loan.

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

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

Councilmember Kaneshiro: I am hearing that we want more information. I am just wondering if we are going to defer the item, and then based on their timing, I think the Resolution will need to be approved before April 3, 2026, but our next Council Meeting is April 1, 2026. I am trying to see what the plan is.

Council Chair Rapozo: The next Council Meeting is on March 25, 2026. Councilmember Carvalho.

Councilmember Carvalho: Should I make a motion?

Council Chair Rapozo: No. Is there any discussion before the motion is to defer. Once the motion is deferred, there is no discussion.

Councilmember Kaneshiro: I apologize. I was looking at the wrong date on my calendar.

Council Chair Rapozo:

Councilmember Cowden.

Councilmember Cowden: I am inclined to vote to support the Resolution, and that is because when I look at the other bids, when they are twenty-one million dollars (\$21,000,000) and up to thirty million dollars (\$30,000,000), my guess is the low bidder is probably anxious to get out of it, because we have a war going on, all different types of things that are amplifying costs. If I were them, I would want out of that seventeen million dollars (\$17,000,000), because costs are likely to go up and they have to take the loss of a difference between the fourteen million dollars (\$14,000,000) to now. To the best of my knowledge the three million dollars (\$3,000,000) was added on because of the NPDES challenge. At least I want to thank these folks, we did talk to them and that is why I have not been pushing on them real hard, because we already had the conversation before. I look at a sixty-six (66) year old plant and then we discuss how standards change and in 2023 we had an entirely new thing that created a higher wall. We had engineer changes. Donald, thank you for jumping in. I do not want to say post-retirement but probably post what you could have retired at. We are four (4) councilmembers that are going to be gone soon, we are going to have an upcoming change in Administration. This is a stopgap measure where it sounds like they are guardbanding with a little bit more cash there so they do not have to come back to us. We have our budget coming up, we have all these things coming up, and I think it is really important that we get that clarifier in there and that we do clean up that water. We have babies, *keiki*, and *kūpuna* swimming just down the way there at Lydgate Beach Park. Thank you for putting the work into it. I hear that you cannot pull it back. I do not like that we have six (6) days, I do not like that at all, but it very well may be that this time last year, it is full steam ahead on another plant and giving us the guardbanding on this, so it is not like you are going to have that clarifier. You could not buy a clarifier that is only built for ten (10) years. You would not be able to sell it. I am inclined to just say yes. I support everyone's ideas in trying to keep money down, but like he even said, how much we spend to fix a pump. That is where I am at.

Council Chair Rapozo:

Thank you. Councilmember Holland.

Councilmember Holland: I am frustrated by the conversation as well. I think it has been a really good discussion. We need to be focusing on this long-term move and I appreciate that is the way that all of you seem to agree. I have a concern that the costs are going to go up and that there is urgency to move on this. We do need to address that, but I only feel like supporting this if we are all on the same page, that we are not doing additional upgrades to bring it back up to 1.5MGD to continue this longer than it needs to go, and if we are fast-tracking. If we are allowing extra money to allow for that, I am fine with that—the priority I share, the priority of ensuing the water is clean over the next five (5) to ten (10) years as we build the new facility, I think we have to pay for that. We have to, because we put ourselves into this situation by not moving on the plant fifteen (15) years ago, when we should have. While I want the conversation to move in that direction, I want the money to move in that direction. I absolutely do not want to spend seventy million dollars (\$70,000,000) on a facility at the Lydgate Beach Park only to move it across the street five (5) years after that. That seems absurd to me financially, but in saying

that I want to invest the millions that it takes to ensure that water is as clean as possible, as soon as possible, and that we are in compliance, obviously that is critical. I am inclined to support the five million dollars (\$5,000,000) if it is for that and if we can agree that this conversation is not being spread into the next 1.5MGD or future upgrades. I am not totally clear if we are on that same page, but it does sound like you folks are hearing us. I want to thank you for your hard work and meeting the lower requirements, the bacteria outfall is critical. I do not think we have a choice. We have to meet compliance; we have to deal with our wastewater. It feels like we are in a hard situation to have to support this, but really we all want to move away from investing in this facility, anything beyond what is absolutely critical. That is how I feel.

Council Chair Rapozo: Councilmember Kualii.

Councilmember Kualii: I am not ready to support this today. You heard all my requests. I am assuming when the information is provided to me, they provide it to all of you as well. We have time. It is short, but we have time for the one (1) deferral, and we can get all the additional information and be able to make a better decision two (2) weeks from now, but today, I am not able to support this.

Council Chair Rapozo: Councilmember Kaneshiro.

Councilmember Kaneshiro: I understand where the conversation was going, not wanting to spend money on a facility that we are going to move away from, but at the end of the day, it is money that is necessary. It is necessary for us to meet the compliance. It is not a fun position to be in to have to vote on it. It is a hard pill to swallow. It is not a good position for anyone to be in, spending this type of money, but at the end of the day, it is necessary and needed. If we did vote today, I would be supporting it, but I am also open to deferring and allowing everyone to get the information that they need in order to make their decision.

Council Chair Rapozo: Councilmember Carvalho.

Councilmember Carvalho: I appreciate the discussion with the Department of Public Works and all the information that was shared, but at the same time it is very important. We have an opportunity to look at deferring and getting the information in a timely manner...but for me, I think it is important that we solidify the information as much as possible together. I would like to make a motion to defer...

Council Chair Rapozo: Yes, later.

Councilmember Carvalho: ...you tell me later...but at the same time understanding the importance of this discussion. We are all in it together, right? That is where we are at, for me, and I think the more information we can get right back as soon as possible will help us to move forward.

Council Chair Rapozo: I will try to be as nice as I can, but this is frustrating. One of the things about being on this Council for so many years is that

you hear the same old thing over and over. We are starting a new budget, but we were just in a budget. This Council has, I believe, one (1) or maybe even two (2) emergency resolutions for repairs for this facility. We knew this facility was in trouble a long time ago. 2009 is when the Phase II design started, that is seventeen (17) years ago, and what we heard today is why it was never a priority project. Okay, so now in one (1) week we receive a resolution for twenty-five million five hundred thousand dollars (\$25,500,000), increased from fourteen million dollars (\$14,000,000) for all of a sudden these issues that have to be resolved now, we cannot wait. It has to be now. Everything was fine at the last budget and the budget before that. This Council has asked the Wastewater Division on a yearly basis, "What do you need, because we want to get this moved." We want to move this plant. This plant is antiquated. It is in a tsunami zone. This plant prevents us from expanding our housing for our local residents because we have a capacity issue on the treatment plant. This is throwing money on a problem that should not even be here. Councilmember Kaneshiro is correct, it puts us in a tough position, but also it puts us, as Councilmembers, as the overseers of this budget, we have that responsibility and obligation to make sure that what we are being told is in fact the truth and accurate, because that is a lot of money. I am not an engineer. The fact that you do a PowerPoint and this is what you are saying we need...I need to verify that. I need to go out and do my own due diligence. We had a meeting with them a couple days ago on Zoom and this project is part of another project, which is Phase III, and I know some of you believe that is a different discussion, but it is not to me. Phase III is part of this discussion because Phase III is the plan that the Administration is going forward with. He already said it numerous times today, "We are in the planning of Phase III," so that is the plan. That plan will come with a fifty-million-dollar price tag, again, on an antiquated facility that is in a tsunami zone that has limited capacity. Is that wise? Should we not be focusing our energy and our resources on the development of the new plant? Now, I know you heard them say we have been in this for two (2) years, I can tell you that we too have been in this discussion for two (2) years. Councilmember Cowden said, "the same time next year, we will be onboard with the new plant." Last year we said the same thing. Last year we said, "Same time next year we will be on our way with the new plant," and today, we are nowhere closer to a new plant than we were. I know this for a fact. I talked to the landowners that we were in discussion with. There is no movement. I am going to be real. There is no movement, because all of the energy is focused on this plan, which this plan is to keep that plant open for whenever. We need to put the energy in the new plant. This is taxpayer money, it is not your money. I am going to give a scenario. You have a car that is worth five thousand dollars (\$5,000) and it is broken and you take it to the dealership and the dealership says, "The price of parts today, it is going to cost you twenty-five thousand dollars (\$25,000) to fix your car that is worth five thousand dollars (\$5,000)." Are you going to pay twenty-five thousand dollars (\$25,000)? If this was your money? No, no. You are going to look for a car that is newer and more reliable. We cannot continue on this path of just...it is about the money. It is about the money, but where is the money going to. My bigger concern is, again, as I said through all the budget, through all the emergency procurements we have done, this Council is the final stop. We make the determination. We cannot tell them what to do. All we control is the budget. If we want to see a change in the movement of the Administration, that is how we do it, we say, "We do not want the money there, we want the money here." I am not convinced

it will take twenty-five million five hundred thousand dollars (\$25,500,000), and I could be totally wrong. I will do my due diligence. I do not buy into the fact that it is going to take twenty-five million five hundred thousand dollars (\$25,500,000) to bring us into compliance, I just do not. I do not believe that. I am not calling you folks liars, I am just saying I will do my due diligence. I will talk to engineers and firms that do this and find out what it costs. I just do not see what we need to do to keep that pump running while we look forward to the new plant at that cost. That is high. That is significant. We are not Maui. I am curious to see what a new plant would cost and I really like the idea Councilmember Kualii talked about, having a 1.5MGD or 2MGD facility that is an expandable, modular expansion that we can get what we need, because as you can see the need is not here right now. We do not need a 3MGD facility now, so why would we buy a 3MGD facility right now? For me it is the direction, it is not about twenty-five million dollars (\$25,000,000). We have allowed this problem to get to this point, constantly being told that we are okay, and then all of a sudden, out of the blue, we have this request for an increase of eleven million five hundred thousand dollars (\$11,500,000) on a resolution that was already approved in 2024 for fourteen million dollars (\$14,000,000). I am not ready to vote. Hopefully we can get this deferred for two (2) weeks. I will be asking a lot of questions and will be expecting a lot of answers because if there is no commitment...or I want to see a timeline of where we are and where we have been as it relates to the construction of the new plant. I want to see that timeline because I have been to numerous meetings with different organizations, different companies, with our own administration and I want to see where we are at. I really do. One of the landowners that I spoke to immediately after our Zoom call told me that they were waiting for the County. Apparently, they were not informed that we are moving on that plant. There are lots of questions before I say yes to this, but I do appreciate the presentation, of course. I do not like the fact that we get the pressure that we have to support and vote today, because some bidder said he will pull back his bid. Oh well, pull the bid. I do not want you to work for this County, if you have that attitude. I really do not. My time is up. Go ahead.

Councilmember Kualii: Could we do a separate item soon for the new plant options update? Maybe it could be on a committee agenda in the Committee of the Whole, but in a few weeks, a new plant options update and in that update, I think we can invite the State DHHL, because I think they have some things to share with us as well, about the type of partner they would want to be.

Council Chair Rapozo: I would suggest we do that at next week's Committee Meeting.

Councilmember Kualii: Okay.

Council Chair Rapozo: I want all the information before I vote on the Resolution. I do not want to do it after the Resolution is up. If there is merit to this Resolution, then I definitely want to see it pass, but I do not want to have the discussion for the new plant after the Resolution comes up. We will schedule it for next week and we will invite DHHL.

Councilmember Cowden: I have a process question. Can we schedule it one (1) week out? I thought we had to have two (2) weeks, but we can do that?

Council Chair Rapozo: No, the Council has the authority, not just me...

Councilmember Cowden: Okay.

Council Chair Rapozo: ...it is going to take the vote to move this item or a new item to the Committee Meeting.

Councilmember Cowden: I would love to hear those people.

Council Chair Rapozo: Committee Meeting.

Councilmember Cowden: Which is next week.

Council Chair Rapozo: Yes, the 25th.

Councilmember Cowden: I want to hear them next week and then also what about the land *mauka* of the bypass? I know that has come up a handful of times. Usually what I am hearing is we want too much land; I want to hear how we can...

Council Chair Rapozo: That is what the discussion will be.

Councilmember Cowden: Can we hear from both DHHL and the other one?

Council Chair Rapozo: I do not know who the other one is.

Councilmember Holland: Bette Midler.

Council Chair Rapozo: Who? Bette Midler is out.

Councilmember Cowden: She is out?

Council Chair Rapozo: Bette Midler is out.

Councilmember Cowden: Is it because of the amount of land we want?

Council Chair Rapozo: Yes, I mean...unless they change, but the last I spoke with the representatives, it is done.

Councilmember Cowden: Is it done?

Council Chair Rapozo: Yes, because we wanted too much, but that is what we can discuss at the committee meeting.

Councilmember Cowden: I wanted to say for the record, I like what she said, if we do this fix, because we have to do a fix, but I heard if we do a fix, it does not mean we have to do the other forty million dollars (\$40,000,000) or fifty million dollars (\$50,000,000), and so I am happy to hear from the people next week.

Council Chair Rapozo: We have to remember that it will be an entirely different Council or maybe two (2) councils; at the rate we go, it might be three (3) councils from now.

Councilmember Cowden: Where we will be in a year from now, there will be a different mayor, there will be a different council, and there will be an entirely different pressure, so if we start this fix right now in the meantime, it could be that there is a plan for a new sewage treatment plant.

Council Chair Rapozo: If I believe, and I am not there today, but if I believe that we truly need twenty-five million five hundred thousand dollars (\$25,500,000) to get that plant into compliance, of course there is only one (1) way to vote. I am just not at that level right now. I did not have enough time to get the information I needed, so that is all I am saying. I am not saying it is a bad thing, I am just saying that I am not convinced that twenty-five million five hundred thousand dollars (\$25,500,000) is what the number is. I am even more worried about Phase III, but that is a different issue. Is there any further discussion? If not, we will entertain a motion to defer.

Councilmember Carvalho moved to defer Resolution No. 2026-10, seconded by Councilmember Kuali'i, and carried by a vote of 6:0:1 (Councilmember Bulosan was excused).

Council Chair Rapozo: With that, we will take a lunch break. Let us come back at 12:45 p.m.

There being no objections, the Council recessed at 11:54 a.m.

The meeting was called back to order at 12:56 p.m., and proceeded as follows:

(Councilmember Cowden was noted as not present.)

Council Chair Rapozo: Can we have the next item, please?

BILL FOR FIRST READING:

Proposed Draft Bill (No. 2987) – A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAX (*Agricultural Dedication*)

Councilmember Kuali'i moved for passage of Proposed Draft Bill (No. 2987) on first reading, that it be ordered to print, that a public hearing thereon be

scheduled for April 8, 2026, and that it thereafter be referred to the Finance & Economic Development Committee, seconded by Councilmember Carvalho.

Council Chair Rapozo: I will turn it over to Councilmember Kaneshiro, who is a co-sponsor.

Councilmember Kaneshiro: Council Chair Rapozo and I co-sponsored this bill. A little history on the bill, Alec Sou from Aloun Farms back in April 2025 approached us and said, "Why are we getting taxed at Industrial rate when we are doing agriculture on our property" and it was a big parcel, over two thousand (2,000) acres that was taxed at Industrial. He set up a meeting with agricultural producers on the Westside, which included Gay & Robinson (G&R), Kekaha Agriculture Association (KAA), Kaua'i Coffee, KBB, and Hartung Brothers to talk about real property taxes and its implementation and Agricultural (Ag) Dedication process. From that call, we met as a group on Zoom. From the information we received from them, I worked with the Real Property Tax Division, and we came up a few changes to the Ag Dedication process, which would make it better for farmers. In general, the changes are dedicated Ag lands taxed at Ag rate. We included an expanded definition for Ag use. We made it so that meat packing and processing operations are treated as Ag use and basically just try to make the taxing for Ag dedicated parcels just more fair and consistent. I do have a quick comparison worksheet. For everyone's information, the current way that we tax is at highest and best use and that is why a facility like Aloun Farms, which was on Ag doing Ag, was processing and had a building for processing, was being considered Industrial. The entire parcel was being taxed at Industrial rate, which the Industrial rate is eight dollars and ten cents (\$8.10) versus the Ag rate, which is six dollars and seventy-five cents (\$6.75). They said, "That is not fair, we are doing Ag, we have dedicated Ag, but we are being taxed at an Industrial rate and we cannot do industrial type activities on the Ag land." From there we came up with these changes. Based on the comparison sheet, you can see the existing law, the proposed change, and the benefits of change. I will just read the proposed change and the benefits of the change for everyone. The first change is setting forth in Subsection (e) in which it shall be classified as Owner-Occupied Mixed-Use or has an approved Dedication of Land for Agricultural Use as set forth in Section 5A-9.1, in which case it shall be classified as Agricultural. In the past, again, a parcel with an approved agricultural dedication could still be taxed at the highest applicable rate, if there were mixed-uses on the property, so the entire parcel would be taxed at the highest and best use. With this change, the proposed change ensures that land with Ag Dedication can be classified and taxed at the Ag rate even when other uses are present on the parcel. This provides for fair treatment of dedicated agricultural lands and aligns the tax classification with the property's actual intended use.

(Councilmember Cowden was noted as present.)

Councilmember Kaneshiro: Again, if someone is farming on one thousand (1,000) acres and they have a cell tower or a commercial building on the property, which takes up, a cell tower in some cases, five hundred (500) square feet and ag building maybe an acre, the entire one thousand (1,000) acres will be taxed as Industrial. With this, it says that the Ag land is going to be taxed at the Ag rate. The

next change is changing the definition of Ag use to make it more flexible for Ag users. In this case, Ag use means the active use of the land for production of agricultural products with the primary purpose of obtaining a monetary profit from income received from the sales of agricultural products. Agricultural use now includes...in the past it excluded these uses and pushed an Ag person into the Commercial Industrial rate. Now we are saying, it shall "include selling, refining, processing, or distributing agricultural products on the dedicated parcel, provided that greater than fifty percent (50%) of the vegetation or animals from which such products are derived were grown or raised on the dedicated parcel or another dedicated parcel of the same owner or tenant." Now, you can do these uses and still get taxed at Ag rate and not be penalized and be taxed at Commercial and Industrial, so again, the benefits of the change, "the amended definition allows activities such as selling, refining, processing, and distribution of agricultural products to count as agricultural use as long as the majority of the product (50% or more) is grown or raised on the dedicated parcel or another dedicated parcel of the same owner or tenant. This update expands the types of activities that qualify as agricultural use and ensures they are taxed at the agricultural rate rather than at a higher commercial or industrial rate. The change provides farmers with the flexibility they need to diversify, innovate, and capture more of the value of what they produce."

The next change is to agricultural use, also, and this one is specific to slaughterhouses and meat processing. Agricultural use definition continued. "Agricultural use also includes meat packing and processing operations," and in the past all of the meat packing and processing had to take place on the property and be your own product. We are expanding it to be able to bring in other people's animals, process it, and still be taxed as Ag versus Industrial or Commercial. At the end of the day the amended definition allows meat packing or processing operations to be treated as agricultural use and taxed at the agricultural rate regardless of whether the animals are raised on the same parcel. This change supports meat packing or processing facilities that serve the broader Ag community, ensuring they are not penalized with higher tax rates while performing an essential role in strengthening local agriculture. Again, by allowing them to be taxed at Ag and not pushing them into Commercial and Industrial, they are actually providing a service to the Ag industry. Someone raising cattle might not be able to get their dedication if they do not have a place to slaughter or a place to process their animals and sell, so a slaughterhouse should not get penalized for taking them in and processing it. It is a needed service for some of the ranchers on island.

The next change is a simple change adding Commercial or Industrial to the Commercial structure. Right now, Commercial and Industrial tax rates are the same. If that changes, we will eventually need to adjust that definition, but for now it is just making it consistent. It is basically a housekeeping item. The final change, which just makes the tax...it clears up how we are supposed to be taxing Commercial activities on Ag land is, "any portion of the parcel with a commercial structure including land upon which the commercial structure is located shall be separately assessed and classified as a portion's actual use with the highest tax rate. To determine the highest tax rate, if a class has tiered tax rates the lowest tiered tax rate shall be used. This proposed amendment clarifies that any portion of a dedicated Ag parcel used strictly for Commercial or Industrial activities unrelated to agriculture will be assessed

separately at its highest and best use ensuring fair taxation while maintaining agricultural incentives of the land and dedicated agricultural use.” Those are the proposed changes and the reasons. It is trying to loosen it up so it is more fair and easier for Ag. If you look at the landscape of agriculture on island, you can see that Ag lands are shrinking, large landowners are selling Ag land, farmers are having to move around. We did see the recent Kaua‘i Coffee type issue. We have to do what we can to make it easier for Ag folks to survive, and this is simply what we tried to do, based on that initial call from Alec Sou about his property being taxed as Industrial. Councilmember Cowden.

Councilmember Cowden: In general, I think I really like this. Just so I understand it right, I have a couple of questions. On number 3 on slaughter, how many slaughterhouses do we have?

Councilmember Kaneshiro: Two (2) that take other people’s animals to process.

Councilmember Cowden: It seems like it is hard to even have them, right, we have national standards? Is part of the problem just taxing too?

Councilmember Kaneshiro: Taxing is one (1) of the problems. They are providing a benefit to the Ag industry, by bringing in other people’s animals and that pushes them into a higher tax class, which makes them pay higher taxes on their property.

Councilmember Cowden: So, they still have been doing it even though they are paying higher taxes?

Councilmember Kaneshiro: They have to.

Councilmember Cowden: They have to? Okay.

Councilmember Kaneshiro: There is no other option.

Councilmember Cowden: That seems like a good choice. Just to make sure I understood, because you were talking quickly. When there is a piece of property, let us say one (1) building, maybe they have a cell tower on the property and then the rest of it is Ag, this is saying they will only get charged for the cell—how do they decide how to charge for the cell tower? That is a big example we had. Someone had one thousand (1,000) acres or some large piece, they put a cell tower on it and all of a sudden their entire piece of property became Industrial.

Councilmember Kaneshiro: The cell tower area is going to be taxed at Commercial Industrial and the rest of the property that is in active agriculture and dedicated is going to be taxed at the Ag rate.

Councilmember Cowden: They would do square footage?

Councilmember Kaneshiro: Yes. When they file their Ag Dedication, they already put what acres are in Ag, what acres are in a cell tower area.

Councilmember Cowden: Okay, that is good. Did you do this?

Councilmember Kaneshiro: Yes.

Councilmember Cowden: Good. Good job. It might have been these folks; do you know what I mean?

Councilmember Kaneshiro: Thank you for the compliment.

Councilmember Cowden: It is good. That is a good improvement.

Councilmember Kaneshiro: We are trying. You see how difficult it is going to get for Ag, especially with land prices going higher. It is going to get tougher for the farmers, so it is basically trying to give them a little more wiggle room.

Councilmember Cowden: And it does have two (2) names on here.

Councilmember Kaneshiro: Yes, Council Chair Rapozo...yes.

Councilmember Cowden: Sometimes these folks help a lot.

Councilmember Kaneshiro: We worked with them also, because they have to be able to implement it.

Councilmember Cowden: Yes.

Councilmember Kaneshiro: Yes, we worked closely with the Real Property Division on it. We are not going to propose changes that they are going to say they are not able to do.

Councilmember Cowden: Yes, sometimes they help.

Councilmember Kaneshiro: They were very helpful, yes.

Councilmember Cowden: Thank you for helping them. It is good.

Councilmember Holland: I want to clarify something. The first change is one to address the auntie making jam from her mountain apples and she is selling it on the street, her property is not going to go up from Homeowner designation to Commercial.

Councilmember Kaneshiro: It would be the second change, because it allows refining, processing, and selling. In the past, those activities were excluded from Ag use, so you would get charged as a Commercial or Industrial operation.

Councilmember Holland: Okay, but it does not change your property taxes to Agricultural rate, it just...

Councilmember Kaneshiro: It would be at Agricultural rate because that is not an agricultural use.

Councilmember Holland: Okay, so for my property, for example, if I am selling something, do I go from Homeowner to Ag?

Councilmember Cowden: Mixed.

Councilmember Kaneshiro: If you are a homeowner, the best possible tax rate you can get is Owner-Occupied. You would stay as Owner-Occupied.

Councilmember Holland: But it would vary if it was not Owner-Occupied and it had the Ag thing it would go down to Ag?

Councilmember Kaneshiro: If it was strictly an Ag parcel and someone had a building where they were growing their fruits and vegetables, processing their jam there, and selling it, in the past, because they were processing and selling, it would have pushed to the entire parcel to being taxed as Commercial. Now, that use is an acceptable Ag use and the entire parcel would be taxed as Ag and be Ag Dedicated.

Councilmember Holland: And it is also permissible Homeowner use to sell things on the road, so there is no risk that the tax changes if...nothing to do with Ag but just Homeowner status is not at risk for selling...

Councilmember Cowden: You can be Commercial Home use.

Councilmember Holland: Right, but that is not Homeowner, that is Mixed-Use.

Councilmember Kaneshiro: Yes, if the homeowner is doing it, their best tax rate is the Owner-Occupied.

Councilmember Holland: And there is nothing that threatens that status or selling things on a farmstand, for example, in front of your house? That was one (1) question that when I started looking at this I was looking at.

Councilmember Kaneshiro: No, because this is specifically for Ag Dedicated parcels, too.

Councilmember Holland: Yes.

Councilmember Kaneshiro: So, a homeowner that is selling something from their house is not necessary going to go and dedicate their house land to Ag.

Councilmember Holland: So, that is separate.

- Councilmember Kaneshiro: Yes.
- Councilmember Cowden: It is. It would go Commercial Home Use.
- Councilmember Holland: We need to address that separately because people...
- Councilmember Kaneshiro: Yes, Ag Dedicated parcels.
- Councilmember Cowden: I have another question, because I get this a lot. Someone who has three-acre parcel, this is a real story, by the way, who produces a lot. They want to put a little food truck right on the side of their farm so when people are driving by to go to the beach, they can get smoothies. They have been faced with a Commercial use over that. Would the food truck on their property be...
- Councilmember Kaneshiro: I am not sure for that one. They might have to get a Use Permit to do a food truck.
- Councilmember Cowden: Okay, here is another one because this is one that I have been pushed on. If you have a botanical garden and really just having tours does not even more than break even, right now when that botanical garden is there that is charge Commercial.
- Councilmember Kaneshiro: Yes, botanical gardens, and the Real Property Tax Division can come up to help me if they want, but I do not think botanical gardens are an Ag Dedicated use.
- Councilmember Cowden: What if they are selling drywood?
- Councilmember Kaneshiro: It would be just Commercial. Botanical garden is not an Ag Dedicated use.
- Councilmember Cowden: Okay.
- Councilmember Kaneshiro: Based on the Ag use.
- Councilmember Cowden: And so they could not get Ag even? It forces the botanical garden into sale.
- Councilmember Kaneshiro: You should send the question over to the Real Property Tax Division.
- Councilmember Cowden: I get these types of questions all the time. I would say that this is going to help a lot of people especially if you can make jam or make tortillas and sell them and not somehow feel like they are selling contraband.
- Councilmember Kaneshiro: Yes, so it is arbitrary that fifty percent (50%) of the produce have to be from your property or a neighboring one, but again, I think the point was you do not want someone with Ag land just setting up a shop and buying

everything from everyone and saying, "I should dedicate my land because I am selling other people's produce." It is only first reading. We did reach out during the initial meeting; we did additional outreach like the Farm Bureau.

Councilmember Cowden: How about the Kaua'i Farmers Union United?

Councilmember Kaneshiro: I did not have a contact for them.

Councilmember Cowden: I will connect you.

Councilmember Kaneshiro: Feel free to forward the bill.

Councilmember Cowden: That would be a good one to attend one of their meetings, because they tend to be small, diversified farms who are the type who make things. It is a really vibrant group. There were one hundred (100) people at the last union, a few days ago, a week ago.

Councilmember Kaneshiro: Feel free to get them in touch with me. I did not know who to contact.

Councilmember Kualii: Not to talk about it now but just after COVID-19, you worked on a totally separate bill for the roadside stands and things, right?

Councilmember Kaneshiro: Yes.

Councilmember Cowden: Yes, I remember that.

Councilmember Kaneshiro: Yes, a fruit stand one was to allow farmers to sell their produce from their property. It had to be a certain size, there was a maximum size they could get to.

Councilmember Cowden: Yes, but I do not think there was the food truck on it.

Councilmember Kaneshiro: No, it did not have food trucks. Are there any further questions? Farm stand was separate. Farm stands were at a time when no restaurants were open, hotels were not open, farmers had a bunch of produce, they did not know what to do with it or how to get rid of it, and at the time you could not just set up a stand on your property and sell your produce. We made it an acceptable use. I do not think that it is the best time for someone to spend sitting at a fruit stand, but it is what was necessary at the time that we did and it is always an option.

Council Chair Rapozo: Are there any further questions for the introducer? If not, is there anyone in the audience wishing to testify? Is there any final discussion? Councilmember Holland.

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

Councilmember Holland: I am really excited about this bill, so thank you folks for working on it. One of the things that I have been researching was some of these holes in Agricultural Dedication, the slaughterhouse one was one that had come up big for me this year. When I heard someone else was working on it, I backed off on this, but I am really excited to see it hit the floor. I think this is wonderful and I think it is important as we support farmers whose costs are already going up with tariffs and all the challenges with invasive species, etcetera. I am interested in knowing if the Homeowner exemption status for farm stands, and we do not have to necessarily have it here, but moving forward into committee hearing if it is possible to also incorporate that any type of farm stand does not change your tax status on a homeowner. I am not sure and maybe this is not the right place to insert that, but I am interested in that moving forward.

Councilmember Kaneshiro: You can ask the question to Real Property Tax later. I am thinking it would end up being Owner-Occupied Mixed-Use, which still keeps their benefits and everything, but we can have them look at it. Provide the specific example.

Councilmember Holland: I want to encourage as many people as possible to be growing food and supporting food even if you...I own an agriculture parcel, I obviously live on my parcel, but I would like to be able to sell what I have and share with the community with food security being the concern it is, we should be encouraging everyone to be sharing food with cottage farm-type of things happening. Thank you very much for working on this.

Councilmember Kaneshiro: Owner-Occupied Mixed-Use is still an excellent tax class to be in because it still caps your assessment. It cannot go higher than three percent (3%) every year. The tax rates are just a little higher for that commercial use of your property, but it is still going to be more beneficial than dedicating your property to Ag or anything like that. Owner-Occupied tax classes are like the best.

Councilmember Cowden: I want to really encourage you to come and I will even try to set it up, to come and talk to the Farmers Union, because this is a good economic development driver for them. Probably a lot of people sort of do it any way, but it is like they cannot do it very openly and there is a lot of finished product that comes off these small farms, there is a lot of passion in it. This is really good for that community.

Councilmember Kaneshiro: I thought in general it is good for all Ag.

Councilmember Cowden: But it is not good if they do not know about it, so you want to know about it.

Council Chair Rapozo: Is there anything further?

The motion for passage of Proposed Draft Bill (No. 2987) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 8, 2026, and that it thereafter be referred to the Finance & Economic Development Committee was then put, and carried by the following vote:

FOR PASSAGE:	Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo	TOTAL – 6,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bulosan	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Six (6) ayes, one (1) excused.

Council Chair Rapozo: Thank you. Next item, please.

BILLS FOR SECOND READING:

Bill No. 2980 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2025-905, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2025 THROUGH JUNE 30, 2026, BY REVISING THE AMOUNTS ESTIMATED IN THE GENERAL FUND (*ACFR Year 1 Fiscal Year 2024 Change Order – \$130,000.00*)

Councilmember Kualii moved to approve Bill No. 2980 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Cowden.

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

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

The motion to approve Bill No. 2980 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

FOR APPROVAL:	Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bulosan	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Six (6) ayes, one (1) excused.

Council Chair Rapozo: Next item, please.

Bill No. 2982 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2025-905, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUA'I, STATE OF HAWAI'I, FOR THE FISCAL YEAR JULY 1, 2025 THROUGH JUNE 30, 2026, BY REVISING THE AMOUNTS ESTIMATED IN THE GENERAL FUND (*Kawaihau Road Parks Parcel – \$800,000.00*)

Councilmember Kualii moved to approve Bill No. 2982 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Cowden.

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

Councilmember Cowden: I want to make one (1) comment. Good job, Parks, and Councilmember Holland, whatever level you have in this, too. It is exciting that we have a bigger park now. It will address a lot of issues in Kapahi Park.

Councilmember Holland: There is one (1) more measure on this, but this is exciting. I am very thankful. As the Parks & Recreation / Transportation Committee Chair, being able to shepherd this through, this was all the folks really, Reiko and the team next door, but just learning that when I brought this up to them, that they were already working on it, that it was already in the works, everyone was already on top of it, I just think it is really exciting to be a part of it all. I am excited to see the park expand and I know the community is as well. Thank you for all your support and thank you so much Director Porter, Preston, and Reiko, and everyone who made sure this happened. I think it is a lasting impact to our community that is going to be a wonderful addition and improve a generation of kids to have access to sports in parks.

Council Chair Rapozo: Is there any further discussion?

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

The motion to approve Bill No. 2982 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

FOR APPROVAL:	Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bulosan	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Bill No. 2983 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2025-906, AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2025 THROUGH JUNE 30, 2026, BY REVISING THE AMOUNTS ESTIMATED IN THE GENERAL FUND - CIP (*Kawaihau Road Parks Parcel – \$1,300,000.00*)

Councilmember Kualii moved to approve Bill No. 2983 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Carvalho.

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

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

The motion to approve Bill No. 2983 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

FOR APPROVAL:	Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bulosan	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

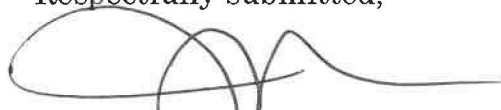
Ms. Fountain-Tanigawa: Six (6) ayes and one (1) excused.

Council Chair Rapozo: With that, there is no further business. This meeting is adjourned. Thank you.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 1:22 p.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA
County Clerk

:dmc