

COUNCIL MEETING

MARCH 25, 2026

The Council Meeting of the Council of the County of Kaua'i was called to order by Mel Rapozo, Council Chair, at the Council Chambers, 4396 Rice Street, Suite 201, and Meeting Room 106, Historic County Building, Līhu'e, Kaua'i, on Wednesday, March 25, 2026, at 8:32 a.m., after which the following Members answered the call of the roll:

Honorable Addison Bulosan
Honorable Bernard P. Carvalho, Jr.
Honorable Felicia Cowden
Honorable Fern Holland (*present at 8:33 a.m.; excused 3:45 p.m. to 3:57 p.m.*)
Honorable Arryl Kaneshiro
Honorable KipuKai Kualī'i
Honorable Mel Rapozo

Pursuant to Hawai'i Revised Statutes Section 92-9(a)(4), because a video recording of this meeting is available online, this is to provide a link to the video recording (valid as of the approval date of these minutes): https://kauai.granicus.com/player/clip/3044?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 Meeting Room 106 on any agenda item.)

APPROVAL OF AGENDA.

Councilmember Kualī'i moved for approval of the agenda, as circulated, seconded by Councilmember Bulosan.

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

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

The motion for approval of the agenda, as circulated, was then put, and carried by a vote of 6:0:1 (*Councilmember Holland was excused*).

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

MINUTES of the following meeting of the Council:

February 18, 2026 Council Meeting

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

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

(Councilmember Holland was noted as present.)

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

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

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

INTERVIEW:

PLANNING COMMISSION:

- Kuuleialoha Santos (*Environmental*) – Term ending 12/31/2028

ELLEN CHING, Boards & Commissions Administrator: Good morning. Boards & Commissions Administrator Ellen Ching. Today, I am pleased to introduce Kuuleialoha (Kuulei) Santos. Kuulei was born and raised in Hanapēpē. She attended Kalāheo Elementary School and ‘Ele‘ele Elementary School, Waimea Canyon Middle School, and graduated from Kaua‘i High School. She immediately jumped into the working world as a young married mother. For the next ten (10) years, she worked at her parents’ nursery No Ka Oi Landscape Services (No Ka Oi) starting at the bottom in accounting and eventually becoming Vice President. In 1990, she wanted to branch out on her own. She left No Ka Oi and for a few years worked in a technology (tech) firm before accepting a position at Unlimited Construction Services, Inc. (Unlimited) in 1996. Again, she started at the bottom and worked her way up to her present position thirty (30) years later, as an owner. Leadership in Energy and Environmental Design (LEED) is a globally recognized green building certification program that verifies a building or community that was designed, constructed, and operated to improve environmental performance, lower energy costs, and increase user health. It focuses on key areas like water efficiency, energy usage, materials, and indoor air quality. There are a few LEED accredited professionals on Kaua‘i and they are all architects. However, Kuulei is one of the few, if not the only construction industry owner, who is a LEED certified professional on Kaua‘i. It is only natural, upon her own initiative, Unlimited’s office would become the first LEED certified building on Kaua‘i. In improving environmental performance, lowering energy costs, and increasing user health, you might wonder why there are not more LEED-certified buildings everywhere. It takes commitment to the long-term benefits over an immediate return on investment. Simply put, in general, a LEED-certified building initially costs more to construct. Following in her parents’ footsteps, Abigail and Frank Santos, Kuulei is active in the community. She has served on the Young Women’s Christian Association (YWCA) Board of Directors for ten (10) years, on Kaua‘i Community College’s (KCC’s) Governmental Affairs Committee, and on KCC’s Sustainability Project which grew into Ho‘ouluwehi, the Sustainable Living Institute of Kaua‘i, which focuses on place-based education, including Sustainable Science Management courses, hydroponics, and community gardens.

Kuulei grew up with the Hanapēpē salt ponds. The salt ponds are the *kuleana* of Hui Hana Pa‘akai o Hanapēpē (the Hui). The Hui consists of twenty-two (22) families that span generations and hundreds of years. They are devoted to the tradition and practice of *pa‘akai*, the process of turning sea water into salt. Typically, in the summer, the water dries up, revealing the salt beds below. Via underground lava tubes, saltwater flows into the wells. Each season, the wells must be cleaned of mud and debris. Next, the salt beds are cleaned and prepared by collecting gooey black mud to create a barrier for the water to evaporate. When the mud hardens, it creates a completely smooth, hard surface. If there are any cracks, the bed must be redone. Once the beds are ready and the wells are filled, the water from a well is transferred to a bed to heat. Once warm, the water is transferred again to the shallow beds to evaporate, leaving layers of crystals behind. Every few days, the beds are stirred and water added as needed. Three (3) distinct layers form when the water evaporates: the top white layer is generally used as table salt, the middle pink layer is used for cooking, and the bottom deep red or brown layer is used for blessings or given to fishermen. *Pa‘akai* is done without any machines and it is a slow, labor-intensive process. The process is repeated throughout the summer until the first big storms hit. For the past thirty-three (33) years, Kuulei has stood in the same beds that her grandmother used along with her father and two (2) daughters, sustaining and maintaining the ancient and sacred practice of *pa‘akai*. Recently, a variety of challenges have endangered the salt ponds. In the early 2000s, the County backfilled some asphalt between the ocean and the salt ponds, blocking the drainage. People driving on the sand at Salt Pond Beach eroded the dunes that protected the salt patch from the ocean waters, causing flooding to happen earlier and earlier, shortening the season to harvest salt. Partying beachgoers leave rubbish and broken glass and the whirring blades of helicopters blow grit into the pools. Despite these problems, the Hui endured the brunt of these challenges and the resulting impact on diminishing *pa‘akai* in silence. After several years of no salt harvests, Kuulei was granted permission to speak up for the protection of the salt ponds. Since then, she has become the leading advocate and spokesperson for the salt ponds, the surrounding areas, and the preservation of the cultural practice of *pa‘akai*. Recently, Kuulei formed a nonprofit organization called Hui Ulu Haha Loa, Inc., which sits on twenty-five (25) acres of leased lands in Hanapēpē. The organization is dedicated to restoring and strengthening Native Hawaiian practices by improving access to culturally important plants and increasing community education and stewardship through agriculture. They plan to plant four thousand (4,000) *ti* leaf plants as well as plumeria, *puakenikeni*, *‘ulu*, and other indigenous and flowering plants. With her deep passion for *hula*, Kuulei has been a long-time supporter of *halau*. This bond was only strengthened when her daughter recently became a *kumu hula*. Thus, this organization is the expression of Kuulei’s knowledge of plants, her love of her people, and her wish to protect and support their cultural practices that are sustained through the *halau*, practitioners, and community cultural events. Of the four thousand (4,000) *ti* leaf plants, they have already planted five hundred (500).

As you can tell, Kuulei is a whirlwind. She has filled her free time by creating a bunch of support groups for women, women entrepreneurs, those who wish to learn ‘Ōlelo Hawai‘i, the Hawaiian language, a book club, and if that were not enough, she is working on a nonprofit chapter for affordable housing. Yes, she loves to travel and tries to get away at least once a year. This year’s trip will be to Italy, Barcelona, Spain, and Greece.

While Kuulei is an owner of a construction company, her passion, her soul, and who she is, is squarely centered on *mālama ʻāina* and the preservation of the legacy of Hawaiʻi, her people, her language, and her cultural practices. The Planning Commission is one of the most arduous commissions. The meetings are long and controversial. The preparation or homework can number in hundreds of pages and commissioners, on occasion, are sworn at and are unjustly accused of all manner of misdeeds. Kuulei's unique qualifications and experience is unparalleled and I am extremely grateful for her willingness to devote her time, talent, and *manaʻo* to the Planning Commission. Thank you.

Council Chair Rapozo: Thank you, Ellen. That was probably the longest introduction, but I appreciated the information.

Ms. Ching: It was, Council Chair, and I apologize for that.

Council Chair Rapozo: Do not apologize. It is important, mostly for the public. I know we have some people registered to testify, so I will open it up for questions. Just questions, no comments, of the nominee. Are there any questions?
Councilmember Cowden.

Councilmember Cowden: Can we not include framework around the question?

Council Chair Rapozo: I am sorry.

Councilmember Cowden: Can I frame anything around the question?

Council Chair Rapozo: Yes.

Councilmember Cowden: Can I start by saying, "Thank you"?

Council Chair Rapozo: Yes.

Councilmember Cowden: First of all, I want to thank you for being willing to consider this, because Ellen is not exaggerating. It is very difficult. I know you are familiar with the Planning Commission meetings. There is no doubt that you have the skillset and you have the duality of both the business and the cultural elements. I appreciate her long discussion on your cultural background. I have a couple of business questions.

KUULEIALOHA SANTOS: Okay.

Councilmember Cowden: I am very familiar with Unlimited to some degree. It looks like they build culverts, buildings, and public...it looks like they did the judicial...very big buildings. Most of the projects that you have an ownership role in have Class IV permits, correct? I did not see any that were not Class IV permits, so almost all of Unlimited's projects go before the Planning Commission. Is that right? I do not know.

Ms. Santos: No. We are statewide, so we do all islands.

Councilmember Cowden: Yes.

Ms. Santos: I am not exactly sure how many of the projects went before the Planning Commission, because normally, we are after-the-fact. For example, Lima Ola probably came to the Planning Department long before we were ever invited to bid.

Councilmember Cowden: Okay.

Ms. Santos: Normally, for all those projects, it is a hard bid. We turn in a number and we are competing with other people. Normally, for affordable housing projects, they go with the lowest bidder.

Councilmember Cowden: That is really helpful for me. We had a very large amount of supportive comments or testimony. We also had concerned people. If I am hearing you correctly, when you are building a building, a few of which are controversial relative to *iwi kūpuna*, you folks are not part of the permitting process. You put in your bid after-the-fact.

Ms. Santos: After-the-fact.

Councilmember Cowden: That is important to me.

Ms. Santos: I cannot tell you the percentage, meaning I am not sure how many went before...you know what I mean.

Councilmember Cowden: Yes. That is important, because what is raised as a routine issue is having to conflict out. That means you cannot make a decision on a job that you are doing, so when you will be bidding on a job...and this might be a question for Ms. Ching. When there is a job that is coming up and they are looking at the permitting of being able to do it, do you know if you are one of the bidders? How does that work in terms of a conflict?

Ms. Ching: I would not be able to definitively comment about that, but in general, when an application comes before the Planning Commission, the Planning Commission's duty is to review applications for entitlements and permits, so it is only once when the permit is granted that it goes out for bid to any company. Then the companies solicit for bids, they receive the bids, and they make the decision of who they are going to award the contract to.

Councilmember Cowden: Thank you for that. I have one more question, if that is all right. I received more informal approaches of concern than written concern. I do not know if we have a copy, you received a lot of positives. You have an overwhelming amount of positives. For people who are anxious that you might be doing jobs that are on culturally important sites or *wahi pana*, how can people feel that you will be able to bridge this in a way...I am just asking the question that constituents are asking me. Are you able to speak to them, if that is appropriate? Perhaps it is not appropriate. Can you tell me how we assure the people who feel that you might be business-biased against a location and a site that is said to have *iwi kūpuna* buried there?

Ms. Santos: I am extremely transparent with what I do and how I do it. For me, my community has always been my number one. I fell in love with Unlimited because they have allowed me to be me and to support my community to the best of my ability. This is just at home. I am speaking about my own home and my own company. I always take everything into account and we strive to always get into the ear of a client and explain all the things to them. I will give you an example. On O'ahu, I met with a big client who took my partner and me to the site, and you could already tell that they were not giving any consideration to the cultural aspects of the site. I knew of its importance. This was a big client. This was an approximately two-hundred-million-dollar job. I told them, "I cannot. I am not comfortable. You need to go through all the correct steps before we have these conversations. I cannot give you any type of advice on any of these things, because I am not the person. You need to find the cultural people and the people who live here, do your research, and do all the things before we even have these conversations." Then I left. That is just me on a business standpoint. I have a very soft spot for all things, in general, when it comes to my home and my home is not just the house that I live in. It is where I want to grow my babies, and my babies' babies, and my babies after that. My babies are not just the babies that come out of me; they are everyone who I am surrounded by.

Councilmember Cowden: I have one (1) last question.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: Again, this is just a reflection of the community. It seems that we have both business and cultural seats open and you are incredibly qualified for both. What was the reason...I am not sure if this is for you or the Boards & Commissions Administrator. It might be for her. What was the reason that you were selected for Environmental and cultural, as opposed to Business? I do not think anyone would "kick" over the business, because you have that hands down. You have it on both, but there is no controversy on you having the skillset to understand and ask really relevant questions of projects that are under construction. I am really excited about you for that position to have that knowledge. What made the choice to go for the controversial position rather than the easily accepted position when the skillset is both?

Ms. Ching: With all Commissions, it is a rather delicate process. Particularly with the Planning Commission right now, there are four (4) sitting members. Ideally, there would be seven (7) or six (6) to ensure that meetings are able to be conducted without any quorum issues. Unfortunately, at the end of December, there were three (3) people...two (2) would be terming out and one (1) individual let us know that they would not be willing to do a second term. That was a loss of three (3) people at once. For the Planning Commission, it is very difficult because of all the challenges in getting people to sit on the Planning Commission and there are a bunch of basic things that we really need to have. One, that they will do their homework. That is a big request because of the amount of paper there is and homework that they need to do. A story I tell all prospective Planning Commission members is when a commissioner sent me a text message with a photograph (photo) of paper about this high next to a ruler, meaning that it would take them the entire weekend to prepare for a Tuesday meeting. I let them know that the expectation is that they will do their homework. I monitor all the meetings. It is one thing if you

cannot remember something from an application that is eight hundred (800) pages long, but it is another thing if it is obvious from the questions you ask that you have not done your homework. That is not okay. One, the expectation is you will take the time and dedicate yourself to doing the homework. Of course, there is attending the meetings. The last meeting we had went from 8:30 a.m. to 5:00 p.m. Some go beyond that. There is a huge lift and heavy commitment that we are asking. Some of the questions I heard are about conflict. Obviously, we need to make sure they uphold the public trust, uphold the integrity of the Planning Commission, and we cannot have any conflict, so I have a long discussion with each prospective commissioner. Typically, they will say, "Can I have some time to think about it," which I appreciate, because it is not an easy ask. It is not an easy commitment and someone telling me that is a gratifying feeling, because I know they are taking it seriously and they are really looking at it deeply. When the ask goes out, I want to allow them the time to look at their family time and professional commitments, and come back to me. If that ask is out there, I will not ask someone else. This goes for any Commission, because what I do not want to happen is two (2) people saying "yes," then I am put in the position of saying, "I am so sorry. Thank you for all your thought and time, but we are not taking you because someone else said 'yes,' so we will take them." A potential nominee is done one (1) at a time. If they say "no," then we go to the next person.

Councilmember Cowden: I appreciate that. I am not quite sure if you said why you picked Environmental versus Business.

Ms. Ching: We need to have someone on the Planning Commission, because right now, there are only four (4) members.

Councilmember Cowden: But there is someone in the Environmental position, right?

Ms. Ching: We do not have someone in the Environmental position. We have one (1) person who is in that position—Commissioner Cox—and there is an open Environmental position.

Councilmember Cowden: There is both an Environmental position and a Business position, which are open?

Ms. Ching: That is correct.

Councilmember Cowden: I am wondering why you chose the Environmental position versus the Business position.

Ms. Ching: It is because there is someone already being considered for the Business position.

Councilmember Cowden: Okay. Thank you. That is helpful.

Council Chair Rapozo: Are there any other questions?
Councilmember Kualifi.

Councilmember Kualii: *Aloha, Kuulei.* Thank you for stepping forward. We know each other very well from all our work together over the years in the Hui, in the YWCA of Kaua'i, and with our *halau*, Halau Ka Lei Mokihana o Leina'ala. What I did not know about you is your time of community service with the Kaua'i Historic Preservation Review Commission. How long ago was that, what did you enjoy most about it, and what did you find most challenging?

Ms. Santos: That was about ten (10) to fifteen (15) years ago that I served on the Kaua'i Historic Preservation Review Commission and I served for seven (7) years. It was very informative. I found it extremely interesting as I was not aware of...an example I will give is the bridges. What an eye-opening experience it was to be on the Kaua'i Historic Preservation Review Commission and to go through all the bridges on Kaua'i, understanding why they were built, where they came from, and all the things that go into a bridge. Just being able to learn different sides of the island that I did not fully appreciate or understand was very helpful. A hard thing for me was gathering the information for the Kaua'i Historic Preservation Review Commission, because there was not much of it. It was more of relying on the community for answers and visiting the areas to get an idea of the importance of each site. Gathering the information was a little complicated back then. Being on that commission also allowed me to call my heart, because you are so passionate, people are passionate and you feel for them, but you need to listen to both sides and understand both sides, and to do that, you need to have a level head and really think about the rules, regulations, policies, procedures, and the people and what their thoughts are, because they are ones with the ground experience and they are in there doing the things. You need to take it all into consideration while following the rules. That was a challenge, but I did it and I thought I was good at it.

Councilmember Kualii: *Mahalo. Mahalo,* Chair.

Council Chair Rapozo: Are there any other questions?
Councilmember Bulosan.

Councilmember Bulosan: *Mahalo* for being interested in serving and volunteering your time. When I think about this position specifically, I think about *aloha 'āina*, so I would like to hear your philosophy or thoughts about *aloha 'āina* and how you would encompass this if you had this position.

Ms. Santos: I always give this speech, I tell this to everyone, and I believe this wholeheartedly: your home is bigger than the roof that you live in and if everyone on Kaua'i who feels that same way takes a chunk of what makes it that for you...for me, it is the salt patch. That makes it for me. It is not literally about that one (1) area, but it is everything that surrounds it, everything that touches it from the people, to the ocean, to the mountains, to all of it, from the very top of the hill all the way down, so you always need to start to look at the bigger picture and how it affects everything in general. For example, with me trying to build this native garden, it is extremely strategic on how you need to do it. It is not just about lining up five thousand (5,000) *ti* leaf plants and thinking that it is a garden. No, there is a theory from the top to the bottom. How do you get the rain to continue to feed the land and plant smart so the one (1) plant can feed the other plant to build this native space for all the things? All of that takes knowledge and research, and it

is not just things that you can find in a book, because when you try to research native plants, animals, and birds, there is not a lot of good information that can guide you into "This is how you grow it, this is what you do, this is what needs to surround it, this plant feeds this plant." It is more about you getting in there, doing all the work, and doing all the things to sort of figure it out in the best way possible, so I am and have always been trying my best to make sure that I do my part to keep it what it is supposed to be. Do you know what I mean? The salt patch...I will try my best to the day I die. I will fight if I need to or lay in the road. Do you know what I mean? For me to support our *hula*...she was such a dear friend and I miss her. To support our *hula* world is something that brings joy to my heart and it makes me really happy. If you look at my life and you look at what I have done, half (1/2) is construction and half (1/2) is community. The community is all *'āina*, and the construction is all building my team. That is all I do. I build my team. I do not know about construction. If you ask my staff, I have no idea what screw is supposed to go in what hole. They are laughing back there, but they will tell you. They will ask me, "What goes down here?" I do not know, but what I do know is that if I do not know, I know who to call. If there is a question about something, I will know what to ask, because I may not know the answer, but I know the question to ask and I sort of know the people to ask. It is the same with my *'āina*. I do not know all the answers, but I will put in one hundred ten percent (110%) to figure it out. It is the same with construction. I know nothing, but I am there one hundred ten percent (110%) of the time trying to figure it out with my team. I cannot have one without the other, if that makes sense.

Council Chair Rapozo: Thank you. Councilmember Holland.

Councilmember Holland: Thank you for being here and for your willingness to serve as well.

Ms. Santos: You are welcome.

Councilmember Holland: Councilmember Bulosan sort of brought up what I was going to mention. I ask anyone who applies for the Planning Commission the same question. We have a delicate balance between needing to build, needing our families to have housing, and needing a certain level of development while also needing to preserve the home that we love, the country lifestyle that we love, and the agricultural lands that we have. It is a hard balance and it is the hardest commission that there is. I am wondering what your thoughts are on where that balance is, how to navigate that, how you move forward in your priorities of preservation of such things while also ensuring that the types of developments that move forward are the types that are beneficial for generational families to remain on Kaua'i.

Ms. Santos: My mother served on the Planning Commission, she served in the Environmental position, and she also received a lot of anti-environmental "do not put her in" comments. I bring this up because when my mother was on the Planning Commission, she was a very...you saw when she started to get frustrated. Her eyebrow would go up, she would tilt her face, and she would give you the "are you kidding me, what is happening right now" look...I tell this story because this is engrained in my soul and I hear about this still, because she complains about it. It was a decision that she voted on, she always regrets this decision, and every time I drive on this road, I hear her in my ear, "I was on the Planning

Commission and I never should have voted 'yes.' I should have stood my ground. I knew what was right in my heart and I did not make the right decision." It was about the Albizia trees on the road. Knowing that, knowing that still haunts her, and knowing that is still a part of her, knowing that I go in at one hundred ten percent (110%) on everything that I do...I do not ever want to drive through twenty (20) minutes and regret a decision that I made on something I felt so passionate about, so I need to be extremely cautious about that and that is a good reminder, because it is twenty (20) minutes of her in my ear saying, "I never should have said, 'Yes.' I regret that decision. Even though everyone else did it, I should have been a 'no' vote." That is the best I can do.

Councilmember Holland: Thank you.

Council Chair Rapozo: Are there any other questions? I have a question. Are you able to be that "no" vote that your mom says she wishes she was? Would you be able to do that?

Ms. Santos: Yes, of course. One hundred percent (100%).

Council Chair Rapozo: I know that.

Ms. Santos: I have no problem. I hope I know you all enough to know that it is no problem.

Council Chair Rapozo: That question is for the public, not me, because I know you enough.

Ms. Santos: I have no problem saying, "No."

Council Chair Rapozo: I know a lot of people see this as a controversial appointment, but I do not. I see it as an Environmental position nominee, so I am evaluating you as an Environmental position nominee. That is how I will process the information. Are there any other questions? Councilmember Carvalho.

Councilmember Carvalho: Overall, Kuulei, I appreciate you connecting the 'āina and the system together, but I want to get your *mana'o*...because the County laid out the *moku* system on the island. How does the importance of that relate to you?

Ms. Santos: As I said, if I look at the salt patch, I cannot just look at that. I need to go all the way up because the water flows all the way down. If you look at my native garden and what I am trying to build, I need to go higher than where I am, and from there I need to go around where I am close to the ocean and ensure that what I am doing is not affecting that as well. I am extremely aware that it is important and I am not just homed in on my little circle. I am bigger than that because my home is bigger than that, so I am learning all of it, if that makes sense.

Councilmember Carvalho: Yes.

Council Chair Rapozo: Are there any other questions? If not, you can stay there. We have two (2) remote testifiers. Let us do the remote testifiers first.

JADE K. FOUNTAIN-TANIGAWA, County Clerk: The first remote testifier is Elizabeth Okinaka.

ELIZABETH OKINAKA (*via remote technology*): *Aloha*. Can you folks hear me?

Council Chair Rapozo: Yes, we can. Go ahead.

Ms. Okinaka: *Mahalo* for your time today. I want to ask more about the process. Was she the only person who applied for this Environmental seat and did Mayor Kawakami nominate her? I am curious about the overall process. Also, does the County publicly post about these vacancies? How are they trying to fill this Environmental seat? Is it just word of mouth? We really need to look at this. For me, at the end of the day, this is a conflict of interest. Kuulei, I would have no issue with this if you were applying for the Business seat, but if we really want to protect cultural and natural resources for our home, I do not think we should have the Vice President of a construction company. To me, this is wrong. Last month, Unlimited rallied about thirty (30) employees for the Planning Commission meeting. The parking lot was filled with Unlimited vehicles and employees were standing around. Kuulei, if you want public trust, this is not the way to go. You need to show that this will not be a conflict of interest. Unlimited built Mark Zuckerberg's home. There is a huge connection here. I think there are people who would be willing to apply for this Environmental position. I have spent countless hours and days going over documents and studying Planning Commission meetings. I have even spent my own children's birthdays in these meetings. There are people who are willing to take this position and do not have a conflict of interest. I wish you folks would take more time and let more people apply for these positions. It is very wrong that the County is saying, "There is someone else being considered for the Business seat, so we will not consider her." Is that not the whole point of an interview process? It is so more people can apply and we can really weigh in. At the end of the day, we already have Commissioner Francis DeGracia formerly from the Hawai'i Regional Council of Carpenters. They work directly with Unlimited. A Vice President of a construction company will have a clear conflict of interest, a benefit of approvals and zoning changes, and have inside knowledge and influence of decisions. An Environmental seat should be for conservation, protection, and long-term community wellbeing. I ask you to please defer this and at least allow more people to apply for this Environmental position. *Aloha*.

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

Ms. Fountain-Tanigawa: Council Chair, the next registered remote speaker is not on.

Council Chair Rapozo: Is he not on? Okay. Is there anyone registered to testify?

Ms. Fountain-Tanigawa: There are no registered speakers.

Council Chair Rapozo: Is there anyone in the audience wishing to testify? Seeing none, thank you very much. This will be voted on at the next Council Meeting. Councilmember Kaneshiro.

Councilmember Kaneshiro: Can we give any final discussion?

Council Chair Rapozo: Sure.

Councilmember Kaneshiro: I know we do not vote on it today. We will vote on it next week. Thank you, Kuulei. I am getting a little bit of post-traumatic stress disorder (PTSD) on all the criticism of the conflict-of-interest issue. I went through the same thing, too. In the community, we all wear many hats. You cannot just say, "She works for a construction company, so she has a clear conflict of interest. She should not be on this commission. She should not be in the Environmental position." Again, you need to take a step back. That is one (1) little portion of her life and of what she does. Take a step back. Look at what she has done in the community. Look at what her family has done. Look at who her family is. Look at her values. That is what matters. What are her values? How was she brought up? Is she someone who will stick true to her values or is she someone who will be wavy and not really know what she will do? Kuulei is someone who will stick true to her values. Again, she will be accountable to her actions. She has already learned from her mom. She does not want to end up regretting that one (1) decision on Albizia trees or whatever it is. I trust that Kuulei will make the right decisions. Not everyone makes the right decision. You might make a wrong decision, but the next time the decision comes up and you have that feeling, you know you will vote harder on it. There is no question in my heart that Kuulei would never compromise the environment, our culture, or anything. Look at her family background. Her daughter is a *kumu hula*. Look at who her family is. I saw a lot of hateful types of testimony come in and that is just scratching the surface of who Kuulei is. Construction is only a small part of it. I have so many notes on here and they are written all over the place. I always say this to all the Planning Commission nominees: it is the most difficult commission to be on. It is a volunteer commission, it is a lot of work, it is important work, and you open yourself up to criticism from the community, which seems to be growing more and more each day. At the end of the day, I would not suggest that you be on it, but at the end of the day, you are a great person to have on it. You need someone who will stick to their guns no matter what. Even if she is criticized or anything, she will still make the decision that will come from her heart. It is a tough commission to be on and I really appreciate you taking the step to be on it. I know Kuulei will be transparent. I believe that is the word she used. I wrote, "Not a pushover." She is vocal about what she wants. Again, look at her core values. Look at her family, look at how she grew up, look at all the volunteer...a lot of the testimony we received is from people from different industries who have worked with Kuulei and they say that she is a great person to work with. They were only writing about positive things. That is what you need to look at. How is she in the community? There are people who come here and promise everything, but when you go into the community, they say, "I do not ever want to work with that person again." That is not what was in the testimony for Kuulei. For me, I know she will be accountable for her actions and if there is a conflict, I know she will recuse herself from it. She is a great candidate for the Environmental position. Who else is there who has family who works in the salt pond? Her family

has been in the dirt for half (1/2) of her life doing landscaping and things like that. She is the right person for the Environmental position. That is all I will say for now.

Council Chair Rapozo:

Councilmember Holland.

Councilmember Holland: Thank you. I also want to weigh in a little on my thoughts about this. I actually wrote something which I do not usually do. I usually just talk, but I wanted to be more concise and share my heart on this. I want to take a moment to support you in this seat and talk about why. I want to acknowledge the concerns that were raised. They are valid. This is a role that is incredibly important. The decisions made by the Planning Commission directly impact our life, our land, our water, and our future. Technical expertise matters and it should always be a part of how we make our informed decisions. At the same time, it is important that we recognize that environmental stewardship on Kaua'i is not only technical, but also deeply cultural and place-based. You bring that lived, grounded experience to the floor. Your lifelong work at the Hanapēpē salt ponds, your efforts restoring native ecosystems, and your commitment to cultural and environmental stewardship, are reflective of deep understanding of *mālama 'āina* in practice. It is not just in theory for you, it is who you are. That cultural lens is not separate from the environmental expertise in Hawai'i. It is actually an essential part of it, as far as I am concerned. I believe that you bring practical experience in land use and construction, and that strengthens the Planning Commission's ability to understand how decisions are actually implemented on the ground and to ask more informed and good questions. That is important, too. I do not believe that a person's profession alone should automatically disqualify them from any service of positions such as these. I have seen firsthand how individuals can reduce you to a job title in ways that overlook broader experience, values, and contributions. I have personally been labeled and dismissed based upon my own work. I understand what that feels like. I have also been accused of similar accusations based upon small environmental consulting work that I have done, which I do with great integrity and heart, but because of that, I am mindful of not making decisions based solely on a single aspect of someone's being, similar to what Councilmember Kaneshiro mentioned. I also want to be candid. As Councilmember Kaneshiro mentioned, these are volunteer positions. They require very long hours reviewing complex material and making very difficult decisions that are often met with criticism. It is not easy to find individuals like yourself who are strong enough, willing to serve, and bring that level of integrity, commitment, and care to the role that this requires. In you, I see someone who has demonstrated that commitment over decades, someone who listens, does their homework, understands the island, and who carries a deep sense of responsibility both to people and place. The Planning Commission is strongest when it reflects a balance of perspectives—technical, cultural, and community-based—and I believe that you add an important and necessary voice to that balance, so I will absolutely be supporting your appointment to the Planning Commission. Thank you very much.

Council Chair Rapozo:

Councilmember Carvalho.

Councilmember Carvalho: I will follow up with something very simple from me to you. There are three (3) things. There is your strong background. If anyone questions the environmental side, your cultural part is solid as far as I am concerned. You also have a business background and of course, the overall planning. Everyone

has been talking about that. For me, those are the top three (3), which equals environmental support overall. You need those three (3) to assure that you can move forward. You have that and I want the people to understand that is what resonates for me in a very short understanding for you, so I am totally supportive of that.

Council Chair Rapozo:

Councilmember Cowden.

Councilmember Cowden: I also thank you. Generally, when I ask people who are nominees for the Planning Commission, I wonder if they understand the profound responsibilities that come with this, the level of work, and sometimes, the public backlash. I do not know if I actually say that on the floor, but that is really what I am asking. This is a volunteer position and it is such an important position. With you, I have no question that you understand what you are getting involved in. I also have no question whether you have the capacity to do the job. I have respect for you, for your strength in anything that you take on. Even just the story of starting with Unlimited and now you are a co-owner, right? You do not do anything small. I really honor that a lot. I want to acknowledge that I was overwhelmed by how many positive testimonies we received weeks before we knew you were up for nomination. We receive six (6) days of notice, so you are one of the very few that I remember receiving a campaign of support. I knew you were on because of the campaign of support. You have that. I read every letter, but was not able to respond to all of them. They were very positive. You have the whole big campaign. Similar to what Councilmember Kaneshiro said, I noticed the range of backgrounds and connections that have faith in you. When I asked the questions, it is the people who said, "Hey, we are concerned." I appreciate that we had a testifier. With her testimony, she raised a lot of the important issues, but that is about the process; it is not about you. As Councilmembers, we never know who applies or does not apply. We do not know how the word gets out. We do not know any of that. We are given a person to take this very difficult job and we need to say "yes" or "no." That is a little bit of a difficult element about that, but I want to acknowledge that is the process, not the candidate. It was tremendously helpful for me to understand why you were not picked for the Business position, because if I was in the Boards & Commissions Administrator position, I would have just set aside the entire problem...and then business and know how much we are getting for all the rest of it. I wish everyone who was on the Planning Commission had the type of cultural knowledge that you have, because in my view, every board or commission needs someone with really strong cultural knowledge and the more that we have it...because in my mind, the bullseye of our target of doing things right is to make sure the Hawaiian culture is perpetuated, because we are not Hawai'i without Hawaiian people and we need to pull all this knowledge that we have had for a millennia of how to live resiliently here. That is a big strength and we do not want to lose it. I recognize that in the salt-farming world, I do not know how long it is, but it is probably close to that, right? I do not know. Is it five hundred (500) years or one thousand (1,000) years? It is a long time, right? I am giving you my support and I am qualifying it for people who struggle to understand the process. It is helpful to have that explanation.

Council Chair Rapozo:

Thank you. Is there anyone else?

Councilmember Kualii: As I mentioned before, because of my years of experience with Kuulei at the Hui, the YWCA, and Halau Ka Lei Mokihana o

Leina'ala, I have every confidence in her ability, her credibility, and of course, her *aloha* for our people and for our *'āina*. I especially appreciate all the continued work that you do outside of trying to make a living for the community in all the different ways, like with Ho'ouluwehi Sustainability at KCC and of course, with your work in the green building certification programs. The more green buildings we have on Kaua'i the better. Also, with Hui Ulu Hāhā Loa, I am excited about all those *ti* leaf plants and other Native Hawaiian plants. Anyone who has anything to do with *hula* and *halau* knows how valuable that is, too, because we are often out there searching. Thank you for your willingness to step up and serve. Also, thank you to your mom and dad.

Council Chair Rapozo: We have someone who was supposed to testify, but I assume she was stuck in traffic, so was not here, so I will allow this. Breeze, do you want to come up and say a few words? Please state your name for the captioner.

BREEZE PAVAO: Yes. *Aloha*, my name is Breeze Pavao. Everyone knows me as Breeze Pavao, but I sit here in this new life that I am living, like Leina'ala. If my mom were here, she would have sat and given all of her one hundred ten percent (110%) to support Auntie Kuulei. Although we were talking about the Planning Commission and the Environmental position, at the depth of Auntie Kuulei's heart is people. Although this position may put her in a place to make those hard decisions about buildings and environmental things, her heart really goes to where people are. Auntie Kuulei has stood beside our *halau* for decades and this twenty-five (25) acres of land is just the most recent project that she has included our *halau* in. As a new *kumu*, this is important to me, because it is not about the *wāhine* and *kāne* who are going to the Merrie Monarch Festival in about two (2) weeks; it is about the *keiki* who are in my 5:00 p.m. class, the one hundred (100) kids who will be looking to this *māla* in twenty-five (25) years for what they can do. We know that the forest is not what it used to be, so people like Auntie Kuulei who continue to put in the effort for young Hawaiians, such as myself and my *haumāna*, are the types of people we need in positions such as this. A personal thing that still makes me emotional is the profound role Auntie Kuulei played in my mom's healing journey. We know that my mom did not have the best end to her life, but Auntie Kuulei made that journey for her so much more enjoyable, and as I said, at the depth of her heart is the people. I have had Auntie Kuulei as a boss in construction. I worked for Unlimited for a short period of time, but I have known her longer through *hula* and through the cultural aspect. I want to thank those of you who support her and I hope that my voice as someone from the community, a young Hawaiian, can encourage other people in the community to support her as well, because I know that if my mom were here and if I truly live like Leina'ala, Auntie Kuulei would be supported one hundred percent (100%). Thank you so much for letting me speak. *Mahalo nui*.

Council Chair Rapozo: Thank you. Did she fire you?

Ms. Pavao: No. My mom hired me as a full-time employee.

Council Chair Rapozo: I had to make the joke, because you had me in tears. Is there anyone else?

HINALEIMOANA WONG-KALU: *Aloha mai kākou*, Councilmembers. The reason why I chose to raise my voice at this time is because I have taken in the things I heard and as someone who has spent thirteen (13) years involved in *mālama iwi kūpuna* on the O‘ahu Island Burial Council and as someone who is a part of Kuulei’s circle that she can reach out to, I have every intention whenever the opportunity or need arises to be someone even closer in that circle to ensure that someone will be able to have hard to discussions, to support her given that she has the opportunity to serve, to ensure that *mālama iwi kūpuna* and details about how that currently looks under the auspices of the State of Hawai‘i, Department of Land and Natural Resources, State Historic Preservation Division. There are ways to not weaponize *iwi kūpuna* to be against development and construction. There is every impetus for a *kanaka* to honor the understanding of *mālama iwi kūpuna*. However, with that said, it should remain exactly that—*mālama iwi kūpuna*—but it should not necessarily become that vehicle where everyone will just say, “*Iwi kūpuna, iwi kūpuna*,” when there are processes in place to ensure not only the respect given to *iwi kūpuna*, but also when decisions need to be made, that is where the existing laws, contrary to different opinions that rest within the community...I have seen in the heart of Honolulu how, if you know the law well enough, you will know how to protect *iwi kūpuna* to the fullest, you will know how to honor descendants who come forward for recognition, and you will know how to not necessarily have *iwi kūpuna* be an impediment for development of something that might be necessary to facilitate life in the 21st century. To my fellow Hawaiians who could be listening to this, know that if development is what someone is against, then you need to know where to go to address development. That is at the policy-making level, but it is not necessarily at the *iwi kūpuna* level to leverage the *iwi kūpuna* to do such things, because then the *iwi kūpuna* will bear that responsibility that people cannot make accommodations for our current and future generations. With that said, thank you for allowing me to share my sentiment. I came in support of you today, Kuulei. I do not put my name next to things or people easily, but rest assured, as someone who is in your circle, I would expect that you will call me when there is something important to discuss and I will give you my brutal and honest sentiment. I am very good at that. You can trust and rely that I will take you to task if I felt it necessary, but I need to be honest, given the candor of this room, if a *kanaka* cannot keep another *kanaka* in check, then who can, and it is better that a *kanaka* be held to the expectation that they will have *aloha* for *iwi kūpuna*. This is no offense to any other ethnicity, but it needs to be our own people who step up and provide leadership in that area, because it is *kānaka* responsibility, so I will get behind her. *Mahalo nui*. Thank you for allowing me to speak. *Mahalo*.

Council Chair Rapozo: Thank you. I was worried while you were sitting there.

Ms. Wong-Kalu: I am a nice person.

Council Chair Rapozo: I will explain in a little while. Councilmember Bulosan.

Councilmember Bulosan: Again, I will echo the *mahalo* for being willing to serve and for the Boards and Commissions team for honoring the process there is and doing all the necessary things. As the Chair of the Council’s Planning Committee,

when I look at this position and the role that the Planning Commission particularly takes, probably the number one thing that always comes to my mind in this role, that flashes over my head over time, is that *‘āina* is *kūpuna*. That locks into my mind and my heart. In this seat, there is a bunch of decision making. Part of making decisions is outreach, gathering knowledge, and making sure you are informed in a way that is necessary. There is traditional information—things you read, stacks of paper—but there is also information that is not privy to people who are not of this place, from this place, or have no relation to this place, and it requires that connection. When we think “environmental,” we often think plants and trees. We do not often think of it as living entities in relation to each other. That is why this is a very important piece to have someone who can be in this position to make decisions that have deeply connected relationships with *‘āina* and understand it as *kūpuna*.

(Councilmember Carvalho was noted as not present.)

Councilmember Bulosan: I am very lucky to have married a very smart *kanaka* woman who has deep relations. She always reminds me that the relationship is most important when the communication is there and that is when you not only manage it, but also take care of or *mālama* it, so we need someone sitting in that position who does that and is active in that process. The most important part about these seats is that you need to be able to sit in conflict. The job in making decisions is to be in conflict with yourself, your family, your friends, your partners, and the people you are making decisions on behalf of—*‘āina*, *kūpuna*—and to have that relationship. When I think about this position, our nominee, and the person in front of us during the interview, I feel one hundred percent (100%) in support of that relationship and that you will honor the relationship with *‘āina*. That is the part where when we look at all these positions, we need to really evaluate not only, yes, the qualifications and, yes, the challenges of relationships, but also the ability to manage those relationships and to stay in conflict. In the future, as we continue to encourage other people to serve in these positions, I hope that is one of the highest and most important things to consider when wanting to serve, which is that you are willing to sit in a room that might not like everything you decide, but still be able to talk and have these discussions, because we need those discussions. Thank you again for wanting to serve.

Council Chair Rapozo: Councilmember Kualii.

Councilmember Kualii: Council Chair, I forgot there was one (1) other thing that I wanted to say in my remarks, which is that we received forty-seven (47) different written testimonies. Forty-one (41) in support, forty-one (41) in opposition, and two (2) other.

Councilmember Holland: Five (5) are in opposition.

Councilmember Kualii: Excuse me.

Councilmember Holland: Five (5) are in opposition. You said it was forty-one (41).

Councilmember Kualii: This is the sheet that I received. Perhaps there is one (1) other.

Councilmember Holland: You said there was forty-one (41) in support and forty-one (41) in opposition.

Councilmember Kualii: There are forty-one (41) in support and two (2) other, for a total of forty-seven (47). I just wanted to mention a few of the supporters. There is testimony from Chucky Boy Chock, from the Kaua'i Museum, Randall Francisco, Haunani Ka'imina'auao, Sue Kanoho, Sabra Kauka, Samira Siale, and Jaedyn Pavao, just to name a few. Thank you, Council Chair.

(Councilmember Carvalho was noted as present.)

Council Chair Rapozo: Thank you. Is there anyone else? First of all, Kumu Hina, I have never had an opportunity...I think we have all watched you for forever and we see what you do. I have just never had the opportunity to *mahalo* you and say that I respect you tremendously. The reason I was worried is because I have never seen you here before. Most of the nominees who we interview here are people I do not know on the personal level as I do Kuulei and her family. I just do not. As I said earlier, when she was nominated, I look at her as an Environmental nominee, not as a Vice President of Unlimited, and I am relying on what I know about Kuulei and her *'ohana* to make my decision. I will read some of the comments. There were four (4). Actually, someone was so upset that they submitted four (4) testimonies in opposition. "Please, please do not put a major construction company on the Planning Commission." I did not see "Unlimited" as the name on the nominee list. I saw "Kuulei." "I urge you to vote no on electing a Vice President of a construction company with clear conflicts of interests and no apparent education or training." That is sort of insulting. This next one gets me and is the duplicate comment which the person sent four (4) times. "Just because her parents owned a nursery and plant operation she has ZERO education in Environmental Science. She also has conflicts of interest in multiple construction development projects. Filling an Environmental position on the Planning Commission for a small island requires technical expertise that goes beyond community respect." You gave some examples. I love stories, because they tell the reality of what is really going on. Do you know the ditch workers from the plantations? Would they have master's degrees in irrigation? No. They just knew how to do it. The house that I bought has a driveway with a rather steep slope going into the carport. Not one (1) engineer was present. They brought the cement truck or...what do you call it? You are the person who is in construction.

Ms. Santos: I call it "the thing."

Council Chair Rapozo: The thing. With their own experience and knowledge, they made that slope at a point where when it storms, there is no water in my carport. I have seen a lot of these new homes designed by licensed, certified people that flood every time it rains. My point is, number one, as Kumu Hina said, you are a true *kanaka*. I have known you and your family for many years. We did several field trips to the salt pans. I remember former Council Chair William "Kaipo" Asing and I went there and there was oil floating in the water. The education I got that day from you and your family on culture cannot be purchased. The Hawai'i State

Association of Counties (HSAC) members went there. People—Councilmembers and staff—from all the other islands came here and that was one of the field trips. I was told by numerous colleagues across the State that field trip was the most educational and informative cultural stop they had ever made. Values and commitment...to Ms. Okinaka's questions about the process. The Mayor does make the nominations to the Council. We do not make them, but we have the authority to say "yes" or "no," or to defer it. We do not participate in the nomination part. The Planning Commission determines zoning and use, not buildings, so you will not be sitting on a commission that will approve your construction company's building design. You will be determining zoning and use. What better person to have on the Planning Commission than a *kanaka*, who loves this island more than most and cares for this 'āina more than most? I am happy to support you, even more so now with having Kumu Hina say that if you stray off the path, that *kanaka* will come here and kick your *kanaka* butt. I am even more comfortable.

Ms. Wong-Kalu:

I am really nice.

Council Chair Rapozo: Excuse me, I said we have been watching you. Passion, knowledge, and experience. I was anxious and nervous because I was concerned. I will be honest with you, Kuulei. If Kumu Hina had come up and said, "I cannot support Kuulei," I would really need to think about it before our vote next week. I would really need to sit down with the *kūpuna*. It is nothing against you, but that is how much respect I have for that *kumu* right there...and a little bit of fear. I am serious. When I saw you, I did not know if you were here for or against this or if you were here for this item or not. Kuulei, you have proven to not just me and the six (6) others here, but to this community that you care and love this 'āina. For that reason, I will be supporting your nomination. Thank you. Go ahead.

Councilmember Cowden: One thing I am remiss I forgot to say is that I first met you when I brought my Akamai Learning students...I did a homeschool learning program and we spent two (2) nights and three (3) days at Salt Pond Park and we received our training and learning about Salt Pond. You were our teacher for that. That was my first exposure to you that was of any real significance, so I want to acknowledge that I know that side of you as well.

Council Chair Rapozo: (inaudible) The Department of Hawaiian Home Lands (DHHL) is getting antsy because we told them their item would be at 9:30 a.m. We will be due for a caption break at 10:30 a.m. We will take the caption break now because I believe that discussion will be fast-moving and quick. We will take our ten-minute break now and we will come back to take the wastewater issue.

There being no objections, the Council recessed at 9:45 a.m., for a caption break.

The meeting reconvened at 10:00 a.m., and proceeded as follows:

Council Chair Rapozo: DHHL, I apologize for the delay. That was the longest nominee interview ever. Clerk, can you read the next item?

COMMUNICATIONS:

There being no objections C 2026-72 was taken out of order.

C 2026-72 Communication (03/18/2026) from Council Chair Rapozo and Councilmember Carvalho, requesting the presence of the County Engineer, Kali Watson, Chairman, Department of Hawaiian Home Lands (DHHL), Hawaiian Homes Commission, and Raymond Kanna, Office of the Chairman, DHHL, Hawaiian Homes Commission, to provide an update on the status of the new wastewater treatment plant (WWTP) options as it relates to the Department of Public Works' future plans to relocate the Wailua WWTP.

Councilmember Kualii moved to receive C 2026-72 for the record, seconded by Councilmember Bulosan.

Council Chair Rapozo: Before I call up our guests, I want to share the context of why this is on the agenda. Later today, we have a Resolution that was deferred, which asks for an increase in the amount for the Sewer Revolving Fund loan for an additional eleven million five hundred thousand dollars (\$11,500,000). Wailua WWTP by Lydgate Beach is, as we all know, currently in an inundation zone, *tsunami* zone, and flood zone, and it has deteriorated to a point where the capacity is now restricted. I think it was last year that the head of the Wastewater Management Division came up and said, "We realize now that we need to relocate the WWTP." It has always been this Council's intent to support the relocation of the WWTP, because it does not make sense to continue dumping money into a WWTP that needs to be moved. When we had the request for the Resolution of the increase of funding from fourteen million dollars (\$14,000,000) to twenty-five million five hundred thousand dollars (\$25,500,000), there were many questions about the plans for relocation, because that is where the County should be spending the money. For me, we did not receive enough answers, so I decided to put this item on the agenda to have a briefing as to where the County is on the relocation and what is required. At the previous hearing of the Resolution, it was mentioned that one of the issues is an unwilling landowner, which I was a little concerned about because in all the discussions I have been having with DHHL, to me it seemed the County had a very willing landowner. I invited DHHL here today so we can clarify whether our landowner is willing, because I am hearing two (2) things. I also want to hear about the Administration's plan for relocation. Again, the request for the increase in the State Revolving Fund amount of eleven million five hundred thousand dollars (\$11,500,000)...while the Administration will say it is not connected to another phase, in my opinion, it is, because it is the plan of the Administration to come back at a later time to ask for forty million dollars (\$40,000,000) to fifty million dollars (\$50,000,000) more to repair the Wailua WWTP. That is what we were told in meetings as well as here on the Council floor. I have a stronger opposition to that than I do for the Resolution that we are hearing today, because that will be seventy-five million dollars (\$75,000,000) for a WWTP that is in an inundation zone with limited capacity and that needs to be relocated. Those funds should be used for the relocation, not the restoration of a dilapidated WWTP. Today's briefing is to get some clarity so we can make a smart decision on which direction we really want to go when we get to the Resolution. With that, is there any discussion before I suspend the rules? Go ahead.

Councilmember Bulosan: I just want to note that I was not at the last meeting, but I reviewed everything and am caught up.

Council Chair Rapozo: Thank you. Can we have the Administration and representatives from DHHL, please? Good morning, gentlemen.

There being no objections, the rules were suspended.

KALI WATSON, Chairman, Department of Hawaiian Home Lands (DHHL), Hawaiian Homes Commission (*via remote technology*): Would you like me to give a statement, Council Chair, or is there a particular order that you want to call the witnesses? I will defer to your discretion.

Council Chair Rapozo: I hoped to hear from the County Administration first. After that, we can have a dialogue.

Mr. Watson: I will wait. That sounds good. Thank you.

Council Chair Rapozo: With that, do we have County Administration here? For the purpose of the Sunshine Law, the posting is to provide an update. This requests all of you to provide an update on the status of the new WWTP options, as it relates to the Department of Public Works' (DPW's) future plans to relocate the Wailua WWTP. That is what we are discussing today.

TROY K. TANIGAWA, County Engineer: Okay. I will start off first.

Council Chair Rapozo: Thank you.

Mr. Tanigawa: Thank you, Council Chair. I thought you were taking testimony from DHHL first.

Council Chair Rapozo: I want to receive the Administration's plan, then receive the input from DHHL.

Mr. Tanigawa: Troy Tanigawa, County Engineer, for the record. From the time we found out that the Wailua WWTP was in the *tsunami* and inundation zone, we started making plans and testified in prior Council Budget hearings that plans were in the works to get a consultant onboard to perform and complete a siting study to relocate the Wailua WWTP operations. That portion of work is completed. I have seen the results or a work product of the siting study. There are locations that the siting study identifies. One of the primary locations and recommended sites that we look towards is on DHHL property in Wailua, on the south side of Wailua River. We have met with DHHL, heard their plans which include development of that site as well as a WWTP operation. We received a draft written agreement that has a number of provisions that we looked at. We made comments and provided those comments back to DHHL. Most recently, we met yesterday and received updated information from DHHL. We fully support what they are doing as far as moving forward with their development, including the WWTP operations, and we will be working with them to make sure that they are successful and meet their projected timeframes. We understand that there are portions of their development

that are still in the works. Those are items that will require additional time to accomplish. I will let them go into detail about it. For the County's purposes, we have an existing and continuing need to make sure that the flow from our existing collection system for wastewater from Wailua to the Kawaihau district continues to be properly treated. That is a subject of our proposed Resolution that will be heard later in the agenda today.

Council Chair Rapozo: Okay. Is it the intent of the Administration to move forward with the relocation of the Wailua WWTP?

Mr. Tanigawa: That is true.

Council Chair Rapozo: As far as DHHL is concerned...and I do not want to discuss the Līhu'e development. This discussion is focused on the Wailua WWTP. We had discussions in the past involving the offer by DHHL to provide the land, and possibly some cost sharing, infrastructure, and construction for a future development that they may have in the Wailua area. Where are you on that?

Mr. Tanigawa: I understand that their plans are to develop a WWTP up to 1.5 million gallons per day (MGD). That would suit a portion of the County's needs. That development has a particular timeline. The need to continue to pursue repairs and upgrades to the existing WWTP exists because the proper treatment of the effluent collected in the Wailua and Kapa'a area needs to continue until the turnkey facility can be fully operational and accept all the wastewater generated in that district. That is our main objective.

Council Chair Rapozo: We will have that discussion at the Resolution, but at this discussion, we are focusing on the relocation. That is what today's discussion is about. We heard that the County needs to update or upgrade the existing WWTP. We know that. As I said, we will have that discussion at the Resolution. Right now, the discussion is to clarify a lot of the statements that were made involving the County's relationship with DHHL and the offer they have made to move the County's WWTP across the highway. That is what today's discussion is about. It is about the relocation, not about the need for money. We will talk about that later. Perhaps we can get DHHL to chime in, because we had numerous discussions over the last two (2) years. Could you state your name?

RAYMOND KANNA, Office of the Chairman, DHHL, Hawaiian Homes Commission: My name is Raymond (Ray) Kanna from DHHL.

Mr. Watson: Hold on, Ray. First of all, I would like to start the discussion. Kali Watson, Chairman of DHHL.

Council Chair Rapozo: Mr. Watson, could you state your name for the captioner?

Mr. Watson: Sure. Kali Watson, Chairman of DHHL. I want to preface this, then I will let Ray get into more details. For the record, we definitely want to be partners with the County of Kaua'i as well as the Council. We

look forward to working with you folks. We obviously have needs that we need to address, so if we collaborate and work together, it will benefit both sides. With that, I will let Ray get into the details. Again, we look forward to working with you folks and with respect to making plans available, they will be sufficient to accommodate your needs and ours. Thank you.

Council Chair Rapozo: Mr. Watson, thank you. I appreciate you spending the time over the past couple of years with the County in trying to create this partnership. Mr. Kanna.

Mr. Kanna: The last time we spoke before the Council was September 2024. At that time, we addressed the possibility of working together with the County in terms of working on a WWTP. The difference between the County's plan and DHHL's plan is that instead of a full WWTP, we are proposing to do a wastewater treatment package plant (package plant). I have submitted to the Council an analysis from R. M. Towill Corporation (R. M. Towill) that explains the pros and cons of why we selected a package plant versus a regular WWTP. The senior engineer from R. M. Towill is here to answer any questions in terms of the technical side. A package plant is normally faster to build because it is modular—it is brought in from the mainland United States (U.S.)—and has a smaller footprint. We can put a package plant and all its facilities on five (5) acres versus the twenty-five (25) acres that is being proposed by DPW. It is also cheaper. The capital cost is half (1/2) the cost. It is also faster. We can put it all with permitting together in about five (5) years. We think the overall benefits to both DHHL and the County of Kaua'i is why we should instead focus on doing a package plant. The last feature of a package plant which I like is that you can expand it based on the actual need. You do not have the problem of having an overbuilt facility that will cost you money in capital costs and operating costs when you are not using it all. We feel that a package plant is far more efficient and cost-effective for both DHHL and the County.

Council Chair Rapozo: Because we have a lot of viewers watching, when you say "package plant," that sort of sounds like something you can buy at Kmart or Wal-Mart, but is a "package plant" a WWTP?

Mr. Kanna: It is.

Council Chair Rapozo: It is a modular WWTP that acts the same as an old-fashioned WWTP, right?

Mr. Kanna: The term "package plant" comes from the technology. It evolved in terms of small units that would take care of a condominium (condo) project or a smaller facility that had only one hundred thousand (100,000) to two hundred thousand (200,000) gallons per day. Technology has evolved to the point where they handle 1 MGD to 1.5 MGD with a larger facility. I had a chance to tour a facility at one of our Native American Reservations where they built a casino and subdivision. I believe that it was basically designed to handle 1 MGD, but at the time, they were only doing six hundred thousand (600,000) gallons per day. It was quiet and efficient, and there was very little smell. It is literally adjacent to a resort casino that is run by the Native Americans and it was totally non-obtrusive, which I like and which works for DHHL. The most interesting thing

is that because of the Supervisory Control and Data Acquisition (SCADA) system they operate with, the entire operation with 1 MGD has two (2) employees to run the whole thing. The employees do not even need to be there, because they can do a lot of the operation from their cellular phones. Technology has gotten to a point where we do not need to have a huge, complicated facility. Instead, we can do something like this. The memorandum of agreement (MOA) we initiated with DPW is one where we addressed a lot of issues, because you are right, we talked about Līhu'e. I am now focused solely on Wailua. Just in Wailua, what we are seeking now and the discussion we had yesterday was if we can work in conjunction to figure out if this option works for the County of Kaua'i. I fully understand that DPW has been on the process of relocating a WWTP for a number of years and that they spent a lot of money on engineering and other aspects. I fully understand that is the path they are under and they are looking to relocate the existing WWTP. I am simply offering the option to consider that DHHL will take the lead in putting a package plant on our property on a five-acre parcel that we are in the process of designating. We identified two (2) locations, which we did back then. That is where we are thinking of placing it, and we need to do further studies to determine the feasibility of those two (2) locations, which includes things such as having to worry about habitats with regard to Native Hawaiian preservation sites, but that is the work that we are in the process of doing. We are determining if it is feasible to build in these locations. To me, the key is getting us on the same page with DPW on the technical issues to determine what is necessary to make this thing work and if it makes sense for the County, because the package plant is far smaller than a WWTP. I fully acknowledge that. At the same time, the County's WWTP is rated for 1.5 MGD. We will do almost the same thing, but at a substantially lower cost and use substantially less land.

Council Chair Rapozo: You spoke about the casino and 1 MGD. The County's existing WWTP is at 1.5 MGD, although it has been restricted to 1 MGD. We are talking about a WWTP that should probably be planned for at least 2 MGD or 2.5 MGD. Is that something these Membrane Bioreactor (MBR) package plants can accommodate?

Mr. Kanna: They can be expanded. At this moment in time, the largest one handles about 2 MGD, but at the same time, technology is expanding so fast that by the time we are ready to do this, I think we will go beyond that. On top of that, the beauty of package plants, and because the footprint is so small, is we can possibly designate a second location. When we start talking about the technical issues, one of the costs we need to consider is transmission lines. Maybe we need to relocate a separate package plant in a different location. The last thing I like to raise is that the key to all this is how we resolve the issue of disposal, which is a challenge that every WWTP in the Hawaiian Islands faces, because of the various lawsuits and issues in preventing injection wells. What we propose for DHHL is the one (1) additional step of installing a Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) removal facility. I fully acknowledge the Federal government has backed off on PFAS removal for WWTPs, but there is a standard for drinking water. We will build based on the drinking water standards. The reason why we are doing this is because we want to use the reuse water for irrigation and agriculture for our subsistence agriculture in our Agricultural (Ag) operations. We are also in the process of trying to have a conversation with the Agribusiness Development Corporation (ADC) to see if they are interested in participating with us. By removing

PFAS from the R-1 recycled water that comes from the WWTP, it can now be potentially used for edible agriculture, which is what we are trying to achieve. It is a responsible method even though, legally, we do not need to do that. On O'ahu, they are still using PFAS-impacted R-1 water for agriculture, but that is not acceptable to DHHL, because we want to go at least one (1) step further. Just because the law does not require it does not mean it is right. We need to make sure that we are responsible in trying to resolve some of these issues.

Council Chair Rapozo: Is it still the plan for DHHL to, at some point, develop those lands near the package plant as subsistence Ag lots?

Mr. Kanna: We are in the process of master planning those lots. The current recommendation I am giving is that we use subsistence Ag for all of it.

Council Chair Rapozo: Okay.

Mr. Kanna: Whether that passes the muster of our beneficiaries is a different question, but my recommendation to the Chair is that we go with subsistence Ag. We need to do a study that actually determines how much R-1 water can be used on these properties. For those who are not familiar with that process, every area, based on the absorption rate of the land, the transpiration rate, and rainfall will determine how much water can be used for absorption for R-1 water purposes. That study has not been done yet, but in my mind, we have enough land...not to mention we also have the potential of a wetland restoration program that we could do...we also have ADC as a liaison we can possibly use. In my mind, disposal can be resolved through reuse. That is the key to what we are trying to propose. Because of the nature of what DHHL does, we have the potential for a reuse operation that could be very valuable to DPW, because the challenge right now is how to dispose of the reuse water. Having said all this, I will submit a revised MOA to the County within two (2) weeks that will basically specifically address Wailua. Quite simply, it is saying that we are offering that we will work together if you are interested in using a package plant with us. We will determine what our package plant is based on what our eventual master plan determines what our use is for us and for our commercial properties. If the County wants to work with us and to join in that process, then that is what we will do. We will simply increase the capacity of the package plant to use whatever you folks need. That is totally a decision for DPW to determine. We are just saying that we should put the technical resources together and figure out what we need to do and if it is cost-effective. Understand that there are two (2) parts to this thing. One is the WWTP itself and the other is the transmission lines and pumps necessary to get the effluent to the WWTP itself, which is what DPW needs to decide. What we have been having difficulty with since this past September is trying to get our technical people together in the same room to discuss the details, because let us face it, the devil is in the details, because that is what determines the cost analysis and makes everything doable one way or the other. At that point, we can explore how we will deal with the cost, whether it be coming to the County, going to the State Revolving Fund, or looking for grants. There are many options available once we determine what we want to do. We are trying to figure out what we—DHHL and DPW—want to accomplish and if this is the path that we choose to pursue. Obviously, if we do not come to an agreement, DPW can proceed with their

plans to relocate the WWTP, and we will do an independent package plant on our own. I personally hope that is not the conclusion, because I consider that—both parties duplicating efforts—to be wasteful. What is tough is if we decide to go independent, the County is deprived of the revenue generated by the sewer fees that would have been generated by the additional...

Council Chair Rapozo: I would rather DHHL be a customer than the County paying you for the use of your WWTP. Do you understand what I am saying? I have an engineering question, because I am not an engineer. With the transition from the old WWTP to a new WWTP, you mentioned construction cost being one (1) element, but the transmission will be another, right? Would it not make sense that for the site of the new WWTP, the closer it is to the existing WWTP, the more economical or feasible it will be to transition?

Mr. Kanna: Generally speaking, I would agree with you, but it comes back down to land planning for DHHL. The two (2) locations identified are the two (2) locations that Chair Watson has approved.

Mr. Watson: Let me jump in, Ray. There is a bigger picture than just the relocation. We have other lands besides Wailua that we are looking to redesign as a subsistence Ag program rather than residential. We also have a 43-acre parcel adjacent to the existing hotel that we are in negotiations with a developer to turn into a sort of Polynesian cultural center with various other facilities associated with that to tie into the cultural aspect of our program, making a venue available to our beneficiaries where they can sell things as well as participate in the business enterprise side of it. We also have the acreage that we received from Grove Farm Company, Incorporated (Grove Farm). I believe it is about two hundred sixty (260) acres where we plan to have one thousand one hundred (1,100) homesteads. One thousand (1,000) will involve residential, and one hundred (100) will be subsistence Ag. In our concern about the needs of our existing hotel that is a general lessee of our property, we need to address that need. I am also thinking about the golf course and whether or not we can incorporate it into the process, which I think needs to be done. We also have some additional lands adjacent to the forty-something acres. These lands are close to the existing WWTP which we might expand to do a bit of commercial development there. There is a lot happening on our lands. When you look at it, it is not just the relocation. It is the future of our program and it is the future of the County of Kaua'i that we do these types of activities that enhance not only the development in that area, but more importantly, provide you folks with tax revenue, resources, and a better place to live. That is what we are trying to accomplish. We are getting people off our waitlist, but we are doing it in a way associated with a more complete and holistic approach. We are looking at jobs, enterprise, and improving existing customers surrounding the area. I put that on the table because we are moving forward on the different things that I am talking about, so we have quite a few players who will start to get involved, such as the Office of Hawaiian Affairs (OHA). I welcome the County as well as the County Council in being a part of the master planning, because I am sure you folks probably have things you want to do that if we can do it together, let us just do it. Thank you.

Council Chair Rapozo: Thank you. Does anyone have any questions on what has been presented so far? Councilmember Cowden.

Councilmember Cowden: Thank you so much. All the conversation from today and from September 2024 is very encouraging. What is the rough cost of putting in a 1 MGD WWTP? Do you have a rough estimate?

KYLE YUKUMOTO, Vice President/Department Manager, R.M. Towill Corporation: Kyle Yukumoto, consulting engineer with R. M. Towill. For a 1 MGD package plant on site, it is about twenty-five million dollars (\$25,000,000) to thirty million dollars (\$30,000,000).

Councilmember Cowden: Okay. I like that. I have another question.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: I know there is DHHL land in northern Kapa'a. A thought that comes to my mind is consideration of a 1 MGD package plant at Lydgate Beach Park and a 1 MGD package plant in Kapa'a, instead of having sewage cross the Wailua River. I also want to call attention to the fact that we have...maybe it can be on someone else's land. It does not need to be placed only on DHHL, but since you are DHHL...we have a problem with inundation and inflow [sic] in our pipes. When looking at the cost of the pipes, these pipes are very old and the County will probably need to replace them anyway. This lower price is substantially less than the two hundred million dollars (\$200,000,000) being considered for the other strategy, so maybe there is a way to put some fresh pipes in as well. You may have seen that we have a three-hundred-thousand-gallon sewage spill on the Westside. We do not want that to happen anymore. It seems like we have inundation and inflow [sic], or *puka* in the pipes. That is what I say to regular people. We have *puka* in the pipes, so we need to fix things anyway. If we put a 1 MGD package plant in Wailua and another in Kapa'a...has that been given any consideration?

Mr. Kanna: First of all, our focus right now is on Wailua and Līhu'e, both for which we are considering package plants. Having said that, the key to a package plant or any WWTP is disposal. First of all, you need to bring the water to R-1, the second part is PFAS removal, and the third part is you need to have the use for the reuse to be able to dispose of it because of the various mandates there are right now. Unless you have a usable area for Ag, forestation, or landscaping, you still have a problem no matter what. Again, there is also the fact of the cost of transmission of the R-1 water. You need to have the use close by, which is what we have in Wailua. It is the same with our Līhu'e project. Unless you have a use for it, it is hard, so it needs to be in conjunction with a business plan for the Ag side to make it all work.

Councilmember Cowden: Okay, understood. I think we can figure out something like that somewhere in Kapa'a. Does it need to be adjacent to the WWTP?

Mr. Kanna: It does not need to be adjacent to the WWTP, but it is more cost-effective, because it reduces the transmission.

Councilmember Cowden: Yes.

Council Chair Rapozo: Councilmember Holland.

Councilmember Holland: Thank you very much, gentlemen, for being here and for your willingness to partner with the County. Thank you for the PFAS thing. I am really appreciative of that. I want to make sure I am understanding. Following up to Councilmember Cowden's point of having two (2) facilities in the long term, if a 1 MGD package plant were established, could we modularly build it out to a 1.5 MGD package plant over a period of time? I am thinking similarly in that we probably need one billion dollars' (\$1,000,000,000) worth of infrastructure to redo a lot of the old sewer lines and to expand the sewer system, because that is such a limiting factor for housing. It would be great to widespread expand the sewer system on the Eastside over a period of time, where we maybe have two (2) WWTPs with a capacity of 1.5 MGD to remove this effort of septic system conversion. Is that something along the lines of what you folks are thinking? Are you thinking of starting at 1 MGD, and if you need to grow it, then grow it?

Mr. Kanna: First of all, I think that is a question for DPW, because our obligation largely has to do with DHHL lands. The big difference in what we are saying is that since we will do it, we are offering a partnership with DPW to join with us, so we do not duplicate efforts. That is what the Wailua effort is about, if we can come to an agreement as to how we do something like that. In other areas, once you develop the comfort level of operating a package plant, doing two (2) or three (3) should be easier, because now, you have learned the technology and you have people who know how to operate it. Replicating the same thing will be easier. Remember, you can also size these things down and it will be a lot cheaper. If you have a smaller community that only needs one hundred thousand (100,000) or two hundred thousand (200,000) gallons per day, you could do that as long as you have the disposal. At the same time, it is a cost efficiency question, which I leave for Troy and his team to figure out if it makes sense for the various communities that you have. Not to change the subject, but this is a pet peeve of mine. The real problem with the neighboring islands is that everyone is deficient in infrastructure. One of the problems is that you do not have an integrated system. The biggest advantages of a WWTP is that it is large, you can deal with entire areas, and eventually, if you can cover the entire island, if there is a problem such as a treatment plant going down, the remaining treatment- plants can take in the flow. That is the advantage of a large population having a standard WWTP. You have a series of them that are connected and can absorb the need. If you can do that, it is the ultimate goal, but that is something that larger cities and larger communities can handle. For Kaua'i, because you are so bifurcated and smaller, the package plants make more sense, because they are low-cost, efficient, and have less of a footprint. All of this makes sense, but it is not the ultimate answer. To me, for a smaller population area such as Kaua'i, it makes a lot of sense. That is why we are proposing this. One of the big questions I raised early on is, "What about the lifespan of something like this?" That is what I asked all the various package plant companies. With stainless steel, these things can actually last for at least fifty (50) years, if not longer, which matches the lifespan of many of the conventional WWTPs. That was the only big concern I had. Will it last as long as the amortization period? The answer is "yes." It may be a little short, but it is rather close. The beauty of the way package plants are built is that because they are modular, deferred maintenance is easier, because you can replace components. It is not as though you need to tear down concrete. These are stainless steel components built to be modular, so you can replace sections that either become corroded or otherwise. Nowadays, with the corrosion treatments that there are, the lifespan is

rather long. It is usually the pumps and similar equipment that give. Kyle, would you like to jump in?

Mr. Yukumoto: Part of what you are mentioning is called “decentralization.” Instead of sending everything to one (1) location, you have smaller package plants. We did a study for the City and County of Honolulu about ten (10) to twelve (12) years ago where we looked at the Sand Island basin. The Sand Island basin covers Kuli‘ou‘ou to Pearl City or to at least the Salt Lake area. In that area, there are a lot of people, so the flow to Sand Island is about 90 MGD, so we looked at decentralizing. There are about twenty (20) to thirty (30) pump stations scattered throughout metropolitan (metro) Honolulu. We looked at decentralizing and putting package stations at various locations such as the Ala Wai Community Park and different parks and golf courses that can use the treated sewage. Because the infrastructure was already there, it was a lot cheaper to keep it as it is. The problem with sending everything to Sand Island is that even if you treat the effluent to R-1 water, you will need to find a place for disposal. Do you send it back to all the parks, such as the Ala Wai Community Park? It does not make sense, right? Many times, because of the advancement of the package plant systems, it is very economical to do that because the usage is right at these locations. Similar to what you brought up, having a 1 MGD package plant here and a 1 MGD package plant there makes sense, instead of conveying it all over the place.

Councilmember Cowden: Thank you.

Council Chair Rapozo: The more pump stations and lift stations you have, the more opportunities there are for malfunctions along the way. It makes a lot of sense. In my research, I saw some companies stack these modulars on top of one another, so you can have a 1 MGD package plant and when you need, you can put a second one on top. Is that something you have seen?

Mr. Yukumoto: I have not seen them stacked too often. The problem with stacking them is that the membranes need to be maintained once in a while, so that would be difficult.

Council Chair Rapozo: I definitely do not know.

Mr. Yukumoto: Usually, modular ones are side-by-side.

Council Chair Rapozo: The cost I got was thirty-six million dollars (\$36,000,000) which is close to what you quoted. You said it was thirty million dollars (\$30,000,000), right?

Mr. Yukumoto: Yes. It is twenty-five million dollars (\$25,000,000) to thirty million dollars (\$30,000,000).

Council Chair Rapozo: Is it twenty-five million dollars (\$25,000,000) to thirty million dollars (\$30,000,000) for a 1 MGD package plant?

Mr. Yukumoto: Yes. There are a number of package plant systems. Similar to when you buy a vehicle, there are a number of them. The one we

are looking at, Aqua Engineers, Inc (Aqua Engineers)...you folks are probably familiar with Aqua Engineers. They are located on Kaua'i. They have somewhat endorsed a company called Cloacina, LLC (Cloacina) which is put together by former operators.

Council Chair Rapozo: What is the company's name?

Mr. Yukumoto: It is called Cloacina. They are based out of California.

Councilmember Holland: Can you spell that?

Mr. Yukumoto: C-L-O-A-C-I-N-A. Their website is very good. They were developed by operators, so they picked and chose different components, whether they are blowers, pumps, solid handling units, or MBRs, and they brought in good components. It is a little more costly, but at the same time, they last a lot longer and require less maintenance. That is the package system we are looking at.

Council Chair Rapozo: Thank you. Are there any other questions? Troy, do you have anything to add to that as far as if that is something the County is considering?

Mr. Tanigawa: Yes, package plants are under consideration. The technology has been looked at and our consultants noticed there were some good advancements, so that is something they are looking at for the future of wastewater and the Wailua WWTP replacement.

Council Chair Rapozo: As Councilmember Cowden said earlier, when we hear that two hundred fifty million dollars (\$250,000,000) or three hundred million dollars (\$300,000,000) is the cost, it is not necessarily accurate. Yes, if the County builds another cement WWTP, but with the options available today, the County can do it for a lot less. I suppose that is what I am saying.

Mr. Tanigawa: Yes, and we want to take full advantage of that technology.

Council Chair Rapozo: Okay. Two (2) years ago, when I was in Washington, D.C., I was able to meet with the Secretary of the U.S. Department of Housing and Urban Development (HUD). I shared with the County Administration that the HUD Secretary shared that at the time, they gave one hundred percent (100%) grants to communities with less than ten thousand (10,000) people. These were one hundred percent (100%) grants for package plants. I am not sure if the County pursued it. I do not think they did, and I am not sure if it is still available. It is the same Administration, so I would assume it is still there, but I will follow up. Many of our communities have less than ten thousand (10,000) people, and if you could drop one hundred thousand (100,000) or two hundred thousand (200,000) gallons per day package plants...what is the smallest size of a package plant?

Mr. Yukumoto: It can be ten thousand (10,000) or twenty thousand (20,000) gallons per day on average.

Council Chair Rapozo: If you could take a community such as Waimea or Kekaha, build a package plant there, and if it is one hundred percent (100%) funded by the Federal government, then why not do that? Are there any other questions? Go ahead, Councilmember Kualii.

Councilmember Kualii: Was this map provided by you folks?

Mr. Kanna: Yes.

Councilmember Kualii: Can you say a little bit about what your thoughts were between Location "A" and Location "B"? I know they are just two (2) different options, but why do you like one over the other and what is the difference?

Mr. Kanna: Both of those do not interfere with the future plans of DHHL. The only exception being that for the *mauka* location, I need to know the buffers and issues in regard to a preservation property we have there. The other concern we have is making sure there are sufficient buffers dealing with where we may want to have potable well sites. That is still something we are playing around with, but it largely has to do with land planning. How we can tweak it as it comes is a discussion topic we will have with DPW and their technical experts, because some of the issues that will always come into play is how many pump stations and where the transmission lines are going to be. Those are almost as expensive in some ways, overall, as the plant itself, and that is an important factor we need to consider.

Councilmember Kualii: In your meeting yesterday with DPW, did you already share this map...

Mr. Kanna: Yes.

Councilmember Kualii: ...or is it brand new today? Okay.

Mr. Kanna: At yesterday's meeting, it was largely at the ten-thousand-foot level or maybe the five-thousand-foot level. The real crux is at the ground level with the engineers working out what the actual problems are, such as dealing with the regulatory issues we need to deal with, trying to learn how DHHL superior powers will work in terms of how to make things work faster, and how we can possibly cut the timeframe necessary to make this work. It largely sits with the County to determine what their timeframe is, because in my mind, we need to give a minimum of three and a half (3½) to up to five (5) years to get a package plant in place, permitting and otherwise, and we need to do an Environmental Impact Statement (EIS) and so forth. The question it comes down to is when the actual need for the County of Kauai is to either do the deferred maintenance on the existing WWTP or to have the new WWTP in operation. That is a critical question that needs to be determined.

Council Chair Rapozo: I have a question. I am using this. Is this from DPW? It is the timeline.

Mr. Tanigawa: Yes, it looks like our schedule which we provided.

Council Chair Rapozo: Are you saying that a package plant can be built in five (5) years?

Mr. Kanna: Yes.

Council Chair Rapozo: I am looking at the County's timeline and it is telling me that if we go with the County's timeline, it will be complete in Quarter 2 of 2039. Do you folks have a special line that you use for permitting and whatnot that the County cannot use? I am not trying to be funny. You are saying five (5) years and on this, we are looking at fifteen (15) years. There is a major disparity. This is an informational meeting.

Mr. Kanna: I do not know where everyone comes from, but in our discussions with the DPW, Division of Wastewater Management, I have heard the timeframe of ten (10) to twelve (12) years from different people.

Council Chair Rapozo: It is now fifteen (15) years.

Mr. Kanna: That is called a "contingency period." I have never built a project where I did not have a contingency, so I think it is reasonable for DPW to say that there is a contingency period. Bear in mind that is the government doing things.

Council Chair Rapozo: That is why I asked about the line, because I want to make sure not just for me, but for the people watching. If five (5) years is a pipedream, I want to know. If it is legitimate...

Mr. Kanna: First of all, I will defer to Kyle to comment on that, because he has actually done a number of these package plants in Hawai'i.

Mr. Yukumoto: The design will probably take about one (1) year, so with the permitting and all of that, we can submit the application for a building permit within one (1) year, then we assume it takes one (1) year to one and a half (1½) years for approval of the building permit. The construction time would probably be one (1) year to one and a half (1½) years total.

Mr. Kanna: It will be less largely because remember, these are modular components built on the mainland U.S. and shipped here, so the principal construction work here will be for the foundation and the necessary pipes, because once the components arrive, it is basically put together here by their experts.

Mr. Yukumoto: Cloacino will put it together in California. They will put it all together...

Council Chair Rapozo: I understand the construction part. How will you get the EIS, which will probably be required, within the five (5) years?

Mr. Kanna: First of all, we will probably do an Environmental Assessment (EA) and I would anticipate that we do it in parallel with what Kyle is recommending. We still need some engineering plans to process the EA,

but the point is that if we do it in parallel, we are hopefully looking at a two-and-a-half-year to three-year time period to complete everything. The key to what we are trying to do is to do as many things in parallel as possible. Generally speaking, we do not need to deal with zoning and many of the other regulatory processes, because we are DHHL. If everything goes smoothly and depending on how much opposition we face...generally speaking, DHHL faces less opposition than if we were doing this as a private or public entity. We are a public entity, but we are sort of different.

Council Chair Rapozo: Yes, on the County's timeline for rezoning, it takes five (5) quarters, so it takes one and a quarter (1¼) years just to rezone, which is quite long. Again, on DHHL lands, that would not be a requirement.

Mr. Kanna: The other thing is that generally speaking, most governmental agencies tend to process in sequence rather than in parallel. Processing in parallel is pretty much a private type of thing, because for us, time is money.

Council Chair Rapozo: Let me ask this question, because I think it is critical for the discussion that we will have later. Are you comfortable that five (5) years is the right timeframe from start to finish?

Mr. Kanna: First of all, my background is a private developer, so we are gamblers by nature. Yes, I am comfortable with five (5) years.

Council Chair Rapozo: Today, you are here as a DHHL representative. Again, I will put pressure on DPW. If you are telling me five (5) years but they are telling me fifteen (15) years, I will not like that, so I want to receive the true facts so we can make smart decisions.

Mr. Kanna: I will defer to our consultant who is far more conservative than I am.

Mr. Watson: Let me jump in on this discussion for a second. When we talk about time, whether it be five (5) years, ten (10) years, fifteen (15) years, or however long, for me, five (5) years is the maximum (max). Beyond that is not acceptable. We have people dying on our waiting list. We have twenty-nine thousand (29,000) names on our waiting list, so for all our projects, I put the pedal to the floor on the consultants, our staff, as well as even the developers. We need to move these things a lot more quickly. If we get some type of certainty regarding the participation of and how the County will participate in the overall development of this sewer system, that allows us to...I remember you mentioning something about Federal funding. I would like to join the County to go after Federal funds. That makes it a lot more viable application, but I also want to have some certainty on the cost, so again, we need to have certainty on the design, layout, and number of sites to develop, especially if we will convert the existing WWTP into a pump station, resize and install new pipes to get rid of the smell and other things, as well as some of the expansion we are looking to do, which is allowed by this type of approach. In going for Federal funding, we need to have a specific approach, more so with the cost involved. We also need to do the EA and the EIS, which the Federal level will require before we are able

to spend any of that money. We have some time, but not much. If we want to get this thing moving, we need a decision from the County regarding how you will participate, then we can pursue things together to get a lot done. Thank you.

Council Chair Rapozo: Thank you. I like that. Councilmember Carvalho.

Councilmember Carvalho: I want to follow up. I had numerous conversations with the team, but the bottom line is that we need to make the commitment together. That is what I got from our meetings. If we can show we are committed to working together, that will allow us to move more quickly or to advance forward. Obviously, we cannot predict things, but we can say that if we can show the solidarity of us working together, that will help to move it forward, right? That is what I heard from you folks.

Mr. Kanna: Yes.

Councilmember Carvalho: Okay.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: Thank you so much. I am hearing that you are working with Cloacina. Do I have that right? Where are they located? Are they located in California?

Mr. Yukumoto: Yes, they are located in California.

Councilmember Cowden: Are most of the parts, except for maybe the pipes which the County needs for transmission, coming domestically?

Mr. Kanna: Yes.

Mr. Yukumoto: Yes.

Councilmember Cowden: I just have a little bit of concern about the energy situation in the global climate. I am being polite about that. We have a war going on and challenges happening, so if it comes from California, there will not be a shipping issue, we do not think, right?

Mr. Yukumoto: Yes, we do not think so. I know they stocked up on a bunch of material to not be so affected by the tariffs.

Councilmember Cowden: I am not thinking of the tariffs. I am thinking about the oil constraints or fuel constraints that are out there. I think we will probably end up having a bit of inflationary pressure from that.

Mr. Yukumoto: It is possible.

Councilmember Cowden: When I look at this map, I think that Wailua is not servicing up.

Mr. Kanna: No, there will be a separate package plant for that.

Councilmember Cowden: A separate package plant? That is what I thought. I am just confirming that. I will put the plug out there that when we are thinking about the twenty-nine thousand (29,000) people and parallel work, right now we are talking about Wailua, but my brain is still thinking about other locations. We have people on the Westside and everything. We will get one (1) working, but there is probably value in numerous locations.

Council Chair Rapozo: Councilmember Holland.

Councilmember Holland: Just so I am clear that we are comparing things accurately, is the map in front of us, which shows another twelve (12) years, for a full-sized facility, not a package plant?

Mr. Tanigawa: That is correct. Some of the timeline which goes over fifteen (15) years includes tasks already completed.

Councilmember Holland: I see that with the beginning to present day. Is the goal twelve (12) years out from here for the full-sized WWTP?

Mr. Tanigawa: That is correct.

Councilmember Holland: Thank you, Troy.

Council Chair Rapozo: Are there any other questions?
Councilmember Kualii'i.

Councilmember Kualii'i: To be clear, DHHL needs to move forward, but they want to know if the County wants to partner with them. DHHL will move forward with or without the County, but you do not want to be putting a package plant in the Wailua area where the County will later put a WWTP of some sort in the same area, because it is duplication, which is what you were talking about. The commitment you are looking for from the County is that you can make your plans knowing that the County will become part of it, so the commitment from the County is to be a user of the WWTP and to potentially, at some level, manage or own and operate the package plant, but...

Mr. Kanna: That is a bridge too far. For now, the MOA simply says that we will cooperate with each other, technically, to get our experts together to discuss that this is an alternative and to see how feasible it is for the County to be able to turn to this alternative rather than move forward on their relocation. That is the limit of the agreement that we are trying to complete.

Councilmember Kualii'i: Are you holding back, initially? Is the County holding you up? You can proceed and the County can jump in one (1) month to three (3) months down the road. At some point, it will be too late and you will already go on your own, but...

Mr. Kanna: Most of the EIS or EA draft needs to be done with the broad strokes, because eventually, you need to identify the actual size of the package plant and its impacts. Before we even get there, there is a substantial amount of work that needs to be done. Yes, there is a point of no return. It sits perhaps one (1) year out or longer, because the EA will be in a draft format and we can finalize it in the future. There are so many studies that need to be done before we get to that point. That is something we can start working on. For example, I mentioned the study needed to determine the absorption rate that we can have for the reuse. That in itself will take a number of months to take care of. We still need to evaluate all the cultural issues, which still needs to be done. In the meanwhile, I believe the County and us will be working, because what the County needs to focus on...remember that their biggest cost will be how to maximize their existing transmission lines and not what new transmission lines and pumps are necessary to make something like this work. That is something they need to figure out. What we also need to figure is once we agree to how much disposal comes from the WWTP, there needs to be a matrix of pipes that will basically use the R-1 fwater rom the PFAS and how it will be transmitted to the actual users. We also need to determine what our shared costs will be. That will also be a major discussion. How do we share costs? If we can get grants or funding, then that obviously reduces some of those impacts. There is a large complexity to this. It will take at least one (1) solid year for us to figure out how these work within themselves. At the same time, we return to the question. How much time does the County really have to determine the feasibility of this option? There is an ongoing requirement that the County still has. The answer is that things do not stop, they keep flowing. DPW has a huge job ahead of them in dealing with the existing capacity, so the question is how much time the County has to make a decision one way or the other.

Council Chair Rapozo: My last question is for the consultant. I think you alluded to this, but I want to make it clear. The WWTPs that use the MBR technology is what you are calling a “packing plant,” which really sounds different; it does not sound like a WWTP. Are package plants a suitable replacement to the conventional WWTPs, such as the Wailua WWTP? They look completely different and they smell different because there is no smell in the MBRs. It is insane how clean they run. Is it a suitable replacement or is it a step down?

Mr. Yukumoto: It is suitable for this size of a WWTP. We did the secondary upgrades at the Honouliuli WWTP. It is a big WWTP that takes 30 MGD to 40 MGD.

Council Chair Rapozo: I am sorry. Where is this?

Mr. Yukumoto: Honouliuli.

Council Chair Rapozo: Where is that?

Mr. Yukumoto: It is on the Ewa side of O’ahu. That facility takes pretty much the entire west side and that facility is a conventional WWTP. Because of those flow rates, we would never recommend a package plant system. Package plant systems are for smaller sizes. They have been around for a very long time. We just did a package plant system at the Po’ipū Kai Resort. We replaced their

package plant system which was about forty (40) or fifty (50) years old, made of steel tanks, not stainless steel, and they were in there for forty (40) or fifty (50) years. We just put in a smaller package plant type system. Those flow rates were much lower. They were forty thousand (40,000) or fifty thousand (50,000) gallons per day, but because the size was up to about 2 MGD, we feel that the package plant systems are ideal for that type of situation. The problem with the conventional WWTP systems is that you have each of these components—the headworks is a concrete tank with its equipment, the aeration basin, the MBRs, the disinfection—that are pretty much sitting by themselves. There are all these different components and each of them requires concrete tanks and concrete lining to protect from corrosion, whereas the steel tanks are modular. They are huge tanks with compartments, they have common walls, and they are made from stainless steel. For smaller systems up to about 2 MGD, the package plant systems are ideal.

Council Chair Rapozo: Thank you. Are there any more questions for the panel? Go ahead.

Councilmember Holland: Are you fairly confident in saying that five (5) years is the max that something such as this would take, timewise?

Mr. Yukumoto: Yes. One of my concerns is with the State Historic Preservation Division (SHPD), because of the archeological aspect and all of that. That could slow down the process. Our structure is concrete pads which the tanks are placed on. With conventional WWTPs, the structure needs to be designed for each of the components, which will take a while and the electricity needs to connect everything, whereas the package plant system is integrated into one (1) tank. That is why the design is a lot faster.

Councilmember Holland: Does the twenty-five-million-dollar to thirty-million-dollar estimate for this encompass all the costs? I hear that is treatment, but are there additional things such as disposal operation? Do you think it will be more to Councilmember Cowden's point where costs are expected to potentially go up, so no matter what we should think on the higher end of it, but is the cost inclusive?

Mr. Yukumoto: That is capital cost to construct everything. It does not include...

Councilmember Holland: Then there is the operating expenses.

Mr. Yukumoto: Yes, so there will be the monthly operation, maintenance, electrical, and all of that, but that would be in place and ready to go.

Councilmember Holland: ...and disposal.

Mr. Kanna: This does not include the transmission lines.

Mr. Yukumoto: That is correct.

Mr. Kanna: That is site-specific based on where the elevation is and otherwise, so that is a separate discussion that we need to have, because the question is how much of the existing system the County will utilize. That is a DPW issue. There is an existing transmission system that does everything west of the Wailua River, so the question comes down to how much is usable in this particular case. Once we determine how much water we can use for the R-1, it determines if we need to have storage tanks, because sometimes, if you cannot use all of the R-1 water, you need to store it, so that is also an issue. The other issue is the transmission lines going to the users of the property. That will be determined once you determine where the Ag users are, but I cannot tell you what that is right now.

Councilmember Holland: We should probably think more along the lines of thirty-five million dollars (\$35,000,000) to forty million dollars (\$40,000,000) for the comprehensive cost?

Mr. Kanna: After we sit down and study it, we can give you a better number, but to me, the thirty-million-dollar figure is a comfortable amount for the capital cost to put in the package plant system, which is comparable to what the relocation costs are if you subtract the transmission lines. I understand that we have a detailed construction contract from DPW which outlines what it is, so all you focus on is the main construction cost for the WWTP. That is what you are comparing it against.

Councilmember Holland: By any chance, are you aware of package plant landfills? I am kidding, but we could probably use a bunch of those as well. Thank you for answering my question.

Council Chair Rapozo: Are there any other questions for this panel? If not, thank you. We will probably bring you up afterwards. We will open it up for public testimony, if there is anyone who wants to testify. Come up.

ANNE PUNOHU: *Aloha e.* How is everyone? I am the only person with gray hair in this room. My name is Anne Punohu and I just happened to have some time today, so I stopped by because I heard what the subject matter was. I was a former irrigator for Kilauea Community Agricultural Center (Kilauea Ag). I worked with pumping stations, pipes, and all of that. I made a garden at the former Aston Aloha Beach Hotel. I brought in (inaudible) from the Westside and created a garden there. I have experienced all our issues with runoff and all of that. I remember testifying decades ago saying this would happen one day. It is happening. Anything that improves our wastewater system on Kaua'i is vital for the people. I have been listening very carefully and trying to comprehend it, although it is far above my pay grade. Eventually, there will be a lot of questions from the public on this entire process. If DHHL thinks this is a good thing...I can hear the urgency in their voices and I second that. Our situation with wastewater treatment, especially in Wailua, is very important. Something needs to be done. Whether it is a cooperation or noncooperation, I am not sure. Moneywise...I do not know about that type of thing. What I know is what the people need and see in their daily lives and what they would like to see happen. People, as you know, like to see action. We like to see something happening sort of quickly. Fifteen (15) years is sort of crazy. We need to make sure

the EA is completed and that we know where this water is going. I hope the new technology will be much better, because no one likes to smell things near Lydgate Beach Park, so that would be a good improvement. I would like to gently say that it could be good for everyone if everyone does what they are supposed to do and everything falls into place. As we know, that does not always happen, but what is most important is that the general public understands it clearly, understands where there could be cultural issues and other issues, and be treated fairly and kindly during the process. That is all I have to say. *Aloha kākou.*

Council Chair Rapozo: Thank you. Is there anyone else? Mr. Sykos.

LONNIE SYKOS: For the record, Lonnie Sykos. The public's great appreciation to the presenters today—DHHL and the County Engineer. We, the public, sitting on this side of the bench have been watching this for twenty (20) years and we are very grateful that we are approaching a point where there is a trigger to pull. It sounds like DHHL is much further along in understanding what their plan is for the future than the County is, thus a shoutout to the Mayor, as well as the Council for providing the funds, for doing all of the community development research that was done in the last few years, because Troy cannot possibly figure out what the solution to wastewater is until the Administration and the Council are very clear about where development will occur in the future. Troy is finally being given the information that he needs by the County. Now we sit and watch whether or not the Council will be able to come to an agreement with DHHL, which includes the Administration as well. I worked on ships and I am not sure if our WWTP is similar to the box things they are talking about, but when I worked on ships, it took fifteen (15) minutes to be trained on how to operate our WWTPs, which were steel boxes with baffles inside to basically remove the sediment from the water and when we pumped the liquid effluent—clean water—over board...in the middle of the ocean, ships just pump it over board. If we are in territorial waters, we have a system that chlorinates it. I am very hopeful that these integrated units will be incredibly cheaper than the old-style cement ponds and are much cheaper to operate. I was a deckhand, they sent me into the engine room and it took me fifteen (15) minutes to learn how to operate it, so it is not rocket science. They do great jobs. The only smell was from a vent that was located up high, so you never smelled the sewage in the engine room of a ship. It is a great system. I encourage the County to pursue this. My specific questions, which I will come back to ask in my next three (3) minutes, deal with the fact that I live in Wailua Houselots, so DHHL is talking about building a WWTP on the Lihū'e side of Wailua River...

Council Chair Rapozo: Is there anyone else wishing to testify? Is there anyone else? Is it just one (1) person? Mr. Hart.

BRUCE HART: For the record, Bruce Hart. No one has mentioned that I am glad that we did not submit to the pressure at the last meeting on this subject and that it was deferred. I am very grateful to Council Chair and to DHHL. You are already, in a sense, working together. You are working at working together. You are discussing it. My vote is to partner with them and work out the details as quickly as possible. I really like what I heard. There is a much more positive atmosphere in this meeting about this subject than there was last time. It feels like we are actually moving forward on something that has taken years to get to and that

we may see substantial savings. We are talking about such savings between what was proposed last meeting on this subject and today. I am somewhat familiar with the package plant systems. They are used all over the world and they have been for quite a long period of time. You have my vote. Let us move forward. Take advantage of this. With every day that passes, it will cost more, not less. We have the funds and it seems like we have the initiative. Again, I will say that the whole time I was listening, it seemed that the cooperation and enthusiasm for everyone to work together is already present in this room. Thank you.

Council Chair Rapozo:

Thank you. Next speaker.

HUGH STROM: Good morning. My name is Hugh Strom. I come to you with thirty (30) years of water and wastewater experience. A few of those ended up in private-public partnerships. I started with Grove Farm's Waiahi WWTP. That is a private-public partnership with the Department of Water (DOW) that we forged. Councilmember Kaneshiro, I think you were with Grove Farm at that time, offering a solution, and that is what it took to bring it together. Ernie Lau and his wisdom had strong guidelines, which was great, and we met all of them. That was a positive project. Another one we did was with the U.S. Army (Army). In my previous job with Aqua Engineers, Inc. (Aqua Engineers), we purchased the Schofield Barracks' wastewater utility. That had seventeen (17) pump stations and 4.2 MGD of treatment processed, which we converted to an MBR. We took the footprint of that existing system and took it down to about two-thirds (2/3) of the size. If we are talking about land, space, and maintenance of what is on the land and in the treatment system, that is quite the cost savings. More importantly, when we looked at it, we looked at it holistically in that labor was getting harder and harder to find, so we needed to make something a little simpler. By the way, the Army had five (5) Notices of Violation (NOVs) from the U.S. Environmental Protection Agency (EPA) when we purchased it.

(Councilmember Bulosan was noted as not present.)

Mr. Strom: We "mothballed" our original plan, which was submitted to the Army, and came up with a brand-new plan once we had our "fingers in the mud." It was where we had turned around and recognized all the challenges, infractions, and violations that they had, including noncompliance of the effluent. MBRs will automatically comply with today's effluent requirements, if not exceed them. I am a strong proponent of the MBR process. If you put this together with a package plant system...I understand the reservations. It does not sound like a real WWTP, but in today's world, you are doing modular. Whether you call it "modular" or "package," it is far more advanced and it has come a long way since the work at Schofield Barracks and the Waiahi WWTP. By the way, Waiahi WWTP uses an MBR.

Council Chair Rapozo: I need to stop you, because your first three (3) minutes are finished. Is there anyone else wishing to testify? Are you using your second time? Can I let him finish? Thank you. You may continue with your final three (3) minutes.

Mr. Strom: Is that what that red light is for? Waiahi WWTP has the same MBR technology and that was installed years ago. It has been

over one (1) decade. Both the Waiahi WWTP and Schofield Barracks WWTP are national award facilities, because we took the innovation at the time to come into a new technology where everyone was concerned, saying, "It is too new, it is too scary." Three (3) of us, along with the City and County of Honolulu, headed up a pilot testing program where we brought in all the manufacturers and tested them side-by-side at Honouliuli. There is a publication on that, if you want to look at it. Dr. Babcock was involved with that as well. It has been proven that it is of the highest quality. If you are thinking, "Potable water using MBRs," it is the same as... we are not using reverse osmosis (RO), which uses far more energy consumption. By the way, this takes out ninety-nine percent (99%) of the bacteria and bacteria cysts, so your concerns and your disinfection are far less. Your usage is far less. Today, these are used on crops.

Councilmember Cowden: I have a clarifying question.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: You keep saying, "we." Thank you, Hugh, for all you have done for Kaua'i. I know you have been very involved. You keep saying, "we." Are you part of a consulting firm or a contractor right now? Are you still doing these jobs? Are you contractable?

Mr. Strom: I have my own company. After I left Aqua Engineers, I needed a little more freedom to do what I felt was right and the technology to introduce the new technologies that are out there.

Councilmember Cowden: Are you saying that when you were with the Schofield Barracks WWTP facility, a private contractor was contracted by the City and County of Honolulu to do a transmission system as well?

Mr. Strom: No.

Council Chair Rapozo: I think the question is in what capacity are you here today. I do not want to expand it to what was done at Schofield Barracks.

(Councilmember Holland was noted as not present.)

Councilmember Cowden: Okay.

Council Chair Rapozo: Are you here today as an individual?

Mr. Strom: Yes, I am here as an individual and as a private consultant.

Council Chair Rapozo: Okay.

Councilmember Cowden: Okay. Thank you.

Mr. Strom: Let me answer the question about Schofield Barracks.

Councilmember Cowden: I think he said to not answer it.

Council Chair Rapozo: Go ahead.

Mr. Strom: I served as Senior Vice President of Aqua Engineers at the time.

(Councilmember Bulosan was noted as present.)

Mr. Strom: I was the bridge with the Army and communicated that we wanted to make the change to this technology.

Councilmember Cowden: Okay. Thank you.

Council Chair Rapozo: Thank you very much. We appreciate you being here today. Mr. Sykos.

Mr. Sykos: For the record, Lonnie Sykos. Would it be possible to put up the map that shows where the two (2) parcels are? Would it be possible to show the public where the parcels are located?

Council Chair Rapozo: Yes.

Mr. Sykos: Can they put that up on the screen?

Council Chair Rapozo: Yes.

(Councilmember Carvalho was noted as not present.)

Mr. Sykos: Council Chair Rapozo is aware of this because we live in the same subdivision. My only question at this point is that DHHL appears to be focused on developing housing...the first project we are talking about in this conversation is on the south or west side of Wailua River. We live on the north side of Wailua River. Currently, the sewage from Kapa'a, but not from Wailua Houselots, because we do not have sewage lines, runs under the river in order to get to Lydgate. If we reach this partnership to build the WWTP on the south side of Wailua River...

Council Chair Rapozo: Pause his time.

(Councilmember Holland was noted as present.)

Mr. Sykos: If we go ahead and agree to the partnership, which I am totally in favor of, to help DHHL develop housing on the south side of Wailua River, how will that impact the connection of a sewage line from Kapa'a to the new facility? Would we replace the existing line and run it in the same place, would we route it somewhere else, or would we even do it? I am very passionate about trying to get sewage into Wailua Houselots. To me, it is one of the lowest hanging fruits to increase housing stock on the islands. If I could hook up to the sewer line, I would rent out my house and move into my carport, which I cannot do today, because I cannot increase the occupancy load. There are hundreds of houses, maybe thousands

of houses, in Kapa'a where we could greatly increase occupancy. That is our question for the future. My personal deal is Wailua Houseslots, although Kapa'a and Kapahi...all the way up to Kapahi, you are uphill. We know what flows downhill. I encourage the Council to move forward with their partnership with DHHL, especially to expand it into their future projects, because it is their future projects along with our plans for housing development that determines where we need to build how much sewage capacity. Thank you very much.

Council Chair Rapozo: Thank you. Is there anyone else?

KAIPO DUNCAN: My name is Kaipo Duncan and I am with DHHL. I want to *aloha* the Kaua'i County Council today and give my experience in being here for the last twenty-one (21) years with DHHL being part of the Kaua'i community. I wanted to make the County Council privy to the Federal and State mandate of 2050 that all cesspools in the State of Hawai'i need to be converted to either being connected to an existing sewer line or to a septic system. With the smaller Kaua'i community of about seventy thousand (70,000) or eighty thousand (80,000) residents, it makes more sense to have a mobile type of wastewater system as opposed to someplace such as O'ahu where you have about one million (1,000,000) people and it is denser, so you can have one (1) area WWTP.

(Councilmember Carvalho was noted as present.)

Mr. Duncan: We have lands in Anahola. There are about four hundred (400) or five hundred (500) homes there and they all have cesspools. Eventually, they may need to be tied into something as well because you do not want to put a fifteen-thousand-dollar or twenty-thousand-dollar septic system upgrade cost on someone who cannot afford it, when it would make much more sense to build a package plant system that would probably cost less than making four hundred (400) fifteen-thousand-dollar septic systems. I wanted to give my *mana'o* on that. Thank you. Have a good day.

Council Chair Rapozo: Thank you very much. Is there anyone else?
Mr. Hart, for your second time.

CHARLES WILSON: Hello. My name is Charles Wilson. I have been in engineering, sanitary, and otherwise for seventy-five (75) years. I have been registered for a number of years—sixty (60) or so—and I get rather cynical. I worked with large projects and small projects. What I see on this is a typical California technique. You decide what you are going to do, you write your EIS to match that. I have seen that so many times. A ten-million-dollar project costs sixty million dollars (\$60,000,000) when we get around to building it later. Hyperion...I worked on that. They have some ideas that are interesting, such as the Hyperion Water Reclamation Plant. It has a limited capacity and is the third largest river in California. They had one (1) idea. The pipe going underneath the mountains was too small. It is only ten (10) feet in diameter, so what do we do? We dewater the sewage. Sewage is ninety-nine point nine percent (99.9%) water, so if you take out ninety percent (90%) of the water, you still have nine percent (9%) sewage. Then you take that bunch of water, like we did. We treated it, dumped it in the river, and it is no longer sewage water and it is no longer effluent. It is river water. Then we take it

five (5) miles down the river, pump it out, and now it is Crystal Springs water and it is good for drinking. You get this political thing, but I still like to read the reports. I used to give my reports with half (1/2) an inch of comments on all the EISs and all those types of things, and they would throw it in the trash. Okay, so I get used to that. The thing is that you should go through with...not an EA where you do a political skim through. You want to have an EIS where you are figuring out which is the best option and which is the best alternative. I guess that means I am at the end of my time. Thank you.

Council Chair Rapozo: Thank you. Is there anyone else? If not, is there any further discussion? Just for your information, the DHHL representatives needed to leave to catch a flight.

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

Councilmember Holland: I have comments, but I do not need to go first. Do you want me to go first?

Council Chair Rapozo: Whoever wants to go first can go.

Councilmember Holland: I will jump in. I am very encouraged by this conversation today. I am very grateful to DHHL. This is a wonderful opportunity. I know that we have discussions. I am not trying to make anyone commit to anything today, but I feel encouraged by this. I appreciated the last testifier talking about the increased cost again, because my head says we should be thinking more along the lines of fifty million dollars (\$50,000,000) per WWTP just to be smart, especially given the status of the world. When we were just in Washington, D.C., one of the things that there was support with is some people within the EPA, particularly with wastewater money to expand the sewer system, so I am thinking long-term about how we transition a lot of these cesspool sites over the next decade to sewer rather than dealing with the septic system conversion issues that we are dealing with now. I love the idea of smaller facilities that are faster and easier to build, such as having one (1) package plant in Anahola that would address the problem in Anahola. That is wonderful. I am very encouraged by the level of thought that DHHL has put into the PFAS filtration. I sort of mentioned this before, but when we were in the National Association of Counties (NACo) Committee Meetings, the Environment, Energy & Land Use Policy Steering Committee was working on resolutions associated with lawsuits because of PFAS entering into municipal wastewater systems and counties being sued for that wastewater being used on Ag land which resulted in major mutations to livestock, health issues, and associated environmental issues. That is really good, because laws will change as we move forward. We do not want to be caught where we then need to correct something, so it is better to be upfront with that. It is urgent that we transition to a system that can do R-1 water. I am excited to see the potential for a faster solution. If I could potentially see this moving forward immediately, that would be wonderful, because the County can continue to keep its facility afloat while this new site is established as soon as possible. I strongly encourage some sort of collaboration on that and a broader plan for Kaua'i, as a whole, to have more regional facilities. Even if this modular package plant costs us fifty million dollars (\$50,000,000), instead of twenty-five million dollars (\$25,000,000), we

could still build four (4) for the cost of this other facility that would treat one (1) and it would address a lot more of the lack of septic conversion needs by creating a sewer solution. Yes, I appreciate the conversation. Thank you for everyone who made this possible.

Council Chair Rapozo:

Councilmember Cowden.

Councilmember Cowden: I will basically support what Councilmember Holland just said on just about every level. If we could get four (4) for the price of one (1), that is a big movement and I would really love to see if there was something further up on the north side of Wailua River so that there was not so much going under Wailua River. Certainly, Kīlauea...something like that. If there were consistent systems around the island, it would make it a lot better for the County to be able to swap out parts, make changes, or need not tear out a lot of concrete. There is a lot I really like. I appreciated everything from DPW, so I am hearing both our last testifier and certainly Hugh Strom. We had so much quality discussion today from everyone that I am hearing it is very important for DPW to sit down at the ground level and look at what this all means. Certainly, what that means, too, is the pipe system that is going through the transmission lines, because they are old all over the island. I am curious as to what it costs to fix that, too, because I am excited about four (4) package plants for the price of one (1) conventional WWTP, but maybe the County gets one (1) or two (2) package plants and the worst of the pipes repaired. There are things that are good. I respect DPW and am encouraged to have them work together to discover what can be done. I also recognize that the County needs to fix what it has. Maybe not beyond forty million dollars (\$40,000,000), but it needs to be fixed. We still have the Resolution, right? I will talk about that when we get to the Resolution.

Council Chair Rapozo:

Councilmember Bulosan.

Councilmember Bulosan: First, I want to thank Council Chair for putting this on the agenda and acknowledge DHHL and the County's team for working on this problem. I know this has been worked on for many years, even before I was elected, and the conversations today definitely encouraged me to hope that we can come to a better solution than the potential...in the last conversation we had, I think it was quoted at three hundred million dollars (\$300,000,000) to four hundred million dollars (\$400,000,000) for a brand-new system, so this conversation feels much better than the one we had, but the urgency is here. We need to jump on this as soon as possible. To have a willing partner who wants to work with the County as quickly and as cohesively as possible is very important, so I hope the County can capture this opportunity for our community, because it is direly needed. It is one (1) of the ten (10) many ginormous fires the County needs to put out for the community, so hopefully this can get going as soon as possible. Thank you, again, for bringing this back to the floor.

Council Chair Rapozo:
Councilmember Carvalho.

You are welcome. Is there anyone else?

Councilmember Carvalho: I appreciate DHHL and the team. We had numerous discussions prior to this, and the bottom line is the County and DHHL

have an opportunity to work together to bring everything together. I know it was said numerous times with Hugh and Jerry back there as well. The momentum and the passion to make this happen together is important and the DHHL team has really come to the table. There are still a lot of questions on the table, but at the same time, if the County can move forward and take care of what exists and look at it overall, that, to me, is where we need to go. I appreciate the opportunity to work together. It was said that in order to get the Federal, State, and County resources together, they need to show partnership in order to move forward, and I think that is what it is. I look forward to more conversations tomorrow and sooner, rather than later, as we continue to address this issue that is very important for our island, which you folks know. I look forward to more opportunities to bring it back as soon as possible. Thank you, Council Chair.

Council Chair Rapozo: Is there anyone else? Councilmember Kualii.

Councilmember Kualii: I, too, am encouraged and hopeful. I wish we were at this point one (1) year ago, but at least we are here today. I am grateful to DHHL. Together with the Division of Wastewater Management, they were in the room yesterday and they will hopefully be in the room again in a couple of weeks or one (1) month. Ray told us about the MOA that he will send in a couple of weeks, so I hope the Administration chooses to move forward to see the feasibility of this. The day-to-day operations are the Administration's function and the Mayor's function, so they—the Mayor, DPW, and Division of Wastewater Management—should lead this, obviously. We, as a Council, have a big responsibility—budget. We are starting Departmental Budget Reviews in two (2) days. With the budget, we especially pay attention to the large investments. Repairing the old WWTP, relocating it, or replacing it with package plants are big investments that the County needs to make, so I am glad the County is paying attention to it and trying to play a role in it. It is a difficult time now, because the current Mayor is ending his term. He is a “lame duck,” just like myself on the Council, but the next Mayor will likely be one (1) of these three (3) Councilmembers who are running for Mayor, so I hope we will engage, especially the three (3) who are running for Mayor, and stay on top of DPW and the Division of Wastewater Management to make sure they continue with DHHL, because that is a really good opportunity for the County. It gives hope to what has been a huge burden of wastewater infrastructure, in general, for our island and for our people, so let us keep it moving. Thank you.

Council Chair Rapozo: Thank you. Is there anyone else? I will start by saying the County does not need to wait until the next Mayor. The County does not have time to wait for the next Mayor. I was very encouraged two (2) years ago when we had this discussion to begin with. Jerry Nakasone brought us all together. Thank you, Jerry. I was very encouraged back then, because I thought the County was on its way. Mr. Sykos, you said you encourage the Council to join in a partnership with DHHL. If it was this Body's authority, it would have been done. I can assure you. However, we are not authorized to get into agreements and partnerships. I will be honest. I feel a little misled because what we talked about today is not new to the Administration. We shared this information. We had meetings with potential operators and designers of these package plants. The thirty-million-dollar or thirty-six-million-dollar figure is not new. It was not just dropped today. It was dropped a long time ago. The fact that we need five (5) acres of land, but the Chief of

the Division of Wastewater Management keeps saying, “No, we need twenty (20) or thirty (30) acres.” This is not new and that is why I am frustrated. I felt misled. I thought we were on our way. Today, I find out it is validated by the consultant—the price, the land needed, everything that we needed to know that we heard in the past—but was never acted upon. Today, we have a timeline of fifteen (15) years, yet the consultant tells us it can be done in five (5) years, so I feel misled. DHHL started their Līhu‘e development plan about two (2) years or three (3) years ago, when they decided, “Let us buy some land from Grove Farm.” It was relatively recent and in that short period of time, they came up with a plan, a potential operation, and a potential company who can put up this package plant, but we have been waiting for decades, but the County could not get it done. When I hear the needs that we are...the three hundred million dollars (\$300,000,000) will scare every council away. Maybe we need to fix what there is because the County cannot afford to spend three hundred million dollars (\$300,000,000). It will take fifteen (15) years when it will not necessarily take that long. If it was a priority, it would be moving. That is where my frustration lies. The reason it is on the agenda today is because the only way we can get the Administration to move is by putting them in front of you folks. The memoranda (memos) back and forth, the private meetings, and the Zoom meetings have not worked. It is always the same thing. It is always the same response: “It is too expensive. It will take too long.” However, when you folks know what is really going on and when the community knows that it will not cost three hundred million dollars (\$300,000,000) and take fifteen (15) years, or it does not need to, then you folks put on pressure and maybe there can be some movement. I hate doing this. I hate putting people on the spot, but how else can we, the Council, who has no authority except to fund and pass laws, get people to do things? Do you know why I am frustrated? It is because this goes back twenty (20) years. It did not just happen this year. In the last two (2) years, we, Councilmember Carvalho included, have been meeting and meeting and meeting, and we have been told all the reasons why this is very difficult to do. I am not saying it is easy, but it takes that decision to say, “This is what we are going to do, let us go get it done.” I appreciate the gentleman’s comments about the EIS. I agree, one hundred percent (100%). It is not just an EA. There is a lot of work today, but it all starts with the first step. I am hoping that today’s meeting and this discussion that we just had today will create some movement from the Administration.

The motion to receive C 2026-72 was then put, and unanimously carried.

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

Ms. Fountain-Tanigawa: Council Chair, do you want to go back to the Consent Calendar or go to the Resolution?

Council Chair Rapozo: Councilmember Cowden, which item did you have questions on?

Councilmember Cowden: It is the first item and I can be brief.

Council Chair Rapozo: Okay. Let us take C 2026-63 out of the Consent Calendar. Could you read C 2026-64 and C 2026-65, please?

CONSENT CALENDAR:

C 2026-64 Communication (03/11/2026) from the Director of Human Resources, transmitting for Council information, the March 15, 2026 Human Resources Report (Vacancy Report and Recruitment Status Report), pursuant to Section 10 of Ordinance No. B-2025-905, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2025-2026.

C 2026-65 Communication (03/11/2026) from the Director of Finance, transmitting for Council information, supplemental real property tax revenue information pertaining to the estimated reduction in real property tax revenues resulting from the Home Preservation Tax Limitation and Very Low Income Tax Credit relief measures, which have been factored in with the existing real property tax rates, and based on the certified Real Property Assessment List for Fiscal Year 2027.

Councilmember Kualii moved to receive C 2026-64 and C 2026-65 for the record, seconded by Councilmember Carvalho.

Council Chair Rapozo: Is there discussion or public testimony?

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

The motion to receive C 2026-64 and C 2026-65 for the record was then put, and unanimously carried.

Council Chair Rapozo: The motion carries. Can we take C 2026-63, please?

COMMUNICATIONS:

C 2026-63 Communication (03/02/2026) from the Director of Finance, transmitting for Council information, the County of Kaua'i 2026 Real Property Assessment List pursuant to Section 5A-2.2, Kaua'i County Code 1987, as amended.

Councilmember Carvalho moved to receive C 2026-63 for the record, seconded by Councilmember Bulosan.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: I want to call attention to the table of taxable properties by land class ahead of the budget session. On page 1 where it breaks down Zones 1, 2, 3, 4, and 5, we see that Zone 5, which happens to be the zone I live in and is from about Moloa'a to the end of the road, has far more appeals. Zone 5 has about eighty-seven million dollars' (\$87,000,000) worth of appeals. It also has the most appeals. There are sixty (60) appeals that are waiting. Zone 2 has forty (40) appeals. Zone 2 is the Kalāheo, Po'ipū, and Kōloa area. These are places that have really high rates. I want to call attention to that because as I stated since the County's tier structure was put in, it does not match the zones well. I am observing that this is consistent with what I would expect in that people are taxed harder than they can

handle in Zone 5 and Zone 2, which are the most expensive property areas, and it is a struggle. I just want to call that to our attention if you were to look at page 2. Page 12, where it has the summary, is also very possible and you can see it right on our agenda packet. I want to highlight that, because it will come up later in the budget.

Council Chair Rapozo: Thank you very much. Is there any other discussion or testimony?

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

The motion to receive C 2026-63 for the record was then put, and unanimously carried.

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

C 2026-66 Communication (03/13/2026) from the Mayor, transmitting his Fiscal Year 2026-2027 Budget Message, along with the proposed Operating Budget, Capital Improvement Projects (CIP) Budget, and Schedule of Charges and Fees.

Councilmember Kualifi moved to receive C 2026-66 for the record, seconded by Councilmember Bulosan.

Council Chair Rapozo: This is the Communication that is attached to the Bills and the Resolution. Is there anyone who wishes to testify now so that they do not need to wait?

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

The motion to receive C 2026-66 for the record was then put, and unanimously carried.

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

C 2026-67 Communication (03/06/2026) from the Mayor, transmitting for Council consideration, A Bill For An Ordinance To Amend 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.

Councilmember Kualifi moved to receive C 2026-67 for the record, seconded by Councilmember Carvalho.

Council Chair Rapozo: This is the Communication that is connected to Proposed Draft Bill (No. 2990). Is there anyone wishing to testify now?

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

The motion to receive C 2026-67 for the record was then put, and unanimously carried.

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

C 2026-68 Communication (03/11/2026) from the County Attorney on behalf of the Housing Director, requesting Council authorization to expend funds up to \$150,000.00 to retain Special Bond Counsel to advise the Housing Agency on the issuance of tax-exempt Private Activity Bonds to finance the development of affordable housing.

Councilmember Kualifi moved to approve C 2026-68, seconded by Councilmember Cowden.

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

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

The motion to approve C 2026-68 was then put, and unanimously carried.

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

Ms. Fountain-Tanigawa: The next item is C 2026-69, which we will take after the Executive Session.

Council Chair Rapozo: Thank you. Next item.

There being no objections, C 2026-70 was taken out of order.

C 2026-70 Communication (03/12/2026) from the Housing Director, requesting Council approval of the indemnification provisions contained within two (2) Purchase and Sale Agreements between the County of Kaua'i and Grove Farm Company, Incorporated, to acquire approximately 140 acres north of Hulemalu Road, situated at Tax Map Key (TMK) Nos. (4) 3-3-017:001 (por.) and (4) 3-3-018:009, Lihu'e, Kaua'i, Hawai'i.

Councilmember Kualifi moved to approve C 2026-70, seconded by Councilmember Bulosan.

Council Chair Rapozo: Is Adam here?

There being no objections, the rules were suspended.

ADAM P. ROVERSI, Housing Director: *Aloha*, Council Chair and Members of the Council. Adam Roversi, Director of the Kaua'i County Housing Agency.

Council Chair Rapozo: Could you give us an overview of what this request is?

Mr. Roversi: Sure. If you recall, a couple of years ago when the Council approved rate increases for Transient Vacation Rentals (TVRs), there

was a request to specifically earmark the funds for the additional acquisition of lands, particularly in the Līhu‘e area, for affordable housing projects.

Council Chair Rapozo: It was for market housing.

Councilmember Kualī‘i: It was affordable gap housing.

Council Chair Rapozo: No, it was specific. That was going to be my question. When you pull the minutes, the caveat to raising Hotel and Resort and TVR was for workforce housing, not affordable. It is important to me, because we told the Hotel and Resort community that it was their contribution to workforce housing. When I read the memo and saw “affordable,” it is not that I do not support affordable housing, but if the County is using the funds generated from the tax increases to Hotel and Resort and TVR classes...we can go back to check the minutes...it was clearly stated on the floor. I was worried this would happen because we did not codify it or do a proviso. That was to be utilized for land or infrastructure cost for workforce housing, which is the gap housing group.

Mr. Roversi: May I clarify?

Council Chair Rapozo: Please, thank you.

Mr. Roversi: In all of our projects—Lima Ola, Kīlauea, Waimea, and hopefully, this project as well—we are building a range of housing for income groups from lower income to up to one hundred twenty percent (120%) area median income (AMI), as provided by the Kaua‘i County Code 1987, as amended (Code), and it can be even higher. Lima Ola was structured just to one hundred twenty percent (120%) AMI, but for the Kīlauea project, the Waimea 400 project, and future projects, we have the capacity and the “wobble room” to go higher, which is our intention. Under the Housing Policy, the definition of “workforce housing” and “affordable housing” are synonymous. They mean the exact same thing.

Council Chair Rapozo: I understand all of that. I want to make sure that we uphold the reason for the tax increases that were charged to these classifications. It would have been a different story if we told them it was not for workforce housing. They are suffering from the lack of workforce housing for their employees. I know you are expecting a vote today, but I definitely want to check. I want to make sure we comply with what this Council voted on last year. Was it last year that the taxes were raised?

Councilmember Kualī‘i: It was the year before.

Council Chair Rapozo: Was it the year before?

Councilmember Cowden: It was the year before.

Councilmember Kualī‘i: It was when former Councilmember DeCosta was on the Council.

Council Chair Rapozo: It was former Councilmember DeCosta's bill, but it came with that proviso, I believe, although we did not include it.

Councilmember Kualii: It was not a bill; it was for the budget.

Council Chair Rapozo: It was for the tax rates. It was a tax rate resolution.

Councilmember Kualii: It was during the budget.

Council Chair Rapozo: Yes, it was during the budget.

Mr. Roversi: The issue before us today is whether or not we buy some land. Exactly what goes on that land...

Council Chair Rapozo: The issue for me is whether or not the County is spending the money that was allocated for a specific use. That is what the issue is for me. Again, I am just one (1) vote. I just want to make sure. I will be the person who will need to explain to the Hawai'i Lodging & Tourism Association (HLTA). I update them every quarter regarding the money they paid into the tax fund. That is why I know it is a concern. I will have a problem and it will be an issue if I need to go to them and say, "We used four million dollars (\$4,000,000) or five million dollars (\$5,000,000) of it to invest in affordable housing," because that is not what they were told. That is fine. We can vote on it today. I am just saying that I know what I voted on and I hope you folks remember what we voted on. Councilmember Holland, you were not here. That is what we voted on..

Councilmember Cowden: I have a clarifying question.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: When you said, "Above one hundred twenty percent (120%)," is that one hundred forty percent (140%) AMI? I do not think the County can go above one hundred forty percent (140%) AMI. What is it?

Mr. Roversi: The gap group in the Housing Policy is defined as up to one hundred eighty percent (180%) AMI.

Councilmember Holland: I am sorry. Could you say that again?

Mr. Roversi: One hundred eighty percent (180%) AMI.

Councilmember Cowden: Is that one hundred twenty percent (120%) AMI to one hundred eighty percent (180%) AMI?

Mr. Roversi: That is how the Housing Policy, as currently written, describes the gap group.

Councilmember Cowden: Is it one hundred twenty percent (120%) to one hundred eighty percent (180%)?

Mr. Roversi: Yes.

Councilmember Cowden: If the County buys this, can they be put in there, too?

Mr. Roversi: Yes.

Councilmember Cowden: Okay.

Council Chair Rapozo: I am sorry I interrupted, but I wanted to make that clarification, because it will impact how I vote. Go ahead. You can finish.

Mr. Roversi: Before us is whether you approve the indemnification provisions within a pending Purchase and Sale Agreement for the acquisition of this property, all of which would be master planned in the future through a community process. As I stand before you, there is nothing predetermined as to what needs to go on this land or how it needs to be organized. Right now, we are just working to acquire land after a fairly lengthy negotiation with Grove Farm.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: I tried to do the calculations. It looks like it will cost four million five hundred thousand dollars (\$4,500,000). Is that right?

Mr. Roversi: That is our estimate, pending a survey of the property. The negotiated purchase is based on what is being defined as “usable property,” which is buildable.

Councilmember Cowden: Is it eighty-five (85) acres?

Mr. Roversi: That is our “guestimate,” based on preliminary mapping, but we are having an aerial topographic survey conducted to specifically determine the exact number. Four million five hundred thousand dollars (\$4,500,000) is our best guess at this point.

Councilmember Cowden: So, it might be five million dollars (\$5,000,000) or five million five hundred dollars (\$5,500,000), but it is not twenty-eight million dollars (\$28,000,000), which is how much the County has, right? Is that how much there is?

Mr. Roversi: That might be the rough balance today, not including any upcoming allocations in the next budget.

Councilmember Cowden: Is the twenty-eight million dollars (\$28,000,000)...I remember I was really uncomfortable with putting the tax on there, but if the County is really able to build these houses...this would be for buying the land, but there is money left. It costs a lot to build a house. Is the County building houses for gap housing? Although this is just about the land.

Mr. Roversi: Using some of our existing projects, we currently have three (3) master planned subdivisions in the works. It is a lengthy process. With Lima Ola, we purchased the property, did predevelopment studies, engineering studies, environmental studies, cultural studies, etcetera, to entitle the property, and went through a 201H process to change the zoning of the property from Ag to Residential. Having done that, we developed construction and engineering plans to put in water lines, roads, sewer lines, etcetera. The Housing Development Fund funds at Lima Ola and planned into the future primarily goes towards all the infrastructure costs. Again, using Lima Ola as an example, which is not the only way of moving forward, and we hope to broaden opportunities with the newer projects, the model in that situation was to put out a Request for Proposal (RFP) for family lots to private development partners who pay for and construct multi-family rental projects, whereas the County used the Housing Development Fund to fund the construction of single-family homes for middle income families. Those were the for-sale homes constructed in Lima Ola. It is not for the gap group, because it goes up to one hundred twenty percent (120%) AMI.

Councilmember Cowden: Would one hundred percent (100%) of the purchase price come out of the tax piece or can the County do it proportionately? With what is committed to gap housing, can the County do some of the purchase price? I know the County has other money in there, too. There is a little bit of a collection in the housing fund. Am I right on that?

Mr. Roversi: It is around thirty million dollars (\$30,000,000).

Councilmember Cowden: Did the thirty million dollars (\$30,000,000) come from multiple sources or just this additional percentage on TVRs? We raised it to twelve dollars and thirty cents (\$12.30) [sic].

Mr. Roversi: The Housing Development Fund comes from multiple different sources. There is an automatic five percent (5%) allocation of property tax revenue irrespective of any bump up that occurred in the past. We receive contributions from private developments that are required to pay in-lieu fees in relation to their market projects. There have been historic ad hoc allocations from the Council to the Housing Development Fund. I think those are the primary sources.

Council Chair Rapozo: Adam, as we approach the budget and Departmental Budget Review Meeting for the Housing Agency, can we have a breakdown that shows how much you receive from the different revenue sources from the Real Property Tax increase which was specifically for workforce housing?

Councilmember Cowden: Gap housing.

Council Chair Rapozo: Yes, workforce and gap housing. The one that is not affordable housing or market value.

Councilmember Cowden: My follow-up piece, because I want to make sure I understand...if the County buys this with that, there is still application for the commitment that we made to gap housing on this property?

Mr. Roversi: As I said, it is our goal with the Waimea 400 project, the Kīlauea project, and this project, if it moves forward, to provide a wide range of price points for housing.

Councilmember Cowden: Is that including up to one hundred eighty percent (180%) AMI?

Mr. Roversi: Yes.

Councilmember Cowden: I just wanted to be clear.

Council Chair Rapozo: Today is just the indemnification provisions, and I will support the indemnification provisions, because I think the County needs to move forward with the purchase, but I will definitely will be asking you for a plan of how you will use these lands, because I do want to comply with the requirement that I thought we stated when we passed the tax increase, which I could be wrong about. Councilmember Kaneshiro.

Councilmember Kaneshiro: I have a process question. I am fine approving the indemnification provisions, but as for the total agreement, does the Council get another chance to see it or is this it?

Council Chair Rapozo: As far as the cost? No. The Council passed the budget, so he has the funds to purchase what the Housing Agency determines they want to purchase. I do not believe the Council has an opportunity to stop it. We need to approve the legal documents, so at some point you could say "no." I could be completely wrong. Tyler, correct me if I am wrong. I do not think that is an Administration function. We do not have ability stop it, because we approved the Housing Development Fund in the budget. As long as they are not using funds from an external source, then...Tyler? He is nodding.

Mr. Roversi: My understanding is that the final decision lies not with me, but the Director of Finance, per the Charter of the County of Kaua'i (Charter).

Council Chair Rapozo: It is the Director of Finance who makes the decisions for real estate. Again, for practical purposes and how this works, if it were to come back and the property cost were twenty-eight million dollars (\$28,000,000), I would find it hard to believe that the County would move forward without communicating with the Council.

Mr. Roversi: That is correct.

Councilmember Cowden: I have a process question. I really appreciate Councilmember Kaneshiro asking that, because in my first few terms, we would approve indemnification provisions and never have the possibility to say anything later. Am I hearing you correctly that the Director of Finance...and I am hearing you say that you wanted things codified. I remember our sort of tense piece of raising that rate to twelve dollars and thirty cents (\$12.30) [sic] per one thousand dollars (\$1,000).

Since the Managing Director and the Director of Finance are here, can we ask them to have it codified in this conversation? Is that possible?

Council Chair Rapozo: No, because this is just the indemnification provisions. This is just indemnifying the purchase. As we go through this next budget process, it sounds like we will need to add a proviso to make it part of the budget ordinance. We did not do it last time, because I thought everyone understood what it was for. Again, I am not here to bash on affordable housing, because the County needs that too, but the need for gap housing right now is significant. We are losing working families because they cannot afford a place. That is for another discussion. Today is just for the indemnification provisions.

Councilmember Kaneshiro: In the past, the County did not have a bucket of money, so anytime a project like this came through, we would either approve a money bill, which would show all the details of the deal and we could say it was a deal we liked. Most of the time it involved an Executive Session, whereafter we said, "Yes, we want this piece of land and will buy it." In this case where there is already a pot, the Council does not have fingers in any of it. They will come here and say they are buying this land, so does the Council not have any say in it? I am just trying to understand it.

Council Chair Rapozo: That is my understanding. Again, Tyler is nodding his head. If we allocate one hundred thousand dollars (\$100,000) for vehicles, the Administration could buy a Mercedes-Benz if they wanted. In this case, we provided the tax revenue to fund that account. You could stop it right now. You could vote "no" on this. Without the approval of the indemnification provisions, the deal will not go forward. If you want more information on the deal...

Councilmember Cowden: I have another process question.

Council Chair Rapozo: Okay.

Councilmember Cowden: Could we defer it for one (1) week and have them provide more information or some sort of piece that gives us a commitment? Can we not do it?

Council Chair Rapozo: We can do whatever we want, but I am not sure how much information can be given at this point.

Mr. Roversi: In negotiating a land acquisition for this property or any property, we do not have a contract in place yet. Grove Farm is not necessarily legally bound to sell us this property. It is odd to publicly reveal all the details of a real estate negotiation when there could be many other interested buyers paying attention and ready to swoop in at any moment. There are pros and cons of a full and open discussion of a pending real estate deal. That said, I am more than happy to discuss the Housing Agency's intent with any Councilmember.

Councilmember Cowden: Understood.

Councilmember Kaneshiro: I only asked because in the past when the area for the Waimea 400 was purchased, it came through the Council. When the two (2) Kīlauea parcels—the eminent domain parcel and purchased parcel—were purchased, it came through the Council.

Council Chair Rapozo: Was that through the Housing Development Fund?

Councilmember Kaneshiro: I do not think the money was in the Housing Development Fund.

Council Chair Rapozo: Yes. Obviously, if the County is pursuing eminent domain, that is not a budgeted item, so Council approval is needed.

Councilmember Cowden: My memory is that it was also a Community Development Block Grant Disaster Recovery (CDBG-DR) money.

Council Chair Rapozo: Yes. Again, this is my understanding of how the Charter operates. If it is a budgeted item in that department, the department head has the opportunity to expend those funds without the Council's approval. When it comes to real estate, I know there is a specific provision for acquisitions or disposals of real property wherein the County's real property lies with the Director of Finance. I believe that is what the Charter says. Yes, Tyler. Come and save me, because I am going off of memory. I do not have the Charter in front of me. I could be completely wrong, but that is how I remember and recall it.

TYLER SAITO, County Attorney: Good morning. Tyler Saito, County Attorney. You are correct, Council Chair. There is a specific Charter provision that delegates the authority relating to land acquisition and disposal to the Director of Finance. What this really boils down to is that this is a separation of powers issue between what the Council is delegated under the Charter to act upon and what the Administration or Executive Branch can act upon. Contract negotiations, terms and conditions, and all of those details rest with the Administrative Branch of our County government. The Council's authority is to approve the funding to provide oversight. There is nothing stopping the Council from asking these types of questions of the deal, however, it will ultimately be Adam's and the Executive Branch's decision as to how the terms and conditions will be negotiated and agreed upon.

Council Chair Rapozo: Are there any more questions? Thank you, Tyler. Councilmember Holland.

Councilmember Holland: This is not for Tyler. It is for Adam.

Council Chair Rapozo: Go ahead.

Councilmember Holland: Thank you, Director Roversi. You were about to talk about how affordable housing and workforce housing are sort of synonymous for you. Can you help me understand where you were going with that?

Mr. Roversi: In the definition section of the Housing Policy, which is the guiding document for how I am supposed to act and how we are supposed to structure projects we work on, they are defined the same. I think the background as to why that is...let us just say it is the same. I will not try to explain it, because it was like that before I was appointed.

Councilmember Holland: To me, a lot of the workforce for hotels, such as servers and hospitality workers, are probably below one hundred eighty percent (180%) AMI anyways, so it seems that affordable housing would be workforce housing. I was just trying to get clarity on the definitions. I know there are percentages. Generally, true affordable housing is below eighty percent (80%) AMI. Is that correct?

Mr. Roversi: As a practical matter, there is what the Code says in definitions and there is what people commonly understand. Most of the multi-family rental projects on Kaua'i that we think of as "affordable housing" have been subsidized with Federal funding of one (1) source or another, such as tax credit funding. Not all are, but that is the majority. In people's minds, when they think of "affordable housing," they think of those projects. Because of the use of those Federal funds and Federal tax credits, generally, as a rule, and there are exceptions, most of those projects are restricted to what I think of, anecdotally, as lower income households of sixty percent (60%) AMI and below. That is outside what the Housing Agency's definition of affordable housing or workforce housing is. That would be low-income housing. Lima Ola was structured as the first example of a master planned subdivision to provide housing up to one hundred twenty percent (120%) AMI, which does not necessarily exclude doing some of those Federally-funded projects in there, because those funds are available and it would be terrible to leave them on the table when there are plenty of people at those income levels who need housing, but the Housing Agency and the Administration certainly recognize that there is a housing need well beyond just the low-income families. Middle-income families can no longer afford housing. As we developed Lima Ola and in moving forward with the Kilauea and the Waimea 400 projects, we do not want to stop at one hundred twenty percent (120%) AMI, which is how Lima Ola was structured. We want to go above that, because even people at one hundred forty percent (140%) AMI and one hundred sixty percent (160%) AMI cannot compete in the private market. Did I get a little offtrack? I am not sure if I answered your question.

Councilmember Holland: You are helping me to understand, because it sounds like some of the concern is with that terminology—the use of "affordable housing" versus the use of "workforce housing." As I am new to this, I am learning all those terminologies and definitions. For me, it feels like most of those in need of affordable housing are the workforce who are leaving. I am just trying to understand where those lines are, but it sounds like it is more of a terminology thing and that this property really will be used for workforce housing.

Mr. Roversi: I believe so. Yes.

Councilmember Cowden: I have a follow-up question.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: This is from memory. When we did what we call “workforce housing”...

(Councilmember Kualii was noted as not present.)

Councilmember Cowden: ...a challenge we had when doing affordable housing is that it is open to anyone in the U.S., so we were having a bit of a challenge with people coming straight from baggage claim to a home, where for workforce housing, people need to show as the first priority level, that they actually work in the region. They have some regional job or element, and that bumps them up on the priority list. When we were doing workforce housing, we were trying to actually house people who work right there or who have a connection right there. We gave the priority, but that was part of the reason. Do I remember that correctly?

Mr. Roversi: I would say you are partly correct. There are several different processes and programs that all interact together.

Council Chair Rapozo: Rather than get into a discussion on the Housing Policy, let us focus on the indemnification provisions. This is indemnifying Grove Farm during the discussion of the purchase of the property.

Mr. Roversi: That is correct.

Councilmember Cowden: All right. No problem.

Council Chair Rapozo: I am definitely interested in having a further discussion on the use of the land and so forth. That will be done at a later time. Obviously, not approving the indemnification provisions will stop the discussions and negotiations for the purchase of the properties, which I do not want to see happen, but that is just my opinion. I will ask staff to follow up on the minutes or the discussion, even if we need to pull the audio, because I remember what I voted on. This would have been during the decision-making meeting of the budget process. I think it was one (1) year ago, but it is perhaps from two (2) years ago.

Mr. Roversi: Council Chair, as a point of information and to help me, when my office is informed each year of what the Mayor’s budget request is and what the ultimate allocation is, all I see is funds go into the Housing Development Fund. I do not see a breakdown where this amount of money is supposed to be assigned to x , this is supposed to be assigned to that so...

Council Chair Rapozo: In this budget, we will need to create a separate line to designate those specific increases, or the revenue from that tax increase to a special line so we can make very clear what is designated for whatever we agreed on. I think I know, but it is for whatever we agreed on in the budget or whatever we agree on during this budget. That is a decision we need to make annually during budget time. Are there any other questions?

Councilmember Kaneshiro: My question is a process question, again. It bugs me a little. The budget is coming up. Usually, in the Capital Improvement Projects (CIP), they will line-item amounts for items. It is not specific to just this

project. How will the County be spending the twenty-eight million dollars (\$28,000,000) or whatever amount is in the Housing Development Fund? When we do the CIP budget, we know what the total CIP amount is, but each has a line item identifying what the money will be spent on. In this particular case for the Housing Agency, it is just a general 512 Housing Fund, so we do not have any input, say, or view on what they will spend the money on, right?

Council Chair Rapozo: That is correct.

Councilmember Kaneshiro: They can say, "We will buy this, do that, and do this," but all we have the ability to do is approve an indemnification versus in a budget, so I am thinking about how the processes on it...

(Councilmember Kualii was noted as present.)

Council Chair Rapozo: The whole purpose or the reason is because the opportunities to purchase land or to develop affordable housing or housing projects will not be known during the Departmental Budget Reviews. You just do not know what will come up, so the pot of money is there for the Housing Agency to have available should opportunities come up. Adam has been doing a great job.

Mr. Roversi: For those of you who were part of last year's budget, if you recall, even though it is not included as a line item in the budget, we did bring you a projected three-year expenditure plan for the Housing Development Fund that laid out all the upcoming subdivisions and the years that we expected the infrastructure expenditures at Waimea 400 and Lima Ola's Phase II. They are admittedly not shown as line items in the budget, but we did try to share a three-year plan for the use of those funds so that it was not just a big number that was unknown.

Council Chair Rapozo: That is something for Councilmembers to think about as we get into the budget review. Do you want to differentiate or isolate those funds that were generated from the tax increases or not? Should you give the discretion to the Director of Finance to determine where it is or not? That is what it boils down to. We have that ability when we get to the budget.

Mr. Roversi: Lastly, I offer that there are often opportunities and things that quickly arise—private partnerships...

Council Chair Rapozo: Foreclosures.

Mr. Roversi: ...that from a Director's position, having the flexibility to move things quickly to respond to opportunities is worthwhile.

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

STEVE PARSONS: *Aloha*, my name is Steve Parsons. Briefly on the Housing piece, our County has a stellar reputation. Adam's office and whatnot are doing well. Being in real estate, we are doing a lot better than a lot of the other islands. We are killing it. There is "time is of the essence" in getting deals sometimes.

I understand that you want to make sure the money is spent, but if you think about Representative Luke Evslin, he has done a great drill down on any building helps affordable housing, because it is a trickle-down effect. It frees things up. Lastly, looking backwards, they have a really great track record of pulling off some great units, so I think you should trust them. I think you should give them some reign on the ability to buy things and move quickly. That is all I have. Thank you so much.

Council Chair Rapozo: Thank you. Is there anyone else? If not, is there any further discussion? Councilmember Kaneshiro.

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

Councilmember Kaneshiro: I will approve of the indemnification provisions. I am just trying to think through the process of it, because it is sort of like a twenty-eight-million-dollar fund that we have no control of. Usually, the Council likes to take pride in having some control of the budget. For vehicles, they come through with a line item where they will purchase x amount of vehicles. I do not care what type of vehicle they will purchase. I will not ask, "What are you getting for the vehicles? What type of vehicles are they," but there is a line item for vehicles. In this case, the Housing Development Fund is just a big fund. As deals come through, I would love for them to come through the Council so we can at least see what is going through for approval versus, "It is in the fund. The fund is there and we will spend it how we want." That is what I am chewing on, so we may need to do a proviso or something. That is just where I am at on that. It feels a little weird. It is only because this is one of the first times it has come through where money will be spent from the fund where in the past, it would be a money bill, so it would come to the Council for approval. That is where I am at. I have a process question on it more than anything.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: First of all, I am thankful that Grove Farm is open to doing this and I think they have done a meaningful job, like with what we saw earlier with DHHL in Līhu'e. They are really trying to help the community, so I have some faith that they will do right by the County, not just by the County's excellent Housing Director. I am glad that you are bringing up this issue, because we never know who will be doing what in the future, so when the County is picking different pieces for purchase, it gives the public an opportunity to be able to say, "Why are you helping Līhu'e?" By the way, we need to help Līhu'e, so I am behind this. "Why are you not helping my neck of the woods?" When we have this open with that fund that we just say, "Yes, go ahead and do as you like," it does not allow the public a chance to weigh in either. I will support this because I want the County to purchase it and I hope it is for a good price.

Council Chair Rapozo: Is there anyone else? Councilmember Kaneshiro.

Councilmember Kaneshiro: The process is the process. Going back to the deal, working at Grove Farm, I know that the County is purchasing property and is getting the areas where there are trees and valleys for free. In the past, the County

needed to spend money to mitigate the trees and roots along the houses there. This is not the place or time, because we do not have a swing at it since it is coming out of the Housing Development Fund, but I would love for that type of thing to be mitigated before it is turned over to the County, because at the end of the day, those are the types of liabilities that the County will need to deal with. I specifically remember cutting trees along the houses and roots that were breaking concrete near some of the houses, and those are things I do not want the County to inherit, even if it is for free. I do not want the County to inherit things like that. There are certain things that were probably attempted to be negotiated in or out, but that is just one of the things we could talk about if an item came through as an open session or Executive Session item. The other thing is it is sort of a different deal. I have not seen the County upzone land for a landowner, which in this case, the land will be upzoned for them. It is interesting. I read the agenda item wrong. I thought it was going to be discussed in Executive Session, but I read the wrong item. The deal and what is going on are discussions we would typically have.

Council Chair Rapozo: Are you requesting that discussion? Those are valid points. I am interested in the upzoning topic, as far as the land the County is buying is concerned.

Councilmember Kaneshiro: Based on the agreement, the County is buying a certain amount and is upzoning it. The County is not buying...there is a retained property section of thirty (30) acres on the parcel the County is buying and giving back to Grove Farm. Half (1/2) will be upzoned on our end. It is something I have never seen before in land purchased by the County. The County is purchasing one (1) whole parcel and a portion of another one. With the whole parcel the County is purchasing, there is a valley area where I am concerned about the trees and what the County will do with that, because it is a liability, the County is also upzoning a portion of land that Grove Farm will have. The County will not pay for it, but they will have upzoned acres. It is weird. I have never seen that before.

Council Chair Rapozo: This may be your only shot at the apple.

Councilmember Kaneshiro: I know, but the agenda item is for indemnity. That is why I was thinking about the process.

Council Chair Rapozo: We could defer and post an Executive Session if you have some legal issues.

Councilmember Kaneshiro: I am not looking to stop the deal. These are just questions. We have never seen the County do that type of upzoning before. It might be part of the negotiation.

Council Chair Rapozo: I want to receive a briefing, but we will vote on the indemnification. We can request a briefing from the Administration. Tyler, you will need to determine if it will be discussed in Executive Session. If we talk about the negotiation of purchase of property, it may qualify, but we will leave it up to Tyler to decide if it will be in Executive Session or open session. Is there any other discussion?

Councilmember Holland: Thank you, Councilmember Kaneshiro, for bringing that up. I am in strong support of the County purchasing land, provided that they are not inheriting issues. Across Hawai'i this week, we have seen what mismanagement of drainage line systems, gulleys, waterways, and ephemeral drainage systems does, and the risk that comes with that and the way lands are managed, so those are important considerations. Overall, I am in support of the purchase. I know there have been conversations of a larger sports facility in that area as well and what we look at is the future of that place. I would love to be more involved in the future conversation around what is or is not allocated for that area. I am new to the process so I appreciate you bringing it up.

Council Chair Rapozo: Will a larger sports complex be there?

Councilmember Holland: Yes.

Council Chair Rapozo: That is why I am confused. We are asked to sign an indemnification for housing.

Councilmember Holland: It is one hundred forty (140) acres.

Council Chair Rapozo: I share Councilmember Kaneshiro's concern about what the real plan is. We should be told the real plan. If it is for a sports complex and housing, then tell us it is for a sports complex and housing.

Councilmember Holland: I want it to be clear that I have not heard that it is part of the plan. I heard the community ask that for some of the area that is available, and it would be great to have a larger park facility. Being the Chair for the Parks & Recreation / Transportation Committee over the last year, I know that the County is stretched for the amount of baseball fields and soccer fields.

Council Chair Rapozo: I understand. Do not get me wrong. It is not that I do not support it.

Councilmember Holland: Yes, within a housing situation...

Council Chair Rapozo: I am just saying that I do not like a "bait and switch," if that is what is happening. I do not think that is happening.

Councilmember Holland: I am not accusing that as being what is happening.

Council Chair Rapozo: I see him shaking his head. Are you part of the County now? Okay, I am just curious.

Councilmember Holland: But either way...

Council Chair Rapozo: Listen. Our job is to be given the information and make a decision on it...not partial.

Councilmember Holland: I am in support of the purchase whether it becomes mixed housing with sports, land, or green space.

Council Chair Rapozo: Why? What else are we not being told? That is the question I have for myself. I am a little concerned now. This is for indemnification so the County can purchase the land. We need to figure out how...it is a separation of powers issue. I understand that, but if it goes against what we are being asked to approve, then we definitely need, as Councilmember Kaneshiro said, to "have a bite of the apple."

Councilmember Kualii: To a certain degree, I would think there are no details to share, because there are no details and that when he used the phrase "community master plan," it may be something like Lima Ola, Waimea 400, or the Kīlauea project, but on a smaller scale. On one hundred forty (140) acres, there can still be some housing, so it is good.

Council Chair Rapozo: That is a lot of land.

Councilmember Holland: Definitely.

Councilmember Kaneshiro: It is not one hundred forty (140) acres. It is ninety-nine (99) acres or something.

Councilmember Kualii: The usable eighty (80) acres...it is more than ten (10) or twenty (20) acres, so the County can do more than a passive park in front of Puhi with x-amount of units. It is more housing. The County needs more land for more housing.

Council Chair Rapozo: I agree one hundred percent (100%). I have been in support of purchasing land for a long time, but I hear things and I want to make sure we know what the County is buying. Go ahead.

Councilmember Carvalho: Like what was said, it is more for the housing side of it as we continue to move forward...that is the biggest part as we continue to look at what the options are for housing.

The motion to approve C 2026-70 was then put, and unanimously carried.

Council Chair Rapozo: The motion carries. I know we have a lunch break coming up. We also have a Bill for second reading involving the shoreline setback and there are people here from afar. Is Caren still here? Okay, she is still here. I would ask your indulgence to get that out of the way for the people who are here who do not need to stay all day, if we can do it in ten (10) to fifteen (15) minutes. With that, if there are no objections, I would like to take Bill No. 2984 out of order.

There being no objections, Bill No. 2984 was taken out of order.

BILLS FOR SECOND READING:

Bill No. 2984 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 8, ARTICLE 27, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO SHORELINE SETBACK AND COASTAL PROTECTION (*ZA-2026-1 – Planning Commission Recommendation*)

Councilmember Carvalho moved to approve Bill No. 2984 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Bulosan.

Council Chair Rapozo: With that, Tyler, can I have you come up? I have one (1) question, because I have a concern about...there was a lot of discussion at the last Committee Meeting regarding homes that are on the rock cliffs. I spoke to Ka'aina yesterday about the exemption clause or section. There was quite a bit of discussion last week on the section on page 5. No, it is not on page 5.

There being no objections, the rules were suspended.

Mr. Saito: It may be on page 10.

Council Chair Rapozo: I want to make sure the legislative intent of the exemption, "Where the applicant can demonstrate to the satisfaction of the Planning Director that the applicant's proposed structure or subdivision will not affect beach processes, impact public beach access, or be affected by or contribute to coastal erosion or hazards, excluding natural disasters. Factors to be considered shall include, but not be limited to, proximity to the shoreline, topography, properties between the shoreline and applicant's property, elevation, and the history of coastal hazards in the area," is set for the record. Using the scenario where a house is destroyed for whatever reason, such as a fire, and the owner of that property intends to rebuild that property to what was there prior to the destruction, does this section apply, provided they can demonstrate to the satisfaction of the Planning Director that there are no impacts?

Mr. Saito: Tyler Saito, County Attorney. Yes, it does, however it will require the Planning Director to exercise his or her discretion in making that determination.

Council Chair Rapozo: As far as the threshold of one hundred twenty-five thousand dollars (\$125,000) for the complete shoreline survey, if they comply with Section 8-27.3, and qualify for an exemption, would it exempt them from that as well for the repairs?

Mr. Saito: Probably, yes. I want to look at it a little closer, if I can.

Council Chair Rapozo: I am a little concerned, because the intent of this is to protect and preserve the areas that are impacted by nature and erosion, and some areas that are not impacted at all, in my opinion, should not be subject to the restrictions. If they qualify for the Section 8-27.3 exemption, does that also exempt

them from the five-hundred-square-foot size of the dwelling that shows up later in the Bill? I apologize, Tyler. I should have got this to you earlier. It was not clear at the Committee Meeting last week. I was hearing two (2) things and I want to make sure.

Councilmember Cowden: Those are the two (2) exemptions I wrote.

Mr. Saito: When I read the exemptions, the way it is currently written, it states that if a property or if the Planning Director decides that a project, subdivision, or structure will be exempt from the setback determination, in practice, it would appear that it would be exempt from the remainder of the Chapter.

Council Chair Rapozo: From the remainder of the Code, right?

Mr. Saito: That is correct.

Council Chair Rapozo: Are there any other questions for Tyler? Tyler, thank you. Is there anyone in the audience wishing to testify? Mr. Sykos.

Mr. Sykos: For the record, Lonnie Sykos. I would like to comment that in my fifty-something years in Hawai'i hunting, surfing, fishing, and whatnot, the idea that rocks do not erode over time is utterly ridiculous and anyone who has spent decades in the same place on the shoreline or along rivers and streams knows that the streambeds, the riverbeds, the cliffs, and everything changes dramatically over time. Even where we live in Wailua Houselots, there was a big rainstorm a couple of years ago that caused seven (7) waterfalls to come off of the Nounou Mountain (Sleeping Giant). Seven (7) waterfalls. Imagine the erosional damage done by the seven (7) waterfalls cascading down the stone cliff. My problem with this Bill is the premise that this rocky cliff will never deteriorate. Part of the premise of this is, "We built this on a foundation of stone that will never change," and I object to the idea that the stone will not change, because it does. Thank you.

Councilmember Cowden: I have a clarifying question. Do you support the Bill, as written? The Bill, as written, presumes that there might be a change.

Mr. Sykos: That is correct, but I do not have an opinion on this Bill, because I personally do not have a dog in this fight. This is a fight between the people who were enticed to buy these properties, which is how the court is going to look at it, versus changing the rules down the road and taking value of the property away from them. My interest in this is to not get sued as the taxpayer. I do not know what you folks should do, because this is a question of the future promotion of real estate development for the value of real estate, not for housing. These are all luxury houses, so we are not talking about workforce housing or labor housing. From my understanding of what you are talking about, this is mostly or entirely investment properties, so in my mind, I can look at the two (2) things differently, but I am not constrained by the law like you folks are. I do not really have an opinion on this Bill, because on the one hand, if we let people build these things and we take the position that the land will not change, then they should absolutely be allowed to rebuild what was there before, but if the land will change and you allow them today to build a house designed eighty (80) to one hundred (100) years ago, will the cliff face still be

stable in eighty (80) to one hundred (100) years? That is how long the house is built for. Houses are built to last eighty (80) to one hundred (100) years, so when you give someone permission to rebuild their house, this is a very long-term improvement that they are doing, so I do not have the answer to that.

Council Chair Rapozo: Thank you. Is there anyone else? Is there a remote testifier? Okay. Hold on, Maka'ala. Let him testify.

Mr. Wilson: I will be brief. My name is Charles Wilson. I read the proposal as best I could. There are two (2) constitutional things that I see on it. One, the government always likes to grab land. In the constitution, there is something that says you are supposed to pay compensation when you grab land by the government. The other is the bill of attainder. If someone has an existing property and it was approved by the State or whatever agency approves it, if they change the law, they cannot necessarily go back and say, "These regulations now apply even though you got approval before." You cannot make law retroactively apply to something that happened before. That is all. Thank you. I am sorry. The Army did my ears in.

Council Chair Rapozo: Thank you. Maka'ala.

MAKA'ALA KA'AUMOANA (*via remote technology*): Aloha, Council. I appreciate you all. This is not that complicated for Kaua'i. We have the reputation for taking care of our coastline. That reputation is Statewide. I have heard it in conversations in Washington, D.C. While you folks are amazing, this is finishing that work. This is important work and we certainly *mahalo* Caren for carrying the load for a long time, and to the County and the County Attorney for understanding what her goals and objectives are and what ours are. Behind me is a view of the river mouth of Hanalei River. If you want a study on erosion, come see me. I will show it to you every day. This is to help people and this is to help our place. This is not to penalize anyone or to reduce the value of their holdings. This is to protect people, both those who live or work on our shorelines and those who are trying to get to our shorelines. This is definitely a community-driven initiative and Bill. We know you know that and we know you respect that. This is a good example of the community and the government being able to work together. *Mahalo nui loa* to all of you. Please understand that this is protection of us all. *Mahalo*.

Council Chair Rapozo: Thank you. Is there anyone else?

CAREN DIAMOND: Aloha. Caren Diamond. I want to start by thanking each and every one of you for your support on this really important Bill. Our ocean and coastal resources are probably the most important thing that Kaua'i has besides its people. I want to clarify a few things on the cliff issue. Coastal hazards can happen anywhere. The only coastal hazard that does not happen on a cliff that every other property is exposed to is erosion, but every other coastal hazard that exists here does exist on cliffs. It is not only in Hawai'i. Cliffs fall down and are exposed to cliff collapse. I do not think you want to make a blanket exemption for properties that are up high, but I do think the way the exemption is written in Section 8-27.3, if there are no coastal hazards, the Planning Director can most certainly give an exemption. The way this particular exemption has been in the

ordinance for the last ten (10) years and what happens when you get an exemption, the County does not have anything else. No, there is no certified shoreline requirement and no, the five hundred (500) feet would not count, because you are exempt from the ordinance, so the different things in this ordinance do not apply to you because you received an exemption. This exemption gives any property owner not affected by coastal hazards the ability to receive an exemption. If you look at how the law has acted since it has been in place, most everyone receives an exemption. Part of the reason that this Bill makes the exemption for repairs more difficult and actually have some accountability to those, but the cliff thing...I do not support an additional exemption, because in here, if you are not exposed to coastal hazards, then you get an exemption from this ordinance. I do not know how many exemptions have been granted, but the majority of exemptions have been granted under this very thing. I thank all of you for your support. I hope you pass this Bill today. It is really important for everyone because Kaua'i's beaches are what we have and our resources are so important for everyone here. I want to thank all of you for your support and I hope you continue to support the Bill and pass it today. Thank you.

Council Chair Rapozo:

Thank you. Is there anyone else?

NATHAN WOOD:

Nathan Wood. I wanted to come up really quickly and voice a little bit of my opinion and my family's concerns. First of all, I would like to start by saying that we are one hundred percent (100%) behind everything that Caren is saying. Our shorelines are the most important thing, but there was a lot said here today that this does not affect local people. I can sit here today and say that it does. There are a lot of them who are not here or who do not even know this is happening. Most of the concerns we have are addressed here, but it leaves it to the discretion of one (1) person. Not fully understanding what the consequences are, but if there was a full destruction of a home by something like a fire within this area and there is no ability to rebuild, I am confident that the Planning Department would hear that and support that, but it does leave it open. That is what I am hearing from the County Attorney. Is that correct? I do not know if we can comment on that, but those are my concerns and I just wanted to put out there that it is not only from the mainland U.S. There are local families on the shoreline and it could affect them. I want to make sure that we are not putting future generations at risk because of this. Thank you.

Council Chair Rapozo:

Thank you. Is there anyone else? If not, is there any further discussion? Councilmember Holland.

Councilmember Holland:

Thank you, Council Chair. I appreciated the conversation that we had the last two (2) meetings about specific areas that are not subject to erosion or the loss of our coastal access, etcetera, such as the cliffs that were spoken about. After the conversation we had last week, I felt very confident that measure does allow for people's homes such as those to be exempt. The conversations I had both during the meeting and after made me feel confident that the case we were talking about along the Nāwiliwili cliff line would qualify for that exemption, so I feel confident that is the case. It is important in the conversation that the meeting minutes reflect that is the intent here. We are going after these shoreline areas. What we are seeing on the North Shore is atrocious. We need to claim those areas back, but at the same time, we do not want to have people who are not subject to coastal erosion

and shoreline loss being forced to not be able to rebuild, so I felt confident the five hundred (500) square feet was not applicable in those cases when the exemption came through, so I feel comfortable supporting it. This week, we have all again seen what the environment can do. Entire houses along the North Shore of O'ahu have washed into the ocean. When there is no land, if we have the conversation in some theoretical world where I do not think that is plausible anytime soon, the cliffside would become unsound, so obviously there will be a limitation on building, because it is no longer safe or sound. Until that point, which I do not see happening in our lifetimes, there should be the ability to rebuild your home on that property. I felt good that was happening, or I feel good that it is incorporated in that exemption within the Bill. There surely is a certain level of risk that comes along with those coastal systems. If it falls in, you will not be able to build out. Some communities allow you to rebuild in a space you once were, which I do not understand. Even at the NACo conference, there was debate on whether or not they should be able to build one (1) foot below sea level. It did not make any sense to me, but it is important. To Maka'ala's point, we have a reputation for preserving our coastlines and a part of that is ensuring that moving forward, we protect public coastal beach access and such. It is very important for the minutes to reflect and for the conversation to reflect the fact that these exemptions are specifically for those types of cases. Thank you very much, Council Chair.

Council Chair Rapozo: Thank you. Is there anyone else?
Councilmember Cowden.

Councilmember Cowden: I want to acknowledge it is not just a North Shore problem, but it certainly is a problem on the North Shore. 'Aliomanu, on the east side, is another really extreme example. There are quite a few in the Kekaha area. There are a number of areas where there are these challenges. What I was able to sort of rest on last time, because I tried hard to raise the issue of some of these places that are vulnerable...from living on the North Shore, cliffs fall down, although maybe it is a little softer up there than the particular rock we are talking about at Kalapakī. They break and they fall, so there is a certain amount of risk when people choose to live in a home in that difficult area. Something I said last time is that when we see this policy getting tighter, people may consider if they have all their assets in that one (1) home and if it is really the right place to take that risk, because what Councilmember Holland is alluding to and why having it in the minutes is important is that things change and we do not know who will be the next Director of Finance or the next Planning Director, or who will be in the next position. We could be talking fifteen (15) years in the future. This Bill is written as an ordinance to really protect the shoreline. I will acknowledge how important that shoreline is. I am willing to go with it when we have that portion in there that has a pathway for discretionary help, but I am recognizing the risk in discretion. I will stay with my position. Last time, I tried really hard to have a deeper conversation on it, but I settled on where we were.

Council Chair Rapozo: Is there anyone else? I support getting this Bill out. I feel comfortable enough with the exemption language, regardless of who the Planning Director is, if the owner is able to provide the evidence. It is not just about the cliff caving in. Everyone is talking about a cliff caving in, but when was the last time we saw a cliff with a house on it on Kaua'i cave in? We are on a volcano, which is rocky. We are not talking about a clay hillside. It is not just about erosion or

the cliff caving in. As we talked about, it is about the house burning. Something not related to nature happens and your house burns down, but you are not subject to erosion, is the scenario I am talking about. That is more likely to happen than the caving in of a cliff. Is it the intent of this Body to force that person to get a shoreline certification? No. That is the dilemma. It is not about how often these things fall and cave in. I was concerned. Even today with the County Attorney saying, "Probably," concerns me, but in reading it again and again, I believe the language is...and it is a "shall"...it shall be required except in these situations. That situation fits in that exempt location. As long as you can show that you are not subject to the coastal impact, then you will be fine, and I think I am okay with that. The legislative intent, as Councilmember Holland said, has been established here. Whoever sits as the Planning Director ten (10) or fifteen (15) years from now, provided this section is not amended before then, will need to rely on what the facts say, so I am good with that. We are fine. Is there any other discussion? If not, roll call.

The motion to approve Bill No. 2984 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: | Bulosan, Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo | TOTAL – 7, |
| AGAINST APPROVAL: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

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

Council Chair Rapozo: With that, we will take a 45-minute lunch break.

There being no objections, the Council recessed at 1:00 p.m., for a lunch break.

The meeting was called back to order at 1:57 p.m., and proceeded as follows:

(Councilmember Bulosan was noted as not present.)

Council Chair Rapozo: I believe we are on C 2026-71.

C 2026-71 Communication (03/18/2026) from Council Chair Rapozo, transmitting for Council consideration, A Bill For An Ordinance Amending Chapter 5A, Kauai County Code 1987, As Amended, Relating To Real Property Tax.

Councilmember Kualii moved to receive C 2026-71 for the record, seconded by Councilmember Carvalho.

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

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

The motion to receive C 2026-71 was then put, and unanimously carried (*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kauaʻi, Councilmember Bulosan was noted as silent (not present), but shall be recorded as an affirmative for the motion.*)

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

LEGAL DOCUMENT:

C 2026-73 Communication (03/05/2026) from the Assistant Housing Director, recommending Council approval of the Right of Entry and Indemnity Agreement to begin installing the electrical poles and facility improvements required for the project, between the County of Kauaʻi and Kauaʻi Island Utility Cooperative (KIUC), for the Kealaula Supportive Housing Project Phase II, situated at Tax Map Key (TMK) No. (4) 3-08-005-002, Līhuʻe, Kauaʻi, Hawaiʻi.

- Right of Entry and Indemnity Agreement

Councilmember Kualīi moved to approve C 2026-73, seconded by Councilmember Carvalho.

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

Councilmember Cowden: Can Koa come up? I am excited about this. I understand it is just about letting KIUC in. I believe that has been the last hold-up on this extension of the transitional housing for the Kealaula Supportive Housing Project (Kealaula). Can you tell us how many units are opening?

Council Chair Rapozo: Can you introduce yourself?

There being no objections, the rules were suspended.

RUDOLPH “KOA” DUNCAN, Assistant Housing Director: How is everyone? Koa Duncan with the Housing Agency. The Right of Entry and Indemnity Agreement allows KIUC to be able to install the poles and necessary power to hook up. The project has been slightly delayed because of this, which we need to get the final approvals, certifications, inspections, and whatnot. The project will add twenty-four (24) units—twelve (12) studio apartments and twelve (12) one-bedroom units—to Kealaula.

Councilmember Cowden: Is that for our unhoused community?

Mr. R. Duncan: Yes.

Councilmember Cowden: They move from the beach or the road into that?

Mr. R. Duncan: That is correct.

Councilmember Cowden: Is this the last step? I heard they were almost done. After the electric is in, is there much more? When will it be finished?

Mr. R. Duncan: We are projecting sometime in May, mid-May. It will be completed in about one (1) month or one and a half (1½) months.

(Councilmember Bulosan was noted as present.)

Councilmember Cowden: Mid-May, twenty-four (24) more units?

Mr. R. Duncan: Yes.

Councilmember Cowden: Great. That is wonderful. Those are my questions.

Mr. R. Duncan: Thank you.

Council Chair Rapozo: Are there any more questions for the Administration? If not, thank you very much. Is there any further discussion or testimony?

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

The motion to approve C 2026-73 was then put, and unanimously carried.

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

CLAIMS:

C 2026-74 Communication (03/06/2026) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Melva Christunas, for personal injuries and loss of job, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2026-75 Communication (03/09/2026) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Claims Management Resources on behalf of Hawaiian Telcom, for property damage, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2026-76 Communication (03/09/2026) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Kala Alexander, for vehicle damage, pursuant to Section 23.06, Charter of the County of Kaua'i.

Councilmember Kualii moved to refer C 2026-74, C 2026-75, and C 2026-76 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 2026-74, C 2026-75, and C 2026-76 to the Office of the County Attorney for disposition and/or report back to the Council was then put, and unanimously carried.

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

COMMITTEE REPORTS:

PLANNING COMMITTEE:

A report (No. CR-PL 2026-01) submitted by the Planning Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2984 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 8, ARTICLE 27, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO SHORELINE SETBACK AND COASTAL PROTECTION (*ZA-2026-1 – Planning Commission Recommendation*),”

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 unanimously carried.

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

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE:

A report (No. CR-FED 2026-04) submitted by the Finance & Economic Development Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2981 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAX (*Provides the Director of Finance with inspection and examination of real property powers*),”

Councilmember Kualii moved for approval of the report, 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 report was then put, and unanimously carried.

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

RESOLUTIONS:

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

Council Chair Rapozo: Is there any discussion before we move forward or are there any questions for the Administration?

Councilmember Cowden: I would like to have them up.

Council Chair Rapozo: Okay.

Councilmember Cowden: This is about the twenty-five million dollars (\$25,000,000), right?

Council Chair Rapozo: That is correct. This is for the increase of eleven million five hundred thousand dollars (\$11,500,000).

Councilmember Cowden: We had a really good conversation today with DHHL and it is rather evident that we think it is exciting to consider this other element. I want to look at this. The conservative side of me...this is a question. I am sorry. If the County begins this and starts fixing this, how long will it take to make the repair?

There being no objections, the rules were suspended.

Mr. Tanigawa: We will be finished well within the timeframe that the State of Hawai'i Department of Health (DOH) provided to do the repairs and come into compliance.

Councilmember Cowden: Would it be any less than that? Would it be two (2) or three (3) years? What would it be, because I do not remember what the DOH timeframe is?

Mr. Tanigawa: Just from recollection, I believe it was about two (2) years.

Councilmember Cowden: If the County spends this, will the County be in compliance in two (2) years or at worst, three (3) years?

Mr. Tanigawa: Yes.

Councilmember Cowden: When we talked last time, it was bringing it up to twenty-five million dollars (\$25,000,000), but if I heard you correctly, you are guardbanding, because you do not know if the County will end up with inflationary pressure or whatever else. You want to make sure you can get it all the way to the finish line, but it might not actually cost the whole twenty-five million dollars (\$25,000,000)?

Mr. Tanigawa: That is correct.

Councilmember Cowden: If the County spends two million dollars (\$2,000,000) more than it already has, there would be eight million dollars (\$8,000,000) left that you will not borrow. You will borrow as you need it. Is that correct?

Mr. Tanigawa: That is correct. We will only need to pay back what the actual costs are.

Councilmember Cowden: Okay, so it is like having a line of credit. This will just increase the line of credit?

Mr. Tanigawa: Yes.

Councilmember Cowden: Within three (3) years, the County will be in compliance with DOH and there is a longer term for the existing Wailua WWTP?

Mr. Tanigawa: Yes. When this construction project is done, we should be able to meet the lower levels of effluent disposal that DOH has set.

Councilmember Cowden: Okay. Thank you.

Council Chair Rapozo: Are there any other questions for DPW?
Councilmember Carvalho.

Councilmember Carvalho: Troy, can you explain the reason for increasing the amount from fourteen million dollars (\$14,000,000) to twenty-five million dollars (\$25,000,000)? What is the reason, again, so that everyone understands?

Mr. Tanigawa: The construction contract was bid out, and the initial estimates for the full project was fourteen million four hundred thousand dollars (\$14,400,000). A portion of the fourteen million four hundred thousand dollars (\$14,400,000) was already designated for support services, such as construction management (CM), technical support from the designers that occurs during construction for submittal approvals and whatnot, and other things such as a contingency. When the bids were much higher than initially estimated, that resulted in the need for additional funds.

Councilmember Carvalho: Thank you.

Council Chair Rapozo: Is there anyone else? Councilmember Kualii'i.

Councilmember Kualii'i: I have a bunch of questions. I will just ask a few for now. At the end of the meeting two (2) weeks ago, I asked questions and you folks followed up. I just received some of the information late yesterday. It still looks to me like the County is not necessarily doing just the minimum amount of investment needed to keep the WWTP operational for a reasonable amount of time, like five (5) to eight (8) years, until we can have a new WWTP online. I received some detail on the scope of work. Even initially, when you asked for this bid, you asked for things such as new electrical and chemical buildings to house new improvements, and you have certain equipment. The other thing is it looks like even though you are here before us now asking for an additional eleven million five hundred thousand dollars (\$11,500,000) to go with the fourteen million dollars (\$14,000,000), you already have another forty-five million dollars (\$45,000,000) lined up that continues that work and that there is not really a stopping point. This is just to keep going to get the WWTP...and you keep talking about going until a certain level of compliance. Have you rethought what is absolutely necessary versus what you are trying to do here?

Mr. Tanigawa: Regarding the buildings you mentioned for chemicals, chemicals are an essential part of the wastewater treatment process. The buildings are so old that they are unsafe. They are insufficient to serve the purpose. There are walls that are unsafe that will be demolished. We are looking for safe operations for our employees as well as equipment so we can properly treat effluent to the new standards that we need to follow.

Councilmember Kualii'i: How long have they been old and unsafe and how have you been dealing with it so far, as far as extra safety equipment or what have you, because my concern is if it is so bad that it will be torn down completely and an entire new one built, is that not like an investment in an entire new WWTP? Is it not to the level of whether the County should be doing that for such a short period of time?

Mr. Tanigawa: The Division of Wastewater Management has been looking at some adjustments to the scope of work. We will need to demolish what is unsafe right now. What will be built back is just what is essential to make sure that we can properly function.

Councilmember Kualii'i: As far as what is unsafe right now and I know in a lot of the responses, the majority of the money and the majority of the forty-five million dollars (\$45,000,000) that you are asking for later, it says, "We need this to become compliant." You pretty much need a big chunk of the forty-five million dollars (\$45,000,000) just to be compliant. I do not think this Council has ever heard from you on the status on noncompliance. Does the County have notices from DOH or from DOH, Clean Water Branch? Where is it really at? Are you just being extra cautious? Is there a way to not do such a big investment? We just heard earlier this morning that the entire new package plant will cost twenty-five million dollars (\$25,000,000) to thirty million dollars (\$30,000,000) and be done in five (5) years, but the County is putting seventy million dollars (\$70,000,000) or more in the second and third phases. It could cost more and take three (3) to five (5) years

minimum just to do the improvements you are doing. Has the County really looked if there may be a better option?

Mr. Tanigawa: With the DHHL prospect, we could have a new WWTP facility that could serve a portion of the County's needs. We have the representative from the firm helping us with our WWTP plan updates. They have identified that the County's future needs are more in the figure of three (3) mega gallons per day, or twice the permitted capacity of the existing WWTP.

Councilmember Kualii: Could you repeat that?

Mr. Tanigawa: Yes.

Councilmember Kualii: Did you say that the forecasted need is 3 MGD?

Mr. Tanigawa: 3 MGD.

Councilmember Kualii: For what period? Is it in the next thirty (30) years?

Mr. Tanigawa: Stephen, could you come up?

STEPHEN ESAKI: My name is Stephen Esaki, Kennedy/Jenks Consultants, Inc (Kennedy Jenks). The question I heard from Councilmember Kualii is what the projected need is. To answer that question, we worked with the Planning Department and identified real development that is in the Planning Department pipeline, including Samuel Mahelona Memorial Hospital and DHHL homes. By 2050, we anticipate flows to exceed 3 MGD. That also includes certain cesspool conversion areas such as Wailua Houselots and portions of Kapahi.

Councilmember Holland: That was my question.

Council Chair Rapozo: By 2050, should everyone not be off cesspool systems?

Mr. Esaki: The decision of whether it is the County's responsibility or the State's responsibility has not been decided yet. That is to my knowledge. I do not want to speak out of turn. We are planning conservatively to include the flows from Wailua Houselots and Kapahi. Again, the money to do it does not exist yet, but if we were to build a WWTP, the question we keep asking ourselves is how many times in the next one hundred (100) years do we want to build a WWTP. The answer is one (1) time. We want to build it once and once only.

Council Chair Rapozo: Were you here this morning and did you hear the discussion about the package plants?

Mr. Esaki: Yes.

Council Chair Rapozo: What is your take on those?

Mr. Esaki: Package plants are perfectly fine. We have experience designing them as well. I want to clarify one (1) point I heard Kyle Yukumoto from R. M. Towill say. The cost is twenty-five million dollars (\$25,000,000) to thirty million dollars (\$30,000,000) per 1 MGD of treatment capacity, so if you are planning for a larger sized treatment plant, you would multiply it. If you are planning for two (2), you would multiply that number by two (2). If you are planning for three (3), multiply that number by three (3).

Council Chair Rapozo: That was very clear.

Mr. Esaki: I heard people think it was thirty million dollars (\$30,000,000) total, but that is only for treatment, so I wanted to clarify that.

Council Chair Rapozo: How much does it cost to build a 3 MGD traditional or conventional WWTP? It is expensive.

Mr. Esaki: Certainly. It is a big decision and a big responsibility. We have not gotten to the point where we are committing either way. Like I said, we have experience designing package plants and they are very reputable.

Council Chair Rapozo: That is why there is a sense of urgency for me. That is why the frustration is here. Again, we have been having this discussion for years and today, you are telling me you have not gotten to the point of what track you will go, but you are okay with spending seventy-five million dollars (\$75,000,000) or eighty million dollars (\$80,000,000) to keep this thing going. In my opinion, that is not the right way, but who am I?

Councilmember Holland: Can I follow up on that, too?

Council Chair Rapozo: Go ahead.

Councilmember Holland: Does the timeframe for the package plant and the ability to pull that off seem reasonable to you?

Mr. Esaki: Five (5) years would be a stretch. The advantage that DHHL has over the County is they own the land, whereas the County does not. Because they own the land, they can do things out of order, such as starting the design today. The County does not own the land.

Councilmember Holland: Is the reason why the County has not determined which direction it is going because it does not have land? Would it depend on the amount of land allocated and available?

Mr. Esaki: Yes, that is one (1) of the reasons.

Councilmember Holland: Is it that you are not able to decide if it will be a package plant or another WWTP without knowing if the County can obtain the lot size?

Mr. Esaki: Yes, that is part of it. That negotiation has yet to happen.

Councilmember Holland: Thank you.

Council Chair Rapozo: If the County agreed or decided to partner with DHHL two (2) years, one (1) year ago, or six (6) months ago, then the County would be on its way. How long will it take? I should be directing this to Troy, not you. When will the decision on whether to partner be made? There may be issues of exactly where this plot will be, but would the County not take them up on the offer? The County does not own land. The County does not have land. For the County to secure the land necessary, it will take time. That is the frustration. The County has an opportunity, which I would say is low-hanging fruit which it should pick, but I cannot tell you to do that, Troy.

Mr. Tanigawa: This is rehashing some of my earlier comments, but DPW, and I believe the Administration also, sees this as a really nice and really promising opportunity that we have with DHHL. We will explore it. We will go into it, but we will go into it realizing there are terms and conditions for which we need to make sure the County is well represented and that a future Council can also agree to, because it will involve the appropriation of funds. The devil is in the details.

Council Chair Rapozo: Troy, is it your plan to wait for the next Council? If so, we can just end this discussion today.

Mr. Tanigawa: No. We will actively pursue this with DHHL. We heard a commitment from Mr. Kanna on behalf of DHHL. I believe the Chairperson said it as well. He also said that he anticipates that it will take about one (1) year to get through all the terms and conditions. I am not surprised, because in just thinking about it, there are a lot of details that need to be hashed out and ironed out. On their side, they have beneficiaries that they are responsible for and represent. On our side, we have Kaua'i taxpayers. We will go into this with eyes wide open and with the full intention of seeing if something amenable to both sides can happen.

Council Chair Rapozo: Are there any other questions?

Councilmember Kualii: I am not done.

Council Chair Rapozo: I am sorry. Go ahead, Councilmember Kualii.

Councilmember Kualii: Going back to the forecasted need for the area, you said that by 2050, there will be 3 MGD. Do you have the forecast of what it will be by 2040 and 2030?

Mr. Esaki: We broke it down.

Councilmember Kualii: We currently use six hundred thousand (600,000) gallons per day, so that would be five (5) times as much. It seems

somewhat astronomical to think that...maybe it has to do with the conversion...everyone needs to convert.

Mr. Esaki: That is a big piece.

Councilmember Kualii: That cannot just be from new developments, obviously.

Mr. Esaki: You may have heard figures of the conversion for the island, which is twelve thousand (12,000) cesspools. There are five thousand (5,000) in Kapa'a and Wailua, so converting those houses to help these people depends on funding. The funding is not set yet. We made some estimates of the lower hanging fruit. We have heard a lot of support for converting Wailua Houselots to sewer. We included Wailua Houselots in our projections. Cesspools will add about 1 MGD, which is a lot, but we are also held to design standards. The design standards guide us as to how to estimate flow for areas that we service.

Councilmember Kualii: In 2050, being that it is about twenty-five (25) years away, there could be a lot of different options the County could pursue for how wastewater is treated. Rather than having one (1) big WWTP that holds 3 MGD, the County could have smaller ones in different areas that are more local to certain areas and neighborhoods, as some of the Councilmembers spoke of earlier. When they told us about the technology and how it has improved, they said that even the smaller package plants could hold up to 2 MGD. It would not address the 3 MGD figure, but there could be two (2) package plants in two (2) areas, and one (1) would be closer to where the majority of the need is potentially, right?

Mr. Esaki: Yes.

Councilmember Kualii: Troy, when I look at the scope of work again, which is broken down in the Wailua WWTP Process, Disinfection and Electrical Improvements Phase 2 handout, it says, "Demolish existing perimeter wall," "Demolish and remove existing fuel tank, slab, and appurtenances," "Demolish and remove existing abandoned chlorine contact basin," "Demolish and remove existing shed," "Demolish and remove existing trees," "Demolish and remove clarifier internals, access bridge, and stairs," "Demolish and remove existing filter roof structure," "Demolish and remove existing effluent pumps and piping," etcetera. If the County is getting rid of a lot of physical structures, because they are so bad, what is it being replaced with, and is the County rebuilding structures that can last another twenty (20) or thirty (30) years? It seems like a big investment for a WWTP that the County will move away from. Will the demolishing and removing of these structures help when the time comes to get out of there and clean everything up, or will that never be cleaned up completely, serving in some smaller capacity? What is the long-term plan?

Mr. Tanigawa: In discussing it with the Division of Wastewater Management and Stephen in the past, it is my understanding that there is the likely scenario of the need for a pump station in that area, so a lot of that equipment could serve that purpose. As mentioned before, the flexibility we are allowed in construction contracts to make adjustments within the existing scope of

work allows us to pivot where needed. For example, knowing that there are increased compliance requirements for the disinfection process to be able to reach the outflow levels needed, there are technological investments with ultraviolet (UV) systems that allow us to get there and achieve the type of treatment we need for reliable compliance. Those are the types of adjustments we can make with construction contracts. Again, we will build what we need to build to ensure we can properly operate, and nothing more. We do not need to spend the entire twenty-five million five hundred thousand dollars (\$25,500,000). We will only expend the amount of money needed to fund the necessary work. That is all.

Council Chair Rapozo: In what scenario will you not spend all the money? You received the bids and you have the contract. They tried to pull the bid, but how would you not spend that much money?

Mr. Tanigawa: The construction contract is much lower than the total amount. It is about seventeen million dollars (\$17,000,000), but there are other services we need to get, such as CM services, technical support from the designers. There is a contingency to account for unforeseen conditions during construction.

Council Chair Rapozo: They have a contingency in their bid, right?

Mr. Tanigawa: I did not see one.

Council Chair Rapozo: We went over the extras with Donald last time, and I was not satisfied with three million dollars (\$3,000,000) for...and I do not think he could explain it either. I cannot remember what it was for, but it was for an additional three million dollars (\$3,000,000). The seventeen million dollars (\$17,000,000) is hard, and that is if there are no change orders, right?

Mr. Tanigawa: Yes, that is the base contract.

Council Chair Rapozo: Troy, in the real world, it is rare to be under the estimate. In fact, more times than not, it goes over.

Mr. Tanigawa: That is why we work with a CM firm. The CM firm is there to monitor construction, make sure they meet compliance for our standards and contract specifications, make sure that the work is performed, and make sure the materials ordered are approved by us and are incorporated into the work. There are monitoring and documentation that happens. If any change orders are required, the CM firm is there to help us make sure it is fully justified. Again, we will only expend the amount of money we need. We have people helping us monitor the work to make sure that the work is done properly and that it is only done one (1) time. That is the aim. Sometimes, when a contractor installs something that does not meet specifications, we make them redo it. That is for only the work necessary to make sure we get the product we specified. It could extend the timeframe for the contract performance to be completed, but that is not on the County's bill. That is on the contractor if they do not perform properly. We have support.

Council Chair Rapozo: Is the County in compliance right now?

Mr. Tanigawa: We are in compliance with this charge, but because the system we have relies on constant monitoring and adjustments, there are times when the flow increases, such as during storms, the system cannot catch up with the amount of flow coming in, and we fall out of compliance and need to put notices on the beach to let the public know.

Council Chair Rapozo: This does not address the storm surges. What is on the paper that I am looking at, which has incredibly high costs for demolitions and removals and for which I share Councilmember Kualii's concerns...in fact, only two (2) of these lines have demolish and remove existing, with nothing else. What is that?

Mr. Tanigawa: If you look further down the bid item list, there is the equipment and improvements added.

Council Chair Rapozo: I see that. It is there. "Existing asphalt pavement, demolish and remove clarifying internals," but two (2) of these lines, even though they are for a small amount, it says, "Demolish and remove existing," and they may have forgotten to finish the sentence. What is that? What you just described as reasons for when the County falls out of compliance, do these repairs do anything to improve that?

Mr. Esaki: Because the permit is changing...the permit changes every five (5) years. In this particular cycle, DOH has really homed in on the enterococci number, dropping it from an average of seven hundred forty (740) colony-forming units (CFU) per one hundred (100) milliliters (mL) to thirty-five (35) CFU per one hundred (100) mL, which is a new requirement the County is gearing up for. The reduction from seven hundred forty (740) CFU per one hundred (100) mL to thirty-five (35) CRU per on hundred (100) mL is answered by this project.

Councilmember Holland: Which is covered by the three million dollars (\$3,000,000) which was discussed last time, right?

Mr. Esaki: Yes. The UV would be a big piece of that. It is a major piece of meeting the new number. The permit changed, which is perhaps adding to the confusion. The permit keeps changing.

Council Chair Rapozo: It is not adding to the confusion. It is regarding how much it will cost to update the equipment to adjust the change, without redoing the entire facility. I think that is what Councilmember Kualii is trying to say. What will it take for the County to get into compliance and keep its employees safe, versus using this opportunity to rebuild a facility when we know it needs to be moved. That is where I am very concerned. You can answer that question.

Councilmember Kualii: I think they just said the County is in compliance. They are worried about getting out of compliance.

Councilmember Holland: The County will not be in compliance very shortly.

Council Chair Rapozo: With the new permit and the new standards of the requirement, the County cannot currently get to that. I understand that and I definitely support improving the system to stay in compliance, but will it cost twenty-five million five hundred thousand dollars (\$25,500,000) to make the changes to get to this new compliance? That is the question. That is the whole question.

Mr. Tanigawa: I anticipate it will cost less. Based on current information that I know and that I see with the projections, I anticipate that it will cost less than that. I hope it will be in the twenty-two-million-dollar range, but as I said, there are unknowns, which includes the contingency that I am thinking about. Whenever you do construction, start digging, or start doing things, you run into unanticipated costs or unanticipated conditions.

Council Chair Rapozo: I understand.

Mr. Tanigawa: I cannot promise that it will cost twenty-two million dollars (\$22,000,000). I can only give you a projection, but I expect it to be less than twenty-five million five hundred thousand dollars (\$25,500,000).

Council Chair Rapozo: Will it cost more than fourteen million dollars (\$14,000,000)?

Mr. Tanigawa: It will be more than fourteen million dollars (\$14,000,000).

Council Chair Rapozo: That is the question I have. What part of this project...what does the County need to do to get its system to meet the new standards? I look at this list of having one million dollars (\$1,000,000) here, three million dollars (\$3,000,000) here, and one hundred sixty thousand dollars (\$160,000) there. I do not know what these mean. I am not a wastewater person, but it seems like an extremely high number to improve this WWTP to get it into compliance. There are a lot of things on here. Ninety-seven thousand dollars (\$97,000) is for a chain-link fence. What I am hearing and what I agree with Councilmember Kualii is the County is investing in a WWTP that it will not be using. That is where I am at and with what I struggle. Councilmember Holland.

Councilmember Holland: I will follow-up on that, because at the last meeting, I asked this question four (4) different ways and I might as well learn French so I can ask it again. If I remember correctly with how you folks answered, if the County were to pick and tease some of the things out of this current plan that may be very comprehensive for Phase I and Phase II, you would need to completely redo all of it and redo the bid, and with what is in front of us today, you cannot pick and choose which items to move on and to not move on. Can you clarify that again for me?

Mr. Tanigawa: If we said that we do not like what we see in these bid items, we want to change it, and we do not want to go through the construction process that is available to us to do a lot of that, it would require a redesign.

Councilmember Holland: Would that take years?

Mr. Tanigawa: It would take more time and it would cost more money. We would put out the request for bids again further down the line, and because of that, the costs would likely increase. We see costs rising all the time. We would pay more for the same improvement. Hopefully, everything is timely so that we can complete the improvements in this four-year window provided by DOH, but we will have less of a buffer by taking this back and starting construction later.

Councilmember Holland: Do you want to say anything on that?

DONN KAKUDA, Civil Engineer VI Manager: Donn Kakuda, Civil Engineer. We surely need to do the electrical work. It is outdated. It would be hard to take away a lot of what is in the project. There is the filter. Right now, we only have one (1) filter and want to add in the second. Part of the project includes cutting open the roof to install a filter. Instead of putting in a new roof, to save money, we are putting up a fabric canopy to protect it and to prevent pinecones going into the effluent. That is what will happen there. We need to fix the clarifiers.

Councilmember Holland: From an engineer's perspective, are there not a lot of things that you see in Phase I and Phase II which could not be related to Phase III that you are more concerned about?

Mr. Kakuda: In my opinion, we surely need to do this and we need to do the majority of Phase III. Realistically, if this is not done, the County will not be in compliance. The next mayor will receive a compliance decree if this is not done. If we do not do Phase III, if the next mayor has a second term, it will definitely happen. A wastewater consent decree will happen in their second term for Phase III.

Council Chair Rapozo: Is Phase III the upgrade that costs fifty million dollars (\$50,000,000)?

Mr. Kakuda: Yes. That is just what I think. That is my opinion.

Council Chair Rapozo: Do not put it on the Council if you folks do not support it.

Mr. Kakuda: I support it one hundred percent (100%). That is why we are here asking for money.

Council Chair Rapozo: I understand that, but this problem did not happen yesterday.

Mr. Kakuda: I understand that, too.

Council Chair Rapozo: Please pardon my frustration. When I hear, "If you folks do not pass it, we cannot do this." I do not really care. Right now, the County has an opportunity...

Mr. Kakuda: That is why we need it right now.

Council Chair Rapozo: If we are looking long-range with Phase II and Phase III, you are telling me that the County is not being forced or that there is incentive to move to a new location, because there will be Phase II and Phase III that can stay in the current location.

Mr. Kakuda: We definitely want to move, but we cannot ignore this part.

Council Chair Rapozo: From what we heard today, maybe five (5) years is a little dream, so maybe it is six (6) or seven (7) years if the County is using DHHL land. What will it take the County to get to where it needs to be while planning the move without building or rebuilding a system to remain in? Trust me. Maybe you were not on the Zoom meeting that I was on with Donald, and I do not know who else was on that call. This was only three (3) weeks ago. He said the County needs Phase III, it will cost fifty million dollars (\$50,000,000), and that will give the County another forty (40) years in that location.

Mr. Kakuda: I do not know about forty (40) years, but we definitely need Phase III.

Council Chair Rapozo: I am telling you what he told me. That shows that there is no urgency to move the WWTP.

Councilmember Holland: I think what Council Chair is saying is...

Council Chair Rapozo: Let me finish. That tells me that there is no urgency to move this WWTP. Seventy-five million dollars (\$75,000,000) is what you say it will cost. Seventy-five million dollars (\$75,000,000) to have a 1.5 MGD capacity WWTP.

Mr. Kakuda: I know this is not an apples-to-apples comparison. Take Hawai'i Island as an example. Their WWTP has a capacity of 5 MGD. They have one hundred million dollars (\$100,000,000) to fix it. They bid it out and it was one hundred eighty-seven million dollars (\$187,000,000).

Councilmember Holland: To fix it?

Mr. Kakuda: To fix it. They stopped, received a consent decree, and when then bid it out again, it was three hundred thirty-seven million dollars (\$337,000,000). That is what they are paying now. We want to fix it before it gets to that point.

Council Chair Rapozo: That is not apples-to-apples, because it is a completely different scenario.

Mr. Kakuda: I understand.

Council Chair Rapozo: We were told for the last two (2) years that it will cost two hundred million dollars (\$200,000,000) or three hundred million dollars (\$300,000,000), yet we hear that there are options that cost much less. As

Councilmember Kaneshiro said earlier, the Council drops money in an account and we have no control. You do what you want. I want the assurances that the County is only spending the money that is required to come into compliance until you can get the new County WWTP going. That is all I am asking for.

Councilmember Carvalho: I want to follow up, Troy, because we have had this discussion numerous times, right?

Mr. Tanigawa: Yes.

Councilmember Carvalho: As Council Chair Rapozo said, the County just needs to come into compliance so you can get moving, then transfer everything over. That is the bottom line. There is already fourteen million dollars (\$14,000,000) in the account. I asked why you need more. Just use that and go, then you can move on. However, you folks came back and said, "Okay, that is where we are at now." I just want to make sure we all understand that. This is what it takes as the County eventually...not eventually, the County will transition to this location. That is all. You said that the bids came in higher and that is why the request is higher at twenty-four million dollars (\$24,000,000) or whatever. The bottom line is if this is something that needs to happen today in order to keep it moving while you go through this process of this whole new adventure with DHHL. The question to me was, "Yes," so I just wanted to follow up on that, again.

Mr. Tanigawa: Yes, we need it today. The approval is needed today. Bids expire April 3, 2026. The option to accept the lowest bid price will go away. The next lowest bid is three million nine hundred thousand dollars (\$3,900,000) more. If we want to proceed with this project along the same lines of what we are discussing now, we will need to pay that amount more. We are asking if we can get approval for this funding now so we can award this contract. We will control the work, we will only do what is required to be in compliance, and we will only be paying back the actual expended cost.

Council Chair Rapozo: Councilmember Holland, I apologize. You had the floor and we interrupted.

Councilmember Holland: No, you are fine. To what Council Chair Rapozo is saying, with what I am hearing from him, it is hard for us to say "yes," knowing there are things that may be incorporated into this plan that are dependent upon Phase III, which this body is not supportive of. I understand that you would need to go out to a whole new bid. I am clear on that. If you sign this contract, at what point are you able to say, "We do not want you to do that work?" Forgive me. That is the part of me that is not understanding the process. If you say, "We award you this contract," do you have the power to say you do not want them to put two million dollars (\$2,000,000) into whatever it is that will lead the County to Phase III. Do you have the power to hold back and is there an interest to do that so things are not being lined up with Phase III, which the Council does not want to do? I hear you say that a lot Phase III needs to be done, and I respect that you are the expert here in what is being engineered, whether it is needed or not, to last five (5) to ten (10) years, which is the full extent that we are hoping this facility lasts. Just like you would not do with your own money, it seems crazy for us to invest if we do not really want it to survive

beyond that point and want to move on the other facility. I know we have said this every possible way we can say it, but is it possible to pull back some of things once the agreement of the contract is made?

Mr. Tanigawa: Yes. As I said, if we do not need to do certain types of work...for example, with the disinfection, we will bring in UV systems which will replace chlorination, so the change order process allows the flexibility to change things as needed.

Councilmember Holland: Can you pull back?

Mr. Tanigawa: Yes.

Councilmember Holland: Can you say you do not want certain things done?

Mr. Tanigawa: Yes?

Councilmember Holland: Can you commit to the same vision? Do we all have the same vision of not creating something beyond a 10-year life span and moving on an opportunity to create some other newer system so the County does not need to keep investing in this one?

Mr. Tanigawa: Yes. As Donn mentioned with the building redo for the filters, instead of building back a hard building, they are putting in vinyl material in its place. That thought process is already in place. We are only doing what we need to get by until we can have a new facility to use.

Councilmember Holland: Is there an agreement within the management of the Division of Wastewater Management that the County can move on something? I know there have been very opposed opinions on how much land is needed, so given the conversations that have happened over the last few weeks and the conversations with DHHL, is there some level of confidence now that the County can move forward with a smaller footprint or is there still pushback saying the County needs larger land space than what DHHL can provide?

Mr. Tanigawa: That is something we will work on with DHHL to figure out.

Councilmember Holland: Are you not confident this can be done on five (5) acres?

Mr. Tanigawa: I am not confident that the DHHL package plant can happen in five (5) years. I am not. I see things that I think will take longer.

Councilmember Holland: Even if it is ten (10) years, can it be done on five (5) acres?

Mr. Tanigawa: Five (5) acres?

Councilmember Holland: Yes.

Mr. Tanigawa: The WWTP itself is just a portion of the Division of Wastewater Management's responsibility. Processing is one (1) part of it. You also need to make sure you have sufficient distribution for disposal and that you have sufficient storage when you have off-specification (off-spec) or something goes wrong with the distribution system and you cannot dispose of it. For example, if you have land application and it floods, if the flood water gets into your land application site, you cannot send water there to be disposed. You need someplace for the effluent because it does not stop if it rains. It will continue to come. It is likely to increase substantially with inflow and infiltration. That is something we are in the process of fixing with our system. The reality is we have these things that create needs. You just need to make sure you fortify yourself and your facility so you can satisfy those needs when they come up.

Councilmember Holland: It is unsettling when we are told it can definitely be done on five (5) acres, but when we talk to your folks, you say that we might not be able to do this on five (5) acres.

Mr. Esaki: It is still to be negotiated.

Councilmember Holland: From an engineering perspective...it is obviously being done with modular systems on five (5) acres.

Mr. Kakuda: The treatment can be done on five (5) acres. The question is the storage. You can build storage on five (5) acres, but it is much more expensive. Donald is asking for more land because the storage would be cheaper.

Council Chair Rapozo: Donald is asking for twenty (20) to thirty (30) acres. That is the deal-breaker. Would you agree that twenty (20) to thirty (30) acres is what the County needs?

Mr. Kakuda: It depends on what we are trying to do.

Council Chair Rapozo: You tell me. I do not know. I am not the engineer.

Mr. Kakuda: For example, Maui will have forty-five (45) acres of disposal, but their land is better for disposal. As Ray said, they need to test the percolation, so I do not know how much is needed until we know that. That is why Donald is asking for a lot. It will be cheaper to build reservoirs than tanks. Tanks will be very expensive to build.

Council Chair Rapozo: Do they not need tanks in the DHHL model? Do they not need storage. I do not understand.

Mr. Kakuda: I did not see that much storage on their plan, but maybe I did not...I am not familiar with what they are trying to design.

Mr. Esaki: I heard them say they have yet to figure out their effluent disposal piece. We also need to figure that out. As I said, how much land to use still needs to be negotiated. We do not want to stand here and jeopardize the County's ability to negotiate.

Councilmember Kualii: I thought I heard Ray say they would treat the water to drinking quality, then they would put the water out on their Ag lands, because they are giving subsistence Ag so that you can eat the Ag products that the water is on.

Councilmember Holland: There is less disposal.

Councilmember Kualii: I believe there is at least five hundred (500) acres.

Mr. Kakuda: That definitely works when the weather is good. The question is what to do when the weather is bad. If it floods, they will not be able to take in any water. What will we do with it then?

Council Chair Rapozo: We can end that discussion right now, because if you are saying it cannot be done in five (5) or ten (10) years, then DHHL will not be a willing participant.

Councilmember Kualii: No. It is that DHHL will move forward without us.

Council Chair Rapozo: Yes. That is my point. Why spend more time talking about DHHL? If you are stuck on a 20-acre requirement, then that will not happen. I can assure you. Mr. Watson agreed on up to ten (10) acres.

Mr. Kakuda: We can build storage tanks, but they would be very expensive. That is the only thing. If you have less land, it will just be very expensive to build storage. That is all.

Council Chair Rapozo: Where will the County get more land? Where? Will the County get a realtor and ask them to find the County forty-five (45) acres of land? That is also very expensive.

Councilmember Holland: Is it common to have a storage facility off-site of the actual package plant?

Mr. Kakuda: It is not very common, but it can be done.

Councilmember Holland: If there were a five-acre package plant there, could you have storage somewhere close by?

Mr. Kakuda: It would need to be out of the *tsunami* zone, though.

Councilmember Kualii: Is storage primarily meant for those times in bad weather when you cannot put it on the ground, the golf course, or the farmlands, because there is too much rain and it is too wet?

Mr. Kakuda: Yes. I think that would be the main reason for storage. You could also get more R-1 storage if, for some reason, they could not take all the water during good weather, but we are more worried about the other scenario.

Councilmember Holland: If it is R-1, could you not outfall it?

Mr. Kakuda: You can outfall anything as long as we meet the permit requirements. It does not need to be R-1. As long as we meet the permit requirements, we can send it to outfall.

Councilmember Holland: In that case, if that was the condition, then you could flip it to outfall.

Mr. Kakuda: That is true, but we want to make the fixes at the Wailua WWTP to make sure we can keep doing that.

Councilmember Holland: I am talking about the new facility.

Mr. Kakuda: If you are talking about outfall, we would need to send it from the facility to our existing WWTP anyway. We want to fix it to ensure that we can do that.

Councilmember Kualii: What you are storing is the already treated water, right?

Mr. Kakuda: It can be both. For example, we have a storage in Waimea where we store R-1 water for use. The park cannot take it all, so we store it.

Councilmember Kualii: Does the park take it when possible?

Mr. Kakuda: Yes. In Waimea, we do not have a storage basin for off-spec water.

Councilmember Kualii: Besides a tank, can it also be a dry pond that is only used during heavy rains?

Mr. Kakuda: It could. For R-1, you have a tank to pressurize it, so it can be sent for irrigation. You can pressurize water in a pond, but it is a little different.

Councilmember Kualii: ...or dry sunken fields. You can have green space that is used for other purposes ninety percent (90%) of the time, but in those rare times when we have ten (10) days of rain, like what we just had which is rather unusual and water backed up everywhere, you do not use the fields for that purpose;

you use it for the overflow of clean water. It is not sewage water, right? It is treated water.

Mr. Kakuda: In that case, yes.

Councilmember Kualii: You put out water that is treated to some degree to the ocean near Lydgate now, right?

Mr. Kakuda: Yes.

Councilmember Holland: Except it is not R-1 right now.

Councilmember Kualii: Obviously, we want to stop all of that. Going back to the whole thing about compliance, permit compliance, and the new standards...

(Council Chair Rapozo was noted as excused.)

Councilmember Kualii: When did the old standards end, when did the new standards begin, and when do you think they will change the standards again?

Mr. Esaki: Right now, the Wailua WWTP is operating under the 2019 version of the National Pollutant Discharge Elimination System (NPDES) permit. We have yet to receive the new, updated permit, but we applied for it in October 2023, and we have been put on Administrative extensions for the past couple of years.

Councilmember Kualii: Great, so the County can get extensions?

Mr. Esaki: It is not up to us. It is up to DOH.

Councilmember Holland: The County is operating on an extension now?

Mr. Esaki: That is correct, but it is not up to the County.

Councilmember Kualii: Is it that the County already applied for the new permit, but it does not meet all the requirements, so it will not be renewed until all this is done?

Mr. Esaki: The new one will become active possibly as soon as May. With the new permit, there is language that says, "You shall meet these following deadlines..." which is the compliance schedule that I was referring to.

Councilmember Kualii: When something is finally put in place...because you are saying it is not even in place, yet?

Mr. Esaki: That is correct.

Councilmember Kualii: When it is put in place, how long are you given to do major investments, demolishing, and construction? How long will they give you to meet it? Is it five (5) years?

Mr. Esaki: We asked for four (4) years.

Councilmember Kualii: What is a little more time? Then the County has all the time it needs to get the new WWTP up and running without spending seventy-five million dollars (\$75,000,000). That is what it looks like to me.

Mr. Esaki: Yes. I do not speak on behalf of the County, but...

Councilmember Kualii: I know some of you do not believe it can be done in five (5) years, but...

Mr. Esaki: We can reach out to DOH to get more clarity on that. They operate the permit and the County follows it.

(Council Chair Rapozo was noted as present.)

Councilmember Kualii: Council Chair Rapozo, you missed the best part. They are now operating under the old version of the permit from 2019 and they can get extensions, but he said that from May, they will be forced to go to the new version which will then require them to meet all types of changes and make huge investments, which they are more or less already planning to do, in order to meet the new permit compliance, but they already asked for at least four (4) years. They give you time to get all those things done, so the time the County is given to do all this is actually the time needed to get the new WWTP up and running.

Council Chair Rapozo: That has been my point all along.

Councilmember Holland: Part of this is also that while the County may be extending its compliance under these exemptions and extensions, the reality is the County is not doing the right thing for the ocean. The County is not doing the right thing for the Eastside of Kaua'i, so to allow for another five (5) years to pump the system...

Council Chair Rapozo: Let us back to asking questions. We will have an opportunity to discuss. Right now, I want to focus on asking questions.

Mr. Tanigawa: Councilmember Kualii, can I clarify. The extension is not to the existing permit. The extension will come with the new permit. Once it is set, it is set.

Councilmember Kualii: When does the 2019 permit expire?

Mr. Tanigawa: In May, when the new permit becomes effective.

Councilmember Kualii: May 2026.

Councilmember Holland: The numbers are much less, right?

Mr. Esaki: It is quite less.

Councilmember Holland: It is a major adjustment.

Councilmember Kualii: Is all this planned work you are trying to do to be compliant with the May 2026 guidelines?

Mr. Tanigawa: Yes.

Councilmember Kualii: In June, because this work is years from being completed and millions of dollars away from being completed, the County will not be in compliance, so this whole thing about the mayor getting a notice...they will get it anyway. Are you saying that the County is just showing that it is moving?

Mr. Esaki: The permit requires showing that you are moving.

Councilmember Holland: Then hopefully, the County has two (2) to four (4) years.

Mr. Esaki: Yes.

Councilmember Kualii: Because we have all we have been talking about is eleven million dollars (\$11,000,000), my biggest problem is that when I asked the question for the item breakdown of Phase III and the forty-five million four hundred fifty thousand dollars (\$45,450,000), when I read the breakdown, and you shared that some equipment can be used for a future WWTP...I do not know if it is just for the plant or perhaps even the pump station that might remain in place, so you can confirm that one way or the other...it says Headworks, nine million one hundred thousand dollars (\$9,100,000); Surge Basins, two million seven hundred thousand dollars (\$2,700,000); Sitework and Electrical, fourteen million three hundred thousand dollars (\$14,300,000); Aeration Basins, one million dollars (\$1,000,000); Screw Pumps, Mix Well, seven hundred fifty thousand dollars (\$750,000); Primary Filter, ten million seven hundred thousand dollars (\$10,700,000); Solids Handling, four million nine hundred thousand dollars (\$4,900,000).

(Councilmember Carvalho was noted as not present.)

Councilmember Kualii: The other thing, which is separated, is called an Indense Selector, two million dollars (\$2,000,000)...all of these say, "Permit Compliance," then it says either, "Maintenance," "Capacity contribution," or both, and for the Indense Selector, it says, "R-1, Capacity." When you break it down, you say, "\$31,600,000 of the work will also accommodate higher flow treatment for its respective process to meet the 1.5 MGD. We believe that redesigning to meet the 1.0 MGD flow will not result in any significant cost reductions for these processes."

You also say that of the forty-three million four hundred thousand dollars (\$43,400,000), eleven million eight hundred thousand dollars (\$11,800,000) is exclusively for compliance. I do not get it. If the County can meet compliance with eleven million eight hundred thousand dollars (\$11,800,000), why are you not just going the eleven million eight hundred thousand dollars' (\$11,800,000) worth of work? For the two million dollars (\$2,000,000), you say "\$2,000,000 of the total budget is exclusive to meeting the 1.5 MGD permitted capacity however it will be required to ensure R-1 treatment." That is for the Indense Selector. I think what he says is true, and it sort of sounds like that, in fact, even though we are approving an increase of eleven million five hundred thousand dollars (\$11,500,000), we are going on the slope where you will be right back, maybe not to us, particularly, but maybe the next Council...I do not know how long it will take you, but you will be back for forty-five million dollars (\$45,000,000), if not more...

(Councilmember Carvalho was noted as present.)

Councilmember Kualifi: ...just to do these fixes on a WWTP the County is moving away from. Is that true?

Mr. Tanigawa: This is an old facility and the more time we take, more elements of this WWTP process will need to be fixed. Yes, if we take too long, we will need to spend more money on this old WWTP to continue to be able to treat effluent properly. That is why we have two (2) parallel tracks. We will seek a new facility. First, we will try working with DHHL. We are hoping we can strike an agreement that is favorable for both sides and meet both sides' needs. They have already said they are looking at no more than 1.5 MGD. Based on our future needs of needing up to 3 MGD, we will need to look elsewhere for another facility.

Councilmember Kualifi: When they say it will cost twenty-five million dollars (\$25,000,000) to thirty million dollars (\$30,000,000) and will take five (5) years, because of the new technology, the day the WWTP plant opens, it will be fully compliant with all the new requirements. Is that correct?

Mr. Tanigawa: Again, that is just treatment. They have not figured out disposal yet, which is still required. Once you figure out disposal, then you have a full...

Councilmember Kualifi: They and the County, right? If you are working with them, you need to do the transmission lines. Obviously, there are additional costs, but they are not seventy-five million dollars (\$75,000,000). Do you know what? I still have a hard time with this, but I understand what you are saying. You are basically saying you need to go with two (2) tracks, because you are not sure...it sounds to me like you are not really sure either way, but maybe you are more certain with a seventy-five-million-dollars investment. You are investing seventy-five million dollars (\$75,000,000) to keep a WWTP going, because you do not believe the new plant can be online in five (5) years. When the new plant comes online in five (5) years, it can take all that would be going to the old WWTP, but if something cannot not happen, you need seventy-five million dollars (\$75,000,000) as insurance. It is very expensive insurance.

Council Chair Rapozo: Councilmember Kualii read certain parts of Phase III that could be used for the new WWTP, but a package plant is different from a traditional WWTP, right?

Mr. Esaki: That was me. As Troy shared, when all is said and done, there will be something at the WWTP location. At minimum, it will be a pump station, because we need to get the flow up the hill.

Councilmember Kualii: The three (3) items you listed are Headworks for nine million one hundred thousand dollars (\$9,100,000), Primary Filter for ten million seven hundred thousand dollars (10,700,000), and Solids Handling for four million nine hundred thousand dollars (\$4,900,000), so four (4) of the five (5) most expensive items...would all three (3) of these items remain and be used at the pump station.

Mr. Esaki: Yes, we could design it.

Councilmember Kualii: You could design it to do that? You need to design it to do that.

Mr. Esaki: Yes, we will.

Councilmember Kualii: The County is moving out of there in five (5) years, or soon thereafter.

Mr. Esaki: The Headworks...because something will remain at the Wailua WWTP location at the end of the day, if we put the Headworks there, it will be a valuable investment in both the current and far term goals for the treatment facilities in Wailua.

Council Chair Rapozo: Do you think it is a wise idea to have any part of this WWTP process, even if it is a pump station, in the inundation zone? Do you think it is a wise plan? I asked this question the last time and the Mayor needed to come up and answer. If someone else said they want to build a WWTP or pump station exactly where Lydgate is, would the County allow that to happen?

Mr. Esaki: The whole collection system is in the *tsunami*-designated zone. The entire collection system and the entire town of Kapa'a is in the entire *tsunami*-designated zone. Pump stations are where the people are. You need to put the pump stations where the people are.

Council Chair Rapozo: The question I asked is if the County would allow a new...

Councilmember Kualii: The Mayor said, "No," when we asked him.

Council Chair Rapozo: Would the County allow any private entity to build a pump station in an inundation zone?

Mr. Tanigawa: We have pump stations and the pump stations are in the inundation zone and they need to continue to be in the inundation zone to push sewage forward to the get it to the WWTP.

Council Chair Rapozo: It is allowable?

Mr. Tanigawa: Yes.

Council Chair Rapozo: Can it be built anywhere else?

Mr. Esaki: Unless you pipe it uphill, that is where it goes. As the saying goes, "It flows downhill."

Council Chair Rapozo: Okay. Are there any other questions? Go ahead.

Councilmember Holland: Stephen, the modular system or package plant...what do you think about having two (2) systems, over time, meeting the need?

Mr. Esaki: We have evaluated multiple systems in the work that we have done for the Division of Wastewater Management. I know Mr. Kanna indicated that you could get away with less operators or staff. I would just remind you folks that the Hawai'i Administrative Rules (HAR) Section 11-62 requires that we design WWTP with certain design standards. Those design standards require quite a bit of investment than typical treatment plants you see at a hotel, for example. Because this is a County WWTP, there will be, by nature, more investment in the WWTP. We have looked at multiple package plants or satellite treatment plants serving different areas. We are still subject to the areas where we cannot put in a WWTP. We know those very well. Basically, the *tsunami*-designation goes to Route 5600 (Kapa'a Bypass Road). That, by itself, eliminates a lot of places we would consider putting it. Of course, we have the Sleeping Giant and Kalepa Mountain on the other side of Wailua River. The mountains themselves restrict where we can logically put a WWTP.

Council Chair Rapozo: What are you saying?

Mr. Esaki: That we would like to have one (1) WWTP and work with DHHL.

Council Chair Rapozo: Then is the package plant out?

Mr. Esaki: No. We would like to work with DHHL.

Council Chair Rapozo: Did you say that the inundation zone goes up to the bypass road?

Mr. Esaki: Yes.

Council Chair Rapozo: Is the area we are talking about across the highway...

Mr. Esaki: DHHL is out of the inundation zone.

Council Chair Rapozo: Is it out of the inundation zone?

Mr. Esaki: Yes.

Councilmember Holland: It is elevated enough.

Council Chair Rapozo: That is what I thought. I am trying to figure out what bypass road you are talking about.

Mr. Esaki: Kapa'a Bypass Road.

Councilmember Kualifi: For Bette Midler.

Council Chair Rapozo: We are not talking about Bette Midler. We are talking about DHHL.

Councilmember Holland: Even that is outside.

Mr. Esaki: Therefore, nothing in the Kapa'a Bypass Road area is a real area.

Council Chair Rapozo: The only reason I focus on DHHL is because that is the low-hanging fruit, as far as land is concerned. Yes, there are a lot of negotiations and things that you need to do, but anything outside of that...the other thing is that DHHL can do things with their land that the County cannot, just by statute, so the County not pursuing that would be a mistake. It would add time to the project. Bette Midler is out. We talked to Ms. Midler. She is done because of the demand for the excessive amount of land that the County is asking for. That is the reason. Are there any more questions for the Administration? If not, thank you. Is there anyone in the audience wishing to testify?

Mr. Sykos: For the record, Lonnie Sykos. These are very interesting discussions that you are having. For me, a member of the public sitting out here, one (1) of the things that disturbs us is micromanaging. I appreciate you wanting control over money, but none of you are experts in engineering. When you repeatedly ask the question that the County designed to fix, and it has moving parts, and then you want to capriciously yank some parts out to save money. You will not save money. I do not know when that WWTP was built, but if it was built in or before 1973, it has been out of compliance with the Clean Water Act since it was built. This WWTP is decayed. It is a monster. We allowed it to get so old and so decrepit that when the main pump broke, we could not even fix the main pump. We needed to hire someone to fabricate the parts. I do not see how we will bring that WWTP into compliance without spending tens of millions of dollars. The option you have is to try to save money, not do the second plan, and not do the third stage, but my question is what you will do if the WWTP fails and sewage cannot be pumped into it anymore. Do you want that political disaster, because that is what it will be? It will be an utter political disaster and your heads will roll. You cannot allow that WWTP to fail. The stupidest political thing ever done in the State is Hawai'i would be to let that WWTP

fail. It will take fourteen million dollars (\$14,000,000) for the first deal. It will take another fifteen million dollars (\$15,000,000), twenty million dollars (\$20,000,000), or thirty million dollars (\$30,000,000) for the second phase...

Council Chair Rapozo: No, it is twenty-five million dollars (\$25,000,000) and fifty million dollars (\$50,000,000).

Mr. Sykos: It is twenty-five million dollars (\$25,000,000) and fifty million dollars (\$50,000,000). One of the huge problems we have is that the pipes have *puka* from seawater and we get seawater intrusion. Will we fix that? From the previous deal, I remember that the line that goes offshore has a bunch of valves for venting and a bunch of them are broken and do not work. The whole system is so horribly decayed, I am grateful it does not cost one hundred million dollars (\$100,000,000) to fix the thing. I am grateful we do not need to completely rebuild it to stay in compliance.

Council Chair Rapozo: Is there anyone else wishing to testify?

Mr. Strom: Good afternoon. Hugh Strom, for the record. I want to correct some misnomers. The facility is in compliance in its current state.

Councilmember Holland: Did you say it is in compliance?

Mr. Strom: It is in compliance, so the sky is not falling, but if we have an imposed, tighter restriction coming down the line, the County has the ability to work with DOH to say, "Please, we are working with DHHL in building a new WWTP," or "We are siting a new plant, so we are asking for some time." They will give it to you. If you make the pitch and can show that you are doing something, they will give it to you. They are not hard and fast. They will not impose a financial...fifty million dollars (\$50,000,000) to seventy-five million dollars (\$75,000,000) to fortify Wailua WWTP...it will not go away. You may as well tell DHHL sorry, because you will spend that type of money. You could build a new WWTP for that with DHHL entirely if you think about it that way. I suggest that we look at how to address critical items at the facility, not "the need, not the nice,"—the need to do right away, not the nice to have for the next twelve (12) years. Everything I am hearing suggests the plan is on the twelve-year plan with no regard to "we need to change the way we are thinking with DHHL." There is no commitment if you will do that. Capacity at the facility...inflow and infiltration. A great way to spend ten million dollars (\$10,000,000) is to do inflow and infiltration remediation in the collection system. Are you giving them two hundred million (\$200,000,000) in twelve (12) years? Triple or quadruple that in twelve (12) years. You know what inflation will do. You know what equipment prices will do. That is the lesser of the two (2) evils. If you get rid of or minimize the inflow and infiltration, then you have more capacity at the WWTP and we will not need to have restrictions. Also, to correct the misnomer of fifty million dollars (\$50,000,000) for DHHL's facility and if the County buys in, the County will need to put in another fifty million dollars (\$50,000,000) for our capacity. No, that is not the case. Fifty million dollars (\$50,000,000) is for site preparation, setting down the preliminary...

Council Chair Rapozo: Is there anyone wishing to testify? You can have your second three (3) minutes.

Mr. Strom: You will only end up paying. I suggest the County only pays for their added train or modular unit. Let us call it "modular," because "package" sounds flaky. If you add and design...I will work with DHHL. You design the footprint in such a fashion where you add trains or modules. The first module is one hundred fifty million (150,000,000) gallons, the second module is one hundred fifty million (150,000,000) gallons, the third is for the County's expansion for one hundred fifty million (150,000,000) gallons. That is how it should be designed. I learned through experience. The County needs to shift. I understand where they come from. They need to fortify and they want to keep the government off their backs. The Council needs to support them if there is a hiccup along the line and say, "We support this extension and we want them to be given some type of reprieve," when you need to go with DHHL. There is a misunderstanding of the modular units and what they are capable of. Noncompliance from a membrane treatment plant is very rare, if at all. We have been running one (1) for seventeen (17) years and have not had an issue. Have you ever had a boiled water notice? Same membrane. No. Again, if the consultants do not understand what an MBR is and what its capabilities are, and the technology shifts, then it is difficult for people to understand and to present to the Council. My fear is that you do not have the true story or the true picture of how this can possibly come together. Is there a value engineering (VE) clause in the bid? If there is not one already, then throw the bid out, negotiate the low bid, and make sure the VE is in there. If it is, then they can move forward with the discussions of what is needed today, how much we need, and if we need to destroy a chemical building or if it can be taken down to a pad and put a temporary building up if it needs to be housed. This is VE. Thank you.

Council Chair Rapozo: Thank you.

Councilmember Kualii: I missed what you said. Did you say something about ionize and ten million dollars (\$10,000,000).

Mr. Strom: I&I stands for inflow and infiltration. Right now, Wailua WWTP...and maybe the County can have a better take, but I bet that on a good day, twenty-five percent (25%) of the flow is coming in as salt water. You are treating and paying to treat and dispose of salt water. In the heavy wet weather days, I guarantee it is over one hundred percent (100%). If I am wrong, correct me, but that is seen across the State. That is why you see so many overflows and spills.

Councilmember Kualii: Were you saying there needs to be a fix to that which might cost ten million dollars (\$10,000,000)?

Councilmember Cowden: Can I try to clarify that question?

Council Chair Rapozo: Let him try to answer. I believe the question is directed to him.

Mr. Strom: I am saying that the extra eleven million dollars (\$11,000,000) can be put towards solving that.

Councilmember Kualii: Okay.

Councilmember Cowden: I have a clarifying question on that one. In my mind, solving it means putting in new pipes. I know pipes can be shimmed, but to solve a pipe with *puka*, that is how I try to explain inflow and infiltration...do I have that right? There are *puka* in the pipe.

Mr. Strom: It is an intrusion.

Councilmember Cowden: Yes, coming in, right? The pipe is not a waterproof membrane, so you almost need to get a new pipe, right?

Mr. Strom: No.

Councilmember Cowden: I know we put a shim in a lot of them. What do you do? How do you solve it?

Mr. Strom: The City and County of Honolulu has done this and we were involved. We even looked at this. When I say “we” I mean my past employment with Aqua Engineers. We installed a new pipeline, but that is because they had a huge housing development. In areas where they did not, you would line them—cured-in-place pipe (CIPP).

Councilmember Cowden: Is that a shim that you stick inside? We did that when we broke the pipe. Do you remember that? It was crushed when a fire hydrant was being installed, so the County put a camera down and a shim in. You are still looking at a seventy-five-year-old pipe, right? You are not trying to fix it.

Mr. Strom: That is correct, but when you do a CIPP, you are putting in a...

Councilmember Cowden: What does CIPP stand for?

Mr. Strom: Cured-in-place pipe. When you do a CIPP, you add in a liner that is good for fifty (50) years.

Councilmember Cowden: Okay.

Mr. Strom: The County will not be the first ones doing that. The City and County of Honolulu is doing that all over the place.

Councilmember Cowden: Okay. That is helpful. Thank you.

Council Chair Rapozo: Thank you. Is there anyone else? Are there any other questions? If not, thank you very much, sir. Is there any further discussion?

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

Councilmember Kualii: Can I ask Troy a question?

Council Chair Rapozo: Okay. Troy, can you come back up, please?

Councilmember Kualii: Do you know if there is a VE clause in the bid?

There being no objections, the rules were suspended.

Mr. Tanigawa: Yes, I believe most of our construction contracts have a provision for VE.

Councilmember Kualii: Okay.

Council Chair Rapozo: Thank you. Is there any further discussion?
Councilmember Holland.

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

Councilmember Holland: For me, this is a very tough seat for all seven (7) of us to be in. The way that I think about this is that it has come to us long overdue to the point where eminent action is needed, so we are put in a really bad situation, because the County should have been moving on coming up with another solution a long time ago. I know the County has been and there has been a lot of stops to it. There have been a lot of issues and things to overcome. For me, I am not an engineer and I do not understand the experts in the room and the disagreement between the amount of land and the possible solutions. What I do know as an environmental scientist is that what the County is doing to the Eastside of Kaua'i is not acceptable. For me, the cost of ensuring the County is doing the right thing and is not polluting the community and environment more than it already is because of these effluent outflow points and the amount of maintenance this site needs puts us in a situation where these things needs to be done because in May, there will be a very low number that the County will need to meet. I hear that, yes, there are things in this that the County needs to do and, yes, there may be things that the County does not need to do long-term, but what I heard in my four (4) times of asking in two (2) different languages is that there is no way without going back to a bid, rewriting the plan, rewriting the proposal, and coming back with a value that will probably be just as high as this low bid to where the County ends up getting screwed over for the money and the time, and the County will be right back where it started. What I really wanted to hear and hoped to hear in this conversation is that the County will put eight (8) out of ten (10), or nine (9) out of ten (10), of its eggs into moving forward with a new facility while the bare minimum is done. I feel that I sort of heard that and feel like the County is getting there, but I worry that any type of delay to this will dramatically impact the long-term impact to the Eastside of Kaua'i and that there will possibly be financial impacts because the County will be going years back, which the County cannot afford to do because there are two (2) months before this new permit requirement comes into play. If they grant the County the most of time...if DOH decides to give the County four (4) years, the County will have a maximum of four (4) years to meet the very stringent requirements that will take a huge investment. It feels like I do not have a choice other than supporting this, because the environment and degradation is not acceptable, and we cannot be responsible for that. I also agree that if something happens and that system fails, it

will not be pretty and it will cost many more hundreds of millions of dollars to address the problem than what we are talking about today. I can move forward on twenty-five million dollars (\$25,000,000), but I cannot move forward on fifty million dollars (\$50,000,000) for Phase III. I am just putting that out into the universe. I can move forward on this huge cost. It is still upsetting that we are in this situation and that it has come to this final moment where a decision needs to be made, but I could not live with myself if I voted against this, it fails, and there is a gap period where there is nowhere for everyone's waste to go. I also could not live with myself accepting what I think has been longstanding unacceptable standards for the outfalls of Wailua, so I will be voting to support of the twenty-five million dollars (\$25,000,000) with major apprehensions about any further funding to the facility with a huge emphasis on and almost a plead to doing anything you can to come to an agreement with DHHL and to come up with a solution that moves the County forward in a much more timely manner to do what needs to be done.

Council Chair Rapozo:

Councilmember Cowden.

Councilmember Cowden: Building on what Councilmember Holland said, I see that the County absolutely needs to enter into a discussion and collaborating phase with DHHL. The County has spent too long to not get there. The County needs to be in that. That is what we are entering. The County does not have a new contract, yet. If there was a new contract already, we were in agreement that the County is working with them, and that was all figured out, I would be able to sit there and risk a little bit more on this, but as Councilmember Holland framed it, bringing the existing WWTP into compliance with DOH is absolutely essential. If the County does not start working on that, the County is, as they say, "kicking the can down the road." This needs to be moved forward. I keep looking at what is going on in the world and we have tenuous world conditions out there that could create timeline delays on any type of project. We will really have a lot of inflation. Maybe not. I hope I am wrong, but we need to move with that. I will vote to approve this step for giving the expanded amount of dollars for this phase, but as Councilmember Holland said, I am not excited about considering the next phase—the fifty-million-dollar phase—but getting the County to move forward, I will do that. I am hoping that the County does have a plan with the DHHL partnership. It is an excellent plan and when he spoke about coming together to get Federal funding, maybe the County will be able to do that. I look at all this money the Federal government is spending in ways I wish they would not be. They might not have a lot. The State might not have a lot after all these floods. If the plan for a partnership for a package plant manifests and we see that the County will come on, and if it happens in five (5) years, then we absolutely do not need this forty-million-dollar to fifty-million-dollar package, because the County should be moving and getting into the new place. I am in agreement that if there is extra money anywhere, if the County closes the *puka* in the pipes, if the County eliminates all this extra water coming in wherever it can...I think we also need to look at...I will not get lost in where we have some problems, because I have been paying a lot of attention to where the County has problems. I will end it there. I am willing to do the twenty-five million dollars (\$25,000,000), because I have no doubt that whatever cost there is will be amplified and I want the County to have that capacity. In a perfect world, the County will get this plan together, will be moving, will at least be able to meet the NPDES

permit standards, and we will have *kūpuna*, *keiki*, and everyone in between swimming and surfing around that ocean outfall, so we do need to make it healthier.

Council Chair Rapozo: Thank you. Is there anyone else?
Councilmember Kaneshiro.

Councilmember Kaneshiro: I will be voting for the Resolution today. I completely understand the two (2) tangents at play and the astronomical costs associated with both. Does the County put money into improving a facility it already has that is a *tsunami* inundation zone, or does the County move to construct a new facility? Our hands are tied. The alternative is not readily available, the County cannot put up a WWTP anytime soon, the County does not have the land or an agreement, it will take time to put up, and these improvements are needed and necessary right now. Based on that, I will be voting in favor of the Resolution.

Council Chair Rapozo: Thank you. Is there anyone else?
Councilmember Carvalho.

Councilmember Carvalho: As far as I am concerned, after major discussions and I appreciate all the information that was shared today from both sides, we just need to move forward. DHHL is with the County. I really want to continue that discussion, of course. They are totally willing to work closely with the County as the County moves forward, so that is a positive. As far as the WWTP itself right now, I have gone through both sides to figure out what the best way to address this is. We need to move forward in order to make it happen on both sides. I know DPW is trying to do what they can and a lot of the information shared today opened a lot of different paths and doors for me, but overall, we just need to move forward. With the existing WWTP, I know there are issues with the funding, the fourteen million dollars (\$14,000,000) there currently is, and the reason why we need to increase the money. I will hold DPW accountable for following through and making sure they continuously make the right decisions. In general terms, it is important that we just move forward.

Council Chair Rapozo: Thank you. Is there anyone else?
Councilmember Kualī'i.

Councilmember Kualī'i: I have the luxury of voting second to last. I want to say *mahalo* to the Division of Wastewater Management, DPW, and DHHL for coming forward and educating us. We still have a lot to learn. It is unfortunate that we are in the situation we are in, and it is our own fault. We have been talking about it for too long and we have not been taking enough action, even from our side. I absolutely hope, whether this next vote on Phase III comes before the current Council or the next Council, that they will heed to everything we have been through with this. My vote will be to make the point that we need to be more thoughtful and cautious, and the County needs to start earlier to avoid this type of situation where the County is having to invest so much money into infrastructure which is not even for the generations to come. That is all. Thank you, Council Chair.

Council Chair Rapozo: Is there anyone else? First of all, to address Mr. Sykos' micromanaging comment, this is not micromanagement. This is accountability. For those of you who do not know and were not here during previous budget meetings when this Council and prior Councils have asked the Division of Wastewater Management what they need, the responses were always the same. "We are good." I am sure the change in the health standards, emission standards, or whatever you call it did not happen last month. I would bet that there was quite a lot of notice before being told, "By the way, in April or May, your numbers will drop," yet no one made the Council aware. I do not pay attention to those things. The most frustrating thing is when resolutions such as these drop and they say, "We need you folks to support it now," without giving us an opportunity to thoroughly vet the issue. It is not fair. Mr. Sykos was right about one (1) thing. I am not an expert in this. However, this Body was never intended to be filled with experts. It is made from representatives who rely on information from experts. Just from the briefing earlier today, we were all educated in possible options or solutions for this County, yet those solutions or potential solutions were not dropped on the floor today. The Administration has been well aware of those options for years. Hugh, you were in the first meeting we had in the conference room here with the Administration. Nothing. I am not sure how much discussion was done or how much effort was done. All I know is that a couple years ago, we were just made aware of this and we need to rush to fix this broken-down WWTP, because there is no alternative ready to go. That is the frustration. It is not micromanaging. It is trying to hold people accountable. If this were the result of a natural disaster where the WWTP was devastated from a hurricane, tornado, or *tsunami*, that is a different story. This is not something that just happened overnight. That is the frustration I have. Councilmember Holland is right. She said it is a tough seat to be in. What options do you have, right? It is a tougher seat to be in when you know this Body has tried everything it possibly can without crossing the separation-of-power line to get these things done. Today, we sit here being told that if we do not approve it, we are responsible for polluting the water, getting the fines, and receiving the consent decree. No. If the County had followed the path I thought it was on, the County would have had the solution and would be moving towards a plan. From the information we got with all the different items and the costs, I do not know what the heck is what. I am not an engineer, I have no knowledge of wastewater, and I do not know what these things cost, but I do see things on the list that I question if it is really needed to bring this WWTP into this new compliance. Does the County really need twenty-five million five hundred thousand dollars (\$25,500,000)? I am curious to see what the Division of Wastewater Management comes up during the Departmental Budget Review meetings. I am waiting to hear what Donald tells us he needs in this upcoming budget. There better be some reference to some of the needs that the County has. Do not come every year saying, "We are good," then say, "You need to pass this now, because we are in trouble." Staff, I want a three-month update during the June 10, 2026 Committee Meeting and one (1) more three (3) months from then. For whatever time we have left as this Council, I want a quarterly report on what is being done as it relates to the relocation, whether it is with DHHL or not. I am not an advocate for DHHL. I want you folks to understand that. I am just saying that based on the needs, requirements,

land, and all of that, that seems like the easiest solution. It is not easy, but it is the easiest solution. On June 10, 2026, we will receive an update. I am sure we will hear more during the Departmental Budget Reviews. To be honest, I do not know how I will vote. When it comes to me, I will vote. There comes a point when we, as the Council, need to be able to say, "You will receive your fourteen million dollars (\$14,000,000). You already have your fourteen million dollars (\$14,000,000). If you need more, you come back. If you need to redo the contract, redo the contract." I am not sure of the specifics and how these things work. The County needs to be in compliance, but the Council is trusted with taxpayers' money. Whether it is a loan or not, it is taxpayers' money. I try my best to justify seventy-five million dollars (\$75,000,000) on a WWTP that needs to be moved. It is hard for me, it really is, and I try hard. That is all I have. Councilmember Kuali'i.

Councilmember Kuali'i: One last quick thing. Troy, I appreciate your saying that you are moving forward on the dual track, so please make sure the Division of Wastewater Management folks are working with DHHL. It is so preliminary, because they said the only commitment they are asking for is that together you will see what is feasible. They are ready to go. They said they will draft and send you a new MOA in two (2) weeks. Keep moving on that, because you need to get that going. Thank you.

Council Chair Rapozo: Is there anyone else? If not, roll call.

The motion for adoption of Resolution No. 2026-10 was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bulosan, Carvalho, Cowden, Holland, Kaneshiro | TOTAL – 5, |
| AGAINST ADOPTION: | Kuali'i, Rapozo | TOTAL – 2, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

Ms. Fountain-Tanigawa: Five (5) ayes, two (2) noes. The Resolution passes.

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

Resolution No. 2026-11 – RESOLUTION ESTABLISHING THE REAL PROPERTY TAX RATES FOR THE FISCAL YEAR JULY 1, 2026 TO JUNE 30, 2027 FOR THE COUNTY OF KAUA'I

Councilmember Kuali'i moved that Resolution No. 2026-11 be ordered to print, that a public hearing thereon be scheduled for May 13, 2026 at 5:00 p.m., and that it thereafter be referred to the Finance & Economic Development Committee, seconded by Councilmember Bulosan.

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

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

The motion that Resolution No. 2026-11 be ordered to print, that a public hearing thereon be scheduled for May 13, 2026 at 5:00 p.m., and that it thereafter be referred to the Finance & Economic Development Committee, was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR MOTION: | Bulosan, Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo | TOTAL – 7, |
| AGAINST MOTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

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

Council Chair Rapozo: Thank you. Next item.

BILLS FOR FIRST READING:

Proposed Draft Bill (No. 2988) – A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2026 TO JUNE 30, 2027 (*Fiscal Year 2026-2027 Operating Budget*)

Councilmember Kualii moved for passage of Proposed Draft Bill (No. 2988) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 13, 2026 at 5:00 p.m., and that it thereafter be referred to the Finance & Economic Development Committee, seconded by Councilmember Bulosan.

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 for passage of Proposed Draft Bill (No. 2988) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 13, 2026 at 5:00 p.m., and that it thereafter be referred to the Finance & Economic Development Committee was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR PASSAGE: | Bulosan, Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo | TOTAL – 7, |
| AGAINST PASSAGE: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

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

Council Chair Rapozo: Thank you. Next item.

Proposed Draft Bill (No. 2989) – A BILL FOR AN ORDINANCE RELATING TO CAPITAL IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2026 TO JUNE 30, 2027 (*Fiscal Year 2026-2027 CIP Budget*)

Councilmember Kualii moved for passage of Proposed Draft Bill (No. 2989) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 13, 2026 at 5:00 p.m., and that it thereafter be referred to the Finance & Economic Development Committee, seconded by Councilmember Bulosan.

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 for passage of Proposed Draft Bill (No. 2989) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 13, 2026 at 5:00 p.m., and that it thereafter be referred to the Finance & Economic Development Committee was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR PASSAGE: | Bulosan, Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo | TOTAL – 7, |
| AGAINST PASSAGE: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

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

Council Chair Rapozo: Next item.

Proposed Draft Bill (No. 2990) – A BILL FOR AN ORDINANCE TO AMEND 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 (*Hawaii Fire Fighters’ Association, IAFF Local 1463 (HFFA), Bargaining Unit (BU) 11 Temporary Hazard Pay*)

Councilmember Kualii moved for passage of Proposed Draft Bill (No. 2990) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 22, 2026, and that it thereafter be referred to the Finance & Economic Development Committee, seconded by Councilmember Bulosan.

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 for passage of Proposed Draft Bill (No. 2990) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 22, 2026, and that it thereafter be referred to the Finance & Economic Development Committee was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR PASSAGE: | Bulosan, Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo | TOTAL – 7, |
| AGAINST PASSAGE: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

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

Council Chair Rapozo: Thank you. Next item.

Proposed Draft Bill (No. 2991) – A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAX (*Tax Credit*)

Councilmember Kualii moved for passage of Proposed Draft Bill (No. 2991) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 22, 2026, and that it thereafter be referred to the Finance & Economic Development Committee, seconded by Councilmember Bulosan.

Council Chair Rapozo: There is an amendment, right?

Councilmember Cowden: Are we on Bill No. 2981 or Proposed Draft Bill (No. 2991)?

Council Chair Rapozo: We are on Proposed Draft Bill (No. 2991).

Councilmember Cowden: Okay.

Council Chair Rapozo: Before you introduce your amendment, I want to say that this is a Bill that will address the property tax class misclassification for those who acquire properties in the middle of the assessment year and they are an owner-occupant, but they purchase a home that was formerly non-owner-occupant or any other classification, the new owner is stuck in the classification until the next tax year. It is not fair. If you are an owner-occupant and you can prove that you are an owner-occupant but just happened to buy a property that was in a different classification, this will allow you to apply for the exemption and receive credit in the next tax year for the difference in tax rates. This is long overdue. We have an amendment, which is a housekeeping amendment.

Councilmember Kualii moved to amend Proposed Draft Bill (No. 2991) as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 1, seconded by Councilmember Kaneshiro.

Council Chair Rapozo: Councilmember Kualii is introducing this by request. It is a housekeeping amendment. Does anyone have any questions on the amendment?

(Councilmember Holland was noted as excused at 3:45 p.m.)

Councilmember Cowden: I have a question.

Council Chair Rapozo: Do you have a question?

Councilmember Cowden: Yes.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: It is rather clear to me. There is this piece on here, "...the more than two hundred seventy (270) calendar days of occupancy normally required of the Owner-Occupied." If the two hundred seventy (270) calendar days were to change to a smaller number, this would just flow with that, correct?

Council Chair Rapozo: Yes. The two hundred seventy (270) calendar days are not required for this exemption.

Councilmember Cowden: Is it not required? Okay.

Council Chair Rapozo: Obviously, if you purchased the property with less than two hundred seventy (270) calendar days, that requirement would not be required for this exemption.

Councilmember Cowden: Okay.

Council Chair Rapozo: Are there any other questions?

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

The motion to amend Proposed Draft Bill (No. 2991) as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 1 was then put, and carried by the vote:

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

Council Chair Rapozo: We are back to main motion as amended. Are there any questions?

Councilmember Cowden: Yes.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: I have a question. Section 5A-11.4(h)(4) says, "The Director shall apply the credit to the taxes due for the succeeding tax year, provided that the taxpayer remains the owner of the property on the assessment date for that tax year." The last sentence of that says, "If the taxpayer is no longer the owner of the property on the assessment date for that tax year, the taxpayer shall not be eligible for a credit or refund." Does that mean if they own it for less than one (1) year, they are stuck with the high tax rate?

Council Chair Rapozo: For the portion of the year that they paid.

Councilmember Cowden: Would they not receive a refund on that?

Council Chair Rapozo: The credit is assigned to the property, so if they are no longer the owner of the property, they will not receive the credit. That will prevent people who are flipping houses from receiving the benefit with no intention of living in the house.

Councilmember Cowden: Okay. This is rather complicated. I read through it. Here is my comment/question. Can I ask that?

Council Chair Rapozo: Yes.

Councilmember Cowden: I appreciate that they buy it, they pay triple or quadruple the amount of the tax for the better part of the year. The next year, is the money applied to future taxes?

Council Chair Rapozo: That is correct.

Councilmember Cowden: So, maybe they do not need to pay for two (2) or three (3) more years?

Council Chair Rapozo: Depending on the difference, yes.

Councilmember Cowden: Depending on the amount, but we just...I appreciate that, and I will vote to support this. I want to point out that it still does not help the change. We need to change it such that when they sign and buy the new property, it changes then, because if a person does not have a lot of capital and they need to borrow money, that initial tax year goes into what they can qualify for the purchase. A lot of times they cannot get the mortgage if it is two thousand dollars (\$2,000) per month more. When vacation rentals are taxed so high because we want them to go back into the housing pool, that is such a barrier. This can sort of help, but for a person who needs to get a mortgage, and maybe the seller does not give them that rebate on the front end...that is what I would try to do if I was trying to do a friendly sale. It is a partial help. It is not a complete help.

Council Chair Rapozo: That is how this all started with being able to change the classification. To do the change with the County vendor, it would be a significant cost and it would take time. That is something we need to discuss when we get into the budget.

Councilmember Cowden: I have talked to Tyler Technologies, Inc. (Tyler Technologies) and they say they can do it.

Council Chair Rapozo: They can do it, but it takes time and a lot of money. Again, we can have that discussion during the budget.

Councilmember Cowden: Okay. I am acknowledging that it does not really make that fix.

Council Chair Rapozo: That is how I would have preferred it. I would rather the change happen at the time of the sale, regardless if it is in or out, but that is something that is not...

Councilmember Cowden: It is better than nothing.

Council Chair Rapozo: It is better than nothing. Are there any other questions? Is there anyone in the audience wishing to testify? Mr. Sykos.

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

Mr. Sykos: For the record, Lonnie Sykos. Thank you, Council Chair Rapozo, for bringing this forward. This is an issue that you addressed through the years and it is quite important to the people who it influences. I would venture as, once again, a member of the public, not someone who is part of the government who actually needs to make things function. From our perspective, if it is too expensive for us to use our current vendor to change the tax basis at the time of the sale, which is what Councilmember Cowden proposed...that when you go in and change the title, if you will be an owner-occupant, that you would be given the owner-occupant rate at that time. I am curious about what it would cost the County to either get the vendor to change their deal or to find a new vendor. To me, this is a *manini* thing to ask of the vendor. These are a couple lines of code. I do not know. I do not write code. Whether it is ten thousand (10,000) lines or three (3) lines of code, it is lines of codes, so if they cannot facilitate this, the County should maybe look into how it can, because you are correct. It is a gross violation of the public's civil rights to due process, which means we are all supposed to be treated the same, yet this specific group of people receives a big tax ding simply because of what day of the year they buy their property. Looking at Maui County, which is trying to take all the condos to convert to apartments, people are not going to be changing title on the day before whatever the deadline is in Maui County. If you want to convert timeshares, vacation rentals, and all of that, you need to make it as easy as possible. Speaking for myself, in all the years I lived here, even though I was able to buy homes, I would never have been able to pay forty thousand dollars (\$40,000) or fifty thousand dollars (\$50,000) in property taxes. Knowing I would receive the money back in six (6) months to one (1) year does not solve the problem of coming up with that much cash.

Council Chair Rapozo: Thank you. Is there anyone else? Seeing none, is there any further discussion? The nice thing about the mid-year change is that for those going from owner-occupant to non-owner-occupant and there is the opposite impact, you would generate the lost property tax that you would have normally lost. There are a lot of benefits to that. Roll call.

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

The motion for passage of Proposed Draft Bill (No. 2991) as amended on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 22, 2026, and that it thereafter be referred to the Finance & Economic Development Committee was then put, and carried by the following vote:

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

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

Council Chair Rapozo: Thank you. Next item.

Bill No. 2981 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAX (*Provides the Director of Finance with inspection and examination of real property powers*)

Councilmember Kualii moved to approve Bill No. 2981 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?

Councilmember Cowden moved to amend Bill No. 2981 as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 2, seconded by Councilmember Kaneshiro.

Councilmember Cowden: I have two (2) of the four (4) guardrails that I want to put in this Bill. In Section 1, what is added on the purpose...I will read the entire paragraph. "The Purposes of this Ordinance are to provide the County of Kauai Director of Finance ("Director") with inspection and examination of real property powers under Chapter 5A, and to expressly provide the Director with the authority to promulgate rules with retroactive effect..." and added now is, "...and to require the submission to Council reports relating to settlements and compromises and the remission of delinquency and penalties and interest." On page 2, added is notification to who I would think would be the homeowner, but it is called "person(s) entitled to receive the notice of assessment." It is Section 5A-1.2(h). "Inspections and Examinations of Real Property – Inspection and examination of any real property in the County to occur upon presentation of proper credentials..." this is added, "...with at least seven (7) calendar days' notice to schedule the inspection, with person(s) entitled to receive the notice of assessment pursuant to this Chapter, for the purpose of enabling the Director to attain all information that could in any manner aid the Director in the discharging the Director's duties under this chapter. If such entry is refused, the Director or his/her assistants shall have recourse to every remedy

provided by law to secure entry.” This change says they need to contact who I hope would be the homeowner, but it is whoever is entitled to receive the notice. That might be the lender. I am not really sure. I wanted it to be the homeowner. The legal requirement for me to put in there is “person(s) entitled to receive the notice of assessment.” If they receive one (1) week’s notice of when they are coming, they can be there. Where I feel this will help a lot, is if there is a misunderstanding of a difference of use, the person can be there and have that conversation. It is not a surprise. It is not as though they come and inspect, and they do not know. They are told they are coming and they can choose to be there.

(Councilmember Holland was noted as present.)

Councilmember Cowden: At the bottom of page 3, where it talks about settlements and compromises, the end of that says, “The Council shall receive a quarterly report of outstanding penalties and interest imposed and settlements or compromises reached, by Tax Map Key.” The reason we would have that quarterly report...if it is the case that this almost never happens, great. We would receive a zero (0) report. There is nothing there. However, if what we see is that there are substantial settlements, we would be able to know when something goes out of balance. It is another one of these notices that probably ends up on our Consent Calendar. On page 4, where it talks about remission of delinquency, penalties, and interests, and it discusses when there is a delinquency for not more than ninety (90) days, in the case of excusable failure to pay a tax...we have seen this before, but I guess I will read more. “...or in a case of uncollectibility of the whole amount due...” we had one of those in the past year. “...and in any such case there shall be placed on file in the office of the Director, and a copy sent to the Council...” We just have an automatic way of reviewing it, so if we see something that is sort of strong, we will see it. This is basically saying let the landowner or the entity who is supposed to receive it know seven (7) days in advance of the inspection and let the Council know what happened. These are two (2) of four (4) guardrails that I want to put in the Bill. These are rather simple. If there is no problem, then it will be no problem.

Councilmember Kualii: Are you only talking about the type of inspection where they want to enter the property?

Councilmember Cowden: Yes. If they are driving by, they can drive by.

Councilmember Kualii: They do not need to ask to drive by, right?

Councilmember Cowden: They do not need to ask to drive by, but if they are entering the property...

Councilmember Kualii: Is it if they enter the interior of the property?

Councilmember Cowden: Yes, so that would be that you go past the fence and into the yard or whatever it might be, to look around the property to say they are coming next week on such-and-such day at roughly this time.

Council Chair Rapozo: Is there any other discussion?
Councilmember Kaneshiro.

Councilmember Kaneshiro: I would like to hear what the Administration has to say on the amendments.

Council Chair Rapozo: Can we get someone from the Department of Finance?

There being no objections, the rules were suspended.

SCOTT K. TERUYA, County Real Property Tax Manager: Scott Teruya, Real Property Tax Manager. I did not hear the question. I apologize.

Council Chair Rapozo: Did you receive a copy of the amendment.

Mr. Teruya: I did just now.

Council Chair Rapozo: Okay. Did you have an opportunity to read it?

Mr. Teruya: In general, I glanced over it. I will work backwards. With settlements and compromises for the quarterly statements I am not sure who to identify to provide that report, because I believe that comes out of the Office of Boards and Commissions, not the Real Property Division.

Council Chair Rapozo: Okay.

Councilmember Cowden: Is that right?

Mr. Teruya: Yes, we do not summarize for the Board of Review.

Council Chair Rapozo: Do settlements and compromises come out of the Board of Review?

Mr. Teruya: The settlements and stipulations come from the Board of Review. Compromises come from the Department of Finance. Like I said, I do not know when the last time this was done is.

Councilmember Cowden: I will not name any names, but there have been several big ones, whether they have been called a "settlement" or a "compromise," when people have been taxed either a rollback tax or just taxed too much. I know of at least a few where there were substantial changes. The only way I know it happened is by talking to the landowner.

STEVEN A. HUNT, Executive Assistant to the Mayor: For the record, Steve Hunt, Executive Assistant. The settlements are ones that have formal appeals that have been filed. Compromises typically do not have an appeal file and we are working directly with the taxpayer. The only one I can recall doing was many years ago when the limit was five hundred dollars (\$500). There was a church where the landowner passed away before executing the lease and it did not have a recorded lease. It was a several-thousand-dollar bill because they lost the exemption of nonprofit charitable. The Director of Finance at that time gave a five-hundred-dollar

credit as a compromise. That is a compromise and compromises come from the Department of Finance.

(Councilmember Kualii was noted as not present.)

Mr. Hunt: Settlements are formal appeals and appeals go before the Board of Review. Appeals are actually adjudicated or decided through the Board of Review and I believe the Board of Review would be the entity to provide it, if there were a quarterly report on any type of stipulations and agreements that went to the Board of Review. They are not done by the Director of Finance. They are done through the Board of Review.

Councilmember Cowden: I do not want to get specific for anyone, but I know very significant amounts. They are more than one million dollars (\$1,000,000), more than one hundred thousand dollars (\$100,000), and more than one hundred fifty thousand dollars (\$150,000) that have happened in the last three (3) years. I do not know if you call that a settlement or a compromise, but it is where someone was taxed and penalized. That was pulled back and was never told to the Council. I just know because I know the people who received the money back. What is that called?

Mr. Hunt: That would be a settlement and that would be before the Board of Review or the Tax Appeal Court, potentially.

Council Chair Rapozo: Go ahead.

Mr. Teruya: May I ask if you are talking about revenue or value? There is a very big difference between a one-million-dollar revenue difference and I do not know of any...

Councilmember Cowden: One (1) was a three-million-dollar rollback tax that was set down to one million five hundred thousand dollars (\$1,500,000). It was on the Westside and was brought to the floor.

Council Chair Rapozo: That would have been a settlement, though.

Mr. Hunt: That would have been an appeal and the appeal would have been either through the Board of Review or potentially, the Tax Appeal Court. It could have been a Tax Appeal Court settlement as well.

Councilmember Cowden: One (1) that was over one hundred fifty thousand dollars (\$150,000) was probably a Tax Appeal Court settlement, because I know that one went to court or that lawyers were involved. Where do we see those numbers, because I really want to be able to look at those. I want to see if there becomes a pattern of...I do not want to call it overcharge...when there becomes a pattern where there is a problem when someone does not check a box. Another one that was over one hundred thousand dollars (\$100,000), that went back...I know of two (2) that were due to the lack of checking a box.

Council Chair Rapozo: Again, you are talking about a report...

Councilmember Cowden: I want to know when there is a one-hundred-thousand-dollar incident where the County says, "Oops, that was a mistake," because that is what happened and I want to be able to know when these mistakes happen. I know for a fact that they happen.

Councilmember Holland: Do you receive a report of those things or do you not receive a report of those things that you could share with Councilmember Cowden? It sounds like that is not your department.

Councilmember Cowden: It has to be the Department of Finance. If the County is owed one hundred nine thousand dollars (\$109,000) and they end up paying eight thousand dollars (\$8,000), you would need to know about the remaining one hundred one thousand dollars (\$101,000).

Mr. Hunt: The Real Property Division would be involved in negotiating, if you will, the potential for settlement. We look at the evidence provided by the appellant and sometimes we come to an agreement that yes, it should be lowered, but we do not make the decision. The decision goes to the Board of Review. They are the body that approves it. They conceivably could reject it, saying, "No, we want the original amount. We think that is the fair amount and you should not make an adjustment."

(Councilmember Kualii was noted as present.)

Mr. Hunt: We do not make the decision as to the actual settlement itself. If it is an appeal, the appeal is through the Board of Review. I do not know if they compile a report. It might be the Office of Boards and Commissions that would do that. The Tax Appeal Court is different. I know the Tax Appeal Court will not provide that for us, so it would probably fall back on us to provide that information. We would need to keep records of the Tax Appeal Court settlements.

Councilmember Cowden: Are you saying this could not fit in this Bill or this amendment?

Mr. Teruya: It could fit in the Bill, but it is a question of who will report back to the Council.

Councilmember Cowden: That is up to the Director of Finance. I just want to know. I want to know if there is a pattern of substantial...

Mr. Hunt: Settlements are not done on taxes. They are done on value, classification, and exemptions. It results in taxes, yes, but...

Councilmember Cowden: These are boxes being checked.

Mr. Hunt: I do not know about the boxes being checked, but in terms of what we are dealing with, it is value, exemptions, and tax classifications. That is what we are dealing with when we are doing our negotiations for potential settlements or what we call "stipulations." Sometimes, we agree that the evidence presented by the appellant is valid and we will agree that we will not push

a bad case to the Tax Appeal Court or to the Board of Review. We will agree that we would like to settle, but we still are not the ones who decide that. The Board of Review needs to then hear our information on why we are settling.

Councilmember Cowden: Can you see that the right way for me to adapt this is to make sure the Council receives the report? Do you have a follow-up question?

Councilmember Kaneshiro: I have a question. Can you just ask for that information rather than it being in here?

Councilmember Cowden: Thank you for asking that question. The reason is that if I had not received the strident complaints from the individuals, I would never know to ask. I would never know, so when they do not remember that those happened and I know they happened...

Council Chair Rapozo: Did you request the Administration to validate what you heard? I am curious, because people tell me a lot of things.

Councilmember Cowden: I do not want to give him a hard time, but Steve and I looked at those.

Council Chair Rapozo: Are you familiar with what she is talking about?

Councilmember Cowden: He might not remember, but we looked at all of them. I worked with Reiko on one (1) of them.

Council Chair Rapozo: Were they settlements?

Councilmember Cowden: I do not know what the right term is.

Councilmember Holland: They are all settlements.

Councilmember Cowden: It sounds like settlements to me.

Councilmember Holland: There was only one (1) compromise in twenty (20) years.

Councilmember Cowden: So we are told.

Councilmember Holland: That is the difference between a settlement and a compromise. There are a lot of settlements.

Council Chair Rapozo: The amendment requires the Administration to send over a quarterly report on outstanding penalties and interests imposed, and settlements or compromises reached. Obviously, if you do not have access to the settlements, then it would be the Office of Boards and Commissions. For outstanding penalties and interests imposed, this is...I do not know. Councilmember Cowden, help me. "The Council shall receive a quarterly report of outstanding penalties and interest imposed..." Is this of all penalties and interest imposed?

Councilmember Cowden: No.

Council Chair Rapozo: Then it says, "...and settlements or compromises reached." You are saying that you want a report of every single penalty and interest imposed.

Councilmember Cowden: Actually, I sort of do. Do you know why I want that? Why I want it and why I want it by Tax Map Key is because I want to see it by region, because I do not know if I just happened to...I brought up Zone 5, today. I live in Zone 5, so I will certainly hear more complaints from Zone 5. One (1) of these was in Zone 1, but I just want to be able to see, because it might be that I hear about every single one, and these are such a small anomaly and I am hearing about it...otherwise, I just want to know how many times the County is doing these penalties and interest. I want to see by how much. Yes, I want it. I do not know how many happen. I want to be able to see how prevalent it is.

Mr. Hunt: Just to clarify, when you talk about penalties and interest, are you asking for a delinquency report?

Councilmember Cowden: I am talking about when someone receives a rollback tax. Fortunately, we got rid of that for Ag, but some people are probably on those Ag Dedications that are preexisting to when we changed it. Two (2) of the things I am talking about are rollback taxes on Ag Dedications. I am shocked sometimes when I see the amount of penalties and interest. They seem so extraordinary.

Mr. Hunt: Just so I am clear, we do have a delinquency report. At any point in time, the Real Property Division, Billing & Collections Section, can provide you quarterly reports of who is delinquent, what properties, the amounts, and the years, and it is basically for either nonpayment or if there were any penalties associated with nonpayment, and it would have a breakdown of the penalty and interest on those properties. Is that what you are looking for? Ag is not identified separately in anything. As you said, the County no longer has the rollback,

Councilmember Cowden: Is it all behind us now? Is the rollback behind us or are there any left?

Mr. Hunt: As far as I know, yes.

Councilmember Cowden: They are all behind us? There is no twenty (20) year or...

Mr. Teruya: The County no longer has an ordinance.

Councilmember Kaneshiro: The ordinance is gone. They would cancel their license and redo it, or cancel their license and be charged whatever the correct assessment would be.

Councilmember Cowden: Okay.

Councilmember Kaneshiro: There is no rollback.

Councilmember Cowden: When someone is charged maybe in the wrong category, it is a checkmark, right? They did not check the long-term lease that is basically nonpaying tenant, so instead of getting the cap, they lost the cap and they have an extra one hundred thousand dollars (\$100,000) on there because they did not check it. That was resolved. I am just trying to see those types of problems.

Council Chair Rapozo: Does that happen a lot?

Mr. Hunt: That people do not submit...

Council Chair Rapozo: That they do not check the box.

Mr. Hunt: There is a survey form in which you self-report as to how you use the property. That is part of the basis, so every time there is a new sale, the survey is sent out and they report how they use it. It is possible that they did not read it, did not understand it, or checked the wrong box.

Councilmember Cowden: These are long-held and long-owned lands. It is not a new property

Council Chair Rapozo: Are there a lot of those? You already said you really had no compromises and the settlements come from the Board of Review. I am just trying to understand what is being asked. Are outstanding penalties and interest on the delinquency report?

Mr. Hunt: They are.

Council Chair Rapozo: That is what it is.

Councilmember Cowden: I think it was that.

Council Chair Rapozo: What?

Councilmember Cowden: We can get that. I am just trying to see...when things come to me, I say, "I have no idea on this," and then they get resolved.

Council Chair Rapozo: When things come to you, send a request to the Administration. That is how you do it. If someone called me up saying, "My taxes are screwed up," I send it over to the Administration, saying, "Can you review this TMK? This person says this and that," and that is how you resolve it.

Councilmember Cowden: It does not get resolved, then it is resolved two (2) or three (3) years later.

Council Chair Rapozo: I have never had that situation. I am trying to figure out what the outstanding penalties and interest imposed...

Councilmember Cowden: I am not trying to give you folks a hard time, but sometimes it is a crazy high amount of money.

Council Chair Rapozo: For penalties and interest?

Councilmember Cowden: Yes, such as one hundred eighty thousand dollars (\$180,000) for something pretty small to where it is devastating. I have asked, and asked, and asked about that particular one. I do not want to embarrass anyone by talking about their thing. That rolled back to twenty-seven thousand dollars (\$27,000), so you think one hundred eighty thousand dollars (\$180,000) down to twenty-seven thousand dollars (\$27,000). It can feel...I do not want to use really heavy words, but it does not feel kind or fair. It does not feel necessary. Sometimes, that is why I want to look at where the TMKs are. People tend to believe that it is targeted and not an accident.

Mr. Hunt: The Ag rollback was definitely heavy-handed with the way it was worded...

Councilmember Cowden: It was very heavy-handed.

Mr. Hunt: ...especially for ones that breached towards their last year in not meeting the requirements of the dedicated period. I absolutely agree it was heavy-handed.

Councilmember Cowden: It was devastating.

Council Chair Rapozo: But that is no longer a problem.

Mr. Hunt: That is no longer in existence.

Council Chair Rapozo: I am trying understand, because I want to make sure I know what I am voting on. Is an outstanding penalties and interest from when someone does not pay their property tax?

Mr. Hunt: That is correct.

Council Chair Rapozo: Then you folks charge them.

Mr. Hunt: We charge interest on it.

Council Chair Rapozo: Okay. I am trying to understand. Is that what you are asking for?

Councilmember Cowden: We can call it that, yes.

Council Chair Rapozo: Okay. Are the settlements or compromises reached from the Board of Review?

Mr. Hunt: It could be the Board of Review and/or the Tax Appeal Court. I think the Department of Finance would need to assemble those from the Tax Appeal Court, because they do not provide any type of reporting.

Council Chair Rapozo: How many cases go to the Tax Appeal Court each year? Do you know?

Mr. Hunt: It is very few.

Council Chair Rapozo: One (1)?

Mr. Hunt: They normally go to the Board of Review first. If you look at what we call settlements at the Board of Review, if there will be a settlement on our behalf, which we call "stipulations," they are done at the Board of Review level. We try to make amends at that point. For anything that goes to the Tax Appeal Court, we are pretty much dug in and fighting.

Council Chair Rapozo: Okay.

Councilmember Cowden: Can I give follow-up to that?

Council Chair Rapozo: Okay.

Councilmember Cowden: If we had a list, just like what we receive from the Office of the County Attorney...we receive a quarterly report of what is outstanding and once it is resolved, we get it. I just want something like that, because what I feel we are able to identify is if there is a pattern where there is a problem and I recognize that we set the tax code, so if we are doing something wrong, we would be able to see it. I brought up at that beginning how there are sixty (60) appeals in Zone 5 and there are three (3) appeals in Zone 1. I believe that is because our tiering is not fair, depending upon where you live.

Council Chair Rapozo: Again, let us keep the discussion to what you are asking for.

Councilmember Cowden: That is what I am asking for. I want to be able to see it so I can recognize a pattern.

Council Chair Rapozo: I know exactly what you are asking for.

Councilmember Cowden: It does not need to be me. Any of us could see a pattern.

Council Chair Rapozo: I am trying to figure out how to word it so we know who does what. That is all I am trying to figure out. When the Board of Review reaches a settlement, does the Office of the County Attorney get involved at all?

Mr. Hunt: The only time the Office of the County Attorney is involved is if we disagree with the Board of Review's settlement and we want to continue the fight at the Tax Appeal Court.

Council Chair Rapozo: Okay. Does the County Attorney sign off on every settlement that you folks reach? Is the Office of the County Attorney completely detached from any settlement that comes out of...

Mr. Hunt: ...out of the Board of Review.

Council Chair Rapozo: That is interesting.

Mr. Hunt: There is someone from the Office of the County Attorney present representing the Board of Review should the members have questions or concerns of any procedural things.

Council Chair Rapozo: We can ask the County Attorney. It makes sense for it to come as part of the quarterly settlement report from the Office of the County Attorney. It makes sense if we can add the Board of Review cases in there. Councilmember Bulosan, thank you for your patience. You have been waiting for a long time.

Councilmember Bulosan: It is no problem. We could just request this information from you quarterly, if necessary, right?

Mr. Hunt: I also want to clarify that there are settlements in which we recommend stipulating to either the appellant's value or to somewhere in between the assessed value and their appeal value. Those are settlements. There are also decisions that are made independently. We stick to our value and the appellant sticks to their value, and the Board of Review decides with their value, somewhere in between, or with our value. If you are asking for the settlements, those are the only ones where we are actually recommending an adjustment to the price or value. It is not all the decisions that the Board of Review is coming up with that you are asking for. It is the ones that we are recommending settling. Is that correct?

Councilmember Cowden: Is there a wording change that would make this more accurate? I just want to be able to see.

Council Chair Rapozo: Go ahead.

Mr. Teruya: Council Chair, if I may, I just received a note from the staff. We used to send a report of the stipulation to the Council, but it was removed from the ordinance.

Council Chair Rapozo: It was removed?

Mr. Teruya: That is what the staff are saying. We could easily find the year and reason it was amended.

Councilmember Cowden: Okay.

Councilmember Holland: Is this something Councilmember Cowden could request?

Mr. Teruya: Yes.

Councilmember Holland: At any point, can any of us request this without putting it into statute, right?

Mr. Teruya: Yes.

Councilmember Cowden: But we would not know. We would not know that we need to see it if it was not sent to us.

Councilmember Bulosan: We could just request it.

Council Chair Rapozo: I do not see an issue with receiving a quarterly report. The outstanding penalties and interest are two (2) completely separate different things that are in the same sentence. I think that is the confusion.

Councilmember Holland: The confusion for me is why are we stipulating in statute the requirement for us all to receive a report when it seems only Councilmember Cowden wants to review it. To me, it is creating more work, unnecessary legislation, and a burden on them to provide a report that does not sound as though anyone else wants to read.

Councilmember Cowden: It is because you would not know you needed to read it unless you saw a pattern. If you saw a pattern where...

Councilmember Holland: If you are interested in finding a pattern, you can request the data. If you are interested in investigating if there is some sort of pattern, then just request the report. Why make it a requirement for them to do all that work every time to produce it to all of us when no one may look at it next year when you are not on the Council?

Councilmember Cowden: That is my concern when I am not on the Council next year.

Councilmember Holland: Are you concerned we will not read it?

Councilmember Cowden: That is correct.

Councilmember Holland: We will not read it.

Councilmember Cowden: Because you will not know that there should be a pattern or that it needs to be looked at.

Councilmember Holland: Unless you ask for the data...

Councilmember Cowden: Can we look at the other part of my amendment?

Council Chair Rapozo: Sure.

Councilmember Cowden: If we look at the other part of my amendment...

Council Chair Rapozo: It is the seven-day notice, right?

Councilmember Cowden: It is Section 5A-1.2(h). It is the seven-day notice. I am saying that instead of showing up unannounced, announce it. Give them one (1) week so they can be there. It is Section 5A-1.2(h), which is at the bottom of page 2 and is highlighted in yellow. It is basically adding...it says, "...person(s) entitled to receive the notice of assessment..." I had "the owner," but that was corrected for me, "...with at least seven (7) calendar days' notice."

Council Chair Rapozo: This does not prohibit the inspector to...if they are driving by or looking at a property and someone is there, this does not prevent them from asking permission that day, right? If I am on the porch, the inspector drives past and says, "I am with the County. Here are my credentials. Can I take a look at your shed," and I say, "Of course." That is fine, right?

Councilmember Cowden: They could, but I do not think it is a bad idea to say...if you go through an entire neighborhood and you think you will enter a property, then you will say, "We are coming by next week. We are coming on the twenty-fourth."

Council Chair Rapozo: If you show up and no one is on the porch or in the house, you knock. If no one is there, you leave the hanger and make contact on the seventh day. I think that is fair.

Councilmember Cowden: You need to tell them seven (7) days ahead.

Council Chair Rapozo: Yes.

Councilmember Holland: Before you knock on the door?

Councilmember Cowden: Before you knock on the door.

Council Chair Rapozo: No.

Councilmember Cowden: That is what I want.

Council Chair Rapozo: Okay.

Councilmember Cowden: What I want is notice.

Council Chair Rapozo: But if the person is there and they allow you to look at whatever you are looking at, you are saying that they need to say, "I need to make an appointment with you in seven (7) days." Is that what you are saying?

Councilmember Holland: Councilmember Cowden is saying an inspector cannot show up at the house until seven (7) days' notice has been given.

Councilmember Cowden: I am saying especially if it is because there is a complaint...if you are just driving down the road, because I know that at some level when they inspect, they are just driving down the road, right? That is sort of normal.

The inspector drives down the road and is maybe in the park behind the house trying to look at something. For that, you do not need to give seven (7) days' notice. However, if you are going there because there is some reason that you are inspecting or that you are concerned about something, you let them know so they can be there.

Council Chair Rapozo: Okay. Councilmember Kaneshiro.

Councilmember Kaneshiro: I would like to hear the Administration's opinion on that.

Mr. Teruya: First of all, thank you for that question. For us, we see it two (2) different ways. The majority of our inspections are just to verify. If it is a complaint where we need to clarify use or if it is a Board of Review appeal, in both situations, we contact the owner.

Councilmember Holland: In advance?

Mr. Teruya: Yes, because we want to do an interior inspection.

Councilmember Holland: How long in advance?

Mr. Teruya: As long as it is agreed upon, we go. If they do not agree to it, we do not go.

Councilmember Holland: How long in advance do you reach out?

Mr. Teruya: As far as needed. We do not say, "We are coming in seven (7) days." We will come whenever you say we can come in. That is what we do. If they do not grant entry, we do not go, then we go to the Board of Review and say that no entry was granted. Whenever we go, similar to the Building Division, if I have a building permit, we check it. We are just verifying that the improvements are what was permitted. From that point, we are just there to verify. We are not looking to do an interior inspection. If you are building a house, we will go there before the building is complete. We will take the measurements while it is being constructed. That is normal. For this situation of making an appointment, we make every attempt to schedule an appointment, if we need to do an interior inspection, because we need to verify, provided we can meet the person. Most of the time, they contact the appellant, because we have the number. They are the ones filing an appeal, we will get an inspection, and set up the appointment. As Councilmember Kaneshiro knows, we try many times for other reasons of getting an inspection. We have not forced them to come within seven (7) days. It is whenever they can meet us, we will meet.

Councilmember Cowden: Where I am hearing complaints...I cannot validate the complaint, but I do not have a reason to believe the person is telling me something false, these happen to be on condominium property regime (CPR) properties, so going down the CPR easements and driveways, and making the determination that another building is being used as a rental when it might not be used as a rental. Do you go on CPR properties on private easements?

Mr. Teruya: First of all, if we need to verify something, yes, we would. If it is somewhere that says, "Do not enter. Make an appointment..." if we are told not to be there, we will not be there. It is rather simple for us.

Councilmember Cowden: It would seem problematic to say, "We will be down there next week. Are you around? We will be there on the twenty-fourth." Would you not do that?

Mr. Teruya: Provided we have their contact information. For what you are saying, if it is a complaint, we will get information. If it is just that we need to see it, we will not have public information as to what that person's phone number is.

Council Chair Rapozo: Councilmember Holland.

Councilmember Holland: For me, it makes sense to notify someone in advance that you are coming. That does not seem like a wild idea, but given that I have no idea how you folks do your job, and I have no idea what inspections look like, is it possible, reasonable, and practical for you folks to give notification? Do you do an entire neighborhood? Do you do one (1) house at a time? Can you send out a mailer? What are the options and is it feasible with how you do your inspections?

Mr. Hunt: It has been a long time since I have done the drive-by inspections, but when I did, I would be assigned an area. There would be multiple plats on the maps. You would put together packets and you would map out your drive route saying, "I have twenty (20) permits that I want to check on today, starting in certain areas. This is the most efficient drive from here to here to here, and this is the side of the street they are on." You map that out before you go. You do not necessarily have contact information for any or all the property owners on this route, especially if they are under construction, they have not filed home exemptions, they have not provided any contact information, there are no appeals on file, this is new construction or an addition to a home, and other things such as that. To be able to coordinate that, especially if they have certain times and you need to schedule an appointment, that would be very difficult, because the route may be the least efficient way because the appointment at the top is at 7:30 a.m., but the appointment down here is at 8:00 a.m., and if you run into any issues, such as the building was nothing like the submitted plans and you need to redraw it in the field, you are now late for your second appointment, and that messes up the whole day. Coordinating by an appointment system would be a no-go. There is no way to be able to do that. You might be able to provide general information saying you will be in the neighborhood or area during this week...

Councilmember Holland: That is sort of what I was thinking.

Mr. Hunt: That would be more like a public announcement than anything else.

Councilmember Holland: It would be like a mailer for the whole district.

Mr. Hunt: I do not know if we would be able to contact individual owners, unless we had information on how to contact them on file.

Councilmember Cowden: I have a follow-up on that. With the examples that you gave, you are not going on the property. You are just driving down the road.

Mr. Hunt: Yes and no. You mentioned CPRs. Sometimes the CPRs are very large properties, so to even knock on the door, put a door hanger, or ask for permission means you are already going several hundred feet into the property. On smaller tract subdivisions right off the street, you go to the door, you knock, and you hang the notice. It is rather easy and you can see it. If there is a fence and you can look over the fence to do your estimates, it is a little easier, but when the properties are not visible from the road and you need to go in through the access easements, just notifying them with a knock on the door or a door hanger requires going onto the property.

Councilmember Cowden: Okay. I can sort of read the room. Do we want to call the question?

Council Chair Rapozo: The rules are still suspended. I am just trying to hear from them. It does not sound unreasonable in reading, but in listening to you, I can see what you are saying. It is sort of like Home Depot. When you buy an icebox, they say, "We will be at your house anytime between 9:00 a.m. and 5:00 p.m." I do not understand much about what you do and how you do the drive-by inspections. If you folks receive a list from the office, like you said, with the properties you will check today...

Councilmember Cowden: I have no issue with the drive-by inspections.

Councilmember Holland: For me, it seems reasonable to give people notice, but if it is implausible to contact those people directly or if you mail a whole area, such as Kapa'a or Wailua Houselots, that you might be coming in the next month to inspect your home, that seems more reasonable if there is no scheduled time. Is that more reasonable?

Mr. Teruya: Several weeks ago, Randon Valenciano came before you folks to explain the process. Anytime we go to someone's house, we leave a door hanger regarding the visit. If they have a question about the inspection we did or if we need something from you, we will put it on the card to call the appraiser at their phone number. Regardless of what it is, the appraiser's name will be on the card for you to call if there are any questions, because we were there.

Councilmember Cowden: I will give one (1) example I received after last Wednesday's meeting. I was at a restaurant on Friday. Someone who had watched the meeting came up to me and thanked me for what I asked for. His experience is that he had a black mold situation in his house and he needed to tear out the walls and do a whole bunch of things such as that, so he rented the little unit in the neighbor's yard that is three hundred (300) square feet.

(Councilmember Kualii was noted as not present.)

Councilmember Cowden: He told me that was the size. He was still going in and out of his house, but he was not sleeping there. He apparently did not know what to look at in the envelope in December. When he received his bill, apparently, it was seen as him not living in house while it was under deconstruction or construction, so he lost his homeowner exemption, cap, and owner-occupant status. He was shocked at the high rate while being in the really difficult situation with his house and renting another house. He thanked me saying, "I am an example of that." If he had known, then maybe he would have been there and explained what was going on. He said it is taking a really long time to get the job done. It has been over six (6) months. That is an example. It does happen. That was rather difficult for him. I did not sit there and pin him hard on what he tried to do to fix it, but he said he called and has not really had anything. These things happen. In that case, if he knew or if he had understanding...if that little card said, "This is what we are going to say. We saw your house and it is no longer owner-occupied," then he would have known how to deal with it, but he did not and he missed that whole window. I hear these little examples and that is an example of a difficult thing, so I am trying to fix this so that people do not have that problem. My goal is to help these people. It is not to hurt you folks, but to help these people. Communication is an issue there. We have talked about this long enough and it has been a long day, and I can read where you folks are at. I do not want to "beat a dead horse."

Councilmember Holland: Personally, I think it is a great idea, in theory. I just do not know how it will be workable in the field and I do not know enough about that. The only concern I have is if you send a notice to an entire district saying you will inspect their house in the next whenever, it might give them time to hide whatever they are doing that is very shady. If the County is trying to catch people doing shady things and the whole point is to catch people lying, then that seems counterproductive. I am also for some sort of clear communication.

(Councilmember Kualii was noted as present.)

Councilmember Holland: Clear communication is good, so a mailer to an entire district that does not give a time or a date, but just says, "Over the next thirty (30) days, we will be..." but I do not know if that is necessary or reasonable. It is hard to know without knowing what it looks like in the field.

Council Chair Rapozo: Does the inspector or assessor leave a door hanger at every house that they stop at and for every single visit?

Mr. Teruya: That is our practice, yes.

Councilmember Cowden: But the door hanger does not say what was found.

Mr. Teruya: It says to call if there are any questions.

Council Chair Rapozo: Okay, so in the case that Councilmember Cowden just talked about, that person would have no clue unless he called or until he receives his tax bill?

Mr. Teruya: I do not think we will reconcile it until we get back to the office as well.

Council Chair Rapozo: If that inspection resulted in a change in classification, an exemption, or a removal, do you notify the person?

Mr. Teruya: You will be notified by the annual assessment notice.

Council Chair Rapozo: Oh my gosh. Okay.

Councilmember Cowden: That is the problem.

Council Chair Rapozo: That is the issue. If you come to my house today and you say I will lose something, I would think that I should get a notification before the assessment.

Mr. Teruya: Point taken. I misunderstood the question. If you are removed of an exemption, you receive notification that the exemption is being removed and you can appeal that.

Council Chair Rapozo: Is that immediately or is it when you receive your assessment.

Mr. Teruya: You still have the chance to rebut, because the notice is that you will be losing the exemption because of what was found. If you have evidence otherwise, that is your opportunity to let us know.

Council Chair Rapozo: When is that letter sent?

Mr. Hunt: It is two-pronged. First is the disallowance. If you will take someone's exemption away, you will at least send out a survey saying, "Prove that we should not be taking it away." You will receive a letter from us saying based on evidence we have uncovered, we believe you no longer get the exemption and we will pull it. They would have the ability to provide additional information at that point. The second is if there is no information or if they have not resolved it, then you receive the assessment notice which you can then appeal.

Council Chair Rapozo: I know about the assessment notice, but if you do not know that you lost your exemption, the assessment notice will come and go, but it says, "This is not a bill," so people will just file it. If you come to my house today, do the investigation, and find that...I am trying to use Councilmember Cowden's scenario. The person was not there, he received the card saying to call if he has any questions. I do not have any questions. Why would I have a question? You came, checked my house, and I am good. At what point does he receive the letter saying, "Our investigation says you are not eligible for the homeowner exemption and we are pulling it?" How long after the inspection is that letter sent?

Mr. Teruya: There is no exact timetable, but Steve's response is correct. We will send you a notification that says you have thirty (30) days and if this is not correct, please contact the office to show otherwise.

Council Chair Rapozo: Do you not know when it is sent out?

Councilmember Kualii: They are not taking the action until thirty (30) days after.

Mr. Hunt: Sometimes, the investigation itself...we found out he does not have Form No. N-11, he files Form No. N-15, he actually has a property in Arizona that he is now in the process of moving to. There are a lot of things that roll into building evidence to say why it was pulled.

Council Chair Rapozo: Is it sent out as soon as possible?

Mr. Hunt: As soon as that information has been gathered to the point where we are saying it is time to pull the exemption. That is when this disallowance letter is sent out.

Council Chair Rapozo: Is the notice sent out?

Mr. Hunt: Yes.

Council Chair Rapozo: Okay.

Mr. Teruya: Yes, we are required to give written notice.

Mr. Hunt: That is also why the door hanger does not say anything. It is because an investigation has not begun. We have collected information, but there is nothing to write on the door hanger until everything can be vetted.

Council Chair Rapozo: In the case that Councilmember Cowden was talking about, that person should have received a letter saying he would lose his exemption and he would have had thirty (30) days from that point to make it right. Is that what you are saying? Is that how the process is supposed to work?

Mr. Hunt: That is right.

Councilmember Kualii: That is round 1. Round 2, is that when you receive your annual notice...it only happens annually, right?

Council Chair Rapozo: Yes, the assessment.

Councilmember Kualii: People should be responsible and look at it.

Councilmember Cowden: People must miss it. I did not give the person a hard time.

Councilmember Kualii: It is rather basic. You are responsible. That is your notice.

Mr. Teruya: You will first receive a possible violation notice giving thirty (30) days to respond, we will receive an actual disallowance letter from our office, and then you will receive your assessment notice.

Councilmember Kualii: Is that the third?

Mr. Teruya: Yes.

Council Chair Rapozo: Are there any other questions for the Administration? If not, thank you. Is there anyone in the audience wishing to testify? Mr. Sykos.

Mr. Sykos: For the record, Lonnie Sykos. At this point, I cannot support this Bill. Councilmember Cowden addressed some of the reasons to this.

Council Chair Rapozo: We are on the amendment.

Mr. Sykos: Is this for just the amendment?

Council Chair Rapozo: I will let you testify, because you are the only person here. You said, "the Bill." Are you talking about the Bill, overall?

Mr. Sykos: The Bill, overall, yes.

Council Chair Rapozo: Go ahead. You can continue.

Mr. Sykos: With the amendment, I agree that the notification is sort of sketchy and I also understand we are having difficulty generating correct language, so I point out that I think there are two (2) types of inspections. There are inspections in which they are inspecting for a violation, such as if someone complains, and then there are routine inspections, such as those by the building inspector, electrician, and all of that. One of the issues that comes up is in Section 5A-1.2(d), Enforcement of Penalties. "To see that penalties are enforced when prescribed by this Chapter...to see that the complaint is made against persons violating any provisions of the Chapter." The issue I have with this is...bless these folks, but when they drive around doing spot inspections, what they never see is a commercial fishing boat in someone's driveway. They never see the plumber. I am talking about my streets. On my streets, there are three (3) commercial fishing operations. I love them, they are nice people, I am not complaining, and I would never turn them in. However, we have a due process problem in sending inspectors around who do not ever find certain types of violations, hence Councilmember Cowden's observation about the seven-day notice. Without a positive response, they can never go. There is nothing in here that addresses whether or not the enforcement actually occurs. This is no report that you folks receive, quarterly or otherwise, about violations of zoning or the actions actually taken, so this leaves the County in the terrible position of...I am all for not putting my neighbors out of business and making

them lose their houses, which is what would probably happen if we put them out of business. On the other hand, I do not want to be sued by someone who did get dinged and whose defense is, "Look at all these other people on the street." To me, Section 5A-1.2(d), Enforcement of Penalties, needs work on the language so that you generate reports and get a handle on what types of violations they run into. There are certain types of violations that I am totally against, but there are some violations I turn a blind eye to. I have never turned my neighbors in who are conducting commercial businesses out of a residential home. The bottom of Section 5A-1.2(h), Inspection and Examination of Real Property, says, "...the Director or his/her assistants shall have recourse to every remedy provided by law to secure entry." You do not need to write that into this Bill. That exists on its own in the legal system. They can get a search warrant or whatever the appropriate warrant is, if needed. Another issue I have is in the current Section 5A-1.2(k), "If a property owner disputes the amount of taxes owed, but has not filed an appeal, the Director may compromise the dispute, provided that the Director shall obtain Council approval for any compromise resulting in a tax refund exceeding five thousand dollars (\$5,000)...on an individual parcel." It further states, "'Compromise' pertains to disputes where no formal appeal has been filed, and taxes are partially or fully waived. The Director may waive any amount of interest and penalties pursuant...without Council approval." What you are saying is, this official has the authority by themselves, to decide who pays how much in taxes. There is no appeal to do this. You can say, "You can go to the Board of Appeals," [sic], but this process...I would like the County Attorney to explain to us how it is that you can file an appeal or make an appeal on your property taxes without filing an appeal with the Board of Appeals [sic], because in the Charter, the only way you can appeal your taxes is through the Board of Appeals [sic], yet this Bill says that the bureaucrat, on its own, can decide what taxes you pay. For the public, this also does not tell us how it is that you will tell us that this is going on, so you could do it just like you did with commercializing the parks...not the parks, but the transfer of the two (2) parcels, and do it through a resolution. The public has no idea. The resolution itself does not need to provide significant detail. The public finds out that we just approved a deal without a single vote, with no discussion, that all these people are forgiven from all this property tax money. I will stop. That is my point in this. You do not have checks and balances on the power given to this person.

Council Chair Rapozo:
the amendment?

Thank you. Is there any final discussion on

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

Councilmember Kaneshiro: I will not be voting in favor of the amendment. We heard the issues with the seven-day notice. Even if you saw the person and gave the seven-day notice, but they say, "You can come now, today, or within seven (7) days," that would also mess up the schedule. As far as the reports go, I do not want them to do more work than they need to. If a Councilmember wants a certain report, they should just ask them for it. If I receive these reports, quite frankly, I probably will not look at them. I will not be voting in favor of the amendment.

Council Chair Rapozo: Thank you. Is there anyone else? If not, roll call. Let us do a roll call on the amendment.

The motion to amend Bill No. 2981 as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 2 was then put, and failed by the vote:

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

Ms. Fountain-Tanigawa: The amendment fails.

Council Chair Rapozo: We are back to the main motion. Is there any further discussion on the main motion? Seeing none, roll call.

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

The motion to approve Bill No. 2981 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: | Bulosan, Carvalho, Holland, Kaneshiro, Kualii, Rapozo | TOTAL – 6, |
| AGAINST APPROVAL: | Cowden | TOTAL – 1, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

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

Council Chair Rapozo: We have one (1) Executive Session, right? Can you read us into Executive Session for ES-1161, please?

EXECUTIVE SESSION:

ES-1161 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session to provide a briefing on the retention of special counsel to represent the Planning Department, County of Kaua'i in possible litigation and to provide other legal services relating to Tax Map Key (TMK) No. (4) 1-7-005:001. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

Councilmember Bulosan moved to convene in Executive Session for ES-1161, seconded by Councilmember Holland.

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

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

The motion to convene in Executive Session for ES-1161 was then put, and carried by the following vote:

| | | |
|----------------------------|--|------------|
| FOR EXECUTIVE SESSION: | Bulosan, Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo | TOTAL – 7, |
| AGAINST EXECUTIVE SESSION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

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

Council Chair Rapozo: Let us convene in Executive Session.

There being no objections, the Council recessed at 4:50 p.m., to convene in Executive Session.

The meeting reconvened at 5:10 p.m, and proceeded as follows:

Council Chair Rapozo: Mr. Saito, will you give an Executive Session recap?

There being no objections, the rules were suspended.

Mr. Saito: The Council has completed its Executive Session on ES-1161, pursuant to the purpose stated on the agenda. There is nothing to disclose at time and everything must remain confidential. Thank you.

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

Council Chair Rapozo: Clerk, can you read the last item?

C 2026-69 Communication (03/11/2026) from the County Attorney, requesting Council authorization to expend funds up to \$150,000.00 to retain Special Counsel to represent the Planning Department, County of Kauai in possible litigation and to provide other legal services as they may relate to Tax Map Key (TMK) No. (4) 1-7-005:001.

Councilmember Kualii moved to approve C 2026-69, seconded by Councilmember Bulosan.

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 C 2026-69 was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR APPROVAL: | Bulosan, Carvalho, Cowden, Holland, Kaneshiro, Kualii, Rapozo | TOTAL - 7, |
| AGAINST APPROVAL: | None | TOTAL - 0, |
| EXCUSED & NOT VOTING: | None | TOTAL - 0, |
| RECUSED & NOT VOTING: | None | TOTAL - 0. |

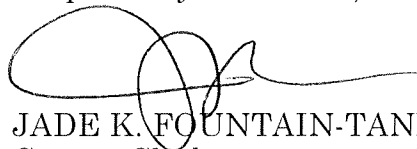
Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: Thank you very much. With that, there is no further business and this meeting is adjourned.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 5:11 p.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA
County Clerk

(March 25, 2026)

Attachment 1

FLOOR AMENDMENT

Proposed Draft Bill No. 2991, A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUA'I COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAX (*Tax Credit*)

Introduced by: KIPUKAI KUALI'I, Councilmember (By Request)

1. Amend Proposed Draft Bill No. 2991, SECTION 1, in pertinent part to read as follows:

“SECTION 1. Purpose. The purpose of this Ordinance is to allow certain property owners who did not apply for a Home Exemption by the September 30 deadline because they did not yet own the property to apply for an Owner-Occupied Principal Home Tax Credit after the September 30 deadline relating to the property of their principal home. Successful applicants will receive a tax credit that shall equal the difference between the tax amount based on the classification of the property at the time of application and the tax amount based on taxes that would have been owed if the property were classified as Owner-Occupied or Owner-Occupied Mixed-Use, beginning on the first day of the month following the date the taxpayer commenced occupancy of the property as the taxpayer's principal home. Applications will be accepted starting with the date of assessment, October 1, and ending on June 30 of the following year. The **more than** two hundred seventy (270) **calendar** days of occupancy normally required of the Owner-Occupied and Owner-Occupied Mixed-Use tax classes will not apply to this tax credit. Property owners will still need to qualify and apply for the Home Exemption in order to be assigned to the Owner-Occupied or Owner-Occupied Mixed-Use tax classes and to be taxed accordingly for future years.

As an example, for a property classified in the Vacation Rental tax class for **[tax year 2027] tax year and fiscal year 2027-2028** (July 1, 2027 to June 30, 2028; assessment year October 1, 2026 to September 30, 2027) based on the September 30, 2026 exemptions deadline for **[tax year 2027,] tax year and fiscal year 2027-2028**, a successful Owner-Occupied Principal Home Tax Credit applicant (application period October 1, 2026 through June 30, 2027) will ultimately owe real property taxes at the Owner-Occupied or Owner-Occupied Mixed-Use rates for approximately the number of months the property was owner-occupied. The property owner will still need to pay real property taxes at the Vacation Rental rate during **[tax year 2027] tax year and fiscal year 2027-2028** but will thereafter receive a tax credit to be applied to **[tax year 2028] tax year and fiscal year 2028-2029** billings provided that the taxpayer remains the owner of the property on the assessment date for **[tax year 2028] tax year and fiscal year 2028-2029** (October 1, 2027). Continued property ownership is a requirement because this program is intended to assist genuine owner-occupants.”

2. Amend Proposed Draft Bill No. 2991, SECTION 3, in pertinent part, by amending the proposed new Section 5A-11.4(h)(1)(C) to read as follows:

“(h) Owner-Occupied Principal Home Tax Credit.

(1) Upon proper application, a taxpayer who acquires property after the September 30 deadline for filing a claim for a home exemption shall be entitled to an owner-occupied principal home tax credit pursuant to this Subsection if the taxpayer meets all the requirements for a home exemption under this Section for the applicable tax year, with the exception of:

(A) The September 30 filing deadline set forth in Section 5A-11.1(a);

(B) The September 30 deadline set forth in Subsection (c)(2)(C);

(C) The [two hundred seventy (270)] calendar-day occupancy requirement set forth in Subsection (a)(1); and

(D) The disallowance of an exemption on more than one (1) home for any one (1) taxpayer set forth in Subsection (c)(2)(B).”

3. Amend Proposed Draft Bill No. 2991, SECTION 7 to read as follows:

“SECTION 7. This Ordinance shall take effect upon its approval (with the first application period [being October 1, 2026 through] ending June 30, [2027] 2026 relating to [Tax Year 2027].] tax year and fiscal year 2026-2027).”

(Material to be deleted is bracketed, new material to be added is underlined and highlighted.)