

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE

Council of the County of Maui

MINUTES

February 6, 2020

Council Chamber

CONVENE: 9:03 a.m.

PRESENT: Councilmember Keani N.W. Rawlins-Fernandez, Chair
Councilmember Kelly Takaya King, Vice-Chair
Councilmember Riki Hokama, Member
Councilmember Tasha Kama, Member
Councilmember Alice L. Lee, Member
Councilmember Michael J. Molina, Member
Councilmember Tamara Paltin, Member (out 12:30 p.m.)
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member (in 9:17 a.m.)

STAFF: James Krueger, Legislative Analyst
Yvette Bouthillier, Committee Secretary

Zhantell Lindo, Council Aide, Moloka'i Council Office (via telephone conference bridge)

Denise Fernandez, Council Aide, Lāna'i Council Office (via telephone conference bridge)

Mavis Oliveira-Medeiros, Council Aide, Hana Council Office (via telephone conference bridge)

ADMIN.: Michele M. Yoshimura, Budget Director, Office of the Mayor
Helene Kau, Deputy Director, Department of Water Supply (EDB-67)
Wendy Taomoto, Engineering Program Manager, Department of Water Supply (EDB-67)
Linda Munsell, Deputy Director, Department of Housing and Human Concerns (EDB-45(9))
Clyde (Buddy) Almeida, Housing Administrator, Department of Housing and Human Concerns (EDB-45(9))
Phillip Anderson, Development Coordinator, Department of Housing and Human Concerns (EDB-45(9))
Eric Nakagawa, Director, Department of Environmental Management (EDB-48, EDB-68, EDB-69)
Michael Ratte, Solid Waste Division Chief, Department of Environmental Management (EDB-48, EDB-68, EDB-69)

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

Sage Kiyonaga, Civic Engineer IV, Department of Environmental Management (EDB-48, EDB-68, EDB-69)
Kay Fukumoto, Economic Development Director, Office of the Mayor (EDB-73)
Michele N. McLean, Director, Department of Planning (EDB-40)
David Galazin, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Kay Fukumoto, Director, Office of Economic Development (EDB-73)
Kauwila Hanchett, Board Treasurer, Kaupō Community Association (EDB-40)
Linda Clark, President, Kaupō Community Association (EDB-40)
Claire Kamalu Carroll (EDB-40, EDB-72)
Jasee Law (EDB-48)
Rubens Fonseca, Maui EKO Systems (EDB-48)
Jonathan Starr, Volunteer Board Member, Kaupō Association (EDB-40)
Jim Niess, Maui Architectural Group (EDB-40)
Others (5)

PRESS: Akaku: Maui Community Television, Inc.

CHAIR RAWLINS-FERNANDEZ: . . .(*gavel*) . . . Aloha kakahiaka kākou. Hau`oli mahina `ōlelo Hawai`i. `Ekolu minuke i ka hala o ka hola `eiwa ma `eono o Pepeluali i ka makahiki `elua kaukani iwakālua. E `olu`olu mai, e ho`omalū ke Komike Ho`omohala Waiwai me Mo`ohelu Kālā. `O wai ka Iku Ha`i o kēia Komike, Keani Rawlins-Fernandez. It's 9:03 on February 6, 2020. Will the Economic Development and Budget Committee please come to order. I am your Chair Keani Rawlins-Fernandez. I kēia lā, me ko kākou eia, Committee Vice-Chair Kelly King.

VICE-CHAIR KING: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member Mike Molina.

COUNCILMEMBER MOLINA: Aloha kakahiaka, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Chair Alice Lee.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

COUNCILMEMBER LEE: Good morning. But I'll say this in also German, guten morgen, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Guten morgen. Member Riki Hokama.

COUNCILMEMBER HOKAMA: Good morning.

CHAIR RAWLINS-FERNANDEZ: Aloha. Good morning. Member Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member Yuki Lei Sugimura will be joining us later. And Pro Temp Tasha Kama.

COUNCILMEMBER KAMA: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Okay. And then we have with us from Corporation Counsel, Mr. David Galazin.

MR. GALAZIN: Buongiorno.

CHAIR RAWLINS-FERNANDEZ: Buongiorno. From Administration, we have Budget Director Michele Yoshimura.

MS. YOSHIMURA: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. And I'll introduce our department directors and representatives as we bring up each item. From our Committee Staff we have Yvette Bouthillier.

MS. BOUTHILLIER: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. And James Krueger.

MR. KRUEGER: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. And at our District Offices, we have Mavis Oliveira-Medeiros in Hana, Denise Fernandez on Lāna`i, and Zhantell Lindo on Moloka`i. Okay, just a quick reminder for everyone to please silence their cell phones. We have quite an ambitious agenda with nine items. But I'm confident that we'll be able to get through all of them.

COUNCILMEMBER KAMA: . . .*(inaudible)*. . .

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: That's right. Mahalo, Pro Temp Kama. Okay. So, we have EDB-67, Amending Fiscal Year 2020 Budget: Department of Water Supply (West Maui Community Plan Area, West Maui Reliable Capacity). I intend to take about 15 minutes on that. EDB-45(9), Amendments to Appendix A, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues By Departments and Programs for Fiscal Year 2020 (Department of Housing and Human Concerns (Hawaii Housing Finance and Development Corporation, Dwelling Unit Revolving Fund, Kahului Emergency Housing)). I intend to take about ten minutes on that. EDB-48, 68, and 69, I intend to take up together. EDB-48, Central Maui Landfill Purchase; EDB-68, Amendment to the Authorization For General Obligation Bonds (Department of Environmental Management - CML Phase VB Extension Leachate Recirculation System); EDB-69, Amendment to the Authorization for General Obligation Bonds (Department of Environmental Management - CML Extension of Primary Litter Screen and Drainage Improvements). These items were discussed in Budget. EDB-73, Lāna'i Enterprise Zone, probably about 15 minutes. EDB-72, Restoration of the Maui County Seal Tapestry in the County [sic] Chamber, approximately 15 minutes. EDB-71, Fiscal Monitoring of Grants and Grant Reporting, possibly ten, maybe less. And EDB-40, Countywide Cultural and Education Grant Funding. I'm anticipating a full discussion on that. Okay, Members, we're going to start with testimony. For individuals testifying in the Chamber, please sign up at the desk just outside the Chamber door. If you're testifying from one of the remote testimony sites, please sign up with District Office Staff. Testimony will be limited to three minutes. When testifying, please state your name and the name of any organization you may be representing. If you're a paid lobbyist, please inform the Committee. And then, Members, we will be asking, you know, some people to act as resource people. If you would like to go into more in-depth questioning, please withhold your questions until that item comes up, and we can call that person down as a resource person. So, for the testimony period, please limit your questions to the three-minutes of testimony that's provided. Mahalo. Okay, so we'll first check in with our District Offices. Ms. Oliveira-Medeiros in Hana, do you have anyone wishing to testify?

MS. OLIVEIRA-MEDEIROS: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka.

MS. OLIVEIRA-MEDEIROS: There is...this is Mavis from the Hana Office, and there is nobody here waiting to testify.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay, on Moloka'i, Ms. Lindo, do you have anyone wishing to testify there?

MS. LINDO: Aloha, Chair, there's no one here at the Moloka'i Office to testify.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Mahalo. And Ms. Fernandez on Lāna`i, do you have anyone wishing to testify there? Okay. We...it got disconnected. Okay. So, that line was disconnected. So...but we received a message that there aren't any testifiers, and she will let us know via e-mail if any testifiers do sign up, and then we'll call upon them. Okay, Mr. Krueger, will you please call our first testifier in the Chamber?

MR. KRUEGER: Good morning, Chair. The first --

CHAIR RAWLINS-FERNANDEZ: Good morning.

MR. KRUEGER: --person signed up to testify in the Chambers is Kay Fukumoto, testifying on agenda item EDB-73, to be followed by Kauwila Hanchett.

. . .BEGIN PUBLIC TESTIMONY. . .

MS. FUKUMOTO: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. FUKUMOTO: Good morning, Councilmembers. I was just testifying and just wanting to pass out Enterprise Zone information from the Department of Business Economic Development and Tourism, State of Hawai`i, for the agenda item when we get to it, as well as a listing of businesses who have taken advantage of the Enterprise Zones. So, I have 16 copies of these to be passed out. The reason why I'm testifying is just to inform everyone that the zones are, particularly for today, Lāna`i Enterprise Zone, expires March 31st. And tomorrow's Council agenda, there's also the East Maui zone that is expiring as well. And the process in which we extend these zones is that the Mayor, Mayor Victorino, would have to send a request to the Governor through the Department of Business Economic Development and Tourism with the State, and the process is then to execute the extension. And it is not necessarily automatic, and so time is of the essence here with respect to the zone extensions. If a zone expires, anyone who is currently in the zone retains their benefits for the remaining term of their zone application. However, if there are certain industries like agriculture accompanying, you can ask for another three-year extension. However, if the zone expires, there wouldn't be an ability to extend the extension for the zone. The purpose of the Enterprise Zone is to stimulate job creation and attract companies into the zone for economic stimulus. There would be an issue if there was an expiration of a zone and, you know, we decide that we want to allow the zone to happen and there's a period of time where it is not a zone. There are...there would be existing companies perhaps that are in the zone that wouldn't...there would be stricter job-creation

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

guidelines for them to qualify for the zone. So, there are some ramifications if we let these zones expire. Thank you very much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Fukumoto. Okay, Members, we will bring Ms. Fukumoto onto the floor for questions when the item comes up. But if you have any questions now...Vice-Chair King?

VICE-CHAIR KING: Thank you, Chair. I just wanted to ask if you, if, Ms. Fukumoto, if you could bring, when you come back when we get to this item, do you have a list of the current areas? The areas that are current in Maui County that are in the Enterprise Zone? Or those are the only two zones you're talking about?

MS. FUKUMOTO: Well, yeah, today is only Lāna`i, the extension of the Lāna`i zone.

VICE-CHAIR KING: Oh, I know about the extensions. But what currently... 'cause I thought our entire County was an Enterprise Zone but...

MS. FUKUMOTO: No, actually Lāna`i and Moloka`i are, and if you look at tomorrow's Council agenda, there is...we're trying to attach the East Maui zone to the greater Maui zone. But you'll see that map that has certain areas that are not in the Enterprise Zone.

VICE-CHAIR KING: Okay.

MS. FUKUMOTO: Yeah.

VICE-CHAIR KING: That's on tomorrow's...

MS. FUKUMOTO: Tomorrow's agenda, right.

VICE-CHAIR KING: Okay, so maybe attach that. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Vice-Chair King. Members, any other questions? Okay, we'll...as I said, we'll be able to ask more questions when the item comes up. Mahalo, Members, for your consideration. And then, Staff, will you please grab the handouts that Ms. Fukumoto has? Mahalo for your testimony and for joining us this morning, Ms. Fukumoto. Okay, next to testify is Ms. Hanchett, followed by...Mr. Krueger?

MR. KRUEGER: Ms. Hanchett is to be followed by Linda Clark.

CHAIR RAWLINS-FERNANDEZ: Mahalo.

MS. HANCHETT: `Ano `ai e nā makamaka o Hawai`i nei mai ka pu`uwai o Kahaelani a hiki aku I ka lae o Keawe. `O wai Kauwila Hanchett. He mamo mai au no

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

Kaupō. I'm here on behalf of the Kaupō Community Association, EDB-40. First of all, I would like to express my gratitude to the Council for your support of the project. As you know, we are at a sensitive point in the project with the stop work, and there's a lot of confusion around this stop work and what happened with the building being reconstructed rather than rehabilitated. And I'm really grateful that we're here to be able to clear up some of those things and reassure the Council that the funding granted that you entrusted into our care has been used according to what was approved in our budget. I'm going to squeeze in a very quick story, if I can. If you've ever hiked up the Kaupō Gap, you know that the very beginning of the trail is rubble that you have to get over, and it's very steep going up and up and up the mountain. And I have had the opportunity to do it several times and the last time with a friend of mine. We were hiking up, and it's so exhausting. But we kept going up higher and higher, and we were probably at about 3,000 feet elevation, and we stopped for a moment. And we sat down, and the mist was creeping up the mountain, and we saw a i'iwi fly by. And the i'iwi to me is like our native thought. And we're working so hard to bring to fruition the vision of our kūpuna, and to bring our community together. We're working so hard. And as we work to hold on to this 100-year legacy with the school, it's a 1923 building, we cannot forget our 2,000-year legacy which is how we treat one another with aloha. And so as our community navigates this, I ask all of you to continue to support us with aloha to come to clarity and to bring the vision of our kūpuna to fruition so that our community can get to the real work which is protecting our `āina and one of Hawai'i's last kipuka, Kaupō. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Hanchett. Members, any questions? Ms. Hanchett also sits on the Kaupō Community Association Board and will be here for the meeting so we can also call her up as a resource person if the Committee would like to. Member Sinenci, did you want to ask a question now?

COUNCILMEMBER SINENCI: . . . *(inaudible)* . . .

CHAIR RAWLINS-FERNANDEZ: Okay, okay. Mahalo, Ms. Hanchett. Okay. Mr. Krueger?

MR. KRUEGER: The next person signed up to testify is Linda Clark, testifying on agenda item EDB-40, to be followed by Claire Kamalu Carroll.

MS. CLARK: Good morning, Chair --

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. CLARK: --Councilmembers. My name is Linda Clark, and I'm the President for Kaupō Community Association. And I just want to ditto whatever Kauwila just

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

said. It's so heartfelt for us to take on this project and to be entrusted by you all. And I'm here today to answer any questions that you may have for us, and hopefully we can provide whatever answers there needs to be. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Clark. Okay, so we can also have Ms. Linda Clark as a resource person when that item comes up. Mahalo, Members. Okay. Mr. Krueger?

MR. KRUEGER: The last person signed up to testify in the Chambers is Claire Kamalu Carroll, testifying on agenda items EDB-72 and EDB-40.

MS. CARROLL: Aloha and good morning, everyone. I sent in written testimony, but I'll read it really quickly. And this is for EBD-40 [sic]. I'm submitting testimony for EBD-40 [sic]. As a member of Kaupō Community Association and a descendant from Kaupō, Maui, it is my view that the historical site building known as Kaupō School was not demolished. I have visited the site and attended many meetings of Kaupō Community Association that my personal approval of the process of restoring Kaupō School. It is unfortunate that this situation has come to a stop work and hopefully today's concerns will be answered for clarity. I am not the expert but felt that everything that was taken step by step in this process, countless community meetings, plans drawn and more so when attending the last scheduled meeting, documentation was on hand with pictures of the board...of boards that needed replacing and obvious to a person with no expertise. Today we all come together to see how this project can continue due to the overall benefit that this will be for the community of Kaupō. Also, today I would like to testify on behalf of EBD-72 [sic]. I'll be reading a letter from Robert Carroll, former Councilmember. Aloha. My concern today is the tapestry that was removed on August 15, 2019. It was commissioned by the County in 1972 and was made by world-renowned weaver of Hawai'i Native, the late Alice Kagawa Parrott. The tapestry was removed without a clear cause of reason without an opportunity of public input. The Maui County's Seal tapestry is historically significant to the people of Maui County and the State of Hawai'i. Such a historic piece of the art has tremendous public value and should be treated the same provisions and standards as works belonging to the Hawai'i State Foundation of Culture and the Arts of public art collection. The Councilwoman said that she is not required to get approval from other Councilmembers to remove the tapestry, and that she has the power to make these decisions regarding the Chamber. These were elected to serve the public's need and remember they have the power and the need to use the right way. Always working for our affected. It wasn't done in this care. Please take appropriate actions necessary to correct this. I'd also like to state that someone who is from the `āina of Maui, the tapestry distinguished Maui County. I kind of took it to heart. I'm glad we're here today that we can, as the public, give our mana`o on how we feel. You know, Haleakalā, the House of the Rising Sun, but, you know, it's historical for

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

me. Not only that, the beautiful piece that we've been looking for for years, and thank you so much.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your testimony, Ms. Carroll. Members, any questions for Ms. Carroll on either item? Okay, seeing no questions, mahalo again for joining us today. Okay, looks like we have one last testifier. Mr. Law, will you please come and identify yourself.

MR. LAW: My name is Jasee Law from Kula. Thank you, Keani. You're doing a good job.

CHAIR RAWLINS-FERNANDEZ: Thanks.

MR. LAW: So, I'm wondering how many acres, or how much tax value could we get if we started charging all the church properties in Maui County some kind of fee or something like that. I'm wondering how much property belonging to churches, whatever that is, like . . . *(inaudible)* . . . checked into the law, the tax exempt 501(c)(3), religious organizations. And this might be a good time because what's going on in Washington, D.C., those guys don't even follow their own laws with the Constitution and stuff. So, you know, I mean it goes back to the missionaries coming over here. I think they started taking advantage. So, to put it in perspective, Mr. Hokama, just imagine if Mr. Ellison took all his land and then put it into a 501(c)(3) and didn't pay, you know, 2 percent of the taxes on Lāna'i. And the reason I'm doing this is 'cause they didn't...I mean the reason I'm saying this is 'cause they didn't...I was Roman Catholic and I was...I don't know who to blame for this.

CHAIR RAWLINS-FERNANDEZ: Mr. Law, which item are you testifying on?

MR. LAW: Yeah, oh yeah, sorry. I'm going to hurry up. I know you got a lot to do. So, it goes with the...I'll put it under EDB-48 'cause you guys know I'm big into recycling and the waste management stuff. And I was trying to get them to realize that they're not doing what's pono up at that church. So, if they're getting tax breaks, then they should do what's right for everybody. But they start telling me like...they never really talked to me but they tried to make it like I was a homeless guy going in the dumpster like you see a lot people do. But don't judge those guys 'cause sometimes they're actually trying to do good and not just trying to make the community all messed up throwing rubbish everywhere. So, yeah, I'd like you guys to look at that when you get time. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Law. Members, any questions for our testifier? Okay, seeing none, mahalo for your testimony, Mr. Law. And sorry, Member Sugimura. I'll recognize Member Yuki Lei Sugimura. Mahalo for joining us.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

COUNCILMEMBER SUGIMURA: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, Mr. Krueger, were there any last testifiers signing up?

MR. KRUEGER: Chair, there's no one else in the Chambers signed up to testify.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. Okay, Members, if there are no objections, I'll now close public testimony.

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay. Public testimony is closed.

. . . END OF PUBLIC TESTIMONY. . .

CHAIR RAWLINS-FERNANDEZ: Okay. So, we're going to begin and my plan, if all goes well, is to take our morning break after EDB-73, the Lāna'i Enterprise Zone. So, we'll call up Ms. Kau.

**ITEM 67: AMENDING FISCAL YEAR 2020 BUDGET:
DEPARTMENT OF WATER SUPPLY (WEST MAUI
COMMUNITY PLAN AREA, WEST MAUI RELIABLE
CAPACITY) (CC 20-49)**

CHAIR RAWLINS-FERNANDEZ: So, we have with us EDB-67, Amending Fiscal Year 2020 Budget, Department of Water Supply, (West Maui Community Plan Area, West Maui Reliable Capacity.) And we have with us from the Water Department both Ms. Helene Kau, Deputy Director, and Wendy Taomoto, Engineering Program Manager. Mahalo for joining us. And Ms. Yoshimura, Budget Director. Okay, so I will open...I will invite the Department to open us up with comments on this item.

MS. KAU: Thank you, Chair. I'm going to ask Wendy Taomoto to provide comments.

MS. TAOMOTO: Good morning, Chair and Members. Oops, sorry. The Department is submitting this request for a budget amendment to allow the Department to move forward with its West Maui Source Development Project, in particular Well

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

No. 2. In 2019, we bid the project out. Unfortunately, and we had sufficient funding, unfortunately, we encountered a bid protest. And without getting into the details too much, the process is being handled by the Department of Finance, is estimated to take somewhere between two to three months. And as such, we had to let the funds lapse. So, we're requesting reappropriation of the funding, and this project will allow us to continue to issue permits and provide water for, you know, building permits and future projects that are coming down the pipeline. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Taomoto. Budget Director Yoshimura, did you want to add anything to that? Okay. Okay, Members, I'll open it up to questions. Okay. I'll...so I'll do one question, one follow-up, starting with Member Sinenci, and then I'll work down the row. Okay, Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. I was just curious what a bid protest is, if...whatever can be shared on the floor this morning?

CHAIR RAWLINS-FERNANDEZ: Ms. Taomoto?

MS. TAOMOTO: Thank you, Chair. The bid protest, I can generally just say without saying who submitted the protest and the protest was filed against, there's some issues with the bid proposal. And there's also issues with the qualifications of suppliers that was included in the bid where the bidder had to provide...demonstrate qualifications and there's some issues with that. And it isn't involving one bidder. It involves multiple bidders. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Taomoto. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair.
...*(spoke in Hawai'ian)*...

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Molina?

COUNCILMEMBER MOLINA: No, Madam Chair, that was kind of what was going to be my question, just following up on Mr. Sinenci's. But anyway, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay, Vice-Chair King?

VICE-CHAIR KING: Thank you so much. So, I just wanted to clarify. Because the funds are lapsing, and were the funds in the amount of 4.25 million? Are we asking for the loan in the same amount that the fund...that it was funded for?

CHAIR RAWLINS-FERNANDEZ: Budget Director Yoshimura?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

MS. YOSHIMURA: Chair, yes, we are asking for the same appropriation that was in Fiscal '19 to be in Fiscal '20.

VICE-CHAIR KING: Okay. So, if we...so is the intent to get it into the next Budget, and then repay the loan, or is it...is the intent just to keep the loan on the books?

MS. YOSHIMURA: On the SRF loan?

VICE-CHAIR KING: Well, the loan that we're taking because the funds are lapsing.

MS. YOSHIMURA: So, this project was proposed with funding from SRF which is the State Revolving Fund and also with Water Fund restricted money. So, two sources of funds were going to be applied to this project. Once the project is completely built out, then we would start repaying the SRF loan.

VICE-CHAIR KING: Oh, okay. So, we're not talking about a difference in the funding source, we're just talking about timing?

MS. YOSHIMURA: Yeah. So, these were the two appropriations that was in the Fiscal '19 Budget. Because of the bid protest and the December 31, 2019 lapse date, we're now asking for the monies to just move over into the Fiscal Year '20.

VICE-CHAIR KING: Okay, okay. Thank you for clarifying that. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Vice-Chair King. Chair Lee? You have a question?

COUNCILMEMBER LEE: No.

CHAIR RAWLINS-FERNANDEZ: Okay, okay. Mahalo. Member Hokama? Oh, okay. Member Paltin?

COUNCILMEMBER PALTIN: Thank you. I'm glad I went later on. Some of my questions got answered. I had a general process question. You know, when we're making water decisions and water issues affecting West Maui, how is word...how is the communication with the West Maui residents reached? Say, there's water things happening in West Maui, how do you communicate with my residents so that they know to show up to these meetings?

CHAIR RAWLINS-FERNANDEZ: Deputy Director Kau?

MS. KAU: I don't think that we necessarily directly communicate the effects of this. These are Capital Improvements Projects. They're large-scale projects. Occasionally, there are instances where some of the community members do

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

testify. But, again, this is an engineering, large-scale project that we had intended to do previously, and we had not. So, I don't know that we had necessarily communicated that it didn't happen. Some of those details, of course, we couldn't discuss as a result of the bid protest.

COUNCILMEMBER PALTIN: Okay. I'm just referring to my office got a number of complaints that nobody was notified that the Mayor was coming out for a meeting on water. And so, nobody showed up to the meeting.

MS. KAU: And that meeting was specifically for a particular item, not this particular matter. And unfortunately, there appears to have been a miscommunication on our part. And, you know, we didn't communicate as effectively as we should have, and we had discussed that matter with Water and the Mayor's Office, and we have ensured that that is not going to happen in the future. And that is a matter specifically not related to this matter. You're correct. I am well-aware of that matter. But we did...we apologized to some of your constituents, and we've ensured that we will provide better communication in the future.

COUNCILMEMBER PALTIN: Thank you.

MS. KAU: You're welcome.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Sugimura?

COUNCILMEMBER SUGIMURA: No questions.

CHAIR RAWLINS-FERNANDEZ: Pro Temp Kama?

COUNCILMEMBER KAMA: No questions, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Any last questions or comments? If not, I will provide the recommendation here. Okay. Members, the Chair will entertain a motion to recommend passage on first reading, the following proposed bills, one, "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR WEST MAUI RELIABLE CAPACITY FISCAL YEAR 2020 BUDGET ORDINANCE." Two, "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2020 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF WATER SUPPLY, WEST MAUI COMMUNITY PLAN AREA, WATER SUPPLY, WATER FUND - RESTRICTED, WEST MAUI RELIABLE CAPACITY, STATE REVOLVING LOAN FUNDS, WEST MAUI RELIABLE CAPACITY, TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)." And three, "A BILL

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

**DEPARTMENTS AND PROGRAMS FOR FISCAL YEAR
2020 (DEPARTMENT OF HOUSING AND HUMAN
CONCERNS (HAWAII HOUSING FINANCE AND
DEVELOPMENT CORPORATION, DWELLING UNIT
REVOLVING FUND, KAHULUI EMERGENCY
HOUSING)) (CC 19-281)**

CHAIR RAWLINS-FERNANDEZ: EDB-45(9), Amendments to Appendix A, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues by Departments and Programs for Fiscal Year 2020 (Department of Housing and Human Concerns (Hawaii Housing Finance and Development Corporation, Dwelling Unit Revolving Fund, Kahului Emergency Housing)). Okay, and then as you'll all recall, we discussed this pretty thoroughly in the Affordable Housing Committee with Chair Kama of that Committee. So, we have with us Deputy Director Linda Munsell and Housing Administrator Buddy Almeida. Oh, and then you can also introduce the other gentleman with you. Oh, okay. And then I'll invite Deputy Director Munsell for opening comments and identifying the rest of your team. Mahalo.

MS. MUNSELL: Thank you, Chair. Thank you, Committee, for taking this up, really appreciate your hearing this this morning. My name is Linda Munsell. I'm the Deputy Director for the Department of Housing and Human Concerns. With me today is Buddy Almeida, our Housing Administrator, and Phil Anderson, who is our Development Coordinator, and will be available to answer any questions that you might have. The amendment before you today is to allow the Department to use \$5 million in DURF funding that was allocated to us through the Legislature last year. That money is intended for the renovation of the UH dorm properties which is located on the corner of Kaahumanu and Wahinepio Avenue. We've recently completed the structural assessment for that property and have received cost estimates for renovation. The cost estimate is approximately \$3.7 million. We anticipate another \$300,000 or so for planning and permitting for that project. And then the additional money would be used for planning and entitlements for a future increase in density on that property, assuming that we can roll forward with that. Once this amendment passes this body, we are ready to roll forward with start of construction and to RFP for the entitlements and EA work for the additional units. We would anticipate once we have funding approval that we could start construction relatively quickly and be moving families in in about one year. The...if you remember also, this project is receiving about 800-and-some-odd thousand, almost \$900,000 in Ohana Zone funding. And that funding will support the operation and support services for the families that we're going to move out of temporary shelter into permanent housing into this project. And we're here for your questions. Really appreciate you taking this item up. Thank you.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Munsell. And so, if you...if everyone saw on Granicus, we did receive the structural engineering report dated January 13. The report itself was dated December 17, 2019. Okay, so I'll start with Affordable Housing Chair Kama, and then I'll work our way down if anyone --

COUNCILMEMBER KAMA: No questions, Chair.

CHAIR RAWLINS-FERNANDEZ: --has questions. Okay. Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah, no questions. I think we discussed this --

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER SUGIMURA: --in Committee.

CHAIR RAWLINS-FERNANDEZ: Member Paltin? Member Hokama? Chair Lee?

COUNCILMEMBER LEE: None.

CHAIR RAWLINS-FERNANDEZ: Vice-Chair King? Member Molina?

COUNCILMEMBER MOLINA: Recommendation?

CHAIR RAWLINS-FERNANDEZ: Member Sinenci?

COUNCILMEMBER SINENCI: Thank you. Just clarification. We're going with option one, yeah?

CHAIR RAWLINS-FERNANDEZ: Ms. Munsell?

MS. MUNSELL: Chair, thank you. Yes, our recommendation is to do renovation. That's the fastest, most effective, and we believe it'll be the proper answer for this.

COUNCILMEMBER SINENCI: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. And I have one question. So, the mold and asbestos, is there an item in your budget to do remediation for, you know, any mold and asbestos found?

MS. MUNSELL: Thank you, Chair, for the question. And I do understand your concern on that. Mold remediation is part of the renovation and is included in that budget.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Okay, great. Are there plans to continue to do test for mold, as I understand it and we discussed in the Affordable Housing Committee, that it can be tricky to completely get rid of if we're not completely demolishing and we're rehabbing, because of the spores. So, is there any plan to continue testing? And you know, as the Budget Committee, we can also prepare for that, if necessary.

MS. MUNSELL: Chair, once the project is complete, we will have a property manager who's overseeing this property. Mold is always a concern for tenants. And so, if there's any indication that there's an issue, that we will certainly be testing and dealing with that, yes.

CHAIR RAWLINS-FERNANDEZ: Okay, so it...what I'm hearing is that it's going to be only complaint-driven. It's not going to be proactive. We're not going to proactively test to make sure that there's no mold in the structures?

MS. MUNSELL: If that's a showstopper for this Committee, we can put that into the RFP for our management team to do that for the property, yes.

CHAIR RAWLINS-FERNANDEZ: I'd really like that. Thank you. Okay, Members, I'll provide my recommendation. The Chair will entertain a motion to recommend passage on first reading of the proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2020 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANTS AND RESTRICTED USE REVENUES - SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF HOUSING AND HUMAN CONCERNS (HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION, DWELLING UNIT REVOLVING FUND, KAHULUI EMERGENCY HOUSING);" incorporating any nonsubstantive revisions to be requested from the Budget Director.

COUNCILMEMBER KAMA: So moved.

VICE-CHAIR KING: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Pro Temp Kama, seconded by Vice-Chair King. Members, any discussion? Member Hokama?

COUNCILMEMBER HOKAMA: Chair, I'm happy to give the maker of the motion, my colleague, her opportunity first.

CHAIR RAWLINS-FERNANDEZ: Pro Temp Kama, did you have any questions or comments before...

COUNCILMEMBER KAMA: No questions, no comments, Mr. Hokama.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

ABSTAIN: None.

ABSENT: None.

EXC.: None

MOTION CARRIED.

ACTION: Recommending **FIRST READING** of bill by C.R.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Department, for being here today. Okay, and then next I'll call up Department of Environmental Management Director and any other representatives. Okay.

ITEM 48: CENTRAL MAUI LANDFILL LAND PURCHASE (MISC.;
CC 20-50 and CC 20-51)

**ITEM 68: AMENDMENT TO THE AUTHORIZATION FOR
GENERAL OBLIGATION BONDS (DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT - CML PHASE VB
EXTENSION LEACHATE RECIRCULATION SYSTEM)**
(CC 20-52)

**ITEM 69: AMENDMENT TO THE AUTHORIZATION FOR
GENERAL OBLIGATION BONDS (DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT - CML EXTENSION
OF PRIMARY LITTER SCREEN AND DRAINAGE
IMPROVEMENTS** (CC 20-53)

CHAIR RAWLINS-FERNANDEZ: All right. I'm going to take all three items up at the same time, EDB-48, Central Maui Landfill Purchase; EDB-68, Amendment to the Authorization for General Obligation Bonds (Department of Environmental Management - CML Phase VB Extension Leachate Recirculation System); and EDB-69, Amendment to the Authorization for General Obligation Bonds (Department of Environmental Management - CML Extension of Primary Litter Screen and Drainage Improvements). Members, on Granicus I also included for your refresher, some of the discussion that took place during Budget last year in case you wanted to prepare for this item. Okay, so we have with us Director Eric Nakagawa. It looks like we also have...

MR. NAKAGAWA: All right. Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay, good morning. Go ahead.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MR. NAKAGAWA: Good morning, Members. So, today it's a little new process for me. Usually Wastewater, we get the funds, and we get to spend it. My understanding is we're here to get bond authorization for the Solid Waste projects that were allocated for Central Maui Landfill expansion, some bay expansions, leachate expansion, and another project. We have four total. But...

CHAIR RAWLINS-FERNANDEZ: The leachate and the litter screen.

MR. NAKAGAWA: And oh, and the fence project.

CHAIR RAWLINS-FERNANDEZ: Yes.

MR. NAKAGAWA: So, just recapping. I know we went into detail during our Budget Session last year, that all of these projects are pretty much just, what you guys have in front of you is just the cut sheets from Fiscal Year 2020 when we went into Budget last year. And in the back, just has comments again on summarizing where we are and with each project, and that we're pretty much ready to go out to bid with these projects. All of the design funds are...the designs are completed. We're ready to go. We're going to bid it out. And I believe one of the projects is design and construction funds. So, as soon as you guys appropriate the funds, we're able to start design and go into construction. All of these projects once again is capacity-related which is the Central Maui Landfill, we all kind of talked about it. We have couple of years left over there, and so we're ready to go out to bid and expand the...it's actually Phase 3 landfill. And the others were either compliance-driven like litter, like the fence, and/or safety-driven where we had couple bays and we kind of identified that the additional bays where all residential comes to drop off their trash, kind of causes a backup, if you guys ever went to the landfill to try to drop your trash, the line runs out the gate and onto Pulehu Road, yeah. So, other than that, I guess we'll leave it open for discussion and questions.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Will you also please introduce the rest of your team for the record?

MR. NAKAGAWA: Oh, yeah, sorry. So, we have --

CHAIR RAWLINS-FERNANDEZ: Mahalo.

MR. NAKAGAWA: --Division Chief Mike Ratte. And we have our CE VI, right? CE-6 now, right?

MR. KIYONAGA: TA.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MR. NAKAGAWA: Oh, TA. Sorry, I thought he was already promoted, but Sage.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Okay, Members, again we had allocated the funding for these projects in Budget and withheld the authorization. So, today we'll be authorizing the bonds for these projects. I'll open up for questions. Okay. Okay, looks like there's lots of questions. So, I'll start with Member Sinenci...

COUNCILMEMBER HOKAMA: Does the --

CHAIR RAWLINS-FERNANDEZ: Member Hokama?

COUNCILMEMBER HOKAMA: --Department have a map for us on the purchase site?

CHAIR RAWLINS-FERNANDEZ: Director?

COUNCILMEMBER HOKAMA: No, I don't need one Mickey Mouse green blobs, okay. I need something with topo, metes and bounds. I need a legal description. This ain't cutting it.

CHAIR RAWLINS-FERNANDEZ: Mr. Ratte?

MR. RATTE: We certainly can provide that. We don't have it available today, but we do...we can provide it to Council.

COUNCILMEMBER HOKAMA: They want us to spend millions, and yet you cannot give us one map.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Yeah, Chair, so, yes, Member Hokama. So, I believe when we were in discussion during the Budget, that was one of his criteria, was really to get the appraisal, yeah. And so, I apologize. I didn't bring the appraisal . . . *(inaudible)*. . . So, we'll definitely give it to you guys. That will have...cover the actual metes and bounds, the map, as well as...

COUNCILMEMBER HOKAMA: Director, you want a decision today? 'Cause the Chair is trying to assist you. But you don't give us the documents we want...that need for this decision. So, are you talking about another date for this Committee to make the call? When you're going to prepare, give us the documents?

CHAIR RAWLINS-FERNANDEZ: Director, are you able to get that information before 12 o'clock today? I'd be happy to defer this item and wait for that information

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

because I don't think the Committee will be comfortable voting on this without that information.

MR. NAKAGAWA: Okay.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Yes, we can provide that, but...okay, never mind. Yeah, we can provide that.

CHAIR RAWLINS-FERNANDEZ: Okay, Members? Any objections to deferring this to the end of the agenda?

COUNCILMEMBERS: No objections.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Oh, Vice-Chair King?

VICE-CHAIR KING: While we have him here, can we ask whatever questions we have?

CHAIR RAWLINS-FERNANDEZ: Sure. Okay, so we'll ask further questions and then perhaps...is there any way we can...we have a phone over here if you want to try to call. Or maybe you have your cell phone. You want to try to call someone to try to get the information to us while the Members ask questions? That would be really helpful. Okay, Member Sinenci, I'll start with you.

COUNCILMEMBER SINENCI: Thank you, Chair. I was just curious if an appraisal of the property was also included in the acquisition?

CHAIR RAWLINS-FERNANDEZ: Sorry, one more time. A little closer to the mic.

COUNCILMEMBER SINENCI: An appraisal of the property, is that included in the acquisition of the property?

CHAIR RAWLINS-FERNANDEZ: You're asking for the appraisal information?

COUNCILMEMBER SINENCI: Yes.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. They're going to get it for us and then we're going to...

COUNCILMEMBER SINENCI: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: Do you have any other questions?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

COUNCILMEMBER SINENCI: No, that's it. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. First of all, I know you have a very stacked, heavy agenda today, so for, you know, being that you're going to ask the Department to come back at the end of the calendar, maybe just one round of questions, and then later on we can ask some more if it's...just for time matters. But anyway, I just get one question on...

CHAIR RAWLINS-FERNANDEZ: Always so considerate. Mahalo, Member Molina.

COUNCILMEMBER MOLINA: Oh, of course. I know about heavy agendas, too. Just one question on the debris sorting. I know you're asking for a \$200,000 bond, I guess, for that. Oh, to acquire the 17 acres for that. Give just a little bit more detail on this debris sorting, and is it going to require more personnel, or...just wanted to get a little bit more details on that from the Director or the other gentleman.

CHAIR RAWLINS-FERNANDEZ: Mr. Ratte?

MR. RATTE: Thank you, Chair. Thank you, Members. Yeah, the debris sorting is about emergency debris processing if there's any emergencies that take place where we have a massive amount of shoreline debris due to tsunami or hurricane debris and things of that nature. We need an area, then we're charged, this Division is charged with having to process and handle all of that Countywide. So, this area gives us a location to do that. We did an emergency lease from A&B at this same location in the past. We just want to secure that land and give us a permanent location to handle this in the event of an emergency.

COUNCILMEMBER MOLINA: Okay. And then you have the sufficient personnel for now to...should this facility be built? Or, you're going to look at...asking us for more positions possibly in the future?

CHAIR RAWLINS-FERNANDEZ: Mr. Ratte?

MR. RATTE: Thank you. No more positions would be necessary. In the event of an emergency like this what we've done in the past is we do what we can in-house, and then we contract out for what we can't handle. We still got to run our landfills and refuse collection. But no additional positions are associated with this request.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

COUNCILMEMBER MOLINA: Okay. Thank you, Mr. Ratte. Thank you, Madam Chair. That's it for me.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Vice-Chair King?

VICE-CHAIR KING: Thank you, Chair. So, one of the issues that came up when we were discussing this in Budget was the fact that we had this outstanding agreement with a company called Anaergia that was supposed to take over the landfill. And there's a question about what, if they're doing that, what expenses should be on that company, and what should not. My understanding is that they had 'til the end of last year in their agreement to take some action because they had been extended a couple of times. So, can the Department please comment on where we're at with that agreement? Has that lapsed, and are we moving on, and we're now taking, you know, all of this action is squarely on the County, running the landfill?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: All right. Thanks, Chair. Thanks, Member King. So, as we talked about in the previous Fiscal Year 2020 Budget, so Anaergia, they basically have contracts and they end at June 20th of 2020. So, basically in four or five months. And kind of like I said before, I mean Anaergia had...it was a landfill diversion project. They were going to take waste, burn it. It doesn't mean that we...we still need landfills, we still need place to put our ash, whatever it comes leftover, and it doesn't affect any of the other projects which is a bay, fencing, or compliance and safety projects that we have here today.

VICE-CHAIR KING: Okay. So, can I follow up --

CHAIR RAWLINS-FERNANDEZ: Yes.

VICE-CHAIR KING: --Madam Chair? So, the original RFP that was, I don't know, was three or four years ago that it was issued, which was basically management of the landfill. The previous Mayor had created that RFP supposedly to save the County money and then put it out to a manager of the entire landfill which was supposed to save us money. So, that has morphed into just taking one waste stream and...or one section of the waste streams that go in there and burning it. And, you know, I guess I got my dates mixed up 'cause I thought that was supposed to expire...the agreement was expiring in January because I know...or December because I know the previous extension had been given the previous December before the previous Mayor left office. So, I had been...I was under the impression they had a one-year extension which would have ended in December of 2019. But now you're saying that it was extended 'til the end of this fiscal year. Is that correct?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Thank you, Chair. There has been no extensions under this Administration. So, my understanding is that their contracts will, once again was amended and will either come to fruition June 20th of 2020, or not. And my understanding of the contracts were, although I didn't develop the RFP, was never management of the Central Maui Landfill. It was really they were tasked to have their own site, to take these different types of waste streams, create some type of beneficial use from it, but yet still we work with them, and there's going to be some type of disposal at the end.

VICE-CHAIR KING: Okay. Maybe you need to go back to the original articles about that because I think that that was the original intent, and it was stated by the previous Mayor. But could you double-check on those...I'm calling them agreements, Chair, because they were never contracts that were formalized by the Council. But could you double-check on those dates because I'm pretty sure that that extension was given before the previous year ended, and the outgoing Mayor gave that year extension. So, that is my understanding, and I kind of wanted to know...I think that's one of the discussions that we had during Budget was how does that contract relate to some of the expenses we're incurring. What, you know, what is the responsibility, if it is a contractor, of the contractor. But we haven't heard anything on this. And then the other...so, if you can...if we can get a report on that as well before we make a decision. And then the other issue is how this...is this any...has an effect, any of these projects on green waste because I think in our Budget as well, when we authorized the opening for Sundays at the landfill for green waste, we also put in there that we'd like a report in six months I believe. So, I haven't seen that. So, is that something that's forthcoming from DEM as well?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Yeah, we can provide you with an update on how much green waste we take in on Sundays. And --

VICE-CHAIR KING: Okay.

MR. NAKAGAWA: --we can definitely...I'll definitely get those dates for you for the...what did you call them? I call them contracts...or amendments --

VICE-CHAIR KING: I was just calling them agreements --

MR. NAKAGAWA: --or agreements, yeah, whatever.

VICE-CHAIR KING: --because that's the term that was used. But...

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MR. NAKAGAWA: And...but once again, I just want to kind of stress like I did last time, is really that this funding, this bond authorization funding is for projects that are either safety or regulatory requirements and as well as capacity for our landfill, right. And so if we choose not to, then we're choosing to either potentially, you know, have either fines or whatever comes with it from the Department of Health. That's all.

VICE-CHAIR KING: Okay, I understand that. But also, you know, because we're talking about the expense of the landfill and, you know, the new addition, and so all of this kind of relates to what's happening, what's going in the landfill these days, what...did we save any money by, you know, how expensive is it to have that extra opening day and, you know, things like that. So, I'm just trying to follow up on some of the other budgetary items that were discussed around the same time as part of this issue. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Vice-Chair King. Chair Lee?

COUNCILMEMBER LEE: Thank you, Madam Chair. I have a different opinion. I think that we ought to support the bond authorization. I'm all for the Members getting information which could have been obtained long ago. As the Director said, you know, we have compliance issues. We have capacity issues. We have expansion issues, you know, that we need to address. And this is a big project that needs to go forward and should not be delayed unnecessarily. The information can be obtained between now and first reading, yeah. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Member Hokama, did you have additional comments?

COUNCILMEMBER HOKAMA: Chair, I'll wait.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Paltin? Oh, Director?

MR. NAKAGAWA: Thanks, Chair. So, just because Member Hokama kind of brought it up about the appraisal, so just kind of jogging the memory for myself as well as for you guys, is we...my understanding was we came in for Fiscal Year 2020 with \$1 million to purchase that 17 acres. And at that time, we did not have an appraisal. And that's why we kind of authorized...or didn't authorize, but we kind of knocked it down to that 200,000. So, I want to be...kind of just kind of clarify and be clear like the 200,000 that's in here, it's not to actually purchase the 17 acres, yeah. It's really to do some EA, land entitlements and that kind of stuff. So, and I think I came back into...at that time was Member Lee's WAI Committee, right, and we kind of went over the reasons for this project. And we kind of told you guys that the 17 acres, potentially A&B came and said instead of just buying the 17, we can purchase the whole 63, right. And that was way better for us as far as the emergency debris management plan. So, I think with

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

that kind of direction, we kind of got the appraisal and it was for the 63 acres, right. It came in at roughly 1.8 million. So, I just wanted to kind of clarify the 200,000, really we're not asking to purchase that 17 acres, right. We're really trying to pursue that 63 acres so that, whatever it was, Category 4 hurricane, right, that we have enough area to put the debris somewhere. And then that appraisal, I believe we finished that appraisal, came in 1.8 million. So, we won't...that'll be actually in Fiscal Year '21. So, just kind of letting you guys know to get that actual land purchase. But this 200,000 will allow us to continue and get the land entitlements and the EA and all that kind of stuff, so. So, just a little kind of clarification for that.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Department. I was wondering if you can just go over the map that you do have. You're intending to purchase or entitle? Entitle for a purchase the green and the blue, two separate non-contiguous...

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Yeah, Sage will answer the detailed question.

CHAIR RAWLINS-FERNANDEZ: Mr. Kiyonaga?

MR. KIYONAGA: Thank you, Chair. So, the green represents the original request that we proposed last year for 17 acres. So, what Director Nakagawa was mentioning is that we contacted A&B, and they're not willing to subdivide out the 17 acres for us. They're more...they would like to sell the entire parcel of 63 acres. So, what you see here in the green on the map that was provided for you in your handouts, is just the 17 acres. The 63 acres would include the 17 acres that we're going to propose for next fiscal year, and also a little bit more to the left of this green that's not delineated. You can see to the left of the green, there's like a road running immediate to the left. The 63 acres would run all the way up to that road that eventually runs down and connects up to Pulehu Road to the bottom of the map. Does that clarify things?

COUNCILMEMBER PALTIN: Well, so...

MR. NAKAGAWA: Chair?

COUNCILMEMBER PALTIN: You kind of explained the green...oh.

CHAIR RAWLINS-FERNANDEZ: Director?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

MR. NAKAGAWA: Yeah, so just to kind of just be little bit more plain and simple to your question, so the blue is really the expansion of the Central Maui Landfill. It's that Phase 3, the 12½ million. The green is really the acquisition of the additional land for our debris management plan.

COUNCILMEMBER PALTIN: We already own the blue?

MR. NAKAGAWA: Yeah, the blue is ours already. That's...he was just kind of delineating, showing you guys, hey, this is where we're going to do our expansion of our landfill, Phase 3, which is the 12½ million, the first, number one, yeah. And then number two in our agenda was really acquisition of land which is the additional land from the...A&B.

COUNCILMEMBER PALTIN: But we actually own more than the blue. We own the...pretty much the whole area. And this green, do we need a easement? Or it connects to the land that we own and it kind of seems like a --

MR. NAKAGAWA: Funky shape.

COUNCILMEMBER PALTIN: --interestingly-shaped parcel.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Yeah, Chair. Yeah, so that's our bad. And that's why Mr. Hokama is asking for metes and bounds and the map so that it'd be more clear for you. So, basically that we surround this whole green area. And that's additional land from A&B that we're trying to pursue to acquire so that we can do our emergency debris project.

COUNCILMEMBER PALTIN: And that additional information would include like the TMKs?

MR. NAKAGAWA: Yes, yes.

COUNCILMEMBER PALTIN: And I had a meeting with the folks from Aloha Waste, and they were saying that they're landlocked by our operations? Is this going to be affecting their access to their site?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Yes. So, basically they acquired what we used to call Phase 6. So, if you look at the map, it's kind of right next to where our leachate, you know, it says Central Maui Landfill Leachate Recirculation System. Basically, where that arrow is and the line of that arrow, they kind of own like a 20, 19, 20-acre parcel right around there. And they are...

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

COUNCILMEMBER PALTIN: To the right, or to the left?

MR. NAKAGAWA: They are...they're not landlocked. They abut Pulehu Road, although we do surround them as far as all around us, I mean, so, yeah.

COUNCILMEMBER PALTIN: So, you can just turn off Pulehu Road into their lot?

MR. NAKAGAWA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Yes, they have access off their lot. Now, physically, I mean right now Ameron...basically what happens is Ameron mines the materials there and sells it. And basically you have a cliff over there. But I mean they can build a ramp, they can...they have access off of that road. So, if they wanted to, they can build their own driveway if they wanted to, or whatever it is, yeah.

COUNCILMEMBER PALTIN: When they come back, we can ask more questions?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER PALTIN: Okay. I got more questions, but I know you're trying to move it along, so.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. And next time when we bring this item up later in the agenda, we can also put the map up on the screen for the benefit of the public so everyone can see. Yeah.

COUNCILMEMBER PALTIN: Just wondering if I can, just in case if..so that when they come back, just the general...kind of along the lines of Member King's questions where it says, support waste-to-energy and/or waste reduction projects. Just wondering if, you know, if there's been no effort or forward movement from Anaergia, has any effort been made to contact them and just like ask them to release the contract if they're not making any forward project [sic]? 'Cause we already wasted like seven, eight years waiting for them to get started, and you're saying that we're running out of space at the landfill. And so, if we're not going to do any waste-to-energy, we're going to have more and more and more landfill and we just wasted like almost a decade waiting for them. So, just wondering if that's a possibility?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Chair, so, let's see...trying to remember your whole question. But you're right. I mean basically I do ask for updates. I've e-mailed them. They

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

haven't gotten back to me. I don't think it's...what's the word...proper I guess for me to ask for you to cancel your contract because I don't want them to come back and accuse the Administration of...in some kind of legal...because it's a contract, right. So, basically we all know how contracts work. It's either you fulfill your obligations in that contract, or you get...it gets cancelled. Now, I can do...I do tell you that I am already trying to pursue other options if this does not come to fruition come June. So, it's not like it prohibits us from trying to figure out other ways, and I guess in the future, and I'm just using...trying to use my words correctly because I don't want to seem that the Administration is throwing them on the side and kind of making them not fulfill their obligation, so. But there are things in the contract, for instance, we are promised to give them certain waste streams. So, by law, I cannot pursue something that would take away that waste streams, right. And that's just a contractual agreement. So, what I'm trying to say is that we're pursuing other things that other Members in, you know, we've talked about and as well as the community, we're pursuing it. So, if it doesn't come to fruition, we'll be ready to move on and try to pursue something that will be a little more...not beneficial, but come to fruition I guess, you know what I mean. More reasonable, more...yeah.

COUNCILMEMBER PALTIN: So, I have more question on that, but that's the direction of...because of you saying the need to expand landfill and this waste-to-energy. I got more questions, but that was the theme kind of thing.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Sugimura? Okay. Pro Temp Kama?

COUNCILMEMBER KAMA: I'm going to hold my questions until they come back this afternoon seeing as how the time has spent. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your consideration, Pro Temp Kama. Okay. So, Members, the item that we'll be voting on today as explained is funding to complete the EA and land entitlements. So, my question for the Director is how are we able to do an EA on a property that we do not own?

MR. NAKAGAWA: Yeah. Mike will answer his...what his plan is.

CHAIR RAWLINS-FERNANDEZ: Mr. Kiyonaga?

MR. KIYONAGA: Chair? It's not uncommon to do Environmental Assessments for properties that aren't owned. It actually kind of protects the property owner, or the applying agency a lot of times, just in case what they're applying for in the EA does not pan out, and the EA is denied. So, this is not an uncommon thing to do an Environmental Assessment on a piece of property that you don't own. What typically happens is a private entity would pick up an option to acquire the property at a lower rate. So, he wouldn't make the full investment to

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

acquire the property without knowing whether or not he'd have approvals to do whatever he's going to present on that piece of property. So, it's a common thing for us to do Environmental Assessments. We've done the same thing with properties in the past. It saves us time from doing a lot of piecemeal Environmental Assessments when the time comes if we're not able to acquire the property at a given time. So, we can even do land entitlements without owning the property if we had the owner's authorization as well.

CHAIR RAWLINS-FERNANDEZ: Okay. And so, there's...does the County have any commitments from A&B if we do the EA? Or, that's just primarily to protect ourselves?

MR. KIYONAGA: Yes, we do. We have negotiated with them.

CHAIR RAWLINS-FERNANDEZ: I find that really interesting since we just took up an item with the Moloka'i Police Station relocation. We were told that an EA could not be conducted because we didn't own the property. Okay. Director, did you have something to add?

MR. NAKAGAWA: Oh, no, I was just going to add to like the more bigger picture of it is just that when we expand the landfill, the existing landfill, we are forced to shrink our EKO Composting side. So, what Sage guys are getting at is really we're trying to expedite the EA and the approval process so that we can have another site for...to continue on with our whether it's going to be green waste compost, whatever it is. So, the problem with, I've been seeing with Solid Waste, is really that these environmental permits with the Department of Health and all that takes a while. And so, what we're trying to do because the, I guess, the progression of these landfills didn't come to fruition, we're trying to expand the landfill, trying to accommodate, but then we have limited space. And so, the permitting is the one that really holds us up and usually takes around 18 months to 2 years. So, I think that's why we're kind of just trying to go as fast as we can, but still yet within the laws, I guess, and regulations. That's all it is.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. And how more time do we have with the CML as far as capacity?

MR. NAKAGAWA: Chair, our preliminary estimation is I think we have two to two-and-a-half years left of airspace.

CHAIR RAWLINS-FERNANDEZ: Okay, Members...Vice-Chair King?

VICE-CHAIR KING: Yeah, can I just follow up because I'm...I understand about the issue of compliance and what's happening with EKO Composting, and I'm a little worried. And that's why I keep asking about this other project because, as

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

Member Paltin said, we've wasted a lot of years waiting for this to happen, and we could've been further along in our compliance and making better use of the space that we do have. But I have some concerns about...and I wonder if, Mr. Nakagawa, if you could share with us where you're at with that because I understand there's a lot less space for EKO Composting. And are we still able to fully compost that? I mean is this part of the expansion is to continue composting instead of just landfilling everything 'cause I'm hearing mixed messages in the community and from the folks at the landfill about what is actually going in the landfill. So, is that...is part of what you're asking for with this expansion and, you know, your compliance issues trying to keep in compliance with EPA with some of our waste because we don't want to go...we don't want some of the green waste to go back in the landfill. We don't want the sludge to go back in the landfill. We don't want the grease trap to go back in the landfill. And from what I've heard from the current shrinking operations out there, that's what's going to happen if we don't get some expansion out there and able to continue that co-composting.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Yes, Chair. So, to answer your main question, yes, we will always comply with the EPA regulations on what we can landfill and what we cannot, as well as DOH's. They enforce that. And so, that's kind of why like, I know I'm kind of a little calmer demeanor, but I'm trying to stress to you that's the reason why I'm trying to hurry up with the bond authorization. We're ready to go out to bid in March for this landfill expansion. And we're kind of really stuck and even when I went to talk to DOH, . . . *(inaudible)*. . . at DOH, I'm just kind of telling them, you know, we're kind of stuck in this little pickle of the permitting, transitioning from building these landfills as well as shrinking the EKO compost. We're continuing doing EKO compost, but yet I need approval for you to move that operation to this other side on land that I'm about to buy that I've negotiated with A&B, and they said they're willing to sell the whole piece. But yet I need Council approval, and I'm running out of land space. And so, it's like I'm trying to work the pieces all around too so that, and I'll be quite honest, like we are going to have probably a couple of weeks, or a certain amount of time, that we need to landfill whatever...direct landfill because we need to do these interim infrastructure improvements 'cause basically the Department of Health said that, you know, in order to continue with EKO Composting, there's certain type of improvements that need to be made that's not currently there. So, you know, we are trying to move all these pieces around, trying to rush this through. And right now, the biggest thing is the funding of this, of the bond. If you...I know he didn't really go into it, but part of this bond authorization will allow us to do the sampling that's required in order to start the new expansion of the landfill. And so, these are kind of...all these detailed things that is required, but yet we just need the money, right, available to spend it and to kind of kick it off. I mean there's all these different steps that really...I mean

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

you guys shouldn't be bothered with it, but I mean that Sage has got to do in order to start the project, yeah.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director.

VICE-CHAIR KING: Thank you, Chair. Yeah, I'll...

CHAIR RAWLINS-FERNANDEZ: Is it going to be quick?

VICE-CHAIR KING: No, I'll just hold 'til they come back.

CHAIR RAWLINS-FERNANDEZ: Okay, thank you. Okay, Members, we're going to put this at the end of the agenda. Any objections?

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Department, and we hope to get that additional information soon. Member Sugimura?

COUNCILMEMBER SUGIMURA: Can I ask a question? So, would you like us to vote on the other two items and then just hold this one, last one, for the end until we can get back the request from Mr. Hokama?

CHAIR RAWLINS-FERNANDEZ: Yeah, that's what we're doing.

COUNCILMEMBER SUGIMURA: Oh, sorry.

CHAIR RAWLINS-FERNANDEZ: Yeah, we're holding it until the end of the agenda.

COUNCILMEMBER SUGIMURA: Oh, I thought you were going to hold all of their stuff and release them. Okay, no, that's fine. Continue. I misunderstood.

CHAIR RAWLINS-FERNANDEZ: Okay. Did Members want to vote on this before we get the rest of the information?

COUNCILMEMBER SUGIMURA: No, no. I didn't mean the Central Maui Landfill. I meant the other two items, which is EDB...

CHAIR RAWLINS-FERNANDEZ: The leachate?

COUNCILMEMBER SUGIMURA: Yeah, and 68 and 69. I just...

CHAIR RAWLINS-FERNANDEZ: Well, I mean they're all kind of together.

COUNCILMEMBER SUGIMURA: Okay, okay. Your call.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: 'Cause the expansion of the leachate and the litter screen is part of...okay. Mr. Ratte?

MR. RATTE: Yeah, thank you for letting us clarify that. Those last two projects are separate, and they're attached to our existing landfill operations now. If you look at the map, EDB-68 and 69, we're actively landfilling in that area now. So, the litter screen we need. We got to keep litter off Pulehu Road, so I don't see that in connection with the other two at all, as well as the leachate recirculation. It's a regulatory compliant...component of running our landfill. So, appreciate that Councilmember Kama [sic] to clarify that because they are separate from these other issues and needed and necessary for current operations.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Ratte. Okay, Members, are there any objections to taking up those two items, the leachate, EDB-68 and EDB-69 --

UNIDENTIFIED SPEAKER: No.

CHAIR RAWLINS-FERNANDEZ: --the leachate and the litter screen? Okay. Any questions regarding these?

COUNCILMEMBER HOKAMA: No.

CHAIR RAWLINS-FERNANDEZ: Vice-Chair King?

VICE-CHAIR KING: Yeah, just...so the...so regardless of what happens with EDB-48, these two projects would not change?

CHAIR RAWLINS-FERNANDEZ: Yeah and that...

MR. RATTE: That's correct

CHAIR RAWLINS-FERNANDEZ: Yeah.

VICE-CHAIR KING: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Vice-Chair King. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Just looking at the map and where the leachate recirculation system will be located. And so, is that I guess appropriate for it being right next to Pulehu Road considering the entire system?

CHAIR RAWLINS-FERNANDEZ: Mr. Kiyonaga?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MR. KIYONAGA: Yeah. Chair, to answer your question what leachate recirculation is is basically...have you folks ever heard of a catch basin or a leach field? So, what we do is, our landfill is a big tub. So, we fill this tub up with trash, liquids percolate through. Any liquids that's originated from refuse or come into contact with refuse is considered leachate. So, all that liquid that settles on the bottom of our tub, we extract it to...we extract it out, and then we put it back into the waste mass through these infiltration laterals. And by percolating back through the waste mass, it helps to further filter it and clean it up. And it also enhances how much methane gas we get out of it and the quality of gas we get from it. So, we get a little bit more waste reduction because all the liquids going back in and kind of breaking down the waste even more. So, we get settlement, so we get reclaimed airspace from this process, our leachate is a little bit cleaner. And currently, we only have a couple of ways to dispose of the leachate that we collect at the landfill. One way is to truck it over to . . .(inaudible). . . , a wastewater treatment plant, and they accept it there. And they do the further cleansing at a wastewater treatment plant. That's inherently dangerous 'cause we have to, you know, pump it into a tanker truck. The tanker truck has to drive on the County roads or highways, you know, to a wastewater treatment plant. It would be a disaster if this thing spilled on the road somewhere. So, it's much better we keep all our piping above the liner of the landfill so if we do have leaks, it's collected in our leachate collection and then we circulate it right back into the waste mass. Hopefully, that clarifies things.

COUNCILMEMBER SINENCI: Mahalo, Sage.

CHAIR RAWLINS-FERNANDEZ: Mahalo.

COUNCILMEMBER SINENCI: And just a follow-up. About how large is that area for the leachate?

MR. KIYONAGA: It's about four acres.

COUNCILMEMBER SINENCI: Okay. Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay, seeing no other questions or comments, the Chair will entertain a motion to recommend passage on first reading of the proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4985, BILL NO. 34 (2019), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY OF SAID BONDS (DEPARTMENT OF ENVIRONMENTAL MANAGEMENT - CML PHASE VB EXTENSION LEACHATE RECIRCULATION SYSTEM);" incorporating any nonsubstantive revisions to be requested from the Budget Director; and filing of County Communication 20-52; and passage on first reading of the proposed bill

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4985, BILL NO. 34 (2019), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY OF SAID BONDS (DEPARTMENT OF ENVIRONMENTAL MANAGEMENT - CML EXTENSION OF PRIMARY LITTER SCREEN AND DRAINAGE IMPROVEMENTS);" incorporating any nonsubstantive revisions to be requested from the Budget Director; and filing of County Communication 20-53.

COUNCILMEMBER LEE: So move.

COUNCILMEMBER SINENCI: Second.

COUNCILMEMBER SUGIMURA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Chair Lee, seconded by Member Sinenci. Discussion? Okay. Mahalo, Member Sugimura, for pointing these two out so we can pass these now. Okay. All...member...Vice-Chair King?

VICE-CHAIR KING: Yeah, thank you. I just had one question about the litter screen. Is that the final phase of that, or is that going to continue on? Are we going to be continuing to put more and more litter screens up?

CHAIR RAWLINS-FERNANDEZ: Mr. Kiyonaga?

MR. KIYONAGA: Thank you, Chair. It all depends if we acquire the property to the right as shown. That's privately-owned right now. We would most definitely extend that 30-foot-tall litter screen down more. But if we were to end the landfill in its present configuration without acquiring any additional property to the right, to the southeast of Central Maui Landfill, we'd...and we'd end it there.

VICE-CHAIR KING: Okay. So, the part that we're asking for on this map is the little green section?

MR. KIYONAGA: Is for the little green section. And the highlighted gray section up above is the latest lateral expansion that we just completed about a year, year-and-a-half ago. So, right now they're down in the bottom of the hole, in the bottom of a quarry so they're about 50 feet down from grade, from where the road is. So, we're filling it up. So, it was always a natural progression that as we fill up, we'll extend the litter screen. So, once we come up above the elevation of Pulehu Road, that litter screen will be in place to capture fugitive litter from the site.

VICE-CHAIR KING: Okay. Thanks for explaining that. Thank you, Chair.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Mahalo, Vice-Chair King. Okay, Members, any other questions? Member Hokama?

COUNCILMEMBER HOKAMA: Just quick. So, you're building 30-foot screens, not 50-foot screens as the agenda has stated?

MR. KIYONAGA: Correct. It's a 30-foot-high litter screen along Pulehu Road.

COUNCILMEMBER HOKAMA: Okay. So, you need building permits, right?

MR. KIYONAGA: Correct, sir, definitely.

COUNCILMEMBER HOKAMA: Yeah, . . . *(inaudible)* . . .

MR. KIYONAGA: Structural will be required for this type of project.

COUNCILMEMBER HOKAMA: So, the screen and its pole, I guess, is considered a what, permanent structure? You place it in the ground to hold the screen?

MR. KIYONAGA: Yes, sir. Yes, sir.

COUNCILMEMBER HOKAMA: Oh, that's interesting 'cause somebody else told me that doing the same thing doesn't count if you put propellers on 'em.

MR. KIYONAGA: That, I cannot speak to.

COUNCILMEMBER HOKAMA: Yeah, no, no, no, no. It's something that attorneys like to play with language in litigation.

MR. KIYONAGA: It would be disastrous if this 30-foot litter screen should fall into Pulehu Road with traffic on it.

COUNCILMEMBER HOKAMA: Is there any need for 50-foot screens? I mean, again, you know your terrain better than we do. So, I mean you're in the gulch. You still got to go that 50-foot for maintain some kind of --

MR. KIYONAGA: Taller...

COUNCILMEMBER HOKAMA: --leveling?

MR. KIYONAGA: You know, intuitively, you know, you'd think that taller would be better. It always is. You get more coverage potentially with wind-blown trash. But my question is, how would you remove a piece of trash from a 50-foot-tall litter screen? It would be extremely difficult. We're having challenges now with our 30-foot-tall litter screen. Usually, we have to wait for the winds to kind of

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

calm down. And then the pieces will kind of fall off of the litter screen. When the litter screen was first engineered, I'm almost positive that the engineer would look at, you know, what is the permitted...

COUNCILMEMBER HOKAMA: And again, yeah, the 50-foot is set by, what, Health Department or by your agency? 'Cause Lāna`i the crew does a great job. You know, I told the Director your Lāna`i crew on Solid Waste at Kaunalapau Highway does a fantastic job. They have the wind screens. But I can tell you, lucky if it's eight feet tall. So, again, you know, I'm just trying to understand why for our main one, it's 30-feet high.

MR. KIYONAGA: I'm sure the design engineer, when the screen was initially developed, they looked at, you know, all of these characteristics, how high the landfill could go, what the coverage would be, and then they look at economics. You know, how much more benefit would we get out of a 50-foot-tall litter screen versus a 30. And then based on the selection criteria that the County had at the time, they decided, and with...through development with Planning as well, 'cause the land entitlements have a lot to deal with how tall the litter screen is. And plus, the FAA as well would chime in because they don't want things too tall with that proximity to the airport. It could impact, you know, their radar reception at certain altitudes. So, that would have been evaluated. So, hopefully I kind of roundabout-answered your question.

COUNCILMEMBER HOKAMA: No, again, I'm just trying to understand. You know, you guys need this monster screen, you know. And like I said, Lāna`i does a great job. You know, the Chair can talk about Moloka`i, but I can tell you Lāna`i, the crew does a great job in maintaining the properties.

MR. KIYONAGA: We all do. I mean all of our landfills, to be honest, from what I've seen. The men and women working for the Solid Waste Division are doing an excellent job. You know, Jason Nefalar is no different. He has a little bit of a smaller landfill to deal with. But yeah, from what I've seen, he's doing an excellent job there, sir.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo for your second --

COUNCILMEMBER HOKAMA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: --and final, Member Hokama. Okay. Any other questions or discussion? If not, I'll call for the question. All those in favor, please say "aye."

COUNCILMEMBERS: Aye.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

know, the document going help us make our decision that the Chair's going to ask for later.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Director. Mahalo, Member Hokama.

COUNCILMEMBER SINENCI: Chair?

CHAIR RAWLINS-FERNANDEZ: Member Sinenci?

COUNCILMEMBER SINENCI: Did you want to take up the litter screen, EDB-69?

CHAIR RAWLINS-FERNANDEZ: Oh, we passed it already.

COUNCILMEMBER SINENCI: Oh, that was the one.

CHAIR RAWLINS-FERNANDEZ: I combined it.

COUNCILMEMBER SINENCI: Thank you.

CHAIR RAWLINS-FERNANDEZ: I was trying to be efficient. Okay. It's 10:29. My intention was to take up EDB-73, but we can take that up as soon as we come back from the break, unless we get the appraisal by that time. Then we can take that up, and then EDB-73. Okay, Members, any objections to taking our morning break now?

COUNCILMEMBERS: No.

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR KING: But, Chair, could I just remind --

CHAIR RAWLINS-FERNANDEZ: Vice-Chair King?

VICE-CHAIR KING: --the Department that we asked...I also asked if they could find the information on the Anaergia contract and while we're there --

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR KING: --where we are with that.

CHAIR RAWLINS-FERNANDEZ: Will you also please bring the Anaergia contracts for Members to review. Member Sugimura?

COUNCILMEMBER SUGIMURA: I can take that up in my Committee. They're...Department asked...

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: It sounds like her vote will hinge upon the contract. So, if you could please bring the contracts for the Members' review as well. Yeah, okay. All right, it's 10:30 on the dot. We'll take our 10-minute break. Members, please be back in your seats by 10:40 so that we can complete our agenda. The Economic Development and Budget Committee is now in recess. . . .(gavel). . .

RECESS: 10:30 a.m.
RECONVENE: 10:45 a.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Will the Economic Development and Budget Committee please return to order.

ITEM 73: LĀNA`I ENTERPRISE ZONE (CC 20-47)

CHAIR RAWLINS-FERNANDEZ: We are going to take up the next item on our agenda which is EDB-73, the Lāna`i Enterprise Zone. We have with us from Economic Development, Director Kay Fukumoto, to provide us opening comments, and we have also Budget Director Michele Yoshimura. Okay, Director Fukumoto?

MS. FUKUMOTO: Thank you, Chair. Just wanted to summarize. The Lāna`i Enterprise Zone expires on March 31st. So, we are...we submitted the proposed resolution authorizing the Mayor to extend the Lāna`i Enterprise Zone for 20 years.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Fukumoto. Okay. So, it's a renewal, and then I'll first call on the area Councilmember, Member Hokama, and then I'll open it up to the other Members for questions or comments. Member Hokama?

COUNCILMEMBER HOKAMA: Yeah, just so...couple questions for Lāna`i's people. One, the question was, is it a requirement of the EZ whereby only property owners qualify for benefits? Because there was an understanding on Lāna`i that if you didn't own the land, you wouldn't qualify for...so for us only Castle and Cooke or Pūlama Lāna`i now has the benefit of an EZ designation.

CHAIR RAWLINS-FERNANDEZ: Ms. Fukumoto?

MS. FUKUMOTO: It...Chair, thank you. Thank you for the question. You know, I'd have to check. It seems to me that the application is by company. You know, if you are doing business in that particular Enterprise Zone, and not like tied to a landowner, per se. But I'd have to confirm with...

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

COUNCILMEMBER HOKAMA: Okay, so, well, for Lāna`i you have...you show two, yeah.

MS. FUKUMOTO: Right.

COUNCILMEMBER HOKAMA: One is by Sensei Holdings, which is a like a partner or something for Ellison's Pūlama Lāna`i, trying to do a million pounds of produce a year through hydroponics. And then you have Lāna`i Oil Company. I think Lāna`i Oil Company, I'm not definite, but I would assume that they own that land that they have their tanks on.

MS. FUKUMOTO: They already exited the program in 2017.

COUNCILMEMBER HOKAMA: Okay, so now you only have one Pūlama-sponsored entity then --

MS. FUKUMOTO: Correct.

COUNCILMEMBER HOKAMA: --that is having benefit. Is there a reason why our other Lāna`i businesses haven't had the benefit of this designation for 20 years?

CHAIR RAWLINS-FERNANDEZ: Ms. Fukumoto?

MS. FUKUMOTO: This is...thank you, Chair. This is a application process. So, the businesses would have to apply. You know, obviously the zone has to be there and then the businesses apply for these benefits, State benefits.

COUNCILMEMBER HOKAMA: So, let's say...

MS. FUKUMOTO: And I think there's a yearly...

COUNCILMEMBER HOKAMA: So, let's say I'm going to apply, yeah, under this County all it says is that we're going to help them expedite permits.

MS. FUKUMOTO: Correct.

COUNCILMEMBER HOKAMA: What is the difference from the normal process?

MS. FUKUMOTO: I think...

COUNCILMEMBER HOKAMA: Because if it makes sense, why wouldn't we want to do for all our businesses and expedite permits? 'Cause that's one of the issues in the County, permits...length of permit approvals. So, if this is a benefit, why wouldn't we want all of our Maui businesses to get the benefit of expedited permit approvals?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MS. FUKUMOTO: I think when we were initially applied for the Enterprise Zone, I believe the counties were being asked to also supply certain benefits. Actually, when Lāna`i applied several years ago, there was a real property tax benefit. And so, when we were redoing this and going for this extension, I talked to Scott Teruya and he investigated, you know, whether any of the companies took any of the real property tax benefits, and none, no one ever did, you know. They had a period of seven years to do that. But they never did.

COUNCILMEMBER HOKAMA: Yeah, I understand. But that's the problem with the State. The State makes nobody know what is available as benefit to residents. Their attitude is, it's there, you ask, we'll tell you there is, and you can take it, and if you don't, that's, well, tough luck. Just like the IRS. A lot of benefits, but if you don't ask, they won't tell you. So, that's one of my issues with this designation. It sounds good. It's a nice bling-bling and glitzy, but you know for me on Lāna`i, I mean, what has the benefit really been though? Can you quantify it in dollars for us? Like Lāna`i got a benefit of \$500,000 worth over 20 years. Or, I mean I have no sense of how to say whether this is really a good program for us.

MS. FUKUMOTO: Well, the...every year the companies that are in this Enterprise Zone have to report to the State. So, you know, they do have information on that. I'm not...I don't have that with me.

COUNCILMEMBER HOKAMA: I read the 2016 report.

MS. FUKUMOTO: Right.

COUNCILMEMBER HOKAMA: Yeah, was just a bunch of nice words in one executive summary, meaningless 'cause it really never quantified anything for me in their Statewide report of all the counties. So, again, you know, if this is only a feel-good thing to let people know that, hey, you know, there this thing out there whether you use or not, I mean do we need meaningless benefit programs? Tell me why Lāna`i should stay with this.

MS. FUKUMOTO: Well, I think it's because this is going to be a 20-year program and we never know who would actually come in as a new business potentially that could utilize the benefits. So, we're just, you know, allowing it, the program to be in existence so that if there is a business, you know...obviously, the reason for the program is to encourage business development, you know. This particular one is to encourage hiring of more employees. And you know, it is specific to certain businesses, like the service sector. Professional services don't apply, right. It's like ag, wholesaling, manufacturing. So, it is an economic development push that is a State program. You know, they monitor it.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

COUNCILMEMBER HOKAMA: Has the State made it clear to this County what their expectations were out of this? They expected 100 new businesses over 10 years, increased GP for the County by three...I mean, what is the goal of the State?

CHAIR RAWLINS-FERNANDEZ: Ms. Fukumoto?

MS. FUKUMOTO: Thank you. Yeah, I don't know what their goal is. But there is...there are people assigned to, you know, making sure that obviously companies comply as well as, you know, they were the ones helping with respect to like the East Maui, you know, extension that's being heard tomorrow, they had to help with giving us the maps so that, you know, we all could let you know why we were attaching East Maui to the greater Maui zone. And my apologies, I'm not --

COUNCILMEMBER HOKAMA: Can we...

MS. FUKUMOTO: --going to be here tomorrow. So, if...

COUNCILMEMBER HOKAMA: And the Enterprise Zone, can we resize it? Does it need to be the whole island of Lāna`i?

MS. FUKUMOTO: I believe it is based on Census data. So, I can...you know, I can go back to them and find out. You want to shrink the area?

COUNCILMEMBER HOKAMA: Well, I definitely don't want to see certain activities in sections of our island that we consider, for our purposes, residential open space. Whether we use it for sustainability, whether we use it for our own sustenance [sic]. Just like Moloka`i, I don't see why we need to designate the whole island the Enterprise Zone 'cause there's areas where...I cannot see Moomomi being under Enterprise Zone. That's not where we want business development, Moomomi. We want to protect it, not bring more tourists. So, again, I just want to know if that's possible because to me it doesn't make sense for the whole island of Lāna`i to be under Enterprise Zone.

MS. FUKUMOTO: I have never applied for Enterprise Zone, and I haven't looked at the application, but I would think that the businesses who are doing business, you know, that particular area should be zoned for the business that is applying for this. But I can go back and check.

VICE-CHAIR KING: Chair? If Mr. Hokama is interested --

COUNCILMEMBER HOKAMA: Yeah.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

VICE-CHAIR KING: --I have some direct information on it.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Vice-Chair King, and then Member Sinenci.

VICE-CHAIR KING: Thank you, Chair. So, Pacific Biodiesel was an Enterprise Zone business at one time. So, you're correct. As long as the area is in an Enterprise Zone, then businesses will apply for it. So, obviously if you're not zoned, you know, if an area is not zoned for business, then there's not going to be a business there. You have to be an actual existing business to apply. And then you apply directly to the State. And it's a seven-year program. But if you look at this brochure that you sent out, the State benefits are on that, on the inside on the third panel. And really the kinds of businesses that we've seen being urged to be part of this program are kind of new...this was way back in the early 2000s and you only get it for seven years. So, it's long past expired for us. But they're usually, you know, emerging struggling businesses that get into this. And it does encourage you to...you have to hire more people the next year. But what you get are all State benefits. So, it's nothing that's coming out of the County coffers. You get 100 percent exemption from the GET. So, that would be normally a tax that would go to the State. And then you get these other two, the 80 percent State non-refundable income tax the first year, and then it goes down by 10 percent every year. And then the third one is additional State non-refundable income tax equal to 80 percent of unemployment insurance premiums paid the first year, declining 10 percent each year for the next year. So, when we were still kind of trying, struggling and trying to get a footing as a business in Kahului, I thought back then the entire island of Maui was an Enterprise Zone. And so, I'm not sure what the requirements are to become an Enterprise Zone. Maybe it's just that the Mayor has to ask for it. But we were actually called by the someone in the State who was quite vehement, left a message on our answering machine and was really insisting that we apply for this program because it was such a great program. He couldn't believe that we didn't know about it. So, you know, I know probably more information needs to get out about it if we do these expansions because I don't think a lot of businesses understand that this exists. But it is specifically...it's not a zoning, it's not a designation other than for businesses to apply for it and to get these State credits. So, that...if that helps with, you know, what we're looking at in expansion. But that's why I asked you if you have a map of where...what are the Enterprise Zones and what aren't they because I don't think it's based on...I didn't think it was based on Census. I could be wrong, but I thought it was more of a, you know, where the areas that...where the businesses need help, you know. So, if you...I would like to see, you know, who, what areas are currently in Enterprise Zone because, you know, we have a lot of struggling businesses all over the island. But if the requirements to be in an Enterprise Zone have to do with something, you know, like Census or something like that, then you know, obviously we can't look at certain areas.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Mahalo, Vice-Chair King.

VICE-CHAIR KING: So, I hope that helps a little bit with the...just kind of our experience with...there was a benefit for us, you know, in those early years because it was so hard to get started here on the island.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Vice-Chair King. So, on the spreadsheet that was distributed, it does say greater Maui that was enrolled in Maui County Enterprise Zone as of December 6, 2019. So, is what Chair...Member King asking that the greater Maui can apply?

MS. FUKUMOTO: Yes, thank you for the question. Well, so tomorrow when the...

CHAIR RAWLINS-FERNANDEZ: Lāna`i.

MS. FUKUMOTO: The Lāna`i...

CHAIR RAWLINS-FERNANDEZ: Hana.

MS. FUKUMOTO: No, I'm sorry.

CHAIR RAWLINS-FERNANDEZ: Hana.

MS. FUKUMOTO: The greater...the East Maui.

CHAIR RAWLINS-FERNANDEZ: Yeah.

MS. FUKUMOTO: There's a East Maui extension on tomorrow's meeting. That one has an attached map that shows specific Maui, you know, where the West Maui Enterprise Zone is, the Greater Maui Enterprise Zone, and the East Maui Enterprise Zone. Previously, the East Maui was separated from the Greater Maui, but...and East Maui was the only one that was expiring. So, because they were, there were areas that the East Maui were touching the Greater Maui, the State decided that the easiest way to extend the East Maui Enterprise Zone was to attach it to Greater Maui so that they would just fall under the Greater Maui timeframe, you know, which I believe is 2025 or something, so that we didn't have to do a separate.

VICE-CHAIR KING: Oh, okay. So, then...

MS. FUKUMOTO: So, there are...that map shows where the...

CHAIR RAWLINS-FERNANDEZ: So, on the agenda tomorrow, it's Item CC 20-105.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

VICE-CHAIR KING: So, the intention is to try to pass that tomorrow, waive the Committee structure and pass it out, or bring it to Committee?

CHAIR RAWLINS-FERNANDEZ: My intention is to see if the Members would like to, but that's for tomorrow. Today, we're talking about Lāna`i. But if you wanted to see the date designation, it's on that item, 20-105, on tomorrow's agenda.

VICE-CHAIR KING: So, presumably you'll be coming before the Council sometime before 2025 to try to get that Greater Maui extension. Is that the intent?

MS. FUKUMOTO: Right. Whenever they...

VICE-CHAIR KING: If this program is still existing.

MS. FUKUMOTO: Yeah. Whenever the different sections are expiring, we're going to come back.

CHAIR RAWLINS-FERNANDEZ: Twenty-twenty-six.

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: Greater Maui expires April 30, 2026. West Maui expires April 30, 2026. And East Maui expires March 31, 2020. Okay. Okay, Member Sinenci, then Member Paltin.

COUNCILMEMBER SINENCI: Thank you, Chair. And thank you, Ms. Fukumoto, for being here. I guess my question would be, is it a disadvantage for us to be losing our individual designation and then...and joining the Greater Maui?

CHAIR RAWLINS-FERNANDEZ: Ms. Fukumoto?

MS. FUKUMOTO: I don't believe it's a disadvantage. It, you know, you...

COUNCILMEMBER SINENCI: Just extends the timeline?

MS. FUKUMOTO: Just because we can attach you, you just are continuing --

COUNCILMEMBER SINENCI: Without redesignating --

MS. FUKUMOTO: --the timeframe.

COUNCILMEMBER SINENCI: --ourselves.

MS. FUKUMOTO: Right, right.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

COUNCILMEMBER SINENCI: Okay, thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Paltin?

COUNCILMEMBER PALTIN: Oh, I guess my question was for Member King, if you knew that you had to be a landowner of...like a business owning the land that you're on to take advantage of this? 'Cause I kind of...I think Mr. Ellison owns more money than the County, and then he's going to not pay his GET taxes to the State. I mean it's good to hire more people, but he...if he wants to expand his business, then he has to hire more people anyway.

VICE-CHAIR KING: Right.

COUNCILMEMBER PALTIN: And I did hear from couple of residents on Lāna'i feeling that he already pays so little bit taxes that just kind of just wondering if...

VICE-CHAIR KING: It's not attached to the land. So, you know, for our company we were...we're tenants, we're renters. It's attached...it's a benefit for the actual business. So, he would have to apply as one...as a business. And it may be...I'm not sure if the size of business is one of those things, but you have to...if you're an existing business, which I'm assuming if he applied, he would be an existing business. Then you have to increase your annual...your average annual number of full-time employees by at least 10 percent in the first year you're in this program, and then 15 percent annually each year. So, but I'm not sure, maybe Ms. Fukumoto would know if that kind of a business would apply because I think for him it's a holding company, the business. And if you look on this brochure, it tells you what types of businesses are eligible for this designation. So, I don't know if he's got...I don't know what that structure is. Maybe Mr. Hokama knows, but I don't know if he has a holding company that has smaller companies that do some of these things that might apply for that. But maybe...do you know if he would be eligible if it's owned by a large corporation?

CHAIR RAWLINS-FERNANDEZ: Ms. Fukumoto?

MS. FUKUMOTO: I wouldn't know exactly. I'm looking at the eligible businesses too on the left, you know. And it...as an example, you're not eligible if you're in retail, or restaurant, or construction, or professional services, so.

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay. Members, any other questions? Member Hokama?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

COUNCILMEMBER HOKAMA: Thank you, Chair, and I know when the Maui component comes up, I'm sure you're going to get better discussion because there are gaps within the island, especially Lahaina. So, since you're asking us to renew this, more or less, the renewal comes with no adjustments on the area, or on anything else?

MS. FUKUMOTO: No, there were no...I'm sorry. There were no adjustments.

COUNCILMEMBER HOKAMA: Why don't we have that opportunity to adjust according to the results of the previous 20 years? That's a pretty bad program to just tell us extend and we cannot even adjust to results.

CHAIR RAWLINS-FERNANDEZ: Ms. Fukumoto?

MS. FUKUMOTO: We could make an application. I guess I could speak to DBEDT about adjusting it down. You know, normally they're trying to expand it just to give companies an opportunity to come in and, you know, build up the economic sector for that particular area. I believe this is...

COUNCILMEMBER HOKAMA: For 20 years, if this is all we can show for Lāna`i, it ain't a good record for me because I lost hundreds of local Lāna`ians in the 20 years that are not there anymore, that moved away. So, Enterprise Zone, failure, Lāna`i.

MS. FUKUMOTO: I know in certain areas, I think with our low unemployment rate, you know, you have to hit these increases of employment, right. So, and every year you have to submit the statistics about it. So, personally as a...

COUNCILMEMBER HOKAMA: Well, for me, yeah, Ms. Fukumoto, with all respect, I think maybe at another time, better time, the appropriate Chair might be our Chair from Molokai that should take up actually what is hindering us in having economic development components of this County. 'Cause my biggest hindrance is the landowner and their unwillingness to allow others to have opportunities of either long-term leases or land ownership so that they can then maybe possibly have the benefits of an Enterprise Zone. That's my challenge. Molokai, my Chair has her own unique challenges with land ownership and big landowners. So, I think that's what part of the discussion we should be having so we can help adjust and really get the benefits of the Enterprise Zone because I would love to see all our local business guys getting this breaks on GET. If we can do something on property tax, great, 'cause I want them to be successful. And I want them to be here, and I want them to stay on our land. So, that's what we should be talking about, is how do we make it so they can do it instead of looking at one program that to me has dismal results, and we cannot make adjustments.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MS. FUKUMOTO: Yeah.

COUNCILMEMBER HOKAMA: That's my frustration, Chair. And nothing to you, Ms. Fukumoto, yeah. I know this is the State thing.

CHAIR RAWLINS-FERNANDEZ: Ms. Fukumoto?

COUNCILMEMBER HOKAMA: If you can appreciate our position...

MS. FUKUMOTO: No, I totally understand. And, you know, if you do extend this Enterprise Zone, I don't know how you would feel about it, but I certainly would be willing to send...Karen Arakawa is the person who understands our Enterprise Zone and opportunity zones, and I would be more than willing to send her to Lāna`i to do a workshop or...

COUNCILMEMBER HOKAMA: Well, one, we need community, you know, better community information-sharing. But I would say I need the Mayor to go to the State and tell them we need to make...have flexibility. If you want us to authorize extensions, to be able to adjust the zone to fit the needs of that area or district and get the benefits. Because for me, one company over 20 years ain't cutting it for Lāna`i. Thank you, Ms. Fukumoto. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Members, any other questions or comments? I'm really going to look to Member Hokama as the Lāna`i Councilmember for guidance on this.

COUNCILMEMBER HOKAMA: So, let me ask the 99 cents question then, if we do let it expire, because we want a new designation with a smarter area and we find a way to make more businesses qualify, what do you think it would take? Three months, six months? I mean --

CHAIR RAWLINS-FERNANDEZ: Ms. Fukumoto?

COUNCILMEMBER HOKAMA: --the State would not allow new applications?

MS. FUKUMOTO: Normally, we would actually, for an extension, we would normally...they ask us to come back and make this application 60 days before the expiration. And I know we're, you know, running short of time. So, given their 60-day requirement, I can assure you that I can work with them to see if we can come up with a solution within six months, if you are wanting to do that.

COUNCILMEMBER HOKAMA: Well, again, yeah, what I would say then, Chair, it's like keeping the scab on the wound, you know what I mean. But I will be

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

happy to move this forward, Chair, because I think what Ms. Fukumoto is saying she can get, is going to benefit all areas of the County, for your island, for East Maui, for West Maui. So, that in case Council would like to make changes to the Greater Maui and include more areas or whatnot, that would be in the future, you know, we know what our capacity to adjust will be. So, I'll ask the Members to keep it moving forward and that in the Committee Report we are looking at better results, please, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. And I can bring this up again for a fuller discussion on how to better this program, especially educating our businesses about this, about the benefits of this. Okay, Members, I'm going to...Vice-Chair King? Is it quick?

VICE-CHAIR KING: I just have one more comment. And I'm happy to support this. That if you look through the list of who's received it and who is receiving it, the Enterprise Zone designation benefits, there's not really a distinction on size of business, I don't think, because you see really small businesses in here.

CHAIR RAWLINS-FERNANDEZ: Vice-Chair King, I can schedule this item later for a fuller discussion.

VICE-CHAIR KING: Okay. No, I just wanted to...

CHAIR RAWLINS-FERNANDEZ: So, for now we're going to talk about Lāna`i.

VICE-CHAIR KING: Yeah, I just wanted to respond to Member Paltin's earlier concern about, you know, large corporations. So, you know, if you look at this list, there is Monsanto and some other. So, there's not a way, but if you cut it off because you don't want some of the larger corporations to benefit, then the smaller businesses that are benefitting, won't benefit either. So, it's a fairly holistic program when you look at it and it just goes by, you know, geographic zone.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Vice-Chair King. Okay, Members, the Chair will entertain a motion to recommend adoption of the proposed resolution entitled, "AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION TO REQUEST THE GOVERNOR OF HAWAII TO RE-DESIGNATE THE ISLAND OF LANAI AS AN ENTERPRISE ZONE FOR TWENTY YEARS DUE TO EXPIRATION OF THE PRIOR ENTERPRISE ZONE DESIGNATION, PURSUANT TO SECTION 3.80.030, MAUI COUNTY CODE;" incorporating any nonsubstantive revisions; and filing of County Community 20-47.

COUNCILMEMBER HOKAMA: So moved.

COUNCILMEMBER SINENCI: So moved.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

COUNCILMEMBER KAMA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Hokama, seconded by Pro Temp Kama. Discussion? Okay, all those in favor, please say "aye."

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: Any oppose? Motion passes unanimously, nine "ayes."

VOTE: AYES: Chair Rawlins-Fernandez, Vice-Chair King, and Councilmembers Hokama, Kama, Lee, Molina, Paltin, Sinenci, and Sugimura.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending **ADOPTION** of resolution and **FILING** of communication by C.R.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Fukumoto. Okay, Members, I would like to take up the next two items EDB-72, EDB-71. Director Fukumoto does have a flight at 12:00, and I promised her that we would get her out of here so that she can make it in time for her flight. You have to be at the airport by 12:00, right? Okay. And so I would like to take up EDB-71 which I expect to be rather quick, and I'm hoping that we could take up EDB-72 since we've like discussed this kind of a lot and...so if we can promise Ms. Fukumoto that we can, you know, be done with our discussion by about 11:30 --

COUNCILMEMBER KAMA: Yes. I promise.

CHAIR RAWLINS-FERNANDEZ: --then I'll take up those two items. You promise?

COUNCILMEMBER KAMA: I promise.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Okay, I'll take up EDB-72 first which is the Restoration of the Maui County Seal Tapestry in the County...in the Council Chambers.

**ITEM 72: RESTORATION OF THE MAUI COUNTY SEAL
TAPESTRY IN THE COUNCIL CHAMBER (CC 20-68)**

CHAIR RAWLINS-FERNANDEZ: This was a resolution that was introduced by Member Sugimura and as the introducer of this resolution, I'll give her the first opportunity to speak to it. I'm hoping Members can again kind of keep it short, to the point. And --

COUNCILMEMBER SUGIMURA: You don't want to take up...

CHAIR RAWLINS-FERNANDEZ: --I'm hoping...

COUNCILMEMBER SUGIMURA: You don't want to take up Kay first, since she has to leave?

CHAIR RAWLINS-FERNANDEZ: No, 'cause it's going to be Kaupō.

COUNCILMEMBER SUGIMURA: You're fine.

CHAIR RAWLINS-FERNANDEZ: And --

COUNCILMEMBER SUGIMURA: Okay. Okay.

CHAIR RAWLINS-FERNANDEZ: --yeah, so, there are two "be it therefore" clauses at the end of the resolution. One is to clean the tapestry, --

COUNCILMEMBER SUGIMURA: Yes.

CHAIR RAWLINS-FERNANDEZ: --and the other is to restore it to its original place behind the Chair's chair in the Chamber. So, I'm hoping that we could bifurcate the two. And my understanding is that it has been cleaned.

COUNCILMEMBER SUGIMURA: Yes.

CHAIR RAWLINS-FERNANDEZ: So, Member Sugimura, I will --

COUNCILMEMBER SUGIMURA: No, no.

CHAIR RAWLINS-FERNANDEZ: --give you...oh, oh, okay.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

COUNCILMEMBER SUGIMURA: They have things to pass out.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER SUGIMURA: So, real fast as they're passing out.

CHAIR RAWLINS-FERNANDEZ: Yeah, okay. Go ahead, staff.

COUNCILMEMBER SUGIMURA: Today, I'm asking Members to support and vote to restore the Maui County Seal tapestry back to the Council Chambers. I call it the people's chambers where we conduct our duties for the people we represent. I also want to thank you, Keani, for scheduling this as you promised at our last Council meeting. And you're right, you have a full agenda, and there's more to come, right. So, I appreciate you for keeping your word on that. The County Seal tapestry was removed on the weekend of August 21st last year and replaced with the seal that you see today in the Chambers. Besides what was mentioned in the resolution, I wanted to also give you additional information because we received letters from the Kagawa family as well as from a student who did years of study on Alice Kagawa. The 45-year tapestry created by the late Alice Kagawa Parrott was contracted for 7,500, designed and woven by the renowned American fiber artist with roots in Hawai'i. She personally spun, dyed with plant material that she carefully selected, and combined to create the vibrant colors evoking the character of Maui County, specified in her contract and also approved by the Councilors then when the building was dedicated in 1972. Her family, Paul Kagawa and Diane Leavitt, trustees of the Alice Kagawa Parrott Family Trust, sent a letter to our Council Chair urging the Council to reinstall the tapestry to the Chambers. Locally-born Kagawa was...also has monumental work at the Maui Community College Library entitled, The Royal Cape. Another of her tapestries, Palaka, which is a tribute to the immigrant workers in Hawai'i and is a permanent collection in the Hawai'i State Art Museum in Honolulu, or Honolulu Museum of Arts. Kagawa gave back to the Maui community, and in 1976 she taught classes and workshops to Maui residents and school children while completing the tapestry at the Maui Community College Library. Her work are displayed in museums around the world, including Victoria and Albert Museum, the Museum of Contemporary Arts, the Albuquerque Museum, and the National Museum of Decorative Arts in Norway. She was a Fellow of the American Craft Council; *Pathmaker: Women in Art...Design* at the Museum of Art and Design in New York City; and *Scandinavian Design and the United States*, Milwaukee Art Museum. This world-renowned artist work deserves our attention today. Passed out to you, besides the letters that I mentioned, is purchase order L026 dated November 14, 2019 for treatment of the woven tapestry of the Maui County Seal, priced at 1,350 for the work for the restoration. And this was approved by Council Chair at the time, Kelly King, as well a treatment...the treatment was done on January 21st of this year by Linda Hee of Honolulu, a

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

Hawai'i Conservator. And she provided a final treatment report with photos dated January 24, 2020. Members, the tapestry has been cleaned, restored, and is now lying in the Clerk's storeroom. I would like to ask for your support to bring home the Maui County Seal tapestry to our Council Chambers for the people of Maui County that we represent. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay. Members, any other questions or comments? Member Molina?

COUNCILMEMBER MOLINA: Yeah, so, I'll make it real quick. Just...from the cleaner, was there any instructions for long-term maintenance like clean every two years, three years? I want to ask Member Sugimura if she asked them.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura?

COUNCILMEMBER SUGIMURA: That was not part of the report. It was a report --

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER SUGIMURA: --of the status of the current tapestry that we know today. So, she didn't give us recommendations for the future.

COUNCILMEMBER MOLINA: So, --

COUNCILMEMBER SUGIMURA: I can ask.

COUNCILMEMBER MOLINA: --no...yeah, I think maybe it's a good idea. We should ask. I mean just as an FYI --

COUNCILMEMBER SUGIMURA: Okay.

COUNCILMEMBER MOLINA: --for future Councils to --

COUNCILMEMBER SUGIMURA: Thank you. Good question.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina.

COUNCILMEMBER MOLINA: --preserve, yeah. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay, Members, any other questions? Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. And, you know, part of...I just wanted to say, part of this whole process was learning about the artist, Alice Kagawa Parrott, and her dedication in making the art piece. So, I really

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

appreciated that being a first-time Councilmember. I like the resolution, and I totally support that, you know, the tapestry is worthy of an exhibition at the Museum of Arts. And I'm happy that it finally after 48 years it got cleaned, right. And so, so that saying, I support the resolution, but I'm hoping...I mean if want to...we want to recognize Ms. Kagawa Parrott and her legacy, my question is, will putting it up back be appropriate for her...in her honor? I mean if we're...a lot of other works are museum-quality. And I don't know if the Chambers has that museum environment, you know, after 48 years, what's the rate of deterioration if we just kind of let it be exposed to the air? So, I'm thinking, you know, most art pieces would be protected somehow with glass, or...and a controlled environment. So, I would support something like that to perpetuate her art. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Paltin?

COUNCILMEMBER PALTIN: I was kind of thinking along the same lines. You know, the tapestry is a piece of like art and culture of Maui County. And to me, it seems like a logical place that people can go and see the art and culture is Maui Arts and Cultural Center. You know, we kind of sponsored Maui Arts and Cultural Center from the inception 'til today. And, you know, it would be really fitting to link the two and give it a broader audience. You know, a lot of the people of Maui County never come here, you know. And then even when they come here, it's not like they are able to learn the history and the significance of the art. So, I kind of think a more appropriate place would be the Maui Arts and Cultural Center. And a side note, some of the feedback I'm getting from my constituents is they're kind of appalled that we're spending so much time and resources talking about the decorations of this place instead of the issues of this place. I mean just in the last week alone, we've had two violent beatings deaths on Maui. And here we are talking about the decorations. So, that's just the feedback that I've been getting.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. And, you know, along those same lines, I made a couple of amendments to the resolution, a typo, and then to give future Councils the option to, you know, either do what, you know, is being suggested by Member Paltin. But it's just instead of saying, it's "proper place," I put "the original place" where it was hung. And so that's...

COUNCILMEMBER SUGIMURA: I like that.

CHAIR RAWLINS-FERNANDEZ: Yeah, so, okay. That was a suggestion. And then Vice-Chair King, and then Member Hokama, and please be mindful of the time. Mahalo.

VICE-CHAIR KING: Thank you, Chair. I'll try to make it quick. But I do feel the need to defend myself. First of all, I did not sign this purchase order. It was

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

stamped with my name. I don't know who did that because I did have conversations with the Clerk's Office about the expense. And what I was given was an estimate that said it was going to be around \$1,500. We don't know the exact cost because it was going to include travel, and we wouldn't know until the cleaner came here and looked at it. And so, if you note this date in November, this is after we made that rule that everything had to be discussed in the Chair's meeting before the amount was spent. So, I would have never spent \$1,300 without going back in and that was part of what was going to be in the December 27 Chair's meeting had I been able to get a quorum for it. So, I'm appalled to see this. I don't know where it came from. But it's clearly a stamp. And so, I just wanted to clear that up. Well, it doesn't clear it up because I still don't know. I had asked the Clerk's Office to wait on the cleaning until we got, you know, approval from, you know, or some kind of head nod from...at the Chair's meeting. But I'm with Member Paltin. I'm...I, you know, I've gotten a lot of support for making the change. I did get a really vehement call from the...somebody in the artist's family and the artist is deceased now, unfortunately. But I'm appalled that we're spending so much time on this. And I've heard from many constituents with the same concern. You know, why are we spending so much time. That's why the...some of these things are under the Chair's purview. You know, we didn't spend any time talking about these drums. They were just bought and put there. So, I don't...to me, I just whatever the body decides...I had a conversation with Mr. Hokama last year about...and he was looking into donating to a State art preservation society. If it goes back up there, I'm...the main purpose of taking it down was to get it cleaned because I felt that it was a health hazard. It had 48 years of dust and mold from hanging there without ever being cleaned. And, you know, when I checked into it and I had conversations with the County Clerk, it was...you know, I have a letter from him that just stated where it was made and who made it. But I asked repeatedly whether this was...had any State historic significance and I was told, not that we know of. And I wasn't ever told that who actually commissioned it either. But that was the original intent, was to, you know, take it down, get it cleaned. I didn't have a plan to...where to rehang it. But I did mention it, as you said, Chair, in the Chair's meeting and rather than, unfortunately, rather than having come to me as Chair of the Council, Members chose to instead, you know, send something to the press, and it blew it up into a front page article that emphasized the point that we're spending all this time talking about our Council Chamber walls and, you know, when there's important things going on and decisions that we have to make about, and things are happening in the County that we should be more focused on. So, I'm open to your resolution if that's what the Council wants to do. But I don't appreciate history being rewritten. And I don't appreciate looking at documents that I did not sign. So, I'm really distraught by that, and I'll try to look into how that got stamped.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Mahalo, Vice-Chair King. Yeah, that's a pretty serious issue that's kind of separate from this resolution. And I think we can take that up separately at another time.

VICE-CHAIR KING: Just move forward and get this settled because it's just taking way too much . . .(inaudible) . . .

CHAIR RAWLINS-FERNANDEZ: Absolutely, which is why I was hoping that we would just talk on this for about ten minutes. Member Hokama?

COUNCILMEMBER HOKAMA: Well, it's always interesting, yeah. If this was couple years more, then it'll be historic. Something . . .(inaudible) . . . by historic. And yet, if it has more time than that, like double, 100, then it comes cultural sensitive, and we give it all the time it wants. So, let me just go back to couple things. The design of the tapestry was specifically for this Chamber, no place else. It wasn't meant for a museum, wasn't meant for the State Building. Was meant for the 8th floor Chamber of the County of Maui's new center in the 1960s that was planned. And then the Council, maybe was Board of Supervisors yet, in the early '60s with...before Mayor Cravalho, but eventually they did commission it to be placed in this Chambers. And couple good things did happen. We got it cleaned, I would agree. There are things we need to do as caretakers of assets, people's assets. And that was one of the things that we should have done better. So, I thank Ms. King for taking that one component of it. But it was meant for the Council Chambers, not for a MACC gallery. Just like the State of Hawai'i decided to have Tadashi Sato's Aquarius in the middle of the State Capitol. You think they're going to put that any place else but the middle of the State Capitol? That was specifically designed by Tadashi Sato for the center of the State Capitol. It would be inappropriate for that to be in any other venue. Just like for this tapestry of Ms. Kagawa Parrott, was meant for this specific site only, not to be in any other place. So, I would ask we consider that. It's one of the uniqueness of this County. But it also show that when this County was showing independence in our home rule mentality, we understood our role within the State. So, if you notice during the same time period, we have tapestries in the Hawai'i State Senate Chamber as well as the tapestry in the Hawai'i State House of Representatives. Interesting artists was talking to one another, and that's how the State Capitol was partly designed and thought through by the same group of people that Governor Burns entrusted for culture and arts. And the Chairman of that Commission was Pundy Yokouchi of Maui. Okay, so, there's ties to the State and this County Building during the tenure of the '60s and how we wanted to move forward and what we wanted to represent from the County to the community and its resident sector. I still believe those principles that they made decisions on then, is still pertinent today, that the Seal of the County is something for official business. It's not a stick 'em label that little kids put on for kicking the ball in the net. This is the Seal of the County, a municipality that has legal and sovereign and authorize

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

empowerment by the people for public benefit. I think this is a very important and sacred seal. Only certain people are authorized to use it. And departments that don't will face the jurisdiction of the Council's actions. I think we forget the role of the Seal of the County. It has its place, that's why it's in the Code. Even the State Seal is...law that protects it and legitimizes only appropriate uses of it. And so, I think this Seal, or our tapestry, has done its purpose, has served its purpose and should continue to as long as this building stands, Chair. So, I appreciate your adjustments. I think they're very worthy for consideration. I thank Ms. Sugimura for bringing this back. I apologize if I maybe take it too heartfelt, but I was one little guy that saw this whole building being built and what it took to get it to happen and how this has been a beacon of County government, not only in this State, but in our country. So, thank you, Chairman.

CHAIR RAWLINS-FERNANDEZ: And thank you for the history lesson, Member Hokama. As Member Sinenci said, without this coming up we would've never learned the significance of the tapestry. So, mahalo. Okay, so, if there are no other questions or comments, the Chair will entertain a motion to recommend adoption of the proposed resolution distributed by the Committee Chair entitled, "RESTORATION OF THE MAUI COUNTY SEAL TAPESTRY IN THE COUNCIL CHAMBER;" incorporating any nonsubstantive revisions; and filing of County Communication 20-68.

COUNCILMEMBER SUGIMURA: So move.

COUNCILMEMBER KAMA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Sugimura, seconded by Member Kama. Discussion? Member Sinenci?

COUNCILMEMBER SINENCI: Thank you Chair. And I'm supportive of the resolution. However, as the Cultural Preservation Chair, I would like to ask the Members for additional...maybe funding to maybe --

COUNCILMEMBER KAMA: Encapsulate it.

COUNCILMEMBER SINENCI: --encase it and, and really so that we can perpetuate it in perpetuity because I know this is the Chambers and not a museum, but I mean just to slow the rate of deterioration for historic pieces like this. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: It's a good thing Budget Session is coming up very quickly. Okay, Member Hokama?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

COUNCILMEMBER HOKAMA: Chair, I love that. Thank you, Mr. Sinenci. But I think your Committee, as we move forward, will have the time to also check with historic preservation, the artist's family, and the foundation on how best to maintain, to keep it in the appropriate manner for the Chambers, as well as how it should be presented to the community, Chair. So, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Member Sugimura?

COUNCILMEMBER SUGIMURA: So, real fast. Anybody who did not know, in the display case that we have outside that everybody looks at as they walk into the Chambers, it has the contract to Ms. Kagawa, Parrott Kagawa at the time, and then the picture. So, it's out there --

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sugimura.

COUNCILMEMBER SUGIMURA: --if anybody wants to read the contract.

CHAIR RAWLINS-FERNANDEZ: Okay. Any other questions or comments? Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. You know, I'm kind of against this motion, and the reason is, you know, it was nice to learn the history and I appreciate the art. But, you know, this is where we conduct the business of the County. And, you know, I wish as much emphasis and focus was put on the history of Ko Hawai'i Pae `Āina, you know. We have a history of overthrow, of occupation, and it's just swept under the rug, so to speak, you know. We have a history of sand dunes with `iwi inside. We have a history of, you know, Haleakalā up there, Mauna Kea being desecrated as we speak. And all this emphasis is being put in on the history of the tapestry. So, you know, while I don't support it, I can vote with the majority and just ask that the Members, you know, realize that how passionate they feel about this historical piece of art that was created about 46 years ago, there's much more history in this County, in this so-called State that, you know, other people, thousands of other people across the world feel very passionate about. And some of our Members seem to just sweep that under the rug. So, while I don't support it, I can vote in favor of it if people can just realize that, you know, there's some sort of equity going on here that seems to not be taken into account.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your heartfelt comments, Member Paltin. Okay, any other comments or questions before I call for the question? All those in favor please say "aye."

COUNCILMEMBERS: Aye.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Any oppose? Motion passes unanimously eight "ayes," one excused, Vice-Chair King.

VOTE: AYES: Chair Rawlins-Fernandez, and Councilmembers Hokama, Kama, Lee, Molina, Paltin, Sinenci, and Sugimura.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair King.

MOTION CARRIED.

ACTION: Recommending **ADOPTION** of revised resolution and **FILING** of communication by C.R.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. Okay, we broke our promise to Ms. Fukumoto, and I'm going to bring up one more item and then...two more items real quick.

ITEM 71: FISCAL MONITORING OF GRANTS AND GRANT REPORTING (MISC.; AND CC 20-55)

CHAIR RAWLINS-FERNANDEZ: Okay, so EDB-71, Fiscal Monitoring of Grants and Grant Reporting. Staff is going to distribute a spreadsheet that I created as promised to the committee chairs that would standardize grant evaluation. And I'm just having it distributed. We won't discuss it today. I'll bring it up on another agenda, but I'm hoping to get feedback. And I'll just quickly, quickly go over it. So, it's based off of Department of Housing and Human Concerns grant review, so I have a lot of what they had suggested. And then with the suggestions from the Councilmembers, I put in different weighted points for a total point of 100. Meeting the community needs has 50 points, so it's like half the amount of the total value. So, grant application, responsiveness, records and reporting, meeting community needs, use of funding, effort to secure other funding, and percentage of County funds used for projects since it's something that we kind of encourage organizations and grantees to do which is to go and seek other funding. So, the more funding they have, the higher points they get. And so...and the grantees are basically an extension of our departments, and so my thought process was that we would treat them as such by going through the

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

departments' goals and objectives to see if these grantees are carrying out the goals and objectives of our departments. And that's how we would determine whether they are meeting the community's needs. And so, I encourage you to check it out. And the next time I put this on the agenda, then we can...I look forward to your feedback on how we can improve this and then distribute it to the departments. I did speak to some of the department heads on this, and I got positive feedback. And I'll continue to meet with the departments to get their feedback so the next time we have this on the agenda, we can have a fuller discussion. Mahalo. Okay, so if there are no objections, I would like to defer this item.

COUNCILMEMBERS: No objections.

ACTION: DEFER pending further discussion.

CHAIR RAWLINS-FERNANDEZ: Mahalo.

COUNCILMEMBER SUGIMURA: Can you speak faster?

ITEM 48: CENTRAL MAUI LANDFILL LAND PURCHASE (MISC.;
CC 20-50 and CC 20-51)

CHAIR RAWLINS-FERNANDEZ: Okay, so we have the Anaergia contract. And so, that's EDB-48, Central Maui Landfill [sic] Purchase. The suggestion that was given to me by Budget Director Yoshimura was that there are two items that are under...there are two bills under this item, EDB-48, which is the expansion, which is the light-blue portion, and it's the purchase, which is the green portion. And I'm sorry I didn't put it up on the screen for the public to see. So, we're going to...we have the Anaergia contract here. The intention today is to pass the expansion, Central Maui Landfill expansion, and not the Central Maui Landfill land purchase, which is the A&B for the...with the appraisal. I think we also have the appraisal that will be distributed. So, we have all that information, and we have Budget Director Yoshimura to catch anything that I missed.

MS. YOSHIMURA: Thank you, Chair. So, on County Communication 20-50, we do have the copies of the Anaergia contract and the three amendments. So, that's being distributed now I think by Staff. On 20-51, which is the Central Maui Landfill Land Purchase, we do have copies of the appraisal. I know the item posted is for 17 acres. We are looking at the total now 63 acres. We have two appraisals, and we'll have that distributed to the Committee as well. Can we ask that the item 20-51 be deferred to your next Committee meeting?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Absolutely.

MS. YOSHIMURA: And we will submit revised bills for that item.

CHAIR RAWLINS-FERNANDEZ: Yes, mahalo, --

MS. YOSHIMURA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: --Budget Director. Okay, so that was distributed. Members, I also received a call to my office regarding the expansion that it could potentially affect a business that's located in that expansion, Maui EKO. Mr. Ruben [sic] Fonseca, I asked him to come here. He wasn't able to come earlier for testimony. Is there any objections to allowing Mr. Fonseca to provide some information to this Committee as a resource person?

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Mahalo for joining us, Mr. Fonseca. Would you please join us at the podium here to just kind of share some of the impacts that Maui EKO could potentially experience by passing this ordinance today, and if there's anything that, you know, the Committee should consider in how to mitigate some of the impacts, if possible. Mahalo.

MR. FONSECA: Good morning, Chair. Good morning, Councilmembers. Has been a while since I've been here, but a lot of familiar faces. Well, I guess this whole thing with Anaergia caused the landfill to do some changes. This change will occur where we currently occupy there. And until another land is purchased to expand this composting project somewhere else, we have to adjust our operations accordingly. And that means we won't be able to compost for a couple of...well, how long it will take to prep a new land to continue on. So, basically, you know, we're trying to work together with Solid Waste Division and see how we can get around all that and move on, you know, so. Our contract is ending though in June, July, August this year. So, after that they'll decide to put another RFP out to, at least this transition time when they have to do this, construct our cell, where we occupy with the composting there. So, basically that's the situation right now. It's something that was decided prior to this Administration. I feel sorry for them, but we're trying to work together and see how we can overcome all this, you know. We've been here too long to give up all of a sudden. But unfortunately, we won't be able to continue composting operations that we used to do in this last 25 years. There's no...enough room to do that.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Fonseca. And for the Members' information and the public, Maui EKO accepts the sludge from the County and processes it.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MR. FONSECA: Actually three items, the biosolids, the sewage sludge, the fats, oil, and grease, that includes the grit they call which comes from the lift pump stations, and the green waste. Yeah, those three we combine and make the product.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your...for that clarification. Okay, Members, any questions for Mr. Fonseca? Okay, Vice-Chair King, and then Member Sinenci.

VICE-CHAIR KING: Okay. Thanks for being here, Rubens. So, your position is that we need this landfill expansion and then you'll be able to continue processing the products that you're --

MR. FONSECA: Well --

VICE-CHAIR KING: --or the waste that you're processing?

MR. FONSECA: --during their construction of that site, they're going to squeeze to...we're currently 16 acres. So, it's going to go down to seven, around there. And even with the method of composting we do which is called aerated static pile, we won't have enough room to do all the volume of material. By the way, that facility for the last five years, it was getting already kind of small for the volume, increasing volumes that Maui is, you know, experiencing, especially in the green waste area.

VICE-CHAIR KING: So, the expansion is going to hurt your operations? I mean if it has to be done, is there like a...have you been given an alternate plan in the meantime of how you can continue?

MR. FONSECA: Well, we would have to dispose of the...we would be just grinding the green waste, mixing with the incoming sludge and FOG, and having to truck it to the landfill for this period of time.

VICE-CHAIR KING: So, you'll be putting in...is it legal to put it in the landfill? Isn't it a violation of the Department of Health?

MR. FONSECA: Well, they...the Solid Waste has been working with the Department of Health to try to accommodate that. They don't have an option, you know. It's not the preferable thing to do but at this point, you know, I believe they inherit this problem as well, so. I see this actually as an opportunity, to be frank with you, since that facility was getting small, who knows, this is up either for EKO or some other contractor in the future to, I believe, a proper-size facility today with...in looking at another 20 years from now because, you know, more houses, more green waste, more business, and so forth. You would need at

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

least 30 to 40 acres out there. With the 16, you know, it's a big fight, you know.

VICE-CHAIR KING: Okay. So, you...so, I just want to be clear. So, you're looking at...when are you going to start landfilling green waste and sludge and all that?

MR. FONSECA: Well...

VICE-CHAIR KING: If we approve this.

MR. FONSECA: The plan is to start March 1st to, all incoming materials to just process and truck it to the landfill. And for us, until August, you know, is the time that we have in this contract. Unless, I believe they're going to put out another RFP in April to extend for a couple more years until a new facility somewhere is developed.

VICE-CHAIR KING: So, that means a couple of years of landfilling all the materials that . . . *(inaudible)* . . . composting?

MR. FONSECA: Pretty much, yeah. I have given recommendations to the Director of Environmental Management to where I think, with my humble experience in those field, where we should locate a new facility. And hopefully that will help a little bit, you know, to...for the future, you know.

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Vice-Chair King.

VICE-CHAIR KING: Thank you.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci?

COUNCILMEMBER SINENCI: Aloha, Mr. Fonseca. I was just curious. Could the material that you receive potentially be used for waste-to-energy?

MR. FONSECA: It could. It could depending on the method. We...our material is quite wet and so in order to do this transitional time, we're going to have to mix it with mulch to dry it up. The sludge is 15 percent solid only here in Maui. So, 85 percent is water, you know. And then you add the FOG to it, the fats and oils and grease, sorry.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay, seeing no other questions, mahalo for joining us today. I really appreciate you coming.

MR. FONSECA: Thank you.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay. Okay, Members, so we have the appraisal, and we have the Anaergia contract. Oh, I'm sorry. Oh, there's the appraisals? Okay. And, but, we're...the plan is to not take action on the second bill which is the landfill land purchase. The intention is to just take up the Maui...Central Maui Landfill expansion, which is the blue area, yeah. Okay, Members, any questions for the Department? Chair Lee, and then Vice-Chair King.

COUNCILMEMBER LEE: Oh, no, no. I was just going to move to approve.

CHAIR RAWLINS-FERNANDEZ: Okay. Vice-Chair King?

VICE-CHAIR KING: Yeah, can you just...can we get a clear understanding of what we're being asked to approve as far as the expansion? You know, money-wise and then operational. And is it...and if the Department can tell us so if we approve this, March 1st we're going to be landfilling green waste and sludge again. Is that the intention?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: All right. Thanks, Chair. So, my understanding of what's before us is to do bond authorization for the Central Maui Landfill expansion, which is \$12½ million. The...as I explained earlier, we've been working with Rubens for over the past year...

VICE-CHAIR KING: Let me just...can I just clarify the question because I think we all...we heard from the Chair, we're not going to be approving the number two, item number two.

CHAIR RAWLINS-FERNANDEZ: Defer, yeah.

VICE-CHAIR KING: So, we're not talking about the 12.5 million. Is that...or are we...

MR. NAKAGAWA: . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Sure. Director?

VICE-CHAIR KING: Okay.

MR. NAKAGAWA: So, yeah, Chair. Clarification, that is, the 12½ million is the construction of the expansion of the landfill.

VICE-CHAIR KING: Okay, so...

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MR. NAKAGAWA: The second item is the 200,000 for the purchase of 17 acres.

VICE-CHAIR KING: Okay, maybe I...I'm looking at the wrong document then, because I'm looking at the agenda. Under EDB-48, where the second item, which I thought we were saying we weren't approving.

CHAIR RAWLINS-FERNANDEZ: So, for the Maui Landfill Land Purchase, my understanding is that the request was for the EA and land entitlements. And so that amount is the 200,000. So, for that portion, for that bill, is \$200,000. But for the bill that we would potentially take action on which is the expansion of the landfill, that's the 12.5 million.

VICE-CHAIR KING: Okay, so it's reversed on the agenda. So, we are talking about item two on the...underneath EDB-48 on the agenda, that is . . .(inaudible). . . on the agenda. Because my item two...

CHAIR RAWLINS-FERNANDEZ: Both bills are under item EDB-48.

VICE-CHAIR KING: Right.

CHAIR RAWLINS-FERNANDEZ: Yeah.

VICE-CHAIR KING: I was just going by, you know how they're numbered underneath that, one, two, three, so. Like...so, what we're looking at is the third one, approving the second one, and not the third one.

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Chair, looking at the agenda, we are requesting that item number two, which is County Communication 20-50, be approved. That's for the 12...\$12,500,000 for the expansion of the landfill. Item number three is County Communication 20-51. That is for the land purchase. That's what we're asking \$200,000 for. But we are also asking that that item be deferred until your next meeting.

VICE-CHAIR KING: Okay, okay. Thank you for that clarification. So, anyway, my question, I guess, is that if we do approve this 12.5 million, then what...what I just heard was, because you're going to go ahead with this construction and design, you have to do it quickly. But that we're going to be landfilling green waste and sludge as of March 1st now for an indefinite period of time. Is that correct?

CHAIR RAWLINS-FERNANDEZ: Director?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

MR. NAKAGAWA: Yes. Thank you, Chair. Yeah, so, my understanding from Rubens and EKO Compost, what their expertise was is we're giving them a certain space because we need to expand our landfill. And according to them, we thought that they were able to continue their operations at a smaller scale. They came back after and told us that that would not be possible. And so, there will be...and that's why earlier I was kind of telling you guys about all the different ponds and why we're trying to rush kind of the EA, DOH, as well as expansion and running out of landfill space, is that there is a certain time when we're forced to dispose of the green waste sludge, whatever fats, oils, and grease with proper handling, and landfill that. So, that's why we're trying to...we were trying to rush this EA thing. But I understand, it kind of brought confusion because it says 17 acres, and we're really trying to get 63 acres which in the long term can be a temporary place where, as you heard Mr. Rubens talk about is, they need a lot more space. And so, that would be a perfect location for us. But, once again, that's all, you know, what is the word...hinged on our DOH permits, the land acquisition. But we cannot stop the time. The...it's been clicking, and we're going to run out of landfill space.

VICE-CHAIR KING: So, can I just follow up on it? So, we don't have DOH permits at this time to do that landfilling? I mean I heard that you're working on it, but I didn't hear that we actually have a letter saying that it's accepted by the Department of Health that we start landfilling the sludge and. . .*(inaudible)*. . .material, whatever else is coming through there.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Chair? So, sorry, to clarify I guess, maybe. Whatever we landfill is EPA approved, is DOH approved. What I told you was is that the 63 acres, they need more area, that is A&B's property. That's the one we're kind of confused on with the funny shape, green shape. That's what we're trying to work on and expedite so that we can do other types of activities on that property, which would include either type of compost and landfill.

VICE-CHAIR KING: Okay, but you still...you kind of...you still haven't answered my question that the landfill...that we are going to be landfilling green waste and sludge as of March 1st, and that we have a letter from the DOH saying that that's acceptable to them.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Yes, we're permitted to do that. It's in our existing permit. We just choose to divert --

VICE-CHAIR KING: We're permitted to --

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MR. NAKAGAWA: --and create EKO compost.

VICE-CHAIR KING: --landfill sludge?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Yes.

VICE-CHAIR KING: Okay. All right.

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR KING: Thank you.

CHAIR RAWLINS-FERNANDEZ: So, I'll just check the temperature. Are Members wanting to take action on this item?

UNIDENTIFIED SPEAKER: Yes.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Okay, yeah. Okay, so are there any other questions relating to the one bill, the first bill on the agenda, not the second? And then we'll take up the second one at the next EDB agenda. Okay, seeing none, I'll provide my recommendation. Okay, the Chair will entertain a motion to recommend passage on first reading the following bill, "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4985, BILL NO. 34 (2019), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY OF SAID BONDS (DEPARTMENT OF ENVIRONMENTAL MANAGEMENT - CENTRAL MAUI LANDFILL EXPANSION);" and incorporating any nonsubstantive revisions to be requested from the Budget Director; and we will not be...oh, and then filing of County Communication 20-50.

COUNCILMEMBER SUGIMURA: So move.

COUNCILMEMBER HOKAMA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Sugimura, seconded by Member Hokama. Discussion?

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Vice-Chair King?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

VICE-CHAIR KING: Thank you. I'm still not comfortable with the...I mean I know we've been handed these...this contract. I still haven't heard what the intention is for this expansion, if it's going to include any of this Anaergia activity. What is the intention because I do see that, even though the extension was given in December of 2018, supposedly for a year, that apparently the agreement doesn't expire until June. So, I'm not comfortable supporting this until we find out exactly what the expansion is going to include because I keep hearing, you know, it's my understanding, or I don't know. And I just...I don't want to be going backwards in our waste disposal.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Oh, sorry, I thought that it was just comments.

CHAIR RAWLINS-FERNANDEZ: Did you want a response?

MR. NAKAGAWA: Anaergia...

VICE-CHAIR KING: Well, I would like to know...yeah, he's answering.

CHAIR RAWLINS-FERNANDEZ: Okay.

MR. NAKAGAWA: I mean amendment three, oh, I was just going to say on amendment three, the latest amendment that was executed on Page 2, it clearly says they have a milestone of June 30, 2020, which I've been referring to as their contract end...

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo for that clarification, --

VICE-CHAIR KING: So, is your intention --

CHAIR RAWLINS-FERNANDEZ: --Director.

VICE-CHAIR KING: --is your intention that something is going to happen in this expansion with this agreement?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Chair, I mean I'm just the County so I don't really know. I mean they can...it's a private entity. If they, I guess, China built a hospital in four days. I mean I don't know. Like I don't really know their capabilities, and you know what I mean? Like I cannot really...once again, it's a contract. They have deliverables. Either they deliver it, or it gets cancelled. And only because I'm bound by the...I don't want to give them an excuse to sue the County, I can't really say what my opinion would be. You know what I mean? Like...so.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

eight items. Ms. Fukumoto did have to go to the airport so we did lose her. But our resource people did drive here from Kaupō. And I would like to honor the time and energy that they gave. But I also don't want to disrespect our Councilmembers because our meeting is supposed to have end at 12:00. Mahalo, Department of Environmental Management. Okay. Are Members okay with taking up this item and starting the discussion? We also have Planning Director Michele McLean here to answer any questions.

COUNCILMEMBER LEE: May as well.

CHAIR RAWLINS-FERNANDEZ: Okay. And then, and our Budget Director Michele Yoshimura was volun-told to fill in for Ms. Fukumoto. I'm sorry, Chair King, what did you say? Chair Lee?

COUNCILMEMBER LEE: I said may as well.

CHAIR RAWLINS-FERNANDEZ: I love your enthusiasm.

COUNCILMEMBER LEE: Yes.

CHAIR RAWLINS-FERNANDEZ: Okay, let's do this.

**ITEM 40: COUNTYWIDE CULTURAL AND EDUCATION GRANT
FUNDING (MISC)**

CHAIR RAWLINS-FERNANDEZ: Okay, so we have Director of Department of Planning, Michele McLean, with us here. EDB-40, Countywide Cultural and Education Grant Funding. As Members will recall, we...in the last budget, we appropriated \$475,000 for the Kaupō School project. And there has been a situation that's come up. It was in the newspaper, and so that's why I'm taking it up today. Miss...Budget Director Yoshimura, would you like to provide us opening comments, in lieu of Ms. Fukumoto not being here?

MS. YOSHIMURA: Thank you, Chair. So, the Office of Economic Development did execute a grant with the Kaupō Community Association for \$475,000. There has been two invoices that has been received from the organization, a total of about \$100,000 was requested for payments. There's a balance of \$376,000 left on the grant which Ms. Fukumoto has put on hold until we can get the issue resolved. Planning Director Michele McLean will be able to give you more information on the project itself.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. And at this time, I'll also call up the Kaupō Community Association as resource for this item. So, whoever would like to, the President, or the board members. Okay. And then

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

while they're walking up, I'll ask Miss...Director McLean to please provide us opening comments.

MS. McLEAN: Thank you, Chair. From the Planning Department's perspective, this goes back to the end of 2016, where the applicant's consultant contacted us asking us to confirm whether the use would be allowed because the property is zoned Agriculture and is also in the State Agricultural District. There is a provision both in State and County Agricultural Districts that allow for the retention, restoration, rehabilitation or improvement of buildings or sites of historic or scenic interest. That's from the State. County is retention, restoration, rehabilitation or improvement of building sites or cultural landscapes of historic or archaeological significance. And so, because they were proposing to renovate the old school building, we said it was a permitted use. That same kind of rehabilitation-type use was what enabled them to get an exemption from doing an EA or EIS under Chapter 343. It's also a component of the County being given the land by the State, and the lease that they were able to execute. And also, the scope of the building permit was for repairs and alterations. One of the requirements of the lease from the State was that they comply with HRS 60, related to historic preservation. The documentation that we have from the State Historic Preservation Division also cites restoration and rehabilitation. And so, when the building was effectively demolished, all of the basis for those approvals and actions were questioned. And so, we issued a notice of warning and instructed them to stop work. And that brought us to mostly where we are today. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director McLean. Okay, so you also heard some of the comments during testimony from the Kaupō Community Association. So, I'll start with the area Councilmember, and then I'll work my way down if that's okay with everyone. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. And I guess I just wanted to, you know, ask about the permitting and maybe the association, why that course of action, demolishing versus the renovation.

CHAIR RAWLINS-FERNANDEZ: Who would you like to ask that question to first?

COUNCILMEMBER SINENCI: Maybe the --

CHAIR RAWLINS-FERNANDEZ: The Director?

COUNCILMEMBER SINENCI: --the Kaupō Community Association.

CHAIR RAWLINS-FERNANDEZ: The Kaupō Community Association?

COUNCILMEMBER SINENCI: Yeah.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Okay. A representative from the Kaupō Community Association, please identify yourself before you speak.

MR. STARR: Good afternoon. I'm Jonathan Starr. I'm a board member, a volunteer board member of the association. And, you know, I...we have our architect here, Jim Niess, and he's the proper person to talk about the technicalities regarding the construction of, you know, the work to restore the old school building which is a 100-year-old building. And frankly, it was a lot farther down than we believed when we started the project. So, I'll pass it over to Jim to talk about that and answer questions specifically to that. I do want to add clarity to the fact that our grant from the County of Maui was specifically for four things which are infrastructure-related and are not related to the buildings. It's for a septic system to replace non-conforming and really non-green, you know, old cesspools. It's for a water system because there's no drinking water or fire flow water available in Kaupō. It's for a power system using renewable photovoltaic panels. And it's also for handicap walkways. And out of that, we've completed the septic system and we also had...we were able to bring in a small container, a shipping container, for storage of tools and some of the walkway work. But it's not related to the buildings at all, stopped short of the buildings which I think the issue that is in question about. And hopefully we'll, you know, we'll find a way through. But let me pass it to Jim Niess who's our architect and who is Maui's expert on historic restoration.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Starr. Member Sinenci, is that the question that you're asking?

COUNCILMEMBER SINENCI: Yes, thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, okay. Mahalo, Mr. Niess. Please identify yourself before you speak.

MR. NIESS: Aloha. I'm Jim Niess, Maui Architects Group. And we were retained to do our best with this particular property. And to direct...to answer Councilman Sinenci's question about permitting, yes, this project was permitted. The original intent was to rehabilitate the existing structure. And I've been doing these kinds of projects for the last 50 years on all these neighbor islands, other than O`ahu. And who cares about O`ahu? But what happens is that you go into these projects with a high degree of optimism, but you prepare for the worst. And so, that's the way our drawings were constructed and permitted, and have been inspected by the Building Department, and approved. When we got into the construction of this particular...of the Kaupō School, or the rehabilitation, we carefully followed the Secretary of Interior's guidelines for preservation, rehabilitation of historic properties. And the...and first the roof had to be replaced because it wasn't original. That came off. And then we

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

started to work on the siding, and the siding was carefully taken apart, but it became apparent early on that the joint of the floor, between the siding...I mean this board looks like it's viable and might be able to be used. But when this bottom trim board was taken off, and this is a critical joint in a single-family...I mean a single-wall structure. When this was taken off, we found so much rot at the bottom that 70 to 80 percent of the siding boards were not viable. That required us then to remove those. And once the walls came down, the floor itself was out of level and the footings were on rocks. And basically, once we passed half the replacement value of the structure, we were compelled to come up to current Code. Now, the drawings were set to do that. And so, the building wasn't demolished. It was carefully disassembled and...in parts. There were three sections as we were working on the building. And so, I've prepared this mitigation report here that I will file with Michele's office here this afternoon that describes pretty much what I've told you in detail. The truth is, the building...of all the buildings I've worked on, dozens of these buildings, and this one had been abandoned and neglected for over 40 years. And that wasn't the case on most of my other projects. It sits in Kaupō with a harsh environment, close to the ocean, and the deterioration was just substantial, so substantial that we couldn't rehabilitate the existing building into a safe, viable structure. Now, the Secretary of Interior's guidelines does allow for a reconstruction of the building, and that's what our worst-case scenario was. And that's what we proceeded to do. And there were just really no other option. And so, the mistake that we made I think was not pausing at that point and involving the community in more open discussion. But those of you that's familiar with the construction process, it gets going pretty fast, and there are high demands, and there's materials and labor, and all kinds of things that decisions get made fairly quickly. And that's what happened in this case. We had our noses down, we were looking at the detail, and we ignored the broader impact for the community at large 'cause this was a fairly dramatic change of course. And so, for that lapse we apologize. But it doesn't change the facts that the building was not viable to accommodate the future use, and that's why, you know, certain members of the community got fairly upset and have complained. And now we have a stop-work order which the new building is 60 to 70 percent complete right now. And it's just sitting there waiting, waiting for some action here. And that's our goal, being here today is try to educate you folks as well as get the project moving again.

COUNCILMEMBER SINENCI: Chair?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Niess. Member Sinenci?

COUNCILMEMBER SINENCI: Mahalo, Mr. Niess. And, Chair, so it looks like the Kaupō Community Association had fulfilled their obligation with the septic, with the grant, the County grant because that was for the septic section. So, I

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

guess my question to Director McLean would be, what will be the process moving forward from here?

CHAIR RAWLINS-FERNANDEZ: Director McLean?

MS. McLEAN: Thank you. It's hard to say. If, as Jim mentioned...and we've worked with Jim for a long time, have a great deal of respect for him. This is just a really unfortunate combination of events. If construction had stopped and we had been consulted, we would've consulted the State Historic Preservation Division, Architecture Branch, and most likely, what we would've recommended because our staff person has a background in architectural preservation, probably would've recommended HABS mitigation which involves detailed photographs and drawings, complying with very particular specifications to document the structure before it was all taken down. Now, we don't have that opportunity. So, we have reached out to SHPD Architecture to find out how they would recommend proceeding at this point, and we haven't gotten a clear answer. There seems to be some consensus with our staff, you know, at a staff level, but they needed to check with the Branch Chief. So, moving forward we also have to reassess those approvals, those past approvals that I described, and seeing if those are still applicable 'cause it's not clear right now what the status of that structure is going to be. So, we would need some direction from SHPD Architecture.

COUNCILMEMBER SINENCI: Okay. Mahalo, Director. Mahalo, Chair. I'll yield for fellow Members' questions.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. I'm kind of...I'm looking at the...a response letter from OHA representative Hulu Lindsey. I guess it seems like, you know, she's expressed some concerns about it. And I'll just...my questions will be kind of crafted based on her letter. It says I guess in the next to the last paragraph, it is unknown how a demolition activity could have been permitted under a permit for restoration activities. You know, who authorized these activities within government agencies, and which parties in the association were tasked with the decision regarding demolition of the original building. I guess she does say in her letter that there was some inconsistencies as far as what the association had represented versus the actual actions of this building. So, can I guess either the Department or representative from the association respond to some of...the inquiry made by Ms. Lindsey?

CHAIR RAWLINS-FERNANDEZ: Director?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MS. McLEAN: If I could just state that the permits were for restoration and rehabilitation, not for demolition. So, I would imagine moving forward, an after-the-fact demo permit would have to be issued, and either the original building permit modified, or a new building permit issued for new construction.

COUNCILMEMBER MOLINA: Okay. So, now will there be any sanctions, or penalties, or whatever, as it relates to the grants, for further expenditures of the grant because of this occurrence?

MS. McLEAN: I can't speak to the grant.

COUNCILMEMBER MOLINA: Okay. Well, anyone from the association if they'd like to share their thoughts on Ms. Lindsey's concerns?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Did the association have an opportunity to review trustee Lindsey's letter?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Okay, so they cannot comment on it because they didn't review it.

COUNCILMEMBER MOLINA: Okay, I'll just yield the floor for now, maybe come up with another question later. Maybe my question --

CHAIR RAWLINS-FERNANDEZ: Mahalo.

COUNCILMEMBER MOLINA: --may be answered along the way.

CHAIR RAWLINS-FERNANDEZ: Mahalo, --

COUNCILMEMBER MOLINA: Thank you.

CHAIR RAWLINS-FERNANDEZ: --Member Molina. Vice-Chair King?

VICE-CHAIR KING: I guess...well, my questions had to do with the same letter. So, I...but there is something maybe you can address. The statement that Kaupō School is on a parcel designated as an Agricultural District under the Land Commission and under Maui County Comprehensive Zoning Ordinance. And she's...the letter states that there's been a violation of zoning law. It says, while restoration is listed as an acceptable use under the Zoning Code, demolition and reconstruction of the building is not. So, maybe you could address that, Ms. McLean.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Director?

MS. McLEAN: That's the nature of the Notice of Warning that we sent. We need to determine what the path forward is and whether or not that will be allowed by the zoning. Initially, what we approved was under those provisions that you cited. Now, we're not clear what is going to happen, and once it's determined what the desirable next steps are, we have to look and see if that's allowed under County Ag and State Ag.

VICE-CHAIR KING: Okay, so you're following up on that issue. And then, I don't know if this is for the group, what's happening on the front, on the State front with those funds 'cause in the paper it looked like they were withholding...the State was kind of pulling back on their funds, the State funds that you got. Is that something you can answer? Or Director McLean?

CHAIR RAWLINS-FERNANDEZ: Mr. Starr?

MR. STARR: Yeah, thank you. I'm Jonathan Starr again. The State grant-in-aid which was...originally came from I believe it was a 2016 Legislature, is on its last extension. The building is about 70 percent complete. It's certainly will last another 100 years if we can complete it. It is absolutely true to the original building. I would say...

VICE-CHAIR KING: No, I wasn't asking about that.

MR. STARR: Yeah.

VICE-CHAIR KING: I wasn't asking --

MR. STARR: But...

VICE-CHAIR KING: --about whether the State...because I thought in the paper it said that the State is withholding its funds for whatever's left. Is that true?

MR. STARR: I...we haven't heard that.

VICE-CHAIR KING: Oh.

MR. STARR: But since there's a stop-work order, we can't proceed with work, and we're not working. I can only say, though, that the State funds will lapse sometime around September 1st.

VICE-CHAIR KING: Okay, but you haven't gotten anything from the State that tells you they're concerned or upset about this?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MR. STARR: No.

VICE-CHAIR KING: Okay.

MR. STARR: And, no, we haven't.

VICE-CHAIR KING: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Vice-Chair King. Chair Lee?

COUNCILMEMBER LEE: Questions for Ms. McLean. I know you're considering next steps forward, but in your mind, there are the remedies available and that it's just a matter of timing and the matter of following each step. Or is this project in danger of being totally stopped?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. McLEAN: It's hard to say at this point. It could be in danger of being stopped. Again, we need some guidance from the State Historic Preservation Division 'cause they're the ones who are primarily responsible for administering HRS 6E. And if their direction is that it's acceptable for demolition and complete reconstruction, without having had the opportunity to mitigate as I described, and if that could still be constituted as restoration and rehabilitation of a historic site, then the uses could still be considered allowed by the zoning and by the State. I don't know that that's what their feedback will be. They may say, you know, it's too late. The structure is gone, we can't document it, we can't mitigate it. So, anything else there is going to be considered a new structure, in which case they would need some kind of discretionary permit to continue.

COUNCILMEMBER LEE: It's just a little surprising that this is the only project in the history of Hawai'i that ever came, you know...was subject to all of these issues. I mean there's got to be other cases where certain steps were missed. And like in our case, we have after-the-fact building permit. Probably they may have to go to the Board of Variances on use. But there are remedies, yeah, available. So, I find it...I have difficulty thinking that there is no remedy for...or, we don't know yet. But that people are taking so long to come up with the solution because, you know, this is a community center in rural East Maui. You know, this is not a hotel or something like that. So, I'm really surprised. But do you think you need help in contacting the State Historic District Office so that maybe they can expedite their decision-making?

CHAIR RAWLINS-FERNANDEZ: Mr. Starr?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

MR. STARR: This is...Jonathan Starr, again. Mr. Downer from SHPD has actually reached out to us --

COUNCILMEMBER LEE: Okay, good.

MR. STARR: --through our representative's office. But, you know, if we have any questions, that he would create a line of direct communication. So, I think now that we have a question to ask, it might be a good time to talk with SHPD directly.

MR. NIESS: This is Jim Niess, again. There is one simple approach, I think. Because the stop-work order references a use issue, that we have an incompatible use. But this is a construction project. There's no use right now. There won't be a use until a CO, a Certificate of Occupancy, is issued. So, what we'd like to suggest is that the permit be released so we can complete the new building as these issues are being worked out one way or another. And then the CO can be withheld until we've satisfied, as Councilman Lee says, all these myriad issues.

COUNCILMEMBER LEE: Well, unfortunately, Jim, Director McLean has...it's not up to her discretion, yeah. She's bound by all these other requirements, and rules, and regulations. So, unfortunately, you know, when you have State and County regulations that you have to deal with, it can get very complicated as you probably know now. So, I think that, you know, in general most people would be supportive of the project continuing. It's just taking the right steps and letting the process, you know, play out as it's supposed to. It's just unfortunate. It's just really unfortunate. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Member Hokama, any questions? Member Paltin?

COUNCILMEMBER PALTIN: Wondering if a Council-initiated Change in Zoning would help the situation?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. McLEAN: There is still the State requirement. It may be that...well, to address the State agricultural concerns if the project can't proceed in the same way that it was initially approved, a State Special Permit would be needed. And that would be approved by the Maui Planning Commission. I'd have to check and see in County Ag if a County Special Use Permit, or if it would be needed, or if the State Special Permit could satisfy the County permit. So, it could be an approval that's just granted at the Planning Commission level. If the Council were to initiate a Change in Zoning to, let's say, Public/Quasi-Public, that would have to be consistent with the community plan which is also Ag. So, a

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

change in the community plan to Public/Quasi-Public would also be needed. But the State District would still need to be addressed, and the only way to do that would be either changing the State designation or a State Special Permit.

COUNCILMEMBER PALTIN: Is it...is the project greater than 15 acres or...

MS. McLEAN: No.

COUNCILMEMBER PALTIN: Can't we change the zoning for less than 15 acres?

MS. McLEAN: You could change the State designation as well. You'd have to change all of them together.

COUNCILMEMBER PALTIN: Yeah, that's...I mean I guess I meant a Council-initiated Change in Zoning for State designation, County designation, and community plan designation. If we initiate that now, would that solve the problem? 'Cause I mean it's less than 15 acres, right. I mean we don't have to do...it's probably less than one acre, two acres. I mean can we just change all of that for two acres?

MS. McLEAN: Theoretically, yes. That process itself could take quite a few months. It has to go through the process. And then it's...I don't believe the land has been deeded to the County. So, the State would have to consent to that and, you know, I would imagine that they would. But I believe the State still owns the property so they would have to consent to the changes. And I would imagine they would.

COUNCILMEMBER PALTIN: So, then, couple more questions. Is that something that the Kaupō Community Association would like to pursue?

CHAIR RAWLINS-FERNANDEZ: Ms. Hanchett?

MS. HANCHETT: So, our goal...

CHAIR RAWLINS-FERNANDEZ: Please identify yourself.

MS. HANCHETT: Oh, okay, sorry. Aloha, I'm Kauwila Hanchett. Thank you, Chair. Our goal has always been to honor Kaupō's past, provide for Kaupō's future, and leave a lasting legacy for Kaupō's future, and provide for Kaupō's present. Our goal is to finish this building. Our community needs a place to gather. Our community needs a place to have a shelter. We have people who have gone to this school who are looking forward to the big Kaupō School reunion we're going to throw once this project is done. So, we are open to any means possible to accomplish this vision. Mahalo.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

COUNCILMEMBER PALTIN: And then, I guess my last question would be, is there a difference in interpretation of what's going on between Mr. Niess and Ms. McLean as that...I mean I don't...I read the article in the newspaper and is there...I mean there's facts, and then there's what happened, and how are they not having the same opinion?

CHAIR RAWLINS-FERNANDEZ: Who would you like to respond to that question first?

COUNCILMEMBER PALTIN: Both of them. Whoever wants to go first, I'm okay with.

CHAIR RAWLINS-FERNANDEZ: Okay. Mr. Niess?

MR. NIESS: I'll start. Well, this project can be killed by process. Let's be honest. We all know how circuitous and difficult it is to, as you suggested, change the zoning. So, you know, that's why I made a practical solution that we...if we're allowed to continue to...and finish the building that's 70 percent complete right now as we work through these other issues. And I think there are solutions that are achievable that aren't quite so draconian as Change in Zoning, or special use permits, or you name it.

CHAIR RAWLINS-FERNANDEZ: Director McLean?

COUNCILMEMBER PALTIN: That's your answer to the question?

MR. NIESS: Yeah.

MS. McLEAN: I would offer that we...I don't believe we disagree about what happened. I think we just disagree on how serious it was and whether it was right to continue as they did. But I don't think there's disagreement about what happened. I just think there's a disagreement about the seriousness of it. And we understand the circumstances but our feeling is that they should have stopped at that time if they felt that the building was not savable, and consulted, and so forth. And so, that's really the only area where there's disagreement in how serious it was.

COUNCILMEMBER PALTIN: I kind of got that the community felt the same way, but so you're saying that the disagreement is that you think that...or you, as well as the community, thinks that at the point where it's unsavable, everybody should have been let known right then and there. And his answer was that it wasn't savable, and we don't need to let people know. We just continue on because it was written in there that we might have to reconstruct it. Is that...

CHAIR RAWLINS-FERNANDEZ: Director?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MS. McLEAN: I can only speak for the Planning Department. And yes, if rehabilitation turns into demolition, it needs to stop, and with a historic structure, it needs to be evaluated to see if mitigation is needed and a demolition permit needs to be issued. And then as far as what their thinking was in terms of proceeding, they...he would have to answer that.

COUNCILMEMBER PALTIN: So, Mr. Niess, you're a licensed professional?

MR. NIESS: Yes.

COUNCILMEMBER PALTIN: And were you aware of that process that she's speaking to?

MR. NIESS: There is no formal protocol. However, it was an oversight. I mean it was an oversight that we didn't pause to educate the community on the severity of the problem. And so, but one thing should be clear. The building wasn't actually demolished. It was carefully disassembled, and there's a subtlety here. It was...is...as the construction proceeded, it...portions of it were disassembled and that was part...that's part of rehabilitation. It's remove and repair, or remove and replace. And it just got to a point, however, where the structural viability of the whole structure wasn't there. It wasn't salvageable. And so, it wasn't like we went right in there and demolished the building. That's not the case. It was carefully disassembled and evaluated, and decisions were made on how to proceed.

CHAIR RAWLINS-FERNANDEZ: Member Paltin...

COUNCILMEMBER PALTIN: So, basically in hindsight, you would've done it differently?

MR. NIESS: Pardon me?

COUNCILMEMBER PALTIN: In hindsight, you would've done it differently?

MR. NIESS: . . .(inaudible). . .

COUNCILMEMBER PALTIN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Sugimura? Okay. Pro Temp Kama?

COUNCILMEMBER KAMA: Thank you, Chair. I'm going to make this as quickly as possible, as painless as possible. So, I just want to ask Ms. McLean, so if we're able to do as Councilmember Paltin suggested, what role would the Department of Interior play?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Director McLean?

MS. McLEAN: The process that Councilmember Paltin suggested would change the land use entitlements so that the use would be allowed. The Department of Interior wouldn't necessarily have a role to play in that. In terms of issuing a new permit to address the structure, it's likely that the State Historic Preservation Division, Architecture Branch as well as our staff would recommend that Secretary of the Interior guidelines be followed for the reconstruction. And I believe that is being done. So, that...but in the process, in the changing the land use designations, I don't know that there would be a role to play.

COUNCILMEMBER KAMA: So, in your opinion, what would be the length of time to do that?

MS. McLEAN: It's hard to say. At least six months, probably more like a year to change the entitlements.

COUNCILMEMBER KAMA: Last question, Chair. So, for six months, we're going to have another new building sitting out, languishing, until we figure out how to complete it. So, that's the question that we're trying to deal with today. Correct, Chair? Thank you, thank you.

CHAIR RAWLINS-FERNANDEZ: Oh, sorry. Mr. Galazin?

MR. GALAZIN: Thank you, Chair. I mean I just wanted to make sure that the Members and, Member Kama, when you talk about that. The question why you're here today, you have a resolution on whether or not to, you know, authorize and of the Budget Committee to conduct a formal investigation into the use of grant funds related to this. I think this is...these are a lot of your questions related to why this project has sort of gone where it has. But some of it's kind of tending a little far afield in terms of what you want to focus...what's on your agenda for today at least. You can certainly agendize a broader issue. But this is still fairly narrow. So, if that gets to your question, why you're here today, hopefully.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Galazin. Okay. So, the questions that...the question that Member Molina had asked earlier regarding your review of the article that was submitted, there were questions and the sentiments in it are similar to what was in the news article from Ms. Alohalani Smith. And in...at the end it says that despite our satisfaction of the Planning Department's above actions, there's so many questions that need to be answered. For example, it's unknown how a demolition activity could've been permitted under a permit for restoration activities. Who authorizes these activities within the

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

government agencies? And which parties in the association were tasked with the decision regarding demolition of the original building? So, those are some of the things that were brought up in the article. And the, you know, the calls that my office received is basically it all comes down to accountability and assurances that, you know, the community will be consulted prior to any kind of decision being made. And the severity of it, you know, I agree with Director McLean, in that there is a permit and...for a specific activity. And if the activity went beyond what the permit allowed for, then you know, some kind of penalty should be involved. What that penalty is, you know, I'm not sure at this time. So, I think it sounds like that's where we're at. And mahalo, Mr. Galazin, for making sure that we're sticking to the agenda. And so, it's 12:38. I want to be respectful of everyone's time. I know Member Molina had another question. So, if you would like to ask your question?

COUNCILMEMBER MOLINA: Yeah, yeah. I'll make it real short. So basically, we're going to just, as Mr. Galazin said, we got to act on whether we want to, you know, vote yea or nay on this resolution to investigate. So, just quickly for the Department. So, your general procedures for inspecting projects like this, would you send out an inspector, or is it just, okay, the person or individuals who got the permits, do your thing, call the Department when you're ready? And was the Department ever under the impression that demolition could've been a possibility for this?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. McLEAN: We don't send inspectors out while work is ongoing. You know, there's thousands of permits issued every year. We can't inspect everything that's going on. I'm sorry. What was your second question, second part of your question?

COUNCILMEMBER MOLINA: Yeah, yeah, no, yeah. The inspection...so I guess this was just more complaint-driven, right. I guess you were made aware of it, then you guys put a work order after you send out your --

MS. McLEAN: Right.

COUNCILMEMBER MOLINA: --inspectors.

MS. McLEAN: When we were made aware of it, we went out. We saw what had happened and issued a Notice of Warning, instructing them to stop work which they've done.

COUNCILMEMBER MOLINA: Okay. So, at this point the stop-work order will be in effect until we get a response from SHPD for guidance?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

MS. McLEAN: In terms of what...moving forward, what steps need to be taken to move forward, yes, we need some guidance from SHPD.

COUNCILMEMBER MOLINA: Okay.

MS. McLEAN: And then we can work with them and figure out, you know, are any other additional permits needed, et cetera.

COUNCILMEMBER MOLINA: Okay. Thank you. Madam Chair, this is just kind of tragic, yeah, for something that was...had so much promise. And it's unfortunate, you know, something happened, and there's good intentions. But for whatever reasons, something went wrong. So, I think at this point, you know, the pono thing to do is to, you know, further...look into this further which ties into your resolution to, you know, investigate. I know "investigate" is such a harsh word, but you know, it may be the only pono thing to do at this time. So, anyway, I've said enough. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. So, it looks like on the "be it resolved," it says that it authorizes the Economic Development and Budget Committee to...oh, that's you guys, to conduct a formal investigation of use of funds granted to the Kaupō Community Association. And I guess the funds, they might've used State funds towards the school construction. The County funds were used for the --

CHAIR RAWLINS-FERNANDEZ: Right. For the water, --

COUNCILMEMBER SINENCI: --septic.

CHAIR RAWLINS-FERNANDEZ: --septic, and power.

COUNCILMEMBER SINENCI: Right. So, would this address the other funds that were used by the . . .(inaudible). . .

CHAIR RAWLINS-FERNANDEZ: Only County funds.

COUNCILMEMBER SINENCI: Only County funds. Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, Member Sugimura? Oh, Member Hokama, and then Member Sugimura.

COUNCILMEMBER HOKAMA: Real fast, Chair. If we want to do the investigation, then we should be definitely aware everything is not going to go forward. Everything stays stopped 'til the investigation is completed, and dependent

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

upon SHPD's final determination. So, if that's the route, you know, you folks want, we can do that. We can kiss 6 to 12 months goodbye. Or, we could do a Special Use Permit, and get the Department moving that application forward for appropriate review and approval, or denial. But at least a process is going on. So, I would say, give us an indication because I have things to do. And I ain't...I don't have much time left today, Chair. My apologies, but I got something at 1:30.

CHAIR RAWLINS-FERNANDEZ: Okay. Yes, my apologies, Member Hokama. Member Sugimura, did you want to say anything before I...

COUNCILMEMBER SUGIMURA: Yeah. It's unfortunate that this has occurred. I know Mr. Niess has done a lot of work with historic Wailuku Town. That's when I first met him. So, I think this whole dealing with old buildings and, you know, being sensitive to it is not something that he's not familiar with. So, I just want to say that I look forward to hearing what the Committee wants to do. But I do respect what Planning has to do and what the community is trying to do, and how we can help them work together. I mean I don't want us to change a law to make it correct after it's done. That's what it sounds like we're trying to do. Is that right?

CHAIR RAWLINS-FERNANDEZ: Not in this meeting.

COUNCILMEMBER SUGIMURA: Okay, good. Thank you.

CHAIR RAWLINS-FERNANDEZ: Chair Lee?

COUNCILMEMBER LEE: I agree with Member Hokama. I think the sentiment in general here is to try and help the project.

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER LEE: But come into compliance, you know --

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER LEE: --not just skirt the laws and regulations. I think the Planning Department is...already has a handle on this in terms of I don't think there's more to investigate, really. If we can help with an SUP, fine. Maybe Ms. McLean can let us know how we can help, you know, expedite this matter. Although we only play one role, you know. There's the State involved, and everybody knows how long they take. So, yeah, I would prefer to be trying to help them move this project forward.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. My inclination is to defer so that we can...

VICE-CHAIR KING: No objections.

CHAIR RAWLINS-FERNANDEZ: So, but if anyone...okay. I don't want to cut anyone off, but I want to allow Member Hokama to prepare for his 1:30 meeting, Committee meeting today. Member Molina?

COUNCILMEMBER MOLINA: Yeah, just last comment. You know, I want to make sure that my comments earlier doesn't mean I don't want to see this project go forward. But again, and I thank you, Chair, because this is...you're doing what you have to do as the responsible thing. So, and yeah, you know people can complain about the delays, this and that, and whatnot. But we all want to look for a better way. But if this is the only way, this is our last resort, then we got to do our due diligence too 'cause I don't want the public to get the impression that we're trying to bury things to expedite things. You know what I mean? We got to do it pono, the right way. So, I commend you, Chair, for at least bringing up the discussion.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina.

COUNCILMEMBER MOLINA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members, for giving me your lunchtime. So, if there are no objections, I'll defer this item.

COUNCILMEMBERS: No objections.

ACTION: DEFER pending further discussion.

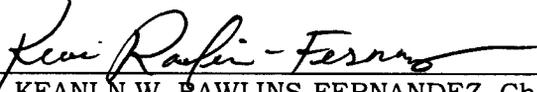
CHAIR RAWLINS-FERNANDEZ: Mahalo. It's 12:45 on February 6. And the Economic Development and Budget Committee is now adjourned.

ADJOURN: 12:45 p.m.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

February 6, 2020

APPROVED:



KEANI N.W. RAWLINS-FERNANDEZ, Chair
Economic Development and Budget Committee

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Transcribed by: Reinette L. Kutz

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

February 6, 2020

CERTIFICATE

I, Reinette L. Kutz, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED this 2nd day of March 2020, in Makawao, Hawaii.


Reinette L. Kutz