

MINUTES

of the

PUBLIC HEARING HELD ON

May 13, 2022

THE COUNCIL OF THE COUNTY OF MAUI, STATE OF HAWAII, CONVENED A PUBLIC HEARING ON FRIDAY, MAY 13, 2022, AT 9:00 A.M., ONLINE VIA BLUEJEANS EVENTS WITH CHAIR ALICE L. LEE PRESIDING, FOR THE PURPOSE OF RECEIVING TESTIMONY ON THE PROPOSED RESOLUTION ENTITLED:

ADOPTING THE FUEL TAX RATES
FOR THE COUNTY OF MAUI,
EFFECTIVE JULY 1, 2022

COUNCIL CHAIR ALICE L. LEE: Will the Maui County Council Fuel Tax Rates public hearing please come to order. It is approximately 9:01 a.m.

So, I see two, four, six, seven, seven people. And Madam Clerk, before you begin roll call, let me just say, Members, that the pronunciation for the morning greeting is . . .

Madam Clerk, roll call.

ROLL CALL

COUNTY CLERK KATHY L. KAOHU: Chair, proceeding with roll call. Members participating from non-public locations should state who, if anyone, is present with them as part of roll call.

Councilmember Shane Sinenci.

CHAIR LEE: Excused.

COUNTY CLERK: Councilmember Mike Molina.

COUNCILMEMBER MOLINA: Aloha and . . . or . . . to you, Madam Chair, and my colleagues, and everyone else viewing in. For the record, I'm transmitting out of the Council Chambers here in Wailuku. And to my knowledge, there are no testifiers at the Paia District Office. Mahalo.

CHAIR LEE: Thank you.

Madam Clerk.

COUNTY CLERK: Councilmember Kelly Takaya King.

CHAIR LEE: Excused.

COUNTY CLERK: Councilmember Gabe Johnson.

COUNCILMEMBER JOHNSON: Good morning, Chair. Good morning, Councilmembers. . . . to all of you. I am home in, alone in my workspace and there are no testifiers at the Lanai District Office. And it feels like I haven't seen everybody in a while. So, happy Friday.

CHAIR LEE: And to you as well. Yes, it's good to see everyone.

Madam Clerk.

COUNTY CLERK: Councilmember Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha kakahiaka kakou and . . . kakou as well. There's no testifiers at the West Maui District Office. I'm transmitting live and direct from Hilo Town where the sun is out, surprisingly. And in the room with me, I have my parents and my sister. . . .

CHAIR LEE: Very good. Thank you. Aloha to your family.

Madam Clerk.

COUNTY CLERK: Councilmember Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: . . . Good morning, everybody. I'm in the Council Chambers with fellow Councilmember Mike Molina. It's nice to have company here in the Chambers. I also have Miki Yokouchi staffing in my office, so I appreciate Miki being here also. And good morning.

CHAIR LEE: Good morning.

COUNTY CLERK: Council Pro Temp--

CHAIR LEE: Madam Clerk.

COUNTY CLERK: --Tasha Kama.

CHAIR LEE: I didn't, I don't think she heard you.

COUNTY CLERK: Council Pro Temp Tasha Kama.

COUNCILMEMBER KAMA: Aloha kakahiaka, Chair and . . . to all of my fellow colleagues and everyone out there in Akaku land. I am here in my workspace in my home, and Lena is in the other room. And if you hear noises, it's just her singing or sharpening her pencils. So good morning, everyone and aloha.

CHAIR LEE: That's so cute.

Madam Clerk.

COUNTY CLERK: Council Vice-Chair Keani Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka my Molokai Nui a Hina. I'm at the Molokai District Office, alone on my side of the office. And we have my legislative analyst Mahina Poepoe on the other side of the office. And I'm sure Zhantell Lindo, our community outreach specialist just stepped out, but she'll be back. And there are no testifiers at the Molokai District. Mahalo.

CHAIR LEE: Thank you.

COUNTY CLERK: And Council Chair Alice L. Lee.

CHAIR LEE: . . . everyone. I am here in my workspace alone and looking forward to a very efficient three public hearings today.

PRESENT: COUNCILMEMBERS MICHAEL J. MOLINA, GABRIEL JOHNSON, TAMARA A.M. PALTIN, NATALIE A. KAMA, YUKI LEI K. SUGIMURA, COUNCIL VICE-CHAIR KEANI N.W. RAWLINS-FERNANDEZ, AND CHAIR ALICE L. LEE.

EXCUSED: COUNCILMEMBERS SHANE M. SINENCI AND KELLY T. KING.

CHAIR LEE: Madam Clerk.

COUNTY CLERK: Chair, there, there are seven Members present, no Members absent, and two Members excused. A quorum is present to conduct the business of the Council.

For the record, I am County Clerk Kathy Kaohu, . . . staff Joyce Murashige, Lauren Saldana, and Dell Yoshida.

Joining the meeting from the--

CHAIR LEE: Madam Clerk, you seem to be breaking up.

COUNTY CLERK: --Toshikiyo. Chair, notice of this public hearing was published in the May 3, May 6, and May 11, 2022, edition of the Maui News.

CHAIR LEE: Members, the purpose of this public hearing is to hear, is to receive testimony on Resolution 22-80, CDI [*sic*], CD1, which contains the proposed County Fuel Tax Rates for Fiscal Year 2023.

Before we proceed with testimony, I ask that everyone please keep their microphones muted, unless it is your time to speak. Decorum shall be maintained at all times.

Madam Clerk, please proceed with testimony.

COUNTY CLERK: Chair, proceeding with the presentation of testimony. Members of the public may testify in the Council Chamber at courtesy testimony--

CHAIR LEE: Madam Clerk, you're breaking up again. Madam Clerk?

COUNCILMEMBER SUGIMURA: One moment. There's a problem with her mic, Chair. One moment. You might call a short recess.

CHAIR LEE: Well, actually, I can read it. Let me read this so we can move on.

Okay. Members of the public may testify in the Council Chamber, at courtesy testimony sites or remotely through the information listed on the public hearing notice.

In, individuals in the chamber may sign up to testify with the staff located at the desk in the 8th floor lobby. Individuals at courtesy testimony sites may sign up with staff at that site. Individuals participating remotely may sign up in the meeting chat. If you are connected to the meeting by phone, you will automatically be added to the testifier list.

Individuals connected by phone are currently on mute and will be unmuted when it is their turn to testify. Individuals connected by videoconference should be, should keep both their video and microphones off and should turn them on only when it is their turn to testify.

Testimony is limited to Resolution 22-80, CD1, and the proposed County Fuel Tax Rates for Fiscal Year 2023.

Individuals may testify for three minutes. When testifying, please state your name and the name of your organization you represent, as well as the items on which you will be testifying. Please also identify to the Council if you are a paid lobbyist.

After your testimony has concluded, please disconnect from BlueJeans. The remainder of the public hearing can be viewed on Akaku Maui Community Media Channel 53, or, excuse me, or on maucounty.legistar.com. Individuals may also be disconnected from the public hearing at any time for breaking decorum.

Now, Madam Chair, do we have anyone signed up to testify?

COUNTY CLERK: Chair, we currently have two testify, two individuals signed up to testify. Our first testifier is Joy Galatro. To be followed by Jenna Long.

CHAIR LEE: Joy Alatro *[sic]*? Oh, Galatro. Galatro. Good morning.

PRESENTATION OF ORAL TESTIMONY

MS. JOY GALATRO, PACIFIC BIODIESEL:

Good morning. Happy Aloha Friday. Good morning, Chair Lee and Councilmembers. I'm Joy Galatro with Pacific Biodiesel here to give testimony on the proposed fuel taxes for biodiesel in the Fiscal Year 2023 Budget.

First, mahalo to you, Councilmembers, for supporting the continuation of the fuel tax exemption on B100 Biodiesel. And mahalo for not supporting the Mayor's proposed fuel tax increase on Biodiesel Blends from six cents to eleven cents per gallon.

We're asking you, Councilmembers, to please consider an exemption of the fuel tax for Biodiesel Blends of B20 and higher. That's something that you all had done previously for many years. And the reason is urgency. Our climate is in crisis and we must continue to do everything we can to reduce our consumption of fossil fuel.

As a County, we need to be incentivizing the use of renewables on our roads, because biodiesel and any blend of biodiesel can be used today to immediately reduce greenhouse gas emissions. And that's crucial. There is no need to purchase another vehicle. There is no need to modify the engine. Just simply switch the fuel. It's locally made effective and it's a climate change solution that's available right now.

So, unfortunately not choosing to fuel with biodiesel is supporting fossil fuel. So, again, we ask you to please not tax the solution, biodiesel and other renewables. And instead, increase the tax on the problem, fossil fuel. Penalize those who are continuing to choose fossil fuel over renewables.

Keep the fuel tax exemption on B100. Exempt the fuel tax for Biodiesel Blends of B20 and higher. And please continue to support choosing to drive with renewables in Maui County. Mahalo.

CHAIR LEE: Thank you. Members, do you have any questions for the testifier? For clarification purposes now.

Member Sugimura, and then Member Paltin.

COUNCILMEMBER SUGIMURA: Oh, just, I just want to know if you still produce biodiesel here on Maui, or is it only on the Big Island?

MS. GALATRO: Our refinery is on the Big Island. None of it is . . .

COUNCILMEMBER SUGIMURA: So, you don't do your business here? Okay, can you--

MS. GALATRO: How we sell. We are located here.

COUNCILMEMBER SUGIMURA: You sell it?

MS. GALATRO: But the fuel is produced on Hawaii Island.

COUNCILMEMBER SUGIMURA: Oh, okay. So, you took your, all your business over to the Big Island. Thank you.

CHAIR LEE: Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. I had a clarifying question on the don't tax the solution. Was it before that the solution was to divert fats, oils, and greases from

the landfill? And then, when you took it over to the Big Island, now you don't divert fats, oils, and greases from the landfill and that's why we gotta pay to dispose of that?

MS. GALATRO: For--

COUNCILMEMBER PALTIN: Or subsidize?

MS. GALATRO: Taxing the solution, when I mentioned that, is taxing biodiesel fuel. Biodiesel's a renewable fuel, and we feel like that should be exempt from the fuel tax.

COUNCILMEMBER PALTIN: Oh, okay. So, you didn't mean that you guys help us divert fats, oils, and grease? Oh, okay.

MS. GALATRO: Yeah, referring to the fuel tax.

COUNCILMEMBER PALTIN: Sorry, my, my confusion.

CHAIR LEE: Any more questions, Members? If not, thank you, Ms. Galatro.

MS. GALATRO: Mahalo.

COUNTY CLERK: Chair, our next testifier is Jenna Long. And Jenna is the last individual to, signed up right now.

MS. JENNA LONG, PACIFIC BIODIESEL:

Alright. Hi. Aloha. . . . to Council. Thanks for letting us be here. Just wanted to, kind of re, agree with what Joy Galatro said. And just add that we, oh sorry, I forgot to introduce, I'm Jenna Long, I'm the director of operations for Pacific Biodiesel.

Just wanted to kind of agree and just back up a couple of points. We are headquartered on Maui. So, we do still have a good portion of our employees there and we do our accounting and other operations there. But we do produce our biodiesel on the Big Island right now. We are hoping to expand production in the future back to other islands.

And just wanted to thank the Council for the ongoing biodiesel road tax exemption. It has been a good tool to help the community on all the, on Maui transition towards renewable fuels. We do hope that since the island and the Council has been fighting to curb greenhouse gas emissions that they'd consider extending the exemption. And we're using other tools to help keep us moving in the right direction here. We have

been working hard this year to expand our distribution and access to biodiesel on Maui island and around the State. Thank you for allowing us to testify.

CHAIR LEE: Thank you. We have a question for you from a couple of Members.

MS. LONG: Sure.

CHAIR LEE: Member Paltin, and then Pro Temp Kama.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Long, for your testimony. I just was wondering if you could clarify when you said you're hoping to expand to other islands in the future. Would that mean a diversion of fats, oils, and greases from the landfill to use them for--

MS. LONG: Yes.

COUNCILMEMBER PALTIN: --biodiesel?

MS. LONG: Yes. And we actually currently do divert the, all of the used cooking oil from Maui. We collect it around the island, and we do ship it to our refinery on the Big Island. So, that is currently being diverted.

We do collect grease trap waste on Maui. But unfortunately, right now, the amount of grease in there isn't quite enough to make it worth shipping it over to the Big Island. It may, it may be feasible in the future. But yeah, we, we divert from all over the State right now. And we will continue to do that. And we'll, I think our expansion will also be to try to grow more crops so we can expand our production of biodiesel. That being, that currently we're growing some on Maui could be an expansion there for other islands.

COUNCILMEMBER PALTIN: Okay. And then, I guess, like, I had a kind of technical clarifying question. And I think the six cents tax that it comes in right now is generating maybe 20-grand revenue. And I'm not sure what the subsidized fats, oil, and grease disposal is. But if you were to expand it, do you think that it could offset the 20,000 to make it like a revenue neutral kind of deal?

MS. LONG: Yeah, I think it was something like between 10 and \$15,000 that we paid them the six cents tax last year. So, that's the amount that, that six cents is bringing in.

We don't get any subsidy right now for the fats, oil, and grease diversion. We're just doing that on our own. So, there's no--

COUNCILMEMBER PALTIN: Oh.

MS. LONG: Nothing to, yeah. We're not, we, I think way back we used to get a, some kind of tipping fee diversion credit, but that hasn't been in place for a while. So, we do that out of our own cost to, as part of our production.

COUNCILMEMBER PALTIN: And then, just, I'm not sure if it can be worked out so that it could be break even on what the County pays to subsidize the disposal of fats, oils, and grease is. But did you plan on testifying before the public hearing in the future? Cause we already balanced the budget calculating that 20,000, and so it's difficult. Like, earlier in the process . . . testifying.

MS. LONG: Right. Right. I'm not sure about that point of whether, whether we were aware of there, that we could testify earlier in the process or not. But so, yeah, I think, you know, if, I think again our point is the six cents is, is okay. We can continue on with that. We were grateful that it didn't increase further cause it would, you know, further de-incentivize the use of the biodiesel. So, we're happy to at least carry on with that, that number.

And then, yeah, I think, I think whatever the County's paying for the fats, oil, and grease, which is the grease trap diversion, that piece, I'm not sure about in the future, it could become technologically feasible to process that material and not have to get subsidized for that. But it's all a calculation of how much material and where we would process it, and how that would go.

COUNCILMEMBER PALTIN: Maybe try contact one of us later off-line and then we can try work it out so it's not like that. But not somebody that would have a conflict of interest. Don't contact them.

MS. LONG: Right. Sure.

COUNCILMEMBER PALTIN: Okay. Thank you.

MS. LONG: Thank you.

CHAIR LEE: Pro Temp Kama.

COUNCILMEMBER KAMA: Thank you, Chair. Thank you for being here, Ms. Long. And I really appreciate your testimony. So, does, at some future time, do you anticipate that Pacific Biodiesel would be able to have capacity to, to have enough biodiesel for the vehicles that would want to be able to convert?

MS. LONG: We hope so. Yeah, we're working hard to increase our production. We currently provide fuel on Maui, Oahu, and Big Island. So, we, you know, we're providing to, to most everybody on the retail level that wants to. Although, our biggest challenge is distribution, and so we're trying to expand stations and access that, in that way. So, I think that's our, it's not so much the actual production gallons, it's just getting it out into the community to where they don't have to drive too far to get to the fuel. So, that's our kind of focus this year--

COUNCILMEMBER KAMA: It's not the product, so it's not the product that you have problems with. It's, it's the transmission of that product into?

MS. LONG: Partly. Right. Yeah, right now it is. Yeah, right now we're not really overwhelmed with demand at the stations. It's just getting the stations out there. And then, we will need to expand production at some point to do, make more fuel.

COUNCILMEMBER KAMA: Right. Okay. Oh, good. Thank you. Thank you, Chair.

CHAIR LEE: Are there any more questions? If not, thank you very much, Ms. Long.

MS. LONG: Thank you.

CHAIR LEE: Madam Clerk.

COUNTY CLERK: Chair, we have one more individual signed up to testify. David Sellers. Mr. Sellers is the last individual to testify.

CHAIR LEE: You may proceed. Thank you.

MR. DAVID SELLERS:

Hello. Hi. Thank you so much for the opportunity. And thank you to the Council for everything that you do to support our environment. So, I'm so proud to be part of the Maui County community and knowing what we do as a, as a County and as a State to be good examples of stewardship.

And I think that continuing to support biodiesel and not raising the fuel tax on it is another way that we can do that. We're at a really key moment as a business owner in the community, as someone who depends on biodiesel because of a moral and ethical, and a, what I feel we have to do to take care of our environment. We're committed to using biofuels and electric vehicles in all of our work.

And right now, with the price of fuel, as we all know, biodiesel is actually cheaper than petroleum diesel for one of the first times that we've ever seen that, right? And it's so amazing that we have an opportunity to, people that were skeptical, who don't believe that you can actually use biodiesel, that it doesn't work. It actually does work, you know. I, I love having on the side of my truck, the name of our company and powered by biodiesel. We're so fortunate. We're one of the only communities in the nation that has access to such a wonderful fuel. We're, it's very, very unique. And to be able to continue to support local businesses that support local businesses and it's just, it's just amazing.

So, I just want to say thank you for the continued support. I want to say that I am fully behind, you know, Pacific Biodiesel and local businesses, that anything that I can do as an individual, as a business owner, we want to do that. And I know that the Council does too. And so, I want to say thank you for that.

CHAIR LEE: Alright, Mr. Sellers. Are there any questions, Members?

Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Sellers, for your testimony. I was wondering what is your small business?

MR. SELLER: Our business is Hawaii Off Grid : Architecture & Engineering. We're an architecture and engineering firm that focuses on renewable energy and sustainability, and conservation. And we employ, locally on Maui, 12 people. And we, we have one, two, three, four company vehicles and multiple pieces of equipment. And so, all of our company vehicles are either 100 percent biodiesel or fully electric. So, again, it's a commitment to, you know, the environment, which, you know, we want to do things, that, that show what the right thing to do is.

We also have, currently, two STEM interns. And we'll be having another one for the summer. And, you know, it's always an interesting thing when we bring these kids in. And recently, we had a fourth-grade class studying green architecture. And the principal asked us to, you know, host them. And we showed them a few different things, one in the office, one of a building that was built, one that was being constructed. And having, you know, on the side of our vehicles, powered by biodiesel, and just answering the questions, even from the parents. You know, what is biodiesel? How does that work, you know? So, it's just an amazing opportunity.

CHAIR LEE: Thank you. Thank you, Mr. Sellers. Thank you very much. I think you answered her question.

Member Paltin, did you, you had another one?

COUNCILMEMBER PALTIN: I just was, sorry, I lost the answer in that whole thing. It was Hawaii Off Grid, is the name?

MR. SELLERS: Correct. Yes, Architecture & Engineering.

COUNCILMEMBER PALTIN: Alright. Alright. Hawaii Off Grid : Architecture, okay, thank you.

CHAIR LEE: Any more questions, Members? If not, thank you very much, Mr. Sellers.

Madam Clerk.

COUNTY CLERK: Chair, we do not have any other testifiers noted. If anyone has not testified but would like to do so, please identify yourself now. This is the last call for testifiers.

Chair, no one else has indicated that they wish to testify, and we have received written testimony. Oh, I'm sorry, we have not received written testimony.

CHAIR LEE: Alright, Members, are there any objections to closing public testimony?

MEMBERS VOICED NO OBJECTION.

CHAIR LEE: So, ordered.

Members, there being no further business before the Council, it is approximately 9:25 a.m., this public hearing is adjourned.

ADJOURNMENT

The public hearing of May 13, 2022, was adjourned by the Chair at 9:24 a.m.



KATHY KAOHU, COUNTY CLERK
COUNTY OF MAUI, STATE OF HAWAII