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M I N U T E S
POLICY COMMITTEE
Council of the County of Maui
Council Chamber
January 22, 2008

1 **CONVENE:** **1:37 p.m.**

2 **PRESENT:** VOTING MEMBERS:

3 Councilmember Danny A. Mateo, Chair

4 Councilmember Gladys C. Baisa

5 Councilmember Jo Anne Johnson

6 Councilmember Bill Kauakea Medeiros

7 Councilmember Michael J. Molina (In 1:38 p.m.;

8 Out 3:29 p.m.)

9 Councilmember Joseph Pontanilla

10 Councilmember Michael P. Victorino

11

12

13 **EXCUSED:** Councilmember G. Riki Hokama, Vice-Chair

14 Councilmember Michelle Anderson

15

16 **STAFF:** Gayle Revels, Legislative Analyst (Out 2:11

17 p.m. to 3:00 p.m.)

18 Kristin Hamman, Legislative Attorney

19 (In 2:09 p.m.)

20 Camille Sakamoto, Committee Secretary

21

22 Leinaala Kihm, Executive Assistant to

23 Councilmember Bill Kauakea Medeiros

24

25 **ADMIN.:** Vanessa A. Medeiros, Director, Department of

 Housing and Human Concerns (Item No. 40)

 Deidre M. Tegarden, Coordinator, Office of

 Economic Development, Office of the Mayor

 (Item No. 41)

 Kalbert L. Young, Director, Department of

 Finance (Item No. 36)

 Kuheia Paracuelles, Executive Assistant,

 Office of the Mayor (Item No. 36)

 Brian T. Moto, Corporation Counsel, Department

 of the Corporation Counsel

 Kimberly A. Sloper, Deputy Corporation

 Counsel, Department of the Corporation

 Counsel (Item No. 40)

 Jeffrey T. Ueoka, Deputy Corporation Counsel,

 Department of the Corporation Counsel

 (Item No. 41)

 David A. Galazin, Deputy Corporation Counsel,

 Department of the Corporation Counsel

 (Item No. 36)

 Jane E. Lovell, Chief, Litigation Section,

 Department of the Corporation Counsel

 (Item No. 37)

26 **OTHERS:** Avery Chumbley

1 **PRESS:** *Akaku: Maui Community Television, Inc.*
 2 CHAIR MATEO: ...(gavel)... Policy Committee meeting for
 3 January 22nd, 2008, will come to order.

4 For the record, the Members present this
 5 afternoon, we have Ms. Baisa, Ms. Johnson,
 6 Mr. Medeiros, Mr. Pontanilla, Mr. Victorino; joining
 7 us in a few minutes is Mr. Molina, and excused from
 8 this afternoon's meeting is the Vice Chair of the
 9 Committee, Chairman Hokama, and also excused for
 10 today's meeting is Member Anderson.

11 We're going to start out with public
 12 testimony. Ms. Sakamoto, anyone signed up to
 13 testify this afternoon?

14 MS. SAKAMOTO: No, Mr. Chair.

15 CHAIR MATEO: Thank you. Members, we have four items on
 16 this afternoon's agenda. If there are no objections
 17 at this time, the Chair would like to close public
 18 testimony.

19 COUNCIL MEMBERS: No objections.

20 CHAIR MATEO: So ordered. Thank you.

21 . . .**END OF PUBLIC TESTIMONY.** . . .

22 **ITEM NO. 40: AUTHORIZATION RELATING TO EXECUTING SECTION 8**
 23 **PROGRAM HOUSING ASSISTANCE PAYMENTS CONTRACTS**
 (C.C. No. 07-349)

24 CHAIR MATEO: We're going to move on to the first item on
 25 today's agenda, Members, and it's Policy No. 40,

1 which is the Authorization Relating to Executing
2 Section 8 Program Housing Assistance Payments
3 Contracts.

4 Members, this Committee is in receipt of
5 County Communication No. 07-349, from the Director
6 of Housing and Human Concerns, transmitting a
7 proposed resolution entitled "AUTHORIZING THE
8 DIRECTOR OF THE DEPARTMENT OF HOUSING AND HUMAN
9 CONCERNS OR THE DIRECTOR'S DESIGNEE TO EXECUTE
10 SECTION 8 PROGRAM HOUSING ASSISTANCE PAYMENTS
11 CONTRACTS BETWEEN THE COUNTY OF MAUI AND LANDLORDS
12 OF FAMILIES RECEIVING SECTION 8 PROGRAM ASSISTANCE."

13 The purpose of the proposed resolution is to
14 delegate the authority from the Mayor to the
15 Director of Housing and Human Concerns or the
16 Designee to execute Section 8 Program housing
17 assistance payments contracts between the County and
18 the various landlords participating in the Section 8
19 Program.

20 Members, I did have a discussion with the
21 Mayor regarding this item, and she indicates at
22 present, that is the -- the ongoing process. All of
23 these contracts wait for the Mayor to sign off
24 before expediting; therefore, with -- discussing
25 with the Mayor, she's indeed very interested to --

1 and -- and encouraging that this particular
2 resolution moves forward.

3 We do have with us present the Director of
4 Housing and Human Concerns, and the Chair will allow
5 her the opportunity to provide additional
6 information and comments on the resolution that was
7 forwarded to the Committee. So at this time,
8 Ms. Director?

9 MS. MEDEIROS: Thank you, Chairman, Members. With regards
10 to the assignment and signing of these contracts, on
11 average for our Section 8 Program, there are 300 to
12 400 contracts each year that needs to be signed.
13 This equates to approximately 20 to 30 per month.

14 These contracts only occur when a family moves
15 from one location to another, which happens quite
16 often, and -- or if there is a new family, in other
17 words a new family comes on board and receives a
18 Section 8 contract, or if there's a change in the
19 lease for any reason.

20 The -- the assigning of the signatures for
21 these contracts to our Department will certainly
22 help us in expediting these contracts, it allows us
23 to get the families situated into their housing and
24 allows us to get the payments out to the landlords
25 much more efficiently.

1 CHAIR MATEO: Thank you. Members, floor open for questions
2 for the Department. Ms. Johnson?

3 COUNCILMEMBER JOHNSON: Yes, Vanessa. Currently, when, you
4 know, these go to the Mayor, do you send along a
5 report or anything just stating that you've reviewed
6 it, or is there anything specific that you would do
7 so the Mayor knows what it is that she's signing and
8 that everything is, I guess, up to standards?

9 MS. MEDEIROS: Yes. There actually is a routing slip right
10 now that has about three signatures before it gets
11 to the Mayor. My signature is done to review and
12 then we also have the Budget Director and the
13 Finance Director.

14 COUNCILMEMBER JOHNSON: Okay. So -- and as a general
15 practice, there would -- if there was some problem
16 with the Section 8 contract or maybe the living
17 situation or the housing or something was amiss, you
18 would be dealing with that anyway before you gave it
19 to the Mayor for her signature, is that correct?

20 MS. MEDEIROS: Yes. As a regular requirement, the -- the
21 locations need to -- need to be inspected. It goes
22 through what's called the Housing Quality Standards
23 inspection so our -- our staff of inspectors would
24 have to verify that the -- the -- the rentals meet
25 the HUD requirements.

1 COUNCILMEMBER JOHNSON: Uh-huh. Okay. So the Mayor's
2 signature, then, in this situation is just merely a
3 formality, is that correct?

4 MS. MEDEIROS: Yes, it is. Basically, it's after
5 everything has been done, everything's been checked,
6 everything is -- you know, the -- the -- the Is are
7 dotted, the Ts are crossed. This is the last,
8 basically, critical piece for the families because
9 this is what starts their -- their Section 8
10 assistance.

11 COUNCILMEMBER JOHNSON: Okay. Thank you very much.

12 CHAIR MATEO: Thank you, Ms. Johnson. Ms. Baisa?

13 COUNCILMEMBER BAISA: Yes. Thank you, Chair.

14 Ms. Medeiros, thank you for being here this
15 afternoon.

16 Just a real quick question, and I am totally
17 in support of this because I think that to clog up
18 the Mayor's desk with things that are perfunctory is
19 not a good use of her time and then people have to
20 wait because she may be busy doing other things and
21 then she has to come back. But if all the checking
22 is done anyway, I think it's a really good idea.

23 But my question is, the proposal mentions a
24 designee. Who would that normally be, or do you
25 intend to do it yourself?

1 MS. MEDEIROS: At this point in time, the signatory would
2 be done by the Director. Designee would be the
3 Deputy Director in my absence.

4 Currently at this point, we would not look at
5 having a signatory designated to our Housing
6 Division, as that, I don't think, would be
7 appropriate.

8 COUNCILMEMBER BAISA: Very good. Thank you very much.

9 CHAIR MATEO: Thank you, Ms. Baisa. Members, additional
10 questions for the Department? Mr. Pontanilla, go
11 ahead.

12 COUNCILMEMBER PONTANILLA: Thank you. Thank you for being
13 here.

14 Fast question in regards to the process on --
15 on the approval. Since the Managing Director is
16 the, I guess, manager for all of the departments,
17 does she get a chance to review the contracts prior
18 to going to the Mayor?

19 MS. MEDEIROS: She's not on the routing right now. Again,
20 it goes through my office, it is reviewed, I
21 believe, by Corp. Counsel, it -- it's reviewed by
22 Budget Director and Finance Director.

23 COUNCILMEMBER PONTANILLA: You know, I -- I got this
24 information through the newspaper, by the way, in
25 regards to, you know, what the Managing Director

1 should be doing overseeing all of the departments.
2 And if that's part of her responsibility, then I
3 would think that, you know, Administration should
4 take a look at the routing that she also take a look
5 -- or the position, all -- you know, take a look at
6 the contract themselves so that if there's any
7 questions and the Mayor is not there, then there's
8 someone that could answer for the Mayor at that
9 time.

10 So I -- you know, Chair, for me, I -- I think
11 we should include the Managing Director as part of
12 the routing back to the Mayor for her final approval
13 or signature.

14 CHAIR MATEO: Thank you, Mr. Pontanilla. Corporation
15 Counsel, can you advise us on Mr. Pontanilla -- or
16 comment on Mr. Pontanilla's recommendation?

17 MS. SLOPER: I guess just to clarify, are you asking
18 whether the Managing Director should also be
19 included on the current routing or whether we should
20 be...

21 COUNCILMEMBER PONTANILLA: She should be included in the
22 current routing because she manages all the
23 department. Am I right, wrong, otherwise?

24 CHAIR MATEO: Chair will recognize Corporation Counsel,
25 Mr. Moto, and Mr. Moto looks eager to jump in.

1 Please do so.

2 MR. MOTO: Good afternoon, Mr. Chairman and Members. The
3 Managing Director, in general, doesn't -- is not
4 asked or is in a position to sign agreements. They
5 normally would be reviewed and processed by the
6 respective departments. So in this particular case,
7 it's the Department of Housing and Human Concerns.

8 COUNCILMEMBER PONTANILLA: Uh-huh.

9 MR. MOTO: Under the current law, because of the way the --
10 the charter's written and other provisions, the --
11 the only person who currently is authorized to make
12 the final commitment by signature is the Mayor.

13 And the only time the Managing Director would
14 be involved in a situation like this would be if the
15 Mayor were absent, you know, out of the -- out of
16 the State or out of the County, in which case she
17 would review it as acting Mayor. But -- but
18 otherwise, normally documents like this would not go
19 to the Managing Director.

20 Under the proposed Bill, of course, the final
21 signature would be placed by the Director and would
22 not go to the Mayor at all.

23 COUNCILMEMBER PONTANILLA: Yeah. I -- and the reason why I
24 ask is that because, again, she manages the daily
25 operations of the County that she also, you know,

1 should be taking a look at some of this Section 8
2 Program because -- you know, provide her that
3 information.

4 Of course, the Mayor is the ultimate approval
5 authority, but again, you know, during her absence,
6 yeah, the Managing Director act as the acting Mayor,
7 and -- and my question is, basically, you know,
8 well, that's another way of the Managing Director
9 would have some understanding as far as, you know
10 what contracts are being signed. I know 3 to 400 a
11 year is a lot, but at least have some kind of a
12 check by the Managing Director.

13 CHAIR MATEO: Department, Mr. Moto, either one of you, if
14 you'd like to provide comment?

15 COUNCILMEMBER PONTANILLA: Mr. Moto, by the way, this is
16 just a comment that I'm making, yeah, in regards to
17 having the Managing Director, you know, as part of
18 the review process. And if things need to be
19 changed, then, you know -- by the Administration,
20 you know, I'm -- I welcome that.

21 MS. MEDEIROS: If I may make a comment?

22 CHAIR MATEO: Madam Director?

23 MS. MEDEIROS: I guess that I'm just trying to make sure
24 that -- that I understand what -- what you're --
25 you're asking for.

1 Is -- the proposed -- the proposed resolution
2 would -- would eliminate the step of going, you
3 know, up to the 9th floor for review.

4 COUNCILMEMBER PONTANILLA: Uh-huh.

5 MS. MEDEIROS: But you're indicating that you would prefer
6 to have the Managing Director involved in the review
7 at some point?

8 COUNCILMEMBER PONTANILLA: In the review process, yeah.

9 MS. MEDEIROS: And I guess my question, part of what we're
10 trying to do is to create efficiencies, rather than
11 having it, you know, get stuck.

12 Would it be deemed acceptable -- and I don't
13 know if you mean that she needs to see the actual
14 contract, or does she see -- prefer to see a report?

15 COUNCILMEMBER PONTANILLA: Well, some kind of report. At
16 least, you know, she would know that, you know,
17 these contracts are being signed and -- and, you
18 know, how many contracts a month because you --
19 you're trying to do the same thing for, like, say
20 the Capital Improvement Projects, which she now is
21 being responsible for, so...

22 MS. MEDEIROS: Okay. If it's -- if it's -- again, if it's
23 acceptable for -- for us to provide a report to the
24 Managing Director in terms of each month how many of
25 these contracts have been signed and -- and -- and

1 the amounts, I -- I think that certainly would --
2 you know, we can do. You know, again, it depends on
3 what you want to do with the resolution.

4 COUNCILMEMBER PONTANILLA: Okay.

5 CHAIR MATEO: Mr. Pontanilla, thank you very much.

6 COUNCILMEMBER PONTANILLA: Thank you, Chair.

7 CHAIR MATEO: Are there additional questions for the
8 Department? No.

9 And the -- the Chair would -- would echo your
10 concerns as well, Mr. Pontanilla. Part of the whole
11 process we've gone through has been one that lacks
12 communication. And -- and I think just the fact
13 that different sources are made aware of the goings
14 on I -- I think it's -- it's important not to
15 overlook.

16 So, Mr. Pontanilla, thank you for bringing
17 those issues up. And I -- I believe the Director
18 will take a look at an internal providing of a
19 report to the Managing Director so she is kept aware
20 of the number of contracts, etc., that's being
21 addressed.

22 COUNCILMEMBER PONTANILLA: Thank you, Chair.

23 CHAIR MATEO: Thank you, Mr. Pontanilla. Madam Director,
24 can -- can you tell me how far behind we are in
25 terms of the number of contracts waiting for

1 signature?

2 MS. MEDEIROS: To be honest, I'm not sure. I -- I do know
3 that on a weekly basis, I get stacks of them that
4 comes through my -- my desk, and I usually sign them
5 within a day --

6 CHAIR MATEO: Okay.

7 MS. MEDEIROS: -- and we send them on. I'm not sure once
8 we send it on, how long it takes.

9 CHAIR MATEO: So there -- there could exist on the
10 Mayor's -- Mayor's desk somewhere a stack of
11 contracts pending her signature?

12 MS. MEDEIROS: It -- it's possible. Like I said, I receive
13 them -- I receive contracts every week.

14 CHAIR MATEO: Okay. Ms. Johnson?

15 COUNCILMEMBER JOHNSON: Yes. Vanessa, when -- because I
16 know every year when we go through budget, we go
17 through the different departmental benchmarks.

18 Isn't there a report -- or I recall seeing a
19 report based on the number of contracts executed,
20 you know, it's like a summary report of how many
21 were done. Is that already a part of, I guess, your
22 tracking of what your Department actually does in
23 execution of Section 8?

24 MS. MEDEIROS: I have not seen a report. I know that what
25 I do see is basically a listing of payments to the

1 landlords that come to me each month that -- that we
2 sign off on. That's about the extent of it, but not
3 in terms of number of contracts and -- and who it's
4 going to.

5 COUNCILMEMBER JOHNSON: Yeah, because I think -- and -- and
6 you might just want to look in the performance
7 section of the budget because I believe that when --
8 in past budgets, there has been little areas where
9 it shows, okay, number of contracts, you know.

10 So in -- in other words, there is some type of
11 indication, from my recollection, of the work flow
12 and whether or not the Department met their
13 benchmarks.

14 MS. MEDEIROS: Uh-huh.

15 COUNCILMEMBER JOHNSON: Because when you set your goals and
16 objectives as a Department, I -- I just recall
17 seeing that.

18 So, Mr. Chair, you know, we're trying to
19 achieve efficiency, and I totally respect, you know,
20 trying to maintain controls, but if I believed that
21 the Managing Director's review of yet another report
22 would add anything to the process, I would say I
23 support it. But I personally, having worked in work
24 measurement, I don't see the value in doing that.

25 It's one more piece of paper, and I would

1 prefer to see it if there's going to be anything
2 provided, then let it be as part of their budget
3 review, where they just give us a summary of -- on
4 an either monthly or quarterly basis or even
5 annually to just show how many of those contracts
6 were received and how many of them were processed.

7 I think the timeliness is really important,
8 you know, from the time that the contract came.
9 That, to me, is more important because then it
10 addresses performance and actually gives us a
11 standard. But just to generate that to the Managing
12 Director, it's another make-work project so I don't
13 really see the value in it. Thank you.

14 CHAIR MATEO: Thank you, Ms. Johnson.

15 COUNCILMEMBER PONTANILLA: Chair?

16 CHAIR MATEO: Mr. Pontanilla?

17 COUNCILMEMBER PONTANILLA: Yeah, I'd just like to comment.

18 You know, we talk about performance measurements,
19 and some performance measurements, let's say you get
20 20, 30 contracts per month. What is your
21 measurements for that particular month, 85 percent
22 met, 95 percent met?

23 We really don't know until budget time when we
24 get the total number and the Department comes out
25 with what percentage were met during the year.

1 For somebody to manage a program with a
2 monthly check on the performance that the Department
3 is doing is a good indication if the Department is
4 up to par in reviewing contracts. Well, that's
5 where I was coming from. Thank you.

6 CHAIR MATEO: Thank you, Mr. Pontanilla. Members,
7 additional -- additional concerns? Mr. Medeiros?

8 COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Director
9 Medeiros, I just want to get a little bit more
10 information on the routing process.

11 How many people or agencies does it go to?

12 MS. MEDEIROS: It's not agencies. It's --

13 COUNCILMEMBER MEDEIROS: Oh. How many people will sign
14 that routing process?

15 MS. MEDEIROS: Well, again, it -- it starts with our
16 Housing Division, Section 8. Normally if you had a
17 Housing Administrator, it would go to the Housing
18 Administrator for a secondary review, then to the
19 Director's office.

20 From there, I believe it goes to Corp.
21 Counsel. I can't remember after that because
22 after -- after my name, there's three more lines and
23 then it goes to the Mayor. But Corp. Counsel, like
24 I said, Budget Director and Finance Director and
25 then goes to the Mayor.

1 COUNCILMEMBER MEDEIROS: Okay, so that's six people that
2 have to sign if we eliminate the Mayor, okay. So
3 that's -- that's quite a process.

4 Is there a tracking log that when it leaves
5 your office, we know where they are, or you don't
6 see them again until they return to your office?

7 MS. MEDEIROS: Right now, so far as I know, there's no
8 logging system for the -- the contracts.

9 COUNCILMEMBER MEDEIROS: So when they leave your office,
10 there's no record of when they left your office?

11 MS. MEDEIROS: No.

12 COUNCILMEMBER MEDEIROS: No. And is there a deadline that
13 they need to be returned to your office?

14 MS. MEDEIROS: Again, it's not normally returned to my
15 office. After the signatures, it goes directly back
16 to our Housing Division. So it never comes back
17 through our office.

18 COUNCILMEMBER MEDEIROS: Okay. So the final stop is the
19 Housing Division office?

20 MS. MEDEIROS: Yes.

21 COUNCILMEMBER MEDEIROS: Okay.

22 MS. MEDEIROS: It starts there, and it ends there.

23 COUNCILMEMBER MEDEIROS: Oh, it starts there and ends
24 there, okay. I just wanted to know what the process
25 involved if somehow we could somehow have a better

1 tracking of it and expedite the process to make it
2 more efficient, but thank you for your responses.
3 Mahalo, Mr. Chair.

4 CHAIR MATEO: Thank you, Mr. Medeiros. Madam Director, who
5 runs your Housing Division office?

6 MS. MEDEIROS: Right now, unfortunately, is me. Our
7 Housing Administrator retired in July, and our
8 Assistant Housing Administrator left at the end of
9 November.

10 CHAIR MATEO: Okay. And -- and I think -- I think,
11 Members, my interest in looking at providing the
12 Managing Director opportunities is because this
13 Director is overwhelmed.

14 This Director is busy running her -- her
15 departments. And, you know, the way these 20 to 30
16 contracts got left on the Mayor's desk, my concern
17 is it could also be left on the Director's desk.
18 And this way, we have somebody to stay on top of it
19 as well.

20 So, you know, Members, the -- Mr. Pontanilla
21 had -- had provided a consideration. We could
22 continue the discussion with Mr. Pontanilla via
23 written communication to the Director with a
24 recommendation in addressing the issue, and the
25 Chair would like to proceed by addressing the

1 resolution that is in our binders before us today.

2 If there's any -- Mr. Pontanilla, comment?

3 COUNCILMEMBER PONTANILLA: Thank you. Director, you -- you

4 know these Section 8 contracts that we have, do you

5 have a listing of -- by areas like Central Maui,

6 Kahului, Wailuku, Kihei, Lahaina, Upcountry, how

7 many of those Section 8s are in those areas?

8 MS. MEDEIROS: That information can actually be derived.

9 All of the information is on a -- on a computer

10 system so if necessary, that information could be

11 obtained.

12 COUNCILMEMBER PONTANILLA: Thank you. So you can get it,

13 then?

14 MS. MEDEIROS: Yes.

15 COUNCILMEMBER PONTANILLA: Okay.

16 CHAIR MATEO: Okay.

17 COUNCILMEMBER PONTANILLA: Thank you.

18 CHAIR MATEO: Thank you, Mr. Pontanilla. Members,

19 additional questions for the Department or for

20 Corporation Counsel while we have both Mr. Moto and

21 the Chair -- oh, I forgot to recognize Ms. Kim

22 Sloper also with us this afternoon.

23 Any -- any additional questions, Members?

24 Hearing none, the Chair's recommendation, therefore,

25 is the adoption of the proposed resolution attached

1 to County Communication No. 07-349 entitled
2 "AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF
3 HOUSING AND HUMAN CONCERNS OR THE DIRECTOR'S
4 DESIGNEE TO EXECUTE SECTION 8 PROGRAM HOUSING
5 ASSISTANCE PAYMENTS CONTRACTS BETWEEN THE COUNTY OF
6 MAUI AND LANDLORDS OF FAMILIES RECEIVING SECTION 8
7 PROGRAM ASSISTANCE," as well as the filing of this
8 communication as well.

9 COUNCILMEMBER VICTORINO: So moved.

10 COUNCILMEMBER PONTANILLA: Second.

11 CHAIR MATEO: It's been moved by Mr. Victorino, second by
12 Mr. Pontanilla.

13 Additional discussion or comments, Members?

14 Hearing none, Chair will call for the question. All
15 those in favor of the motion, signify by saying
16 "aye."

17 COUNCIL MEMBERS: Aye.

18 CHAIR MATEO: Opposed?

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1 **VOTE: AYES:** Councilmembers Baisa, Johnson, Medeiros,
2 Molina, Pontanilla, Victorino, and Chair
Mateo.

3 **NOES:** None.

4 **ABSTAIN:** None.

5 **ABSENT:** None.

6 **EXC.:** Councilmember Anderson and Vice-Chair
7 Hokama.

8 **MOTION CARRIED.**

9 **ACTION:** Recommending ADOPTION of resolution and
10 FILING of communication.

11 CHAIR MATEO: Thank you very much, Members. The motion is
12 carried.

13 **ITEM NO. 41: ESTABLISHING A SISTER-CITY RELATIONSHIP WITH
14 FUKUYAMA CITY, HIROSHIMA PREFECTURE, JAPAN
15 (C.C. No. 08-7)**

16 CHAIR MATEO: We're going to move on to the next item on
17 our agenda. The next item is Policy No. 41. Policy
18 No. 41, Establishing a Sister-City Relationship with
19 Fukuyama City, Hiroshima Prefecture, Japan.

20 Members, the County Communication No. 08-7,
21 from the Economic Development Coordinator,
22 transmitting a proposed resolution entitled
23 "ESTABLISHING A SISTER-CITY RELATIONSHIP WITH
24 FUKUYAMA CITY, HIROSHIMA PREFECTURE, JAPAN."

25 The purpose of this resolution is to authorize
the Mayor to formalize a sister-city relationship
between the County of Maui and Fukuyama City,

1 Hiroshima Prefecture, Japan, for the purpose of
2 strengthening the bonds initiated through cultural,
3 business, and economic exchanges, furthering the
4 ties of friendship and promoting and enduring
5 goodwill between the people of Hawaii, Maui County
6 in -- in particular, and the people of Fukuyama
7 City.

8 The Chair will ask the Economic Development
9 Coordinator, Ms. Deidre Tegarden, to provide
10 additional information and comments on the request
11 of the sister-city relationship.

12 And the Chair would like to also recognize
13 this particular item. We have -- from the
14 Department of the Corporation Counsel, we have
15 Jeffrey Ueoka, as well as, again, the Economic
16 Development Coordinator, Ms. Deidre Tegarden.

17 The Chair will ask Ms. Tegarden for
18 information and comments.

19 MS. TEGARDEN: Good morning and -- or good afternoon and
20 thank you, Chair, Council Members.

21 Earlier today, we had provided some handouts
22 regarding facts on Fukuyama City, in general, and
23 why we believe that this would be a good
24 relationship, a good sister-city relationship.

25 Instead of reading through all of the facts, I

1 would be very open to any questions or concerns you
2 might have about the proposal, if that is all right
3 with you, Chair.

4 CHAIR MATEO: Thank you. Ms. Tegarden, I think for myself,
5 I was kind of surprised that we weren't already in a
6 sister-city relationship with Fukuyama because we
7 have seen them for, what, almost the last ten years.

8 MS. TEGARDEN: Yes, that is correct.

9 CHAIR MATEO: So I was rather surprised that we're kind of
10 initiating this at this point, which is really a
11 very nice gesture.

12 And if ever there's a need for someone to go
13 to Fukuyama, Japan, I think this Committee would be
14 the first to say we'd like to go in May when they
15 celebrate their Rose Festival.

16 MS. TEGARDEN: Yes. That -- that is -- that is wonderful
17 to know. And, yes, there has been a very long
18 ten-year relationship.

19 The reason I think a lot of people think that
20 we already are sister-cities is because there is a
21 sister-chamber relationship between the Fukuyama
22 Chamber of Commerce and the Maui Japanese Chamber of
23 Commerce.

24 And for the past ten years, Fukuyama City has
25 been sending a delegation over to the County Fair,

1 they have had the Fukuyama good -- goods booth at
2 the County Fair, and I think they have also been
3 sponsoring the karaoke contest each year. So it is
4 a -- there are a lot of similarities, and there is a
5 long-standing relationship between the two.

6 CHAIR MATEO: Thank you. Members --

7 COUNCILMEMBER VICTORINO: Mr. Chair?

8 CHAIR MATEO: -- floor open for questions. Mr. Victorino,
9 followed by Mr. Medeiros.

10 COUNCILMEMBER VICTORINO: Thank you, Mr. Chair. Thank you,
11 Mr. Chair. And thank you, Ms. Tegarden, for
12 bringing this forward. You know, I was one of those
13 that was pushing for this because I thought -- like
14 you, I thought it was all done and then when I got
15 into office, I find out it still didn't exist, just
16 the Chamber sister-city.

17 So I'm very happy to support this and --
18 and -- and to say that these people have been coming
19 not only to the fair but in other functions here on
20 Maui for the past 10, 11 years or so, and they're
21 very responsible. They share a lot of commonalities
22 with our island and with what we do here and our
23 people.

24 So I think this is just a natural tie-in, you
25 know, I'm just sorry it took so long. And, yes, May

1 is their Rose Festival and, yes, there will be some
2 of us that will be going over to the Rose Festival.
3 That has been already predetermined.

4 CHAIR MATEO: Whoa, nobody asked me.

5 COUNCILMEMBER VICTORINO: I'm sorry. You -- you -- you're
6 a dime late and a dollar short on that one. Sorry.
7 But, no, everybody's welcomed. Actually,
8 everybody's welcomed.

9 But I think this will be very, very positive.
10 I'm very pleased. And like I say, it wasn't a
11 karaoke contest. It was the Japanese singing
12 karaoke contest for which Fukuyama sponsored.

13 And let me tell you, I was astonished at some
14 of the talent our Japanese singers here in Hawaii
15 could sing those Japanese songs. They were awesome.

16 So I -- I'm looking forward to this coming to
17 fruition and bringing -- becoming a reality. And
18 thank you for bringing this out finally.

19 MS. TEGARDEN: Thank you.

20 CHAIR MATEO: Thank you, Mr. Victorino. Mr. Medeiros?

21 COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. And thank
22 you, Ms. Tegarden, for being here.

23 I just wanted to find out, do we have other
24 sister-cities in Japan and Okinawa?

25 MS. TEGARDEN: Yes, we do. Our first sister-city in fact

1 ever was Hachijo Island, which is right off Tokyo,
2 and that was established I think back in 1964.

3 But, yes, that was our first sister-city and
4 then we also have a sister-city in Okinawa, which is
5 Miyako Island, and that was established later, I
6 don't have the date, but we do have those two
7 sister-cities in Japan.

8 COUNCILMEMBER MEDEIROS: So when you name the islands in
9 those two cities, are there different names to the
10 city, or that's the name of the city, the name of
11 the island?

12 MS. TEGARDEN: The name of the city is the -- is
13 Hachijo-jima; and translated, jima is island --

14 COUNCILMEMBER MEDEIROS: Oh.

15 MS. TEGARDEN: -- but it's -- that's the name of the city.
16 It's Hachijo Island City.

17 COUNCILMEMBER MEDEIROS: And once we establish sister-city
18 relationships with them, what does your office do in
19 maintaining that sister-city relationship? Is there
20 a frequent correspondence, or what -- what goes on?

21 MS. TEGARDEN: Yes. It -- it varies from sister-city to
22 sister-city. However, for instance, with Hachijo
23 Island, right now we're working with one of the
24 elementary schools over there to try to establish a
25 pen pal relationship with Wailuku Elementary School.

1 So educational exchanges, we do a lot of
2 cultural exchanges with students. In fact, we have
3 three delegations coming in July, from what I
4 understand, one from Hachijo Island, another one
5 from Fukuyama, and -- but it's not necessarily
6 related to the sister-city relationship, and then
7 another town in Japan will be coming, and they're
8 all coming in July so we do a lot of these
9 sister-city cultural, educational exchanges. But
10 again, it -- it just depends on -- on the city.

11 COUNCILMEMBER MEDEIROS: Okay. Thank you very much for
12 your response. Mahalo, Mr. Chair.

13 CHAIR MATEO: Thank you, Mr. Medeiros. Mr. Pontanilla?

14 COUNCILMEMBER PONTANILLA: Thank you. I'm going to be
15 supporting this, since we going be the first U.S.
16 sister-city for Fukuyama, so Maui County will be the
17 first.

18 MS. TEGARDEN: Yes.

19 COUNCILMEMBER PONTANILLA: Thank you.

20 MS. TEGARDEN: Thank you.

21 CHAIR MATEO: Thank you. Additional questions?

22 Ms. Tegarden, in -- in -- if you could take a
23 look at the resolution that was attached to the
24 communication from -- from your -- from your office.
25 The second whereas. The second whereas reads,

1 the Mayor and the Council Chair of Fukuyama, Japan,
2 have indicated they would be willing to enter into a
3 sister-city relationship with the County of Maui.

4 I -- I take it that Japanese are not
5 presumptuous -- presumptuous people, and this term
6 you use, "would be willing to" versus "would want to
7 enter," can you kind of like provide that kind of
8 clarification?

9 I'm looking at this, and I see -- I see
10 Fukuyama as kind of we -- we may want to be a
11 sister-city with you, but there is no definitive
12 that they want to be a part of a sister-city
13 involvement with Maui County. So can you provide
14 clarification for me?

15 MS. TEGARDEN: Yes. And I -- I think it goes back to Japan
16 especially being so cautious to save face that it
17 would be very -- you know, they would lose face if
18 they said they wanted to be a sister-city and then
19 in turn, we turned around and said, no, then that
20 would -- that would make them lose face.

21 And I think when they came early -- late last
22 year, again, they were -- before they left Japan,
23 they were talking about the fact that they had
24 press. The local press had come out to the -- to
25 the train station to see them off, stating that, you

1 know, we really want you to come back with the --
2 you know, some sort of sister-city promise.

3 And so if they were to now go back and say,
4 oh, Maui County does not want to be a sister-city,
5 they would -- they would lose a lot of face.

6 CHAIR MATEO: Okay.

7 MS. TEGARDEN: So I think that's what it stems from.

8 CHAIR MATEO: Thank -- thank you very much. Members, any
9 additional comments or questions for the Department?

10 Seeing none and hearing no additional
11 comments, Members, the Chair recommends the adoption
12 of the proposed resolution attached to County
13 Communication No. 08-7 entitled "ESTABLISHING A
14 SISTER-CITY RELATIONSHIP WITH FUKUYAMA CITY,
15 HIROSHIMA PREFECTURE, JAPAN," as well as the filing
16 of this communication.

17 COUNCILMEMBER VICTORINO: So moved.

18 COUNCILMEMBER MEDEIROS: Second.

19 CHAIR MATEO: It's been moved by Mr. Victorino, second by
20 Mr. Medeiros.

21 Additional discussions, Members? Will call
22 for the question. All those in favor of the motion,
23 signify by saying "aye."

24 COUNCIL MEMBERS: Aye.

25 CHAIR MATEO: Those opposed?

1 **VOTE: AYES:** Councilmembers Baisa, Johnson, Medeiros,
2 Molina, Pontanilla, Victorino, and Chair
Mateo.

3 **NOES:** None.

4 **ABSTAIN:** None.

5 **ABSENT:** None.

6 **EXC.:** Councilmember Anderson and Vice-Chair
7 Hokama.

8 **MOTION CARRIED.**

9 **ACTION:** Recommending ADOPTION of resolution and
FILING of communication.

10 CHAIR MATEO: Motion is carried. Thank you very much.

11 Thank you, Ms. Tegarden --

12 MS. TEGARDEN: Thank you.

13 CHAIR MATEO: -- and Mr. Ueoka for your -- your

14 conversation with us. Thank you very much.

15 **ITEM NO. 36: MEMORANDUM OF AGREEMENT WITH CITY AND COUNTY**
16 **OF HONOLULU AND STATE OF HAWAII (HAWAII**
17 **BROWNFIELDS CLEANUP REVOLVING LOAN FUND)(C.C.**
No. 07-300)

18 CHAIR MATEO: We're going to move on, Members, to Policy
19 No. 36, Memorandum of -- of Agreement with the City
20 and County of Honolulu and State of Hawaii, the
21 Hawaii Brownsfield Cleanup Revolving Loan Funds.

22 Members, County Communication No. 07-300 from
23 the Mayor, transmits to the Policy Committee a
24 proposed resolution entitled a Bill for an Ordinance
25 Authorizing the Mayor of the County of Maui to enter

1 into an Intergovernmental Agreement with the City
2 and County of Honolulu and State of Hawaii for the
3 U.S. Environmental Protection Agency's Hawaii
4 Brownfields Cleanup Revolving Loan Fund Program.

5 As stated by Mayor Tavares in her
6 communication to us dated October 15th, 2007, the
7 execution of the Memorandum of Agreement is
8 necessary for property owners and prospective
9 purchasers to be eligible for low interest or
10 interest-free loans for cleanup of brownfields,
11 abandoned, idle, or underutilized properties where
12 expansion or redevelopment is complicated -- is
13 complicated by real or perceived contamination from
14 hazard materials or contaminants in the County of
15 Maui.

16 The Mayor did enter into an initial Hawaii
17 Brownfield Cleanup Revolving Loan Fund Program of
18 Agreement effective as of November 9, 2005.
19 However, that Agreement was automatically terminated
20 pursuant to Section F of the said agreements on
21 June 30, 2007, without the grant award being fully
22 expanded. The initial amount of funds that was
23 available was \$2 million at that time.

24 The Chair will ask the Finance Director,
25 Mr. Young, as well as our Environmental Commissioner

1 of the Mayor's Office, Kuhea Paracu -- Kuhea to also
2 provide additional information and comments to us as
3 well.

4 And, Kuhea, my apologies to you so when
5 Mr. Young passes you the mike, please instruct me
6 how to pronounce your last name. Thank you.

7 MR. YOUNG: Good afternoon, Mr. Chair. Good afternoon,
8 Members.

9 Actually, my only purpose here this afternoon
10 before you is that previously, this ordinance before
11 you is similar to the Ordinance 3306, which was
12 passed by the then-sitting Council back in 2005,
13 authorizing the Mayor to enter into an
14 intergovernmental agreement relating to this
15 Brownfields Cleanup Revolving Loan Fund Program.

16 At that time, the then-sitting Mayor appointed
17 myself to sit on one of these subcommittees that
18 comprise the Coalition for this Brownfield Program.
19 I current -- I previously sat on the Loan
20 Authorization Committee for this Program, and the
21 then-Environmental Coordinator was the County
22 representative to the overall Program.

23 The Program -- I'll -- I'll just go briefly.
24 Kuhea can get into more details on the
25 technicalities on the Program. But, generally, as

1 the Chair has described, this Program was funded via
2 \$2 million from a Federal U.S. EPA grant to
3 Coalition Partners, which included the State of
4 Hawaii, the City and County of Honolulu, and the
5 County of Maui.

6 The Counties of Kauai and the Big Island did
7 not join or were not included as part of the
8 Coalition and, therefore, each of the Coalition
9 members represent or -- or comprise the Brownfield
10 Loan Program organization.

11 It's managed by the Office of Planning by the
12 State, and we meet -- or we had met periodically
13 throughout the years, and the Loan Committee
14 essentially would have been the Committee to receive
15 applications from prospective landowners or
16 government agencies that are looking to develop or
17 redevelop properties in our jurisdictions that are
18 potential or have been identified as brownfields.

19 And brownfields, for everyone out there, you
20 know, is -- is the less -- is the far lesser degree
21 of like, say, a Super Fund site or, you know, has
22 some environmental contaminants on it, but they can
23 be cleaned up.

24 And the \$2 million that were initially funded
25 was -- was to provide for low-interest loans to

1 those landowners who wanted to undertake the
2 responsibility to clean up and redevelop these
3 sites.

4 With that, Mr. Chair, I'm available for any
5 questions related to the history from my experience
6 in this Program, having sat on the Loan Committee,
7 and Kuhea can be more thorough on the technicalities
8 of this overall Program.

9 CHAIR MATEO: Thank you, Mr. Young. Kuhea?

10 MS. PARACUELLES: Oh, thank you, Chair, and good afternoon
11 to everybody. My last name is pronounced
12 Paracuelles.

13 CHAIR MATEO: Paracuelles. Thank you.

14 MS. PARACUELLES: (Inaudible) too scary. Chair, I did
15 bring a packet of information for everybody, if you
16 would like to look at it. It's a brief overview of
17 the Hawaii Brownfields Program, along with a list of
18 potential sites that were identified I -- I think a
19 couple of years ago. So if you would like to have
20 this, I can pass that on to you.

21 CHAIR MATEO: Thank you.

22 MS. PARACUELLES: Kalbert did a really excellent job of
23 explaining the Brownfields Program, and it is true
24 that, you know, Maui County is a partner in this
25 Program, a Coalition partner.

1 So far, there hasn't been any application
2 submitted for our brownfields loan or assessment as
3 far as I know. They are anxious to get Maui County
4 on the map.

5 I was told last week that there is one
6 application that has been filed for a site in
7 Kapolei, but that's about it for now.

8 One thing that is good news that I was told
9 last week as well is that, you know, this whole
10 system is pretty complex. It's not so easy. There
11 are many steps involved into obtaining a loan or a
12 grant from this Program, but one thing that they
13 want to do, the Office of Planning, is to push for
14 more of this funding to be available through grants
15 rather than low-interest loans, which will hopefully
16 make it easier, more palatable for potential buyers
17 to -- to go this route because as you know,
18 hazardous waste cleanup can be very, very expensive.

19 CHAIR MATEO: Thank you. Members, questions for the
20 Departments? Ms. Johnson, go ahead.

21 COUNCILMEMBER JOHNSON: Yes, Ms. Paracuelles. The
22 \$2 million, is that all the money combined with Oahu
23 and us?

24 MS. PARACUELLES: I believe it's one pot of money with
25 \$2 million available.

1 COUNCILMEMBER JOHNSON: Okay. And then on -- I know that,
2 you know, we have some possible sites because of
3 decommissioning of some of our mill operations, and
4 I know those sites traditionally have some issues.

5 When the person who's applying either for the
6 grant or the loan approaches the County, is it
7 usually a new potential buyer, or what if it was
8 even let's say, for example, because I can think of
9 a situation in Lahaina where the County, if we were
10 developing some kind of a parking structure on lands
11 that may not have, let's say, soil suitability to
12 what we might want to do for a public facility,
13 could we even take advantage of that if we were the
14 buyer?

15 MS. PARACUELLES: I believe we can. And I -- I think the
16 important part -- point is that if -- any potential
17 buyer needs to look into this process before they
18 make any kind of transaction, so I -- I believe the
19 County is -- or can be a potential buyer as well.

20 COUNCILMEMBER JOHNSON: Okay. And if it's somebody --
21 let's say that the ownership does not change and
22 it's just the same entity that still continues to
23 own the property.

24 Do they -- if they want to sell it, can they
25 also apply for this type of loan or grant, or is

1 that at their own expense?

2 MS. PARACUELLES: I believe that would be at their own
3 expense --

4 COUNCILMEMBER JOHNSON: Uh-huh.

5 MS. PARACUELLES: -- because these programs are available
6 to potential buyers if -- right, for redevelopment
7 so the -- the current landowner would not be
8 eligible to participate in the Program.

9 And I believe that you also have to -- through
10 the assessment portion of it, you have to be sure
11 that the -- the previous buyer still does not have
12 ties to that land or -- you know, it's -- it's
13 pretty complex --

14 COUNCILMEMBER JOHNSON: Uh-huh.

15 MS. PARACUELLES: -- but I'm still learning more about this
16 program.

17 COUNCILMEMBER JOHNSON: Yeah, because I -- I was just going
18 to say that in a lot of the Super Fund cleanups and
19 even as part of SMA or our other, I guess, EPA
20 requirements, some of them have been in SMA areas,
21 but I know that the companies, when they actually
22 contaminate the soil, they're usually required to
23 clean it up themselves.

24 And if they can't, then they would go to the
25 cleanup Super Fund if they file bankruptcy or

1 whatever. So I -- I'm glad to know that this is for
2 potential buyers that would be looking at that site
3 to redevelop it.

4 And can this be combined, let's say, for
5 example, Community Development Block Grant also
6 deals with some redevelopment. We also have
7 Enterprise Zone moneys that would create jobs.

8 So if someone comes in and wants to utilize
9 maybe a bundle of these programs, would that also be
10 something that could be looked at?

11 CHAIR MATEO: Department?

12 MR. YOUNG: Yes, Ms. Johnson. The redeveloper could
13 basically seek out and bundle multiple opportunities
14 because the \$2 million represents the total corpus
15 for the Revolving Loan Fund.

16 Although there haven't -- hasn't been any
17 awards for loans in the two years that I've been on
18 this Loan Committee, \$2 million is admittedly not
19 going to go very far if the site is, you know,
20 somewhat large or the cleanup is somewhat involved.

21 So the expectation is that it -- that it would
22 likely only supplement other private funding that
23 the landowner would -- would get. So whether that
24 be via other EPA grants or other State grants or
25 other private loans, you know, we recognize that the

1 \$2 million would only be likely as a supplement
2 and --

3 COUNCILMEMBER JOHNSON: I -- I really appreciate that
4 because I know that -- I've had some inquiries, and
5 I will just pass this information along and
6 hopefully, the individuals will contact you. Thank
7 you.

8 CHAIR MATEO: Thank you, Ms. Johnson. Mr. Pontanilla?

9 COUNCILMEMBER PONTANILLA: Thank you. And thank you for
10 this information.

11 So the County, can the County borrow this
12 money, too, to purchase, like, say, a building of
13 some kind that's contaminated?

14 MR. YOUNG: Mr. Pontanilla, no -- no, this Fund is only for
15 the actual cleanup expense. It's not for property
16 acquisition.

17 So if we were -- if the County was -- if the
18 scenario was that the County was interested in
19 purchasing a site and the site happened to be
20 identified that it had prior environmental
21 contaminants on it that could be mitigated or
22 cleaned, the County could, at that point, apply to
23 be a loan recipient for these funds and use those
24 funds to actually clean up the site but not to use
25 any of the money to acquire it.

1 COUNCILMEMBER PONTANILLA: So in the case -- thank you for
2 that information. And the reason why I bring it up
3 is that we have a site across the street that we set
4 aside funding to purchase at one time.

5 Can we utilize this funding if we -- we were
6 in the process of -- or, you know, the possibility
7 of purchasing the old Wailuku Post Office, utilize
8 this money to do the cleanup?

9 MR. YOUNG: Well, there -- there's -- there's a -- as Kuhea
10 mentioned, there's a myriad of requirements, you --
11 you know, that -- that are placed upon the landowner
12 so I would have to actually really take a look at
13 the issues there.

14 But for one, the one that comes to mind is I'm
15 not aware of any, like -- like environmental
16 contaminants like in, say, the soil. The issue at
17 the post office has historically been asbestos --

18 COUNCILMEMBER PONTANILLA: Asbestos, yeah.

19 MR. YOUNG: -- which are part of the building structure.

20 COUNCILMEMBER PONTANILLA: Yeah.

21 MR. YOUNG: If it was just to handle mitigation of
22 asbestos, I don't believe that this Fund would be
23 appropriate. But if it was a ground contamination,
24 then that would be something different.

25 Also, there's a limitation that the person --

1 or the landowner that is buying it, they -- or -- or
2 wanting -- or seeking to use the funds cannot be the
3 one who actually was responsible for putting the
4 contaminants there in the first place, and that was
5 Ms. Johnson's question.

6 COUNCILMEMBER PONTANILLA: Yeah. Right.

7 MR. YOUNG: And in that one, you know, the history is a
8 little bit clouded because the County is the current
9 lessee. I wouldn't say that we were the one that
10 put the asbestos there but, you know, we have
11 utilized it for a number of years now.

12 So that particular scenario, you know, we
13 would have to look more closely into that, whether
14 or not this Program would actually be valid for us
15 in that regards.

16 COUNCILMEMBER PONTANILLA: Thank you. Thank you, Chairman.

17 CHAIR MATEO: Mr. Medeiros, followed by Mr. Victorino.

18 COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Director,
19 so it is specifically identified that the
20 contaminants have to be on or in the ground?
21 Nothing on the building, nothing in the air, it's
22 specifically ground?

23 MR. YOUNG: No, I'm -- I -- I didn't -- I -- I'm saying I
24 wouldn't know if it's specifically ground. But
25 typically, this Brownfield Fund, that was typically

1 the intent.

2 However, you know, the -- the Federal Code
3 that relates to granting this Fund is quite complex
4 so, I mean, I would have to -- or Ms. Kuhea would
5 have to review with the Office of Planning to see
6 what the specific limitations of the federal grant
7 funds are.

8 COUNCILMEMBER MEDEIROS: Okay. And I -- I wanted to
9 further ask, by the County of Maui entering into
10 this Agreement, does that put the County into any
11 kind of financial obligations, should somebody from
12 the County apply for these funds and renege on their
13 loan? Does the County have to stand good for their
14 not paying the loan off?

15 MR. YOUNG: No, the County wouldn't be responsible for
16 guaranteeing the loan.

17 The reason why the County would want to be
18 part of this Coalition is that in being part of this
19 Coalition, it allows for Maui properties to be
20 considered as potential loan awardees.

21 The placement of -- being part of the
22 Coalition also gives us a seat on the Loan
23 Committee. The loan -- there's a -- there's quite a
24 lengthy review and requirements for the loans.

25 The loans are typically written as they would

1 any commercial loan. The Loan Committee establishes
2 the repayment schedule, the interest rate that's
3 going to be charged, and also ensures that -- and
4 underwrites that there's adequate security to ensure
5 the loan so assets are required by this Agreement.

6 Assets are required to be put up by the
7 landowner in exchange for repayment of the -- of the
8 loan proceeds, so it's essentially a mortgage.

9 COUNCILMEMBER MEDEIROS: I see.

10 MR. YOUNG: Yeah.

11 COUNCILMEMBER MEDEIROS: And would the -- part of the loan
12 requirements be that the land be on lien during that
13 loan period?

14 And the reason I ask that is, again, if -- who
15 would the land go to if the loan is not fulfilled in
16 payment? I mean, would the County get stuck with
17 some land that's contaminated, or would the federal
18 government take it?

19 MR. YOUNG: It -- well, it's not the -- in -- in the event
20 of a default, it's not the County of Maui that's
21 actually the lien holder. It's actually this
22 Brownfields Committee or Coalition or whatever you
23 want to call it.

24 And in terms of a -- this -- this -- the --
25 how it works is this Brownfields Committee is

1 essentially the bank, right, so -- because this
2 Committee already has the \$2 million in funds --
3 COUNCILMEMBER MEDEIROS: Uh-huh.

4 MR. YOUNG: -- the form of a grant award. In the event of
5 a default, it's essentially defaulting against the
6 Committee.

7 So however this Committee chooses to recapture
8 those funds, either through lien, foreclosure, or
9 etc., it's not incumbent upon the State or the City
10 and County of Honolulu or the County of Maui how
11 they recover those funds. It's -- it's this,
12 actually, Brownfields Committee.

13 COUNCILMEMBER MEDEIROS: Okay.

14 MR. YOUNG: Yeah.

15 COUNCILMEMBER MEDEIROS: Okay. That -- that's reassuring
16 to know because we seem to be the closest deep
17 pockets for something like this here on Maui so
18 thank you for that response. Mahalo, Mr. Chairman.

19 CHAIR MATEO: Thank you, Mr. Medeiros. Mr. Victorino?

20 COUNCILMEMBER VICTORINO: Thank you, Chair. In reading
21 this, I see that in -- on the second page under U.S.
22 EPA Brownfield grant assistance, there's a sentence
23 that says, the agency currently offers five
24 different competitive grants and award -- awards
25 hundreds of millions of dollars annually for -- and

1 then it goes on to state program development,
2 environment assessments, da, da, da, da, da.

3 What I'm questioning now is, number one, this
4 2 million is only for this year, or is there
5 possibilities of money coming in next year and the
6 year after, or do we have to go after this grant
7 every year? What is the procedure because we know
8 we got 2 million, but that won't go very far with a
9 lot of cleanups around.

10 Is there more money out there? Because from
11 reading this, I would assume that, but assumptions
12 are not what I want to live by. Kuhea, whoever
13 would like to answer it (inaudible).

14 MR. YOUNG: Yeah. Well, what -- what that particular
15 sentence referenced was a congressional legislation
16 maybe as early as over a decade ago --

17 COUNCILMEMBER VICTORINO: Uh-huh.

18 MR. YOUNG: -- that over the course of time has initially
19 funded --

20 COUNCILMEMBER VICTORINO: Uh-huh.

21 MR. YOUNG: -- in one-time increments the 2 million.

22 That's what Hawaii got. The overall congressional
23 pack -- budget package was in the hundreds of
24 millions.

25 COUNCILMEMBER VICTORINO: Okay.

1 MR. YOUNG: Hawaii's portion, thus far, has only been 2
2 million. Now --

3 COUNCILMEMBER VICTORINO: So is there a possibility for
4 additional or -- yes, no, maybe?

5 MR. YOUNG: Yeah, I -- I'm not -- I'm not pursuing or
6 examining or following --

7 COUNCILMEMBER VICTORINO: Okay.

8 MR. YOUNG: -- Congress's move on additional funding to
9 this program. Maybe Kuhea is.

10 MS. PARACUELLES: No, I'm not really following it either,
11 but I would say that, you know, there's always that
12 possibility of -- of more funding, but Maui County
13 -- or the State of Hawaii has not even spent the 2
14 million that's already there.

15 And, you know, the -- the process is so
16 complex, and I think that's part of the -- the
17 issue, which is why they're trying to make it a
18 little easier for potential buyers to look into this
19 Program by making more of the funds available
20 through grants, rather than loans. So I -- I
21 believe that there could be the possibility of more
22 funding, but I --

23 COUNCILMEMBER VICTORINO: And I think that's what my
24 question was, was the possibility because here in
25 Wailuku right now, you see 'em right down here at

1 the old Shell Service Station, cleaning up that
2 area, and that potentially would be one of those
3 as -- if I read over here, you know, underground
4 storage tanks, you know, is one of the criterias
5 that -- and -- and many others in here and so that's
6 why I was curious on that.

7 The last thing I wanted to ask, you said there
8 was just one application so far, and I assume that
9 we -- we weren't the one application. It came out
10 from Oahu?

11 MS. PARACUELLES: Right, that was in Kapolei.

12 COUNCILMEMBER VICTORINO: Okay. Kapolei. Yeah, yeah.

13 Okay, you did say that. I apologize.

14 But is it possible if we say yes to this that
15 you would be prepared to -- to -- to offer your
16 assistance to anyone on Maui -- in Maui County that
17 would have a similar liking to go get these
18 properties that -- I know there's in Kahului,
19 Wailuku, a number of old service stations that are
20 not being used because of the underground tank
21 situation, the gas -- the old gas tanks.

22 MS. PARACUELLES: Uh-huh.

23 COUNCILMEMBER VICTORINO: And they don't want to touch it
24 because once they dig it up and they find
25 contamination, they're on the hook to clean it up.

1 This would be a methodology for them to
2 utilize some of this prime land that sits vacant
3 right now. This is what this would be -- could be
4 used for, right?

5 MS. PARACUELLES: Right, right. And as the Mayor's
6 representative on this Brownfields Committee, that
7 would be my responsibility to connect these
8 potential buyers with the EPA, the Office of
9 Planning out of DBEDT.

10 COUNCILMEMBER VICTORINO: Okay. Thank you. I appreciate
11 it. Thank you, Mr. Chair.

12 CHAIR MATEO: Thank you, Mr. Victorino. Mr. Molina,
13 followed by Mr. Pontanilla.

14 COUNCILMEMBER MOLINA: Yeah. Thank you, Chair. Good
15 afternoon, Kuhea. It's nice to see you. I know we
16 hardly ever see you. Maybe -- I don't know if
17 that's a good thing or not but, you know, I'm glad
18 to hear that you're with us today.

19 And I want to thank my colleague,
20 Mr. Pontanilla, for bringing up the issue of the
21 site across the street. That brought back some
22 wonderful memories in discussing a proposed purchase
23 of another large property.

24 But anyway, I was looking at your document
25 that you provided for us about potential sites, and

1 I note here the old Maui High School and, you know,
2 that's been in the news a lot. And being that it
3 was formerly -- well, I -- I believe the property is
4 still State, but we're -- it's basically the
5 County's -- is that an EOD -- yeah. I -- I think
6 we -- the County, we still have some -- we have the
7 oversight of the property right now.

8 Have you shared this -- had -- had discussions
9 with the -- the old Maui -- Friends of old Maui High
10 School Committee at this point?

11 MS. PARACUELLES: I haven't had discussions with them
12 particularly about brownfields. I have attended a
13 couple of their meetings. The last meeting was
14 probably more than a couple of months ago, but this
15 would be a good opportunity to bring this to their
16 attention.

17 I know they have done a lot of groundwork
18 already in assessing the property and the -- the
19 different issues that they have, including, you
20 know, these potentially hazardous waste on the -- on
21 the land so I definitely will bring this to their
22 attention.

23 With Brownfields, it seems like there's no
24 mold, so to speak, as far as what -- one that
25 everybody has to fit in. It seems like there is

1 enough flexibility to look at different sites and
2 just different situations and to try to see how
3 Brownfields can work for them so I definitely will
4 bring it to the Friends of old Maui High.

5 COUNCILMEMBER MOLINA: And so basically, you have the -- an
6 application made; and typically, the process would
7 take how long before a determination is made that,
8 you know, moneys can be expended for this site? Is
9 it a pretty long and cumbersome process?

10 MS. PARACUELLES: It is. From the one conference that I
11 did go to a few months ago, it -- it seems like for
12 some cases, it can take a very long time to get
13 things rolling. It's a very complex process, as I
14 said earlier.

15 COUNCILMEMBER MOLINA: Okay. Well, hopefully, it doesn't
16 become too complex for any of these sites that we
17 have here in Maui --

18 MS. PARACUELLES: But it seems like they would be a good
19 candidate.

20 COUNCILMEMBER MOLINA: Okay. Thank you. Thank you, Chair.

21 CHAIR MATEO: Thank you, Mr. Molina. Mr. Pontanilla?

22 COUNCILMEMBER PONTANILLA: Thank you. I was looking at
23 some of the sites, knowing that, you know, some of
24 'em -- the two of 'em that I'm looking at were --
25 were old dump sites, and probably one of 'em is

1 probably owned by the County and then the other one
2 was Executive Order to the County of Maui.

3 So saying that, would the County sell like,
4 say, Waiale dump to some developer or somebody, you
5 know, as a potential park -- for a potential park?

6 CHAIR MATEO: Department?

7 MR. YOUNG: Well -- well, I think that type of transaction
8 is -- is far more -- involve far more issues than
9 actually just the brownfield issue.

10 Whether or not -- because I know that closed
11 landfills or dumps have to be maintained for decades
12 after their -- their closure. That's EPA
13 requirements. And since the County was the
14 responsible party of establishing that as a dump, I
15 think we would still have the responsibility to make
16 sure.

17 Whether or not that would qualify in the
18 Brownfields or whether or not under this Program if
19 that property could be acquired for redevelopment
20 are -- are totally much larger issues than beyond
21 this actual Program so I -- I wouldn't be prepared
22 to -- to even speculate on an answer for that
23 question, Mr. Pontanilla.

24 COUNCILMEMBER PONTANILLA: Thank you. Thank you, Chairman.

25 CHAIR MATEO: Thank you, Mr. Pontanilla. Members,

1 additional questions for the Department?

2 Seeing and hearing none, the Chair's
3 recommendation is the passage of the proposed bill
4 entitled a Bill for an Ordinance Authorizing the
5 Mayor of the County of Maui to Enter into an
6 Intergovernmental Agreement with the City and County
7 of Honolulu and State of Hawaii for the U.S.
8 Environmental Protection Agency's Hawaii Brownfields
9 Cleanup Revolving Loan Fund Program on first
10 reading, as well as the filing of this
11 communication.

12 COUNCILMEMBER VICTORINO: So moved.

13 COUNCILMEMBER PONTANILLA: Second.

14 CHAIR MATEO: It's been moved by Mr. Victorino, second by
15 Mr. Pontanilla.

16 Members, additional discussion? Hearing none,
17 will call for the question. All those in favor of
18 the motion, signify by saying "aye."

19 COUNCIL MEMBERS: Aye.

20 CHAIR MATEO: Opposed?

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1 **VOTE: AYES:** Councilmembers Baisa, Johnson, Medeiros,
2 Molina, Pontanilla, Victorino, and Chair
Mateo.

3 **NOES:** None.

4 **ABSTAIN:** None.

5 **ABSENT:** None.

6 **EXC.:** Councilmember Anderson and Vice-Chair
7 Hokama.

8 **MOTION CARRIED.**

9 **ACTION:** Recommending **FIRST READING** of bill and
FILING of communication.

10 CHAIR MATEO: Thank you, Members. Motion is carried.

11 Members, we have our -- our last item on the
12 agenda. And -- and before the Administration group
13 leave, the Chair would like to also recognize the
14 presence of Corporation Counsel, Mr. David Galazin,
15 who also sat in, you know, during this particular
16 segment, so thank you all very much.

17 MS. PARACUELLES: Thank you.

18 **ITEM NO. 37: POTENTIAL ACQUISITION OF WAILUKU WATER COMPANY**
19 **ASSETS (C.C. No. 07-311)**

20 CHAIR MATEO: Members, Policy 37, Potential Acquisition of
21 Wailuku Water Company Assets.

22 Members, this is -- we have a request from
23 Corporation Counsel to meet in Executive Session.
24 The Chair, at this point, before we go into
25 Executive Session, I will look at a ten-minute

1 recess.

2 I do know that Mr. Molina has to leave shortly
3 after we reconvene and, Members, we'll just finish
4 off the afternoon coming out of Executive Session.

5 As each of you had read the -- the binder,
6 this particular item is one of an update only.
7 There is no actual action. Corporation Counsel will
8 provide us with that particular update.

9 So at this time, we will take a ten-minute
10 recess -- ten-minute recess or thereabouts.
11 Members, the Committee will stand in recess.

12 ...(gavel)...

13 **RECESS: 2:40 p.m.**

14 **RECONVENE: 2:55 p.m.**

15 CHAIR MATEO: Policy Committee meeting for January 22nd,
16 2008, will reconvene.

17 Members, we'll be taking up Policy 37,
18 Potential Acquisition of Wailuku Water Company
19 Assets.

20 Members, County Communication No. 07-311 from
21 the Department of Corporation Counsel, requests the
22 opportunity to provide an update and report on
23 Special Counsel Paul Alston's work in connection
24 with the County's potential acquisition of Wailuku
25 Water Company assets.

1 Members, Ms. Lovell, Deputy Corporation
2 Counsel Lovell will provide a brief overview for
3 the -- the Committee. And please remember, as
4 indicated in the communication in your binders,
5 there is a request for Executive Session.

6 And before continuing any farther, the Chair
7 will turn this segment over to Ms. Lovell so she's
8 able to provide us with a brief overview.

9 Ms. Lovell?

10 MS. LOVELL: Thank you. Good afternoon, Chair, and Members
11 of the Committee. You may recall that in August of
12 last year, August 2007, our Department requested
13 your approval of hiring outside counsel, and
14 particularly Mr. Paul Alston, to advise us in
15 connection with the potential acquisition of certain
16 assets of the Wailuku Water Company, formerly known
17 as Wailuku Agribusiness, formerly Wailuku Sugar
18 Company.

19 The Council approved the hiring of outside
20 counsel, Mr. Alston, on October 19th of last year.
21 And since that time, Mr. Alston has begun his work
22 and -- and has been working in conjunction with
23 Mr. Moto and myself.

24 At the time that the Council approved the
25 hiring of outside counsel to assist us in this

1 matter, the Council asked us to please keep the
2 Council informed as the matter went along so that
3 the Council Members would not be left in the dark
4 or, perhaps, surprised by later developments.

5 So that is really the purpose of today's
6 session, is just to advise you of certain things
7 that have happened, certain things that we believe
8 will be happening in the future.

9 Because the County is currently involved in
10 litigation in contested case hearings over the
11 designation of the Iao aquifer as a groundwater
12 management area under the -- the authority of the
13 State Water Code and because Wailuku Water Company
14 is also a party to that proceeding, we are already
15 somewhat adverse to each other in an ongoing legal
16 proceeding.

17 And of course if the County should, at some
18 point down the road, decide to acquire Wailuku Water
19 Company assets through condemnation, as opposed to
20 through the negotiated willing voluntary
21 settlement -- sale, then of course we will also be
22 in litigation.

23 And therefore, it's my request that all
24 further updates and status reports that I'm prepared
25 to give you, including discussion of strategies, be

1 done in Executive Session.

2 CHAIR MATEO: Thank you, Ms. Lovell. Members, the Chair
3 will open the floor for questions. And just as a
4 reminder, there is a request for Executive Session,
5 and Deputy Corporation Counsel Lovell will directly
6 tell you whether your questions should -- whether
7 she's able to respond to your question in open
8 session or in executive.

9 Any questions, Members? Thank you. Seeing
10 none, Members, pursuant to Section 92-5(a)(3),
11 Hawaii Revised Statutes, to deliberate concerning
12 the authority of -- of persons delegated to
13 negotiate the acquisition of public property, or
14 during the -- or -- or during the conduct of such
15 negotiations; Section 92-5(a)(4), Hawaii Revised
16 Statutes, to consult with legal counsel on questions
17 and issues pertaining to the powers, duties,
18 privileges, immunities, and liabilities of the
19 County, the Council, and the Committee; and Section
20 92-5(a)(8), Hawaii Revised Statutes, to deliberate
21 or make a decision upon a matter that requires the
22 consideration of information that must be kept
23 confidential pursuant to a State or Federal law or a
24 court order.

25 Members, the Chair will entertain a motion to

1 convene in executive meeting.

2 COUNCILMEMBER JOHNSON: So moved.

3 COUNCILMEMBER VICTORINO: Second.

4 CHAIR MATEO: It's been moved by Ms. Johnson, second by
5 Mr. Victorino.

6 Members, the Chair will call for the question.

7 All those in favor of the motion, signify by saying
8 "aye."

9 COUNCIL MEMBERS: Aye.

10 CHAIR MATEO: Opposed?

11 **VOTE: AYES:** Councilmembers Baisa, Johnson, Medeiros,
12 Molina, Pontanilla, Victorino, and Chair
Mateo.

13 **NOES:** None.

14 **ABSTAIN:** None.

15 **ABSENT:** None.

16 **EXC.:** Councilmember Anderson and Vice-Chair
17 Hokama.

18 **MOTION CARRIED.**

19 **ACTION:** APPROVE; RECESS Open Session and CONVENE
Executive Session.

20 CHAIR MATEO: Thank you. Members, prior to recessing this
21 meeting, the Chair would like to just let you know
22 we need just about three minutes to secure the
23 chamber.

24 UNIDENTIFIED SPEAKER: Okay.

25 CHAIR MATEO: Please do not stray very far. Members, we're

1 going to take a short recess of three minutes --
2 of -- of a couple of minutes, and we will go right
3 into Executive Session. Policy Committee stands in
4 recess. ...(gavel)...

5 **RECESS: 3:00 p.m.**

6 **RECONVENE: 4:18 p.m.**

7 CHAIR MATEO: ...(gavel)... Policy Committee meeting for
8 January 22nd, 2008, will reconvene.

9 Members, are there further questions for
10 Corporation Counsel at this time?

11 COUNCILMEMBER VICTORINO: No. None, sir.

12 CHAIR MATEO: Hearing none, Members, with no objections,
13 the Chair would like to defer this Policy No. 37.

14 COUNCIL MEMBERS: No objections.

15 **COUNCIL MEMBERS VOICED NO OBJECTIONS.**(excused: MA and GRH)

16 **ACTION: DEFER pending further discussion.**

17 CHAIR MATEO: Thank you. This concludes our business for
18 the day. Are there any announcements, Members?

19 Seeing none, thank you all very much for
20 bearing it out with us. And before we -- we leave
21 this afternoon, the Chair was remiss in not
22 recognizing, you know, all of the changeovers
23 because we've had many.

24 So if I left anybody out throughout this
25 parade this afternoon, please excuse me. Members,

1 have a real good evening. This meeting of
2 January 22nd, 2008, is adjourned. ...(gavel)...

3 **ADJOURNED: 4:19 p.m.**

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C E R T I F I C A T E

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

I, Wendy M. Watanabe, Certified Shorthand Reporter for the State of Hawaii, hereby certify that the proceedings were taken down by me in machine shorthand and was thereafter reduced to typewritten form under my supervision; that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings had in the foregoing matter.

I further certify that I am not attorney for any of the parties hereto, nor in any way concerned with the cause.

DATED this 11th day of February, 2008, in Honolulu, Hawaii.

Wendy M. Watanabe, CSR NO. 401
Notary Public, State of Hawaii
My Commission Expires: 04/07/2010