

# **AGRICULTURE AND PUBLIC TRUST COMMITTEE**

**Council of the County of Maui**

## **MINUTES**

**February 2, 2021**

**Online Only via BlueJeans**

**CONVENE:** 1:31 p.m.

**PRESENT:** VOTING MEMBERS:

Councilmember Shane M. Sinenci, Chair  
Councilmember Gabe Johnson, Vice-Chair  
Councilmember Kelly Takaya King (In 1:31 p.m.)  
Councilmember Alice L. Lee (Out 4:15 p.m.)  
Councilmember Michael J. Molina  
Councilmember Tamara Paltin  
Councilmember Keani N.W. Rawlins-Fernandez

NON-VOTING MEMBERS:

Councilmember Tasha Kama (In 2:00 p.m.)  
Councilmember Yuki Lei K. Sugimura

**STAFF:**

Kasie Apo Takayama, Legislative Analyst  
Nicole Siegel, Legislative Analyst  
Keoni Shirota, Committee Secretary  
James Forrest, Legislative Attorney  
Yvette Bouthillier, Committee Secretary  
Tammy Frias, Supervising Committee Secretary  
Lenora Dineen, Council Services Assistant Clerk

Dawn Lono, Executive Assistant to Councilmember Shane M. Sinenci  
Gina Young, Executive Assistant to Councilmember Shane M. Sinenci  
Kate Griffiths, Executive Assistant to Councilmember Gabe Johnson  
Keisa Liu, Executive Assistant to Councilmember Gabe Johnson  
Axel Beers, Executive Assistant to Councilmember Kelly Takaya King  
Michelle Del Rosario, Executive Assistant to Councilmember Kelly Takaya King  
Davideane Kama-Sickels, Executive Assistant to Councilmember Tasha Kama  
Lois Whitney, Executive Assistant to Councilmember Tasha Kama  
Jordan Helle, Executive Assistant to Councilmember Yuki Lei K. Sugimura

**ADMIN.:**

Stephanie Chen, Deputy Corporation Counsel, Department of the Corporation Counsel  
JoAnn Inamasu, Economic Development Director, Office of Economic Development

**OTHERS:**

Mary Ann Pahukoa (APT-1(1), APT 51)  
Lucienne de Naie (APT-1(1), APT-51)  
Lauren Marchand, Lapa'au Farm (APT-1(1))  
Faith Chase (APT-1(1), APT-51)  
Shelly L. Tumbaga-Villiarimo (APT-1(1), APT-51)

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Phyllis Robinson (APT-1(1))  
Others (2)

Debbie Cabebe, Chief Executive Officer, Maui Economic Opportunity, Inc.  
David Daly, Business Development Center Director, Maui Economic Opportunity, Inc.

Ian Chan Hodges, Principal, Responsible Markets

Shay Chan Hodges, Co-Organizer, Maui ESG Project

Nichole Inouye-Nohara, Maui ESG Project

Dr. Gitanjanli M. Swamy, Managing Partner, IoTask, Rep. EQUALS Leadership Coalition, United Nations

Imogen Rose-Smith, Affiliate Partner, IoTask

**PRESS:** Akakū: Maui Community Television, Inc.

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CHAIR SINENCI: . . . *(gavel)* . . . Aloha auinala kakou and welcome to the first Agriculture and Public Trust Committee meeting of Tuesday, February 2, 2021. It is 1:31 p.m. I'm Shane Sinenci, Chair of this Committee. Joining us today, I'd like to introduce our newly elected Vice-Chair to the Committee, Mr. Gabe Johnson.

VICE-CHAIR JOHNSON: Aloha, Chair.

CHAIR SINENCI: Aloha. Oh, I see Councilmember Kelly Takaya King, aloha auinala.

COUNCILMEMBER KING: Aloha auinala, Chair. I'm sorry, I think I got here maybe 30 seconds late. Sorry about that.

CHAIR SINENCI: You're here. Yeah, you came just for introductions. You got in.

COUNCILMEMBER KING: . . . *(inaudible)* . . .

CHAIR SINENCI: Also joining us we have Council Chair, Alice Lee. Aloha, Chair.

COUNCILMEMBER LEE: Aloha, Mr. Chairman and aluu from Greenland.

CHAIR SINENCI: Aluu to you as well. Also, from Upcountry, Councilmember Michael Molina. Aloha, Mr. Molina.

COUNCILMEMBER MOLINA: Aloha auinala, Mr. Chair, and aluu to you and blessings to all of my colleagues and everyone viewing in from my virtual Council Chambers up here in Makawao.

CHAIR SINENCI: Welcome, welcome aboard. Also, from West Maui, Councilmember Tamara Paltin, auinala.

COUNCILMEMBER PALTIN: Aluu to you too and aloha auinala kakou mai . . . *(inaudible)* . . .

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CHAIR SINENCI: Aluu. And then finally we have, welcome aboard the Committee, Council Vice-Chair Keani Rawlins-Fernandez. Thanks for joining us today. Welcome to the Committee.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha auinala, Chair. Aloha, it's great to now be a Voting Member of your Committee from Moloka'i nui a hina and aluu kakou.

CHAIR SINENCI: Aluu to you and happy to have you on board. Members, we also have Members Tasha Kama and Yuki Lei Sugimura. They're Non-Voting Members, but they're always welcome to join us. From the Administration, we have from Corporation Counsel, Ms. Stephanie Chen. Aloha, Ms. Chen.

MS. CHEN: Aloha, Committee Members and everybody else.

CHAIR SINENCI: Thank you for being here. Also, Members, from the Office of Economic Development, the Director JoAnn Inamasu. Aloha, Masu.

MS. INAMASU: Aloha, Chair. Aloha, Committee Members. Nice to see all of you, thank you.

CHAIR SINENCI: You too. And our other resource people today, Members. We have Ms. Debbie Cabebe, the Chief Executive Officer of Maui Economic Opportunity. I believe Mr. Daly is also joining us, Business Development Center Director of Maui Economic Opportunity as well. Also, for our second item, we have Dr. Gita Swamy, Managing Partner of IoTask and Representative of the United Nations EQUALS Leadership Coalition. We also have Ms. Imogen Rose-Smith from IoTask, Ms. Shay Chan Hodges with the Maui ESG Project as well as Mr. Ian Chan Hodges, the Principal of Responsible Markets, and thank you for being here with us today. For our staff, we have Ms. Kasie Apo Takayama, Mr. Keoni Shiota, Mr. James Forrest, Ms. Nicole Siegel and Ms. Lei Dineen. Welcome, everybody to our first of the year APT Committee meeting.

Members, today we have two items for you to chime in on, APT-1(1), a review of the Agriculture Grants and Microgrants and APT-51, Water Delivery Systems. So, Ms. Apo Takayama, do we have testifiers signed up to testify today?

MS. APO TAKAYAMA: Yes, Chair, we have currently four testifiers signed up.

CHAIR SINENCI: Okay, I'll begin with the testimony. Oral testimony, Members, via phone or teleconference will be accepted. Testifiers wanting to provide video testimony should have joined the online meeting link at [BlueJeans.com/411641115](https://BlueJeans.com/411641115). Testifiers wanting to provide audio testimony should have participated via phone conference by dialing 1-408-915-6290, entering meeting code 411 641 115, as noted on today's agenda. Written testimony is highly encouraged through the eComment link listed for today's agenda on [MauiCounty.us/agendas](https://MauiCounty.us/agendas). Instructions on how to submit testimony via eComment can also be found at [MauiCounty.us/eComment](https://MauiCounty.us/eComment). Okay, moving on to oral testimony. Oral testimony is limited to three minutes per item. If you're still testifying beyond that time, I will kindly ask to complete your testimony. When testifying, please

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state your name. If you are testifying on behalf of an organization or are a paid lobbyist, please inform the Committee. Please be mindful of the use of chat during the meeting. Chat should not be used to provide testimony or chat with other testifiers. If you're here to provide testimony, please be courteous to others by turning off your video and muting your microphone while waiting your turn to testify. Once you are done testifying, you will be asked to disconnect from the call. However, you are always welcome to continue to view the remainder of the meeting on Akakū Channel 53 or on MauiCounty.us. Participants who wish to view the meeting only without providing testimony please also disconnect at this time and instead view the meeting on Akakū Channel 53 or MauiCounty.us/agendas. Only Councilmembers, Staff, and designated resource personnel will be connected to the video conference meeting once testimony concludes. I remind Committee Members, Administration, and the public to please be patient if we run into any technological issues. Members, I'd like to proceed with oral testimony. Staff has been monitoring people joining today's meeting by phone and by video and we'll do our best to take each person up in an orderly fashion. So, Ms. Apo Takayama, can you please call the first testifier.

**. . . (BEGIN PUBLIC TESTIMONY) . . .**

MS. APO TAKAYAMA: Thank you, Chair, the first testifier is Mary Ann Pahukoa, testifying on items APT-1(1) and APT-51, to be followed by Nichole Inouye-Nohara.

CHAIR SINENCI: Aloha, Ms. Pahukoa.

MS. PAHUKOA: Hi, aloha, I'm sorry, I'm dusting out my notes. Is there any way I can move to--can the next in line go before me? Thank you.

CHAIR SINENCI: Yeah, we can come back to you, Ms. Pahukoa. Okay, then I see the list, Ms. Apo Takayama. Next, we have Nichole Inouye-Nohara.

MS. INOUE-NOHARA: Aloha. Okay, so I'm going to screenshare my--

CHAIR SINENCI: You have some slides to share?

MS. INOUE-NOHARA: I do. I have some slides to share.

CHAIR SINENCI: Oh, okay, I was wondering if maybe the Members would want to designate you, maybe, as a resource later on so that we can see your slides at a later time? How many slides do you have, Ms. Nohara?

MS. INOUE-NOHARA: 10.

CHAIR SINENCI: Okay, so, Members, if no objections and, Ms. Nohara, you were sharing slides on the second item, on Water Delivery Systems?

MS. INOUE-NOHARA: Yes, yes.

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CHAIR SINENCI: And is this pertaining to East Maui, Ke`anae?

MS. INOUE-NOHARA: Ke`anae, Wailua . . . *(inaudible)*. . .

CHAIR SINENCI: Okay, so Members, she's part of the second item. So if there's no objections, I'd like to designate Ms. Inouye-Nohara as a resource. Yes, Ms. Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Maybe Ms. Inouye-Nohara can mute herself to limit the echoing. Chair, if you could explain the purpose--okay, someone else has an echo--in relevance to designating Ms. Inouye-Nohara as a resource person?

CHAIR SINENCI: Yes. So it looks like Ms. Inouye-Nohara was part of the East Maui, I believe, Na Moku Aupuni O Ko`olau, and she wanted to. . .her. . .she had some slides to share about the project in East Maui that has significance to Ms. Shay Chan Hodges' presentation.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair, was she planned to be. . .did you have her planned as a panelist?

CHAIR SINENCI: No, she wasn't, but I didn't want her to share her slides during testimony time.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, and then she's part of Na Moku, is representing Na Moku?

CHAIR SINENCI: Yes, I believe so.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, I see her nodding.

CHAIR SINENCI: Yup.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, okay. Mahalo, Chair. I don't have any objections.

CHAIR SINENCI: Any other objections, Members?

COUNCILMEMBER MOLINA: No objections.

CHAIR SINENCI: Okay, thank you, Ms. Inouye-Nohara, we'll have you on the second item. Okay, we can go back to Ms. Pahukoa. Ms. Pahukoa, are you ready to submit testimony?

MS. PAHUKOA: I'll be ready, mahalo. Let me know when.

CHAIR SINENCI: Okay, go ahead.

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MS. PAHUKOA: Okay. I'm testifying in regards to the Agriculture Grants and Microgrants. I strongly support this initiative to support small agriculture microgrants programs for small local farmers on Maui, Maui nui shall I say. I believe that this past, this past strange times. . .the. . .a lot of the recent grants that went to a lot of our non-profits benefitted local and. . .*(inaudible)*. . .like Ke'anae, Ko'olau, all the way to Kipahulu. I strongly believe that these local and smaller communities, more so, subsistence communities need these grants and opportunities to take care of their resources, our resources, the public trust resources. We have Na Moku Aupuni who has conducted water quality monitoring. We have a lot of watershed environmental hui's that are working to restore, regenerate the landscape from mauka to makai. We have a lot of non-profits working to restore our taro patches, local i'a. So, I strongly support this opportunity, these microgrants. It's one of the best ways to build our economy here in Hawai'i. . .subsistence, meaning subsistence style, which is the old ways of Hawai'i. It's also providing a lot more food and resources that would benefit the public overall. Moving on. Water Delivery Systems. I move on now?

CHAIR SINENCI: Yeah, go ahead.

MS. PAHUKOA: I've only lived and breathed this water delivery system, meaning East Maui, and I understand there's much talk about transporting or, shall I say, purchasing this delivery water system. And I just want to remind everyone about the investigative report that was done by the working group back in October of 2019, and if you look back to pages, I believe it was 69, there's a lot of language that goes back to pre-Statehood days about crown lands and about the lands and the TMKs and the forest lands that are the people's lands. This 17,000 acres supposedly owned by EMI and Mahi Pono is in a lot of question and I have faith in this Council, in this group, in this Committee to really dig deep, finding the alternatives to managing this public trust, this resource and delivery of water to ensure that Upcountry has water in perpetuity, but also that corporations don't profit off of our public resource. And I just want to make sure this Committee knows the background operations and the numbers, and I hope that we can hire our own, how I say, surveyors, because a lot of numbers that are put forth by these private entities are completely false. So, I support this County in digging deep and getting down to the nitty-gritty of language when it comes to ownership and management of these public resources for that, you know, we don't get scammed, make sure that we don't have to buyout something that we already own as a public resource, especially when it comes to those terms like crown lands and, you know, watershed forestry management. There's a lot of greenwashing out there and greenwashing is when you put some, nice fluffy words to act as if you are supporting this narrative of watershed protection, prioritizing certain things when there's always an agenda out there. So, I support this Committee moving forward. I hope you can involve our community, kupuna, and all these watershed councils being established today to move forward with managing this water delivery system. That's it for now. I look forward to the guest speakers we have today. Mahalo.

CHAIR SINENCI: Mahalo, Ms. Pahukoa, for your testimony. We have a question for you from Member Paltin.

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COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Pahukoa for your testimony today. I was wondering if the 2019 TIG and the page that you referenced, if you can clarify what that was from?

MS. PAHUKOA: Hold on, really fast. I'm not sure if the TIG was made public, I'm sure it was.

COUNCILMEMBER PALTIN: It wasn't like a TIG that we had? It was some other group's TIG?

MS. PAHUKOA: Temporary. . .it was the Board of Supply Temporary Investigative Group.

COUNCILMEMBER PALTIN: Oh, okay, okay. Thank you. I just wasn't sure.

MS. PAHUKOA: . . .*(inaudible)*. . . Yeah, and I was referencing, referencing. . .I'll just say I'll reference the whole thing. . .*(inaudible)*. . .TIG. If you want--

COUNCILMEMBER PALTIN: Thank you.

MS. PAHUKOA: --me to read something in particular, let me know.

COUNCILMEMBER PALTIN: Oh, no, I just wasn't sure. Like, there's been other TIGs and I wasn't sure which TIG you were referring to. Thank you for the clarification. Thank you, Chair.

CHAIR SINENCI: Mahalo, Member Paltin. Anyone else to clarify testimony? Seeing none, mahalo, Ms. Pahukoa, for joining us today. Our next testifier signed up is Mr. Nicholas Winfrey. Mr. Winfrey, are you. . .?

MR. WINFREY: I apologize, I actually did not want to testify. I was only witnessing the testimony. My apologies.

CHAIR SINENCI: Thanks for joining us. Our next testifier is Ms. Lucienne de Naie. Ms. de Naie?

MS. de NAIE: Hi, I need to get my video on here. Let's see, ahh there we go, it's video. Aloha everyone, again. It's Lucienne de Naie and once again I'm testifying as a small farmer, East Maui resident, private citizen, wearing that hat. First on the Microgrant Program, of course this is a wonderful idea. We really need to get tools and support in the hands of the kua'aina, you know, the backbone of our community, the little folks that are trying to grow food for themselves, their families, their communities, community markets, things like that. Just have to say, our County grants program needs some help. I'm on the community association board for Ha'iku, I'm the Chair. We had a line item that you folks generously put in for a grant for some activities this year and it took an, oh, I don't know, a month ago, to try to get these funds. So, we need a process if we're going to try to, you know, make this like a hands on, help our small farmers, we need an expedited process. Some of the grants that the County was processing for other organizations just haven't even been finalized yet and it's February and, you know, they were approved last year to begin last July 1<sup>st</sup>. So, just a word of warning, good intentions, I don't know

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if the Council has a way of having to check-in with the Office of Economic Development if they need, you know, more specific staff or what, but more grants means more work for them. So, just keep that in mind, and then I'll move over to the second item which are the Water Delivery Systems. I agree with what Ms. Pahukoa said that we need to make sure when we look at acquiring these systems that we're only acquiring the things that, you know, someone has clear title to and we're not paying to acquire things that the public, really, already owns or maybe even other people already own. I'm in complete support of the idea of exploring what's in the Board of Water Supply TIG report about East Maui. I attended a conference back a couple years ago on the East Maui Watershed and, I believe, Chair. . . Councilmember King was there at the time as well and maybe a few other folks remember it, but one of the take-home messages was that we really need to reach out to the community of East Maui and a working group, just like Ms. Pahukoa said, and have input into how we can transition to a system of water delivery that helps everybody. So, thank you for taking this up and look forward to seeing the presentation.

CHAIR SINENCI: Mahalo, Ms. de Naie, for your testimony. The Chair would like to recognize Member Sugimura, mahalo for joining us. And then. . .

COUNCILMEMBER SUGIMURA: Thank you, Chair.

CHAIR SINENCI: Ms. de Naie, we have a question from Member King.

COUNCILMEMBER KING: Thank you, Chair. Aloha, Lucienne. Good to see you again.

MS. de NAIE: Hi.

COUNCILMEMBER KING: So, I just wanted to clarify that when you were talking about the grants that are coming really slow, 'cause I've heard a lot about this too, you're not talking about the ag microgrants, though? You're talking about the other grants that were proviso'd in the budget by the Council?

MS. de NAIE: Yes.

COUNCILMEMBER KING: Okay.

MS. de NAIE: Yes. Yes.

COUNCILMEMBER KING: Some of those are breaking loose and it's way late, so I agree with you. It's hard to expect someone to be 100 percent successful with their project when they don't even get their money til' eight months into the year. And, so, yeah, I agree that that's something that we should look at. I'm hoping that more are going to come through this week is what I've heard, but I. . .but, yeah, I hear what you're saying for sure. So, thanks for. . .*(inaudible)*. . .

MS. de NAIE: Well, thank you. I mean I hope the microgrants are working better than the provisio [sic] grants, but it just seems that the Department is very busy.



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COUNCILMEMBER KING: Yeah, okay. Well, I guess, we'll hear what, how the microgrants are going in a little bit here, but thank you for being here as usual.

MS. de NAIE: Okay, a hui hou.

CHAIR SINENCI: Sorry, Members, I don't see everyone on my screen. You're coming out as just your initials. So, if you had any questions for our testifiers, go ahead and unmute and speak up. I'm not seeing. . .it might be my connectivity issues.

COUNCILMEMBER PALTIN: I'm having a similar problem, but I don't have questions. I only can see the initials as well, but on Akakū it shows all the faces.

CHAIR SINENCI: Okay, Member Paltin. All right, mahalo, Ms. de Naie, for your testimony. Next on our list, we have Ms. Lauren Gibson. Ms. Gibson, could you please unmute yourself.

MS. MARCHAND: Hey there, let me see if I can get my video going here. Everyone, thank you so much. My name is actually Lauren Marchand, my maiden name is Gibson. My husband and I own Lapa`au Farm up here in Olinda. So, I'm testifying in regards to the Agricultural Microgrant through the MEO, and I had sent an e-mail and I just want to give a big thank you to all you Councilmembers who responded already and I've been in communication with some of you. We were initially disapproved and then there was some paperwork involved that got us reapproved for the \$25,000 grant. And then in my e-mail I kind of stated that basically towards the very end there was a stipulation that disqualified us because we had already received funding from the Maui County Adaptability Fund which was specifically related to COVID-19 related reimbursable business expenses. And so, yeah, the quandary we're in right now, which I have spoken with the Office of Economic Development and, essentially, the answer is that we cannot be approved. And so, I just want to share our situation because it's been a really long process. It's been months of getting approved and then disapproved and going back and forth and trying to get a hold of folks at the County. And so, I super appreciate everyone's time and energy and I know there's so many other things going on with COVID-19 etcetera and so, it's not to disrespect anyone in that way. It's just that as a small business owner, I just want to share that it's been really challenging and the funds would've greatly benefitted our business in 2021 with a larger delivery vehicle, and I think that there's a fair amount of folks that got approved that are really small farms as well and we're considered small as well, but there's. . .I feel like there's a difference between folks that are growing let's say, you know, they have a few orchards or, you know, have fruit etcetera versus, you know, folks that are growing on. . .still a small scale, we're only on two-acres of land, but we do a lot of vegetable production, oyster mushrooms. And so, we're servicing many folks in the community, many restaurants, distributors. And so, for us to get disqualified because we took advantage of the COVID-19 funding that was super necessary for us to stay afloat as a small business, it's just, it's a difficult situation; and I'm also sort of aware that the original intention of the agricultural microgrant through MEO, you know, those funds were allocated to my knowledge, I could be mistaken, but those were allocated before COVID-19 even hit. So, that's our situation and I appreciate your--I know that the Council isn't in a position, I

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don't think, to overturn anything right now. I did hear from the Office of Economic Development that they would consider opening it to people that did, got disqualified starting in March, at the end of March. Unfortunately, MEO has communicated that funding most likely still won't be available by that time because they'll have run out of funds from this particular grant. So, that is our situation. Thank you so much.

CHAIR SINENCI: Mahalo, Ms. Marchand. We have several questions for you. Member Paltin, Member King, then Chair Lee.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Marchand, for your testimony. I got a chance to read your e-mail. I have so much going on, I don't recall if I responded. But I just was wondering, in the grant application process for either the COVID one or the other ag one, did it say in the instructions that you cannot be qualified if you received the other money or if in applying for the COVID one, did it say that you may not receive another grant because you get this grant, at any point. . . 'cause, I mean, if it did, then it probably would have saved some of your time in applying if you knew up front.

MS. MARCHAND: Yeah. So, yeah, I meant to include that, I was like "ah, three minutes." No, it did not. So there was no verbal or written disclosure that we would potentially be disqualified for having received any other COVID-related funding.

COUNCILMEMBER PALTIN: And, so you. . . like obviously if that had been there, then you wouldn't have, you would have spent time doing other things or other...?

MS. MARCHAND: Yeah, totally, I would have. I probably wouldn't have applied. We actually got the, we got the Maui County adaptability fund which was about half of what this microgrant would have been. We got approved, I think, during the application process. So that would have gone through and I would have just been like, "Okay, well, we received that," or I would've potentially been like, "Can we give away that funding to potentially get this microgrant?" Now, it doesn't seem like it's possible to do that from my understanding.

COUNCILMEMBER PALTIN: Okay, thank you. I'm so sorry that this happened. Thank you for your testimony.

MS. MARCHAND: Thank you so much.

CHAIR SINENCI: Mahalo, Member Paltin. The Chair would like to recognize Member Kama, welcome to the meeting this afternoon.

COUNCILMEMBER KAMA: Aloha auinala, Chair, and thank you.

CHAIR SINENCI: Thank you for being here. Next, we have a question from Member King and then Member Lee.

COUNCILMEMBER KING: Oh, thank you, Chair, and actually, Member Paltin asked my first question and alluded to my second. So, I was going to ask you, Ms. Marchand, and I

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am really sorry for what you've been through too, not knowing. . .you know, there should have been something on the application that said you can either, you can get one or the other but not both, but it sounds like you got somewhere around 12,000 for the adaptability grant. Is that right?

MS. MARCHAND: Yeah.

COUNCILMEMBER KING: And then. . .okay, and that caused you to miss out on the 25,000 for the microgrant. Oh, and I wanted to let you know too that we. . .when we had our last budget meeting, which is when we approved the microgrants, we were already in COVID so we did know, I mean, we knew what was happening, but I don't think the Council was aware that people were told they could only have one or the other. So, I'm really sorry that that happened and hopefully we can bring that up in our discussion today, and thank you so much for your testimony. And then, you know, I totally feel for you because if I were in your shoes I would have just said if I knew that I could only have one or the other, I would've just said no, let's just apply for the microgrant one and not do the 12,000.

MS. MARCHAND: Yeah, thank you so much, appreciate it.

COUNCILMEMBER KING: Thank you, Chair.

CHAIR SINENCI: Mahalo, Member King. Chair Lee.

COUNCILMEMBER LEE: Thank you, Mr. Chair. Hello, Ms. Marchand. I believe I was one of the people that responded to you because I asked you to try and see if you could return the adaptability monies so that you could get the full microgrant, and now you're saying that was not possible. So, I think I mentioned to you that I was glad that you wrote to the Council because in the next cycle we will know how to proviso those grants better and we'll try to make it easier on the consumers and the farmers and the people who really need those grants, because we never intended it for you to be caught in this kind of situation. And, hopefully. . .and then the other question, when the time comes I was going to--you did mention, you alluded to that MEO ran out of money. Is that what you said?

MS. MARCHAND: They. . .it's a question mark to my understanding, and I don't think MEO fully knows when they're going to run out of money from that grant, but they were. . .when I spoke with them again, they were fairly certain that by March 31<sup>st</sup> most likely the funding would be gone.

COUNCILMEMBER LEE: Because another option would be to have a second round without all of these restrictions.

MS. MARCHAND: Mmhmm.

COUNCILMEMBER LEE: So when the time comes, we'll ask MEO about that and we'll ask the Department also about making the language more flexible so that, you know, people

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like you can. . .you're the ones that really need it, so we shouldn't be restricting it the way it is now. But thank you very much for contacting us and for testifying today. Thank you.

MS. MARCHAND: Thank you so much. I appreciate it.

CHAIR SINENCI: Mahalo, Chair Lee. Any other? Oh, we have another question from--

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR SINENCI: --Member Rawlins-Fernandez. Go ahead. Did we lose Ms. Marchand?

MS. MARCHAND: Oh, I'm still here.

CHAIR SINENCI: Oh, okay. Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Ms. Marchand. Mahalo for your testimony today. Like my colleagues, I am sorry to you and others in the ag community who applied for the grant. That was my proviso in the budget and it actually does not disqualify anyone who received funding prior to applying for the microgrant to be disqualified. So that was never in the proviso and never the intention. The intention of the microgrant was to expand businesses to increase food security. The funding from the COVID funds, so the CARES act money was more of a response to help businesses not go bankrupt and to help businesses to also adapt to these changing times, and so those are two different purposes and should not have disqualified anyone from being able to receive funding from both because they were for different purposes. And so, my question to you, because it wasn't clear in your e-mail, what. . .so you said that you received funding from the Adaptability Fund, would you mind sharing with us what that funding was for?

MS. MARCHAND: Sure, yeah, that was. . .I mean, I can certainly provide a breakdown in an e-mail, but it was very specifically related to COVID-19. So PPE equipment, we had to do a lot of different. . .we had to kind of modify our packaging, the way that we package everything for grocery stores, various distributors, so packing materials. We had to quickly pivot our whole business to launching a CSA overnight, so we had like an online portal where people could purchase the CSA, and so we were reimbursed for some of the funds to have to pivot our business in that way. So, everything was specifically related to the COVID-19 crisis. So, I really appreciate you clarifying that. I am curious if. . .and, you know, if we need to move on to the next topic, that's totally fine too, but I am curious then if that wasn't the intention at all, who then is--was it the Office of Economic Development that put that stipulation in place?

COUNCILMEMBER RAWLINS-FERNANDEZ: So, that's the purpose of this meeting and we're all going to find out today how the problem came about and how we can move forward, because my understanding is there is still funds and the application deadline has passed and the applications are currently closed, and my understanding is it is the Administration's intention to reopen and to ensure that those who did submit

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applications and were disqualified these funds, something that did not come from the Council, to have funds for you folks and that you would be first in line because your applications were submitted prior to the deadline closing. But again, we're going to dig more deeper into that with the Office of Economic Development and MEO so that we can hear from both the Department and the organization, what happens and how we can prevent that from happening again in the future.

MS. MARCHAND: Understood. Thank you so very much.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR SINENCI: Mahalo, Member Rawlins-Fernandez. Any other questions for our testifier? Again, mahalo, Ms. Marchand, for your testimony today.

MS. MARCHAND: Thank you so much.

CHAIR SINENCI: Okay next, Members, we have on the list, we have four more signed up. We have Ms. Faith Chase. Ms. Chase, could you please go ahead and unmute yourself.

MS. CHASE: Aloha, Chair. Aloha, Committee. I'm speaking on both items. First of all, APT-1(1). I'm glad to hear all this discussion. I actually had one comment that I wanted to make. There is an ag microgrant that was submitted that was specific to compost and I know that this Council, or at least last year, the body's separated themselves in a conversation that really. . .after Gerry Ross from Kupa`a Farms gave his compost sort-of presentation, that it was of high interest and value, even the Chair Lee, even Chair Lee mentioning that we should actually appreciate compost in that agriculture sector. So as those people make decisions regarding micro ag grants, I would just please, Mr. Daly, to be aware that this Council is actually in favor of how compost works with agriculture. Just wanted to make that plug that I know that he's a resource today or presenter today. As far as--and I'm so sorry to hear of Lauren Marchand's situation. I do. . .I find it amazing that 5 million--what is it?--\$5,485,000 of adaptability grant was spent. I would say if you can't return it, maybe ask for an additional, the rest that you were expecting to have from the ag grant. I mean, we're an island. When it comes down to a one-on-one basis of figuring out if you're really a hog farmer or a banana farmer, it's pretty easy. I don't think you can fool anybody. So, in that good faith motion, I would just encourage you to stay diligent and you deserve what you set out to get on that. APT-51, the Water Delivery System, no offense to the Inouye, Ms. Inouye-Ihara [sic], I don't know her. I understand that she's--I trust you Chair, that you understand her to be a resource. I'm happy to hear, I'm excited to hear this presentation. Of course, you all know that water is top of mind for me. I have some. . .I have some slides I would like to share, you know. I'm no longer a member of Na Moku Aupuni O Ko`olau Hui. I was a founding Member of Na Moku. I stepped away because there was a little bit of uneasiness when we embarked on the Honomanu restoration project, and they decided that to stay concentrated on the things that they had on their agenda, and I respected that. That being said, you know, Ko`olau is a *big* area and so, I have some points to make. I would be happy to put together a, 10 slides to share as well. So, I'm really, really, really hypersensitive about ideas and programs and things that I know that we

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have to get through testimony before we can get our presentations, but I'm super hypersensitive on things that I don't know about and I only learn them here. I'm not used to that. That makes me super jumpy and, like I said, no offense. . .but after this presentation I might have more to deliver. But given the chance, I would like to be an expert in, on a water meeting moving forward as far as it comes to East Maui and the Ko`olau. I just had to say that. Thank you for your time and I look forward to this presentation, good collection of people.

CHAIR SINENCI: Mahalo, Ms. Chase. Members, any need to clarify Ms. Chase testimony? Seeing none, thank you, Ms. Chase. And we'll reach out to you for our next meetings. Thank you.

MS. CHASE: A hui hou.

CHAIR SINENCI: Next--hui hou. Next, we have Sam. Are you on? Is this. . .Mr. Sam? You signed up to testify or are you just listening in? Please unmute yourself if you want to provide testimony. . . .Okay, we'll come back to Sam. Next we have Ms. Shelly Tumbaga-Villiarimo. Ms. Villiarimo, are you still on?

MS. TUMBAGA-VILLIARIMO: Yeah, can you hear me?

CHAIR SINENCI: Yeah.

MS. TUMBAGA-VILLIARIMO: Okay, I'm just a--I'm pretty new at all of this, but, hi, Shane.

CHAIR SINENCI: Aloha.

MS. TUMBAGA-VILLIARIMO: I am for the grant and my reasons are since COVID has come up. So if you guys are giving more money, thank you. But, you know, since the COVID stuff started, Brian and I, we've really tried to do without getting funding and just trying to keep us afloat in Hana. And, right now, we're at a point where, because it's drug on so long, I'm starting to see the pukas where we're starting to need more money. We've let go everybody who's worked for us already and we're pounding it out there on our own, just the two of us. And, I guess I'm saying as a small farmer, that the small farmers need the money. So if you guys can provide the help for them, then that's great. I guess my testimony is more for the need. But, you know, our shipping needs have gone up and I think that's something that went up as soon as the COVID stuff came on, and anybody who does shipping out of Hana, you know, it's a huge expense for us between FedEx, the boxes, our shipping boxes are incredibly expensive, shredded paper and all the supplies that come along with it; and I think this microgrant would actually help a lot of people who are doing the same things we are doing. . .and even for operation costs with keeping people working in Hana. We've had to let, you know, people that were willing to work with us weedeat and the heavy work and what not. When COVID started, we couldn't pay 'em. . .so we had to let them go, and Hana, there's no jobs out here. So, we all kind of depend on each other. But I think this grant, microgrant is worth it and it will help allow the small farmers. That's kind of pretty much all I've got to say. Thank you for your guys' time.

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CHAIR SINENCI: Mahalo for your testimony today and then please hang on and listen in to the presentation to see how we progress with the agriculture grant, okay?

MS. TUMBAGA-VILLIARIMO: Thank you, I definitely will.

CHAIR SINENCI: Thank you for being here. Members, any questions for the testifier?  
Chair Lee.

COUNCILMEMBER LEE: Yes, Ms. Villiarimo, are you still there on the call?

CHAIR SINENCI: She is.

COUNCILMEMBER LEE: I wanted to ask her if she applied for a grant and what happened?

MS. TUMBAGA-VILLIARIMO: Are you speaking to me?

COUNCILMEMBER LEE: Yes, I am.

MS. TUMBAGA-VILLIARIMO: I'm sorry. Actually, no, we didn't sign up for any of the COVID stuff. Part of it is, I felt like we--I guess because we're out in Hana, but this is just me, there's a lot of other people out there who we thought needed it. And thank you to the community out here, we were able to get through a lot as far as our basic needs. As far as the business, we didn't expect this to run on this long. So, we're at a point already it's gone on so long that the expenses are starting to creep up on us, and I have like recently been actively looking into different things. And it's just so happened I spoke to Dawn this morning, Lono, and she told me to listen in on this and to testify. So, I did a quick research on what the grant was about and this is something we could use, honestly, at this point in this COVID just to help us get back on our feet to get the help that we need to maintain our fields, to get the equipment that we need that we were planning on purchasing over this past year, that we went through all of this. We were working at an eighth of capacity of what we were doing the year before COVID, and it's been hard. But we tried, we really tried to not. . .we tried to just do it on our own and tough it out and, you know, and our community has been pretty support--we got food! People gave us food. The young kids would bring us meat but, you know, other family members bring us fish. We grow some of our own vegetables, squash and whatnot, you know. In Hana, we're fortunate because we have a lot of natural resources. That is one thing that we really need to protect out here, but we got the fish, we got the meat, we got the vegetables--we do. And Project Ho`omana and Hana Health with the vegetables, they've been amazing. So, you know through all of this, I thought to myself, "Well, if we're okay, there must be other people out there that really, really need this money." So, why am I going to go out and go get money that I really, you know, not at that point needed? I would have rather had some other farm or some other person who really needed it.

COUNCILMEMBER LEE: But, Ms. Villiarimo, okay, don't worry about other people. If there's money left, we need you to apply for the funding to take care of yourself and your family

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and your farm, and we will do that, we'll encourage others as well to do it. But I think you have sacrificed enough, so let's see, let's hope there's more funds available *(inaudible)*--

MS. TUMBAGA-VILLIARIMO: I could use the help right now.

COUNCILMEMBER LEE: --and we're going to try. Thank you.

MS. TUMBAGA-VILLIARIMO: Thank you. Thank you.

CHAIR SINENCI: Mahalo, Chair Lee. We have a question from Member Rawlins-Fernandez and Member Sugimura.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Ms. Tumbaga-Villiarimo, Shelly.

CHAIR SINENCI: Did we. . is. . .Shelly, are you still on? Did we lose her?

COUNCILMEMBER RAWLINS-FERNANDEZ: Ms. Villiarimo?

COUNCILMEMBER LEE: . . .She's still on.

CHAIR SINENCI: Shelly, can you hear us? We've got a couple more questions for you. . . .Okay, well, we can come back to her if she comes back on, first, if that's okay?

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Chair. If she--

CHAIR SINENCI: Oh, is that her?

MS. TUMBAGA-VILLIARIMO: Can you hear me?

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, yes. Yes.

MS. TUMBAGA-VILLIARIMO: Oh, okay. I'm not used to this program. Hold on a sec.

CHAIR SINENCI: We have a question. We have another question for you, Shelly.

MS. TUMBAGA-VILLIARIMO: Okay. Can you hear me?

CHAIR SINENCI: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes, we can hear you, but not see you.

MS. TUMBAGA-VILLIARIMO: Yes, something's going on with this. Go ahead, ask your question.



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COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Tumbaga-Villiarimo. My question was regarding the funding that you need. Are you looking to get funding to assist you in your current operating needs? So, funding as a response to ensure that you don't go out of business? Or is the funding--

MS. TUMBAGA-VILLIARIMO: Exactly.

COUNCILMEMBER RAWLINS-FERNANDEZ: --that you're asking for--

MS. TUMBAGA-VILLIARIMO: So, we've managed with the business and it's getting to the point where if we don't bring in any more money, which we can't because of restrictions. So, there's a restriction on funerals, you can have only so many, so many people. We have a restriction right now with our tourism. Our business depended on tourism because of the florals we do. So, it is getting to the point where, you know, we're really, we can operate and keep doing what we do but--how do I explain it?--if we keep on doing it, we're going to start. . .I'm going to get more and more in debt and it's probably going to get to the point where we got to shut down, like completely shut down, and it won't even be worth our time to do it.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, you farm flowers?

MS. TUMBAGA-VILLIARIMO: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, the microgrants is to increase food security and--

MS. TUMBAGA-VILLIARIMO: Oh, okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: --so to help with farming production. But I know that there is more Federal funds coming down like a second round of CARES Act funding that, you know, should be able to help with what you're explaining, and so I'm hoping we'll be able to work with the Administration to expedite that as soon as we get those funding to help keep our business afloat during this time. Mahalo, Ms. Villiarimo. Mahalo, Chair.

MS. TUMBAGA-VILLIARIMO: Oh, thank you. Okay.

CHAIR SINENCI: Mahalo, Ms. Rawlins-Fernandez. Member Sugimura, you had a question?

COUNCILMEMBER SUGIMURA: Yeah. If no other Voting Member has a question, if I could?

CHAIR SINENCI: No, go ahead.

COUNCILMEMBER SUGIMURA: So, thank you. Thank you. So, I wanted to know if she is a member of the Maui County Farm Bureau or if the Hawai'i Farmers Union United has helped her? I think the Hana has a pretty active branch.

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CHAIR SINENCI: Ms. Villiarimo, did you hear the question? We might have lost her again.

COUNCILMEMBER SUGIMURA: Oh, okay.

CHAIR SINENCI: Is she still? You're muted, Shelly. . . .Okay, we can come back to Ms. Tumbaga-Villiarimo. Keep your question, though. Our next testifier is Ms. Phyllis Robinson testifying on APT-1(1). Ms. Robinson.

MS. ROBINSON: Good afternoon, everybody. Nice to see you all in beautiful 2021, and I'm delighted about the fact that there's still funding left in the microgrants because, I believe, that there's quite a number of our FAM graduates who would like to apply. I also am grateful for the choice to give this money to small farms because many of our mentors, including Michael and Lauren Marchand, have benefitted and hopefully will continue to benefit from the support that this Council and this Committee gives to our small family farmers. I think that we need to understand more fully how they contribute to our food system, and so far it's all kind of anecdotal and guesswork. And if we're going to continue to provide grants like this to our small family farms perhaps through the new department of agriculture once it gets underway, I was wondering if this Committee might consider the possibility of our . . .having a . . .it's actually more than a survey, but it's a study of our food system where we're actually addressing the different ways that farming and food security take form in our County. And I've approached the Maui Food Alliance about this to see if they might consider using some of their resources to help get this going. So, I've also spoken to Councilmember Kelly King about this, and I think that she and I are also in agreement that this is needed. We need to understand food security from the standpoint of how our small family farms contribute to it. I think that we've often looked at larger agricultural production as the main source of our food security and I think it's just not true. So, we need to understand it more fully and in through that understanding, I think that we can begin to access the Federal funds that are going to be coming down through the U.S. Department of Agriculture that can help our County be able to grow our family farms. So, that's all I wanted to say and I just really appreciate all of you for supporting our small family farmer. Thank you.

CHAIR SINENCI: Mahalo, Ms. Robinson, for your testimony. Members, any need to clarify the testimony? Okay, seeing none, mahalo, Ms. Robinson, for your testimony today.

MS. ROBINSON: Welcome.

CHAIR SINENCI: Next, we have Carol Lee Kamekona. Please unmute yourself and provide your testimony. . . .Ms. Kamekona, can you hear me? Staff, is she still on?

MS. APO TAKAYAMA: Chair, it looks like she's still on but muted on both video and audio on her end.

CHAIR SINENCI: Ms. Kamekona, can you unmute yourself on your end? . . .Okay, and we have Evan. Evan's just listening as well? We can go back to Mr. Sam. Is Sam still on? I think every. . .a lot of people might have some connectivity issues at this time. If

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Shelly's still on, we had a question for Ms. Villiarimo. . . .Okay, seeing--yes, Ms. Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I think Member Sugimura's question was regarding whether Ms. Villiarimo received any help from the Farm Bureau or HFUU. I don't anticipate that she would've because she farms flowers and not food, and that would be my educated guess.

COUNCILMEMBER SUGIMURA: Well, the reason why I asked is because the Maui County Farm Bureau did help flower growers, although a lot of it. . .the money that they got from the CARES Act did go to, you know, providing, I mean, moving food forward, edible foods not flowers, but they did have a flower program. So that's why I was wondering. Thank you. I'll just--

CHAIR SINENCI: Okay, all right. Thank you for that and then we can follow up too. So, Members, at this time. . .well, is there anyone else wishing to testify out there? Please go ahead and unmute yourself. It looks like Kamekona had to tend to other issues. So, Members, seeing there are no individuals wishing to testify, without objection, I'll now close oral testimony.

COUNCILMEMBERS: No objections.

CHAIR SINENCI: Thank you. And then, if there are no objections to receiving written testimony to the record.

COUNCILMEMBERS: No objections.

CHAIR SINENCI: Okay, mahalo, and thank you to all the testifiers who had joined us today.

**. . . (END PUBLIC TESTIMONY) . . .**

### **ITEM APT-1(1): AGRICULTURE GRANTS AND MICROGRANTS**

CHAIR SINENCI: So, moving on to our first item, APT-1(1), Agriculture Grants and Microgrants. In accordance with Rule 7(B) of the Rules of the Council, the Committee is receiving a presentation from the Office of Economic Development and Maui Economic Opportunity relating to the microgrants and to the Maui County farmers during this COVID-19 pandemic. I wanted to quickly refer to Councilmember Rawlins-Fernandez to share because this was her budget priority item, if you wanted to speak to the item.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair, and to refresh everyone's memory and to share with Member Johnson, I guess, for the first time if he didn't already hear it before, I wanted to read the proviso for everyone's edification. MEO will receive two equal installments from the County totaling \$2.5 million to manage and distribute advance grant payments of \$25,000 or less, to be issued in full at the front end to grantees upon application approval which must be dispersed with efforts to ensure

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equitable distribution among applicants in Maui, Molokaʻi, and Lānaʻi, and preference given to socially disadvantaged farming applicants such as women and Native Hawaiians and to food producing farm businesses that operate on less than an aggregate of 12 acres within Maui County, possess a County business or State general excise tax license for the farming business as of July, 1, 2020, or who can provide a copy of their IRS Schedule F form filed for the previous tax year and whose business owners and any partners are Maui County residents for a minimum of one year prior to the date of the applicant's grant request to pay for: (1) farm infrastructure upgrades; (2) packaging material and products; (3) processing and storage equipment and machinery; (4) farm equipment, including tractors, tillers, and lifts; (5) marketing services, such as packaging label design and printing, and website development; and (6) professional development, such as Food Safety Modernization Act training. So, that was the proviso that was put into our Fiscal Year 2021 Budget and what we heard from our testifiers this morning, oh sorry, this afternoon, were things that, I think, we've all been receiving e-mails about from our constituents. The biggest obstacle or issue that, as I understand it, is communication and that like we heard from some of our testifiers today, is that there was no information provided at the front end on disqualification of the applicant if they received any CARES Act funding, the Adaptability Fund Grant that was managed by MEDB, Maui Chamber Microloan, Maui Chamber Continuity Farm and Ranch Grant, and Maui County Kokua Grant that was managed by our Credit Unions. And so, that was one of the concerns that we heard a lot of, that MEO required no more than four vendors, which was not communicated at the front end, so that applicants had more than four vendors that they were needing to get equipment, supplies, or, you know, whatever they were purchasing; and that just that lack of communication after being told that investing heavily into their application proposal, you know, created a lot of anxiety and uncertainty and frustration because, you know, they anticipated getting these funds in order to increase food security, in order to expand their business and were told at the back end that they wouldn't be able to receive funding for something that they weren't even told would disqualify them, which was receiving funding from COVID. And I understand that there were some concerns with applicants who did receive funding from the loan at a 0 percent interest rate and that there were applicants who were holding on to the funding and so, you know, it's some of these applicants made it difficult for other applicants. And so, I understand the struggle that Administration has experienced and I, you know, I'm thankful to the Administration for working with us, but now that we have the Administration in this public meeting as well as MEO who is managing the grant, I'm hoping that, you know, and thankful to you, Chair, for scheduling this item, so that we can all work together to figure out how to address these, you know, issues that the farmers have shared with us and if we would be able to increase the number of vendors. I understand that MEO had a maximum of eight vendors with the HOME program, I'm sorry, HELP program, that they received funding for. So if those things could be explained, Chair. Mahalo.

CHAIR SINENCI: Mahalo, Member Rawlins-Fernandez, thank you for that. Well, Members, we have with us today the Office of Economic Development, Ms. Inamasu and from Maui Economic Opportunity, Ms. Debbie Cabebe and Mr. David Daly of the Business Development Center Director. So before we hear from them, if there are no objections,

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I would like to designate Ms. Inamasu, Ms. Cabebe, and Mr. Daly as resource persons pursuant to 18(A) of the Rules of the Council.

COUNCILMEMBERS: No objections.

COUNCILMEMBER RAWLINS-FERNANDEZ: But Director Inamasu--

CHAIR SINENCI: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Director Inamasu wouldn't be a resource person, though, because she's from the Administration.

CHAIR SINENCI: Oh okay, but did you guys want to hear from her as well? Oh, okay.

COUNCILMEMBERS: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: But we just wouldn't, we wouldn't designate her as a resource personnel because she's from the Administration.

CHAIR SINENCI: Okay, I have her in my notes, but I think we weren't sure if she was going to be here today or not, but okay, go. . .I'll afford her the first to go ahead and speak.

MS. INAMASU: Thank you very much, Chair. Thank you, Councilmember Rawlins-Fernandez, for that clarification. And if I haven't said this to all of you on an individual basis, little bit late, it's February, but Happy New Year and congratulations to all of you. It will be a great year. Councilmember Johnson, welcome aboard. I look forward to working with you and I'm working with his staff for a meeting. So, thank you very much, everybody. It's nice to see everybody's face again and back in play again. So, thank you. And thank you for the opportunity, Chair and Councilmembers, to be here this afternoon to share and maybe help to share some light, shed some light on the situation. I heard a little bit from testimony and different things, but I wanted to share with you that through CARES Act and through the CARES Act funding we were able to administer a lot of programs, and Councilmember Rawlins-Fernandez mentioned many of them, to help a variety of businesses whether it be small businesses, farm and ranchers. We also helped with a feed program for farmers and ranchers, they were struggling with their animals, horses or cattle or piggeries, that we tried to help. So, there's so many different programs that were coming through fast and furious trying to help everyone the best that we can. But to be able to help the broad population, we did put a restriction on, even on the CARES Act funding that if you receive from one, that would be your limitation, and each applicant had to attest to that, that they were not receiving additional funds. We did modify some things in-between especially with the KOKUA grant. And so, again, trying to help businesses, whether it be a small business, trying to help them keep their storefront or when we're looking at our farmers and our ranchers as well, in this case it's our agriculture farmers. So, some of them have qualified for other programs that we had. And again, the reason for the limitation was to be able to help a bigger population that may not have qualified for some of the others. This is a substantial, as far as the program, you guys were very generous and going up to

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\$25,000. I know that in this day and time it's a struggle sometimes, but it's help, it's a good amount of help for them, and the variety of things that you've offered and allowed for reimbursement or payment for so they can be a thriving farm or continue their business has been, I think, well-needed and well-accepted by the farmers that have applied. We have adapted a little bit with the restriction, that we said what we would do is with the people that have applied previously to and received other funding, as of March 31 they would start, MEO would start to look and review those applications to allow them the opportunity to, again, qualify. It may not be for the full amount. It depends on what it is and it is based on funds available. So, I just wanted to share that with you, and the demand has been great for those that have not received funding from any other source previously and, you know, somewhat like what Ms. Villiarimo had mentioned, always feeling that maybe others need, have more of a need than I do and looking at it from that perspective. I wish she would have come out, though, and tried. So, we'll reach out to her through, I guess, through Dawn Lono and see how there's other opportunities that maybe there's other programs that can help. In regards to the other point of the vendors that Councilmember Rawlins-Fernandez mentioned that MEO was I think it. . .only using or being able to qualify with four vendors per applicant, they have since modified the program to allow for eight. So, they are working--they noticed that with the smaller farmers there's a little bit more spread on the vendors that they need help from. So that has already been put in place by MEO. So, we're trying to help the best that we can with these individuals. I realize that the funding portion was the biggest question today by the testifiers, and I think that stirred some questions from all of you as well. It wasn't meant to be restrictive. It was intended to be able to spread the money a little further than it would normally have gone as opposed to having the same recipients get from all programs, we wanted to do that limitation, and that was the same limitation that was extended with the CARES Act funding. So, I hope that helps to clarify a little bit as well. I hope all of you are there. Everybody's picture disappeared.

CHAIR SINENCI: Mahalo, Director Inamasu.

COUNCILMEMBER LEE: We can still hear.

MS. INAMASU: Yeah, okay.

CHAIR SINENCI: We'll get opening remarks from everybody first before we go to Q and A. Ms. Cabebe, did you want to share?

MS. CABEBE: Thank you, Committee Member and--Committee Chair and Committee Members, for the opportunity. So, back when the proviso was put into the budget, and Member Keani Rawlins-Fernandez did an excellent job, we tried to craft budget narra..., proposal narrative using that criteria. We were working then with the Director of Office of Economic Development, it was Kay Fujimoto and Kay, of course, has retired since then and then JoAnn came in. So, there was a little bit of a transition. You know, when we first were implementing the grant, we weren't aware of the duplication criteria about not. . .if you had received funding from another, you know, from CARES Act or another business type of support, then you wouldn't be eligible. So that's why there was no

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mention of that. David Daly and his staff are very conscientious and David is very cautious, and he's a rule follower and he really wants to make sure that he does things right. So he does a lot of checks and balances and asks a lot of questions, and sometimes for the recipient that is very frustrating and I do understand that, but as, you know, as an organization that receives funding from, you know, many different sources, we're heavily regulated and audited and we want to make sure that, you know, we're good stewards of the money. So, anything that we do is never with the intention of making it difficult for the recipient. I mean, if we had our way, it would be nice to just be able to, you know, do a one-page application and cut some checks and go, you know, but it doesn't work that way. You know, the Office of Economic Development, the Department of Housing and Human Concerns, they have been inundated with, you know, grants that they have to administer, cut and get out to grantees, so I know things kind of get, you know, backed up sometimes and it's really. . . I think it's a lack of resources and it's nobody's fault. I mean, we felt the same way when we were administering the HELP grant, you know, your resources are just stretched beyond your ability to do a good job. But with regard to the eight vendors, we actually did put that restriction and the reason we did that--and I'll take responsibility--was to protect my administrative staff, my finance staff. You know, with the HELP program, they were taxed beyond, beyond. . . any words that could've described their workload, and they put in 12 and 15 hour days consistently without complaining. So when, you know, things were winding down, we were trying to figure out, you know, how can we minimize that impact on them because if we're processing 85 applications and that's--and we're going to let every applicant get eight forms, you know, pay eight different vendors, that's that many transactions that go through our finance department. So, I know Ms. Inamasu reached out to David Daly, Director Daly and asked if we could consider, you know, increasing that so, you know, David did agree to do that. But I got to let you know, we thought that four was reasonable. I was trying to look at the criteria to find out if we had notified people up front and I think that is our error, and I apologize for that. As of the 25<sup>th</sup> of January, we have 185 applications. We closed the applications because we know that we're not going to be able to fund all of those. There were 52 that are funded, 32 that are pending our next check from the County which is expected any day. So, we've already obligated out of the 521.2 million and some change and then with the other 32, we anticipate that that's going to be all of the money. We will be completely out of funding and so that's. . . I think where we're at this particular time. So, I think that's all I have. I think Mr. Daly's also on the call if we had any more specific breakdown in terms of the demographics and who we're serving those types of things.

CHAIR SINENCI: Okay.

MS. CABEBE: Thank you.

CHAIR SINENCI: Thank you, Ms. Cabebe. Members, if without objections, we're going to take a quick five minute break to see if we can look at our screen. We've got some issues with our screen. So, if not, well, let's make it a 10 minute break since this is our mid-meeting mark and we'll resume the meeting at 3 o'clock if there are no objections.

COUNCILMEMBERS: No objections.

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CHAIR SINENCI: Okay, and then we'll try to figure out what's going on with our videos. Okay--

COUNCILMEMBER PALTIN: Oh, now we see you guys.

CHAIR SINENCI: Oh, did it come back?

COUNCILMEMBER PALTIN: But let's take a break anyway.

CHAIR SINENCI: Okay, all right.

COUNCILMEMBER KING: Oh, you know, I've never lost, I've never lost, I've always had all of you on the screen.

CHAIR SINENCI: Oh, you didn't.

COUNCILMEMBER KING: So, I've never lost anybody.

COUNCILMEMBER KAMA: No, but I couldn't see you.

COUNCILMEMBER PALTIN: Kelly, I couldn't see anybody.

COUNCILMEMBER KING: Yeah, I could see everybody the whole time. So, if everybody's--

COUNCILMEMBER KAMA: Not on my screen.

CHAIR SINENCI: Okay, we'll take our 10 minute break now and then we'll resume at 3 o'clock. Members, the APT Committee is now in recess. . . . *(gavel)* . . .

**RECESS:** 2:49 p.m.

**RECONVENE:** 3:05 p.m.

CHAIR SINENCI: . . . *(gavel)* . . . Will the APT Committee meeting of Tuesday, February 2, 2021 please come back to order. I'm showing 3:05 and we're still on, Members, we're still on the first item. We had Mr. Daly just for some opening remarks before we go to questions, Q and A. Mr. Daly.

MR. DALY: Oh, hi, Councilmembers and Council Chair. Yeah, just a brief overview. Debbie touched on the majority of microgrant as it sits right now. We're 7/8<sup>th</sup> away through designating funding for. . . of this 2.5 million, and the, you know, the initial money, we actually went through in almost 30 days about 1,200,000. So, we are turning them out as fast as we can get them processed, and apparently we have 84 grants that are awarded. Not all those grants are funded because we're waiting for a second installment, so we have roughly about as of the 31<sup>st</sup> of December, we have 52 grants funded and we did that in 30 days or less than 30 days. So, you know, we're. . . MEO is doing some really, really good things over here and, you know, our process of going through just



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validating and making sure that the applicants are really tied to what the proviso said, that's really our goal, really looking at operating farms and the preferred status for these small farmers was really. . .it's just going through and validating that. So, you know, our goal is to make this as easy, as easy a process as possible for these farmers and also to be hands-on, to be available to help them. Obviously, there's always miscommunication one way or another, but we're really doing our best to, you know, make sure that they know that we're here for them if there's a problem or, you know, if there's some moving parts to this as people are getting their documentation in or not getting it in. And it. . .the grant was really on a first-come, first-served basis. There is no deadline on the grant other than when it actually closes, I believe, in October, and the reason that the applications were pulled off of the website is because we have over a hundred more applicants than we can fund. So, there's really no reason for us to go through the process of letting people apply going "Oh, I'm going to get money," and they're not even close. I mean, we're so far at the end right now that. . .just to give you an idea, the grant opened October 6, we'll be lucky to get through October applications. So, we're probably in the neighborhood of 130. This includes Moloka'i and Lāna'i. . .130 applications total, you know, roughly. Just touching on some numbers, we had 35 total applications received from Moloka'i and Lāna'i. There was only two applicants from Lāna'i and one of them has been funded already. The other one is pending documents as to being able to move through the review process. Moloka'i, we only as of the first quarter funded one grant, but there's 17 other awardees that are basically in line and as soon as our money is available, then they will be funded. So, we're burning it. So, it's moving and, you know, it seems like it's doing some good and hopefully we get some good, you know, some good input and output from these farmers. I know that a lot of them bought equipment. You know, a lot of them are doing fencing from deer and pigs and things like that. So, there's tons more that we need obviously by the number of applicants that we're not going to be able to serve and we're not even touching on the ones that. . .the very small number, and I'll give you that number. There's seven total applicants currently that have received another grant that are ineligible for this grant. That's 7 out of 135 speaking to what the discussion was earlier just so you guys can see the overall numbers that are running through here, but I'm open to any other questions if anyone has any and that'll be it.

CHAIR SINENCI: Mahalo, Mr. Daly. Okay, Members, yeah, thank you for that update. Let's. . .we'll just go down the line and let's start with Vice-Chair, Committee Vice-Chair Mr. Johnson upwards of three minutes time for now and then we can see if we need more, additional time. Okay, Member Johnson.

VICE-CHAIR JOHNSON: Thank you, Chair. Thank you for giving me time to speak. So, there was some really good information here that I learned a lot because this has been a hot topic in my community about these grants, these microgrants. I. . .in my former life, I was a farmer and you mentioned--oh okay, first thing, my first question is it sound to me Mrs. Cabebe had a bit of a personnel issue in the beginning, like there was. . .you guys were working 15 hours a day. That sounds really hard to, to. . .'cause at that point are, you know, are you--I mean no criticism--but are you doing a good job when you're working for--I'm not my best when I'm working 15 hours a day, right? So, how can the Council help you? Is there a way that the Council can help fund you guys better? Or

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what's, what can we do to help so you don't have to have your employees work 15 hours a day? That sounds, kind of, over the top.

MR. DALY: I will defer that to Ms. Cabebe.

MS. CABEBE: Yeah, I'm sorry, Member Johnson, the reference I was making to the 15 hours days was when we were administering the HELP program which was the CARES Act funding, the emergency assistance program and it was a short turnaround time because it was Federal funding and so that was not the norm. But when we took on the Ag Grant, I was concerned that if we continued to take. . .require more work from our finance department, they were going to have to continue to work those kind of hours. And it's our year end so they have to do--we have an audit going on right now, you know, they have to do all the taxes, the 1099s. We had a lot more W-9s that we had to issue this year because of all the rental assistance we administered. So, just the workload was extremely high but no, that is not something that we would do on a regular basis.

VICE-CHAIR JOHNSON: So, you--I mean, we all watch national news and hopefully, we get a second round of Federal stimulus. Do you plan to do anything different if the COVID money comes a second round, and I hope you don't have to work 15 hours a week again or a day. So, if it comes again, are you prepared for it?

MS. CABEBE: Yes, but we've already shared our feedback with the Housing and Human Concerns and the Administration about things that we would like to do differently. One of the challenges with the HELP program was we were limited with the amount of people that we could hire, additional staff, so we were trying to manage our regular programs and do these emergency programs with limited resources. So, that's a conversation I'd be happy to have with you another day to give you more information.

VICE-CHAIR JOHNSON: Sure. Okay, so, the. . .now as far as the microgrants going, you said that two microgrants were for Lānaʻi. One got distributed and the other one you said was in process, is that correct?

MR. DALY: Yes, that is what we call pending documentation. So the application was received and the applicant was sent a notice that there were documents that he did not provide in his application and he was given a chance to provide that so that we can review the file and move it towards a (*inaudible*) process, and I believe he's gotten a couple different notifications and as of now it's still pending.

VICE-CHAIR JOHNSON: So then-- Oh, go ahead.

MR. DALY: No, I was just saying we can only go so far as, you know, someone with motivation on following through. . . .99 percent of our applicants jump at the chance and if there's anything missing, they provided it in hours, if not, in a day or two or so.

VICE-CHAIR JOHNSON: Okay, the. . .all right, so, you. . .if I understand this correctly, if you didn't get. . .if you got denied, right, or you didn't get the microgrant, the second round you're going to be bumped up? Is that true? I'm asking for clarification on that.

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MR. DALY: I think in reference to someone who is denied because they took another, a grant, is that your question? Someone who is denied based on eligibility of the criteria of the grant the way that it sits in the proviso? I guess I'm asking for the question, the clarification is--

VICE-CHAIR JOHNSON: Right.

MR. DALY: --if that's what you're referring to, those individuals who were unable to receive this grant who took other grants, as far as my knowledge--and JoAnn would really be the one to, you know, take this--is they would be eligible if there is new money put in because this money will be exhausted. We're going to go through this. . .in probably the next 20 to 30 days we'll be done with this grant. So, if there is additional monies at a certain point and the Council and/or OED together say, "These are our priorities. Those are applicants that were approved, but were unable to follow through and receive this funding, they would be first in line." I think that's your question.

VICE-CHAIR JOHNSON: Yeah.

MR. DALY: The answer would be, yes.

VICE-CHAIR JOHNSON: Okay. Thank you, thank you, Dave, good to see you again. Thank you, Chair, I have no further questions.

CHAIR SINENCI: Mahalo, Committee Vice-Chair Johnson. Next, we have Member King.

COUNCILMEMBER KING: Thank you, Chair, and thank you for being here, MEO, and OED, appreciate this conversation. I just had two concerns. One is time and resources and I know you said the overtime was related to the HELP grant, but that was one of the questions that I asked when we were approving the grant was, are you going to be able to do this at MEO? Do you have the time and the resources? And I was told yes, but there's also a percentage, right, that is given to the administering organization so that you can, you know, you can cover those additional resources. So, was it like 10 percent or something like that? You remember?

MR. DALY: I believe that it was 10 percent.

COUNCILMEMBER KING: Yeah. So, I guess the question would be if that's. . .if you. . .if that's not enough to allow you to, you know, administer the grant smoothly, next time you need to let us know, you know, what do you need. If you need to hire an extra person, that's not enough but, you know, the idea is that we were trying to give it to an outside entity so that. . .one that had the time to handle a grant like this and, so that's what we were told that you guys were. And I really appreciate, Dave, I really appreciate you coming on the webinar that we did, and I think Member Rawlins-Fernandez and I'm not sure if Member Sinenci ran it, but you were able to explain the. . .what was going on with the grants and the rules. But at that time I don't think anyone was told that you couldn't get this grant and another. So, my other concern is that this was meant to

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increase food security and help our small farmers aside from any of the COVID grants, and I understand if you were, you know, there's several different types of COVID assistance you can get and if you, you know, because the Federal government has the same thing if you get the PPP, there's other things you can't get, but as far as the microgrants or other grants that the Council has proviso'd, I personally see those as separate and apart from the COVID assistance and, you know, because we're giving. . .we're either investing in new opportunities or increased, potential increased revenue. But we're definitely investing in diversifying our economy. So, to me, those provisos, you know, that we put in the budget to do those things, whether they were line items or things like this microgrant program, those should be, those should not be. . .should not preclude other funding that people are getting for COVID assistance. So, that's my, that was my view of things. So, I was surprised to see that they were being told they could only get one or the other because I see them at, you know, as Member Rawlins-Fernandez said earlier, they're different purposes and so they shouldn't be, you know, replacing, you know, one grant--one type of grant should not be replacing another. So, anyway that's kind of what my position on those types of grants would be and, you know, a lot of people and, we were talking about during the break, that some people got their proviso grants finally, but we, we're. . .the longer we hold those things up, the slower our, diversifying our economy gets 'cause a lot of those things, that's what the. . .it's meant, you know, that's what the microgrants were meant to do. They're meant to push along agriculture and advance agriculture in our economy. So, I mean our. . .I guess that mandate, I'm assuming and maybe OED, maybe, JoAnn, you can say whether that mandate came down from the Administration, from the Mayor as far. . .or who decided that you couldn't make, either get one or the other?

MS. INAMASU: Thank you, Councilmember. I think it was a collaborative thing, but it did come from Mayor's office as far as trying to, and again, the main purpose for that was not to exclude individuals or businesses and all of that--excuse me--but, again, to try and serve a broader population for those. If you hear the numbers from Dave and from Debbie, there are those 135 applications of, from individual farmers that did not take advantage of any of the other farm opportunities or other grant opportunities that were out there offered by the County and if there was overlap, some of those would not be recipients of any money. So, looking and trying again by no ill intention for the matter of excluding people, but more trying to help a bigger group of people to try and thrive. So, I hope that--

COUNCILMEMBER KING: Yeah, I know, I understand the, I understand the reasoning. I'm not saying it's that noble reasoning, but I'm just saying that that was not the intention of the Council. But we didn't, you know, if we passed a proviso, you know, stating for the Food Security Hawai'i for the backyard garden, that's. . .there's a specific purpose for that and we're trying to advance our ag economy and, you know, it shouldn't preclude those folks who are involved in that project from getting their own, you know, COVID relief money. So, that's my concern is that there's that. . .it to me they're investments in our future and our economy and if they're going to replace the COVID money, so that doesn't serve the same purpose. So, I just wanted to share that I, you know, I agree with Member Rawlins-Fernandez that we should be giving those grants

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out aside from the COVID help to expand these small farm operations 'cause that's what we're trying to strengthen.

MS. INAMASU: Thank you.

COUNCILMEMBER KING: So, you know, and you did it and. . .but I'm just saying I don't agree with it because it kind of flies in the face of the original intention so. . .and that's just my personal point of view.

MS. INAMASU: Okay, thank you, Councilmember.

COUNCILMEMBER KING: Thank you, Chair.

CHAIR SINENCI: Mahalo, Member King. Next we have Chair Lee.

COUNCILMEMBER LEE: Thank you, Mr. Chairman. JoAnn, is there going to be any money left? Every dime is spoken for?

MS. INAMASU: As far as what David is saying is if all of those go through, as far as applications.

COUNCILMEMBER LEE: Are there any other monies coming down the pipe that can be used to supplement this program?

MS. INAMASU: What we have in OED, I don't have an adequate amount for supplementing that program. As far as if you are referring to Federal funds, we have not been advised. I've asked but we have not been advised at this point if you're looking at big chunks of funding. I'm sorry I don't have--

COUNCILMEMBER LEE: You know, it would be, it would be very helpful to us if we could see your evaluation of this program so that we can, together, figure out the best ways to more efficiently and more fairly distribute the funding, yeah? But of course, now you know that our provisos are serious, yeah?

MS. INAMASU: Mmhmm.

COUNCILMEMBER LEE: So, once we put them on there, we're going to have to doublecheck now to make sure that the intent is met. Nothing personal but, you know, it's just that we're the ones that have to answer for all of these monies and how they're spent, and so it's important that the letter of the law plus the spirit of the law should be followed. Okay, thank you.

MS. INAMASU: Thank you very much, Chair.

CHAIR SINENCI: Mahalo, Chair Lee. Next we have a question from Member Molina, then Member Paltin.

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COUNCILMEMBER MOLINA: Thank you very much, Chair. Just a quick clarification. Are we on a time clock? I think I heard you say, maybe, three minutes or so. Just want to make sure.

CHAIR SINENCI: I'll check with Staff.

COUNCILMEMBER MOLINA: I don't want to exceed any parameters you may have set.

CHAIR SINENCI: We did set for three minutes, but I didn't hear anything from Staff.

COUNCILMEMBER MOLINA: Okay. Thanks, Chair. Yeah, I'll try to keep it less than three minutes for Ms. Cabebe, and Mr. Daly, and Ms. Inamasu, and thank you for the updates. Just in general, have you had a--how many applicants have been disqualified or did not qualify for any of the grants? 'Cause I know it takes time, you gotta do all the background checks and everything and. . .to make sure that all applicants are eligible. Can I get a response from anyone on that?

MS. CABEBE: I can give you that number. Applicants ineligible were 17 out of 185 applications that were received, and we keep talking about 135, it's 185 as of 01/25/21. 17 were ineligible per grant guidelines and seven were ineligible based on receiving funding from other sources based on the criteria that was given to us, and as I stated earlier it was given, the criteria was given to us or shared with us after we were already implementing the grant.

COUNCILMEMBER MOLINA: Okay, okay and as far as support, if I recall, the Mayor's Office has been providing you some support with processing these grants and applications?

MS. CABEBE: Yeah, and I'm sorry, I think I confused the conversation earlier. When I was talking about the overwork, I was talking about the HELP program which is, it was totally a separate issue and that's closed. We did hire, Councilmember King, we did hire a staff person for the microgrant and he's a Program Specialist working with the farmers. We also have outcomes that we're supposed to meet, so there's follow up that has to be done once the grants are awarded to make sure we get reports from the farmers. We go out and we do site visits to make sure that things are, you know, operating as they should. So, there's a lot of follow up, but my comment earlier was about our finance department. Hard sometimes to hire somebody temporarily just work in finance because there's a lot of internal controls and by the time--for a temporary program if you train somebody, the program is done. And so when I responded to Council that we had the capacity to manage the grant, I did that with the intention that we weren't going to be letting each applicant, you know, pay eight different vendors, that we were going to limit that scope because those were lessons learned from the HELP program. So, just for that clarification.

COUNCILMEMBER MOLINA: Okay, thank you for your comments, Ms. Cabebe.

MS. CABEBE: Thank you.

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COUNCILMEMBER MOLINA: Mr. Chair, I have no more questions, thank you.

CHAIR SINENCI: Mahalo, Member Molina. Member Paltin, you have a question for the panel?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Inamasu and Ms. Cabebe and Mr. Daly, for your presentation. I guess my question was, you know--and I can understand the urgency of the situation and how much you guys are working on it and I really appreciate it. I just was wondering, you know, if it wasn't made clear up front to the folks and it seems like MEO wasn't aware of that--they were going strictly off the proviso and I can understand that, you know, wanting to spread the money as much as possible throughout the community, but if it wasn't made clear up front and people see these grants and they don't know if they're going to qualify or receive any of 'em and they just start applying for all these different ones and they get awarded like a \$12,000 one but they qualify for a \$25,000, isn't there some way that, you know, they could make up the difference of the higher level grant that they would've qualified for? Because if the information was available up front and it was all like, you know, well thought out and knew COVID was coming so we're making these plans like a year in advance, you know, then we would've been able to get organized and get the information out there in a timely, you know, like organized manner, but we were kind of, you know, backs against the wall here. And so, I just was wondering it seems kind of not logical for the folks who are like really trying to save their businesses and apply for all the grants they can get and then find out that they don't qualify for this 25,000 one because they received this 12,000 one and if they had known all the information going in, they would have said, well, I'm going to shoot for this big one that clearly fits my needs and we can work on adapting all the stuff, you know? So, I just was wondering if any thought was given to that, and it's not that I'm trying to say you guys are doing a junk job or anything, it's a difficult situation. That's my question.

MS. INAMASU: Maybe I could address that, if you don't mind. With regards to the matter of the consideration of saying you only got 12 from one and the consideration of, maybe, qualifying to get the remaining balance of up to 25, that would be a consideration, but that would be--where it was, is now at the March 31<sup>st</sup> period of time. So, we did take that into consideration as well.

COUNCILMEMBER PALTIN: So, is it then. . .it would depend on the funding being remaining left after the--

MS. INAMASU: After March 31<sup>st</sup>, that is correct.

COUNCILMEMBER PALTIN: And, I guess, just the other question like for transparency sake, do we list the people who have received this microgrant? And then was it everybody that applied for the microgrant received the set 25 grand or they had to justify how much they needed up to 25 grand?

MS. CABEBE: It was up to 25 grand and in terms of releasing the names, that would be up to the County 'cause they would be the, you know, owner of the documents. So, we would, you know, turnover our reports to the County and they would make that decision, I

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guess, if they're going to share that and probably would have to get, maybe, permission from the recipients, I believe.

CHAIR SINENCI: Okay.

COUNCILMEMBER PALTIN: And one--oh, sorry, is my time up?

CHAIR SINENCI: Yeah. Well, we can go back if you have a follow up, Member Paltin. Next, we have Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Anyone that receives any tax payer dollars is subject to being--what's the word?--open, that if the public wants to know who receives public funding, it should be public information. So, I get the information from our Department Director after. It's taxpayers . . . *(inaudible)* . . . be able to see who received. Okay. So, I have questions for, I guess, MEO. Mahalo again for managing the microgrants. What happens to the applications that requested more than four vendors?

MS. CABEBE: At this time, we've been dealing with it on a case-by-case basis, I guess, looking at the circumstances. So, it's not like they never approved more than four. We're using that as a base line, but it has been addressed on a case-by-case basis depending on the need, and sometimes it just makes sense, I mean, and we had that, you know, same situation in other programs. You have a guideline, but sometimes you have to amend that.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, because I heard from one of the applicants that they--and that communication has been really tough to understand whether they're going to get funding or not. So the applicant, I believe, had six vendors and they were told they can only have four and a hard line and that they wouldn't--that MEO was not going to work with them on that, so. But you're telling me now that you would work with these applicants on a case-by-case basis because they weren't told beforehand that the vendor limitation was at four and not more than four, so there should be some flexibility for these applicants, correct?

MS. CABEBE: That's correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, so I'll respond to that applicant to reach out to Mr. Daly again because there should be some flexibility. Okay, great. And I needed two clarifications. So, Ms. Cabebe, when you gave us the numbers, I count 185 applications. Then when Mr. Daly came on, he said that there was 130 applications. So, how much total applications were there?

MS. CABEBE: Well, I'm looking at a report in writing that he gave me, so I'm assuming that this is the correct number. So I'm not sure if he was talking off the top of his head, but we turned in our quarterly reports to the County and as of December 31, we had 178, but when he ran this report for me that I requested on 1/25, we had a 185 applications that we received and then that's when, I believe, we shut down the website.



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COUNCILMEMBER RAWLINS-FERNANDEZ: So, 185. . .84 were awarded; 52 funded, 32 pending. That's the 84. Is that correct?

MS. CABEBE: Yes, that's correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, so, based on that math, 101 applicants were denied.

MS. CABEBE: Well. . .

MR. DALY: No.

MS. CABEBE: . . .not, they won't--

MR. DALY: No.

MS. CABEBE: --be denied, but they won't be funded.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Go ahead, Mr. Daly.

MR. DALY: Yeah, just a clarification that there, this is a total number. So at 185 is a total number of Maui applicants and I believe that there's 35 total Moloka'i and Lāna'i, so we have 200. . .that number should actually read 212, something like that, of total applications. These are the applications that came through our website or via in-person.

COUNCILMEMBER RAWLINS-FERNANDEZ: So we're looking at--

MS. CABEBE: Oh, 220, so he's--I'm sorry. I'm sorry, Councilmember Rawlins. So, the way the report, it says Maui County and then it says Lāna'i and Moloka'i. So if I add those together, it's 223 that were received. . .for all islands.

COUNCILMEMBER RAWLINS-FERNANDEZ: 223 for countywide.

MS. CABEBE: Mmhmm.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. CABEBE: 222.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, oh, 222. Okay, and so for the applicants, circling back to the number of vendors, if there were more than four vendors, can I rely on you, Mr. Daly, to contact 'cause there was only one person that reached out to me. But if there are more that I don't know about, then it would be incumbent upon you folks since you have the information to be able to reach out to them. Okay, so I have your commitment that you're going to reach out to those vendor, those applicants that

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had more than four vendors and work with them? Okay, mahalo, I appreciate that. Okay, and for the--

CHAIR SINENCI: You have one more question?

COUNCILMEMBER RAWLINS-FERNANDEZ: I have--

CHAIR SINENCI: I can circle back to you if there's any other follow-up questions, and then we can come back to Member Rawlins-Fernandez. Seeing none, okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, I have more questions.

CHAIR SINENCI: Okay, go ahead. . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, mahalo. Mahalo, Chair. Okay, so the proviso required there to be an equitable distribution to Moloka'i and Lāna'i. Do you know how much funds for the five applicants to Moloka'i there was distributed? If I did the math on those five maxed out at 25,000, it would be 125,000 which would mean that .05 percent of the funds went to Moloka'i. Do you have that information? If you don't have it readily available, it's okay.

MR. DALY: Yes, Chair--I mean not Chair, excuse me--Councilwoman, the total numbers for Moloka'i would be 35 total applicants. One, included in that 35, one has been funded; 17 have been awarded and will be receiving funds. That would be 18 times, you can use the number of roughly 20 probably 23,000 'cause not everyone took the full 25.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, 35 total applications; 18 were awarded; 1 was funded. Okay.

MR. DALY: As of January 25<sup>th</sup>.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, mahalo for that clarification. And then for Lāna'i there was a total of 2 applications?

MR. DALY: Correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: And then one was funded.

MR. DALY: Correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Did you have more phone calls from Lāna'i about any of the community members that were interested and didn't submit any--

MR. DALY: I spoke to two other potential farms who contacted us early on, but there was no application received from either of them.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, I think this question will be for Director Inamasu. Director, so the funds that I went through that disqualified the applicants: Adaptability grant, the Maui Chamber Loan, yeah the microloan, the Kokua Grant and the Farm and Ranch Grant. So those that received help through HFUU and the Farm Bureau, were they not disqualified?

MS. INAMASU: If they received it for the community, the food purchase program, they were not disqualified. That was a food purchase--

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. INAMASU: --program that the Mayor's office did for food distribution to the communities.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, so, do you know how many of the farms or applicants that received funding through this \$2.5 million microgrant also benefitted from those food distributions?

MS. INAMASU: Off hand, no, I'm sorry, I don't. I can find out for them, I mean, with regards to that if they applied. I can work with David and get some information and then I can get you that.

COUNCILMEMBER RAWLINS-FERNANDEZ: Because, you know, just going along that same logic of, you know, spreading out the funds to benefit as many people in the County as possible I think. . .*(inaudible)*. . .through the food distribution, they were not disqualified from being able to receive funding through this microgrant program which is kind of, you know, counter to that logic.

MS. INAMASU: And also, just to share with you, and I'm thinking you may be aware of it too, as the Farm Bureau and HFUU reached out for food purchase programs, it wasn't only to their membership that they reached out. It reached out to the community. I think you are aware of that too. So, thank you very much, but I'll get that information for you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes, and I'm happy that you made mention of that, again, here in this public meeting for the records that--

MS. INAMASU: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: --other people know that it was beyond the membership. Were there flower farms that benefitted from that as well?

MS. INAMASU: I'm not too sure if the Flower Growers Association. I know they are part or part of the umbrella with the Farm Bureau. I'm not sure if they received or if purchase was made through them. I can check on that, the details, if you'd like me to.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes, mahalo.

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MS. INAMASU: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Director. And so, my last question which you probably, I'm guessing you'll likely not have an answer in front of you, but is for MEO, how many of the applications were for fencing?

MS. CABEBE: I'm sorry, could you repeat the question?

COUNCILMEMBER RAWLINS-FERNANDEZ: How much of the funding that the projects requested funding for fencing?

MS. CABEBE: Oh, for fencing.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, fencing.

MS. CABEBE: Well, we have. . .I don't have fencing broken out. We have farming equipment and machinery, of the 1.2 about 493,000 and then for farm infrastructure about 366,000, and then for farm inventory and supplies about 222,000.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, and fencing you would consider that farm infrastructure upgrades, under the proviso?

MS. CABEBE: I will have Mr. Daly respond to that. I believe so but, David, could you respond.

MR. DALY: I believe it's under inventory and supplies.

COUNCILMEMBER RAWLINS-FERNANDEZ: Inventory and supplies, okay. Okay and then, sorry, there was one more question. Is one of the 32 pending--oh yeah, you said--is the second Lāna'i. So the second Lāna'i applicant is one of the 32 pending--

MR. DALY: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: --applicants?

MR. DALY: Yes. The documents are pending to get to the review process. So there's missing documents even before we can review the needs statement. We make sure that everyone has all of the documents that are required, which there are not many, but the few that are, we require that before we go to review.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, mahalo, for your response. Sorry, and the last question, for real kind. So, for those that did end up getting disqualified because they got an Adaptability or loan, they are not part of the 32 pending?

MR. DALY: That is correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Director, how do we make this right by those who applied without knowing that this wrong was going to happen to them?

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MS. INAMASU: What we try, what we're trying right now and, you know, I'm understanding that funds may not be available, is we try to say that we'd wait til March 31<sup>st</sup>, after March 31<sup>st</sup> based on funds available. What we can see and do is one of the things that was discussed here in this meeting, seeing what and if funds become available, seeing if we can enhance the project, re-fund it or add some money to that project. Another thing is as we look at next fiscal year, I know there's still a timeframe away, looking to re-fund this program again based on the stipulation. So, yeah, I mean, that would be a good thing to help the farmers and then we look at the, if allowable, look at the applications that they have and see for those that have already gone through the review process.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, so. . .and so this would be for the four different pots of money that disqualified them: the Adaptability, microloan, Farm Grant and Kokua Grant?

MS. INAMASU: Right.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, great, and okay. . .for real, real kind, last question and then I will mute myself after this.

CHAIR SINENCI: Oh, okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Do you have, do you have the number of those that were disqualified because they received funding from COVID-related funds? The four funds that we talked about? Do you have that number of applicants that were denied?

MS. CABEBE: Yes, we have.

MR. DALY: Yes.

MS. CABEBE: There's seven.

COUNCILMEMBER RAWLINS-FERNANDEZ: Seven?

MS. CABEBE: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, for that information. Okay. Okay, muting myself. Mahalo, Chair and--

CHAIR SINENCI: Mahalo.

COUNCILMEMBER RAWLINS-FERNANDEZ: --mahalo, Ms. Cabebe, Mr. Daly, and Director Inamasu.

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CHAIR SINENCI: Mahalo, Member Rawlins-Fernandez. I did want to give her extra time since she, you know, she was the purveyor of the grants. . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: I appreciate that, Chair.

CHAIR SINENCI: Yeah. Mahalo for. . .to our panelists. I did want to see if Member Sugimura or Member Kama was still on the line, if they had any pressing questions for the panelists?

COUNCILMEMBER KAMA: I'm still here, Chair.

CHAIR SINENCI: Did you have any questions for our panel?

COUNCILMEMBER KAMA: Yes, I did. So, I just wanted to--and thank you for recognizing that I'm still here. So did I hear correct that was said that there's no, there was no closing date on the grants?

MR. DALY: Yes, that is correct that the only closing date is when the grant comes to an end which would be the beginning of October, I believe.

COUNCILMEMBER KAMA: Okay.

MR. DALY: But there was no, there was no deadline date put on the application.

COUNCILMEMBER KAMA: Okay. So, you're still waiting for a couple of applications to turn in their documents? What is the--

MR. DALY: Yes, that is correct.

COUNCILMEMBER KAMA: --what is the average length of time that you would wait for somebody to turn in their documents to close, so that they can continue with their grant?

MR. DALY: Criteria has been to try and keep those that had applied first who are in the preferred status, that's the goal that we're trying to do. So, if there is someone who is further down the line and they have all their documents in, we're trying to go back to the ones who were, applied first to make sure that everything is complete so we can fund them.

COUNCILMEMBER KAMA: So, my question being, how long do you wait if you have other people who have gotten their documents and they're ready to go, and do you still wait for that one person that needs to turn in more documents?

MR. DALY: We will wait as long as their funds are available. So, we will pursue that person to get that documentation and let them know that this is needed, but we will continue and we're not going to hold up if we haven't--excuse me, we haven't held up the funding and awarding process for someone who has not completed their document.

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COUNCILMEMBER KAMA: So, what is the length of time so far in terms of when somebody needed a document and how long have you been waiting?

MR. DALY: I believe the longest so far has been about 60 days.

COUNCILMEMBER KAMA: One six or six zero?

MR. DALY: Six zero.

COUNCILMEMBER KAMA: That's a long time. Did we ever ask to see if they needed help attaining some of that document?

MR. DALY: Not particularly, those who have needed--some of the documents are internal documents or if there was a question. Majority of time it's with the tax compliance which normally the A-6 has been returned to us by recipients if they can obtain it within 10 days.

COUNCILMEMBER KAMA: But you've got one that's been outstanding, at the most, it's been 60 days so--

MR. DALY: Right, who actually. . .who completed his application with that tax document.

COUNCILMEMBER KAMA: Okay, I'm just thinking that sometimes if people are having a hard time getting a document, that usually tells me that they need help after a week or so that maybe I can go and help them attain it even if it is a tax clearance. Maybe they don't, I don't know, have access to whatever, whatever. I mean, the clearance is going to tell you either this is what you owe us in tax so that you can get your clearance or what, right? So, maybe sometimes just clearing off that would be helpful to them. I'm not sure what that issue might be, but I just think that there has to be a better way to develop these grants so that our people are not hindered. I know when I first got on the Council, just knowing that the grants we're giving at that time were reimbursed. I thought, how do you do that? How do you help somebody when they usually getting money on the front end and not the back end? But that's been resolved and I thought that with these grants that that was resolved too. But so, how much information is given to the public in terms of what. . .the how to and the what and the where and the things like that, information that they need? I mean, is there a cheat sheet that you give them that says this is the program, this is how it's done, do they have a clear understanding of all of those things and do they have the sheet, a cheat sheet to follow?

MR. DALY: We did not provide that in the application, but what we have provided is, you know, technical assistance for anyone who reached out and had questions, we were walking them through the process and letting them know exactly what was needed and how to achieve and apply for certain things that were needed. They've done that.

MS. CABEBE: Councilmember Kama, may I interject, please?

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COUNCILMEMBER KAMA: Yeah.

MS. CABEBE: So, we did have on our website all the information about the eligibility criteria and what documents they needed, and I think that is a part of the application that goes out. So it is, so it's kind of your. . .our version of a cheat sheet that would help them and then there is training and. . .I mean there is technical assistance provided. I also want to clarify those individuals that, maybe, we had to wait 60 days for the document, they were still processing other applications so they weren't making that person ineligible because sometimes the document they need to get are cumbersome for them and only they can get them.

COUNCILMEMBER KAMA: Right.

MS. CABEBE: So, we were processing everybody else. I think what David is saying though is if we get to the end, say the last, you know, three grants and there's somebody with outstanding documents, you know, we're going to have to give them a hard deadline and say, hey, if we don't have this by this date, we got to move on. So, that I think that might answer your question. Thank you.

COUNCILMEMBER KAMA: Yeah, yeah, okay, thank you. Thank you, Chair. Thank you, David.

CHAIR SINENCI: Okay, mahalo, Member Kama. Next, did Ms. Sugimura have questions as well?

COUNCILMEMBER SUGIMURA: Yes, please. Thank you. Thank you for letting me and providing this opportunity. So, on this grant I know that we're all been asking you a lot of questions and you've been giving us detail. So, Debbie, I wonder if once you turn in the, your final report to the County when you close out this grant, if we could also have a copy of it. . .and. . .'cause it'll summarize all, everything that we've been talking about. One of the things that I would like to ask you is. . .and I know that when this was written up as a proviso it did talk about, I think, I don't know if the word is special consideration to female and Native Hawaiian or women and Native Hawaiian, and I wonder if you have kept track of that or if that was. . .you were able to ask that question through the process?

MS. CABEBE: That is part of the demographics that we collect. So we could provide that--I don't have that in front of me--but we could provide that. I mean, it will be part of the report. We do a demographic report with our reporting.

COUNCILMEMBER SUGIMURA: Okay, very good. Thank you very much and I know this is a lot of work, and you've been talking about a March deadline or a March date. What is that? I might have missed it. Is it--

MS. INAMASU: Hi, Councilmember, thank you. If you don't mind, I'll respond to that question. Because of what was happening for people that were recipients of other funding being denied because they have received other funding, that we said that come March



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31<sup>st</sup>--and that was the date that you heard--thereafter we would then consider those applicants. . .that are for funding.

COUNCILMEMBER SUGIMURA: Oh. Oh, okay. So if there's left over funding somewhere in this CARES Act money, is that what you're--is that what's happening?

MS. INAMASU: Not CARES Act, in the program or if we could supplement it some other way. I don't know that OED can. We don't have that big of a kitty. So, I see Councilmember Rawlins-Fernandez chuckling, but hopefully this body will bless us with another round come next fiscal year so. . .*(inaudible)*. . .

COUNCILMEMBER SUGIMURA: Okay. Oh, okay, now I understand the date. I though, okay, there's a--maybe you heard there may be possibility. We're all waiting to hear what's going to happen with the Federal dollars that are, I think, they're trying to get approved through Congress now so, we're hopeful that there's more help on its way. So, thank you very much.

MS. INAMASU: We are too.

COUNCILMEMBER SUGIMURA: Yeah, there's a lot, this is a lot of work. So, thank you, MEO a lot. Thank you, Mr. Daly and Debbie Cabebe, you guys are amazing. So, thank you.

CHAIR SINENCI: Okay. Mahalo, Member Sugimura, and thank you, Members. Okay, we've got one more item. So, before we get to our second item, we wanted to mahalo, our panelists, Director Inamasu, Ms. Cabebe, and Mr. Daly for catching us up with the agriculture grants and hopefully we can bring you guys on maybe next time for the second go-around, yeah? But again, mahalo for joining us today. Thank you.

MS. INAMASU: Thank you very much, Chair. Thank you, Councilmembers.

**ACTION: DEFER pending further discussion.**

### **ITEM APT-51: WATER DELIVERY SYSTEMS** (MISC)

CHAIR SINENCI: Okay, Members, so I just wanted to get a--we've got one more item, APT-51, Water Delivery Systems. We have Ms. Shay Chan Hodges and her team to give us a presentation. Can. . .I don't know how long, it might be about a 20-minute presentation, but we can go after that to see if we have some time for Q & A. Is that okay with some of the Members. Just let me know if you guys need to jump off at 4:30.

COUNCILMEMBER LEE: Mr. Chairman, I have to jump off at 4:15. Sorry.

CHAIR SINENCI: Okay, all right. So, real quick. Let's see if we can get in Shay's presentation. The Committee is in receipt of a Miscellaneous Communication dated July 13, 2020, from the County Clerk, reporting that the Council referred the matter relating to water delivery systems. Members, as we begin our next term, I wanted to take this opportunity

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to explain our Committee name, Agriculture and Public Trust. Agriculture is self-explanatory. It covers items like we just had. Public Trust refers to a very old and widely accepted legal concept that dictates that governments have the responsibility to protect and properly manage natural resources for its people for future generations. This doctrine is expressed in our own State Constitution and through the courts that uphold that Constitution. Specifically Article XI of our State Constitution addresses conservation, Control and Development of Resources. Section 7 on Water Resources states that, The State has an obligation to protect, control and regulate the use of Hawai'i's water resources for the benefit of the people, and it's mandated to manage water responsibly and with great care. So, over this term we'll learn more about responsible management including beginning with the basics and simply understanding how much water is being produced and then understanding how water systems can efficiently capture and deliver water in a matter that enhances the environment. So, our first discussion of water as a public trust natural resources, we'll start with the group you're familiar with, the Maui ESG Project. And so without any further ado, we have Ms. Shay Chan Hodges, Mr. Ian Chan Hodges, Dr. Gita Swamy, Ms. Imogen Rose-Smith, and then we also have Ms. Nichole Inouye-Nohara from the Ko'olau Watershed Project. With that, Members, if there are no objections, I'd like to designate Ms. Swamy, Ms. Rose-Smith, Mr. and Mrs. Chan Hodges, and Ms. Nohara for. . .as resource persons pursuant to 18(A) of the Rules of the Council.

COUNCILMEMBERS: No objections.

CHAIR SINENCI: Okay, granted. Thank you. Aloha, everyone. Mahalo for being patient with us, and we just wanted to welcome you guys and looking forward to your presentation.

MS. CHAN HODGES: Thank you. Thank you, Chair Sinenci. And just. . .we aren't going to present our full presentation today. I think it would exhaust you guys at this point, but it was an interesting discussion listening to the first agenda item. So, the presentation is really about a 45-minute presentation, so we're going to just present the first 15 minutes of it and come back hopefully and present the rest. So, actually our partners, Imogen and Gita, will not be really part of the presentation because they're kind of the meat of it when we get to the next part, but we did want to introduce them. It is 9 p.m. their time now even though it looks like Gita is pretending to be at the Grand Wailea. So, I just want to give everyone a chance to introduce themselves. So, let's start with Dr. Gita Swamy from Connecticut/Grand Wailea.

MS. SWAMY: Thank you. I'm pretending I'm in Hawai'i. We've just had like a. . .one of the biggest nor'easters of the season and dumped about a couple of feet of snow. So, I could just hope I was in Hawai'i. That's the best I can do right now. But my name is Gita Swamy. It's Gitanjali is the full name if anyone wants to attempt it. I am the Founder and Managing Director at IoTask which is an innovation consultant company, and our plans include multiple large Fortune 500's and governments. It typically, you know, my career has been SPAN Technology management consulting and private capital, and I'm also representative to the United Nations EQUALS coalition, and I work closely with the UN agencies on ESG issues, such as gender equity. So, I'm really excited to bring the benefit of our organization's years of experience in coming up with innovative solutions

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to this particular context of water, and we've really had a wonderful time working with Shay and Ian and Imogen and, you know, taking this forward. So, with the--you know, I'm going to turn it over back to Shay and let Imogen introduce herself.

MS. CHAN HODGES: Go ahead, Imogen.

MS. ROSE-SMITH: Hi, my name is Imogen Rose-Smith. I am the co-founder of the Maui ESG project along with Ian and Shay, and I had the privilege of meeting with some of you, not just at a conference that happened a year ago yesterday or today or the day before, which feels like many, many years ago by this point. But also, when I came out to Maui in June before that, which also feels like a very, very, very long time ago, and it's actually, it's amazing to see how far we've come in that period of time. And I think, you know, actually, the discussion that you guys all just had, is really illustrative of why the work we've been doing is so important. So, thank you for that and thank you for supporting what we've done, today. So, I was a long-time journalist covering institutional asset management. Most recently I was a Fellow with the University of California. I was seeing their sustainability program for their \$120 billion pension plan, and I'm a ESG consultant and advisor. Thank you, Shay.

MS. CHAN HODGES: Thanks, Imogen. Nicole, can you briefly introduce yourself also.

MS. INOUE-NOHARA: Aloha, my name is Nichole Inouye-Nohara. I'm with Na Moku Aupuni O Ko'olau Hui, and I was the project manager for our Ko'olau watershed project with the CARES funds.

MS. CHAN HODGES: Thanks, Nichole, and Nichole's going to talk about that within our presentation and then last, but not least, Ian Chan Hodges. He's going to scoot in here.

MR. CHAN HODGES: Aloha, everybody. I won't take much of your time, but it's nice to see everybody on the screen and I'll turn it back over to Shay.

MS. CHAN HODGES: All right, so we're going to get started. I'm going to share my screen here. What happened here? Oh, sorry. Okay, can everybody see this? Yes?

COUNCILMEMBERS: Yes.

MS. CHAN HODGES: Okay, thank you. Sorry. Okay, so yes, this is going to be the first part of our presentation of Public/Private ESG Water Systems Solutions for All Stakeholders and you've now met all of our partners. And so, as you folks should be pretty familiar now with the term ESG or Environmental Social Good Corporate Governance and as Imogen stated, it seems more important now than ever to kind of bring this kind of investment into Maui and going back to the fact that a year ago, we were doing our Summit, one year and one day. One of the comments that was made at the Summit, I think it was actually at the first panel that Keani Rawlins-Fernandez chaired or moderated was that Maui has or Hawai'i has kind of been the pawn shop of the world for quite a long time, and so I think we all know that our economy has relied on investment capital, much of it coming from off island; and unfortunately, the majority

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of the profits and benefits also going off island. And, as your previous discussion pointed out, you know, as we--COVID is reminding us very strongly that we need a new economic future on Maui, but in order to get there we need to design an appropriate investment model that does allow for outside investors but ensures the community is represented, respected and valued. So, more and more, particularly because of COVID, previously because of climate change, ESG is becoming prominent with investors and its, again, stands from environmental, social, and corporate governance standards and it provides a means to hold investors accountable, and investors also want to be able to track and make sure that their investments do meet these standards when they make those investments. So, they want to be accountable for the impact that their capital has on stakeholders but, just like anything else, just by putting the ESG investment name on it, it doesn't necessarily mean that it's an ESG investment. It can be misused, but if it's used appropriately, it can ensure that common purpose is not sacrificed to profit. So that's basically what we've been all about is, you know, helping the community to exercise its rights and responsibility and insist that investors remain true to the ESG principles that they lay claim to. In order to do that, the community has to be a respected partner. At the same time, you still have to have an underlying business model that's robust and profitable. So, our overall goal for this last year and a half has been to identify purpose driven investors, bring them into the community and with input from the community, identify potential investors. So going back again a year ago, as you may remember, funding for the first year of the project was provided through the Administration. The Mayor put a line item in the budget for us to do the ESG project. You folks approved it. It was to increase community understanding of ESG principles, institutional investment and private equity which are key to understanding that ecosystem, but we also wanted outside investors and ESG practitioners to understand us, to understand Hawai'i and Maui, our local issues and needs and our potential to actually be, as Gita mentioned, an innovative model for community-driven ESG investment; and a big piece of that at the summit was starting to build those relationships. So, we covered a whole bunch of different topics but, and like I said, the private equity, the institutional investment, but we also had some specific working groups where we looked at particular issues that are very important to Maui, one of which, of course, is water and the public trust. So, we had a Water Governance and Finance Working Group. They discussed community-controlled water systems, models for impact financing, governance structures, and we got a lot of feedback from the community at the summit and after the summit. And here you can see some of the folks that--we actually have a very big panel, there were more people than this. Gita was on the panel, Lynn DeCoite, Eva Blumenstein; you'll recognize some of the other folks here and Ian Monroe, who's an investor; Sam Akoi; Alohalani. So, out of all of that, we began working directly with IoTask, Gita's company, to build, to create the strategic assessment road map for the East Maui water land ecosystem and watershed, and we actually got additional funding for that from the Lincoln Institute of Land Policy that was very interested in it. So, we presented that to you folks in August and, of course, one of the primary issues, of course, is that water is a public trust with dual objectives of protection and maximum reasonable beneficial use, and folks generally don't feel like those are being met right now. And, although we were looking at EMI in particular, this is not, you know, particular to EMI. There's the Wailuku water system, I don't, I'm not that familiar with the water systems in West Maui, but I do know that

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these general issues, especially for these plantation systems, are common to all of them. So stakeholders requiring significant changes to meet ESG participative governance issues, so environmental, social, economic. Water infrastructures are complex, non-standard, they're in disrepair, they're very old, obviously, and a lot of what they were built for is no longer relevant. At a meeting recently, Avery Chumbley made the point that when people asked him the condition of the system, he said, "Well, it's doing what it was built to do, which is to get as much water as possible and get it down to the sugarcane fields." Well, that's not exactly what people want it to be doing anymore, right? There's a lack of transparency about conditions. There are various legal restrictions, varied ownerships and the various legal, structural, and economic hurdles that we are dealing with often create a gridlock currently. So, you know, things happen, things change and move, you get (*inaudible*) standards, various things, but it's still not doing what we want it to be doing. So, we have a unique opportunity today to envision a new future for our private plantation water systems and it's very important that we do so. With so many residents dependent upon stream water and shifting weather patterns, it's time to use traditional knowledge, new technology, and new economic models to create a just and common-sense restructuring to manage the Maui watershed lands for Maui's long-term vision. We absolutely believe there's going to be a lot more funding available in this coming year, not just COVID-19 stimulus funding, there is going to be infrastructure funding, renewable energy funding, I think somebody mentioned USDA funding in the earlier agenda item. So, there's going to be opportunities for us to really do innovative things with these water systems, but we need to start now to be able to access those later. We need to create those plans now and this photo--actually Nichole is going to speak in just a second, but this is from the CARES funding that they received to start doing some of this work and just. . .this is a slide about the community stream monitoring where the Ko'olau folks got CARES funding and they did a really great project. So, I'm going to stop sharing my screen and let Nichole speak and she can explain a little bit more about how COVID funding has already been or CARES funding has already been accessed to start this process. Nichole, are you ready?

MS. INOUE-NOHARA: Sorry, I forgot to unmute. Can you see my PowerPoint?

CHAIR SINENCI: Yes, we can see it.

MS. INOUE-NOHARA: Okay. So, our goal for our project was to make sure our streams were adequately maintained and flowing as well as collecting accurate data. We were able to employ 12 of our community members to make up two different teams. We had eight fuel technicians, two supervisors, a data coordinator and a project manager. We. . .some of the challenges we had were finding our old trails because it was so overgrown, so we had to do a lot of clearing and maybe making new trails to get to those different streams. Along the way, we were able to connect with some, make some really good relationships with some professionals. So we had, we got to meet a technician with CWRM, USGS, and UH Maui. We learned a lot from all of those professionals and so we were able to start doing our own measuring to gather our data. One of our main tools that we had during the whole project was this app called Aina NRDS, and this app is somewhere where we stored all of our data. We were able to pinpoint our location

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and take pictures of that area and that location, add it to that point, we were. . .and also able to put descriptions in that area to see, to show what we saw in that area. After inputting all of our data, these are some of the things that the app was able to put out for us, so we got this as one of our biome measurements for our stream and then we were also able to get our water quality data all in this one app. Okay, that was about it.

MS. CHAN HODGES: Nichole can tell a lot, say a lot more, but we wanted to keep it sort of brief. So, if you guys have questions later, she can tell you more. I'm going to go back to the PowerPoint here and just kind of pull this together a little bit. So, if you folks remember, and I know Gabe wasn't there but--oh sorry, I don't have that on the thing, sorry. Okay, sorry. So, when we presented you folks the roadmap back in August, we gave you one year, two year, three, four, five, and ten year, sort of, steps we could take to get to our final place, which I'll show you in a minute. What's amazing is if you look at this, this is the one-year priorities, this Technology Workstream. The folks in Koʻolau actually have been doing it. . .not 20 percent of the streams and not 50 to 100 people but they. . .all of these other aspects of it as far as crowd-hydrology, working with a smart app to collect the data, establishing additional monitoring programs, surveying existing sustainable agricultural food security. They. . .all of this has begun and they actually did it in a two-month period and, again, because of the way the CARES funding worked, they had to move super quickly. And when I was sort of showing this to Auntie Mahealani Wendt last week, she said are you a mind reader, because we created this in August. And I said well not me, Gita, because she actually was the one who figured out all these steps over this period, and I said she figured it out from Connecticut. And I think what the real, what's amazing about it is because we had done all this research and talked to people in the community and worked on this roadmap, we came up with a plan that, you know, was doable and the community was ready, and they went out there. And obviously, that's the other key, as I said, is you can have the most amazing idea on paper; it's what happens when it goes out and you try to implement it. So, that was just the technology and, again, we didn't have funding for this yet, so it just so happened that this CARES funding came along and that the community was ready to do it and get this started. There's obviously the legal and governance workstream, establishing a community engagement model and process; engaging with infrastructure advocacy groups under infrastructure; and then the economic workstream. So, you know, these are still things that are in our plan that we want to work toward and to remind you this is what this sort of 10-year plan looks like where you start the first year initiating watershed and community activities, community data technology which we've begun. Then comes the system upgrades transition, governance control approaches and in the end, having these new financially viable stewardship models. And again, you know, Nichole's talking about East Maui. I know you folks are going to be looking at the Wailuku purchase. All of this can be implemented in any kind of water system, and this is how you marry the ESG principles of having a community-driven solution and community stewardship, meeting community needs, but also having a business model that's going to work. So going back again, technology, generational knowledge, infrastructure, legal governance and economics are all needed to achieve a new vision for Maui water over the next one to ten years, and this vision is a starting point to focus the communities collaborative discussions on how to develop an ESG investment plan

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that supports the future they wish for their communities and the County. And it isn't just that, "Oh, this is a plan that any community should be doing"--I mean, they probably should--but we are uniquely qualified. We can roll out traditionally urban technologies in a rural setting because of our small size. We have all these closed-grids whether we're talking about Lāna`i, and Moloka`i, Hana, even West Maui to an extent. And our characteristics and our progressive and cultural lifestyle and temperament, it all just kind of leads into this, and we have this opportunity right now. And this is just. . .kind of what it would look like if we had this, you know, technology IoT system happening throughout our island, you know, so this. . .and we presented this again last August where you have the crowdsourcing, which we already have in East Maui, the crowd2cloud, using technology and then, of course, using the ESG standards. And actually, this is where I was going to stop today because, you know, the time situation. But basically, going into the next steps is deploying capital to make community needs which is what we got funded for this current year and basically talking about how do we actually move forward, develop opportunities for local control and direct benefit from productive assets, developing these opportunities for creating jobs, bringing in the investment and building these actual ESG models. So, just want to stop it there for today to leave a little bit of time for questions and come back again.

CHAIR SINENCI: Mahalo, Shay, and thank you for your guy's patience and for accommodating us with the shortened version, and we'll definitely have you guys come back on at a later time. But did we have any questions for our guests? We have a question from Member King.

COUNCILMEMBER KING: Thank you, Chair. Nice to see you, Shay, and et al., Gita and Imogen. Nice to meet you, Nichole. So, my question, just kind of looking at the big picture, what type of investment are we looking for and should we be focused on trying to get someone local to invest in it? Do we want somebody from outside of the County or even the State owning our water system? I just have those. . .you know, so what, what's your. . .kind of. . .what are your thoughts on the level of investment we're looking for? We're looking for one investor, many investors?

MS. CHAN HODGES: So, Imogen or Gita, do you want to take that?

MS. SWAMY: Sure, let me take the first pass at it. So, the idea, really, and this is something I really wish we could've gone through the whole presentation, but the idea is that we don't have someone from outside owning the water system as you put it, but we take an innovative approach where the County and the community, you know, together with potential outside investors collaboratively own it. So we create a stakeholder-owned entity and by creating, you know, stakeholder buy-in and stakeholder ownership, we're able to do a lot of things, you know, ranging from, of course, you know, making everyone a voice in the decision making, something that's historically been a challenge, to ensuring better economic participation, and to investing in technologies for the future. Now, assuming, you know, and because this would be a public-private partnership, it would take the onus of bearing the financial burdens away from the County and more in terms into the growing concern that would hold these particular assets or the rights to use these assets, actually, because it's a concession and, you know, distributed back

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to the community and the County. So let's assume hypothetically--and again this is, you know, just a hypothetical here, you know--you were to, you know, create an entity to essentially take over the running of the EMI and the, you know, Wailuku systems as a hypothetical, then we're talking about that entity, not the government, that entity raising well in excess of \$100 million not just to do the repairs and the infrastructure and etcetera, but to invest in the future. But it can very easily be something that could be, you know, basically a very lucrative business and paid back to the stakeholders over time. Does that sort of answer the question? I don't know. Shay, Imogen, do you want to add anything?

COUNCILMEMBER KING: Kind of. Is it. . .I mean, what you're envisioning. . .is it sort of like a co-op? When I think of utility co-ops, I think of KIUC. . .you know, all of our utilities are owned by HECO, except the one on Kaua'i, and then all the ratepayers are considered the owners. So, you know, if there's money left over, they get a rebate, but I don't know that they, all the ratepayers have invested in it. So, you know, just kind of wondering how that model fits together if you got a unique entity that's newly created, that's, you know, local people, and possibly mainland people or corporations putting in \$800 million, then you can't really make all the ratepayers the owners, I'm assuming, because the people who invested in it are going to want the profit. So, how does that work?

MS. SWAMY: Right. So, that's why as I said, it's stakeholder owned. The community is really more of a founder if you will--if you think about it. So, if you were going to do, you know, a classical startup, they're the people who, you know, initially start and those are the founders, and then outside investors invest in it and then there's dilution, you know, that comes in. But there's a very good precedent on this and I think when we go over the slides the next time around, we can talk about it. . . .*(inaudible)*. . .

COUNCILMEMBER KING: Okay, and then you see. . .*(inaudible)*. . .and you see, basically, the scope of what we're looking at, something like around 800 million?

MS. SWAMY: No, I said over a 100 million, probably 150 to 200 million.

COUNCILMEMBER KING: Oh, you said over 100 million. I thought you said 800.

MS. SWAMY: Yeah, yeah, I would say 200 million is probably a good number, but then that would in cap..., you know, take multiple of these systems in and invest, not just invest in the infrastructure but invest in things like, you know, energy, etcetera, you know, solar, wind, those kinds of projects, and, you know, together with agricultural, use of the agricultural land, etcetera, and many more innovative manners, etcetera. So, I think if you were to go all the way. But the good news about it is there is a compelling business model around it and, you know, there is a way of essentially aligning all these stakeholder incentives. I mean, you know, we'll talk about the case studies next time around, but there's a very good example of how the New Zealand government has done this with the Maori community and the dairy farms, and it's immensely profitable. It was done exactly like this. It's a public-private partnership. Today, it's doing 250 million in revenues. It's extremely profitable and is returning back to the



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community, the Maori community. So and most importantly by making the community a stakeholder, their able to actually influence it using traditional mechanisms. So, the idea is to use well-established practice that has been used in other places, use a combination of them to achieve the broader ESG goals.

MS. CHAN HODGES: And actually, I'm sorry, Gita, I'm sorry to interrupt. I just want to tell Councilmember King, that's actually what the rest of our slideshow is specifically about, is to answer all of those questions.

MS. SWAMY: That's it.

MS. CHAN HODGES: So, we were trying to avoid, not because we don't want to talk about it. I guess we thought you folks were tired and would rather hear it in the next meeting but, yeah.

COUNCILMEMBER KING: Well, okay. Okay. Well, yeah, that answers some of my questions 'cause I kind of got an idea of the scope of what you're looking at.

MS. CHAN HODGES: Well, and you folks should have the power, the full PowerPoint--I believe it gets sent to you--so you can look at the rest of it too. I mean, obviously it's better when we're presenting it, but that should answer some of your questions too.

COUNCILMEMBER KING: Okay.

MS. ROSE-SMITH: And if I can just make. . .if I can just make one point on that as well, which is that the point of the structuring part and the point of having these ESG standards and these ESG goals is that then it should, in theory, matter less where the capital comes from and more that the capital is value aligned with the overall objectives of the community. And that going into this they know, okay, this is, you know, water's going to be returned to the spring; these are the things that are going to happen; this is going to be part of the business; and that it's sort of baked into the company DNA. So even if down the road, you know, when let's say the initial investor decides to exit, that there's no way that say, you know, a private equity company could come in that is not value aligned and turn things around. So, the idea is to sort of set the structure up in such a way that the incentives of the community, the incentives of the capital providers and everyone's are aligned so that the value is always maintained.

COUNCILMEMBER KING: Okay, and that results also in what they call patient monies so you're not bringing people onboard who are looking for their million dollar return the next year. They're going to see this through to the goals of the actual project.

MS. ROSE-SMITH: Exactly. . . *(inaudible)*. . . The caveat here is that, you know, for this to work for commercial outside investors. . .and, frankly, you want it to work for commercial outside investors because you want to raise, you know, again from the model, the modeling that we've done so that each water project looks like you've already need, let's call it \$75 million, to do it, you know, for it to work that has to. . .the business has to work, right? There has to be an economic incentive. It doesn't have to be, how

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can I make the most money out of this system possible? But the investor has to have some expectation that they're going to make some money and they also, and again, we'll go into this in more detail later--and I promise, Shay, I'll stop after this--you know, that they have to know that the rules of the road aren't suddenly going to change on them. Then when the capital goes in, you know, four years--if they're going to be patient investors, then they want to know five years down the road if somewhere it's going to be changed on me and the government's going to come in and like mess stuff up, right? So, that's why again, you'll see in the presentation when we can, if we can come back and talk about this more, that it gets set up at the beginning and importantly--and then I really will stop--you know, these conversations happen with the community to establish: what are these structures, what are these rules of the right, what are the things the community is going to value? So, for example, if the community is going to value, you know, lending to small farmers, how is that baked in? And then once that's set up, then you move to the next stage, which is capitalizing the *(inaudible)*.

COUNCILMEMBER KING: Okay, so, yeah--

MS. ROSE-SMITH: Now I'll stop.

COUNCILMEMBER KING: --I'm just bring it up so that whereas another Administration could come in four years later and change it all.

MS. ROSE-SMITH: Exactly.

COUNCILMEMBER KING: There's got to be something--

MS. ROSE-SMITH: Or, or on the other hand, that a different investor can't come in and change it all.

COUNCILMEMBER KING: Right.

MS. ROSE-SMITH: Right say you. . .to the extent that you can, you set this up so that it is a functioning entity going forward, which again, is also why it has to ensure that it makes money to be profitable so that, you know, the wheels continue to turn.

COUNCILMEMBER KING: Okay. Well, I could probably sit here and talk to you forever, but I'll yield my time because there's other people who want to ask questions. Thank you.

CHAIR SINENCI: Okay, yeah. Thank you, Member King. We want to get some questions in from the other Members. I see Member Paltin had a question.

COUNCILMEMBER PALTIN: Thanks, I have two questions. The first one is like when you said about the governments not going to change and Ms. Pahukoa's testimony earlier like the mechanism by which United States claims Hawai'i is one, you know, joint resolution of Congress is in a treaty of annexation and, I guess, the other one is, you know, about being divisive and listening to the community. There is a large segment of the population in Maui that does not trust 5G technologies and the Internet of Things, and if we just

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say that, you know, it's only going to stay in the watershed or it's not going to be used to attract like what brand of soda folks want, like, how do you ensure that this type of technology isn't going to be used in such a way like once you let it in and the network is there like, you know, diapers, condoms, whatever.

MS. CHAN HODGES: Okay, I think I can answer this. So, a big. . .and actually I know exactly what Kamalani was referring to in the TIG report, because I wrote it. But so, yeah, so there are a lot of issues related not just with the actual ownership of the water system and the land and, of course, who's community, right? And then what does the community actually want? So, and again, that would've been my like two slides in from where we are now. But the very first step and, to me, and the secret sauce, there's the beginning and there's the end. There's the community engagement in the beginning where the community has to determine what they want and then you have the end, which is the transparency and auditing so that when everything that was decided and all the stuff that was done, it can be tracked so that we know that it's really happening the way it's supposed to be, right? So, you have to have those both ends. But the first step, the absolute 100 percent first step, whether we're talking Wailuku, whether we're talking about EMI, whether we're talking about other systems, is the community engagement and that is a huge part and, you know, I know Kelly talked about KIUC and I know there's a big project that recently happened with AES and the solar over there, that community engagement piece--and I was talking to Mimi, liaison for AES the other day, they're also very interested in that piece, right? Everybody, even big corporations want to get it right, I mean, to the extent that it, you know. . .or some do because they're going to have to pay for it somewhere along the line, right? The community's going to come out and complain. It's, it's. . .some are fine with it, let, you know, let the people complain or we'll just throw money at this problem or that problem. But if they really want to be effective and they really do care about ESG, they want to get the community engagement right and that is definitely heart, there's no question. So one of the things that we want to propose when we go through this is to have a very robust community engagement process that would start basically now where, you know, the Ko'olau folks, the Kahakuloa folks, all, you know, bring in all the people, go out to their communities and start saying, what do we want this system to do? What do we not want it to do? What kinds of innovation are we willing to have? What kind are we not willing to have? And then of course Who is we, right, when we're talking about the community and the system serving the community. Are we just talking about people who live along the system, people who are served by the system? The whole island? So, it. . .that's a super important question that definitely needs to, is key to the whole process.

MS. ROSE-SMITH: I have a couple of add-ons to that. And again, if we have time, Gita can certainly speak to the technology and the governance side better than I can. But I think one of the key differences here, and this is really, really important to stress, is that the model we're proposing doesn't consider community engagement or the community just to be kind of like an obligation that has to be got through, right? That you have to get enough buy-in to get your permits to be able to do what you want to do. Like, the model that (*inaudible*) sees value in the community engagement and values community knowledge, like Gita was referring to sort of like a VC model where the communities are the founder, that the capital that the community is bringing to the conversation is

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actually really important. So, the community input including the community concerns and the objections are really important in addition by being an owner in the eventual entity it--again, this isn't sort of a check box exercise or a token of some exercise, right? The community has recourse. So, in the event that the community says, you know what, we're really concerned about this technology. We don't want it monitoring everything we do. As an owner in the corporate entity and presumably a board member, that's something that the community can do something about and it can seek to ensure that like, you know, the technology remains just monitoring the streams and its' not monitoring, you know, what everyone's had for dinner or whatever it is. So, that's actually it's not--you're not powerless within the system and there's a way to bring these grievances and bring these concerns to the corporate entity.

MS. SWAMY: I think that one point I will make is that by becoming an owner, the community then takes on--I mean, they get, they take on the responsibility of making that trade off. I mean, this is where your own, you know, your notion of what is--how much do you want to make? How much do you want to get in terms of dividends? And trading that off with, No, wait, I don't want to do this which is wrong and, you know, the idea is to use established means of influence and that's, you know, having shareholders is an established way of communicating. So, we're trying to basically, you know, do something innovative but do it using established, well-pride, you know, demonstrated mechanisms that exist around the world. Public-private partnerships exist, you know, they have been used for everything from the Indiana toll road onwards, you know. Community-owned companies and cooperatives exist. They have been used for, you know, everything from dairy farms to utilities, and corporations exist. Those corporate mechanisms exist. They have been used for almost all business in the United States. So, we're not using mechanisms that are new. We are doing things which are tried and true, but we're combining them to come up with an innovative solution that is customized for Maui community.

CHAIR SINENCI: We have some other--

COUNCILMEMBER PALTIN: Thank you, thank you, Chair. I'll yield to my colleagues.

CHAIR SINENCI: Thank you. Mahalo, Member Paltin. We have a question from Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair, and mahalo for the presentation, everyone. I look forward to seeing the second half of the presentation and so I, I. . .what I'm hearing and it's becoming more and more familiar, which is exciting and encouraging, is that shift that the community has. . .now has the opportunity to make. The Moloka'i community just established a community co-op or energy co-op, and one of the co-op members have been so customed to having projects imposed upon us on the Moloka'i community that it's taken a little time and some of the members haven't even realized that we're not playing defense with this project, with this co-op, that this co-op belongs to the community and it's the community that controls the decisions; and for so long this hasn't really been available to our community. And so, I know that it will take some time to make that shift which is, again, exciting to empower our

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community to have that kind of confidence in themselves to know that they will be the ones in control of decision making. Mahalo for proposing this model. I'm excited by it and I look forward to the second half of the presentation.

MS. CHAN HODGES: Thank you, Councilmember, and I did want to just mention that piece of making that transition is super important and you can't just sort of say to people, okay, go, do it. . .you know, not just because of the psychology, but going back to the different models we were talking about. There has to be an education component which is part of what we've built into this and actually part of what we're being funded for, for the rest of this year, is to continue to bring expertise in of the governance structures, financial structures so that. . .because the community, they have to feel confident too. They have to feel like they're not going to make some crazy mistake or whatever, that they know that this can work and these are the models. So, it is exciting.

CHAIR SINENCI: Mahalo, Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR SINENCI: Committee Vice-Chair Johnson, did you have any questions?

VICE-CHAIR JOHNSON: Thank you. I have a brief question and it's probably because I'm a freshman Councilmember. I don't know this. In one of your points in your presentation, Shay, you mention . . .*(inaudible)*. . .the County could apply for State leases? Is that correct?

MS. CHAN HODGES: Yes. The County can apply. I don't remember mentioning that, but they can apply for State leases. That was actually established last year by then-State Senator Kai Kahele, but in our--and again, we're going to present about this. But we would be--oh, I guess I see now where I said that, yeah, you were right. My husband confirmed it. Yeah, so you can and actually, you know, we'll talk about this in our next part of the presentation but part of this whole thing is the transition of, you know, the County purchasing it first, whether it's Wailuku or EMI, and then transitioning to the community-controlled entity and transferring those leases. But yes, my understanding is the County can apply for those leases.

VICE-CHAIR JOHNSON: Okay. That's. . .I just saw your point there. I was really interested. Oh, okay. That's all my questions there are, thank you.

MS. CHAN HODGES: Okay, thanks.

CHAIR SINENCI: Mahalo, Committee Vice-Chair Johnson. I see Member Molina still on and I don't know, he's been having some connectivity issues and I don't know if he had any questions. Member Molina.

COUNCILMEMBER MOLINA: Yeah, Chair, can you hear me okay?

CHAIR SINENCI: We can hear you.

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COUNCILMEMBER MOLINA: Okay. I'm not the voice from beyond, but I'm having some video issues here so. But, anyway if you'll permit me, I just have a couple of quick questions for our panelists. First of all, thank you for the information and the update. With regards to one of the slides that mentioned lack of transparency about conditions as well as legal restrictions and varied ownerships that need to be addressed, I guess maybe, Shay, if you can clarify that for me. Cite some specific examples.

MS. CHAN HODGES: Sure. You know, with the EMI system, there's been a definite lack of transparency and I don't. . .and I hear as a member of the Water Board, so I kind of. . .and I'm not sure quite how to talk about it, but we also know with the Wailuku Water Company as well. And, you know, again from the financial perspective when we're talking about investment or how much to spend on this system or what we want to do with this system, you can't really address that if you don't have an engineering assessment and information about the condition of the system--and, of course, EMI is 75 miles long, so it's extremely complicated. I think Wailuku, less so but, you know, any kind of due diligence requires that kind of information, and the community definitely feels like they don't have it.

COUNCILMEMBER MOLINA: Okay, thank you, good points to make. And my question for Ms. Swamy or Ms. Rose-Smith, I looked at the ESG site and looked at some other municipalities that have ESG, is there any municipality or community that has something that Maui could be modeled off of?

MS. ROSE-SMITH: It depends on what you mean by that. You know as Gita was referencing earlier what we're doing--what we're proposing Maui do is really building off a lot of different ideas that have been successful. So, in that regards we're taking models from numerous places, some of them in North America, some in other places around the world. There are states and municipalities within the U.S. that have had a lot of success with ESG investment and ESG models, and sort of the best known one is the Washington DC water bond where they issued a bond for. . .and it's basically for rain water runoff and sanitation, and that was a paid success bond. . .*(inaudible)*. . . So there's something called Special Finance Bonds that have been quite popular. The state of Massachusetts used them quite extensively with some success. So, there definitely are states and municipalities that have really embraced sort of ESG as a financing mechanism. What this intended to find is that you don't need to overcomplicate these things. That the tools that we already have, you don't need to create--you can create a green bond, and so many green bonds have been issued, but you don't need to create a special whizzy impact bond to specialists to achieve kind of what you already have in your state financing pockets. But there are examples out there. But, again, to Maui and Hawai'i are some ways uniquely positioned to bring a lot of this innovation and ingenuity together and be. . .and sort of be a showcase for sort of the best in process out there.

COUNCILMEMBER MOLINA: Okay, thank you very much for that. Yeah, I was. . .my curiosity was being motivated as I looked at the Niskayuna, New York example, and so, it was

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really neat how all of these various *(inaudible)* are using this process. So, thank you very much. Thank you, Chair.

MS. SWAMY: I actually want to add one point to what had mentioned. . .*(inaudible)*. . .is that one should distinguish between ESG as in tapping sources that are interested in making ESG investments, and ESG as successfully creating models that deliver the kind of impact, ESG impact, that you want. You know, and I think what we're saying is, even by using existing mechanisms, we're able to deliver the impact. For instance, just by making all. . .the community a stakeholder, making them a shareholder in the entity that is going to execute of this, we have essentially created economic participation and we've created governance mechanisms. So we've create. . .we've actually achieved multiple ESG goals by structuring it right. So, that's one component to it and then the second component is because when it's able to achieve these ESG goals, we have a very good case for going out to investors that want and seek to implement ESG investments. Does that sort of clarify the point?

COUNCILMEMBER MOLINA: Yes, definitely, it helps. Thank you very much. Thank you, Chair.

CHAIR SINENCI: Mahalo, Member Molina. Okay, it looks like we may be losing quorum at five o'clock and I didn't want to keep Members after five. So we can table some of our discussion for our next time we can meet with Shay and Ian and when we can deliver the second half of your presentation. As Shay had mentioned, the County has supported the Ahupua`a Summit and ESG Investment Conference last year. So, this information has grown to some of the work that IoTask, the Ko`olau Watershed Project, and particularly in anticipation of the upcoming budget, potential water systems acquisitions, and the Water Use Development Plan, these are just some of the issues that will be coming for us and coming in the APT Committee. So, we just kind of wanted to throw out the palu little bit about looking down the line and recognizing some of the. . .our stakeholders who have put in the work in presenting this information to us. So, with that, Members, I did want to mahalo, Dr. Gita and Imogen, for staying on late with us. We're early in Hana, in Hawai'i, but we look forward to more meetings with you guys. Also, Shay and Ian Chan Hodges and Ms. Nichole Inouye-Nohara. So, again, mahalo for this presentation and we'll reschedule you guys on the next committee meetings. Member King?

COUNCILMEMBER KING: Yeah, Chair, thank you for putting this together. I think it's really great that it's becoming more real and more important to people as this ESG idea focuses around our water systems, and I just wondered if we, do we. . .is there another event coming up, Shay or Ian, as far as the ESG, you know, that'll get, that'll bring the community into focus around it? So, I think a lot of people were having a hard time, first of all, grasping the ESG concept and then once they did, it was like, how does that matter to me? But now they we're talking specifically about the water systems, I think people can understand and be a little more engaged in it because it is going to matter to all of us. But do we have another event?

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MS. CHAN HODGES: Yeah. Well, we have to--oh, oops, I don't know why I'm, feedback--but we can't do another summit obviously anytime soon, but we do as part of this particular contract we have with the County is we have something called Ahupua`a Summit 2.0 which has been a series of panels. We did one about private equity, actually Representative Tina Wildberger moderated that in November and so we have more planned and we can certainly do one specific about water. We were kind of waiting 'til we presented to you folks, but then, yeah, we definitely have it on our agenda to do about three or four more of these panels that, I believe, that we always invite you to, but I'll make sure you get the invitation. If we don't--

COUNCILMEMBER KING: Well, I think they said virtual, you know, it's a . . . virtual is an opportunity, you know, to bring a lot of people in from the greater Maui County to understand how this whole concept and maybe looking for investors is linked in to getting more local control of our water systems.

MS. CHAN HODGES: Well, and you're right, the Zoom panels actually in some ways reach more people. The panel we did in November with Representative Wildberger, you know, we had maybe 50 people at the time, but then on Facebook it was about, I think, three or 400 people actually. I don't know if they watched the whole thing, but ultimately thought. . . so that. . . and that was a lot. And again, you're right, it is not easy to just grasp instantly the information, it's pretty complex, but once people get it, it's cool.

COUNCILMEMBER KING: Okay. Well, it was a great discussion. Thank you, Chair, for putting this together.

CHAIR SINENCI: Mahalo, Member King. Yeah, it's a great beginning of discussion. Again, mahalo, for joining us today and see you guys next time. Mahalo for being on. Aloha.

ALL: Mahalo. Aloha.

CHAIR SINENCI: Okay, Members, if there are no objections, the Chair would like to defer Item 51, Water Delivery Systems.

COUNCILMEMBERS: No Objections.

**COUNCILMEMBERS VOICED NO OBJECTIONS.**

**ACTION: DEFER pending further discussion.**

CHAIR SINENCI: Okay--

COUNCILMEMBER RAWLINS-FERNANDEZ: No objections.

CHAIR SINENCI: --and then as a reminder--mahalo--as a reminder, our first item APT-1(1), Microgrants, was posted as a 7(B) item and posted for no legislative action.



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So, Members, that brings us to the end of our agenda. Thank you guys for staying an extra--I might have. . .now I owe you guys lunch. But mahalo again to Members, Administration, our resource people today. And just for your information, we are agendizing [sic] the Water Use Development Plan in the next successive meetings in the APT Committee. As to the process to complete the plan, we've been meeting with the Department and finishing up with Aha Moku meetings with the representatives. So. . .but we can have that discussion on February 16. Again, thanks for joining in. It is. . .I have 4:57 p.m. and with that, APT Committee of Tuesday, February 2, 2021 is now adjourned. Mahalo, everybody. . . . (*gavel*) . . .

**ADJOURN:** 4:57 p.m.

APPROVED:



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SHANE M. SINENCI, Chair  
Agriculture and Public Trust Committee

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Transcribed by: Keoni Shirota