

INFRASTRUCTURE AND TRANSPORTATION COMMITTEE

Council of the County of Maui

MINUTES

June 6, 2022

Online Via BlueJeans

CONVENE: 9:06 a.m.

PRESENT: VOTING MEMBERS:

Councilmember Yuki Lei K. Sugimura, Chair
Councilmember Kelly Takaya King
Councilmember Alice L. Lee
Councilmember Michael J. Molina (Out 11:00 a.m.)
Councilmember Tamara Paltin

NON-VOTING MEMBERS:

Councilmember Gabe Johnson (In 10:32 a.m.)

EXCUSED: VOTING MEMBERS:

Councilmember Tasha Kama, Vice-Chair
Councilmember Keani N.W. Rawlins-Fernandez

STAFF:

Laksmi Abraham, Legislative Analyst
Lesley Milner, Legislative Analyst
Brittney Sunderland, Legislative Analyst
James Forrest, Legislative Attorney
Clarita Balala, Committee Secretary
Lenora Dinneen, Council Services Assistant Clerk
Jean Pokipala, Council Services Assistant Clerk

Mavis Oliveira, Council Aide, East Maui District Office
Denise Fernandez, Council Aide, Lanai District Office
Zhantell Lindo, Council Aide, Molokai District Office
Daniel Kanahele, Council Aide, South Maui District Office

Roxanne Morita, Executive Assistant to Councilmember Gabe Johnson
Evan Dust, Executive Assistant to Councilmember Tasha Kama
Davideane Kama-Sickels, Executive Assistant to Councilmember
Tasha Kama

Lois Whitney, Executive Assistant to Councilmember Tasha Kama
Axel Beers, Executive Assistant to Councilmember Kelly Takaya King
Ellen McKinley, Executive Assistant to Councilmember Kelly Takaya King
Sarah Sexton, Executive Assistant to Councilmember Kelly Takaya King
Laura McDowell, Executive Assistant to Councilmember Michael J. Molina
Kainoa Kaumeheiwa-Rego, Executive Assistant to Councilmember
Keani N.W. Rawlins-Fernandez

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Sarah Pajimola, Executive Assistant to Councilmember
Keani N.W. Rawlins-Fernandez

ADMIN.: Richelle Thomson, First Deputy Corporation Counsel, Department of the
Corporation Counsel
Stephanie Chen, Deputy Corporation Counsel, Department of the
Corporation Counsel
Eric Nakagawa, Director, Department of Environmental Management
Scott Rollins, Wastewater Reclamation Division Chief, Department of
Environmental Management
Linda Munsell, Deputy Director, Department of Housing and Human
Concerns

OTHERS: Elle Cochran (IT-36)
Howard "Howie" Kihune, President, Aina Lani Pacific LLC (IT-1(7))
Sandra Duvauchelle, Lehua Builders, Inc. (IT-1(7))

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

CHAIR SUGIMURA: . . .*(gavel)*. . . Good morning, everybody. Welcome to the Infrastructure Transportation Committee meeting. I am in the Chambers with Mr. Molina and Ms. Kelly King for our meeting this morning. And it is now 9:06 a.m. And this morning's meeting we also have...oh, thank you. Okay. This morning's meeting, we also have Kelly King. Good morning, Kelly King.

COUNCILMEMBER KING: Aloha kakahiaka, and let me see if I can find our greeting of the day. I don't see it in the chat, so I will have to wait until our Chair Alice Lee comes on. But I'm happy to be here in the Chambers, and we have no testifiers at the South Maui District Office.

CHAIR SUGIMURA: Thank you. I will go to Chair Lee next. Chair Lee, good morning.

COUNCILMEMBER LEE: Good morning, Madam Chair. Konnichiwa. Yes, an easy one for Member King. I'm here alone in my workspace, and looking forward to your meeting. Good morning.

CHAIR SUGIMURA: Konnichiwa. And the next Member we have is Mike Molina in the Chambers. Good morning and konnichiwa.

COUNCILMEMBER MOLINA: Aloha and konnichiwa, Madam Chair. A pleasure to be here on this Monday morning. For the record, I am of course transmitting out of the Council Chambers here in Wailuku with you, as well as Councilmember King. And we have no testifiers at the Pā'ia District Office at the moment. Looking forward to a wonderful morning. Aloha, Madam Chair.

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CHAIR SUGIMURA: Thank you, Mr. Molina. Next we have Tamara Paltin from West Maui. Konnichiwa.

COUNCILMEMBER PALTIN: Konnichiwa, ohayo gozaimasu, aloha kakahiaka kākou. Transmitting live and direct from the West Maui District Office here in Historic Lāhainā Town where there are many people getting married today. I have...we already had three folks stop by. I have with me my EA Angela Lucero and District Office Aide Christian Balagso. And we have no testifiers, but a lot of marriages going on.

CHAIR SUGIMURA: It sounds like there's a lot happening in West Maui. Good morning, everybody. We have...Tasha Kama is excused today. Keani Rawlins-Fernandez, I guess I haven't heard so she's probably going to be logging in. Non-Voting Members are Councilmember Shane Sinenci and Gabe Johnson. They're welcome to join us. From Corp. Counsel, our new Corp. Counsel person is Stephanie Chen. Our...from Department of Environmental Management, for our item regarding the grit system, we have Eric Nakagawa, the Director. And Department of Finance Scott Teruya or May-Anne Alibin. And with the Department of Housing and Human Concerns, Lori Tzuhako or Linda Munsell will be with us. And outside resource persons, Mahina Martin from Hawaiian Electric was trying to readjust her schedule, but was not able to join us. But we have today Howie Kihune from the project with the...the affordable housing project in Haliimaile. Committee Staff, thank you very much for always helping us. Clarita Balala, Committee Secretary; Laks Abraham, Lesley Milner, James Forrest as...as Legislative Attorney, and Lei Dinneen is Council Services Assistant Clerk. Thank you, everybody, for attending today's meeting. We have two items on the agenda today. IT-36, Wastewater Infrastructure Needs, which is about the environmental...which is about the grit system for the wastewater system that is needed and the funding for it. And the second item is Infrastructure for Hoku'ula Housing Development, and that's 9.5...950,000 for their project for infrastructure. Do we have any testifiers?

MS. ABRAHAM: Chair Sugimura, we have two testifiers.

CHAIR SUGIMURA: Okay, great. Testimony will be taken, and oral testimony can be either via phone or video conference will be accepted. Also, as noted on today's agenda, in-person testimony will be accepted in the Council Chambers and at six courtesy testimony sites. It doesn't look like we have any testifiers at the testimony sites, and we have no testifiers here in the Chamber. Testimony wanting to provide...testifiers wanting to provide video testimony should join the online meeting via the BlueJeans meeting link, bluejeans.com/886005668, as noted on today's agenda. And testifiers wanting to provide audio testimony should dial 408-915-6290 and enter meeting code 886 005 668, as noted on today's agenda. Written testimony is highly encouraged and can be downloaded [sic] into eComment link on mauicounty.us. Individuals are free to provide testimony via eComment as many agendas items as...on as many agenda items as they would like. Instructions on how to submit testimony via eComment can also be found on mauicounty.us/ecomment. Now, let's move on to oral testimony. Oral testimony will be limited to three minutes per item, and if you are still testifying beyond that time, you'll be kindly asked to finish your testimony. When testifying, please state

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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 Committee meeting. Chat should not be used to provide testimony or chat with other testifiers. And if you're here to provide testimony, please be courteous to others by turning off your video and muting your microphone while waiting for your turn to testify. I remind Committee Members, Administration, and the public, please be patient as we run into...as we may run into technology issues. As a reminder, you may also view this meeting on *Akakū* Channel 53, Facebook Live, or visit mauicounty.us/agendas. Now, let's proceed with public testimony. Staff, could you call the testifiers?

MS. ABRAHAM: Our first testifier is Elle Cochran, to be followed by Howard Kihune. And Ms. Cochran, if you'd please unmute yourself and proceed with your testimony.

. . . BEGIN PUBLIC TESTIMONY . . .

MS. COCHRAN: All right. Am I on? Hello?

CHAIR SUGIMURA: Yes.

MS. COCHRAN: Am I here? Hi. Good morning, Members, Committee Members. And I'm testifying on IT-36. I sent in written to Committee and also to this agenda item, but let me read this. So aloha, IT Committee Members. Please take the time to thoroughly review the past historical information on the Kihei grit facility item. This item, as far as I can figure out, was CC 18-167. It goes back to my last...last Budget Session in 2018 on the Council. This item was very contentious at the budget level due to the fact that it wasn't needed to be done, and especially not at the \$13 million price tag. I had thorough discussions via my Infrastructure and Environmental Committee, IEM meetings, and at this time I can't find any videos in Legistar. There was a study done that explained that the job only needed to be done every couple of years, if that, and should only cost a couple hundred thousand dollars at the most. My question then was why the DEM Department was asking for such an astronomical amount of money, and the Budget Chair, then Riki Hokama, was supporting it. At the same time, there were numerous items being purchased by DEM through the same sole-source company, H2O Process, which is owned by Milton Choy--we've seen the headline news--this project was going to be done by. These items added up to millions of dollars, were not being used for reasons being like the wrong size bought or the plant not having proper voltage to run the actual equipment. And...and let me see, sorry...and as far as I know, these items are still in boxes not being used today. During my IEM Committee, DEM brought to their...brought in their workers from the Kihei facility to explain that it was a safety issue, yet the study explained it was...it was a job done every two years or so. The grit settled in the basin and is removed by a vacuum truck. The process is not a major production, and pose no serious threat to anyone's safety. Therefore, to spend multimillions of dollars on a grit facility is not a high priority, especially in today's world, and we're with more pressing issues. The most recent reports in your IT Committee state that priorities must be focused on upgrades to the expansion of the R-1 recycled water use towards the Wailea-Mākena area, and upgrade the UV treatment capabilities

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of the injected water down the wells, which are at best R-3 treatment in Kīhei, or very heavily chlorinated at the Kahului plant. These processes have contributed to adverse environmental effects on water quality in our nearshore waters. Please spend our money more wisely, help prevent us, your constituents and taxpayers, from going through the horribly expensive mistake of litigation that the West Maui Wastewater Treatment Plant went through. Please do the right thing in protecting our marine ecosystems . . . *(timer sounds)* . . . and environment for the future generations. Mahalo for your time and consideration. And lastly, real quickly, I've never seen any CIP projects ever in the history of the budget cycle get cheaper as the years go by, ever. This project started at 13 million, I believe it went to 6.5 million, and now there's a budget amendment asking for \$4 million. So I'd like to see how this project has dropped down in cost after all these years. And that's my testimony this morning. Thank you very much.

CHAIR SUGIMURA: Thank you, Ms. Cochran. It's nice to see you with your aloha. And --

MS. COCHRAN: Of course, always.

CHAIR SUGIMURA: -- in leis with flowers in your hair. And --

MS. COCHRAN: Thank you.

CHAIR SUGIMURA: -- yes, we do remember this when you were in the...the Chair's position for this Committee. So thank you for your good work on this and staying on top of it. And we can have your questions answered when...we're going to have Director Nakagawa come forward, and when --

MS. COCHRAN: Good.

CHAIR SUGIMURA: -- we bring this item up. So anybody else have --

MS. COCHRAN: All right.

CHAIR SUGIMURA: -- any questions for Ms. Cochran? Kelly King?

MS. COCHRAN: Oh, I can't hear. Wait, you're muted.

COUNCILMEMBER KING: Okay. Can you hear me now?

MS. COCHRAN: Okay. There. Yeah.

COUNCILMEMBER KING: Thank you for being here. I really appreciate your testimony, and we had that shared experience back in 2018 with this item. I just wondered if there were no...because Ms. Cochran was the Chair of the Committee that was overseeing this project, if we could ask her, if there's no objections, to be a resource. I'm assuming we're going to have a presentation, Chair?

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CHAIR SUGIMURA: We'll hear from the Department. Would you like to do that? I know you're always busy, but welcome.

MS. COCHRAN: I...no, I...yeah, I...I'd love to participate. Yeah.

CHAIR SUGIMURA: Okay.

MS. COCHRAN: I feel like I have --

CHAIR SUGIMURA: Thank you.

MS. COCHRAN: -- some --

CHAIR SUGIMURA: If...if...

MS. COCHRAN: -- contributing background.

CHAIR SUGIMURA: If the Members don't mind, I'm going to...is that all right, Members, for Ms. Cochran to be a resource when this item comes up?

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR SUGIMURA: Thank you. No objections. Okay.

COUNCILMEMBER KING: Thank you, Chair.

CHAIR SUGIMURA: Any other questions for Ms. Cochran? Seeing none. Thank you very much, Elle. I guess hang around.

MS. COCHRAN: All right. I'll be here. Yeah, I'll be here.

CHAIR SUGIMURA: Thank you.

MS. COCHRAN: Thank you.

CHAIR SUGIMURA: Okay. Next testifier please.

MS. ABRAHAM: Our next testifier is Howie Kihune, and that is our last testifier.

CHAIR SUGIMURA: Okay. Mr. Kihune?

MR. KIHUNE: There we go. Do you hear me?

CHAIR SUGIMURA: Yeah, I can hear you.

MR. KIHUNE: Okay.

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CHAIR SUGIMURA: I actually wanted you to be a resource when the item comes up, but you're welcome to testify now also.

MR. KIHUNE: I appreciate it. Thank you, Chair Sugimura. And thank you, fellow Councilmembers. You know, we're continuing to try and help develop as much affordable work...workforce affordable...oh, I'm sorry, affordable workforce housing here in Maui County, and we continue to strive to...to continue, along with my business partner Sandy Duvauchelle. Since we started this project almost two years ago, our costs have...have almost gone up at least 50 percent on the entire project. Recently, we got our...our letter from Maui Electric for their part of the utilities as far as electrical for the project. The early estimates were basically about \$960,000 early on. They've grown to 1.94 for the project. We do all the...we do all the...the remaining of the work ourselves, and the total budget for our utilities is...as far as electrical is at 4.2 million. This project originally started out as a project...a subdivision that had only been required to do 15 percent of the project as workforce housing. We took the project out to 100 percent, but about a year and a half ago, with the escalating costs, we had to move back to 50 percent. So we're delivering 98 workforce housing units, single-family, in a well-designed subdivision community. And the cost...the reason for that was because the cost. There is no way we can end up in the black if we had went 100 percent. We're...we're building and developing our own water source. We're also building and developing our own wastewater treatment system. And as you know, we're not getting much love as far as from the Water Department for water, so we...we had to go that direction. There is no wastewater treatment plant in the area, so we had to develop our own. But you know, our goal is to deliver as many workforce housing units as *(audio interference)*... So we humbly ask to help share some of the costs that MECO is requiring us to pay for the workforce, and we're asking for about 50 percent of those...those dollars that MECO has...has put forth for us to develop this project. Now, we're going underground for several reasons; aesthetics, but also for long-term...longevity of the project itself. We don't want the homeowners to have to be impacted with further costs should some things change over the next 10, 20, 30 years. So basically, again, we ask for the support. We think this is a great project. It's in a great location. It's nine minutes from town. And we're totally underway with the project, we go vertical starting in probably July or *(audio interference)*... So we're delivering first home . . . *(timer sounds)* . . from January of 2023. And I appreciate your time, and humbly ask for your support.

CHAIR SUGIMURA: Thank you. So I'm going to ask Mr. Kihune to still be our resource when this item comes up. But does anybody have any questions for him at this time? Kelly King?

COUNCILMEMBER KING: Yeah, just clarifying. Aloha, Mr. Kihune. I...I understand that you've been working on this project for a while. When was it started?

MR. KIHUNE: A couple years now, Ms. King. Yes, correct.

COUNCILMEMBER KING: Oh, okay. Okay. Well, a couple years isn't too bad, but I'm assuming that the cost increases were what we're all experiencing from COVID, the

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COVID shutdown. And you...you kind of trailed off, so I couldn't...I couldn't hear the...what you said would be the open...you know, the move in, first move-in date. 20...did you say 2024?

MR. KIHUNE: January...January 2023.

COUNCILMEMBER KING: '23. Oh, okay.

MR. KIHUNE: Yeah, basically about eight months from now.

COUNCILMEMBER KING: Oh, okay. Great. All right. And then so you're asking for 50 percent of the...you had originally intended to do underground utilities and then the price went up, is that what I'm hearing?

MR. KIHUNE: Yeah, we planned it that...from the beginning, but the cost have doubled since as far as MECO's...their cost as far as pulling in cable lead and everything else. So --

COUNCILMEMBER KING: Oh --

MR. KIHUNE: -- asking --

COUNCILMEMBER KING: -- okay. So...

MR. KIHUNE: -- for just...yeah. Go ahead, sorry.

COUNCILMEMBER KING: So you had 950,000 in your budget, and then it doubled?

MR. KIHUNE: Correct, yes.

COUNCILMEMBER KING: Oh, okay.

MR. KIHUNE: Originally had that on our budget.

COUNCILMEMBER KING: Okay. Understood. All right. Thank you. Thank you for your responses. Thank you, Chair.

MR. KIHUNE: You're welcome.

CHAIR SUGIMURA: Mr. Molina has questions.

COUNCILMEMBER MOLINA: Yes. Thank you very much, Chair. Just a quick clarifying question. Good morning, Mr. Kihune. And first of all, thank you for taking the initiative to do underground utilities to protect the view corridors in that area. Just real briefly, in detail, what is that costs so much to do these underground utilities? What's...where is the major cost in doing this?

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MR. KIHUNE: Well, between Maui Electric's cost to install and pull all of their lines and into the subdivision, we have to underground all the conduits, all the concrete boxes, that's all part of our...our commitment. So that cost to us is somewhere around 2.4 million alone.

CHAIR SUGIMURA: Wow.

MR. KIHUNE: So Maui Electric is totally separate. That's what they charge us to pull in all the power.

COUNCILMEMBER MOLINA: Okay. Thank you, Mr. Kihune. So I can certainly understand your perspective in trying to keep these homes in the...well, the workforce units in the affordable housing category. So it creates a lot of challenges for you, so anyway. And I look forward to when we get to the item for discussion. Thank you, Madam Chair.

CHAIR SUGIMURA: Thank you, Mr. Molina. Any other questions? Ms. Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Kihune, for your testimony. I don't recall voting on this project, and so I...I'm not sure on the spread of...I guess it's 196 units, 98 are affordable. I was wondering when the item comes up if you could share with us the details, like what AMIs, how many, what the price is. I did see the market rate, I believe, was 1.2 to 1.6 million. And I...I did notice that the...the outstanding views were a selling point. Is this undergrounding...in my correspondence with HELCO they said it was an optional expense, that most often they do power by pole because the...the cost is five to ten times more than an equivalent overhead route. So was this your guys' choice to do it underground, or did HELCO tell you that you have to do it underground?

MR. KIHUNE: No, it's a design...our...our design for the project, trying to create the best subdivision possible for all of the buyers, workforce and market. You got to understand that our cost to underground is 2.4, MECO is at 1.9. If we go to above ground, that money shifts to MECO. MECO's got to charge us to now put in all the poles, all the transformers and everything above ground. Right now, they're not absorbing that cost to go underground, we are. If it changes, all this will go on MECO side. MECO will now have to install every pole, every light, every line, every conduit, every transformer. Yeah. So that's basically where it's at. Right now, it's split. If it...if it moves to poles, then that will stay basically on MECO side, we have to pay that bill. It'll be almost the same amount of money.

COUNCILMEMBER PALTIN: Okay. The...the correspondence said it was approximately five to ten times more, but you're saying it'll be about the same?

MR. KIHUNE: It'll be almost the same. We're absorbing the underground utility as far as trenching, conduits, boxes, everything. MECO just pulls the line, that's their cost to pull the line, 1.9 million. If they have...if we put in poles, their...their engineering firm or their construction team will come in and do all the poles, all the lighting, all the conduits that have to go along with those poles. That will be coming under our

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construction budget. But we're still going to have to pay for it, it'll be...it'll be their bill. Yeah. So what we're trying to do is absorb some of this and keep it underground.

COUNCILMEMBER PALTIN: Okay. All right. I...I still don't quite understand how it...it's not...it's not costing less to do power by pole based on the response that we got from HELCO.

MR. KIHUNE: I don't know what that response was, but if...again, if we go to straight poles, there are over a hundred-something poles that'll be in this subdivision, if we go above ground. Right now, there's not one pole if we stay underground. All there will be will be 62 light standards for lighting in the subdivision. We reduced lighting by almost 50 percent to minimize with regards to what's going on with the Lighting Code that you guys are looking at currently. So we're trying to make sure we be good neighbors. But again, if we were to go above ground, we'd have over 100 poles in the subdivision.

COUNCILMEMBER PALTIN: Okay. Thank you.

CHAIR SUGIMURA: Okay. Thank you. Thank you very much. Members, Mr. Kihune submitted...and I've asked Staff if they could download [sic] his letter that he got from Jay Hashimoto of engineer...Coffman Engineers from Hawaiian Electric. And that's your engineer. Hawaiian Electric sent him a letter. He has a letter from their company, Hoku'ula, regarding this request, as well as a map of their subdivision. So there's information that's going to be downloaded [sic]. Laks, is that going to be...okay, it's going to be on Granicus, as well as the response from Mahina Martin and Matt McNeff regarding Tamara Paltin's questions on undergrounding versus poles for the subdivision. So that should all be in Granicus for you to look at. It's a lot of information, so maybe we'll take a short recess, you know, before we dive into this. Anybody have any other questions for Mr. Kihune? Seeing none. Okay. So do we have any more testifiers?

MS. ABRAHAM: We have no more testifiers at this time.

CHAIR SUGIMURA: Okay. So Members, I'm going to take up this item first and that's IT-36...I'm going to close public testimony and receive written testimony, which will be in Granicus, and that's all the documents primarily regarding the Hoku'ula project that I mentioned, that'll be in Granicus for you to look at. So with your permission I'm going to close public testimony and receive written testimony on this subject matters.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR SUGIMURA: Thank you very much. So I'm going to close public testimony. Thank you, Members.

. . . END OF PUBLIC TESTIMONY . . .

CHAIR SUGIMURA: Those testifiers and observers who logged in or called in, you may view the remainder of today's meeting on *Akakū* Channel 53, Facebook Live, or

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mauicounty.us/agendas, though both testifiers were asked to stay as resource. So if there are other people listening, that's the connection.

IT-36 WASTEWATER INFRASTRUCTURE NEEDS (CC 17-99)

CHAIR SUGIMURA: The first item on our agenda is IT-36, Wastewater Infrastructure Needs, and this item is about the grit system, which is Elle Cochran's concern that you heard her testify. So it is...it is Item IT-36, and we will receive information from Eric Nakagawa. And then the Committee may discuss matters related to the Kihei Wastewater Reclamation Facility grit system replacement project, including a study performed by Brown and Caldwell in 2018 recommending that the County continue to employ its status quo operations for grit removal. The Committee may also receive an update from the Department of Environmental Management and discuss related matters. No legislative action will be taken. I'm going to be taking this up at the Council meeting with Chair Lee. So Members, at this time, with...with your permission, we already have Elle Cochran standing by for this item, and I also wanted to ask Eric Nakagawa, if you could do...Eric Nakagawa, are you here? Yes. So Eric, could you talk about this project? And...and I don't know if you have a presentation on it.

MR. NAKAGAWA: Yes. Good morning, Chair, Members.

CHAIR SUGIMURA: Good morning.

MR. NAKAGAWA: Yeah, so Scott Rollins, Wastewater Division Chief, he'll...he's...he has a presentation, so why doesn't he start, and hopefully that'll --

CHAIR SUGIMURA: Okay.

MR. NAKAGAWA: -- answer --

CHAIR SUGIMURA: Scott Rollins.

MR. NAKAGAWA: -- answer any questions, and if not...

CHAIR SUGIMURA: Thank you very much. I'm glad you could make it.

MR. NAKAGAWA: Yeah. And if not, then we can answer questions after.

CHAIR SUGIMURA: Okay. Thank you.

MR. ROLLINS: Okay. Hi. Good morning, Chair and Councilmembers. I put together a quick presentation to explain what this project is about. I'll share my screen here. Never quite sure what you're seeing. I hope you see title sheet --

CHAIR SUGIMURA: Yes.

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MR. ROLLINS: -- for the presentation.

CHAIR SUGIMURA: We can see it.

MR. ROLLINS: This project...okay. This project started several years ago before I was involved in it. Eric was, I think, Division Chief at the time. They kind of scaled it down since that point in time to something more manageable, less technological. Why don't we go through it and just give you a background. First, Kihei process, grit removal is actually a second stage of the...of the...the process. First, we go through a screening process that takes out paper products, bigger objects, things like that. Grit takes out the heavier materials like sand, gravel, cinder, rock, eggshells, coffee grounds, things like that that get into the sewer system, things that don't need processing biologically. There currently is not an operating system in Kihei. Originally there was one when the plant was built in the '70s, but it became nonoperational and our decision at the time was to let it flow through, and that grit ends up settling out in the basins downstream of...of the grit removal area. The old system was very mechanical, needed a lot of maintenance, and costed us a lot of time. Once that grit gets past our...our removal basin, it ends up in the aeration basins, and I don't know if you've ever seen aeration basins when they're empty, but there's a lot of piping and diffusers at the bottom that let air up through the...through the tank. When that grit starts to grow, it covers that piping, it covers those diffusers, and taking it out can be kind of difficult. We usually have to end up taking out the piping and the diffusers to...to actually clean out the basin. This is just a quick schematic of the plant. You can see up on top here, this is the headworks where the force mains come in from Kalama Park and the Tech Park, runs through the screening, runs through the headworks, and then runs through all our other processes; the aeration basins, the clarifiers, filtration, UV, et cetera. But it's...it's at the beginning of the...of the process up here. So zeroed into the headworks here, see how it comes in on the...the side over here. This is where the force mains come in, and this is where we have screens set up, through screenings that then goes to this basin, which would be the...the grit chamber. Getting grit out. The thing about getting grit out is you want it to settle. So...so what we've done, we've gone to a less...less high-tech method with...with this iteration of the project. We're going to use air. If you've ever been in the ocean in whitewater, you...you understand how it's hard to swim when you're in whitewater, you...you can't have any force. Heavy objects fall to the bottom, and that's what we kind of are going to use in this system. And yes, we'll still have piping at the bottom, we'll still have a few diffusers, but it's going to be nine instead of a grid and a whole bunch of pipes at the end, so it'll be pretty easy to...to remove and replace when we're done. The larger aeration basins downstream are about 900,000 gallons each, where this would be about 100,000 gallons. A lot easier to...to clean one tank every four or five months rather than a huge tank every...every two to four years. We've had basins down in Kahului now for almost a couple months trying to get the grit out of them. It's become a big project and has been very hard on our equipment. As Elle said earlier, we use a vac truck for some of it, but you know, that sand and grit is...is really abrasive and is difficult or is really hard on the equipment that we're using. Also, you have people down there with shovels removing everything, and you also have to dry off the grit before it gets taken to the treatment plant, right, so we need an area...a large area in order to dry that grit out before it can be hauled away. This...this is one of the

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few pictures I could find, you see all the grit accumulates in a basin. Even the small basin here is...is difficult to get into and...and clean the way we used it with a Vactor truck. So you can imagine how a bigger, deeper tank would be even more difficult to get out. It takes a lot of people to do. Like I say, we've been working down at Kahului plant for a couple months now to clean out our big aeration basins. A lot of overtime spent with our guys down there. It'd be a lot simpler if we had a smaller basin that would only take a week or...or less to get cleaned out and taken care of. Like I said, we looked at maintenance. Frequency is a big thing, and then we have to displace the wastewater flow when we take out a basin, right, and as we get more and more flows into our basins, into the treatment plant, it gets more and more difficult to take down those big basins. So you don't want to do it quite as frequently. And when you take down a basin, you have to reestablish the process once you bring it back online, so that's an issue. In Kihei, since we have R-1 water going everywhere, taking a basin down becomes a little more risky because we need to maintain the...the water processing in order to...to create R-1 water that we can send to all of our customers. Here's kind of a timeline of the project we've been through. In 2015, talked about the Brown and Caldwell study that came through. They evaluated four different alternatives that we could use to get the grit out, and the cost was looking kind of high. People were kind of pushing technology in this one big system. We kind of decided it was expensive and we just maintain with cleaning the basins out as we were doing. I know most of our employees aren't too happy with it. All our operations know it's difficult and underlying process. We decided to pass on it at that point in time. So we...we came back years ago and we...we contracted HDR to do another study to look at additional systems we could use to get this out. They looked at this rock box settler and this Huber Grit Wolf system. Kind of evaluated those and they looked a lot more promising than what we had before, a lot less maintenance, especially for the rock box, which is the one we're looking at. The Grit Wolf still had a lot of moving parts that required maintenance, kind of shied away from that. We started working with the design process in 2021. We have 50 percent drawings in, maybe a little bit more at this point. We're looking at that, and it's probably half a million dollars for the...the work to do the rock box, but we...in the evaluation of everything, the...the concrete and the headworks is almost 50 years old, it's a really harsh environment. The concrete is in poor shape so it has to be rehabbed anyway, so we're going to have to do that work. It's also going to take some work...some electrical upgrades and...and some air upgrades to bring it to that areas. So right now we're looking at...cost estimate, we're looking at about 3-1/2 million. We had 4 million in the budget for FY'23. It may come in lower, it may come in higher, that's...that's our estimate at this point. I think it would really help out with operations down there, definitely postpone cleaning out the big aeration basins. This new system should take out about 75 percent of the grit, estimated. When we did that new study with HDR, they did a grit characterization study to look at how it would settle, how much would settle out, and the...the studies and the testing came out to about 75 percent. So that could extend our basin cleaning, at least double it, if not triple it, so...so that would be a good thing for us and...and allow us to keep our workers' priority items rather than grit and other things out of our big basin. So that's a quick overview of the system. Got any questions, Eric and I are here to answer.

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CHAIR SUGIMURA: Thank you, Mr. Rollins. Appreciate this, and I think you probably answered some of Elle Cochran's questions about why did the cost change for the project. And before we go into more questions on this, would you like to say anything, Mr. Nakagawa?

MR. NAKAGAWA: Yeah. Thank you, Chair. No, I think Scott pretty much covered it all. I mean basically we had an older study done by Brown and Caldwell. I think...I think like for bigger picture, I think the key things...I don't know...he...he mentioned it, but I don't think it was kind of emphasized as...as great as I...I think the Brown and Caldwell went off of the old study of whatever the influent was. And...and I guess we had a, you know, like he said, decision on okay, do you do status quo or not, and we tried that. And so...but the big difference is the characterization, I guess. They redid the characterization in this new study, and felt that this technology or whatever, I don't even know what they're talking about, a rock box, I haven't looked at it in a while, but if that can take it out. I think...I think bigger picture from an operational standpoint is that we...in anything, right, we develop infrastructure so that it makes it easier for our workers in the...and not work easier as in that they don't do any job, but it's...it's very labor intensive. And it's easy for us to put on paper like oh, yeah, just do the status quo, and we're not the ones strapping on the boots and getting into that pit that he...I mean that he showed, right. I mean it's a big ordeal. It's not...it's not something that is easy. And I know Scott was telling me...and the plant when I visited it, for Kahului they're taking out...and I don't know how long it's been since they emptied out theirs, but it definitely helps their process over there. So...because you have a cleaner basin, right, so it's just more efficient for us. But yeah, I'm here for any other questions. I just wanted to point out the difference between what it was back then and now. So we just have different study, different solution, that's all it is, but still the same need. So that's all I had.

CHAIR SUGIMURA: That's great. That's keeping in touch with technology, and as things change, efficiency, and in the long run I'm glad to hear that it's going to be more...it's better for the employees because that's who has to deal with it. So I...I...I appreciate that you're keeping in touch with technology as...as it has changed. Members, you have questions for Scott Rollins or Mr. Nakagawa? Yeah, so Tamara Paltin, then Mr. Molina, then Kelly King.

COUNCILMEMBER PALTIN: Thank you, Chair. I just wanted to confirm, you're not thinking of going with H2O Processes as the bidder or contractor?

MR. ROLLINS: Yeah, thank you for the question. No, this is more of a manufactured in-place process rather than buying equipment to stick into the basin. No.

COUNCILMEMBER PALTIN: Okay. And then just a follow up for this round. Would you say that morale is...is low with having to shovel human manure often or...

CHAIR SUGIMURA: Mister...who wants to take that question?

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MR. ROLLINS: An interesting question. I'd...I'd say that's not anyone's ideal job to have, but you know, doing a little bit more frequently would certainly be better for...for our workers than...than having a prolonged job where they do it week after week to get it done.

CHAIR SUGIMURA: Eric Nakagawa, yes?

MR. NAKAGAWA: Yeah, Chair, I mean...Ms. Paltin, I think you're the best one, right. Like if you got to...you were a lifeguard, so if you got to save somebody in the breaks and you had a jet ski, I mean is that easier or is you swim out, right? I mean that's kind of the...what it boils down to. It's like yeah, I mean does morale...I mean, it definitely...I mean but morale doesn't drive our financial infrastructure CIP projects, right, but it...it...to me, if it...there is a technology that helps and allows them to do their job more efficiently, then I think definitely it's...it's worth it. And it's...I don't know where those previous numbers came from, right, but if the new study and Mr. Rollins is saying...Scott is saying that, you know, it's less than \$4 million, 3 million, whatever, I would like to...you know, lifecycle cost is probably going to be the same if you have all our guys in there. They're all on overtime, they have to shut down, and then when you shut down the entire basins, then you jeopardize whatever process, right, to produce the R-1 water that we're trying to produce at the end, right? I mean this is the fact, right, and so we...we always...no matter what, we're always struggling with wastewater with redundancy, right, we got to operate 24/7. So however we can achieve that and make it a little easier so that, you know, they don't have to get into that...into the muck, right? I mean to me, I'm all for it, but if this body chooses not to, and then we just kind of relay that information and we say we tried, you know what I mean? We understand I mean.

COUNCILMEMBER PALTIN: Thank you. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. Mr. Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. And good morning, Director Nakagawa and Mr. Rollins. Should this project move forward, are any of these, I guess, grit chambers in an area that could be affected by sea level rise?

CHAIR SUGIMURA: Mister...Mr. Nakamura [sic] or Mr. Rollins?

MR. ROLLINS: Okay. No, not necessarily. I mean, Kihei is way above Piilani Highway, so that won't be an issue. Lāhainā is well above...it's above Honoapiilani Highway, so that is not an issue. We all know the Kahului plant is right next to the ocean. The grit chamber itself is raised up, I don't know, almost 25 feet above the ground, so it's not necessarily sea rise, but the whole facility is in an area that is of some concern.

COUNCILMEMBER MOLINA: Okay. And one other question as it relates to Kihei. With...we all know about the traffic situation and congestion in Kihei, so do you anticipate any type of road closures or any delays this project could potentially cause as it relates to traffic?

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MR. ROLLINS: No, this work is completely in the plant above the highway, so it doesn't affect traffic at all.

COUNCILMEMBER MOLINA: Okay. Thank you very much. Thank you, Madam Chair.

CHAIR SUGIMURA: Good questions. Thank you very much, Mr. Molina. Kelly King?

COUNCILMEMBER KING: Thank you, Chair. Aloha, DEM, Director Nakagawa, and Mr. Rollins. So is...did you say that you already have installed this in Lāhainā and Kahului?

CHAIR SUGIMURA: Mr. Rollins or...

MR. ROLLINS: Thank you for the question. No, we...we don't...all the plants are a little differently configured, so...so we have a similar system in Lāhainā to this, not exactly what we're building here. And Kahului is completely different, we have more of a grit...grit channel than a grit chamber, but it's kind of an issue for us too, and...and something that we may look at in the future. We'll probably look at the...how this project works out and see if we maybe adapt something to the Kahului plant if necessary.

COUNCILMEMBER KING: Okay. And we're talking about grit, not solid waste, right? So I'm a little concerned that people think this...when you're talking about being in human waste, that's not what we're talking about, right?

MR. ROLLINS: No, that's true. The...the human waste, that...that passes through. That's biological so that would pass right through. We're just talking about the heavy particles, the sand, the grit, the rocks, whatever. Yeah.

COUNCILMEMBER KING: Okay. And where does that come from in the wastewater treatment?

MR. ROLLINS: So the grit can come from...construction projects sometimes end up getting dirt and sand in the...in the lines. People coming home from the beach wash sand down their drains every day. People that grind stuff up in their...in their garbage disposals cause grit. If there's line defects, of course, in our lines somewhere, we could get dirt and sand in those lines also. A lot of it settles out in the...in the lines itself, and we get the biggest influx of grit in...in large storm events where the flows are increased, and in the mornings/evenings when our flows are greatest in the pipes.

COUNCILMEMBER KING: Okay. Thanks for that explanation. I wanted to clear that up for the public what we're actually talking about here. And then the...the last question I have, and I wanted to see, Chair, if we could just hear from Ms. Cochran because this is quite a bit different than the proposal that you folks made. It was a huge system. It was a...well, you weren't here, Scott, but it was...it was...something they were going to have to build. This sounds like off-the-shelf technology. Would you call it that?

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MR. ROLLINS: I think this is more traditional technology rather than high tech. We're looking at using more just air instead of equipment that separates it.

COUNCILMEMBER KING: But it's not something that you're going to have to build or configure yourself, it's...it's being used elsewhere?

MR. ROLLINS: This system is used elsewhere, yes.

COUNCILMEMBER KING: Okay. And you have examples of that?

MR. ROLLINS: Yes.

COUNCILMEMBER KING: I think because that's...that's the thing that I think concerned myself and probably Ms. Cochran was that the previous iteration of this looked like, you know, something that was being concocted out of different types of equipment, and it didn't...and it...and it...I think I remember hearing that it hadn't been done before, so that was a big concern. But I would like to, Chair, if it's okay, just get a comment from Ms. Cochran now that she's heard the...the new version of this.

CHAIR SUGIMURA: Ms. Cochran, are you there? You have any...

MS. COCHRAN: I'm here. Yeah, hi. And thank you, Department, for...for being there. So yeah, thank you, Ms. King, for clarifying the grit is what we're talking about, grit. And I understand and the...the sand and...and debris and things of that nature that doesn't break down. And...but yeah, of course a little bit of sewage may be attached to some of these particles, but you know, that's not really what the muck is all about. And you know, it was...so I understand that what was projected back in the day when I was on the Council, the \$13 million price tag was a whole different thing, and what you're presenting today is very...it's smaller, you said it's being done in-house, so I understand all that. And that answers the question about me not seeing any type of CIP project ever going down in cost as the years go by. I think Mr. Kihune, you know, alluded to that too, with his project. So my...but I do recall that project being, at the time, not needed. You know, it was done by...by vacuum trucks, and yeah, there's a little man...you know, manpower that's...that's associated. So I'm wondering from 2018 until today, 2020 [sic], how have you...I mean, you know, have there been huge injuries and...and safety issues? Because I know that was one of the...the main talking points back in the day, that it had to be done right then and there. So we're talking many years later, and I haven't heard any, you know, casualties from...from this, not...the project originally not being done. And, you know, I think in the end, your whole schematic does...will this...this process increase your R-1 capabilities? Because that's a huge, huge, you know, infrastructure need right now. We all want to see the...the utilization of more R-1. You guys are injecting R-3, I think, quality down the injection wells in Kihei. And after going through the R-1 water injection well issue in West Maui, R-3 is a whole other can of worms. So how are we, or you folks, addressing that? I think that's a huge contentious issue, along with the heavily chlorinated injected water out of the Kahului Treatment Plant. To me, I still stand on my point that there's so many better uses of millions of dollars at this time, this day and age, than this, again,

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grit facility. I mean, I'm glad it's sized down. And yeah, let's make life easier for people, but again, let's utilize the monies in...in a better way to prevent huge litigation and environmental issues that we have --

CHAIR SUGIMURA: Thank...

MS. COCHRAN: -- faced and are facing.

CHAIR SUGIMURA: Thank you, Ms. Cochran. You sound like you're the chair that I remembered when you were --

MS. COCHRAN: Sorry.

CHAIR SUGIMURA: -- sitting in...sitting in the Chambers. But I think that the Department has explained the...you know, the variation in cost. I really appreciate that they've taken the time to do this. The item before us today is going to get deferred. I mean they can...they can answer, but just to give you an idea of where we are, it'll come up in Chair Lee's budget, which will be on Wednesday I think, and on there is to bond authorize, right...bond authorize the \$4 million so that this project can move forward. And that's...that's what will be discussed when it does get taken up in Council. But Department, do you have any comments regarding what Ms. Cochran has said?

MR. NAKAGAWA: Oh. Yeah, Chair, I can go first. I think in general, I think we all forget like...how do I say it, like our...like our number one priority, right, is to treat the wastewater. So to me, we...we're already...we...I already laid out the plan of the reuse, right, Countywide for you guys. We've given you guys all the time frames and the dollar costs, but I think if we...as Scott said, this is the second step in cleaning the water. If you can't clean the water, then you're not going to produce R-1 water. So when we...so that's why I guess we kind of talk about like our focus is first is the pipes, right, we got to make sure we're collecting it, then we get the pump stations that pumps it to the treatment plants, and then we have the treatment plants, right, that does their job in cleaning the water. And so it's a whole thing, so if we...I guess a whole system that cleans. So if we...I know we are very...we're already pursuing the reuse, and so that's not a problem, and you guys gave us a lot of money for that from this body. But I think if we start to forget like because we're...our guys maybe are doing a good job in collecting and treating the water, when we start to neglect that end, then all of a sudden we're not going to be able to produce R-1 water. And so that...I mean just from a bigger picture. Once again, I think...you know, I...whatever the information in the past, that's in the past, and that Scott guys have this new information in the future...or now I should say, right. And something different, and it sounds like it's a lot less. And I not too sure where, you know, Elle got her 13 million. So it's...at least it's we know that it's significantly less and it's...and it gets 75 percent removal, and it's easier for our guys to do their job. It's a little...I guess what he explained, what I heard is that it's just a little more frequent, but it's a lot less intensive. So...but if we...once again, I understand that it's a...a business decision also, so if we...you know, if this body chooses not to give the bond authorization then, I mean, we still got to treat the water, we still got to our job, I mean right? I mean our guys still got to do it. Unfortunately Scott's the one who's going

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to have to tell them oh, sorry, you guys have to get in the...in the pit. And...and I...so I don't say that jokingly, but I mean once again, if you're the one going in there and you understand how hard it is, then I guess you'd have a very different opinion than it is for us who's just kind of putting numbers and words on a paper, right, so...

CHAIR SUGIMURA: Thank you very much. I know that...Mr. Rollins, you have any comments regarding this? I think you've done a really great job in terms of being in touch with what is needed. And I...I appreciate, as a Councilmember, that you have taken this from whatever millions of dollars down to \$4 million. And I look...I...I support that bond authorization so you can move forward on this. And can one of you tell us where you are in terms of the RFP process to...to move this forward?

MR. ROLLINS: Okay. Let me give you a few more comments. We haven't taken the basins down in the last four to five years first, address one of Elle's comments. We're doing an aeration study for Kihei to determine what's the best way to do that, and we don't want to take a basin down twice, we want to take it down at the time we would upgrade the...the aeration in the basins. So we haven't done that recently. As far as the RFP process, we're in the design process. We've about designed 75 percent of this project probably by now, so we're getting close, that's why we asked for the money for...for next year, FY'23. I think it will be a good project. You know, like I said before, the...the headworks is almost 50 years old now, and that concrete is not in the best shape, it has to be rehabbed one way or the other, and this is just an additive to that to help us increase our...our way we clean the water and make sure that we get the water to...to specifications we need to so we continue to do R-1 and we can expand R-1 . . .*(inaudible)*. . .

CHAIR SUGIMURA: Thank you. So FY'23, the bond authorization, if approved by this body, then you'll be able to proceed with the project; is that correct? That's how far you've gotten?

MR. ROLLINS: That's correct, yes.

CHAIR SUGIMURA: Okay. So it's an important next step. Otherwise, I know that you're...you're gently saying it, but what it would actually do is stop this project from happening if we don't do the bond authorization because you can't put an RFP out if there's no funding to support it as it goes out to the public for the request for proposals, correct?

MR. ROLLINS: That's correct. Yeah, that's correct. Thank you.

CHAIR SUGIMURA: Oh, okay. Any other Members have any questions? Ms. King?

COUNCILMEMBER KING: Thank you, Chair. So I didn't really hear an answer, but...you know, to Elle's question about will this make it easier to process R-1 water. If we don't do this, does it hinder the process?

CHAIR SUGIMURA: Director or Mr. Rollins?

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MR. ROLLINS: I mean this is the first step of treating water, right? So like I said before, it just increases the risk of...of creating R-1 when we have to take down basins more frequently, the bigger basins.

COUNCILMEMBER KING: So this is part of the...making the process go more smoothly, is what you're saying?

MR. ROLLINS: Exactly, yes.

COUNCILMEMBER KING: Okay.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER KING: All right. Thank you.

CHAIR SUGIMURA: Any...thank you. Any other questions? I will say that Director will often say since Alice Lee has not said anything, he'll always say, and thank you, Alice Lee, for putting...or Chair Lee for putting \$5 million in the budget, you know, to support the Department. So Ms. Lee, do you have any questions for the Department?

COUNCILMEMBER LEE: No, I don't have any questions, but I'm...appreciate the discussion. Thank you.

CHAIR SUGIMURA: Yeah. Thank you. I really do also. As during the last Council meeting when this item came up, I...I thought okay, we need to hear from the Department to understand what this grit system is for, and why it's important, and where it was in terms of the process for this...this important project to move to its next step. And if we didn't have the funding, then the next step wouldn't happen. So thank you for letting me take this into my Committee to talk about it. And at this time, if there's no other questions, I'd like to thank Elle Cochran for participating, and the Directors. And I'm going to defer this item and take it up during the Council meeting when...when it comes up on the agenda. So thank you very much, everybody. Thank you, Mr. Nakagawa, Mr. Rollins. Thank you, Elle, in your aloha attire and plumeria leis as we would often see you. So thank you.

MS. COCHRAN: Chair? *(audio interference)*

CHAIR SUGIMURA: Okay. Next item I'm going to take up is...oh, next item I'm going to take up is the next item on the agenda...

COUNCILMEMBER LEE: Chair? Chair? Chair? I...I think Elle had one last comment. Can we hear her?

CHAIR SUGIMURA: Oh, I'm sorry. I didn't...I thought she was waving at us.

COUNCILMEMBER LEE: No, I think she had a comment.

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CHAIR SUGIMURA: Elle Cochran, do you have...sorry. Can't hear you, Elle.

COUNCILMEMBER KING: You're muted.

MS. COCHRAN: Okay. There. Am I on again? Yeah, sorry.

CHAIR SUGIMURA: Yeah. Yeah.

MS. COCHRAN: I just had one last comment, or a question which hopefully maybe can be followed up on the...on the follow-up meeting to this item. It's...my question is about the...the labor cost. I mean I'm...I'm hearing this project...without this project it's very highly, you know, manual labor intensive, even with the vacuum truck that's utilized. So what's the...the cost change? You know, how is this project going to offset the cost in manual labor? I'd like to see, you know, what the current cost is with...without this project, and what will it...you know, what will be the benefit in the end budget-wise, you know, is...is pretty much my...my big question, I guess. So hopefully maybe when this comes up for discussion, that could be answered. I think it's super pertinent to obviously a budget item, but I'd like to just see what this will...you know, how it not only will improve the system obviously, but improve the...the monetary, you know, appropriations to this plant with the upgrade.

CHAIR SUGIMURA: Okay. Thank you.

MS. COCHRAN: So that's it.

CHAIR SUGIMURA: Thank you very much for --

MS. COCHRAN: Thank you.

CHAIR SUGIMURA: -- participating. And --

MS. COCHRAN: Thank you.

CHAIR SUGIMURA: -- have a good day, Ms. Cochran.

MS. COCHRAN: You folks too. Thank you for all your work. Aloha.

CHAIR SUGIMURA: Thank you. So I'm going to defer this item, as I said in the beginning, and this will be taken up on the Council agenda hopefully to get the bond authorization approved so that we can move forward with the CIP project. So at this time, I'm going to defer this.

COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: TK and KRF)

ACTION: DEFER PENDING FURTHER DISCUSSION.

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CHAIR SUGIMURA: And then it's 10:04, I'm going to take a 15-minute recess to allow you to look at the documents that were submitted today from the Hoku'ula project. So there should be a letter from them which kind of summarizes, dated June 3rd, as well as the Hawaiian Electric letter to the project regarding this...this system, and a map of the project. So at this time, Members, I'm going to take a 15-minute break.

COUNCILMEMBER KING: Chair?

CHAIR SUGIMURA: Yeah. Oh, you have question?

COUNCILMEMBER KING: Before you...before you break --

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER KING: -- can I just ask...request that we send the two questions to the Department of Environmental Management? One is the question of how much labor we're saving --

CHAIR SUGIMURA: Yes.

COUNCILMEMBER KING: -- with the new technology, and the other one is have we had any accidents in the absence of this --

CHAIR SUGIMURA: Okay.

COUNCILMEMBER KING: -- technology, you know, since it was first proposed.

CHAIR SUGIMURA: Thank you. Yeah, so --

COUNCILMEMBER KING: Okay.

CHAIR SUGIMURA: -- we have Laks and Lesley standing by and writing notes, and we will definitely --

COUNCILMEMBER KING: Thank you.

CHAIR SUGIMURA: -- send those questions to the Department as you have...or you and Elle have asked in discussion. So at this time --

COUNCILMEMBER KING: Okay. Mahalo.

CHAIR SUGIMURA: -- Members, I'm going to take a break and come back at...oh, Tamara, you have a question?

COUNCILMEMBER PALTIN: Yeah. I was wondering if possibly we could get the information on the Hoku'ula project when we come back. Because we never did see it as far as the breakdown on affordability, the market rate, I believe, and things like that. He said, I

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think, that they were only required to give 15 percent, but they're giving 50 percent, and I'm not aware...I thought 2.96 is 25 percent. So I mean we're kind of coming in cold on this project with zero information, whereas their other Affordable Housing Fund request, you know, we were the ones to process the Kilohana Makai, so we had all of the information when we were making it. And then there was also a presentation in the Affordable Housing Committee before it went to budget. This is...like although they've been working on it for two years, this is the first that we've ever seen it, this Council, and so there's that absence of information, like how the other Affordable Housing Fund 850,000 that we gave to them. So it's like, you know, it's...not only is it coming in late, but it's coming in with like zero information on all the information that we had for the other Affordable Housing Fund appropriation that we gave to them.

CHAIR SUGIMURA: Okay. Good point. So the other project is a completely different project you're talking about, the Kilohana Mauka [sic] *(audio interference)*...

COUNCILMEMBER PALTIN: Yeah, yeah.

CHAIR SUGIMURA: And not this one. Okay.

COUNCILMEMBER PALTIN: ...*(audio interference)* the information on that because we were the ones to pass it through PSLU. This one, we didn't...we haven't really touched it ever, so it's like I don't know anything.

CHAIR SUGIMURA: Okay. So you want more information. So I have Linda Munsell who will be joining us, and we will talk to her during the break. So if you will give us...it is now 10:09, we're going to come back at 10:30 so I can ask the Department for more information. And you can also look at all the documents that were downloaded [sic] to Granicus in the...in the recess too. So sorry to give you a working recess. Meeting is...we're going to take a recess and come back at 10:30. Thank you, Members. . . .*(gavel)*. . .

RECESS: 10:10 a.m.

RECONVENE: 10:32 a.m.

CHAIR SUGIMURA: . . .*(gavel)*. . . Welcome, everybody, back to the Infrastructure Transportation Committee meeting. It is now 10:32 a.m.

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IT-1(7) INFRASTRUCTURE FOR THE HOKU‘ULA HOUSING DEVELOPMENT
(Rule 7(b))

CHAIR SUGIMURA: And we are now going to take up our second item, which is IT-1(7), Infrastructure for the Hoku‘ula Housing Development project. And in the agenda, in accordance with Rule 7(B) of the Rules of the Council, the Committee may discuss the possibility of using the Affordable Housing Fund for the installation of underground utilities for the Hoku‘ula housing development in Haliimaile. The Committee may discuss the matter, and no legislative action will be taken. Again, this will be on Chair Lee’s Council agenda on Wednesday to take up a vote, but today I wanted to have discussion on it so that the public and all of us can catch up with this project. Oh, good, there’s Gabe Johnson, our Housing Chair. Thank you very much, he’s not a Member of this Committee, and welcome.

COUNCILMEMBER JOHNSON: Thank you, Chair. I saw the agenda. Thank you for having me. Mahalo.

CHAIR SUGIMURA: Yeah. Perfect. So as you know, Mr. Johnson, today we downloaded [sic] a bunch of information into Granicus, and so the long recess was for the Members to take a look at what was submitted. So the...Kihune submitted a letter dated June 3rd, and it’s from Hoku‘ula, and it’s about the project and the funding that they are requesting. It’s also a letter from Hawaiian Electric to their Coffman Engineering...Engineers regarding this site work, as well as a map of the project...Haliimaile residential subdivision, 210-lot subdivision. And there’s...there’s a map that can show you and the public as to what they’re doing. So the discussion was when Mr. Kihune testified, and we will continue and ask him more questions. I also have asked Linda Munsell from Housing and Human Concerns to also be here today. And she could answer the questions that some of us were asking, when was the...when did this project start, and how much affordable housing was required. And the...I’ll...I’ll let Linda Munsell give you all the facts and details and on the County Code and workforce housing project, their requirements that this project was required to do when it was part of A&B. And then the reason why Hoku‘ula said they’ve been working on it for two years is because that’s how long they’ve had the project. But before then, that’s when the affordable housing or workforce housing percentages were established, which was at the time 15 percent, 1-5, and what the Hoku‘ula project is doing is actually 50 percent. And again, I think Mr. Molina said it, that they were actually looking at doing 100 percent affordable, which is what they had intended to do when they first started, but because of, you know, obvious supply chain, the war in Ukraine, different things that are affecting our economy, that they have switched...they have now switched to 50 percent. So at this time, if you don’t mind, I’m going to ask Linda Munsell to do an introduction of this project. And if you could give us the history because the Members are correct that it is not something that we were part of. So I’ll ask you to say a few words. And then if anybody has questions for Corp. Counsel, I hope Mimi DesJardins is here. And so thank you very much, Linda Munsell. And...oh, Howie Kihune is also here for resource. Thank you.

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MS. MUNSELL: Thank you. Thank you, Chair. I'm Linda Munsell, I'm the Deputy Director for the Department of Housing and Human Concerns. And just to give you a little bit of background, this property was originally owned by A&B, and they were granted a Change in Zoning for the project via Ordinance 3312, Bill No. 69, back in August of 2005, so this was prior to the time when 2.96 had been enacted. Council at that time placed 17 conditions on this project, including several that are associated with the various infrastructure requirements that Mr. Kihune mentioned...or in his testimony earlier. In addition to the infrastructure conditions, condition number 14 required the developer to provide 15 percent, or a minimum of 25 units, to be affordable to persons or families whose incomes were between 100 and 100 [sic] percent of the AMI. According to my records, the original project was called the Haliimaile residential project, and it was originally approved for 176 units. Aina Lani Pacific has subsequently amended the subdivision to include 196 units that had been approved not that long ago. But because the project didn't move forward under A&B, the Kihunes have taken...taken this project over. They have entered a residential workforce housing agreement with the Department which indicates that their intention is to provide 50 percent of the units as workforce housing units. Their actual requirement in our workforce housing agreement is that they need to provide us with 25 percent in accordance with the 2.96 requirements. So again, we've gone from the original 15 percent or 25 minimum to an absolute minimum of providing the 25 percent, which I think is 49 units that would be affordable. You had asked about the breakdown of the required units. So according to the requirements in 2.96, they would be required to provide 49 units to us, 15 of those units would be affordable to individuals in the below-moderate income residents. That would be from 81 to 100 percent AMI; 25 of the units should be for moderate-income residents between 101 and 120 AMI; and 9 units would be for above-moderate income residents from 121 to 140 percent AMI. In addition, they would be eligible for some credits if they were to develop additional units and sell them as workforce units. I hope that answered your questions.

CHAIR SUGIMURA: Yeah, thanks for doing the research. I think it probably answered some of the questions that came up during testimony and with...with our...with our Members. Members, do you have any questions on this? So Tamara, then Kelly King.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Deputy Director Munsell. You mentioned some of the conditions. According to 18.20.140B, it doesn't seem as though that they're required to underground the utilities. Was that one of the conditions, or can we...can we see a list of what all the conditions were uploaded?

MS. MUNSELL: You know, I haven't gone through all of them, but I can certainly send this over to --

CHAIR SUGIMURA: Please.

MS. MUNSELL: -- you know, I'll send a copy of the...the conditions of zoning over. In the meantime, I'll look through them to make sure.

COUNCILMEMBER PALTIN: But basically --

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CHAIR SUGIMURA: Thank you.

COUNCILMEMBER PALTIN: -- my understanding is it's not required to be undergrounding, that's a...that's a choice, and the selling point is the views of this...this project, the...

MS. MUNSELL: So...so again, yeah, normally we look at the housing conditions, not necessarily all the other infrastructure conditions, so I don't know that off the top off my head, but I'm...I'll look through this. It's not a condition that the Housing Division or the...our Department would place on them. It could be a condition that's been placed on them by someone else.

COUNCILMEMBER PALTIN: Okay. It...it didn't seem to line up with Title 18 as requiring undergrounding, I looked at.

CHAIR SUGIMURA: Okay. Thank you. Any other questions, Tamara, before I go to Kelly King?

COUNCILMEMBER PALTIN: I'll...I'll yield.

CHAIR SUGIMURA: Okay. Okay. Member King?

COUNCILMEMBER KING: Thank you, Chair. Thank you, Member Paltin, that was my one of my questions. And my other question is, how many market homes are there in this project, and what are their ranges?

CHAIR SUGIMURA: So do you want us to ask the developer?

COUNCILMEMBER KING: Oh, I'm asking Ms. Munsell.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER KING: I think if...if it's 50 percent, then I would assume there's 49 market homes or are there more than that?

MS. MUNSELL: Thank you for the question. Actually, the minimum requirement that they're required to provide is 49 by law. They're actually providing more than that, so I think they're providing 90...shoot, and Mr. Kihune would need to confirm that. But...

COUNCILMEMBER KING: 96 market homes?

CHAIR SUGIMURA: 96.

MS. MUNSELL: 96 workforce is what they're intending to provide, and 96 market.

CHAIR SUGIMURA: Oh, 98. 98. Sorry.

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COUNCILMEMBER KING: Oh, because you...you told us earlier that there were 49 affordable units in the 81 to 140 AMI ranges.

MS. MUNSELL: That's what they're required by law to provide, and they're providing additional units.

COUNCILMEMBER KING: Okay. So can you give us the total breakdown for the 98 or...yeah, 98 affordable units?

MS. MUNSELL: Yeah, it's not *(audio interference)*...

COUNCILMEMBER KING: Because right now we only have a...we only have a breakdown on the 49.

MS. MUNSELL: Yeah, and I apologize, that's not included in the workforce housing agreement, so I don't know what the breakdown is.

COUNCILMEMBER KING: Okay. And...and 98 market homes, do you have a range? I heard earlier like 1.2 million.

MS. MUNSELL: And again, I don't have that information. That would be...I don't...we don't track the market prices of those homes.

COUNCILMEMBER KING: Okay. It's kind of important to me because it sounds like if it's not a requirement to underground that...and the selling point is the view, that we're helping them, you know, with their...with their market-rate homes to...to get that view, and we're giving them close to a million dollars to do it, which I think might have been the point that Ms. Paltin was kind of getting to. And if there's 98 market homes, then adding that cost on is less than \$10,000 per home for that...that 950,000. So that's just...that's a concern I have is, you know, how...how much of a burden...if you're already charging 1.2 million, how much of a burden is an extra 9 or 10,000 on top of that if they're getting an ocean view? Maybe the developer can answer that.

CHAIR SUGIMURA: Yeah. Okay. Any other questions for Ms. Munsell? Okay. Seeing none. At this time then, thank you very much, Linda. You can get back to us with what you find out from that workforce housing agreement. At this time, Mr. Kihune?

MR. KIHUNE: Yes?

CHAIR SUGIMURA: Oh, thank you.

COUNCILMEMBER KING: *(audio interference)*...

CHAIR SUGIMURA: Yeah.

MR. KIHUNE: Okay. So --

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CHAIR SUGIMURA: So...

MR. KIHUNE: -- I can help...I can help Ms. King with regards to the 98 homes. So 30 percent of the 98 are the below market, 50 percent is in the moderate, and 20 percent is the above moderate.

COUNCILMEMBER KING: Okay.

MR. KIHUNE: And that's of the 98 homes.

COUNCILMEMBER KING: You...okay. And then the...the market homes, what are the...what's the price range for those, the 98 market homes?

MR. KIHUNE: The market homes are going to start at 900,000.

COUNCILMEMBER KING: Okay.

CHAIR SUGIMURA: Oh.

COUNCILMEMBER KING: And go up to?

MR. KIHUNE: Right now, we're looking at probably 1.2 depending on the --

COUNCILMEMBER KING: 1.2

MR. KIHUNE: -- size of the home.

COUNCILMEMBER KING: Okay. So I guess my question is that, you know, you can't...that 950,000, can you amortize that across those 98 market homes? It's only like less than 10,000 per home.

MR. KIHUNE: We've already tried that, Ms. King. The thing you got to understand is that we're developing our own water...our water system, our own wastewater system. We're...we put in almost \$5 million worth of retaining walls to capture the correct elevations that we need in the subdivision. So this project is very costly. And what we're trying to do, we've always done this with all our projects, trying to present the best product for our local buyers. That's what...that's what it's about. So we want the local buyers to have the same house as the market buyer would. We've always tried to do that, and we're going to continue to do that. And we're here humbly just asking for some help with Maui Electric because their bill doubled over the last year and a half. Originally it started out at 500,000, then it went to 900 something thousand, and now we're at 1.9, almost \$2 million just for...just for their part of the work. Now, you know, I think we're all under the same impression that we need to get many...as many homes, workforce housing homes on the market and out to our buyers. They're not going to stick around forever, they're moving away. And our goal is to take care our middle class, our...our firemen, our policemen, our nurses, our teachers. I mean we've got many of those in the project. All we're trying to do...

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COUNCILMEMBER KING: No, I...I understand that --

MR. KIHUNE: Yeah.

COUNCILMEMBER KING: -- but what I'm...what I'm trying to address is the market homes that are...you know, a lot...a lot of what's happening these days, our market homes are being bought up by mainland people sight unseen and, you know, the locals can't afford these rates anyway. A million dollars, I don't know anybody who can afford to go on a...buy a million-dollar house.

MR. KIHUNE: Well, I would actually make a statement, Ms. King, not to interrupt, that we have many local buyers buying the market homes...are interested in the market, not buying, interested in the market homes. The interest rates right now are at 5 percent as you all know, so there's less house that people can afford. You know, one of the things that...and again, I'm driving off track, but trying to get...trying to get housing to work on this, using that affordable housing down payment money, have an option to use it as a buydown for interest rates. That'll get people in houses longer, sustain them longer, cut their monthly bill by \$500 a month, save them probably 5 to 6,000 a year, probably 150 over a 30-year mortgage. Those are some of the things that we're trying to work on to get people to get to...to get into houses sooner. Get them qualified better that way. But again, we've...we've...we've absorbed...the market is absorbing everything to develop this subdivision for the local buyer. The house that the local buyer is...on the below market, we're losing money on those homes, and we're losing money on the...on the moderate. And if we're going to get out of this in the black, we're going to have to sharpen our pencil even more. We're working on trying to put in our 60 streetlights, 62, we're looking at solar so there's no additional cost to the homeowners in *(audio interference)*... Not through Maui Electric, we're doing solar, we're trying to go green. There's a lot of other things that we're working on for this project, but again, we're just humbly asking to...to have the County participate in some of this...this infrastructure. That's it. And if it's not possible then that's fine, we'll have to make some adjustments in our budgets for the...for the...for the workforce and for the market, and we'll probably have maybe a little lesser house than we wanted to build for our local people. But unfortunately, we need a little help to make this project work.

COUNCILMEMBER KING: Okay. I...I guess I just am having a hard time with the idea of undergrounding when, you know, the letter from the electric company says it's five to ten times more expensive.

MR. KIHUNE: We...if you lived in a neighborhood, let me ask you the question, and I'm not trying to put you on the spot, but I wouldn't want to see 100 poles in my neighborhood. That's how many poles that's designed for this project, 112 altogether. If we go underground and we do underground...underground utilities, we end up with 62 light standards just for lighting alone, nothing else. No above powerlines, no Spectrum, no nothing else. But if we put it underground, we create this community that is a well designed and...and...and how can I say, aesthetically pleasing, not only for the community, but for the neighbors and the surrounding area too. So again, it's what we

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do, and we'll do our best no matter what, but you know, we...we'll continue to move forward on some of the projects that we're working on. We're just looking for a little help, that's it.

COUNCILMEMBER KING: Okay. Thank you for your response.

CHAIR SUGIMURA: Thank you. Mr. Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. And Mr. Kihune, good morning. You know, the argument for underground utilities is made by a lot of communities being affected by proposed projects. And I think, you know, with polymer technology, it could actually help reduce cost and waste generated by the move underground. And also potentially safety, yeah, because if you have a bunch of telephone poles in a dry area and, you know, something happens, a pole falls down, it could cause fires. And I don't know if I recall the fires in West Maui couple years back, it might...there was talk that it might have been related to a powerline that went down. So is that also potentially a reason why you guys are looking at this? It's not only just about views for the market...market home folks and also, you know, the workforce housing, which certainly, people at all levels of income should deserve a view. But is it maybe part of your rationale for this undergrounding of utilities more also a safety reason as well?

MR. KIHUNE: Thank you, Mr. Molina. It is. We also look at kids are going to fly kites, right, in a neighborhood. And up there has a nice breeze, so they want to fly kites. And you know, those kind of things. Safety issue is always a big thing for us. It gets a little windy up there too during...during certain times of the year. Again, you know, we're looking at all the different reasons, ways we can help make this the best subdivision that's, you know, affordable for...I mean for our...for our local people. Basically that's what we're doing.

COUNCILMEMBER MOLINA: Okay. Thank you for...

MR. KIHUNE: But I appreciate that comment.

COUNCILMEMBER MOLINA: Yeah. I was just kind of thinking about that because, you know, you hear a lot about fires caused in the mainland by downed powerlines. So...and over the years when I've been on the Council, you have people testifying that okay, if this project goes forward that they should consider underground utilities. And you also made a good point too about the movement that this Council has taken with outdoor lighting, which I certainly support, you know, protect our night skies and flight paths of our birds and so forth. So I appreciate you looking at things from an environmental perspective as well. So thank you, Mr. Kihune. Thank you, Madam Chair.

MR. KIHUNE: Thank you.

CHAIR SUGIMURA: Very good points. Ms. Lee, you have any questions for this? If not, I'll ask Gabe Johnson next. You have no questions. Okay. Thank you. Mr. Johnson, you have any questions?

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COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you for...thank you for allowing me this time in your Committee. Just one simple question. What's the required down payment for each unit on these...on these projects of the affordable? Can we find out that from the developer?

MR. KIHUNE: Can you re-ask that question? I didn't hear you. Sorry, Mr. Johnson.

COUNCILMEMBER JOHNSON: I'm sorry. What is the required down payment for each of the units in your project?

MR. KIHUNE: 5 percent max.

COUNCILMEMBER JOHNSON: Okay. And is the buyers allowed to use their own lender?

MR. KIHUNE: Yes, of course. They can choose a lender of their choice.

COUNCILMEMBER JOHNSON: Okay. Thank you. That's all my questions at this time. Thank you, Chair.

CHAIR SUGIMURA: Thank you. Thank you very much. Ms. Paltin, then I'm going to call a short recess after that. Ms. Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Kihune. I just was wondering if there's room for negotiation on this request?

MR. KIHUNE: You know, we would just love to have 50 percent of it, which would cover the workforce housing side so we can get it done, so yeah.

COUNCILMEMBER PALTIN: So would you be opposed to having the 50 percent of affordable housing in exchange for this money and no workforce housing credits?

MR. KIHUNE: No. That's not part of our...we don't know what the credits are going to be used for at some future. I don't have any plans right now, but I'm not going to make a deal that way right now, Ms. Paltin. I think we're here, honestly, to try and get some help for some underground utility system for the...for our project which encompasses 98 workforce housing unit. So with that being said, no, I would not.

COUNCILMEMBER PALTIN: To clarify, you're not willing to give up the workforce housing credits. You're getting 49 workforce housing credits; is that correct?

MR. KIHUNE: 40...47 altogether.

COUNCILMEMBER PALTIN: 47 altogether. Okay. All right. I don't think I can support it without some sort of negotiation. Thank you.

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CHAIR SUGIMURA: Okay. Thank you. So at this time I'm going to call a short recess at the call of the Chair. Thank you. . . .*(gavel)*. . .

RECESS: 10:54 a.m.

RECONVENE: 10:55 a.m.

CHAIR SUGIMURA: . . .*(gavel)*. . . *(audio interference)* Sorry. Thank you for letting me take that short recess. My goal today, as I...as I said when I opened, is to defer this item and take it up at Chair Lee's meeting on...on Wednesday at the Council meeting. And Mr. Molina has to leave at 11:00, which he told me from, you know, the get-go. So Mr. Molina, you want to have...you want to say anything before we take this further?

COUNCILMEMBER MOLINA: No.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER MOLINA: Nothing more to say at this time. Thank you.

CHAIR SUGIMURA: Okay. Thank you. Thank you very much. So Members, is Chair Lee here? She's not here. We're going to lose...

COUNCILMEMBER LEE: I'm here.

CHAIR SUGIMURA: Oh, there...there you are. Okay. So we have quorum.

COUNCILMEMBER LEE: Did...did you reconvene? Did you...

CHAIR SUGIMURA: Oh, yes, I did. Sorry.

COUNCILMEMBER LEE: Oh, okay.

CHAIR SUGIMURA: I did reconvene. Thank you for allowing me to take that short recess. I had to plug in my computer, it was dying. So anybody have any more comments regarding this? We have Mr. Kihune and Ms. Munsell available for questions. Seeing none. Any questions for Corp. Counsel? Oh, Kelly King?

COUNCILMEMBER KING: I guess I...I have a question because I have the same concern as Member Paltin, that we haven't really gotten a good presentation of this project, and you know, this is like...like...people saying it's the first time we've heard about this project, some of us. So I feel like if we bring this to the Council meeting, we're going to be doing Committee work in the Council. Like this really needs a review because some of the questions that we're asking, you know, we haven't had visuals of. So just wanted to express my concern about bringing this to the full Council. Because I...I guess are you trying to get it into the next, the '23 Budget?

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CHAIR SUGIMURA: Yes, in the Affordable Housing Fund as an added-on condition for it with the Affordable Housing Fund --

COUNCILMEMBER KING: Yeah.

CHAIR SUGIMURA: -- which I think has, what, \$58 million in it? So I think this is the...a probable good use for this, as Chair Johnson has advocated for, as we've had many Committee meetings regarding the challenges of...of affordable housing. So...

COUNCILMEMBER KING: Okay. Well, I...I don't want to put words in his mouth so, you know, maybe he can speak to that. But I was just saying if we don't put it in the budget, it could still be brought up at a later point...after doing more Committee work, it could still be added since it's coming out of the Affordable Housing Fund, which is already in the budget. So personally, that would be my preference is to do a deeper dive on the project and...and get more public input.

CHAIR SUGIMURA: Okay. And --

COUNCILMEMBER KING: Okay. Thank you.

CHAIR SUGIMURA: -- and have the Mayor's Office do a budget amendment. Mr. Johnson, do you have any comments, as the Housing Chair?

COUNCILMEMBER JOHNSON: Thank you, Chair. Yeah, I...I wanted to kind of hear clarity from Deputy Director Linda Munsell if she supports it. I didn't really hear that, unless I missed it. And if they...if the Department does support it, they could, like we were just talking about, make a budget amendment to put it in. So if we could hear from Deputy Director Linda Munsell?

CHAIR SUGIMURA: Good question from both of you. Yes. Ms. Munsell?

MS. MUNSELL: Yes, thank you...thank you for the question. The Mayor's Office does support this project, and supports this request.

CHAIR SUGIMURA: Okay. That was pretty clear. Ms. Paltin?

COUNCILMEMBER PALTIN: Thank you. If I could ask a follow-up question for Ms. Munsell on the support?

CHAIR SUGIMURA: Please. Ms. Munsell, thank you.

COUNCILMEMBER PALTIN: Thank you, Ms. Munsell. So the developer mentioned about the 47 workforce housing credits, and you mentioned that the requirement is 49 affordable housing, but they plan to do 98 affordable housing. If this money were given, there would be no requirement to move it up to the 98 affordable housing, and they would still get their 47 workforce housing credits; is that correct?

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MS. MUNSELL: I'm sorry. So you're asking if...yeah, the...the two things are not tied together, if that's what you're asking. They're...they're completely separate issues.

COUNCILMEMBER PALTIN: So we could give them this money, and they only need to provide 49 affordable housing?

MS. MUNSELL: That is correct.

COUNCILMEMBER PALTIN: Okay. And you didn't find anything in where they were required to do the undergrounding, the undergrounding is optional?

MS. MUNSELL: I didn't find that in the...the original Change in Zoning as part of a requirement, no.

COUNCILMEMBER PALTIN: Okay. I think I agree with Member King and Member Johnson, if next time around we can have HELCO and DPW and, you know, all the...the materials. That would...that would help to --

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: -- to totally flesh it out.

CHAIR SUGIMURA: Okay. Just so you know, Ms. Paltin, Mahina Martin tried to make this meeting, but she had a conflict. So Hawaiian Electric or Maui Electric, but they're called Hawaiian Electric now, did try to make an effort to attend this meeting. Plus she answered your letter...or they answered your letter that you had requested. So Members, I can hear where this discussion is going. I'm going to defer this, and bring it back again, and ask the different departments to then answer the questions that are coming up about this project. And then not take it up as an item with the Affordable Housing Fund in this Fiscal Year '23 Budget, and wait for the...the Mayor's Office or the Administration to then bring it up. But I do want to continue on with this discussion, as Mr. Johnson says, and Tamara Paltin, Kelly King. So at this time, Members, I'm going to defer this. And call...I'll call another meeting and bring this up again, and I'll do it soon because the Kihunes' project is marching forward, so it would be nice if they understood or knew if the County was going to support them with this request of 950,000 to underground the utility. And knowing that the reason why we have not heard about this project is that they have not asked for any County funding from us. So that's why this is a little bit new, although it's been in the works since A&B first did it, and then the Kihunes have taken it over, in the last two years they've done planning. And I will tell you that when I did meet with them on this project that it was planned to be 100 percent affordable, but the economic pressures have changed their formulas, and they're realistically moving forward. And if ever any of you want to drive on Haliimaile, down to Haliimaile, you can see their construction barriers up. And I went to look at it, I drove in, and the views are beautiful. So this would be a great opportunity for working families. I...I'm grateful to the Kihunes for taking this forward. I do hope that one day we can help them with the...them and the Haliimaile in general with the wastewater situation there. But at this time, Members, any...have any more questions?

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Seeing none. I'm going to defer this and take it up again. Mr. Johnson, your hand is up.

COUNCILMEMBER JOHNSON: Thank you, Chair. Like you...like you were just saying, this project is kind of new to me, but I did it see over at Haliimaile and it's...I saw that they're working on it. I...I had to do a quick Google search to find out some of the price ranges, and so I...this was from *Maui News*. They were saying that the below moderates were from 556,000 to 618, and all the way up to the above moderate AMIs for 803,000 to 865,000. Is that number still true? Because this article is a little late.

CHAIR SUGIMURA: So we'll...we'll get that...or do you want the Kihunes to say...I think we can get that information when we take this up again. And you know...as you know, growing up, these were prices that we would never think that we would hear, right, but our...our whole housing landscape has changed, and that is why it's a priority for this Council. And I will bring this up again. I'll try to bring it up again soon so that the Kihunes can have an answer. And...and hopefully, I'm quite sure since Linda Munsell said that the Mayor or the Administration supports this, that if it does seem like it's going to pass the Council then, you know, they could do a budget amendment, and bring this up, and get it in the Affordable Housing Fund. So Members, at this time, if no other questions, I'm going to defer this item.

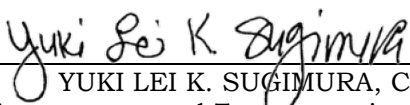
COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: TK, KRF, and MJM)

ACTION: DEFER PENDING FURTHER DISCUSSION.

CHAIR SUGIMURA: And it is now 11:04, and this meeting is adjourned. Thank you very much, everyone. . . .*(gavel)*. . .

ADJOURN: 11:04 a.m.

APPROVED:



YUKI LEI K. SUGIMURA, Chair
Infrastructure and Transportation Committee

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CERTIFICATION

I, Daniel Schoenbeck, hereby certify that pages 1 through 35 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 13th day of July 2022, in Kula, Hawai'i



Daniel Schoenbeck