



Board of Ethics
c/o Office of Boards & Commissions
4444 Rice Street, Suite 150
Lihue, HI 96766

November 13, 2018

Aloha Ethics Commissioners,

Now that we have completed the 2018 election cycle, and with the installation of the new Kaua'i County Council members On December 3, 2018, Community Coalition Kaua'i (CCK) would like to raise a preemptive flag about the potential for an ethics violation.

Our concern is with Arryl Kaneshiro, who has been re-elected to the County Council and is vying for the Chair's seat. As you likely know, Mr. Kaneshiro is a Special Projects Manager for Grove Farms. While there is of yet no specific violation of the Kauai County Charter to be reported at this time, and that is not to say that there hasn't been at least questionable representation of private interests during Arryl Kaneshiro's last term as a Council member, there is deep concern about Mr. Kaneshiro becoming Chair.

The Chair of the County Council sets both the agenda and rules for the Council and if Mr. Kaneshiro were to be elected as Chair there would be a continual potential conflict of interest by someone who represents an entity with such vast land holdings (38,000 acres) and business interests on Kauai. It is from these business interests that many decisional proposals and initiatives come before the County Council including, (for example) on land use, water use and access, and development issues.

We would like to cite the following from the Kauai County Charter Article XX: Section 20.01 Standards of Conduct. In order to establish a high standard of integrity and morality in government service, a code of ethics is hereby established; and Section 20.02. No officer or employee of the county shall:

C. Acquire financial interest in business enterprises which he may be directly involved in official action to be taken by him.

D. Appear in behalf of private interests before any county board, commission or agency.

E. Use his official position to secure a special benefit, privilege or exemption for himself or others.

The question remains, as Arryl Kaneshiro seeks the Chair position for Kaua'i's County Council, can a person who represents one of Kauai's largest land owners first and foremost serve the interests of the people of Kauai and not just the interests of his employer. Grove Farm has investments in residential, resort and commercial land development and management, and agricultural land licensing, all on their own lands. Grove Farm maintains this expansive investment portfolio on this island, all the while holding control over access to recreational lands and coastlines, water resources, reservoirs and water treatment plants (in partnership with County of Kauai), held mostly for the benefit of its own residential and commercial property development. They also partner with KIUC and private interests such as SolarCity, hold significant commercial leases with entities such as the Puhi Industrial Center, Kukui Grove Shopping Center and Commercial Village and Village West (all under Mr. Kaneshiro's purview at Grove Farm).

In advance of Mr. Kaneshiro's nomination as Kaua'i County Council Chair, we urge you to consider how this might present a conflict of interest in regards to Arryl taking an "official action, decision, recommendation, approval, disapproval, or other action, including inaction, which involves the use of discretionary authority" (extracted from Sec. 3-1.3). As mentioned earlier, the Chair actually prioritizes and sets the agenda for what will come before the County Council, or would this actually be Grove Farm setting the agenda? If Mr. Kaneshiro were to actually recuse himself from participating in any official action for which his participation would be determined a conflict of interest, then what function will he really be serving on the Council as so many decisions that come before the Council on this island have a nexus with the interests of Grove Farm? And finally, what happens when there is not a quorum (which is not unusual for a County Council in which many members have other jobs, compounded by the Chair continually recusing himself)? See citation from County of Kaua'i Charter:

Sec. 3-1.7 Conflicts of Interest. (a) No employee shall take any official action directly affecting:

(1) A business or other undertaking in which he or she has a substantial financial interest; or (2) A private undertaking in which he or she is engaged as legal counsel, advisor, consultant, representative, or other agency capacity.

(B) Except that a member of a board, commission or committee, **whose participation is necessary in order to constitute a quorum to conduct official business on any matter de- scribed in items (1) and (2) above, will not be in violation of this Subsection if he or she has complied with the disclosure requirements of Section 3-1.9.**

On behalf of Community Coalition Kaua'i, we hope you can understand our interest in taking a proactive approach to the consideration of who will be the next County Council Chair. Although the Chair is to be selected by majority vote of the County Council, we all know that a lot of political interests are at play in this decision. We hope that enormity of the presence of Grove Farm weighing on the shoulders of a potential Chair will not have to be an issue for all of us over the next two-year term of the County Council.

Thank you for your consideration of this matter. Please feel free to contact me if you have any further questions.

With appreciation,

Anne Walton
(representing Community Coalition Kaua'i)