

To: Potential Donor

From: Travis A. Liggett, M.S.
info@kaiaction.org

March 1, 2026

Re: Model for a gift to end South Maui's municipal pathogen discharges

Dear Potential Donor,

Thank you for engaging with Kai Action Institute, a 501(c)(3) nonprofit founded with the core mission of accelerating work to eliminate effluent pathogen discharges across Maui and all beloved neighbor islands. Our Board of Directors collaborated to complete all registrations required to form a new nonprofit focused on closing pressing ocean health gaps, like municipal wastewater disinfection.

Kai Action Institute

The new organization was purpose-built to realize important ocean water quality goals, which we have developed over 40 years of focus, including a decade developing solutions here in Maui. The very first order of business in our minds: the cessation of *major* municipal pathogen releases into ocean waters in municipal effluent across all islands, starting with South Maui where effluent from the Kīhei Wastewater Reclamation Facility discharges into the ocean near Cove Park through injection wells via groundwater.

In previous collaborations, our Directors worked for years developing an online information resource called FlushAware.com to educate the public on water treatment disposal challenges such as the effluent pathogen risk. Our founders conceived and supported the passage of a new County of Maui law to mandate universal municipal wastewater disinfection by 2039 (Ord. 5592, 2024), and submitted a statewide municipal wastewater disinfection mandate for consideration, which was introduced as SB2971 by Senator Angus McKelvey, who represents West Maui constituents where the Lahaina WWRF is the shining light for this vision, where the plant produces 100% R-1 effluent quality to be a truly safer model that can be replicated statewide: stringent ultraviolet disinfection with <1 most probable number of colony forming units of fecal indicator bacteria per 100 mL effluent.

The attached description of Department of Environmental Management project CBS-5521, which a DEM staff member has confirmed includes the remaining work at the Kīhei WWRF treatment plant enabling ultraviolet (UV) disinfection of all effluent releases from the facility, to eliminate major municipal pathogen discharges in South Maui once and for all. The included recent effluent testing results measure fecal indicator bacteria *above the detection limit for the test used* (>2419.6 MPN / 100 mL effluent). The reading indicates pathogen indicator levels in effluent are “off the charts.”

Cove Park is located inside the injection well plume, and is the one location in South Maui where the Hawai'i Department of Health measures the most frequent exceedances of the 'Beach Action Value' for fecal indicator bacteria, indicating unsafe ocean conditions for reefs, baby whales, and humans alike in the precise location where the effluent is flowing.

I'm writing to invite you to consider sharing the idea of a donation of \$4,000,000 to the Kai Action Institute, to fully fund the CBS-5521 capital scope to accelerate the facility toward 100% R-1. As of today, the proposed plan in place has no secured funding for the work, with any pathway to completion dependent on uncertainties like future Council budget votes, State Revolving Fund determinations, and many other variables that cannot be predicted.

This plan is not abstract. These discharges affect ocean users today (keiki, kupuna, marine life), and degrade the reef ecosystems that were once vibrant in South Maui. The pathogens also release into waters that are part of Hawai'i's critical breeding and nursery habitat for the North Pacific humpback whale population, with South Maui's shallow basin among the most important birthing waters for the entire species.

A treatment plant UV for R-1 project donation gift would be dedicated exclusively to making municipal work tax-deductible to donors, while completing remaining work described in CBS-5521 so the plant can reliably prevent pathogenic discharges, delivering:

- Cleaner water and safer ocean use for the community
- Reef restoration by stopping a major source of microbial pathogen contamination
- Improved core humpback whale habitat essential for healthy birthing behaviors
- A clear, durable outcome: the UV project finished, not "in progress" or deferred
- Immediate and major increases in R-1 reuse water availability

To make such a donation as low-risk and accountable as possible, we propose a simple "virtual escrow" structure described in the attached agreement, in which a donation would be deposited into a new Bank of Hawai'i (BOH) business account where funds would remain, restricted and untouched, until the conditions to release described in the attached agreement are met. I am including a letter from my close collaborator on Ordinance 5592, Council Member Gabe Johnson, expressing initial support for the donor funding pathway, which has been demonstrated in the past for the specific task of funding UV disinfection upgrades.

With aloha, respect and gratitude,



Travis A. Liggett, M.S.
President, Kai Action Institute
+1 (808) 866-9320
info@kaiaction.org

KAI ACTION INSTITUTE

MUNICIPAL DONATION CONDITIONAL DEPOSIT AGREEMENT ("Agreement")

This Agreement is entered into as of _____ ("Effective Date") by and between:

1. Donor _____ ("Donor"); and
2. Kai Action Institute, a Hawai'i nonprofit corporation ("Recipient").

Donor and Recipient may be referred to individually as a "Party" and collectively as the "Parties."

1. Purpose and Restricted Use

1.1 Restricted Purpose. Donor agrees to provide a founding charitable contribution in the amount of Four Million Dollars (\$4,000,000.00) ("Donation") to be used solely to fund the work scope captured in CBS-5521 (or equivalent documented scope) for the Kīhei Wastewater Reclamation Facility, with the charitable purpose of eliminating major pathogen discharges into South Maui waters (the "Restricted Purpose").

1.2 No Other Use. Recipient shall not use any portion of the Donation for any purpose other than the Restricted Purpose.

2. Deposit Account and "Virtual Escrow" Handling

2.1 Account. Recipient has opened and maintains a Bank of Hawai'i business account titled in Recipient's name (the "Account"), dedicated to holding the Donation pending satisfaction of the Release Conditions defined in Section 3.

2.2 No Disbursement Prior to Release. Recipient shall not withdraw, transfer, pledge, encumber, or disburse any Donation funds from the Account before the Release Conditions are satisfied, except as expressly permitted in Section 4 (Alternate 501(c)(3) Transfer) or Section 5 (Return of Funds).

2.3 Interest. Any interest earned on the Donation while held in the Account will remain in the Account and will be treated as part of the Donation subject to this Agreement (unless prohibited by bank practice; if interest cannot accrue, this section is inapplicable).

2.4 Administrative Fees. Recipient will not charge any administrative fee against the Donation while held in the Account.

3. Conditions to Release Funds

Funds may be released from the Account only when both of the following conditions (the “Release Conditions”) have occurred:

3.1 County Acceptance via Memorandum of Agreement (MOA). The County of Maui (including, as applicable, Maui County Council action) has approved and executed a Memorandum of Agreement (MOA) (or functionally equivalent written agreement) that:

- (i) accepts the Donation funds for CBS-5521,
- (ii) provides a lawful mechanism for receipt and application of the funds consistent with the Restricted Purpose, and
- (iii) sets a completion date for the funded work.

3.2 IRS Recognition (or Alternative per Sections 4–5). Recipient has received written recognition from the Internal Revenue Service that Recipient is recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the “IRS Determination”), granted in the IRS letter dated February 17, 2026.

4. If IRS Determination Is Revoked: Alternate 501(c)(3) Transfer

4.1 Trigger. If Recipient IRS tax-exempt and tax-deductible status, granted in the below letter, has been revoked for any reason by the date a corresponding Memorandum of Agreement (or equivalent) ordinance is enacted/signed, or if the IRS Determination is otherwise deemed inactive, Donor may elect in writing one of the options in Section 4.2 or Section 5.

4.2 Transfer to Alternate 501(c)(3). At Donor’s written election, Recipient shall transfer the entire balance of the Account (including any interest) to a qualified alternate 501(c)(3) public charity designated in writing by Donor (or mutually agreed by the Parties) (the “Alternate Charity”) to execute the transaction consistent with the Restricted Purpose, subject to:

- (i) the Alternate Charity’s written acceptance of the restriction and
- (ii) execution of an assignment/assumption agreement in substantially similar form to this Agreement.

4.3 No “Impact” to Donor. The Parties intend that Donor retains full control of the election in Section 4.2 versus Section 5 and that no penalty, obligation, or adverse consequence is imposed on Donor by Recipient for selecting either option.

5. Return of Funds Option

5.1 Return Election. If Section 4.1 is triggered, Donor may elect in writing that the Donation be returned.

5.2 Return Procedure. Within 10 business days of receiving Donor's written election, Recipient shall return the entire balance of the Account (including any interest) to Donor via check, wire transfer or other method mutually agreed.

6. Release Mechanics After Conditions Are Met

6.1 Written Notice. Recipient will provide Donor with written notice and reasonable supporting documentation that the Release Conditions have been satisfied.

6.2 Permitted Disbursement. Upon satisfaction of the Release Conditions, Recipient may disburse funds from the Account only in a manner consistent with the MOA and Restricted Purpose.

7. Reporting and Transparency

7.1 Holding Period Reporting. While funds are held in the Account, Recipient will provide Donor monthly updates confirming:

- (i) account balance,
- (ii) status of MOA, and
- (iii) continuity of IRS Determination.

7.2 Post-Release Reporting. After any release/disbursement begins, Recipient will provide Donor written reports showing amounts disbursed, dates, recipients/payees, and progress milestones tied to CBS-5521.

8. Tax Matters

8.1 Receipt. Recipient may provide a written acknowledgment of Donor's transfer of funds as entitled to a charitable deduction with 501(c)(3) tax-exempt status granted by the IRS.

8.2 If Transferred to Alternate Charity. If 501(c)(3) tax-exempt status is not continued by the IRS for any reason, funds will be transferred to an Alternate Charity under Section 4, and the Alternate Charity (not Recipient) will provide a tax acknowledgment for the ultimate charitable gift, as applicable.

9. Representations

9.1 Authority. Each Party represents it has authority to enter into this Agreement.

9.2 No Political Campaign Intervention. Recipient represents it will not use the Donation for political campaign intervention and will comply with applicable restrictions on lobbying and political activities for 501(c)(3) organizations.

10. Termination

This Agreement terminates upon the earliest of:

- (a) full disbursement consistent with the Restricted Purpose after satisfaction of Release Conditions;
- (b) transfer to an Alternate Charity under Section 4 and (a); or
- (c) return of funds under Section 5.

11. Miscellaneous

11.1 Governing Law. This Agreement will be governed by the laws of the State of Hawai‘i, without regard to its conflict of laws principles.

11.2 Amendments. Any amendment must be in writing and signed by both Parties.

11.3 Entire Agreement. This Agreement constitutes the entire agreement between the Parties regarding the Donation and supersedes all prior discussions relating to it.

11.4 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts and via electronic signature, each of which is deemed an original.

DONOR: _____

Name/Title: _____

Signature: _____

Date: _____

RECIPIENT: Kai Action Institute

Name/Title: Travis A. Liggett, M.S., President

Signature:  March 1, 2026



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
P.O. Box 2508
Cincinnati, OH 45201

KAI ACTION INSTITUTE
C/O TRAVIS LIGGETT
PO BOX 790484
PAIA, HI 96708-0484

Date:
02/17/2026
Employer ID number:
41-2922478
Person to contact:
Name: Sairah Sajid
ID number: 5433247
Telephone: 877-829-5500
Accounting period ending:
December 31
Public charity status:
170(b)(1)(A)(vi)
Form 990 / 990-EZ / 990-N required:
Yes
Effective date of exemption:
December 03, 2025
Contribution deductibility:
Yes
Addendum applies:
No
DLN:
26053752005945

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Letter 947 (Rev. 2-2020)
Catalog Number 35152P

**County of Maui
Fiscal Year 2026-2031 Capital Improvement Program**

CBS No: CBS-5521

Project Name: North Kihei Reuse Distribution Expansion
 Department: Department of Environmental Management
 District: Kihei-Makena
 Project Type: Sewer
 Anticipated Life: 50 years



Prior Years	Appr	Ensuing	Subsequent Years					Total
Expend/Encb	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	6-Year
1,000,000	0	0	4,000,000	0	0	0	0	4,000,000

PROJECT DESCRIPTION

Design, permitting and construction for expansion of the R-1 Recycled Water distribution system mauka of Pilihi Highway to include new/replacement pipelines, valves and other appurtenances required for expansion and reliability upgrades. FY2025 funding for up-sizing of planned construction of Kihei Technology Park system that will be dedicated to the County of Maui and to be used for future expansion of County system.

PROJECT JUSTIFICATION

Increase reliability of the existing system for current customers and to provide additional water for agricultural and commercial customers in the north end of Kihei.

STRATEGIC PLAN ALIGNMENT

Department's Strategic Plan	Countywide Priority Results
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Sustain Reliable Wastewater Infrastructure
 Ensure Facilities Meet Future Needs
 Provide Reliable Wastewater Service

A Suitable Public Infrastructure
 A Strong, Diversified Economy
 An Efficient, Effective, and Responsive Government
 A Prepared, Safe, and Liveable County
 A Healthy and Sustainable Community

Operating Impact Narrative

One (1) additional operator to maintain existing lines/valves and this new infrastructure.

FUNDING DETAILS

Phase Description	Fund Code	Appr	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
New Construction	SRF	0	0	4,000,000	0	0	0	0

Schedule of Activities			
Activity	Start	End	Amount
New Construction	09/01/2026	12/31/2027	4,000,000
Total Capital Project Costs			4,000,000
Total O&M Costs			115,000
Total Capital & Operating Costs			4,115,000

Methods of Financing (Ensuing + 5 Years)	
Funding Source	Amount
State Revolving Loan Fund	4,000,000
Total Funding Requirements	4,000,000

Department: Department of Environmental Management

District: Kihei-Makena

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL

COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

December 12, 2025

Travis Liggett
Via email

Dear Mr. Liggett:

SUBJECT: Funding for Wastewater Treatment Upgrades

Thank you for your dedication and advocacy for clean nearshore waters in Maui County. Your attention to fecal indicator bacteria entering injection wells through Maui County effluent helped lead to the passage of Bill 52 (2022) which, among other things, set a requirement that wastewater effluent produced by the County must meet State R-1 water standards by January 1, 2039.

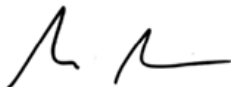
In the legislative process leading to the passage of Bill 52 (2022) it was my hope that the County could meet this standard as soon as possible before the 2039 deadline, as I believe the health of our oceans and residents are negatively impacted by the injection of wastewater effluent that has not been disinfected, due to the hydrological connection of wells and nearshore water where residents play, fish, and work. The 2039 deadline was agreed to following discussions with the County Administration and what was deemed a reasonable timeframe for installation of UV disinfection by the Department of Environmental Management given the established capital program and budget, available funding and need to keep rates reasonable for residents, and departmental capacity (especially after the 2023 wildfires).

Unfortunately, it is my understanding that recent injectate reports from the Kihei Wastewater Reclamation Facility and the Wailuku Kahului Wastewater Reclamation Facility continue to show high levels of fecal indicator bacteria, representing a lack of disinfection at these facilities.

As a councilmember, I cannot direct the Administration or negotiate memoranda of agreement or understanding on behalf of the County. However, **I am in support** of your efforts to gain private support and funding for these needed upgrades, if this funding enables the County to move more quickly toward disinfection of wastewater effluent to R-1 standards in a manner that does not increase the cost-burden on our residents. Such a donation would be a great gift to the County of Maui, our residents, and our environment.

December 12, 2025
Page 2

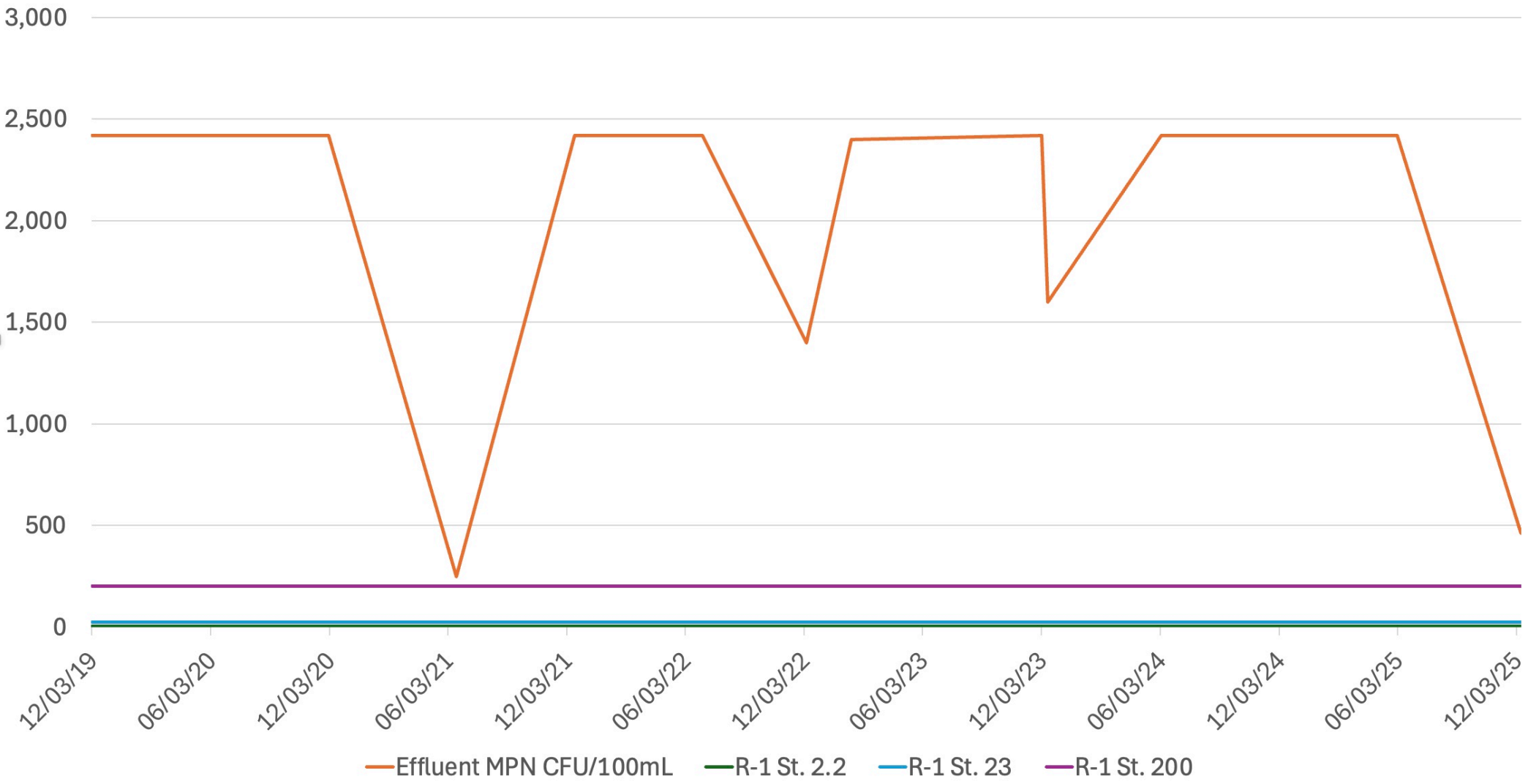
Sincerely,



Councilmember Gabe Johnson- Lānaʻi Residency
Agriculture, Diversification, Environment and Public
Transportation Committee Chair
Lānaʻi Office: 808-565-6100/ Gabe.johnson@mauicounty.us



Kihei WWRF Injection Well Effluent
UIC Fecal Indicator Bacteria
MPN CFU/100mL



UIC ANALYTICAL REPORTING SUMMARY SHEETS

Facility: Kihei Wastewater Reclamation Facility

UIC Permit No.: UM-1396

Type of Analysis: Type I & II

Sample Date: 6/2/2025

Parameter	Type	Result	Regulatory Level
Biochemical Oxygen Demand	I	2 mg/L	30 mg/L (composite)
Field pH	I	7.30 SU	
Total Residual Chlorine	I	0.05 mg/L	
Total Suspended Solids	I	3.0 mg/L	30 mg/L (composite)
Turbidity	I	1.36 NTU	
Ammonia (as N)	II	0.38 mg/L	
Dissolved Oxygen	II	5.49 mg/L	
Fecal Coliform	II	>2419.6 MPN/100mL	
Field Temperature	II	30.4 °C	
Kjeldahl Nitrogen	II	1.5 mg/L	
Nitrate-Nitrite	II	7.7 mg/L	
Oil and Grease	II	<1.6 mg/L	
Orthophosphate	II	0.78 mg/L	
Total Dissolved Solids	II	680 mg/L	
Total Phosphorus	II	0.91 mg/L	

Fecal Coliform performed by County of Maui Wastewater Central Lab.