

BOARD OF TRUSTEES

Colette Y. Machado, *Chairperson*
 Peter Apo, *Vice Chairperson*
 Rowena Akana, *Trustee At-Large*
 S. Haunani Apoliona, *Trustee At-Large*
 Donald B. Cataluna, *Kaua'i/Ni'ihau Trustee*
 C. Hulu Lindsey, *Maui Trustee*
 Robert K. Lindsey, Jr., *Hawai'i Trustee*
 Oswald K. Stender, *Trustee At-Large*
 John Waihe'e IV, *Trustee At-Large*



STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
 711 KAPI'OLANI BOULEVARD, SUITE 500
 HONOLULU, HAWAII 96813

DEPUTY GOVERNOR'S
 OFFICE

'12 MAR 23 P1:35

MEETING OF THE BOARD OF TRUSTEES

DATE: Thursday, March 29, 2012
TIME: 10:00 a.m.
PLACE: OHA Board Room, Suite 500
 711 Kapiolani Blvd.
 Honolulu, HI 96813

AGENDA

- I. Call to Order
- II. Approval of Minutes
 - A. March 8, 2012
- III. Community Concerns*
- IV. Unfinished Business
 - A. Chief Executive Officer's Update on Ho'oulu Lāhui Aloha & OHA activities.
- V. New Business
 - A. Committee on Beneficiary Advocacy and Empowerment
 1. 2012 OHA Legislative Positions: Matrix of proposed legislation consisting of measures which cannot be summarized separately. Matrix may be available upon request.
 - B. Committee on Asset and Resource Management
 1. ARM 12-02: FY 2012 Total Operating Budget Realignment #1
- VI. Executive Session**
 - A. Attorney-Client legal advisory by OHA Board Counsel Robert G. Klein, Esq., OHA Attorneys William Meheula, Esq. and Randall Sakumoto Esq. re: questions and issues pertaining to the Board's powers, duties and liabilities as trustees and managers of the revenues derived from the public land trust. *Pursuant to HRS 92-5(a)(4).*
 - B. Discussion and deliberations concerning the authority of persons designated by the Board to negotiate the acquisition of public property and Attorney-Client legal advisory by OHA Board Counsel Robert G. Klein, Esq., and OHA Corporate Counsel Ernest Kimoto, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities to negotiate for and acquire public property. *Pursuant to HRS 92-5(a)(3) and 92-5(a)(4).*
 - C. Attorney-Client legal advisory by OHA Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the certiorari petition in Corboy v. Louie, USSCt. No. 11-336. *Pursuant to HRS 92-5(a)(4).*
 - D. Approval of Executive Session Minutes for March 8, 2012.
- VII. Announcements
- VIII. Adjournment

*Notice: Persons wishing to provide testimony are requested to submit 10 copies of their testimony to the Chief Executive Officer at 711 Kapi'olani Blvd., Suite 500, Honolulu, HI, 96813 or fax to 594-1865, 48 hours prior to the scheduled meeting. Persons wishing to testify orally may do so at the meeting, provided that oral testimony shall be limited to five minutes. ** Notice: This portion of the meeting will be closed pursuant to HRS § 92-5. For further information, please call 594-1954.

Colette Y. Machado
 Trustee Colette Y. Machado
 Chairperson, Board of Trustees

03/23/12
 Date

STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
711 KAPI'OLANI BLVD., 5TH FLOOR
HONOLULU, HI 96813

Minutes of the Office of Hawaiian Affairs Board of Trustees
Thursday, March 29, 2012 10:00 a.m.

ATTENDANCE:

TRUSTEE ROWENA AKANA (10:04 A.M.)
TRUSTEE PETER APO
TRUSTEE HAUNANI APOLIONA
TRUSTEE COLETTE Y. MACHADO
TRUSTEE C. HULU LINDSEY
TRUSTEE ROBERT K. LINDSEY JR
TRUSTEE OSWALD STENDER
TRUSTEE JOHN WAIHE'E IV

ROBERT G. KLEIN ESQ., BOT COUNSEL

ADMINISTRATION STAFF:

KAMANA'OPONO CRABBE, CEO
ERNIE KIMOTO, CORP COUNSEL
HAWLEY ALAMODIN CFO
BREANN NU'UHIWA, ADV
DIRK SOMA, OUTR
JIM MCMAHON, ADV
KAI MARKELL, COMP
GARRETT KAMEMOTO, MRM
JERY NORRIS, COMP
CONNIE CHENG, INV
HOLLY COLEMAN
LUCI MEYER, OUTR

EXCUSED:

TRUSTEE DONALD B. CATALUNA

BOT STAFF:

CAROL HO'OMANAWANUI, COS
LEAH BURROWS-NU'UANU, BOT SEC
DAYNA PA, TRUSTEE AIDE
ANI PANG, TRUSTEE AIDE
CAPSUN POE, TRUSTEE AIDE (KAUAI)
NATHAN TAKEUCHI, TRUSTEE AIDE
SHELSEA APANA, TRUSTEE AIDE
LEIANN DURANT, TRUSTEE AIDE
REYNOLD FREITAS, TRUSTEE AIDE
CRAYN AKINA, TRUSTEE AIDE
MAKANA CHAI, TRUSTEE SEC
SHIRLEY NAKANISHI, TRUSTEE SEC
LEHUA ITOKAZU, TRUSTEE SEC

JIM PATTERSON, PROG
MALIA KAAIHUE, CKO
JOHN ROSA, OUTR
BEATA KOZDRAS, PROG

GUESTS:

MICHAEL LEE

I. CALL TO ORDER

Chairperson Machado Calls the Board of Trustees meeting to order at 10:01 a.m. Roll call is taken; those present are Trustees Apo, Apoliona, H. Lindsey, R. Lindsey, Machado, Stender and Waihe'e constituting a quorum of seven (7) trustees. Trustee Cataluna has submitted a letter of excuse for today's meeting. Trustee Akana should be here shortly.

She announces that the agenda will be rearranged to address item VI.C. first.

Chairperson Machado Calls on Trustee Waihe'e to make a motion to approve the 72-Hour Waiver for item V.A. 1. & V.B. 1.

Trustee Waihe'e Moves to approve a 72-Hour Waiver for agenda items:

V. A. 1. 2012 OHA Legislative Positions: Matrix

B. 1. ARM12-02 FY 2012 Total Operating Budget Realignment

Trustee Apo Seconds the motion.

There was no discussion on the motion. Chairperson Machado asks for a roll call vote.

Trustee Waihe'e Moves to approve a 72-Hour Waiver for agenda items:

V. A. 1. 2012 OHA Legislative Positions: Matrix

B. 1. ARM12-02 FY 2012 Total Operating Budget Realignment

Trustee Apo Seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
TRUSTEE ROWENA AKANA						Not Present
TRUSTEE PETER APO		X	X			
TRUSTEE HAUNANI APOLIONA			X			
TRUSTEE DONALD CATALUNA						Excused
TRUSTEE HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE OSWALD STENDER			X			
TRUSTEE JOHN WAIHE'E	X		X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED						
Motion passes with seven (7) YES votes, one (1) NOT PRESENT, and one (1) EXCUSED.						

II. APPROVAL OF MINUTES

Chairperson Machado Requests a motion to approve the minutes of March 8, 2012.

Trustee Apo Moves to approve the minutes of March 8, 2012.

Trustee Waihe'e Seconds the motion.

There was no discussion on the motion. Chairperson Machado asks for a roll call vote.

Trustee Apo Moves to approve the minutes of March 8, 2012.

Trustee Waihe'e Seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
TRUSTEE ROWENA AKANA						Not Present
TRUSTEE PETER APO	X		X			
TRUSTEE HAUNANI APOLIONA			X			
TRUSTEE DONALD CATALUNA						Excused
TRUSTEE HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE OSWALD STENDER			X			
TRUSTEE JOHN WAIHE'E		X	X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED						
Motion passes with seven (7) YES votes, one (1) NOT PRESENT, and one (1) EXCUSED.						

III. COMMUNITY CONCERNS

Chairperson Machado States that Trustee Akana was supposed to address the Board about approving a Resolution for Boyce Rodrigues. She announces that the Resolution will be ratified at the next Board meeting.

Chairperson Machado Recognizes Mr. Michael Lee as the first beneficiary speaker.

Mr. Lee States that he is here to update Trustees that a letter was sent from OHA to the O'ahu Island Burial Council regarding the Pahuaina Cave at Kawaiaha'o Church asking them to allow one or two days to test drill the site. The test drilling would make sure that no harm from the concrete cement for the multi-purpose center, will come to the cave during the process. He is waiting for the response from the OIBC.

With regard to the Kaloi Gulch he has a lawyer to represent him, her name is Elizabeth Dunne.

Ka Pouhana Crabbe States that the conflict resolution fund is being sought and an update will be provided to Trustees when it becomes available.

IV. UNFINISHED BUSINESS

A. CHIEF EXECUTIVE OFFICER'S UPDATE ON HO'OULU LAHUI ALOHA & OHA ACTIVITIES

Chairperson Machado Calls on Ka Pouhana Dr. Kamana'opono Crabbe to provide his update to the Board.

Ka Pouhana Crabbe States that the first presentation on fiscal accountability of the organization was done yesterday in the ARM Committee. There will be another presentation in mid-April to update the Board on the TAP (Transitional Assistance Program) Program. The presentation will be a comprehensive review starting from several years back to show how effective OHA's grants program has been and how it has gone through many changes. The presentation will also outline what Administration is doing to realign the grants program to fit the overall OHA Strategic Plan.

He adds that he is in the final stages of completing interviews for OHA's Executive Team. He is prepared to hire a research director, chief advocate and chief operating officer in the next few days. By next week, he will have confirmations on these positions. A memo will be sent to the Trustees to notify them of the appointments.

He provides an update on the ongoing search for a corporate office building. He states that he has convened a working group to handle the project. He has assigned Connie Cheng to chair this group. They have been meeting and vetting the financials which were provided recently by the seller. Review and vetting of documents will take months but a process has been established to provide regular briefings to Ka Pouhana as things move along. He asks Connie Cheng to come to the table to speak broadly about the working group and the timeline ahead.

Connie Cheng States that the members of the working group are Trustee Stender, CFO Hawley Alamodin, Controller Aedward Los Banos, Albert Tiberi and Derek Kimura. The group will be meeting once a week to complete the due diligence study. When a recommendation is agreed on, the group will ask for a briefing with the Board. They have contracted with consultants to do the necessary inspections, environmental, structural etc. She notes that one of the good things about the seller is that the current property manager has been there for 18 years. The seller has transmitted the property's financials including leases and delinquencies. Review of these binders is part of the evaluation process. OHA has up until June 15th to reply on our intentions to the seller.

Trustee Akana Asks if an offer has been made.

Connie Cheng States that an offer was made but that offer allows OHA to go in and do a proper evaluation and due diligence review. The agreement states that OHA has 90 days to complete a due diligence review. The working group will give updates to the Board as much as requested.

V. NEW BUSINESS

A. COMMITTEE ON BENEFICIARY ADVOCACY AND EMPOWERMENT

1. 2012 OHA LEGISLATIVE POSITIONS:

Chairperson Machado Calls on Trustee Waihe'e to make the next motion.

Trustee Waihe'e Moves to approve Administration's recommendations regarding New Bills on the matrix titled *Twenty-Sixth State Legislature, 2012* and dated March 28, 2012, as amended.

New Bills			
#	Bill #	Report	Position
1	GM807	King Kamehameha Celebration Commission	S
2	GM817	Board of Education	S
3	GM819	Board of Education	S
4	HB1017 HD2	RELATING TO BIOFUELS.	O
5	HB1617 HD2 SD1	RELATING TO PUBLIC LANDS.	O
6	HB1905 HD2 SD1	RELATING TO HUMAN SERVICES.	C
7	HB2012 HD1	RELATING TO THE STATE BUDGET.	C
8	HB2501 HD1 SD1	RELATING TO MORTGAGE LOAN ORIGINATION.	C
9	HCR148	Papahanaumokuakea Marine National Monument; Customary Exchange	M
10	HCR163	Banyan Drive; Land and Natural Resources; Study; Public-Private	O
11	HCR207	Molokai Irrigation System; Task Force	M
12	HCR208	Irrigation Water	M
13	HR110	Papahanaumokuakea Marine National Monument; Customary Exchange	O
14	SB1197 SD2 HD1	RELATING TO ENERGY.	M
15	SB2666 SD2	RELATING TO ENERGY.	O
16	SCR078	Education; Attendance	M
17	SCR085	Hunting; Trespass on Private Lands; Written Permission	O
18	SCR092	Banyan Drive; Land and Natural Resources; Study; Public-Private	M
19	SCR093	Pilot Program; Medicaid; DHS; DOH	M
20	SCR107	Governor's Special Task Force; Hawaiian Historical Sites Preservation	S
21	SCR151	Hawaiian Fishponds; DLNR; DOH; Office of Planning	S
22	SCR158	Geothermal Royalties; DLNR; DBEDT	M
23	SCR170	Maui Regional Public Safety Complex at Puunene	M
24	SCR175	PLDC; Reporting Requirements	M
Bill Positions for Reconsideration			
25	HB2246 HD2 SD1	RELATING TO HAIKU VALLEY.	C > O
26	HCR167	Review; ESL; Hawaiian Language Programs	C > S
27	SB3071 SD2 HD1	RELATING TO EDUCATION.	S > O
28	SCR087	Review; ESL; Hawaiian Language Programs	C > S
34	GM755	Commission on Water Resource Management	M > C
97	HB2806 HD2 SD1	RELATING TO NATIVE HAWAIIANS.	SA > O

Trustee Akana Seconds the motion.

Hearing no discussion, Chairperson Machado asks for a roll call.

Trustee Waihe'e Moves to approve Administration's recommendations regarding New Bills on the matrix titled <i>Twenty-Sixth State Legislature, 2012</i> and dated March 28, 2012, as amended.						
Trustee Akana Seconds the motion.						
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	EXCUSED
TRUSTEE ROWENA	AKANA		X	X		
TRUSTEE PETER	APO			X		
TRUSTEE HAUNANI	APOLIONA			X		
TRUSTEE DONALD	CATALUNA					Excused
TRUSTEE HULU	LINDSEY			X		
TRUSTEE ROBERT	LINDSEY			X		
TRUSTEE OSWALD	STENDER			X		
TRUSTEE JOHN	WAIHE'E	X		X		
TRUSTEE COLETTE	MACHADO			X		
TOTAL VOTE COUNT				8		1
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED						
Motion passes with eight (8) YES votes and one (1) EXCUSED.						

B. COMMITTEE ON ASSET AND RESOURCE MANAGEMENT

1. ARM 12-02: FY 2012 TOTAL OPERATING BUDGET REALIGNMENT #1

Chairperson Machado Calls on Trustee Stender to make the next motion.

Trustee Stender Moves to approve the Total Operating Budget Realignment #1 for Fiscal Year 2012 as outlined in Attachment 1 with the bifurcation of the following:

- \$250,000 from Hi'ilei Aloha LLC on behalf of Hi'ipaka LLC (Waimea Valley Master Plan)
- \$29,000 from Ho'okele Pono LLC on behalf of Ho'okipaipai LLC (Hawaii PTAC Program)

Trustee Robert Lindsey Seconds the motion.

Trustee Apoliona Asks if the two items listed in the bifurcation will be brought back for discussion again.

Ka Pouhana Crabbe States that the items will be brought back for consideration in the future. He clarifies that the funding will be put aside while these two organizations come back to present their master plan and trustees can decide to move forward or not.

Trustee Apoliona Asks how the money for the Native Hawaiian Roll Commission is being handled. Do they cut their own checks and are their employees OHA employees?

Hawley Alamodin CFO States that OHA cuts checks for the Roll Commission and their employees are OHA employees.

Hearing no further discussion, Chairperson Machado asks for a roll call vote.

Trustee Stender Moves to approve the Total Operating Budget Realignment #1 for Fiscal Year 2012 as outlined in Attachment 1 with the bifurcation of the following:

- \$250,000 from Hi'ilei Aloha LLC on behalf of Hi'ipaka LLC (Waimea Valley Master Plan)
- \$29,000 from Ho'okele Pono LLC on behalf of Ho'okipaipai LLC (Hawaii PTAC Program)

Trustee Robert Lindsey Seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
TRUSTEE ROWENA AKANA			X			
TRUSTEE PETER APO			X			
TRUSTEE HAUNANI APOLIONA			X			
TRUSTEE DONALD CATALUNA						Excused
TRUSTEE HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY		X	X			
TRUSTEE OSWALD STENDER	X		X			
TRUSTEE JOHN WAIHE'E			X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			8			1

MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED

Motion passes with eight (8) YES votes and one (1) EXCUSED.

VI. EXECUTIVE SESSION

- A. ATTORNEY-CLIENT LEGAL ADVISORY BY OHA BOARD COUNSEL ROBERT G. KLEIN, ESQ. RE: QUESTIONS AND ISSUES PERTAINING TO THE CERTIORARI PETITION IN CORBOY V. LOUIE, USSCT. NO. 11-336. *PURSUANT TO HRS 92-5 (A)(4).*
- B. ATTORNEY-CLIENT LEGAL ADVISORY BY OHA BOARD COUNSEL ROBERT G. KLEIN, ESQ., OHA ATTORNEYS WILLIAM MEHEULA, ESQ. AND RANDALL SAKUMOTO ESQ. RE: QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES AND LIABILITIES AS TRUSTEES AND MANAGERS OF THE REVENUES DERIVED FROM THE PUBLIC LAND TRUST. *PURSUANT TO HRS 92-5(A)(4).*
- C. DISCUSSION AND DELIBERATIONS CONCERNING THE AUTHORITY OF PERSONS DESIGNATED BY THE BOARD TO NEGOTIATE THE ACQUISITION OF PUBLIC PROPERTY AND ATTORNEY-CLIENT LEGAL ADVISORY BY OHA BOARD COUNSEL ROBERT G. KLEIN, ESQ., AND OHA CORPORATE COUNSEL ERNEST KIMOTO, ESQ. RE: QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES AND LIABILITIES TO NEGOTIATE FOR AND ACQUIRE PUBLIC PROPERTY. *PURSUANT TO HRS 92-5(A)(3) AND 92-5 (A)(4).*
- D. APPROVAL OF EXECUTIVE SESSION MINUTES FOR MARCH 8, 2012.

Chairperson Machado Asks for a motion to resolve into Executive Session.

Trustee Waihe'e Moves to resolve into Executive Session to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties and liabilities.

Trustee Robert Lindsey Seconds the motion.

Hearing no discussion, Chairperson Machado asks for a roll call vote.

Trustee Waihe'e Moves to resolve into Executive Session to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties and liabilities.

Trustee Lindsey Seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
TRUSTEE ROWENA AKANA			X			
TRUSTEE PETER APO			X			
TRUSTEE HAUNANI APOLIONA			X			
TRUSTEE DONALD CATALUNA						Excused
TRUSTEE HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY		X	X			
TRUSTEE OSWALD STENDER			X			
TRUSTEE JOHN WAIHE'E	X		X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			8			1
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED						
Motion passes with eight (8) YES votes and one (1) EXCUSED.						

The Board moved into Executive Session at 10:26 a.m.

The Board moved into Open Session at 11:54 a.m.

X. ANNOUNCEMENTS

Chairperson Machado Announces the following:

1. BOT Meeting on April 5, 2012
2. BOT Meeting on April 19, 2012
3. SB 2783 Hearing in FIN House conference room 308 @ 1:30 pm

VII. ADJOURNMENT

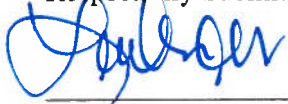
Trustee Apoliona Moves for adjournment.

Trustee Stender Seconds the motion.

There was no discussion and Chairperson Machado notes a unanimous consensus.

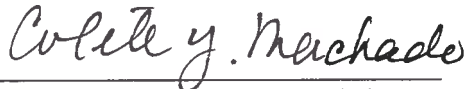
The meeting was adjourned at 11:55 A.M.

Respectfully Submitted,



Leah Burrows-Nu'uanu,
Board Secretary

As approved by the Board of Trustees on April 19, 2012.



Trustee Colette Y. Machado, Chairperson
Board of Trustees

ATTACHMENTS:

1. March 22, 2012 BOT Community Sign in Sheet
2. Excused Absence Memo from Trustee Cataluna