



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

LIEUTENANT GOVERNOR'S
 OFFICE

12 JUL 27 AM 11:33

MEETING OF THE BOARD OF TRUSTEES

DATE: Thursday, August 2, 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. July 19, 2012
- III. Community Concerns*
- IV. Unfinished Business
 - A. Ka Pouhana/CEO's Update on Ho'oulu Lahui Aloha & OHA activities.
 - B. Hi'ilei Aloha LLC Update - 2nd Qtr. 2012
 - C. Ho'okele Pono LLC Update - 2nd Qtr. 2012
- V. Executive Session**
 - A. Legal Advisory by Board Counsel Robert G. Klein, Esq. Re: questions and issues pertaining to the Board's powers and duties with respect to the Ka Pouhana's 6 month performance appraisal. Pursuant to HRS 92-5 (a) (4).
 - B. Attorney-Client legal advisory by OHA Board Counsel Robert G. Klein, Esq., and Corporation Counsel Ernie Kimoto, 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. Legal advisory and status update by Ka Pouhana, Administration consultants, Corporation Counsel Ernie Kimoto, Esq., and OHA Board Counsel Robert G. Klein, Esq., re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding the acquisition of certain public property. Pursuant to HRS 92-5(a)(3) and 92-5 (a)(4).
 - D. Attorney-Client legal advisory by OHA Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties and liabilities with respect to the lawsuit filed by/to be filed by Attorney H. William Burgess, Esq. per his e-message of July 24, 2012 to Board Counsel.
 - E. Approval of Executive Session Minutes for July 5 and 19, 2012.
- VI. Beneficiary Comments*
- 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

7/27/12

Date

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

Minutes of the Office of Hawaiian Affairs Board of Trustees
Thursday, August 2, 2012 10:00 a.m.

ATTENDANCE:

TRUSTEE ROWENA AKANA (ARRIVED 10:17 AM)
TRUSTEE HAUNANI APOLIONA (ARRIVED 10:06 AM)
TRUSTEE C. HULU LINDSEY
TRUSTEE ROBERT K. LINDSEY JR
TRUSTEE COLETTE Y. MACHADO
TRUSTEE OSWALD STENDER
TRUSTEE JOHN WAIHE'E IV

ROBERT G. KLEIN ESQ., BOT COUNSEL

ADMINISTRATION STAFF:

KAMANA'OPONO CRABBE, KA POUHANA
AEDWARD LOS BANOS, COO
BREANN NU'UHIWA, ADV
KEHAU ABAD, CED
HAWLEY ALAMODIN, CFO
ERNEST KIMOTO, CC
JIM MCMAHON, ADV
GARRETT KAMEMOTO, MRM
CYNDI CABERTO, AS
JACEE SMITH, OUTR
LUCI MEYER, OUTR
SHIRLEY OKAMOTO, CC
KEALOHA FOX, DEMO
CONNIE CHENG, CIO

EXCUSED:

TRUSTEE PETER APO
TRUSTEE DONALD B. CATALUNA

BOT STAFF:

CAROL HO'OMANAWANUI, COS
LEAH BURROWS-NU'UANU, BOT SEC
DAYNA PA, TRUSTEE AIDE
LEIANN DURANT, TRUSTEE AIDE
NATHAN TAKEUCHI, TRUSTEE AIDE
CAPSUN POE, TRUSTEE AIDE
CRAYN AKINA, TRUSTEE AIDE
ANI PANG, TRUSTEE AIDE
SHELSEA APANA, TRUSTEE AIDE
MELISSA WENNIHAN, TRUSTEE SEC
LEHUA ITOKAZU, TRUSTEE SEC
MAKANA CHAI, TRUSTEE SEC

GUESTS:

MONA BERNARDINO, HIILEI ALOHA
RICHARD PEZZULO, WAIMEA VALLEY

I. CALL TO ORDER

Chairperson Machado Calls the Board of Trustees meeting to order at 10:02 a.m. Roll call is taken; those present are Trustees Hulu Lindsey, Robert Lindsey, Machado, Stender and Waihe'e constituting a quorum of five (5) trustees. Trustees Apo and Cataluna have submitted letters of excuse for today's meeting. Trustees Akana and Apoliona are expected to arrive shortly.

II. APPROVAL OF MINUTES

Chairperson Machado Asks for a motion to approve the minutes of July 19, 2012.

Trustee Hulu Lindsey Moves to approve the minutes of July 19, 2012.

Trustee Waihe'e Seconds the motion.

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

Trustee Hulu Lindsey Moves to approve the minutes of July 19, 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
TRUSTEE HAUNANI APOLIONA						Not Present
TRUSTEE DONALD CATALUNA						X
TRUSTEE HULU LINDSEY	X		X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE OSWALD STENDER			X			
TRUSTEE JOHN WAIHE'E		X	X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			5			2/2
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED						
Motion passes with five (5) YES votes, two (2) EXCUSED and two (2) NOT PRESENT.						

III. COMMUNITY CONCERNS

Chairperson Machado Notes that there are no beneficiaries signed up to speak under this section of the agenda.

IV. UNFINISHED BUSINESS

A. KA POUHANA/CEO'S UPDATE ON HO'OULU LAHUI ALOHA & OHA ACTIVITIES.

Chairperson Machado Calls on Ka Pouhana Crabbe to provide his update on OHA activities.

Ka Pouhana States that Administration will have two Line of Business updates for the Board today. The first is Asset and Resource Management with Chief Financial Officer Hawley Alamodin, followed by a short update from our Chief Advocate Breann Nu'uhiwa on some upcoming activities with Kau Inoa and how it relates to the Native Hawaiian Roll Commission.

CFO Hawley Alamodin Greets Trustees and states that in mid-September Asset Management will be bringing to the table several budget action items for the Board's consideration. There will be another realignment on the budget that will focus on refining the Community Engagement Line of Business with some additional requests. The Research and Advocacy Lines of Business are also considering their staffing needs and may add to the realignment.

The other major action item will be the biennium budget. OHA will be going back to the Legislature for the 2014-2015 General Funding. It looks like OHA will be asking for an increase in General Funding during the next biennium. The state has done a really good job in cutting OHA's General Funds in the last several bienniums. OHA is down to about \$2.3 million at this point. OHA's request this year will be in excess of \$3 million. The majority of OHA's General funds are in matching to the state provisos for social services, educational enrichment and legal representation. Administration is taking a close look at how effective those three provisos are and by mid-August program improvement and grant staff will be finalizing recommendations on how to move those forward with stronger ties to OHA's strategic plan.

Our grants program will be asking for the usual pool of money as well. Over the past three fiscal years our grants program has become more strategically aligned and incorporating measure through our contracting. They eventually want to have an organizational shift of grants as a priority of the organization. They want OHA's grants program to be willing and able to leverage OHA's funding to get even more funding to our Native Hawaiian communities. Within the next six to nine months the vision will be laid out for the Board.

The audits are in full swing, there will be two this year. The annual financial audit should render no surprises. KMH is the new auditor this year and it'll be our first time working with them. They should be extra critical which is good for the organization.

The States Auditor Marion Higa will be coming in to audit OHA this year. Every four years she comes in to do her audit. Four years ago when she did her last audit she focused on OHA's IT Governance and Investments. We expect a letter from her around September that will inform us of what her focus will be this time.

Chairperson Machado Asks trustees if they have any questions.

Trustee Apoliona Asks if the Grant Program's deadlines will be clear and consistent.

CFO Alamodin States for the most part the schedule should be clear and concise. Fiscal year 2013 was definitely a change from how the program was run before. There were good and bad comments from FY 2013 solicitations. They were able to contract timely which was an accomplishment, given the hurdles they encountered. They also realized that there were concerns from neighbor island beneficiaries. They will be more strategic moving forward in this year. The deadlines will be clear and the applications available way in advance.

Trustee Stender Asks if they have given any more thought to taking the budget out to the community.

CFO Alamodin States that Administration always takes the budget out to the community. That practice has not changed. Six years ago looked a lot different than what Administration is doing now. Back then, the budget was taken to the community in the form of community meetings. The overall result was that they did not get helpful input from those meetings. In the last two bienniums Administration has publicized the budget on OHA's website and in Ka Wai Ola and asked for input by email, telephone or in writing. There was a lot of helpful feedback so they will continue with the practice for the upcoming year.

Trustee Stender States that he agrees with the way it is being done now. He was a part of the community meetings from before. The only people who came are the ones with a gripe against OHA. They didn't offer much feedback on the budget.

CFO Alamodin Clarifies that when they bring the initial biennium to the Board in September they will not have done that because they are coming with two specific requests; approval of the General Funds to the Legislature and a pool of money for the grants. The rest of the biennium will actually come back to the Board of Trustees for consideration around April 2013. By that time in April they hope to announce to the community the biennium no later than February 2013.

Chairperson Machado States that she raised issues with the TAP (Transitional Assistance Program) folks regarding the last round of grant awardees. Some grantees have been awarded more than twice. Is

there going to be some thought about repeat applicants? OHA is supposed to help with capacity development, not to be relied upon year after year.

CFO Alamodin States that the repeat applicants are an issue and will be part of the policy documents and grant workshops. The current policy is if you have an open grant you cannot apply for another. The issue the chair had is that sometimes there are different branches of the same organization coming in for a grant. For instance Goodwill Industries Maui, Goodwill Industries West Oahu and Goodwill Industries East Oahu etc. She is a director on the Habitat of Hawaii Board and can address that issue.

Trustee Robert Lindsey States that he is very happy to hear that OHA is working to leverage its funds to get more grant money.

Ka Pouhana States with regard to the Chair's concern about repeat grantees, there are two trains of thought to the selection process. The first is OHA needs to support community organizations just getting started. For strategic results and systemic change it is looking at those organizations who are doing well and do they have the capacity to expand. For OHA's strategic plan to work we would need to depend organizations that can deliver certain services in different communities and fund them for a duration to get the results that OHA is striving for.

We need to balance how we develop partnerships with those types of organizations as well as continue to fund grass roots non-profit community based programs who would like to get to that level.

Another question is how to achieve parity to the neighbor island communities. Right now approximately 65% are located here on Oahu. There are still major Hawaiian populations on the neighbor islands that OHA needs to accommodate. It's an ongoing discussion.

Trustee Hulu Lindsey States that she has a problem with OHA giving large grants instead of spreading the money around to more organizations. She cites a \$100,000 grant to a Hawaiian Canoe Club. She asks why the money couldn't have been spread amongst 4 clubs.

Trustee Akana Asks what Administration is doing about prioritizing the types of grants OHA awards. Housing, health and education are more important than canoe clubs. Where are we in terms of how we prioritize grant awards?

CFO Alamodin States that it will be a two phase process trustees will see. Ka Pouhana will be bringing to the Board an open discussion about the Strategic plan and how it affects the community grants program. Administration is actually going to try a new focus which will tie into the grants program a lot better. The fiscal year 2013 grants have already been awarded. Based on the revised vision it will have specific measures. For fiscal year 2013-2014 we've limited the pool by putting in specific measures, for 2014-2015 we're limiting it even more. She does not believe that those types of awards will be a problem anymore, they won't fit into the measures and outcomes OHA is aiming for from its grants program.

Ka Pouhana States that the Hawaiian Canoe club proposal fit under the strategic result for Native Hawaiian cultural activities.

With regards to the prioritizing, the private vs. profit philanthropic model comes into play. Part of the Advocacy initiative would require OHA to partner with other community organizations. Within the next year OHA can demonstrate greater focus as an organization and improve on financial management. In several years OHA would like to go for a multi-million dollar multi-year grant. It could be with any of those initiatives.

The CNHA conference Trustee Lindsey talked about is something that both he and COO Los Banos attended. These are the same philanthropic foundations looking for organizations like OHA who have the ability to leverage resources. There are specific outcome measures in the grants to keep the results on track. We need to do a better job monitoring these measures and getting them back to the Trustees.

Trustee Akana Reiterates that \$100,000 would be better served keeping a roof over people's heads rather than cultural programs for canoe clubs.

Trustee Hulu Lindsey Asks if these grantees are monitored once the money is given.

CFO Alamodin States that there is a monitoring process in place. Grantees are given a portion of the grant, reports and deliverables are due before additional funds are released. Approximately half of the grantees are required to have staff site visits as well. Eventually 100% of the awardees will have staff site visits.

Trustee Apoliona Asks when the Strategic Plan briefing on proposed amendments will be held.

Ka Pouhana States that they have a number of updates coming forward so it will likely be included with the Advocacy Update Workshop.

Chairperson Machado States that the BAE Committee will handle those workshops.

Ka Pouhana Calls on Chief Advocate Breann Nu'uhiwa to update Trustees on OHA's role with Kau Inoa and support for the Native Hawaiian Roll Commissions work with Kana'iowalu.

CA Nu'uhiwa Presents Trustees with the following update. The Kau Inoa Database was quietly transferred to OHA yesterday as the contract with Hawai'i Maoli came to an end. OHA is now in possession of the Kau Inoa database. A computer back up was completed yesterday.

Advocacy is having a brown-bag informational briefing for OHA staff tomorrow to bring everyone up to date on the different registries and the Kana'iowalu effort.



Operation 'Ohana

- Started in 1989 as a worldwide campaign for "all Hawaiians to stand up and be counted as Po'e Hawaii, the Hawaiian people"
- 29,000 registrants
 - 18,000 verified Native Hawaiian ancestry
- Closed in 2002 in favor of Hawaiian Registry program

OHA's Hawaiian Registry

- Started in 2002 to create a database of Native Hawaiians showing lineal descent from the aboriginal peoples inhabiting the Hawaiian Islands in 1778
- Required by law
- 26,000 registrants
 - 100% verified Native Hawaiian ancestry

Kau Inoa

- First registrations in 2004
- Gave individuals an opportunity to declare:
 - Native Hawaiian ancestry
 - Intent to participate in creating a Native Hawaiian governing entity
 - Intent to be included on a public list
- Maintained by Hawai'i Maoli until July 31, 2012

Kau Inoa

Total Registered: 110,611

Hawaiian Ancestry Verification Status			
Chosen to declare intent to participate in creating a governing entity	Adults Registered Total: 84,830	Not Verified 62,272	Verified 22,608
	No 47,054	35,485	11,609
	Yes 37,786	26,787	10,999

Kana'iolowalu

- Launched on July 20, 2012
- Enrollment project of the Native Hawaiian Roll Commission established by Act 195
- Creates the official public list of Native Hawaiians that will be recognized by the state
 - Enrollees and their descendants will be recognized by the state as the indigenous, aboriginal, maoli population of Hawai'i
 - Enrollees will be part of the convention process

Trustee Apoliona States that the Hawaiian Registry is law so staff might want to identify it for the presentation.

CA Nu'uhiwa States that Trustee Apoliona is correct that in 2003 Section 10-19 of HRS was enacted in 2003. It requires OHA to maintain the Hawaiian Registry. It is open and live.

Trustee Stender Asks if staff has cross referenced the names on the different lists.

CA Nu'uhiwa States that OHA has an enrollment team who can provide information on how staff is cross referencing the different lists.

Ms. Luci Meyer States that staff does cross reference Operation Ohana information with the Native Hawaiian Registry database. After the Board created the Hawaiian Registry program staff brought back the Operation Ohana program to use for verification purposes.

CA Nu'uhiwa States that OHA contracted Hawaii Maoli to maintain and store Kau Inoa Registrations.

Chairperson Machado Asks if the information in Kau Inoa will be automatically transferred to Kana'iowalu.

CA Nu'uhiwa States that it is their intent to reach out to different individuals because some folks didn't want to be included in nation building and others didn't check the box that indicated they were Native Hawaiian. Not all of the Kau Inoa registrants are adults. Kana'iowalu participants have to be old enough to vote. Staff will do their best to reach out to everyone to consolidate those on the list and offer them the ability to transfer their information to Kana'iowalu. OHA would do the transfer for them so that they don't have to do it yet again.

Non-verified participants still need to be verified through the Kana'iowalu process.

Trustee Akana States that when Kau Inoa was launched OHA told the community that their information would be maintained and managed by an independent third party [Hawai'i Maoli]. How will OHA explain the situation to those people who agreed to sign up based on the fact the OHA would not own their information? The lists are confusing, people don't know what list they are on. She suggest that form letters be sent to everyone on all three lists to ask if they want their information to be transferred to the new list.

CA Nu'uhiwa States that OHA staff is ready to provide any help Kana'iowalu may need. Our registration staff is experienced in the different issues and can provide valuable help to the commission.

Trustee Apoliona Reminds Administration that the third party repository was created to keep the information from being public property. She asks what Administration's plans are to protect the information in the Kau Inoa Database.

Ka Pouhana States that there have been many meetings about the matter. He calls Corporation Counsel Ernest Kimoto to the table to explain OHA's plan to move forward.

CC Kimoto States that the reason Hawai'i Maoli was contracted to manage and maintain the database was to keep the information private. Now that the records have been transferred to OHA it is a database maintained by the State of Hawai'i. OHA has obligations to disclose information according to the Uniform Information Practices Act. OHA can redact home addresses and telephone numbers etc., but the mere fact that they are on the list is discloseable.

Trustee Apoliona States that there is urgency to getting the information on the list transferred to Kana'iowalu.

Chairperson Machado States that she was shocked to hear that there is a surplus of about 13,000 Kau Inoa T-shirts.

CA Nu'uhiwa States that Kau Inoa t-shirts have been printed over but there is still a surplus of 14,000 in the storerooms.

Ka Pouhana States that there is an urgency to get the message out to the community to minimize the amount of confusion. There will be internal briefings to keep everyone on the same page.

Chairperson Machado Asks CA Nu'uhiwa what the anticipated needs are looking like in terms of additional staffing for the Advocacy Line of Business. This is a daunting task.

CA Nu'uhiwa States that it would take a very long time to call everyone on these lists. There will be a need for additional positions especially because OHA staff is helping Kana'iowalu with verifications and genealogical research if they need it. They are still trying to look at what staff will be dealing with and what staff needs will be.

Trustee Stender States that he is on all three lists and has never gotten any kind of communication.

Trustee Hulu Lindsey States that the Native Hawaiian Roll Commission television ads are beautiful, but if she wasn't an OHA trustee, she wouldn't have a clue what the commercial was promoting. It needs to be a little more definitive. She sees the commercial every night during the Korean show.

CA Nu'uhiwa States that she will address what the interaction is between Kana'iowalu and the three registries. Each of them are related even though Kau Inoa is the most directly related because of the purpose for which Kau Inoa was established.

Kana'iowalu is the Native Hawaiian Roll Commission which launched on July 20, 2012. The Roll Commission was established by Act 195 and creates the official public list of Native Hawaiians that will be recognized by the state. Enrollees and their descendants will be recognized by the state as the indigenous, aboriginal, maoli population of Hawai'i. Enrollees will be part of the convention process to discuss if, when and how to move forward with nation building.

Kana'iowalu will be using the membership of the Hawaiian Registry or Operation Ohana to verify that ancestry. Folks can say that they are members of the Hawaiian Registry to check their verification.

The KS (Kamehameha Schools) and DHHL (Department of Hawaiian Home Lands) databases are also being use to verify ancestry.

Board Counsel Klein States that Kana'iowalu will be supportive of state recognition and potentially federal recognition. Has there been a discussion about the names on that list being limited to state enrollment and state recognition process or is it broad enough to roll forward to a federal recognition process?

CA Nu'uhiwa States that in her opinion it is definitely broad enough to roll forward into any type of recognition process the convened body wants to go for, whether it's state, federal or international. The significance of Kana'iowalu in her opinion is that this is the list that the state will look to when it's asking questions about Native Hawaiians. It is a state recognized list born out of state law. The significance of being on the roll if one is holding one's self out to be a Native Hawaiian in interactions with the state is important to note. Since this is the list the state will look to, a person who would want to interact with the state would want to be on this list.

Board Counsel Klein States that he wants to be sure because there is the situation where people want to sign up for state recognition that doesn't necessarily mean I support federal recognition. As long as it's clear to the person signing up that they are signing up for that long haul process, not just state recognition, then we're not going to have that problem in the future. Otherwise it will be a lot of effort for a limited purpose.

CA Nu'uhiwa States that it is significant and as they've been discussing the finer points of the Act and what it means, she thinks it can be boiled down to the extent the Native Hawaiian people want to engage in a government to government relationship with any other governments whether it be the state, federal or other country. The first question is going to be, "who are you, and who speaks for you." This is an attempt to address that first question in the eyes of the state.

Trustee Apoliona States that the commission's role is to publish the list. After that there is no road map. It's clear that Commission will publish the list and then dissolve.

Ka Pouhana States the core of the workshop they want to present in September because of the implications and the different benchmarks in terms of decision making and the implications that will result in future federal recognition or processes. How it impacts OHA in the next 2-3 years.

Chairperson Machado Asks to move on to the next item.

Ka Pouhana Calls to Ms. Mona Bernardino to the table. Mona is the Chief Operating Officer of Hi'ilei Aloha LLC and will be providing trustees with a the 2nd quarter updates for Hi'ilei and Ho'okele Pono.

B. HI'ILEI ALOHA LLC UPDATE – 2ND QUARTER

Ms. Bernardino Greets Trustees and provides the following update:

Administration:

- Completed 2011 audit
- Filed manager changes with DCCA updating its Hi'ilei Aloha registration
- Held a staff retreat in Waimea Valley reviewing and updating its strategic plan and also reviewing its current projects
- Continued to gather and provide information to Proservice Hawai'i, our new HR Administration vendor, in preparation for July 1 cutover
- Updated LLC bank signature cards removing previous managers and adding the new managers
- Attended Society of Human Resource Management 2012 Conference to expand HR knowledge

Assisted Other LLCs:

- Filed 2012 Annual Report Filing with DCCA for Hi'ikualono LLC; also updated its registration removing previous managers and adding the new managers
- Filed manager changes with DCCA for Hi'ipoi LLC updating its registration
- Performed Hi'ipoi LLC and Ho'okipa LLC accounting functions
- Gathered and provided information to the auditor completing Hi'ipoi LLC's 2011 audit

Ho'okahua Capacity-Building Program:

- Prepared and submitted \$300,000 grant application to U.S. Dept. of Agriculture Rural Community Development Initiative program for capacity building in rural communities
- Prepared and submitted \$448,000 grant application to ANA for capacity building for human services agencies Native Hawaiian serving
- Attended HANO budget seminar to expand knowledge of non-profit budgeting
- Secured \$24,965 contract from Na Ki'ipa'a o Ki'ihio to provide temporary project management and capacity building services
- Secured cost-share agreement to deliver board development technical assistance for Kapolei

Community Development Corporation

- Provided partial scholarships for 9 clients to attend a training workshop on "Budget Techniques for Nonprofits: A Hands-On Workshop"
- Prepared and submitted Hi'ilei Aloha qualifications packages in response to Dept. of Hawaiian Home Lands annual notice to procure professional services. This will allow Hi'ilei Aloha to be included in DHHL's vendor list for future fee-for-service contracts for capacity building training and education
- Conducted informational meeting to begin recruitment for leadership training program scheduled to be conducted in Hilo in August. Partnering with DHHL and USDA, who are contributing 10K each, Hawai'i County contributing \$8K and The Atherton Family Foundation is contributing \$5K
- Attended HACBED Conference on Hawaii Family Financial Empowerment Symposium to network and outreach. At least five organizations indicated interest in Hi'ilei services

2012 Second Quarter Statistical Report (April – June)

Program Activities	Results	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Year-end Totals
Number of community outreach presentations conducted – Oahu – 24 Maui - 3 Kaua'i - 1	Increased awareness of services available through Hi'ilei Aloha		28			
Number of capacity-building requests received	Increased number of startup NH businesses or nonprofits		11			
Number requesting to start up a business	Increased commitment to being economically self-sufficient		4			
Number requesting to start up a nonprofit	Increased commitment to serving needs of the NH community		7			
Number requesting business plan assistance	Increased success of NH business startups		5			
Number requesting grant writing assistance	Increased success of NH nonprofits securing grant awards		7			
Number requesting strategic planning assistance	Increased sustainability and success of NH nonprofits		5			
Number requesting specialized capacity building services	Increased sustainability and success of NH nonprofits		4*			
Number of training sessions, seminars or workshops held	Increased support for organizational success		1			

*specialized services include financial accounting, charter school application, and reinstatement of tax exempt status

Trustee Stender Asks for more information on the DHHL RFP.

Ms. Bernardino States that Hi'ilei has submitted paper work to do capacity building for Hawaiian Home Lands capacity building. DHHL does not have a capacity building program anymore and is looking at contracting Hi'ilei.

Chairperson Machado Asks who makes those kinds of decisions at DHHL. Will it be the commissioners or administration?

Ms. Bernardino States that it will be the administration. The Commissioners only set policy.

Trustee Stender Asks what age groups are using the leadership training.

Ms. Bernardino States that there are approximately 30 registrants from all over Hawai'i Island. The ages of participants aren't readily disclosed.

Ms. Bernardino Calls on Richard Pezzulo to provide the update on Waimea Valley.

Mr. Pezzulo Greets Trustees and reviews the following report. He highlights the \$154,000 surplus during the current quarter.

Trustee Akana Asks what the increase might be attributed to.

Mr. Pezzulo States that tourism for the overall state has improved. Having a clear strategic plan is helpful because everyone knows their role. Advertising has increased. They are in every magazine and tourist brochure. They have increased the products in the snack shop. To keep the momentum going they are trying to have more events in the valley, scheduling meetings and weddings.

Trustee Apoliona States that it is a positive report and she is very happy for Mr. Pezzulo. The environmental elements have been better within the last year. There is a spirit there that didn't exist when OHA first took over the Valley.

Trustee Akana Congratulates Mr. Pezzulo and asks who is on his team at the Valley.

Mr. Pezzulo States that his team is part of the reason why the Valley is doing so well. He has five managers; cultural programs, facilities, botanical group, human resources and the business group. They worked closely with the team to develop the plan. Being directly involved in the plan helps them buy into the plan and support it wholeheartedly. It has helped to increase morale, they even have an employee of the month program. There is a lot of excitement not only in the Valley but also in the community.

Chairperson Machado States that the core staff comes from the community which means they have a vested interest in the success of the valley.

Trustee Akana Asks if the management team is new.

Mr. Pezzulo States that they are all people who have been there a long time. They've hung in there through everything we've been through. One employee has been there for 40 years, they're dedicated to the Valley.

Trustee Stender States that he spoke at the forestry conference yesterday and a young man who has been working at Waimea for 5 years approached him to tell him how happy he was with his job. He was appreciative and enthusiastic about his work.

Trustee Robert Lindsey States that he noticed the Valley has a lot of volunteers.

Mr. Pezzulo States that the community is very supportive. He lists upcoming events as follows:

- Saturday, August 10th - Pulama Open house Event
- December 3rd - Makahiki Events

There is an outdoor amphitheater and First Wind is providing volunteers and funding to remove all the seats and landscape it. They are looking at concerts and competitions. They really want to bring the cultural aspects of the Valley back to life. No one else can offer authentic cultural activities.

Trustee Akana Asks if the road to the mountain has been cleared.

Mr. Pezzulo States that Trustee Akana is referring to the North Valley. No one really goes up there anymore but it was used for ATV rides. There a lot of cultural sites up there. They are looking for grant funding to open it up. They want to film movies and take hikes. There is a movie going up to film in November. They recently had a music video team use the waterfall area. There is a lot of activity going on in the Valley.

Trustee Akana States that there is a crevice on that road that is potentially a danger to large vehicles.

Mr. Pezzulo States that they will look into it.

QUARTERLY HIGHLIGHTS

Waimea Valley Business Operating Plan

The 2012 to 2016 Waimea Valley Business Operating Plan was presented to the Hi'ipaka Managers in June 2012. The five year Plan Over focuses on increasing the number of visitors to the Valley, achieving financial sustainability, expanding cultural and botanical programs, and obtaining recognition as a world class cultural and botanical site. In order to achieve these strategic priorities staff will improve and expand marketing efforts, upgrade facilities and infrastructure, and expand and improve cultural and botanical programs. Financial sustainability is targeted for the fourth quarter of 2013. The Hi'ipaka Manager's approved the plan at the June 20, 2012 Manager's meeting.

Botanical Group

- Earth Day 4/22; Haina Aina group: 20 volunteers, out-planted 293 native groundcovers, shrubs, and trees at Kalahe'e Ridge
- Pollination and seed banking project: Checked the 20 native hibiscus plants planted at WaialuaHigh School. Watered, fertilized, and added compost. Collected 166 seeds for seed bank.
- Banded 3 'Alae 'ula with the help from USFW. 7 'alae 'ula chicks were born. First sighted 5/28.
- Prepared garden maintenance checklists and schedules for use by gardening staff.
- Began compiling information including fencing cost for grant funding for the 15 acres enclosure in Waimea Mauka.
- Out planted native groundcover by the estuary bank with the help of volunteers -Kokua
- Foundation and Overland Summers
- Built 4 more bullfrog traps to protect the 3 'alae 'ula chicks and purchased 6 new traps to control mongoose and cats. 15 'alae 'ula total.
- Revised Hiking program.
- Receiving applications for AmeriCorp internships: Conservation and Propagator internship positions. Will conduct interviews in August.
- Completed Individual Performance Plans for Botanical Group staff.

Cultural Programs

- Recruitment of two part time Cultural Field Educations initiated.
- Prepared SOP for Visitor Center greeter.
- Initiated preparation of visitor orientation session and accompanying booklet.
- Developed Visitor Center theme.

Business Group

- Expanded the gift shop and the number of local made gift items.
- Began selling local food items at Na Mea Ono. Will continue localizing the menu.
- Completed Annual Pass Policy and will not change with the exception of reducing the food and gift discount from 20% to 10%.
- Completed Individual Performance Plans for Business Group staff.

Facilities Department

- Visitor Center Renovations - Contract executed for the ADA compliance for the Visitor Center and work began in June. All work is expected to be completed by mid-July. Drawing are being prepared for Visitor Center interior display to include a historical time line and display of replicas of artifacts from the Valley.
- Rock Fall Mitigation - Contract executed with AECOM Technical Services Inc. to provide technical assistance in all phases of rock fall mitigation.
- Porta-potty Upgrade - the Department of Health notified the Valley that temporary toilets are not allowed. The Valley can have one septic tank/leech field system and we are currently working with a contractor to design an appropriate system to be located at the turn around just before the falls. All other porta-potties will need to be removed, but can be brought in for special events.
- Proud Peacock ADA Compliance - SMA permits prepared for submission in July.
- Plan Nursery Relocation - SMA permits prepared for submission in July.
- Completed Individual Performance Plans for Facilities Department staff.

Human Resources

- Transitioned from Altres HR Services to Pro Service which provides Hi'ipaka employees with more comprehensive health coverage and an overall lower HR services cost along with access to additional training programs and support services.
- Conducted two all Staff meetings to inform employees of progress, plans and change in HR services.
- Held discussion with contractor to out-source lifeguard service. Hi'ipaka managers approved outsourcing of this service to ensure the best service and to Hi'ipaka limit liability through additional insurance coverage carried by the contractor.
- Implemented employee of the Month Program.
- Scheduled Customer Service Training for all Staff.

Volunteer Program:

- 63 Volunteers provide 785 hours of volunteer service.
- 34 Volunteer groups provide 1988 hours of volunteer service.
- Grand total for 2nd Quarter 2012: 2,773 Volunteer Hours (well exceeding performance measures).
- 4 Outreach: Wahiawa Middle School, Sunset Beach Elementary School, Ocean Fest at Turtle Bay Resort, Boy Scout Camp Pupukea.
- Facilitated 7 new Volunteer Orientations.
- Created "Volunteering at Waimea" brochure.

Major Activities Events Next Quarter

- Conduct Pulama, Open House, and Kalo Workshop on August 11.
- Recruitment of an Executive Assistant and Cultural Field Educator.
- Contract with appropriate grant writers.
- Apply for grants to address priority projects and programs.
- Outsource the lifeguard service.
- Complete Visitor Center renovations.
- Obtain Proud Peacock and Nursery SMA permits.
- Complete toilet design for the turn around area.

Chairperson Machado Asks to move on to Makaweli Poi.

Ka Pouhana States that Ms. Bernardino will give the highlights and he will add comments afterward.

Ms. Bernardino Highlights the following from page 15 & 16 of the report:

Quarterly Report for 2nd Quarter 2012: April 1, 2012 - June 30, 2012

During the Second Quarter of 2012, Hi'ipoi LLC began transition of Makaweli Poi Mill to a community-based non-profit organization:

Since 2006, due to unfortunate historical circumstances, there has been a poi taro shortage in West Kaua'i, and a shortage of poi quality taros obtainable from elsewhere on Kaua'i. Due to this ongoing shortage, Makaweli Poi Mill continues to operate at one quarter of its historic capacity and had been experiencing poi quality problems associated primarily with increased use of taros that are unsuitable for quality traditional poi. For Makaweli Poi Mill to stay in business, to ho'omau, we must produce high quality poi that is authentic, profitable and sustainable. To do this, we need to repair the very foundation of our business by supporting current and potential taro farmers to restore the availability of high quality Hawaiian poi taros in West Kaua'i.

On May 4, 2012, the poi mill faced suspension of operations. However, upon further consideration by management and an outpouring of community involvement, Hi'ipoi LLC has been able to continue operations through to the transfer of the poi mill to a community-based organization, Ka Piko o Waimea. Ka Piko o Waimea was formed by West Kaua'i Hawaiian community stakeholders dedicated to the perpetuation of Makaweli Poi Mill as a fundamental cultural practice, a healthy local food for a large number of Hawaiian consumers and an important contributor to local food security. Makaweli Poi Mill staff and taro farmers inducted Ka Piko o Waimea Board of Directors, consisting of volunteer community leaders from West Kaua'i.

The organization of Ka Piko o Waimea is dedicated to the perpetuation of Makaweli Poi Mill in continuance of Hi'ipoi, LLC's mission: *to preserve, protect, enhance, develop and promote Hawaiian culture, customs and practices through the production of poi and/or other taro- and poi-related products and by supporting and encouraging the farming of Makaweli Valley and surrounding communities on Kaua'i.* As a community and culture-based organization, Ka Piko o Waimea will operate Makaweli Poi Mill as an intrinsic community hub that is uniquely and appropriately able to organize agricultural initiatives and educational programs to serve the needs of this unique Hawaiian taro farm community. As such, the poi mill can work collaboratively with West Kaua'i farmers to support their efforts to improve taro quality and yields, develop poi taro huli banks, increase farm expansion projects, and 'grow' the next generation of West Kaua'i taro farmers. It is anticipated that with a sustainable taro supply and community programming, Makaweli Poi Mill can be restored to self sufficiency and continue to perpetuate the cultural practices surrounding poi and taro farming, while providing agri-business education and opportunities in the Hawaiian community.

Ka Pouhana States that Ka Piko o Waimea still hasn't submitted their business plan. The managers met to consider other partners at this point to move forward. He met with Bernard Carvalho who is willing to help. There is still a dependency on OHA to fund them for their operations. Administration doesn't feel that it is a viable operation.

COO Los Banos States that they are still looking to the community for a responsible entity to take over. It should be a community effort. Director Kokubun visited Makaweli and looked at the potential. He stated that there is no reason why Makaweli shouldn't be making money. The failure should not be attributed to a lack of kalo.

Trustee Hulu Lindsey Asks if they are still manufacturing poi.

Ms. Bernardino States that they are manufacturing poi one day a week. That's down from two days a month.

C. HO'OKELE PONO LLC UPDATE – 2ND QUARTER

Ms. Bernardino Highlights the following:

In the second quarter of 2012, Ho'okele Pono LLC accomplished:

- Filed manager changes with DCCA for Ho 'okele Pono LLC updating its registration
- Filed 2012 Annual Report Filing with DCCA for Ho 'okipaipai LLC; also updated their registrations with its new managers

In the second quarter of 2012, Ho'okipaipai LLC:

- Hired new Program Manager
- Obtained 44 new clients
- Counseled 73 clients
- Held 17 training sessions
- Clients awarded 21 contracts totaling \$3,977,611

*In addition to the above contracts, a Native Hawaiian company (Akimeka Technologies) was awarded a \$20 billion "ID/IQ" contract with 34 other companies and another \$300 million IO/IQ contract with at least 1 other company. ID/IQ means "indefinite delivery/indefinite quantity." It represents potential business the government expects to contract subject to funding by Congress and a contract for services being put forth.

Seventeen (17) procurement outreach conferences were held:

Sponsored:

5 April	Doing Business with the Government in Lihu'e, Kaua'i
10	April Understanding the Capability Statement in Kapolei
10	April Understanding the Capability Statement in Kapolei
24 April	Teaming Part 1

Attended:

3 April	2012 Hawai'i Build and Buy Green Conference and Expo at the Hawai'i Convention Center
18 April	BIA General Membership Meeting at Construction Training Center of the Pacific in Waipahu
24 April	DBE presents Small Business Fair at Airport Conference Rooms
26 April	Smart Business Hawai'i Sunrise Breakfast at the Pineapple Room
28 April	Small Business Fair at Leeward Community College
13 June	Army Industry Day at Schofield Barracks
14 June	Hiring Our Heroes in Kahului, Maui
16 June	King Kamehameha Day Festival in Kona, Hawai'i Island

Sponsored by sub-recipient (MEO in Kahului):

11 April	Doing Business with the Government as a Subcontractor in Kahului, Maui
19 April	Subcontracting and Teaming in Hilo, Hawai'i Island

19 April SBA Government Contracting Programs in Hilo, Hawai'i Island
25 April Doing Business with the Government in Kahului, Maui
25 April Subcontracting, Teaming and Capability Statements in Kahului, Maui

Trustee Akana Asks if PTAC serves everyone not just Hawaiians.

Ms. Bernardino States that because PTAC is a federal program they serve anyone who calls to participate. OHA pulls out statistics specific to Native Hawaiian businesses. The dollar volume of awarded contracts is 62% going to Native Hawaiian owned business.

Trustee Stender States that OHA took advantage of the opportunity to be in a position to notify Native Hawaiian businesses when and how government contracts are awarded.

Trustee Akana Asks why PTAC was taken out of OHA and placed in an LLC. The Board had no knowledge of the move.

Ms. Bernardino States that her understanding, she wasn't with OHA at the time, is that OHA wanted to focus on 3 strategic priorities; research; advocacy and asset management.

Chairperson Machado Asks to move on.

Ka Pouhana States that he has one last update. The Advocacy Line of Business has been working hard to get complete the Native Hawaiian Criminal Justice Task Force meetings on the neighbor islands. The report will be brought to the Board before it goes to the Legislature and the governor.

V. EXECUTIVE SESSION

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

Trustee Akana 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. *Pursuant to HRS 92-5(a)(4).*

Trustee Waihe'e 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. *Pursuant to HRS 92-5(a)(4).*

Trustee Akana Seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
TRUSTEE ROWENA AKANA	X		X			
TRUSTEE PETER APO						X
TRUSTEE HAUNANI APOLIONA			X			
TRUSTEE DONALD CATALUNA						X
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			2

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

Motion passes with seven (7) YES votes and two (2) EXCUSED.

The Board moved into Executive Session at 11:37 a.m.

- A. LEGAL ADVISORY BY BOARD COUNSEL ROBERT G. KLEIN, ESQ. RE: QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS AND DUTIES WITH RESPECT TO THE KA POUHANA'S 6 MONTH PERFORMANCE APPRAISAL. PURSUANT TO HRS 92-5 (A) (4).**
- B. ATTORNEY-CLIENT LEGAL ADVISORY BY OHA BOARD COUNSEL ROBERT G. KLEIN, ESQ., AND CORPORATION COUNSEL ERNIE KIMOTO, 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. LEGAL ADVISORY AND STATUS UPDATE BY KA POUHANA, ADMINISTRATION CONSULTANTS, CORPORATION COUNSEL ERNIE KIMOTO, ESQ., AND OHA BOARD COUNSEL ROBERT G. KLEIN, ESQ., RE: QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES REGARDING THE ACQUISITION OF CERTAIN PUBLIC PROPERTY. PURSUANT TO HRS 92-5(A)(3) AND 92-5 (A)(4).**
- D. ATTORNEY-CLIENT LEGAL ADVISORY BY OHA BOARD COUNSEL ROBERT G. KLEIN, ESQ. RE: QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES AND LIABILITIES WITH RESPECT TO THE LAWSUIT FILED BY/TO BE FILED BY ATTORNEY H. WILLIAM BURGESS, ESQ. PER HIS E-MESSAGE OF JULY 24, 2012 TO BOARD COUNSEL.**
- E. APPROVAL OF EXECUTIVE SESSION MINUTES FOR JULY 5 AND 19, 2012.**

The Board moved into Open Session at 12:22 a.m.

VI. BENEFICIARY COMMENTS

Chairperson Machado Calls on Mr. Keali'i Makekau as the final beneficiary speaker.

Mr. Makekau States that his only comment to Trustees would be about Board Counsel Klein's comment regarding the discussion on state vs. federal recognition for those signing up on the Kana'iowalu list. He attended opening event at Thomas Square recently where Commissioner Na'alehu Anthony was being drilled on the three different lists. There seems to be a cloud of ambiguousness where the different registries are concerned.

There was some questions from legal minds in attendance regarding the language in Act 195. In section 2, paragraph 8, there is a part stating affirmation of the state being the final authority. In other words there is no need to be recognized. The list can be made but at the end of the day, the State is still the final authority.

Chairperson Machado Thanks Mr. Makekau for his comments and moves on to the announcements.

VII. ANNOUNCEMENTS

Chairperson Machado Announces the following Board Meetings:

1. OHA Maui Community Meeting - August 15, 2012
2. Board of Trustees Maui Meeting - August 16, 2012

VIII. ADJOURNMENT

Trustee Apoliona Moves for adjournment.

Trustee Stender Seconds the motion.

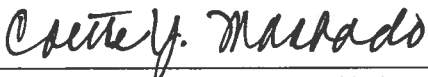
There was no discussion and Chairperson Machado notes a unanimous consensus.

The meeting was adjourned at 12:25 p.m.

Respectfully Submitted,

Leah Burrows-Nu'uano,
Board Secretary

As approved by the Board of Trustees on August 16, 2012.



Trustee Colette Y. Machado, Chairperson
Board of Trustees

ATTACHMENTS:

1. August 2, 2012 BOT Community Sign in Sheet
2. Excused Absence Memo from Trustees Apo and Cataluna,