

PHONE (808) 594-1888
BOARD OF TRUSTEES
Colette Y. Machado, *Chairperson*
Brendon Kalei'aina Lee, *Vice Chairperson*
Leina'ala Ahu Isa, *At-Large*
Dan Ahuna, *Kaua'i & Ni'ihau*
Kalei Akaka, *O'ahu*
Keli'i Akina, *At-Large*
Carmen Hulu Lindsey, *Maui*
Robert K. Lindsey, Jr., *Hawai'i Island*
John Waihe'e IV, *At-Large*



FAX (808) 594-1868

**STATE OF HAWAII'
OFFICE OF HAWAIIAN AFFAIRS
MEETING OF THE BOARD OF TRUSTEES**

DATE: Thursday, October 17, 2019
TIME: 10:00 am
PLACE: OHA Board Room, Nā Lama Kukui
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

AGENDA

- I. Call to Order
- II. Approval of Minutes
 - A. August 8, 2019†
 - B. August 22, 2019†
 - C. September 5, 2019†
- III. Public Testimony*
- IV. Unfinished Business
 - A. Interim CEO's 15-Minute Update on Ho'oulu Lāhui Aloha and OHA Activities
- V. New Business
 - A. Committee on Resource Management
 1. Action Item RM #19-14: Action Regarding the Economic Development Policy Implementation Procedures (2nd Reading)
 2. Action Item RM #19-15: Action Regarding the Debt Management Policy Implementation Procedures (2nd Reading)
 - B. Joint Meeting of the Committee on Beneficiary Advocacy and Empowerment and the Committee on Resource Management
 1. Action Item BAE/RM #19-08 – FB 20-21 Hawaiian-Focused Public Charter School Fund Administration Grant Recommendation. †
 - C. Deliberation and decision making on the Report by the Permitted Interaction Group re: the investigation of the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework.
Pursuant to HRS §92-2.5(b)(1)(C)
- VI. Executive Session‡
 - A. Consultation with Kumabe HR LLC regarding the recruitment of candidates and hiring of the position of OHA Chief Executive Officer (CEO). Pursuant to *HRS §92-5(a)(2)*.
 - B. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding Civil No. 17-1-1823-11 JPC, OHA v. State, et. al. *Pursuant to HRS §92-5(a)(4)*.
 - C. Approval of Minutes
 1. July 25, 2019
 2. August 22, 2019
 3. September 5, 2019
- VII. Community Concerns*
- VIII. Announcements
- IX. Adjournment

If you require an auxiliary aid or accommodation due to a disability, please contact Raina Gushiken at telephone number 594-1772 or by email at: rainag@oha.org no later than three (3) business days prior to the date of the meeting.

*Notice: Persons wishing to provide testimony are requested to submit 13 copies of their testimony to the Chief Executive Officer at 560 N. Nimitz, Suite 200, Honolulu, HI, 96817 or fax to 594-1868, or email BOTmeetings@oha.org 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: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

‡ Notice: This portion of the meeting will be closed pursuant to HRS § 92-5.

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

10/10/19
Date

Office of Hawaiian Affairs
Board of Trustee Meeting
October 17, 2019
10:00 am

- II. Approval of Minutes
 - A. August 8, 2019
 - B. August 22, 2019
 - C. September 5, 2019

**STATE OF HAWAI'I
OFFICE OF HAWAIIAN AFFAIRS**
Lanikeha Community Center
2200 Farrington Avenue
Ho'olehua, Moloka'i, Hawai'i 96729

Minutes of the Office of Hawaiian Affairs Board of Trustees
Thursday, August 8, 2019
9:00 am

ATTENDANCE:

TRUSTEE COLETTE MACHADO
TRUSTEE BRENDON KALEI'ĀINA LEE
TRUSTEE LEINA'ALA AHU ISA
TRUSTEE DAN AHUNA
TRUSTEE KALEI AKAKA
TRUSTEE W. KELI'I AKINA
TRUSTEE CARMEN HULU LINDSEY
TRUSTEE JOHN WAIHE'E IV

ROBERT G. KLEIN, BOARD COUNSEL

EXCUSED:

TRUSTEE ROBERT LINDSEY

ADMINISTRATION STAFF:

SYLVIA HUSSEY, ICEO
LISA WATKINS-VICTORINO
STERLING WONG, PRO
WAYNE TANAKA, PP
JASON LEES, DPM
PŪLAMA LIMA, LCH
KAWENA CARVALHO-MATTOS, DPM
GAYLA HALINIAK-LLOYD
EVERETT OHTA

BOT STAFF:

CAROL HOOMANWANUI
LAURENE KALUAU-KEALOHA
KAMA HOPKINS
NATHAN TAKEUCHI
CLAUDINE CALPITO
ALYSSA-MARIE KAU
LŌPAKA BAPTISTE
DAYNA PA
MARIA CALDERON
LEI-ANN DURANT
BRANDON MITSUDA
CRAYN AKINA

GUESTS:

DR. JONATHAN SCHEUER
MALIA KAAIHUE
MAHINA POEPOE
LORI BUCHANAN
CORA SCHNACKENBURG

I. CALL TO ORDER

Chair Colette Machado Calls the Board of Trustees meeting to order at 9:07 am. Roll call is taken; Trustees Ahu Isa, Ahuna, Akaka, Akina, Lee, Carmen Hulu Lindsey and Machado are present; constituting a quorum of seven (7) trustees. Trustee John Waihe'e IV is expected shortly. An excuse memo was recieved from Trustee Robert Lindsey.

I would like to read into the record that the 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for the following items:

- II. Approval of Minutes
- C. July 10, 2019 (Community Meeting)

II. APPROVAL OF MINUTES

- A. June 20, 2019

- B. July 10, 2019 (Site Visit)
- C. July 10, 2019 (Community Meeting)

Chair Colette Machado – The Chair would like to entertain a motion for the approval of minutes of June 20, 2019, July 10, 2019 for the Site Visit and July 10, 2019 for the Community Meeting

Trustee Carmen Hulu Lindsey moves the approve the Board of Trustees meeting minutes of June 20, 2019, July 10, 2019 (site visit) and July 10, 2019 (community meeting).

Trustee Dan Ahuna seconds the motion.

Chair Colette Machado - Any discussion? Hearing none, roll call vote please.

Trustee Carmen Hulu Lindsey moves the approve the Board of Trustees meeting minutes of June 20, 2019, July 10, 2019 (site visit) and July 10, 2019 (community meeting). Trustee Dan Ahuna seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA		x	X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI'ĀINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY	x		X			
TRUSTEE ROBERT LINDSEY						Excused
TRUSTEE JOHN WAIHE'E						Not present at vote
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			2
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passes with seven (7) yes votes and two (2) excused.						

III. PUBLIC TESTIMONY

Chair Colette Machado – At this point we have no one that has signed up for public testimony. If we missed anybody we still have community concerns on VI. I've been asked by our interim CEO that she does not have new updates under Unfinished Business IV. A. With that said we will now move into V. New Business. I have the honor of asking that DHHL consultant Dr. Jonathan Scheuer come forward to do a presentation on the status of its water use permit application for Central Molokai.

IV. UNFINISHED BUSINESS

A. Interim CEO'S 15-Minute Update on Ho'oulu Lāhui Aloha and OHA Activities

Interim CEO has no updates for the Board.

V. NEW BUSINESS

A. Presentation by the Department of Hawaiian Home Lands regarding the status of its water use permit application for central Molokaʻi

Chair Colette Machado – Thank you Jonathan and the site visit for the team from Hawaiian Homes. Aloha and good morning again.

Dr. Jonathan Scheuer – Aloha mai kakou. Thank you very much for the opportunity to be with you today and to talk about this important issue. I was involved in this issue since the beginning of the USGS study, I was an employee of the Office of Hawaiian Affairs from 2004-2010. My involvement on this aspect of things started when I believe it was either Dayna Pa or Leah Burrows summoned me up to the boss' office; they said the boss like talk to you. Trustee Machado was like, eh Jonathan they going do this study we need money. You get money in your budget. We did, and actually, I'll have a photo from our first site visit preparing for the USGS study a decade ago. I am happy to be part, still of this really critical discussion for the future of Molokaʻi. I'll just update you on where the Department of Hawaiian Home Lands is on its water use application as well as try to touch on some of the other issues that came up during the site visit.

(Dr. Jonathan Scheuer starts his PowerPoint presentation. Please see attached PowerPoint presentation)

Trustee Carmen Hulu Lindsey – Is domestic water separated from the Agriculture water?

9:26 am Trustee John Waihe'e IV arrives.

Dr. Jonathan Scheuer – In terms of its priority of use? Yes. So other than homesteaders, Agriculture uses are not considered to be a public trust use of water. They are a high priority, as a nonpublic trust use of water, but there are not on the for public trust uses. If you are, were growing taro or other cultivation as a traditional and customary native Hawaiian practice that would be included but other kind of agriculture in Hawaii Law are not a public trust use of water. I will say plantation and other uses for many years have tried to have their use elevated to be a public trust use of water but communities and Na Wai Eha and elsewhere have strongly resisted.

Chair Colette Machado – Trustees any questions for Jonathan?

Trustee Keli'i Akina – Thank you very much for the report I am impressed to the extent to which the Department is involved in water preservation and water supply. It's quit aggressive, so congratulations. I am glad OHA is working together with you. The measures that you have addressed are largely conventional technology. Can you tell you what kind of thinking is going on in terms of future technology and state of the art methods that are used across the World? Particularly, in terms of energy with renewable sources such as solar and secondly desalination which is a growing practice across the World. Is the Department looking at these as the future sources?

Dr. Jonathan Scheuer – Thank you Trustee Akina. I will say part of your question; DHHL has very small staff that works on water issues. Halealoha is the only staff member who looks at water issues Statewide. I assist him as a consultant. He would probably be better situated to answer your first question about emerging technologies. I will say if it wasn't clear at the site visit. DHHL is very far along in developing a solar power source to reduce pumping costs for this particular system. Regarding desalinization, I've spend about 30 years working on water issues around the archipelago. We fight a lot about water everywhere. I have yet to find a place where we are fighting over water because there is literally too little water to go around. Almost every single situation is really driven by greed, by people wanting to hold on to more water than they actually need for a very, very long time. So while desalinization for certain very remote lands without infrastructure might be a best coast alternative in most cases, desalinization is being resorted to essentially for political reasons.

Because it's easier to drill a salt water well and desalinization it at tremendous energy cost then fight politically over a proper allocation over water. At least that is my personal opinion.

Trustee Carmen Hulu Lindsey – As far as timing for your water permit, what are you foreseeing?

Dr. Jonathan Scheuer – The question again is when are we planning to submit the water use permit. I will say that we've actually been wrangling with the Water Commission for a long time. They have been trying to have us submit a new water use permit for a number of years. We who actually funded the US Geological Survey study, along with Maui County and the Office of Hawaiian Affairs, have said that we want to have a permit based on good science and cultural information. The Water Commission has unfortunately at the staff level, below the Deputy level; continue to think that DHHL's water use permit is competing in a legal sense with the Ranch's permit and the County's permit. They said, well the Ranch is ready to go; you guys need to put in your water use permit. We've said, we're not competing with them, read the water code, read this case law, you actually have to allocate water to use before allocating any water to them. We are going to do this when the USGS study is done. Fortunately, its pau, it's going to be written up and published in the Fall, we are targeting December of this year to submit our water use permit. This could go very, ideally fast and we get issued a water use permit in a limited period of time. Or again, Molokai Ranch, which has not so far indicated any conciliatory stand on water issues could object again to our water use permit and drag us through a very long contested case process.

Chair Colette Machado – Any other Trustees that have questions for Jonathan.

Dr. Jonathan Scheuer – I'd like to thank OHA for its many years of commitment to water issues on this island as well as Na Wai Eha. It's been a very critical support.

Chair Colette Machado – I wanted to call on Everett. I wanted you to explain our letter that we sent to the Water Commission on the review when the USGS report is final what the intent of our letter represents our commitment to the sustainable yield of the aquifer.

Everett Ohta – Thank you Chair and good morning Trustees, and all the community members present as well. As Chair Machado mentioned OHA recently submitted a letter as part of the water resource protection plans comment period before the Water Commission. Just to state that we understand that this process is moving forward for the Water Commission to update their plan which hadn't been done in a number of years. But that we were looking closely at what will be coming out as a results from this USGS study of Central Molokai Ground Water. We will look at potentially recommending changes be made based on that best available science that is going to be the basis of that USGS study. But right now the USGS study, which, as Dr. Scheuer mentioned, was co-funded by the County, DHHL and OHA. They are drafting their draft report and that is expected later on this year. Based on that and the final findings from that report we would look to re-evaluate what the sustainable yield is for the Kualapu'u Aquifer.

Trustee Brendon Kalei'aina Lee – When we were given the USGS presentation and was shown the coning effect, what was lacking was any thought of long-range thoughts or solutions for that. Has the department talked about anything or any ideas? Clearly, we need wells, but is there anything else we are looking at. I just came from Kalua Koi yesterday and there are more houses being built. So is there anything, the long-term solutions that are being considered or even thought about?

Dr. Jonathan Scheuer - Trustee, for the Department the long-term solution, we have this 3.5 million gallons of water that is reserved from this aquifer for us. Our long term is that if we can preserve that reservation and being able to turn that reservation in to wet water through well development that is the long-term solution to the water need that we already calculated in this area. So to do that one of the uses that we have in the USGS study is not just saying what's going to happen right now if the Ranch pumps 1.1 million gallons but what does that going to eliminate to future well sites latter at fully developed reservation. A water manger like the

Water Commission, the only things you can control is how big a well is, physically where it is and how deep a well is. To manage that ground water you have those three things you can do. To the degree, we can preserve sites and the ability to pump water in the future or distribute pattern that is what we are seeking to do.

Trustee Brendon Kalei‘aina Lee – I understand what you guys are looking for, but how are we going to do that?

Dr. Jonathan Scheuer – The other problem that we face, is even if you can theoretically put wells very evenly distributed, there are constraints on roads, constraints on power availability, on pipeline availability. So there is actually very limited number of actual sites. So we have done some work on identifying where those sites are and in our conversations with the County which has a desire in the long term to move their well away from ours, which is a good thing. We are actually trying to identify sites that might work for the County to move that does not compromise our future sites.

Chair Colette Machado – Thank you for your time. Again our strong relationship with you. Everett all the work you do on behalf of OHA even if sometimes I am too extreme and intense you have to forgive me. Because ground water is so precious for our island it’s been something that we have been battling for decades. Thank you for providing us with this precise presentation.

B. Action Item BOT #19-12: Approval of the Proposed Search Process, Job Announcement , and Timeline for the recruitment of candidates for the position of the Office of Hawaiian Affairs Chief Executive Officer (CEO)

Chair Colette Machado – Our next presenter will be Marie Kumabe. We are going to do two things before we proceed. I am going to ask for a waiver by Trustee Ahuna, once that is done I will ask the Trustee to take action on BOT 19-13 and then we will begin your presentation.

Trustee Dan Ahuna moves to waive referral of Action Item BOT #19-13 to the Joint Committees on Beneficiary Advocacy and Empowerment (BAE) and on Resource Management (RM) and instead allow the Board of Trustees (BOT) to consider the Action Item directly.

Trustee John Waihe‘e IV seconds the motion.

Chair Colette Machado – It has been moved and seconded, any discussion? Hearing none, roll call vote please.

Trustee Dan Ahuna moves to waive referral of Action Item BOT #19-13 to the Joint Committees on Beneficiary Advocacy and Empowerment (BAE) and on Resource Management (RM) and instead allow the Board of Trustees (BOT) to consider the Action Item directly.						
Trustee John Waihe‘e IV seconds the motion.						
TRUSTEE	1	2	‘AE (YES)	A‘OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA‘ALA AHU ISA			X			
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI‘I AKINA			X			
TRUSTEE BRENDON KALEI‘ĀINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY						Excused

TRUSTEE JOHN	WAIHE'E		x	X			
TRUSTEE COLETTE	MACHADO			X			
TOTAL VOTE COUNT				8			1
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passes with eight (8) yes votes and one (1) excused.							

Chair Colette Machado – We are going to recommend the approval of the motion of BOT 19-13 and then we will begin the presentation once we take the motion.

Trustee Dan Ahuna moves to approve the Proposed Search Process, Job Announcement, and Timeline for the recruitment of candidates for the position of Office of Hawaiian Affairs Chief Executive Officer (CEO).

Trustee John Waihe'e IV seconds the motion.

Chair Colette Machado – We are going to move with discussion. Go ahead Marie, and thank you for traveling here today to present to the Trustees.

Marie Kumabe – Aloha Chair Machado and Trustees. Thank you for having us here, we are enjoying our morning here. I wanted to again answer questions specifically with regards to our recommendations for the search process for the CEO position followed by the timeline and the abbreviated job announcement that would which would drive individuals to the full job description on the website.

I know that we presented a little bit in detail and I thought I would recap briefly the search process. Obviously, the first step would be to leave no stone unturned to find the best person. So with the approval of the job announcement it would allow us to expand and make sure that in addition to the candidates that we would find anyone else out there would be able to learn about it. We got everything ready to go so if you folks approve that will start immediately. We are also meeting with each of you individually to answer any questions, etc. The posting and the advertisement will be a 4 to 6 week period and want to make sure it gets out there both nationally and locally. We will be using a priority date of September 27th. What that means is that an individual will be able to formally apply through that date. However if a fabulous candidate came in two weeks later that will still enable us to be able to take a look at individuals that come a little bit past the deadline but before pairing.

The initial screen process will work through the BAE/RM Committee. Ideally, their October 2 meeting scheduled. Then from there the final candidates to go to the Board of Trustees on October 16th. First round of interviews will fall on October 23rd, and the second round at the BAE/RM Committees at the end of October. Reference checks and verifications of employment, etc. during the last few days of October November. Then identify the final candidates for ratification by November 6 and ratify November 7th. So preferred candidate to submit officer is November 15th. It is a tight timeline and you folks are all amazing. We feel confident we will be able to work this successfully. With the amended job announcement it does include the 7 competencies that are outlined in the job description.

Chair Colette Machado – Any questions for Marie. Are we ready for the vote? Can I call for the vote? Roll call vote please.

Trustee Dan Ahuna moves to approve the Proposed Search Process, Job Announcement, and Timeline for the recruitment of candidates for the position of Office of Hawaiian Affairs Chief Executive Officer (CEO). Trustee John Waihe'e IV seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI'ĀINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY						Excused
TRUSTEE JOHN WAIHE'E		x	X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			8			1
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passes with eight (8) yes votes and one (1) excused.						

Chair Colette Machado – Congratulations. Thank you Marie.

VII. BOT WORKSHOP

A. OHA Strategic Planning 2020+ Phase III, Workshop One, Presentation and facilitation by DTL on (1) results from the Strategic Plan Survey and Community Focus Groups and (2) discuss the next steps toward identifying strategies based on the data.

Chair Colette Machado – Again DTL, Malia Kaaihue, we thank you for taking this time to come and address the Trustees. Thank you for coming to Molokai. I will call Lisa who will introduce your team. Lisa could you also introduce Pūlama since she was born and raised here on Molokai and describe her role at OHA.

Lisa Watkins-Victorino - I'd like to introduce Pūlama Lima. She is a land, culture, history manager and we are really excited to have her. She has already done so much in the short time that she has been with us. She oversees all of our work that we do related to our kīpuka, related to all of the legacy lands where we are going fact sheets. We are also having her sit on some committees and work groups so she has been out in the community. She has such a long history of her 'ohana being here and being involved in community work and that has been helping us quite a bit. We are really excited to have her.

We are now having DTL who will be running our Phase III workshop. They have also been working to put together and go out in to the community and do our focus groups for our strategic planning. Now we are basically going to give you all the results of not only the surveys but the focus groups and talk a little bit about the next steps. I will hand it over to Malia and she can introduce her team.

Malia Kaaihue – Mahalo Lisa, Aloha Trustees and Chair Machado. Mahalo for having us here on Molokai. I have with me my colleague Kirra Downing and Kim-Hee Wong who will help answer any type of data questions that you have. Just to let you know in advance, because we are reviewing the Statewide input it is a lot of data and a dense presentation. I know you had it since the last Board meeting so hopefully you had a chance to just look it over.

(Malia begins her PowerPoint presentation. Please see attached PowerPoint.)

Chair Colette Machado – Trustee Leina‘ala Ahu Isa.

Trustee Leina‘ala Ahu Isa – As I was going through this PowerPoint, I noticed a lot of things that they want ends up really being things based on the revenues. Revenue from the public land trust. If we strategize on how we are going to move into the future a plan on how we are going to develop Kaka‘ako Makai, a lot of the other things that they really want are care for kupuna, health, education, all the charter schools. We need money for them; we can't be begging the legislature every year going to them to ask for money.

Chair Colette Machado – I want to call on Trustee Dan Ahuna.

Trustee Dan Ahuna – Malia thank you and thank you to all your staff. I reviewed this report and I really liked it and I really like the strategy that we are taking. The lens we are looking through the tactics are the impactful things we can do now and make sure we can accomplish these things. I commend all you guys, you guys are doing a great job.

Chair Colette Machado – Other Trustees that may have questions for Malia. I value that we had good response Statewide. The fact that you were able to synthesize all of the input and establish the high priorities for us to work on. It is a wonderful outline and that we had close to a 1,000 respondents. I want to thank you folks.

Trustee Brendon Kalei‘aina Lee – In the responses given to the participants for them to rank, why did we choose to use the term intergenerational poverty. I know they responded latter that poverty was a big issue. But why did we choose to use the term intergenerational poverty instead of intergenerational wealth and building of that wealth.

Malia Kaaihue – I will let Lisa answer that. But just kind of a blanket statement with the list that we gave beneficiaries, that was really just a starting point for them. So in each community they had opportunity to add to the list. From what I understand that list was the curated list based off of what beneficiaries had been sharing back so administration came up with that list. It was really just a starting point so even some of the items that ended up being top priority were some things that communities said were top for them.

Trustee Brendon Kalei‘aina Lee – The reason I ask that is because there is difference telling our people you are poor, you live in poverty. Versus saying how do we help you develop intergenerational wealth and make you and your generation to become wealthy.

Lisa Watkins-Victorino – The initial list we used for the survey as well as for the focus groups came from the system feedback loop, that exercise we did so we took all of the conditions from the workshop. We had intergenerational poverty as well as as poverty were two of the conditions. The one that rose up in our system was intergenerational poverty. If you look at the worksheet that was handed out the top part of that worksheet, those are all things that came out of the system feedback loop exercise. The bottom part if where people could basically add to that.

Trustee John Waihe‘e IV – Malia what are the next steps?

Malia Kaaihue – The last slide I have, if you have questions we are able to schedule one on one meeting with your office to go over any of the data points specifically to help you develop your strategies. A worksheet was just passed out, that is haawina, so we would like the Trustees to start thinking what are the strategies moving forward. This is also a template that will be emailed to you that you can start doing that now that you have all this data. The third thing is that we will be back for the next Board Workshop, which will be an opportunity for us to dialogue and really flush out the strategies at the end of August.

Sylvia Hussey – What Lisa is going to share is what I wanted to bring up.

Lisa Watkins-Victorino – We just got these; they are hot off the press. It is our close our report. We will be distributing them to Trustees tomorrow. I think you will be really pleased with the work that has been done since 2010 to 2018. This has all the data both internally as well as the data we were using for our targets. It also tells the story and impact on our beneficiaries, grantees. So I think you will be really happy with that. This is a good piece to review prior to filling out your haawina. This report along with Malia's PowerPoint with all of the results will really help you in terms of thinking through the strategies.

Sylvia Hussey – Trustee that report will be there when you return to your offices. It will help give you strategies already that is there. There are some strategies that we are doing that can continue, we don't have to make up new ones. But if we need new ones we can also talk about framing those strategies. As Trustee Lee pointed out the data speaks about intergenerational poverty but the strategy of building intergenerational wealth and well-being is a way to reframe that strategy. The last thing is in August when DTL does come back, one of the key discussions and decisions you will need to make is the length of time of the strategic plan. The last strategic plan was 5 years and extended three. So we had an 8 year plan, it is again 8 years, 12 what is it? That is going to be part of the workshop that they will help you think about and consider that timeframe.

Trustee Keli'i Akina – Lisa and Malia I want to thank you for all your hard work and the team members as well as the contractors. This is very interesting and valuable information. I know it wasn't a scientific survey with a margin of error. But can you at least address the representation here, how representative is the data of the Hawaiian community. I know, for example when I was out in Waianae we had a terrific turn out from the community because I know that community I could tell that many segments of the community were there. Then when I went to Waimanalo, for example it was very small. A couple things come to mind. You have about 930 survey respondents and focus group participants, which is, guess is about less than half percent of the entire Native Hawaiian population. That is the quantity. The other thing that comes to mind is these people came out in response to some kind of publicity. So both the number of people involved as well as how they came out should factor into the results. Could you give some feedback on how representative this data is of the Native Hawaiian community?

Malia Kaaihue – So what we reiterated in the community is that we were in the community to get qualitative data. So it's not so much quantitative that we were looking for and the research department has been putting that data together to get kind of the numbers from the Department of Health and Department of Education to understand what the quantitative data is showing is the kind of existing conditions for Native Hawaiians. Really the engagement of the online survey provided a breadth throughout the pae 'āina allowing people to participate that wouldn't normally participate. So that was definitely of value. Then you are correct some communities had a lot attendees and some had less. I think Waimanalo in particular was impacted by the Sherwood Forrest protest that was happening simultaneously in that community, and for the first time we went out to the Koolauloa community. We had tremendous attendance at Koolauloa. Really the quality is measured by the qualitative information and the experience shared by participants. So every community was different it's hard to say in summary the quality of the feedback. But I will say for me the win was getting almost every moku to participate in some and allowing people outside of Hawaii to participate as well.

Lisa Watkins-Victorino – Trustee we knew that we weren't going to have a larger scale survey that would be able to reach out to 250,000 in state and 240 something out of State Native Hawaiians. So we could probably

give you the specific percentages and break down based on the population in each of those areas to give you an idea the representativeness of each of the moku that participated. I feel that the participation rate that we did get, and if you look at the different venues and you look across the consistency of many of the concerns. I feel that is a really strong qualitative finding that you can say, our community in many cases are the same. There are a few differences by island but really when we look at the results you will see the same thing.

Trustee Brendon Kalei‘āina Lee – Malia in your professional opinion what do you think was more important quantitative or qualitative?

Malia Kaaihue – I would have to say both.

Trustee Brendon Kalei‘āina Lee – Well we didn’t have both so in your professional opinion.

Malia Kaaihue – Well the qualitative data is very meaning for participants that showed up. The communities very much value the opportunity to share proactively what their needs were before the strategic plan came out. I think for what we saw was really a shift in the way they wanted to engage with OHA. To share their own experiences as well as be involved before the strategic plan is published. For many of them celebrating the fact that they had an opportunity to come together and discuss their community in a very formatted environment and give that information back to the Office of Hawaiian Affairs. I think the qualitative data is something that you wouldn’t normally see in a State agency strategic plan assessment. It is so important because of the diversity of our communities.

Trustee Brendon Kalei‘āina Lee – So that is much more important, that given the work that we have moving ahead, to develop the strategic plan, that is what is going to be of value not necessarily the plus or minus error.

Malia Kaaihue – Yes.

Trustee Brendon Kalei‘āina Lee – Mahalo.

Trustee Kalei Akaka – Mahalo to all of you. I do have some questions. Is this mainly constructed just for the Trustees, who is this going to go out to?

Lisa Watkins-Victorino – It is going to go out to our communities. We had a roll out plan that we are working on. We are going to have a launch for this. We are going to put it out in the community and have it up on the website. We are developing a plan to put it out but we do want the Trustees to see it first to have a chance to go through it. To ask us any questions before we do that.

Trustee Kalei Akaka – About how many do you make of these prints and how many do you plan to make. What is the timeframe of when you have that printed or did you do that already?

Lisa Watkins-Victorino – I think we have 500 right now that were printed.

Trustee Kalei Akaka – Some of my mana‘o regarding this. Very well done, think you have the history and how we want to use this moving forward. For instance at the legislature and to provide to the community before sending this out perhaps we can do edited version being that this CEO is not currently our CEO. And then even, it does list it was 2010-2018 but it has the Board of Trustees up until 2018 and I can see how that might confuse those that are viewing this product and whether the things that were mentioned in the past to the legislature was how much OHA is spending to produce items like this. In terms of when we ask for money from the legislature. (*Conversation indiscernible*)

Lisa Watkins-Victorino – I think this would be one that we will have enough for people who want. We have not had enough of the Haumea Report, but consistently still we get requests for that. We don’t have enough to

put out to people. Kānehō‘ālani we still get request for those reports but we don’t have any printed. They are available online.

Trustee Brendon Kalei‘āina Lee – Correct me if I am wrong. The Trustees that are sitting here weren’t in office during this Strategic Plan. I am a Trustee now but I was not a Trustee during this Strategic Plan. Exactly why I am not in this publication. Same way the CEO Kamana‘opono. He was the CEO for this time, for this Strategic Plan that is why he is in this publication.

Lisa Watkins-Victorino – Yes.

Trustee Brendon Kalei‘āina Lee – Mahalo.

Chair Colette Machado – Sylvia, I want to put this to bed because we have to call on community concerns and I am losing Trustees.

Sylvia Hussey – Just one wrap up, the close out report’s purpose is to close out that. What we do with it can very much so inform our legislative strategies and pieces in our next strategic plan. Both those comments are well taken. I just have to make a plug for the qualitative versus quantitative. Among the reasons that qualitative information is valuable is because that is what our communities want. The other reason quantitative is put in a contextualize because most of the quantitative data is deficit space. So we know all about the deficit of our community based on quantitative data and what we really need is quantitative strength based data.

Chair Colette Machado – Thank you. Members, I took out of order VI. which is community concerns. I wanted to have a presentation on our strategic plan approach. If there would be comments that the community would like to address that would be their time now.

VI. COMMUNITY CONCERNS

Chair Colette Machado – Do we have anyone signed up for community concerns. Would anyone like to address the Board of Trustees. I see Lori Buchanan.

Lori Buchanan – Aloha, I really never know what I was going say when I came up here. My name is Lori Buchanan I was born and raised on the island of Molokai. I’ve been an employee of the Research Corporation of University of Hawaii for 17 years. I work in conservation specifically with invasive species. I am a non civil service employee. I was listening, I got the OHA paper, and when I opened it up....Every, Hawaiian organization is doing their strategic plan. So I’ve been to all of them and my comment to all of them was the same. That the questions were predisposed, that they already gave you stuff to think about. Intergenerational poverty. That’s not something that would come from unity but it would come from a piece of paper that was given to me by the organization that was asking me to give them feedback. The organizations that I have participated with just in 2018-2019 alone consists of Kamehameha Schools Strategic Planning, Queen Liliuokalani Trust Strategic Planning, OHAs Strategic Planning, Department of Hawaiian Home Lands Strategic Planning. And guess what, they all need the same work. I think everyone was sharing the previous things for the community. I totally understand why they need to bring something to the community and not just sit down and have this frivolous discussions.

I like that word frivolous. At the Department of Hawaiian Home Lands strategic meeting when they were asking us the same thing. They wasn’t listening. They don’t listen. I’ve been a community advocate all my life. I really listen. I feel like I been sitting in the corner for 15 years just listening. This is what I hear and I heard it today. No disrespect Trustee Ahu Isa, but when we was talking about money a wise person told me if you can solve a problem by throwing money at it start throwing, Throw the money, get the money. It going to be the answer to all our problems. Money is not the answer to our problems. When we talk I hear our own

people say they, them, the disassociation between you as my representatives and me as your beneficiary, I hear they and them. Even from me I hear, they, oh they guys, OHA, KS, I am dissected from the own organizations that supposed to be representing me. I have served on many boards and commissions. In Washington DC, to State Government to the County and I dedicated 17 years to serving with no pay on those Boards and Commissions. At the end of this, I just going to ask OHA to do one thing. One baby step on how you guys can start to help.

The big difference between your qualitative and quantitative, the general people all we hear is blah, blah, blah. So a wise man once said, if the people lead the leaders going to follow. So the people leading right now on Pu'uhuluhulu, but no more the leaders. The leaders are coming but a handful of them are, some of you sit on this board I know you guys participated by resolution and stuff. But when you sitting day in and day out at Pu'uhuluhulu which I have not been to by the way. You got to have hope. It's really sad for me to hear from our children, for nothing, because tomorrow I still no more one house, I still no more my 'āina and I still no more access. So that is all true. I serve for 8 years on legacy lands commission. Purchasing thousands of acres throughout the State for conservation. At least I can die tomorrow knowing that I did something. I went preserve something for future generations. My work on legacy lands commission is by far the most proud work I have even done. Besides on writing on indigenous national priorities for bio security. I think what I am asking you guys today is, and what I ask Kamehameha Schools, my friends at the Civic Clubs, my representative from Maui. When I go on top of their pages all I see is what I went eat for dinner. You know how that hurt me. I get kupuna on the mauna and all you care about is showing me what you ate for dinner. You think I going vote for you, I not. My representatives are silent they all silent. The only ones coming out for support is Maui County Council. You know what they all 'āina based. Where's Kalani, where's Lynn, where's Roz, where's McKelvey, where's Kyle Yamashita. Where the hell are they. I spent every session in Honolulu and I see all your guys staff in the hallways. We all talking about the same thing. I spend plenty time at the legislature doing the quite work behind the scenes. I know how hard it is. I see just a handful of our Senators and Representatives in support of Hawaiians. You better believe we a minority.

Molokai and Niihau demographically is the only islands left where the percentage of Hawaiians are greater than 50%. That is why this strategic stuff and your answers are different because we still tied to 'āina over there. We still hunt, we still fish. I just finished one term as the Chair of the State Game commission. I serve as the cultural representative. Not as a recreational hunter, I was trying to protect the interest of Native Hawaiians who still subsist on the land. That is who I was representing. I got ostracized for the that from the Department of Land and Natural Resources. Which I expected. I have colored inside the lines all my life. Very careful to not color outside the line as least I not have a seat at the table. I all for transparency Trustee Akina and the law, but my friend who came out of prison for 8 years, someone told me, eh aunty the law is right all the time or what? So I'm here to scold and the kine. I am happy to see you guys today. I thank you guys for being here. Moving forward I just wish that all the big organizations come for do their strategic plans actually talk to each other. And actually throw down on how we are really going to help our people. One thing, Board of Land and Natural Resources, they have no cultural input. Right now the game commission has zero cultural input. The Aha Moku was blindsided and is dysfunctional. And we are back to what I am in an expert in going through the process to get my voice heard.

I am currently the Chair of the Molokai Planning Commission. Boy when I said you cannot have your short term rental home on Molokai. You think I got heaved, you better believe I got heaved. Am I in support of Oahu in the short term rental. You better believe it. Because you know what happened on Molokai. Within one year of our terms not allowing the short term rental to move forward in areas not zoned appropriately, those people sold their homes. So guess what who get one chance of buying a home now. My one baby step moving forward, OHA please write the agencies to ensure that Hawaiian's have a seat at the table to give feedback. Whether it's a natural area reserve commission or the Board of Natural Resources or the Water Commission or the Kahoolawe Commission or whatever it is, at least have Hawaiians there because we are a minority for our voice to be heard. Thank you very much. Thank you for being here and me talking to you guys.

Mahina Poepoe – Hi I am Mahina Poepoe. I want to share a little bit about Āina Momona 501 (c)(3) nonprofit that is dedicated to achieving environmental health and sustainability through restoring social justice. The executive director is Uncle Walter Ritte. We have four primary areas of focus. Which are ai, wai and ea and ‘āina. Food and agriculture, water, land, environmental health and social justice. We are working with Nancy to build our program in all four of those areas and have recently secured directors who are really excited from Molokai. Some of the programs right now that we are working on is restoring lo‘i in Hālawa and elsewhere on the island. We have fishpond restoration in Keawe Nui. Working to establish a stewardship program for our cultural sites. We also have the Aloha Āina Fellowes program, which was established last year. It’s a program through the College in partnership with the College and KS that is really about building up the next generation of leaders for Molokai. I wanted to thank you for what you have done and what you continue to do help our Kia’i on the mauna. It’s a beautiful things because it wasn’t meant with anger but love. It’s a defining moment for our people in history. Mauna Kea is our kupuna and she hears us, she heals us but she needs our help. Thank you.

Chair Colette Machado – I’ve been cautioned by the Board Attorney we cannot ask questions because this is under community concerns. If you want to thank them that is fine. When we end our meeting you can meet with them one on one.

Trustee Leina‘ala Ahu Isa – Chair, I wasn’t going to discuss anything. Since my name was mentioned there was a misunderstanding. I am not going to ask questions, I can talk to you after the meeting Lori.

11:19 am Trustee Carmen Hulu Lindsey and Trustee John Waihe‘e IV leave the meeting.

Cora Schnackenburg – Last night I was speaking about supporting a lot of the speakers. Today I’d like to share what our community of Manae as well as the DHHL community have been working on. Before I do I’d like to add something. What Lori had mentioned, a lot of the groups or associations like DHHL you folks, it’s more of an appearance of a dictatorship. Not really giving us an opportunity to speak what it is and where we at as a community. One thing that I liked about Aha Kiole it was a form of hearing the people first and bring up the mana‘o up to the top. I think that is such useful in what is happening right now in the Hawaiian Community. So moving on, I have spoken about the DHHL top priority it’s really important because a lot of this association of aha nui is the waitlisters. Right now currently, 1,075 only Ag is on the waitlist. So these applicants because they are not seen they not talking to the applicant. We are here and I am hoping that I would be able to share their voices today. Before I leave I will give Maria the packet that I am about to speak on.

Chair Colette Machado – Maria is not staff with the Chair’s office you have to give it to either Carol. Not Maria Kumabe.

Cora Schnackenburg – Thank you for the correction. In any event, this has to site the purpose of restoring our Hawaiian people to our land. I’d like to share that there are few things that through you folks help had aide us to be able to accomplish. The first thing you guys have done is provide lunch for the two day workshop that I mentioned last night. There were a 175 amendments that were given the opportunity to our applicants as well as to the whole general community to learn about the changes in our Hawaiian rights as it affects and impacts them. Mahalo that. The other thing that is happening is maana is the association that deals with the fishpond on the east side of the island within the ualapue district. So what I am sharing with is all on the manae side. Also things that were mentioned here are certain things that we are hoping to provide to our community and one is to speak the language. I will now read about Ahonui Homestead Association.

(Please see attached information regarding Ahonui Homestead.)

Chair Colette Machado – Thank you Cora.

VIII. ANNOUNCEMENTS/FYI

Chair Colette Machado – There is no one else signed up. I would like to make an announcement. I am required by HRS 92-2.5 (e). Hawaii County Mayor Harry Kim convened a meeting with Native Hawaiian Community members last week Friday July 26, to discuss Mauna Kea. In order to comply with HRS 92-2.5 (e) I am required to report the attendance and the matters present and discussed at the Mayor's meeting that relate to official Board business. Myself, Trustee Ahuna chair of the Ad Hoc Committee on Mauna Kea and Trustee Robert Lindsey trustee of Hawaii Island attended this meeting convened by Mayor Kim. Trustee Robert Lindsey connected through telephone and physically it was Trustee Dan Ahuna and I at the meeting. Present at the meeting was Kamehameha Schools President Jack Wong, he had former Kamehameha Trustee on the telephone Colbert Kalama and Crystal Rose the current Trustee was present. We had the Order of Kamehameha, two representatives one was DeShay the last name and the other was Heaukulani. We had Mr. Babayan, can you remember the others? We had Greg Chun of the Mauna Kea Management.

Mr. Kim convened the meeting thinking that we were going to be able to address the larger issue cause he was tasked by the Governor, he was authorized by the Governor to oversee Mauna Kea. The meeting provided the opportunity for participants to share our many different perspectives and mana'o about the issue. The only consensus participants seemed to have is that these kinds of conversations should continue. OHA expressed that future meetings should include the Kia'i. There was no further communication after the July 26th meeting. Immediately following the meeting with Mayor Kim, myself and Trustee Dan Ahuna visited the Kia'i at Pu'uhoonua o Pu'uuhuluhulu to learn about their position and discuss how OHA can continue to support the rights, safety and well-being for our beneficiaries engaging in peaceful protest. That is my report. Thank you everybody.

IX. ADJOURNMENT

Chair Colette Machado – With that said the Chair would like to entertain a motion to adjourn.

Trustee Dan Ahuna moves to adjourn the meeting

Trustee Kalei Akaka seconds the motion.

Chair Colette Machado – Roll call vote please.

Trustee Dan Ahuna moves to adjourn the meeting. Trustee Kalei Akaka seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA	X		X			
TRUSTEE KALEI AKAKA		X	X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI'ĀINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY						Excused
TRUSTEE ROBERT LINDSEY						Excused
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			X			

TOTAL VOTE COUNT			6			3
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passes with six (6) yes votes and three (3) excused.						

Chair Colette Machado adjourns the meeting

The meeting was adjourned at 11:30 am.

Respectfully submitted,

Dayna Pa, Board Secretary

As approved by the Board of Trustees on _____.

Colette Y. Machado, Chairperson
Board of Trustees

Attachment:

1. Trustee Robert Lindsey - Excuse Memo
2. Status of DHHL Central Moloka'i Water Use Permit Application – PowerPoint presentation by Dr. Jonathan Scheuer.
3. OHA Strategic Planning 2020+ Phase III, Workshop One PowerPoint presentation
4. Information regarding Ahonui Homestead Association.



STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
737 IWILEI ROAD, SUITE 200
HONOLULU, HAWAII 96817

June 25, 2019

TO: Trustee Colette Machado
Chairperson, Board of Trustees


FROM: Trustee Robert K. Lindsey, Jr.

SUBJECT: Excused Absence

Aloha Chair Machado:

I regret to inform you that I am unable to attend the Molokai BOT meeting on Thursday, August 8, 2019. Please extend my apologies to the board members.

With sincere aloha,


Trustee Robert K. Lindsey, Jr. Hawai'i Island

2019 JUN 23 A 8:33
OFFICE OF
HAWAIIAN AFFAIRS
STATE OF HAWAII
RECEIVED-BOT

Status of DHHL Central Moloka`i Water Use Permit Application

Meeting on the OHA Board of Trustees
Agenda Item V.A.
Lanikeha Community Center
Jonathan Likeke Scheuer, Consultant to DHHL
Thursday, August 8, 2019 – 9:00 am

DHHL WUPA Status

- 1. Background: The HHC Water Policy Plan**
- 2. The DHHL Moloka`i water system PWS
230**
- 3. Future DHHL Water Demands**
- 4. Current WUPA and Reservations**
- 5. Key WUPA issues to Address**



Background: the HHC Water Policy Plan (WPP)

- Data Gathering & Analysis: (2012)
- Beneficiary issue identification: (2012-2013)
- Draft Water Policy Plan (WPP): (Feb. 19, 2014)
- Beneficiary consultation: (Feb.-May 2014)
- Adoption (July 22, 2014)

Ho'olehua, Moloka'i



WPP Priority Goal 1

Affirmatively communicate with beneficiaries regarding water decisions, performance, and water rights on a regional and annual basis

Ho'olehua, Moloka'i



WPP Priority Goal 2

Aggressively, proactively, consistently, and comprehensively advocate for the kuleana of the beneficiaries, the DHHL, and the HHC to water before all relevant agencies and entities

Ho'olehua, Moloka'i



WPP Priority Goal 3

Develop and manage a Water Assets Inventory (WAI)

Ho'olehua, Moloka'i

WPP Priority Goal 4

Support watershed protection and restoration on DHHL lands and source areas for DHHL water.

Ho'olehua, Molokai

2. The DHHL water system PWS 230

Location: Kualapu'u Aquifer System

Water sources: Keoluwai Well Nos. 1 & 2 to water tanks

Users: 2,400 customers & approximately 581 service connections:

APPROXIMATELY 33% OF ISLAND RESIDENTS

- Homestead users
- Homestead supporting uses
- Non Homestead Domestic uses
- Non-Homestead uses

3. Future DHHL Water Demands

- We determine future water demands by:
 - Reviewing HHC land use designations
 - In the Island and Regional Plans
 - In other actions (e.g. subdivision)
 - Applying water demand rates
 - County and state demand figures
 - DHHL data for our own systems
- Recently calculated in the State Water Projects Plan update

Future DHHL Water Demands (mgd)*

	2016	2021	2026	2031
Potable	0.259	0.662	1.061	1.061
Non-potable (for development)	4.721	5.360	6.091	6.091
Nonpotable	4.721	5.360	6.091	34.985
Total	4.980	6.022	7.153	36.046

* These are 20 year demands, not “foreseeable” demands, which may be higher

4. Current WUPA & Reservations

- **Current WUPA: 0.367 mgd**
- **Other WUPA challenged by Ranch**
- **Current pumping exceeds WUPA**
- **DHHL will be seeking permit for**
 - **Existing pumping**
 - **Future needs**
- **Will use existing reservation**

Pāpōhaku, Molokaʻi

DHHL's Existing Reservation

HAR §13-171-63 Department of Hawaiian home lands reservation for Kualapuu, Molokaʻi. The commission hereby reserves 2.905 million gallons per day of ground water from state lands in the Kualapuu aquifer system for use on Hawaiian home lands on Molokaʻi. This amount shall be in excess of the existing uses of water on Hawaiian home lands as of the effective date of this rule.
[Eff. June 10, 1995]

Pāpōhaku, Molokaʻi

DHHL's Existing Reservation

	MGD
DHHL Pumping June 1995	.640
DHHL CWRM Reservation	2.905
<hr/>	
TOTAL RESERVATION	3.545

Pāpōhaku, Moloka'i

5. WUPA Key Issues to Address

- Proposed withdrawal (pumping)
- Proposed uses
- "Existing" and "new" uses
- Location and kinds of uses
- Alternatives
- Impact on other Public Trust Uses of water

Kauluwai Wells, Moloka'i

Proposed Amount Sought

- DHHL will request .595 mgd
 - Larger well
 - 16 hrs / day
 - Safe system capacity
- Current 12 MAVs .490 mgd
 - .490 is "existing uses"
 - .105 is "new uses"

Kauluwai Wells, Moloka'i

DHHL Existing and Proposed Uses

- DHHL will identify
 - HHCA § 221 uses
 - Non-HHCA § 221 uses
 - Uses integral to Homestead communities
 - Private commercial uses of high benefit (e.g. High School)
 - Other private commercial uses

Kauluwai Wells, Moloka'i

DHHL Alternatives: Efficiency

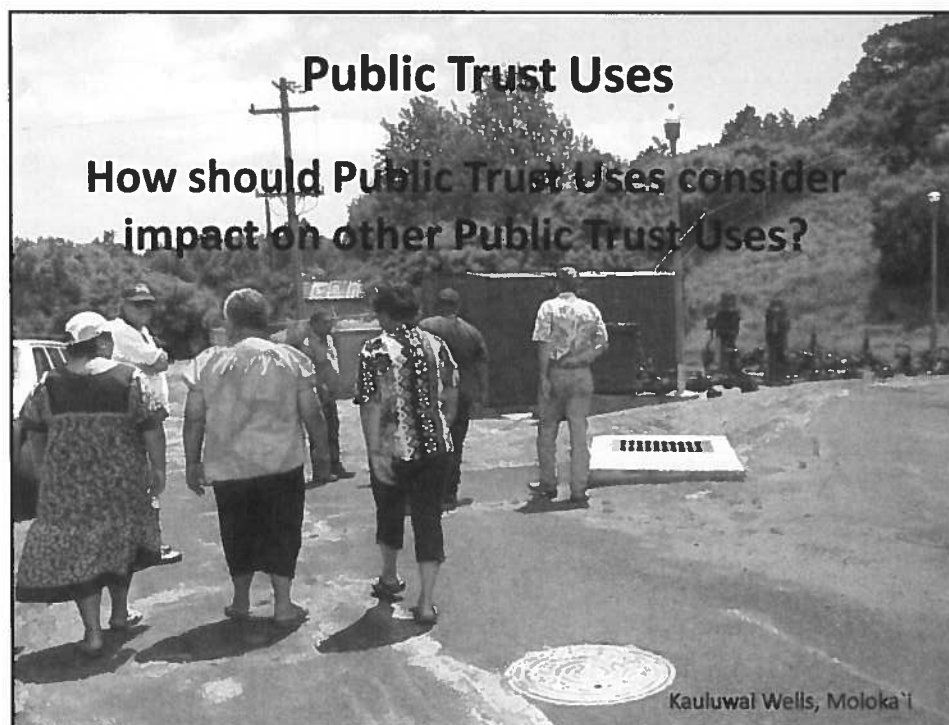
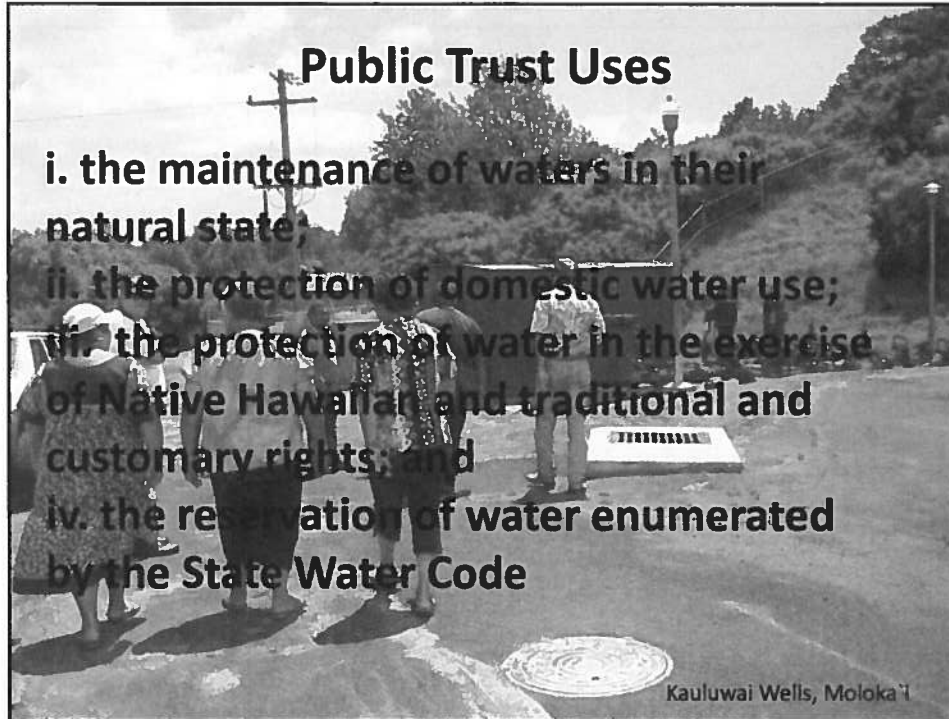
- Existing planned improvements
 - 1 MW alternative energy source
 - New 200,000 gallon tank
 - Other improvements
- USDA co-funded project
- Water Loss Audit (forthcoming)

Kauluwai Wells, Moloka'i

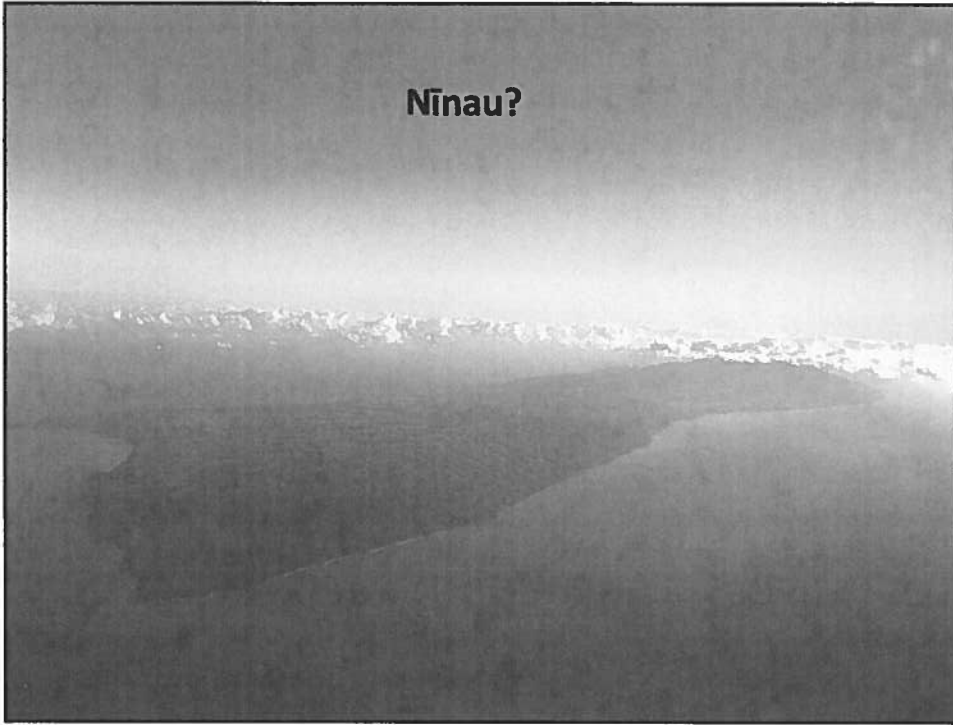
Moloka'i Irrigation System Alternative

- Cost to connect
- Deferred maintenance in general
 - Kualapu'u reservoir
 - evaporation losses
 - seepage losses
 - water quality problems related to sediments, algae, animals and organics
- Limited distribution (e.g. Kalama'ula)

Kauluwai Wells, Moloka'i



Nīnau?



OHA STRATEGIC PLANNING 2020 +





Phase III, Workshop One

August 8, 2019

Entire 72 page document will be
attached to the approved minutes

OHA Strategic Planning 2020 +

Ha'awina: Create 1 – 3 strategies that are aligned with OHA Directions and Foundations.
E-mail strategies to oha@dtlstudio.com by **Thursday, August 15, 2019.**

CONNECTION TO FOUNDATIONS		
'ĀINA	MO'OMEHEU	'OHANA
<div> EDUCATIONAL PATHWAYS</div>	<input type="checkbox"/>	<input type="checkbox"/>
<div> QUALITY HOUSING</div>	<input type="checkbox"/>	<input type="checkbox"/>
<div> ECONOMIC STABILITY</div>	<input type="checkbox"/>	<input type="checkbox"/>
<div> HEALTH OUTCOMES</div>	<input type="checkbox"/>	<input type="checkbox"/>

AHONUI HOMESTEAD ASSOCIATION

DESCRIPTION:

On February 8th, 2019, Ahonui Homestead Association (AHA) was established. AHA members include DHHL applicants who have been waitlisted between 1950 and 2019, successors, and lessees.

Our Mission to restore and rehabilitate Native Hawaiians beneficiaries and/or indigenous descendants to their land as bona fide indicated by Prince Jonah Kuhio, Hawaiian Homes Commission Act, 1920 (section 213 as amended) and Hawaii Organic Act.

Our Vision is to seek restoration for Native Hawaiian beneficiaries to their land and to prevent homelessness and hardship due to the high cost of rent. To restore skills to our (Native Hawaiian) beneficiaries in budgeting, fishing, farming, repairing, maintenance, trading or bartering, gathering rights, accountability and responsibility as stewards of the land from Mauka (mountain) and Makai (ocean). To increase self-determination through self-governance to beneficiaries participating in discussions on issues, concerns, and solutions.

And to further *serve, protect and preserve the interest of the Native Hawaiian beneficiaries of the Hawaiian Home Lands Trust* and address the community's needs in health, education, housing, social services, kupuna care, keiki care, business, employment, culture and arts.

Strategic Plan as Pilot Project for June 2019

Vision:

- a. To restore Native Hawaiian beneficiaries to their land and to prevent houseless and hardship due to the high cost of rent.
- b. To restore skills to our (Native Hawaiian) beneficiaries in budgeting, fishing, farming, repairing, maintenance, trading or bartering, gather rights, and accountability/responsibility as stewards of the land and ocean.
- c. To increase self-determination to beneficiaries through participation in discussions on issues, concerns, and resolutions.

Mission:

To restore and rehabilitate Native Hawaiian beneficiaries and/or indigenous decedents to their land as bona fide indicated by Prince Jonah Kuhio, Hawaiian Homes Commission Act, 1920 (section 213 as amended and Hawaii Organic Act.

To obtain from the department (DHHL) as authorized to lease to the native Hawaiians the right to use and occupy the tract (parcel)...The department shall whenever tract (parcel) are available, enter into such a lease with applicants who were determined qualified (waitlisted), the department shall perform the conditions of such lease.

By Congress the "rehabilitation of native Hawaiian and their families...provide general welfare, to improve, and perpetuate the Hawaiian cultural through education, economic, politically, and socially not limited to construction, reconstruction operations and maintenance of revenue-producing improvements intended to benefit occupants of Hawaiian home lands; for investment in water and other utilities, supplies, equipment, and goods for current and future occupants."

Hawaiian Home Lands Commission (HHC) shall support and approve as cited in the Hawaiian Home Lands Commission Act section 213 as amended.

Goal:

To secure long-term agriculture lease without or with minimum infrastructure (roads) on TMK#56006017 (376.56 acre parcel) and TMK#56002026 (13.5 acre) 2 parcels combined of 390.06 acre and to restore 175 beneficiaries on their land.

To decrease agriculture waitlist, decrease stress on extended families, prevent houselessness and government intervention.

1. **Housing/Agriculture Land: Area of interest: Mauka Ualapu'e**

Ualapu'e is located approximately fifteen (15) miles east of Kaunakakai town and is identified as one of 3, Ahupua'a. Its location is perfect for farming (land/aquaculture) and sustainability. There are two parcels currently in the Ahupua'a of Ualapu'e designated as Agriculture land use and is available in DHHL inventory identified as TMK#56006017 (376.5 ac) and TMK#56002026 (13.5 ac) combined to 390 acres.

According to the Department of Hawaiian Home Lands and Molokai Island Regional Plan dated 2005/2010. A proposal to build 74 residential homes on 25 acres and developed in two phase sub-division of 27 and 47 homes on agriculture parcel. Until today there are no funds allocations, hence the project has been deferred or suspended.

The beneficiaries are requesting that DHHL who is currently the benefactor of trust, whose kuleana is to assist beneficiaries by **releasing** 390 acres to 175 beneficiaries who are currently waitlisted and are at least 50% and above of Hawaiian descendants blood quantum. Beneficiaries' plans are to cultivate the 'aina and kai for the purpose of sustainability of food and shelter for raising their families. The Beneficiaries are entitled to carry out their kuleana of stewardship per the HHC Act.

On Molokai families helping families (Ohana) are viewed valuable however there are tradeoffs for this gesture of love and that is, unintended stress, quarrels, fights, and inappropriate behaviors toward members. These behaviors and family relationships usually result in houselessness, animosity, and local government intervention.

The roads on Moloka'i are the kuleana of both the County (side streets/roads) and State the Kamehameha V Highway.

3. **Cultural Resources and Traditions:**

Ualapu'e is known significantly for sweet potatoes and traditional cultural and natural resources eco system for farming, Loko i'a (fishponds), lo'i kalo (taro patches) on the Mauka (mountain) and on Makai (ocean). In 1901, it's been reported by Cobb that Ualapu'e was known to be used commercially till 1960 until the tsunami in 1966 that damaged the fishpond. Ualapu'e fishpond is known to bring abundance for mullets and clams.

The nearest fishpond provides education, storytelling, restoration and preservation by Ma'ana non-profit organization. The Mana 'e community has a strong connection to cultural traditions and lifestyles. The community members are active on issues/concerns, and with protecting and preserving their gathering rights.

The plans are to reforest with native plants on the Mauka and Makai and to rejuvenate and cultivate the soil to its natural origin as possible to bring balance to the eco system once again.

Historical sites:

Ualapu'e has special places called Pu'ukuhe Heiau and Kahua Maika of Ka'akeke known as a game field. Ualapu'e wind is called Makaolehua (Kanepuu 1867).

Time Line:

April – June 2019 (2 1/2 months)

- a. To obtain long-term agriculture TMK#56006017 and TMK#56002026 parcels (attachment C).
- b. Applicants will be contacted by chronological dates as indicated on DHHL waitlist (attachment B). Solicit choice of "ag lots with infrastructure or without or Hoolehua or Ualapu'e.
- c. Applicant clearance with DHHL to initiate processing.
- d. DHHL to award 175 beneficiaries with 2 acres (dwelling/farming) either on TMK#56006017 or TMK#56002026 (390 acres) parcel with approximately 26-40 acres of roadways and/or community facility/utilization.

June – August 2019 (2 1/2 months)

- e. To arrange and schedule a meeting with new leases (beneficiaries).
 - Collaboration: lists of individual strength and networks
 - Initiate and engage on ideas on a Kuleana Community plan
 - Identify/suggestions operational logistics
 - Identify/suggestions emergencies pathways
 - Identify an action plan
 - Develop a draft of Community Plan
 - Plan approval & Implement plan
 - Attachments: "C" Proposed Wastewater & Solid Waste system "D" Organic toilet

August – October 2019 (2 1/2 months)

- Finance/ Trust Funds: (DHHL) funds to rehabilitate beneficiaries' to their land.
- Provide the clearance and access of roadway from main highway to parcel.
- Provide clearance around the entire parcel
- Provide clearance separating by acreage within parcel
- Beneficiaries reside on land

Indicator: Beneficiaries obtained lease status and reside on agriculture land.

November 2019 Molokai Regional Plan is submitted to HHC for approval.

Goals: To increase, restore, or obtain skills for individual growth and self-determination and governance.

- ❖ Education/Partnership and Health & Wellness (attachment E)
- ❖ Maui Equal Opportunity (MEO)-budgeting
- ❖ UH-CTAHR-Farming
- ❖ Child and Family Service-Skill Building Communication and Relationship
- ❖ Na Powai & Community faith based churches/organization - Spiritual support/wellness
- ❖ MCC or Volunteers Kumu - Hawaiian language in oral/written
- ❖ Kupuna Practitioner-Cultural practices/knowledge on limu, hula, fishing etc.
- ❖ Hui Na'auao – Education on Self-Determination & Self-Governance
- ❖ Ma'ana – Education on Restoration & Preservation
- ❖ US Department of Interior (DOI) – Educate on Native Hawaiian Rights of the 125 amendments within the HHC Act

Information will be announced by bulletin posting or mail or house to house as agreed upon by beneficiaries.

Indicators: Participant attended services and implemented skills.

2. **Policy/Legislation:** (Beneficiaries-new leases)

Goals: To collaborate and develop plan to meet families need.

Indicators: Policies and procedures are developed and implemented

3. **Organization:**

Goals: Obtain association status with membership

Indicator: Secured 35-40% members

4. **Long-Term Goals:** The Rehabilitation of Native Hawaiians per the HHC Act

- ✚ To maintain family dwelling
- ✚ To subsistence lifestyle for food sources through farming, fishing, lo'i, and aqua-culture.
- ✚ To maintaining collaboration and implementation of Molokai Regional community plan

5. **Committees:**

- a) Housing/Land
- b) Finances/Support
- c) Education/Partnership and Health/Wellness
- d) Policy/Legislation
- e) Organization/Health

REFERENCES:

1. Molokai Department of Hawaiian Home Lands (2016)
 - Beneficiaries Waitlist for agriculture (1024), Residential (771) and Pastoral (197)
2. Mana'e GIS Mapping Project dated May 2008 and Prepared by Markline LLC. and supports a Pilot Project
 - Identified ahupua'a and acreages on the east end of Molokai
 - Specifically for Loko i'a (fishponds) Lo'i (taro patches) and Mauka (mountain/hillside) farming
 - Figure 2 – Ahupua'a Map of Mana'e
 - Figure 3 Building permits issued in Mana'e
 - Figure 4 and 5 – Mana'e Wetlands, Fishponds, Ahupua'a Boundaries
 - Figure 6 and 7 – Natural and Cultural Resources
 - Figure 8 - Wetlands, Natural and Cultural Resources on Aerial Imagery
 - Figure 9 Historic Land Use Maps

(Mana'e GIS Mapping Project dated May 2008 and Prepared by Markline LLC)
3. K. Nihipali informational handout dated 1/30/19
4. Molokai Island Community Plan dated 12/17/18
5. Maui County Planning Director's Office
RE: Wellhead Protection Overlay District
 - Hualapai is identified as Overlay District Map No.11 (attachment B)
 - Protect drinking water by anticipating 2 year and 10 year changes that may impact water well.
 - Water may be accessible and available to parcel location

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. Nimitz Highway, Suite 200
Honolulu, HI 96817**

**Minutes of the Office of Hawaiian Affairs Board of Trustees
Thursday, August 22, 2019
9:30 am**

ATTENDANCE:

TRUSTEE COLETTE MACHADO
TRUSTEE BRENDON KALEI'ĀINA LEE
TRUSTEE DAN AHUNA
TRUSTEE KALEI AKAKA
TRUSTEE W. KELI'I AKINA
TRUSTEE CARMEN HULU LINDSEY
TRUSTEE ROBERT LINDSEY

KURT W. KLEIN, ESQ., ACTING BOARD COUNSEL

EXCUSED:

TRUSTEE LEINAALA AHU ISA
TRUSTEE JOHN WAIHE'E IV

ADMINISTRATION STAFF:

SYLVIA HUSSEY, ICEO
MILES NISHIJIMA, LPD
LISA VICTOR, CTO
LISA WATKINS-VICTORINO, RES
DANIEL SANTOS III, IT
JIM PATTERSON, PROG
JOCELYN DOANE, PP
KEOLA LINDSEY, CA
MAILE LUUWAI, TAPS
RAINA GUSHIKEN, CC
RAYMOND MATSUURA, INVST
ROBERT CROWELL, NHRLF
STERLING WONG, PRO
TIGER LI, IT
TRACY VIELA, NHRLF

BOT STAFF:

CAROL HO'OMANAWANUI
LŌPAKA BAPTISTE
LAURENE KALUAU-KEALOHA
ZURI AKI
DAYNA PA
LEHUA ITOKAZU
PAUL HARLEMAN
MELISSA WENNIHAN
CLAUDINE CALPITO
NATHAN TAKEUCHI
KAUIKEAOLANI WAILEHUA
PRISCILLA NAKAMA
BRANDON MITSUDA

GUESTS:

SAMUEL WILDER KING II
ILIMA LONG
KIRRA DOWNING

I. CALL TO ORDER

Trustee Colette Machado Calls the Board of Trustees meeting to order at 9:41 am. Roll call is taken; Trustees Ahuna, Akaka, Lee, Carmen Hulu Lindsey, Robert Lindsey, and Machado are present, constituting a quorum. An excused absence has been received by Trustee Leina'ala Ahu Isa and Trustee John Waihe'e IV. Trustee Keli'i Akina is expected to arrive shortly.

We will now move on to item II. Approval of Minutes

II. APPROVAL OF MINUTES

- A. July 11, 2019
- B. July 11, 2019 (site visit)

Chair Colette Machado – We have minutes that have been circulated dated July 11, 2019 one was our regular meeting and one was a site visit to Hanapepe. I would like to entertain a motion.

Trustee Dan Ahuna moves to approve the Board of Trustees Meeting Minutes of July 11, 2019 and July 11, 2019 (site visit).

Trustee Carmen Hulu Lindsey seconds the motion.

Chair Colette Machado – It has been moved and seconded, any further discussion on the minutes. Hearing none, roll call vote please.

Trustee Dan Ahuna moves to approve the Board of Trustees Meeting Minutes of July 11, 2019 and July 11, 2019 (site visit). Trustee Carmen Hulu Lindsey seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA						Not present at vote
TRUSTEE BRENDON KALEI'ĀINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY		x	X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			6			3
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with six (6) yes votes, and three (3) excused.						

Chair Colette Machado - We are now are item III. Public Testimony.

III. PUBLIC TESTIMONY

Chair Colette Machado – Do we have anyone signed up for public testimony? Seeing none, let's move on to IV. under unfinished business.

IV. UNFINISHED BUSINESS

A. Interim CEO's 15-Minute Update on Ho'oulu Lāhui Aloha and OHA Activities

Chair Colette Machado – The Chair would like to call upon the Interim CEO, Sylvia Hussey, for any updates.

Sylvia Hussey – What we wanted to do was acknowledge and thank our audio visual company and our IT folks, Tiger, Kevin, Michelle and Daniel. Yesterday was our first time using the equipment. I did get from an external party as they were watching the microphones pick up every sound from bottle openings to paper rustling, but the good thing is that it also picks up the clarity of the conversation. So when minutes are prepared there a recording you don't have to keep going back and forth. Good but in general, thank you for that and thank you to our staff for being here to support that. That is it for updates.

Chair Colette Machado – Members before we proceed I forgot to acknowledge and items under V.C. that item has been removed from the agenda because it failed to be passed out of committee. With that said, I will move to new business.

V. NEW BUSINESS

Chair Colette Machado – I would like to call on Trustee Kalei Akaka for the committee referral to approve Action Item #19-01 to approve Liane Khim and Alvin Tanaka for the Native Hawaiian Revolving Loan Fund Board of Directors for the Oahu seat.

A. Committee on Beneficiary Advocacy and Empowerment

1. Action Item BAE #19-01: Approval of Liane Khim and Alvin Tanaka for the Native Hawaiian Revolving Loan Fund (NHRLF), Board of Directors, O‘ahu Seats.

Trustee Kalei Akaka moves to approve Ms. Liane Khim and Mr. Alvin Tanaka, both as Island of O‘ahu representatives, on the NHRLF Board of Directors.

Trustee Dan Ahuna seconds the motion.

Chair Colette Machado – It has been moved and seconded to approve the appointment of Liane Khim and Alvin Tanaka. Any discussions, hearing none, roll call vote.

Trustee Kalei Akaka moves to approve Ms. Liane Khim and Mr. Alvin Tanaka, both as Island of O‘ahu representatives, on the NHRLF Board of Directors. Trustee Dan Ahuna seconds the motion.						
TRUSTEE	1	2	‘AE (YES)	A‘OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA‘ALA AHU ISA						Excused
TRUSTEE DAN AHUNA		x	X			
TRUSTEE KALEI AKAKA	x		X			
TRUSTEE KELI‘I AKINA						Not present at vote
TRUSTEE BRENDON KALEI‘ĀINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE‘E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			6			3
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with six (6) yes votes, and three (3) excused.						

2. Federal Legislative Matrix†, August 21, 2019**

Chair Colette Machado – We will now move to ratify the Federal Legislative Matrix, which was discussed in yesterday’s committee meeting.

Trustee Kalei Akaka moves to approve Administration’s recommendations on:

- OHA FED 4: S. 126 / H.R. 558;
- OHA FED 5: S. 1413 / H.R. 3588;
- OHA FED 6: S. 2165 / H.R. 3846;

- OHA FED 7: S. 2191; and
- OHA FED 8: S. 2037; all as SUPPORT,

while excluding OHA FED 3: S. 804 / H.R. 1806 from the vote, on the Federal Legislative Matrix dated 08/21/19.

Trustee Dan Ahuna seconds the motion.

Chair Colette Machado – It has been moved and seconded to approve the recommendation from the Committee on Beneficiary Advocacy and Empowerment on our Federal Legislative Matrix. Roll call vote please.

Trustee Kalei Akaka moves to approve Administration's recommendations on:						
<ul style="list-style-type: none"> • OHA FED 4: S. 126 / H.R. 558; • OHA FED 5: S. 1413 / H.R. 3588; • OHA FED 6: S. 2165 / H.R. 3846; • OHA FED 7: S. 2191; and • OHA FED 8: S. 2037; all as SUPPORT, 						
while excluding OHA FED 3: S. 804 / H.R. 1806 from the vote, on the Federal Legislative Matrix dated 08/21/19.						
Trustee Dan Ahuna seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA		x	X			
TRUSTEE KALEI AKAKA	x		X			
TRUSTEE KELI'I AKINA						Not present at vote
TRUSTEE BRENDON KALEI'AINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			6			3
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED						
Motion passed with six (6) yes votes, and three (3) excused.						

B. Committee on Resource Management

1. **Action Item RM #19-10: Approval of a second amendment to BOT #12-05 – Kaka'ako Makai Policy relating to the allocation of revenue from OHA's Kaka'ako Makai properties to the Land Legacy Program. (1st Reading)**

Chair Colette Machado – Members we are moving on to V.B. the Chair would like to call on the Resource Management Committee Chair Trustee Dan Ahuna. We are item V.B.1. which is Action item RM #19-10.

Trustee Dan Ahuna moves to approve of a Board of Trustees (BOT) Policy Second Amendment to the Kaka'ako Makai Policy, Section 3.A.2, originally adopted on September 20, 2012, and amended on August 1, 2017, to state:

Allocate 20% of gross revenue for grants and 50% of net revenue for OHA Legacy Land Program (net revenue equals gross revenue minus direct operating expenses, excluding Kaka'ako Makai planning and development-related costs) (*The 50% allocation of net revenues to LLP shall terminate at the end of FY 2021)

Trustee Carmen Hulu Lindsey seconds the motion.

Chair Colette Machado – Members I'd like to acknowledge that before we do the vote that this is the first reading, so this will come back again at our next BOT for a second reading before it is completely ratified. If we are ready, I will call for the vote. Roll call vote please.

Trustee Dan Ahuna moves to approve of a Board of Trustees (BOT) Policy Second Amendment to the Kaka'ako Makai Policy, Section 3.A.2, originally adopted on September 20, 2012, and amended on August 1, 2017, to state:

Allocate 20% of gross revenue for grants and 50% of net revenue for OHA Legacy Land Program (net revenue equals gross revenue minus direct operating expenses, excluding Kaka'ako Makai planning and development-related costs) (*The 50% allocation of net revenues to LLP shall terminate at the end of FY 2021)

Trustee Carmen Hulu Lindsey seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA						Not present at vote
TRUSTEE BRENDON KALEI'AINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY		x	X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			6			3
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED						
Motion passed with six (6) yes votes, and three (3) excused.						

2. Action Item RM #19-11: Approval of the Habitat for Humanity Maui Organization to Distribute the Previously Approved \$35,000 of Emergency Disaster Relief for Kaua'ula Maui.

Chair Colette Machado – Trustee Dan Ahuna we are now on Action Item RM #19-11 another referral from your Resource Management Committee.

Trustee Dan Ahuna moves to

- 1) Approve the selection of the Habitat for Humanity Maui organization to distribute the previously approved \$35,000 of emergency disaster relief for Kaua'ula Maui; and
- 2) Authorize and approve the transfer and use of funds available in OHA's FY20 Core Operating Budget and needs to be reallocated from Program 2100-CEO, Object Code 57110-Fee for Service to Program 3800-Grants, Object Code 56530-Grants in Aid.

Trustee Carmen Hulu Lindsey seconds the motion.

Chair Colette Machado – It has been moved and seconded. Is there any discussion, hearing none, roll call vote please.

Trustee Dan Ahuna moves to						
1) Approve the selection of the Habitat for Humanity Maui organization to distribute the previously approved \$35,000 of emergency disaster relief for Kaua‘ula Maui; and						
2) Authorize and approve the transfer and use of funds available in OHA’s FY20 Core Operating Budget and needs to be reallocated from Program 2100-CEO, Object Code 57110-Fee for Service to Program 3800-Grants, Object Code 56530-Grants in Aid.						
Trustee Carmen Hulu Lindsey seconds the motion.						
TRUSTEE	1	2	‘AE (YES)	A’OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA‘ALA AHU ISA						Excused
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI‘I AKINA						Not present at vote
TRUSTEE BRENDON KALEI‘ĀINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY		x	X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE‘E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			6			3
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED						
Motion passed with six (6) yes votes, and three (3) excused.						

Chair Colette Machado – Members before we proceed with the next item. If there is any opportunity that you would like to go into Executive session to consult with our Attorney and Consultants relating to the Kalona Brand Company LLC private placement Investment Opportunity this is where I would allow for an Executive Session to take place before we come back to take the vote. Unless you folks are all ready to move forward. I am only doing this because Trustee Robert Lindsey was not here at our meeting yesterday. He may have some questions; I want to provide that opportunity for him.

Trustee Robert Lindsey – Chair Machado, I appreciate the courtesy but I do not have any questions.

Chair Colette Machado – How about any other Trustees that would want to consult further. If not then we will proceed.

3. **Action Item RM #19-12: Consider funding the Kalona Brand Company LLC private placement Investment Opportunity in an amount not to exceed \$2.7MM from the Hawaii Direct Investment portfolio.**

Chair Colette Machado – I would like to call on the Chair of the RM Committee for Action Item RM #19-12.

Trustee Dan Ahuna moves to approve the private placement investment in Kalona Brand Company LLC, in an amount not to exceed \$2.7MM, from the Hawaii Direct Investment (HDI) portfolio.

Trustee Brendon Kalei‘āina Lee second the vote.

Chair Colette Machado – It has been moved and seconded. Any further discussion before I call for the roll call.

Trustee Robert Lindsey – Yes, I would like to offer up some remarks. I am here to strongly support the action item because I have said from time to time at this table we need to grow OHA’s wealth to meet the ever-growing basic needs of our people. Particularly in education, health and housing. As I understand this \$2.7 million investment is an investment in agriculture for the future. It will not be taking away anything from our

annual grants or sponsorship efforts for our people. Right now, the only revenue sources we have are one, our financial portfolio which is at the mercy of the stock market. One day the market is through the roof, another day it's heading into the tank. Market volatility is the present norm. The talk of an impending recession, a recession worse than 2008 scares me.

Two, we receive \$15.1 million in ceded lands revenue annually from the State. We deserve more but the question is when will we get the State to pay us our just do for our people. Three, we receive about \$3 million from the Legislature which is a drop in the bucket. In the mean while a segment of our population of our lāhui continue to live day to day, hand to mouth. Through this investment, we are dealing with, to me, a great partner. A gorilla of a partner, an Ali'i Trust established by our beloved Ali'i Pauahi. The Trust that employs and consults with attorneys and analysis who will find every ghost in the rafters if there is one to be found. Yes, any investment has risk, but partnering with KS gives me comfort. KS is a strong organization, a very risk diverse organization. How do I know that, I've worked for the empire for 24 years. Some doubt the future of Ag in Hawaii. Have the guile to say that Ag is dead. It's not, Ag is not dead on the Big Island, there are a lot of good farmers and ranchers on the Big Island and even here on Oahu. Right now, this investment targets a special high value crop, cacao. But in the future, there are other possibilities for other Ag commodities.

The market for cacao is there, its 5,000 miles away. We have the land, we have the water, we have the farmers, we have the markets. We are an import State; we bring in 90% of our fuel and 80% of our food. This is in my view a worthy investment in the future and in agriculture. I come from a paniolo family and my brother and I were truck farmers once upon a time. I'd like to conclude by saying, we are kanaka, we are people of the land. And I think an investment like this will help us, will take us back to our roots and it will help us to think about future possibilities on the Big Island, in Puna, and in Wao Kele o Puna and also on our lands here on Oahu. Thank you so much.

9:55 am Trustee Keli'i Akina arrives to the meeting.

Chair Colette Machado – Thank you Trustee Robert Lindsey. I would like to acknowledge the arrival of Trustee Keli'i Akina. Trustee Keli'i Akina we are on item V. We are asking for discussions at this time.

Trustee Brendon Kalei'āina Lee – Thank you Madame Chair, I would like to rise at this time and speak in favor of the motion. For all the reasons that we spoke of yesterday and to remind the other Trustees of a few things. More along the lines of the actually investment and our portfolio overall. As Ray stated yesterday our goal is always to beat inflation plus 2% and the market has typically been giving us 8%. With what their due diligence was for their "dooms day" scenario would be to take what the valuation of the investment is and cut it in half which would be 9% which is still beating what our target is, what we are looking at. In essence, as is typically of private equity investments, this is a hedge against the rest of our portfolio. Although it's a small amount we are looking at an investment of a return of 12%, we don't know what the market is going to be in 15 years, and yes there is risk and there is no guarantee of the 12%. But you can't plan on what is guaranteed and what ifs. So we look at an investment of a 12% that is a very nice hedge against what the market could or could not be doing 15 years from now.

Also, to keep in mind of the forward looking thoughts of what Trustee Robert Lindsey said. What was brought to our attention to the due diligence of our administration was that Kalona Iki is paying full market value lease for Kamehameha lands where this project is going to be taken place. KS is an investor financially and they could have foregone giving financial assistance by giving the land lease free. They did not. This company is paying full market value for the lease. As Trustee Robert Lindsey said, if we are forward thinking and given the fact that Kalono Iki has expressed that their intention is to horizontally integrate and create cacao farms in other places in the State, this does bring our other lands, especially Kūkaniloko which we plan to do agriculture on into play. This gives us in the playing field right now who we know for a fact is willing to pay market value lease for ag land. They are not going to come and say, oh, we want a discount. Because they are already operating in a business model that is not getting a discount they are paying full market value.

Also, to keep in mind, yes as Trustee Kalei Akaka said, \$2.7 million on its own is a lot of money. But when you look at the value of our overall portfolio as the investment team stated this is less than 1%. So if we look at the percentages not the dollar amount this is a very small amount. To keep in mind we are not pulling this money out of a drawer. This money is currently invested in something else, in an account or in bond yields, which is significantly less than the stock market, or what we are looking to make in this investment. Again, at Trustee Robert Lindsey said, this money is not being pulled away from beneficiaries, it's already in the Native Hawaiian Trust, it's already invested in something else that is earning us a very small yield. We've been looking to get more active in our Hawaii Direct Investment policy; this gives us a foot in the door. It's a very nice return and as Trustee Robert Lindsey said, you cannot beat a partner like Kamehameha Schools. Who even with all of their due diligence didn't even come near to the due diligence that our administration did. And they came back with nothing but positive check marks for our mission statement, our upcoming strategic plan and our overall policies to our investment. Thank you Chair.

Trustee Keli'i Akina – First of all fellow Trustees I apologize for being late today. I thank you for understanding. This is a very difficult issue for me to address because I am in wholehearted support of what I heard Trustee Robert Lindsey and Trustee Brendon Kalei'āina Lee expressed in terms of the commitment to a forward moving direction. I think we do need to be talking about investments, we do need to talk about Hawaii Direct Investments and that's an area we decided we need to move forward on. The reason it is difficult for me is that this particular proposal raises some challenges with risk and in terms of timing and other priorities, we have right now.

In terms of priorities and I won't belabor this much because we had very good discussion yesterday at the RM Committee. In terms of priorities I believe we need to move ahead and make progress on Kaka'ako and Iwilei even though much of that is not direct investment, direct investment could be used to bring in partners in both of those projects. I think we are long behind in terms of our schedule in developing these frontline engines to our finances and they need to move forward. Secondly, in terms of timing, I think we are in the process of doing something very good now which is revising our fiscal policies. I'd like to see us continue that process in revising our policies and having good policies in terms of Hawaii Direct Investment.

I am concerned as I expressed yesterday with the relative risk involved here. The presentation made by Kalona was very exciting but it was based upon very optimistic figures and I had asked what would happen to our \$2.7 million if one of two occurrences took place that either the venture failed or the venture failed to be able to raise the total \$17 million that they need to do. This is fairly risky for us. Kamehameha was mentioned and they are the finest example of making good investments. But their situation is very different from ours. We are just starting out and the timing for taking this risk may not be best for us. I want to close with once concern that I have and I want us to discuss this concern with each other. When we invest directly in the market here in becoming a backer of a specific business, we also compete with other businesses. There are 500-700 farmers who identify as Native Hawaiian and Pacific Islander. These are small families on small plots of land. They are in direct competition with this project in many ways. They are looking for diversification as well. I am just a little bit concern of the role that OHA will play as a competitor to the beneficiaries. For this reason, and the others I will be voting no on this proposal. But I do want to say I am very glad that we are looking at it and want to work on this direction in the future.

Trustee Brendon Kalei'āina Lee – Madame Chair are you going to allow this discussion about competition that Trustee just called for.

Chair Colette Machado – Not at this time.

Trustee Keli'i Akina – I am not calling for it at this time.

Chair Colette Machado – You are not asking for a debate he is just asking for his opinion to be recorded.

Trustee Keli'i Akina – Just a policy...

Trustee Brendon Kalei‘āina Lee – He just said he would like us to have this discussion about the competition with other beneficiaries and native peoples that this would come into competition. If we are going to have that discussion I would like to have it because that is a false statement based on what was presented yesterday.

Trustee Keli‘i Akina – I’m just saying that I would like us to have a policy discussion on that as we look at our policy.

Chair Colette Machado – You make a lot of offers for us to consider other issues too, so that doesn’t mean we are going to react to it immediately.

Trustee Keli‘i Akina – Thank you.

Chair Colette Machado – The priority right not, sorry the intent right now is to approve up or down this measure with 6 votes. .

Trustee Brendon Kalei‘āina Lee – Point of clarification Madame Chair.

Chair Colette Machado – Trustee Brendon Kalei‘āina Lee.

Trustee Brendon Kalei‘āina Lee – But by making the statement that Trustee Keli‘i Akina just did about having a discussion that this investment is in competition with smaller farms, that does affect this vote. And that is not a true statement. Kalono Iki yesterday when they presented specifically said how this benefits the smaller farms. If the smaller farms choose to grow into cacao, and they only have 5 or 10 or 1 acre, they will not have the ability to take their product to market and make a profitable living. Because Kalono Iki is going to have their own processing plant here on the island that will give the smaller farmers an avenue to send their product to market to be processed and to be purchased at a fair and much higher rate by shipping it off to the mainland. That statement that this investment would be in direct competition with smaller farms is not a true statement Madame Chair.

Chair Colette Machado – Would you like to clarify your sense of competitiveness with Kalona Iki’s primary single crop outside of the other cash crops of avocado and ulu?

Trustee Keli‘i Akina – I would thank you very much. To clarify what I was saying earlier. I’m not calling for a discussion now, I’m saying as we look at our policy for Hawaii Direct Investment we do need to look at and discussion and I encourage us to do so. What happens when we become the operator or investor of a business that is in the competitive market with other business in Hawaii? It’s something that we need to explore. Now as to the extent of competition. Kalona address that yesterday, they responded that they would be doing positive things for Native Hawaiians. I don’t deny that at all, I agree with Trustee Lee that, that was said yesterday. And it’s very possible this business will actually help native Hawaiian farmers. But it’s also possible that it will be in competition with them. It’s not an either or, or true or false situation. It’s both and, and we need to explore what position that we want to take. Especially when beneficiaries look to us and they say why are you backing this entity rather than another. Whether we are or not it’s something we need to talk about. By the way to put this in context, that was just the fourth and last of my concerns. I am primarily concerned about the risk at this time and most of all the timing in respect to our priorities.

Trustee Dan Ahuna – You know yesterday I spoke to functionality and intentionality. The reason why I spoke to these two terms is because it’s about maximum impact. When I say maximum impact, the role of competition has no role in this. Has no role, we are trying to maximize for our beneficiary impact capital needs are our beneficiary needs. When I say this is because we are looking to be mission aligned. This is our role, this our job, this our fiduciary obligation to be mission aligned. A lot of times when we invest globally, we don’t know what we are investing in. I remember one time we found out we were investing in supporting manufacturing guns. Those are the things that do not align with what we want to invest in the intentionality. So for me our priorities right now is to be mission aligned and the timing is perfect. Mahalo.

Chair Colette Machado – I am ready to call for the vote, unless there are other comments that would like to be made at the table. Hearing none, no other comments, roll call vote please.

Trustee Dan Ahuna moves to approve the private placement investment in Kalona Brand Company LLC, in an amount not to exceed \$2.7MM, from the Hawaii Direct Investment (HDI) portfolio. Trustee Brendon Kalei‘āina Lee second the vote.						
TRUSTEE	1	2	‘AE (YES)	A‘OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA‘ALA AHU ISA						Excused
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA				X		
TRUSTEE KELI‘I AKINA				X		
TRUSTEE BRENDON KALEI‘ĀINA LEE		x	X			
TRUSTEE CARMEN HULU LINDSEY				X		
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE‘E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			4	3		2
MOTION: [] UNANIMOUS [] PASSED [] DEFERRED [x] FAILED Motion failed with four (4) yes votes, three (3) no votes and two (2) excused.						

C. Joint Committee on Beneficiary Advocacy and Empowerment and Resource Management
1. Action Item BAE/RM #19-07: FB 20-21 Emergency Financial Assistance Grant Recommendation.

Action item failed and did not move out of the Joint BAE/RM Committee. Item removed from agenda.

D. Action Item BOT #19-12: Extend the time for the Permitted Interaction Group, approved on May 30, 2019, to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA’s Board Governance Framework from July 31, 2019 to no later than September 30, 2019.

Chair Colette Machado – Members I’d like to call on Trustee Lee for V.D. which is Action Item BOT #19-12 regarding the extension of the Permitted Interaction Group By Laws committee and the Governance Framework. Extending from July 31, 2019 to no later than September 30, 2019.

Trustee Brendon Kalei‘āina Lee moves to extend the time for the Permitted Interaction Group, approved on May 30, 2019, to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA’s Board Governance Framework from July 31, 2019 to no later than September 30, 2019.

Trustee Carmen Hulu Lindsey seconds the motion.

Chair Colette Machado – It has been moved and seconded. Any further discussion, if not roll call vote.

Trustee Brendon Kalei'āina Lee moves to extend the time for the Permitted Interaction Group, approved on May 30, 2019, to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework from July 31, 2019 to no later than September 30, 2019.						
Trustee Carmen Hulu Lindsey seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA			X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI'ĀINA LEE	x		X			
TRUSTEE CARMEN HULU LINDSEY		x	X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			2
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED						
Motion passed with seven (7) yes votes, and two (2) excused.						

Chair Colette Machado – Right now we are scheduled to go into Executive Session under VI. What I would like to do since we have two community concerns, I would like to take them out of order and then go into Executive Session to discussion the State Auditor's report 18-08. If that is ok with you folks I'll call on Samuel King who is present today and under community concerns.

VII. COMMUNITY CONCERNS

Chair Colette Machado – If you could please come forward. Followed by Ilima Long.

Samuel King – (*Attached to the minutes is testimony and Samuel King submitted via email*) Aloha, good morning Chair Machado, Trustees. I am Samuel Wilder King II. I have been the organizer of Pro Thirty Meter Telescope rally and I am one of the leaders of Pro TMT Group Imua TMT. I am here today to request that OHA issue a resolution condemning bullying and threats by members of our community and especially by and against OHA beneficiaries related to anyone's stance on the Thirty Meter Telescope situation. The vast majority of the most vitriolic language and threats that I have seen have come from the protectors on Maunakea and I believe a resolution from this body can have the greatest effect by addressing that group specifically. Although a broad condemnation of any racist or derogatory remarks by either side is in order. I apologize for the language I think it's important to understand what kind of rhetoric I am referring too.

From TMT Supporters I've seen statements that are racist and derogatory along the lines of majority of this island stay on section 8 and ebt. Another person referred to all Hawaiians seemingly as incredibly short sided and irrational. From protectors I have seen language along the lines of, you are a fucking haole who thinks they know our culture, haole stay the hell off our island. On a post from Governor Ige in response to a comment that there will be no damage on the aquifer, someone wrote fk you little c**t. Governor Ige what kermit you bitch ass Jap. How you like if we put Mt. Fuji up for sale. Numerous post have called Kalepa Babayan a Hōkūlea navigator a traitor and a haole. Another post with a picture of my brother on a flyer referred to my brother sorry what is a white dude doing on this clearly not Hawaiian lol. I am an OHA beneficiary and so is my brother.

I haven't seen physical violence from supports yet however, those should also been condemned. I have seen them from protectors such as in response to a post of the recent poll results that came out of Civil Beat in the Big Island feed Facebook group somebody stated is kapu aloha for the Hawaiians on the mountain, not me I punch people in the head still yet. Kapu donkeys and their fucking faces I'm not one of those kapu aloha....

Trustee Dan Ahuna – What is this guy saying?

Chair Colette Machado – He is reading comments that have come through.

(Conversation indiscernible)

Samuel King – I fully agree Trustee Dan Ahuna. This is why I am here; I want this language condemned from either side and all sides. On the Imua TMT Facebook page said bombs are coming. Another person said that they've received people showing up at their office and leaving calls. They've been asked by their boss to stop speaking on TMT because they don't want their business to be hurt. There is another person who posted that, I don't want to read all this language, it's basically said I am going to beat you up, blank kick you, my cousin will beat you up. On a picture of me and my co-organizer Malia Martin on the Governor's Facebook page, somebody said that I think we have to kidnap here lol. Another person said, one day we come for you both, which I am not sure what that means. I have reported that to the police; however, they explained to me that it's not an immediate threat and therefore it's not something they can take action on right now. On a post from Naea Stevens whose is an astronomy student that supports TMT, someone said all right the ali'i have to kill this faka. In response to a Star Advertiser article quoting Gordon Squires who is the public relations individual for TMT who said TMT has the legal right to start work, someone said time for the Hawaiians to start assassinating these terrorist.

We have seen how this rhetoric can lead to self-radicalization online and eventually violence. Bullying leaves scars on victim and the bully. There is another post by a TMT support that said her child in being choked in school and beaten up. And got his legs pulled out from under him and got a bloody eye. If you do not speak out, I fear the victimization of our children will continue and get worst. My greatest concern is that now that school year has begun the bullying will get worst. A victim will snap or a bully will go too far and someone will get killed. I hope that I am exaggerating. But I am here today to mitigate the risk that I am not. I implore you please send a message to all the protector and their supports to condemn any bullying in schools or vicious rhetoric online. I have done and will continue to do the same to the supports of the Thirty Meter Telescope. Mahalo.

Chair Colette Machado – Thank you. This is community concerns. We want to thank you Mr. King for coming and addressing the horrible language that you just expressed to us. That is basically it. We will call Ilima Long to the table.

Ilima Long – Aloha Chair Machado, Aloha Trustees. My name is Ilima Long and I've been on the Maunakea since July 12 off and on, have to take care of life here and there. I'm affiliate with Huli the Hawaiian Unity Liberation Institute which has provided substantial financial logistical legal and media and educational support on the front lines since July 12th. I am also a Ph.D. student at the University of Hawaii at Mānoa in Political Science and am affiliated with Kia'i Ke Kahaukani the UH Student organizing group for the protection of Maunakea at UH Mānoa. I'm here to provide the Board a summary update of activities and visitors to the mauna that reflect some of the ways that this stand to protect Maunakea, that the pu'uhonua and the kupuna frontline have brought out lāhui together in love and support, a cultural practice and education, an economic support and in the healing support of aloha and unity.

I know you are all busy people and may not have the time to be glued to social media and keep up with all this. This is why I wanted to come and provide a little bit of summary. On average during the weekends up there, we have anywhere from 2 to 7 thousand people come up and visit Friday, Saturday and Sunday. We've had 5 weekends of mass gatherings up on the mauna. Which on the low end would be somewhere around 10,000 people. On the high end 35,000 and somewhere in between of how many people predominately beneficiaries, predominately native Hawaiians who have come up there. The other day we have 55 students from Kealahou's High School STEM Academy come pay a visit to the mauna and sit on the side and observe hookupu and ceremony at the tail end of their weeklong summer STEM Academy. We've had a number of schools come up, we've had student representation from HPU, Chaminade, UH Mānoa, UH Hilo and from all of the Community Colleges. And a number of schools and kumu from Kanaeokana Affiliated Institutions as well. Hālau Ku Mana teachers and students, Anuenue teachers and students. Tomorrow we have Nawahiokalaniopu High School

coming up with about 100 students and teachers and they will be teaching all 5 classes of the 9:30 block of the Pu'u Huluhulu University. They will be providing service at the operating stations whose signs will be switched in to ōlelo Hawaii and they are bringing food for the pu'uhoonua and will be presenting hookupu to the kupuna.

Elected officials that have come up to the pu'uhoonua and have been received entirely through kapu aloha include Governor Ige, Lt. Governor Josh Green, Mayor Kim, State Senator Kai Kahele and Kurt Favela, Congress Women Tulsi Gabbard and Mazie Hirono. UH officials were received with kapu aloha, President David Lassner, Provost Michael Bruno, UH Maui Chancellor Lui Hokoano and Chancellor of UH West Oahu Dr. Judy Olivera as well as the entire representation of the Pukoa Council short of UH Hilo. Pacific delegations that have come up and presented their culture and their gifts include Tonga, Samoa, Pan Micronesian delegation, Maori, Tahitian, Philippines, Korean, and Guam. We've had representations from Hawaiian Institutions such as Kamehameha School's alumni, the Royal Order of Kamehameha Hawaii Island and Maui. Hale o Na Ali'i of Hawaii, Lunalilo Homes, Association of Hawaiian Civic Clubs, Center for Native Hawaiian Advancement, KS Kapalama faculty and staff are coming up soon. Protect Kahoolawe 'Ohana, Hookuikahi I Puukohola, Kamehameha Schools has shown support by Kanaeokana and of course some of you Trustees have been up there and we really, really appreciate that support. At least 25 kumu hula, the Hui Kalai kii o Kupaai kee carved four new kii and presented them to leaders of the Kia'i up there about a week ago. That was an amazing experience and to witness our culture in action up there at that high level was something else.

We've also received countless letters of support and statements from native nations and tribe councils throughout the US and Canada. We even have received statements, we even seen statements from Universities affiliated with TMT partners Canadian affiliations Acura, including Victoria University of British Columbia, University of Toronto stating their concern that they do not want to be doing research at the expense of the indigenous people's wishes and consent. We've also taught 358 classes up there through Pu'uuhuluhulu University in the course of a month. We are grateful in the ways that OHA has shown support. The ways that it has fulfilled its mandate to support its beneficiaries which we do believe it has the right to do without State interference or repercussions. OHA's concern and aloha for its beneficiaries have been highlighted through this struggle. Although Trustees on both sides of the TMT issue sit at this table they have come together to support the health and safety of their beneficiaries on the Mauna. This is part of politics putting the people before politics and before profit. Lastly, the immediate future remains unclear and unknown. All signs quite literally on the side of the road now, point to an oncoming crack down by the State. We request that OHA restate and reaffirm their position asking that the Governor not use the National Guard on our people or weapons of disbursement such as the LRAD, tasers and pepper spray. This is the real bully that we need to be addressing.

There's no need for this threat of violence. We is also no need for this threat of State violence, as we are remain dedicated to nonviolence and kapu aloha. I know that any of us on the mauna and any leadership on the mauna are happy to make a statement to condemn any language that is outside of kapu aloha in our entire community and in archipelago on both sides of this issue. Mahalo.

Chair Colette Machado – Thank you Ilima.

VI. EXECUTIVE SESSION

Chair Colette Machado – Members the Chair would like to entertain a motion for recuse ourselves into Executive Session pursuant to HRS 92-5 (a)(4).

Trustee Dan Ahuna moves to recuse into executive session pursuant to HRS §92-5(a)(4).

Trustee Robert Lindsey seconds the motion.

Chair Colette Machado – It has been moved and seconded. Roll call vote please.

Trustee Dan Ahuna moves to recuse into executive session pursuant to HRS §92-5(a)(4).
Trustee Robert Lindsey seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI'ĀINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY		x	X			
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			2
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED						
Motion passed with seven (7) yes votes, and two (2) excused.						

Chair Colette Machado – Let's clear the room.

Sylvia Hussey – May I request Maile and Corp Counsel because of the topic.

Chair Colette Machado – Ok.

The Board resolved into Executive Session at 10:25 am

- A. Presentation of the results of staff's due diligence analysis of a potential private placement investment opportunity utilizing Section 18. entitled "Hawai'i Direct Investment Policy" of the Native Hawaiian Trust Fund Investment Policy, in consultation with OHA Board Counsel Robert G. Klein, Esq., Corporate Counsel Raina Gushiken, OHA Interim CEO Sylvia M. Hussey, Ed.D., and Craig Chaiken, CFA with Segal Marco Advisors re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities related to the potential investment in Kalona Brand Company LLC and the Board's investment policy. Pursuant to HRS 92-5(a)(4).**

Prior to discussion of item V.B.3. it was decided by the Trustees that discussion in executive session was not needed. No discussion regarding this item took place in executive session.

- B. Consultation with Board Counsel Robert G. Klein, Esq. and Corporate Counsel Raina Gushiken re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities relating to the State Auditor's request for the status of implementation of the audit recommendations in Report 18-08, Pursuant to HRS §92-5(a)(4).**
- C. Approval of Minutes**
1. May 2, 2019
 2. May 30, 2019
 3. June 6, 2019
 4. June 20, 2019

The Board reconvenes in open session at 11:13 pm.

VIII. BOT WORKSHOP

A. OHA Strategic Planning 2020+ Phase III, *Workshop Two*, Facilitation by DTL to help BOT members identify strategies toward achieving the strategic direction.

Chair Colette Machado – Aloha everyone, I'd like to convene the Board of Trustees meeting in open session. Members we are now on VIII. BOT Workshop on the OHA Strategic Planning 2020+ Phase III, I'd like to call on Sylvia.

Sylvia Hussey – We will have Lisa take us through the Strategic Planning workshop.

Lisa Watkins-Victorino – Aloha Chair and Trustees. We are going to do our phase III workshop today. We have as in our last workshop DTL here to facilitate the process. We will be calling on Kirra Downing who will facilitate the process. She will run us through the activity and discuss the timeline. We need to consider some of the options for the timeline. Just in a nutshell today, we are really looking to make some priorities based on the information, data that was presented. What we have before you and what Kirra will go over are all of the different strategies that we've collected from your haawina, we've also looked at different reports and the data and as well as the kaaha team reviewing that too. I have going to have Kirra come up and take us through our workshop.

Kirra Downing – Aloha Trustees. Follow up to our meeting on Molokai we wanted to recap our objectives for this working group. They are to review the strategies, share historically the milestones and identify strategies going forward and what that timeline looks like.

(Kirra begins her PowerPoint presentation, please see attached PowerPoint)

Lisa Watkins-Victorino – I just want to clarify that September 5th is going to be when you say these are the strategies that we are going to move forward. After that towards the end of the presentation, you will see the next steps. We will be coming to administration with recommendations on the metrics and the tactics. What this part really is what is that direction and focus the board would like to see then administration will do their due diligence and look at data and say here is what we might want to do. That won't happen till after the Board has decided on the strategies.

(Kirra continues with her PowerPoint presentation)

Trustee Brendon Kalei'āina Lee – I was looking at a 16-year time frame which may sound odd. But we are on a 4-year election cycle. So I am trying to be cognizant of when new Trustees will be cycling in and cycling out. Would be very ineffective for you folks to be reporting back and we have three new Trustees who just got on the board who won't have any idea what you are talking about. So that won't help the new Trustees and that won't help your folk's team that won't set anybody up for success. So that being said what I would like to see if a 15 year time horizon, I know that doesn't quite meet the election cycle, but here is the reason why and having a three year course correction report back. If the plan is for this strategic plan to start in 2020, so 2023 would be in the middle of everyone's election cycle. So no matter when you report in 2023, unless you do it in January, based on when the data comes back to the Department that highly unlikely. If we are lucky maybe we might get it at the end of that fiscal year of calendar year 2023, more than likely latter. That should be more than enough time for any new Trustees who was elected to have their own workshop to be brought up to speed and know what is going on with the strategic plan. That way when the team does come back and report on the findings of where we are so far, do we need course correction, those new Trustees will be well versed and up to speed and will be able to participate and give their own ideas.

Kirra Downing – Yes, and having the biennium and budgeting.

Trustee Brendon Kalei'āina Lee – It would actually fall on the end of a biennium because the biennium fall on an odd year. So it would actually work into a biennium.

Chair Colette Machado – But it wall might change if the legislature going to set up term limits. Which they have tried and have not been successful.

Trustee Brendon Kalei‘āina Lee – Yes, but the election cycle would still be the same.

Trustee Dan Ahuna- What about a 4-year frame, just because we may overlap.

Chair Colette Machado – I want to understand what is Trustee Lee explaining to the review and updates with the strategic plan. What is he throwing out 8 years?

Kirra Downing – He said 15 with a three year.

Trustee Brendon Kalei‘āina Lee – So when you look at the other big organizations, even in our current strategic plan. They extended it out so it was a longer time horizon. So 15 years, Chair, would basically run us through 8 election cycles, because every two years there is an election. So that would be 8 election cycles. So the three year, so obviously the team would report back at minimum every year. But every three years which would fall in the middle of an election cycle, is a course correction reporting back. So it's a deeper reporting back, are what the Trustees in 2019 come up with, were they are good idea, are they being successful, are they not, do we need to reevaluate and come up with different strategies, or are the strategies ok but the angle of attack we are taking to address these strategies are they not working. So given the time horizon of 15 years that would give this body 4 opportunities of whether they want to course correct and make a significant change to the strategic plan. Not just this is the strategic plan for 2019 and this is what we are going to run with live or die all the way to the end. This give the Board of Trustees an opportunity mid election cycle so that any new Trustees that come on have had time to be brought up to speed of whether or not they feel a course correction is necessary.

Chair Colette Machado – Raina what is our requirement by law to comply with the strategic plan.

Trustee Carmen Hulu Lindsey – This last one was 10 years.

Trustee Brendon Kalei‘āina Lee – There is a requirement? No strategic plan in internal there is no law.

Chair Colette Machado – So who is requiring us except our policy?

Sylvia Hussey – It's just in good governance you would set a plan period, as you would set a monitoring period. So the one suggestion is 15 years with three year monitoring. There are many others.

Trustee Dan Ahuna – I would do four years with two year monitoring.

Sylvia Hussey – The research that DTL has done is one it tends to be shorter so none of this 20 year plan and its 20 years. It's shorter. And two it really is up to the organization what makes sense for the organization on their decision making, their financing, how they evaluate their strategies, it really is up to the organization.

Trustee Robert Lindsey – I agree with Trustee Lee that we should have a long time frame. Here we are dealing with human behavior. We want to effect systemic change so you know we are not trying to our canoe around, we are dealing with an aircraft carrier. And to effect the kind of changes that we are looking for to uplift our people in health and education, in employment and housing, it's a long-term work piece that we are looking at.

Trustee Dan Ahuna – The longer the plan the more stability. The amount of changes in that time, a shorter plan would be effective too. I just thought a shorter plan, a 4 year plan was in line with our time here as Trustees we have 4 years.

Trustee Carmen Hulu Lindsey – I agree with Trustee Ahuna, having had experience in the last 8 years. I think it's a good idea to have a long period maybe like what we've had in the past, 10 years. As you recall we wanted to

change the health portion of our strategic but we hesitated because the 10 years were not here yet. At the suggestion of Trustee Lee where we can review it maybe every three years, those changes can be made. So I am open to a length of time, but I think what we had the 10 years probably, I actually don't think it should be according to elections, because when we bring a new Trustee on I think that Trustee should be oriented to everything in OHA so that they are not short of what let's say those that have been on the board for many years know. I am pretty much open but that is my mana'o. I remember wanting to change the health from obesity to substance abuse and we were kind of held back on that for two year.

Lisa Watkins-Victorino – I just wanted to support to what Trustee Carmen Hulu Lindsey is talking about. As you recall there were several times it was brought to the table wanting to try and make changes and we had ultimately not made those changes. But with having some check in period I think allows, I like that term course correction. It allows you to say, this isn't working for us and so we are going to change it because we think this is going to be better. And of course it is going to be based on data and information.

Trustee Dan Ahuna – The reason why I choose 4 years is because there is a lot of things we still need to do and still work on. I believe in the years to come the IDG, the International Developmental Goals will be implemented. I believe there is more, because we are looking bigger than what we see at our table. We have to look internationally too.

Chair Colette Machado – These are really good suggestions so how you plan to decide on how you approach this. A recommendation to present to us on how we are going to finalize this implementation discussion.

Sylvia Hussey – So we can bring it back to the Board in terms of a, what we can do is map all the suggestions, if its 15 years here is what is going on with the Board elections piece, here is where our financial biennium are coming so that you can see what a 15 year will look like, what a 10 year might look like what a 4 year check in might look like, what a three year check in might look like, on one piece of paper and then administration can make some recommendations. But then you can have the one sheet and take a look at it all and then decide. Because there is no right or wrong answer. There is not also no reason why you entered in year 2, you are like oh wait we need to even tweak the timeframe and the process which to look at. Even if it's set, it not in stone, no we can't because we aren't in year 3 when we said we are supposed to review. We would constantly be reviewing any way.

Lisa Watkins-Victorino – I think that really will reflect what we heard in the initial presentations we did on strategic planning. Where the board wanted to have the flexibility in the new strategic plan. So having course corrections, having the annual reporting, being able to look at everything across and then if you decide it's just not working we are going to change it then you have that ability to that. I think it's about maintaining that flexibility.

Trustee Robert Lindsey – We've been in existence for almost 50 years and when we look at that issues the priorities that are before us. I mean these priorities, these issues; these concerns are no different today than they were 50 years ago with our people. The point I want to make, we've had 50 years behind us to look at, and what's clear to me is that we haven't moved the needle much at all in uplifting our people and restoring our nation. So timeframe for me, the longer the better. And as has been suggested by Trustee Lee, we need a plan that has to be nimble and we need to look at it take it seriously every two years, every three years so that if we need to course correct and when we realize our targets are not on target we can make a change quickly so that we don't pour money down a hole that will take us nowhere.

Chair Colette Machado – Ok moving forward.

(Kirra continues her PowerPoint point presentation and goes over the next steps.)

Chair Colette Machado – Is that is?

Kirra Downing – Mahalo.

Chair Colette Machado – Ok Trustees you have any questions or anything else.

Trustee Robert Lindsey – I think what we need to do to evaluate our strategic plan going forward is to develop a happiness meter. Like Denmark has, where we ask our people, are you happy, are you flourishing in life, do you love your job, do you have a house, are you happy in your family situation. I think we need to do something like that so we can hear directly from our beneficiaries whether they are thriving, flourishing or not. Until we do that, I don't think we can have a real time sense of our people and how they are feeling about life in general and their lives.

Chair Colette Machado – Any other thoughts before we move to adjourn? Do we have anything to add, announcements?

Sylvia Hussey – No announcements but when the budget comes back for realignment the research work on 'ohana report is intended to give us a baseline of what our families look like, what conditions they are in so that we have some bases, a meter as we do our strategic work.

Trustee Dan Ahuna - Just to speak on what Trustee Robert Lindsey said. Just the social value that he is talking about. Those are the types of reporting that we need to do that. That's exactly what I am talking about.

IX. ANNOUNCEMENTS

NONE

X. ADJOURNMENT

Chair Colette Machado – If there is no further input, I would like to adjourn the meeting.

Trustee Dan Ahuna moves to adjourn the meeting.

Trustee Carmen Hulu Lindsey seconds the motion.

Chair Colette Machado – It has been moved and seconded. Roll call vote please.

Trustee Dan Ahuna moves to adjourn the meeting. Trustee Carmen Hulu Lindsey seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI'ĀINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY		x	X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			x			
TOTAL VOTE COUNT			7			2
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED						
Motion passed with eight (8) yes votes and one (1) excused.						

The meeting was adjourned at 12:06 pm.

Respectfully submitted,

Dayna Pa, Board Secretary

As approved by the Board of Trustees on _____.

Colette Y. Machado, Chairperson
Board of Trustees

Attachment:

1. Excuse memo from Trustee Leina'ala Ahu Isa
2. Excuse memo from Trustee John Waihe'e IV
3. Testimony of Samuel Wilder King II
4. Testimony received late from Darrell Poole
5. OHA Strategic Planning 2020+ Phase III, Workshop Two, August 22, 2019



OFFICE OF HAWAIIAN AFFAIRS MEMORANDUM

Mea ho'omana'o a ke Ke'ena Kuleana Hawai'i

To: Chairperson Colette Y. Machado

From: Trustee Leina'ala Ahu Isa, Ph.D.

Date: August 19, 2019

Re: Excused Absence

Please be advised that I am unable to attend the Board of Trustees meeting on Thursday, August 22, 2019 at 9:30 A.M. due to my doctor's recommendation that I refrain from all activities for the next five weeks because of a medical condition.

Mahalo!

PHONE (808) 594-1888



FAX (808) 594-1868

STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HIGHWAY, SUITE 200
HONOLULU, HAWAII 96817

MEMORANDUM

TO: Trustee Colette Y. Machado, Chair
Board of Trustees (BOT)

FROM: Trustee John Waihe'e, IV, Member / At-Large

A handwritten signature in black ink, appearing to read "John Waihe'e, IV", with an upward-pointing arrow to the right of the signature.

DATE: August 22, 2019

SUBJECT: ATTENDANCE FOR THE 08/22 BOT MEETING

I am unable to attend the 08/22 Board of Trustees meeting at 9:30 a.m. due to an unexpected, emergency I need to tend to.

Please EXCUSE my absence and extend my apologies to the rest of the Board of Trustees.

Mahalo.

Dayna Pa

From: Sam King <@gmail.com>
Sent: Tuesday, August 20, 2019 3:09 PM
To: BOT Meetings
Subject: Fwd: Resolution Condemning Abusive Online Behavior

Aloha,

Please include this as my testimony for the upcoming OHA board meeting this Thursday. I intend to testify in person. If you can also include print outs of the articles linked below that would be most appreciated.

Mahalo,

Sam

----- Forwarded message -----

From: Sam King <@gmail.com>
Date: Tue, Aug 20, 2019 at 11:30 AM
Subject: Re: Resolution Condemning Abusive Online Behavior
To: William Keli'i Akina <TrusteeAkina@oha.org>, <brendonl@oha.org>, <colettem@oha.org>, <crayna@oha.org>, <dana@oha.org>, <hulul@oha.org>, <kaleia@oha.org>, <leia@oha.org>, <robertl@oha.org>
CC: Anita Hofschneider <ahofschneider@civilbeat.com>, Doe_info@hawaiiidoe.org <Doe_info@hawaiiidoe.org>, Hawaiiinewsnow News <news@hawaiiinewsnow.com>, Joe Moore <joe.moore@khon2.com>, Lynn Nakagawa <news@kaleo.org>, Stephen Downes <Sdownes@staradvertiser.com>, news@civilbeat.org <news@civilbeat.org>

Aloha,

Just following up on this one. How much longer will our community need to wait for OHA to condemn bullying related to TMT?

https://www.reddit.com/r/Hawaii/comments/csrqri/teachers_mandatory_tmt_poll_legal/?utm_medium=android_app&utm_source=share

Please let me know. If I missed a resolution that has been introduced please let me know.

Mahalo,

Sam

On Wed, Aug 14, 2019 at 10:37 PM Sam King <@gmail.com> wrote:
Aloha OHA Trustees,

I recently wrote an op ed outlining the various forms of online abuse that Mauna Kea protesters, protectors, and/or their supporters have been heaping upon the OHA beneficiaries you have been elected to serve:

<https://www.westhawaii.com/2019/08/13/opinion/my-turn-threats-effective-at-silencing-pro-tmt-hawaiians/>

I understand that tensions are running hot on this issue. In all honesty, I think the passion is an important part of our democratic process. It is times like these when our community can grow, learn, and create collective memories. I hope there is an opportunity, or many opportunities, for Native Hawaiian supporters and opponents of TMT to sit down and at least share our mana'o with one another. I want there to be a positive resolution to this situation.

Until that time, however, you have a duty to the beneficiaries to issue a resolution condemning the conduct described in my op ed. The language used by TMT opponents, denying fellow Hawaiians their identity, calling Kalepa Baybayan a traitor, and threatening physical violence (even as a sick joke) on Native Hawaiian supporters of TMT, is unacceptable. It will only lead to further division in our community.

No matter what your stance on TMT and Mauna Kea, I hope we can agree that such language is intolerable.

Mahalo,

Samuel Wilder King II

Dayna Pa

From: Darrell Poole <@gmail.com>
Sent: Thursday, August 22, 2019 12:58 PM
To: BOT Meetings
Subject: Hawaiian TMT Supporter

Dear OHA,

I, Darrell Kinohiokalani Poole, hereby voice my adamant support for TMT. There is so much to gain for Hawaiians by following through with the TMT project. There is so much to lose if we back out.

Mahalo,

Darrell L.K. Poole
@gmail.com



Virus-free. www.avg.com

OHA STRATEGIC PLANNING 2020 +

Phase III, Workshop Two

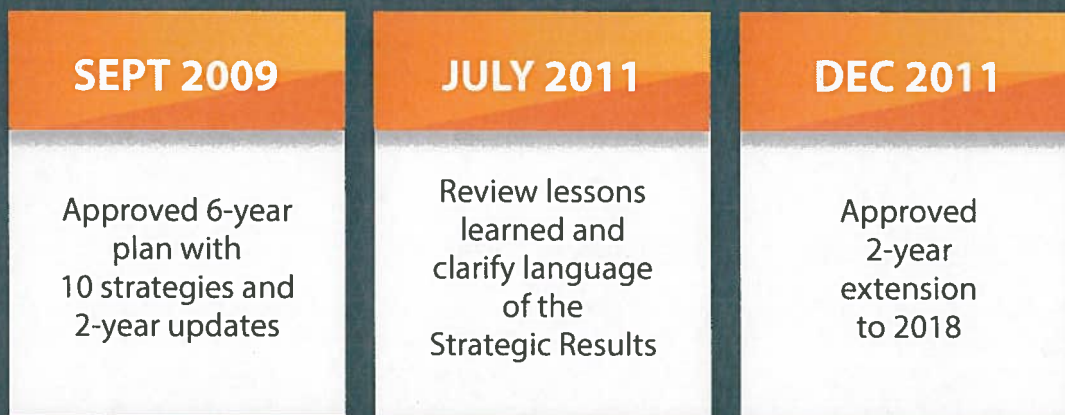
August 22, 2019

ALOHA

Meeting Objectives

- 1 Review Strategic Plan landscape
- 2 Identify strategies towards achieving strategic direction
- 3 Discuss 2020 Strategic Plan timeframe

2010-2016 Strategic Planning Process



2020 Strategic Planning Process

Phase 1

OHA's Vision & Mission was reviewed and reaffirmed in 2018

- I To raise a beloved Nation
- II To mālama Hawai'i's people and environmental resources, and OHA's assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and lāhui, recognized nationally and internationally.

2020 Strategic Planning Process

Phase 2

BOT identified its Strategic Framework with three foundational elements of Native Hawaiian communities:



'Āina
(land and water)



Mo'omeheu
(culture)



'Ohana
(family)

2020 Strategic Planning Process

Phase 3

Community input was gathered via survey and focus group to identify what areas of focus OHA should concentrate on in order to improve **EDUCATION, ECONOMICS, HOUSING, and HEALTH**



STAKEHOLDER MANA'O



Educational Pathways

	OHA STAFF	COMMUNITY SURVEY	FOCUS GROUPS
‘Āina-based and culture-based education	1	1	1
Financial literacy/ economic education		2	2
Safe schools and neighborhoods	2		
Training in cultural practices			3
Vocational apprenticeship training			3
Hawaiian-focused early education			3
Teacher training in Hawaiian culture and history	3		



Educational Pathways

Respondents and participants are hungry for ‘āina-based education, ‘ōlelo Hawai‘i, and practical skills to support financial independence and legal literacy. OHA beneficiaries also expressed a desire for free education as money should not be a barrier to education, nor should keiki begin a career already in debt. OHA should increase support for charter schools, vocational training, as well as wellness education for kūpuna and their caregivers.



Health Outcomes

	OHA STAFF	COMMUNITY SURVEY	FOCUS GROUPS
Kūpuna care		1	1
Access to traditional Hawaiian health care (hāhā, lomi lomi, lā'au lapa'au, ho'oponopono, lā'au kāhea)	1		
Mental healthcare	1		3
Mālama 'Āina		2	
Culturally-based substance use prevention & treatment	2		
Cultural education for health care professionals (nurses, doctors, etc.)	2		
Food sovereignty		3	2
Healthy neighborhoods (access to parks, walkable, low commuting time, access to fresh healthy food and water, low crime)	3		



Health Outcomes

Respondents and participants expressed a need for greater access to traditional Hawaiian healthcare and alternative healing practices. OHA should increase behavioral mental health programs for the incarcerated and homeless. Whether through community-based health clinics with practicing Hawaiian doctors that offer traditional Hawaiian medicine and healing or through 'āina-based rehabilitation programs, OHA beneficiaries recognize the value of lā'au lapa'au, traditional foods, and spiritual well-being to promote healthy communities.



Quality Housing

	OHA STAFF	COMMUNITY SURVEY	FOCUS GROUPS
Homeownership affordability	1	1	1
Access to ocean for fishing		1	
Rental affordability	2		
Access to land for agriculture		2	
Housing subsidies			2
Support DHHL & others to develop housing			2
Develop OHA property for affordable housing			3
Healthy neighborhoods		3	
Housing supply	3		



Quality Housing

Housing for OHA beneficiaries is directly tied to access to land and financial stability. When families cannot afford to buy a home, or even rent, they end up moving away. Families who have land and homes often cannot afford property taxes. Many Hawaiians are also frustrated with the structure of Hawaiian Homes and would like to see OHA collaborate with DHHL to increase the supply of affordable housing.



Economic Stability

	OHA STAFF	COMMUNITY SURVEY	FOCUS GROUPS
Childcare & Kupuna care support for working 'ohana	1	1	1
Mālama 'Āina		1	
Native Hawaiian business ownership			2
Preservation of & access to cultural sites, resources, and iwi		2	
Savings & assets development	2		
Revenue from PLT to build Native Hawaiian Trust funding			2
Intergenerational poverty		2	
Restoration of lo'i kalo (taro patch) & loko i'a (fishpond)		3	3
'Ohana resource management	3		
Intergenerational poverty			3
Financial lending institutions/banks controlled by Native Hawaiian communities			3



Economic Stability

The high cost of living coupled with low paying jobs continues to move people out of Hawai'i for better opportunities. Respondents expressed being consumed with working more than one job to put food on the table or taking off from work to take care of their keiki or kūpuna. However, if there are monies generated to build Native Hawaiian Trust funding and/or additional resources are made available to support the restoration of traditional food systems and other alternative livelihoods, then OHA beneficiaries will be more successful.

Developing Strategies

- Ka 'Aha derived strategies based on community input, Kānehō'ālani Report, Hāumea Report and the 'Āina Summit Report
- BOT will prioritize top two areas of focus
- Administration will determine tactics for the identified strategies and metrics of success for each



Educational Pathways

	'ĀINA	MO'OMEHEU	'OHANA
Increase and support educational opportunities that connect individuals to 'āina and instill the importance of managing 'āina sustainably for island communities	✓	✓	✓
Support the network of Hawaiian-focused charter schools	✓	✓	✓
Promote the integration of Hawaiian culture as a medium for educational instruction in schools	✓	✓	✓
Increase and support Hawaiian language immersion programs (HLIP and Hawaiian medium education) and Hawaiian language classes in DOE schools	✓	✓	✓
Increase vocational training programs in western and cultural practices	✓	✓	✓
Advocate for standardized teacher training in Hawaiian culture and history		✓	
Support curriculum development for leadership training and cultivation	✓	✓	✓
Partner with educational organizations to disseminate Hawaiian culture educational resources and materials		✓	



Educational Pathways

	‘ĀINA	MO‘OMEHEU	‘OHANA
Support HĀ policies and implementation in public schools	✓	✓	✓
Support Nā Hopena A‘o - Outcomes 1,2,and 4 relating to strengthening haumana connections with family and community	✓	✓	✓
Address climate change and resilience	✓	✓	✓
Support community educational classes to help ‘ohana be proactive in protecting ancestral lands	✓	✓	✓
Sharing existing resources, tools, and lessons (including traditional and place-based knowledge, science, and technical expertise)	✓	✓	✓
Enabling access and building capacity for our beneficiaries to steward land (training programs, curricula, etc.)	✓	✓	✓



Health Outcomes

	‘ĀINA	MO‘OMEHEU	‘OHANA
Increase opportunities for Native Hawaiians to improve health outcomes through ‘āina based activities, culture based activities, and/or ‘ohana based activities	✓	✓	✓
Partner with Native Hawaiian practitioners and organizations to strengthen community-based kūpuna care		✓	✓
Improve access to and availability of culturally appropriate Hawaiian healing practices	✓	✓	✓
Advocate for environmental protections that address climate change and resilience	✓		
Identify and support ‘ohana based programming that promotes prevention and interventions to address mental, physical and substance abuse issues	✓	✓	✓
Provide appropriate school-based education and health centers			✓
Support the development of curriculum that teaches the various determinants impacting Native Hawaiian health (e.g., relationship between food/nutrition, education, economy and health)	✓	✓	✓
Support systemic work to address obesity			✓



Health Outcomes

	'ĀINA	MO'OMEHEU	'OHANA
Support the establishment of culture-based programs that provide high quality reproductive health services, family planning, and post-natal care		✓	✓
Support policies that move the criminal justice system from punitive to rehabilitative (e.g., no jail for minor offenses, limiting financial penalties, etc.)		✓	✓
Improve efforts to enforce policies that protect survivors of violence			✓
Address healthy neighborhoods (e.g., access to parks, walkable, low commuting time, access to fresh health food and water, low crime)	✓	✓	✓
Support 'ohana based programming that looks at prevention and interventions through a family-based model to address intergenerational patterns of social determinants of health disparities			✓
Support better data collection partnerships			✓
Mālama 'āina	✓	✓	✓
Provide cultural education for health care professionals	✓	✓	✓
Address food sovereignty	✓	✓	✓



Quality Housing

	'ĀINA	MO'OMEHEU	'OHANA
Increase the number of Native Hawaiians who own or rent a home in Hawai'i	✓		✓
Collaborate with Department of Hawaiian Home Lands to increase housing supply	✓		✓
Support programs and organizations that empower communities to mālama 'āina	✓	✓	✓
Advocate for continued access to natural resources for cultural practitioners	✓	✓	✓
Partner with community-based organizations to promote healthy and safe neighborhoods	✓		✓
Develop Office of Hawaiian Affairs property for affordable housing	✓		✓
Encourage the development of 'ohana and community-based resource management programs	✓		✓
Support community based restoration of lo'i kalo and loko i'a	✓		✓



Quality Housing

	‘ĀINA	MO’OMEHEU	‘OHANA
Support best practices for land stewardship and management	✓	✓	✓
Improve and ensure that Native Hawaiians are prioritized for current public housing options	✓		✓
Increase Individual Development Accounts (IDA)			✓
Protect ancestral lands	✓	✓	✓
Increase lands available for affordable housing	✓		✓
Support efforts to enforce regulations on landlords to provide safe, appropriate housing	✓		✓
Increase access to natural resources	✓	✓	✓
Provide access to housing subsidies	✓		✓



Economic Stability

	‘ĀINA	MO’OMEHEU	‘OHANA
Develop opportunities for alternative economics			✓
Increase support for financial literacy programs (i.e. Individual Development Account Programs, budgeting, saving, loans)			✓
Promote Native Hawaiian business ownership	✓	✓	✓
Increase and fund On the Job Training (OJT) internships, externships, fellowships, etc.	✓	✓	✓
Protect, preserve, and provide access to ancestral lands, cultural sites, resources, and iwi	✓		✓
Develop financial lending institutions/banks controlled by Native Hawaiian communities		✓	✓
Support best practices for stewardship and management	✓		✓
Address climate change and resilience	✓	✓	✓



Economic Stability

	‘ĀINA	MO’OMEHEU	‘OHANA
Address intergenerational poverty			✓
Support restoration of lo’i kalo and loko i’a	✓	✓	✓
Support development of ‘ohana resource management			✓
Increase and support opportunities to increase Native Hawaiian median income	✓		✓
Improve agricultural industry	✓		✓
Develop financial programs in NHRLF/CMLP (e.g. Savings, investments)			✓
Provide keiki/kupuna care support for working ‘ohana			✓
Build Native Hawaiian Trust funding from Public Land Trust revenue	✓		✓

ACTIVITY

Place two dots next to the strategy you’d like to focus on during the 2020 Strategic Plan

Determining Timeframe

- **DHHL:** 5-year plan with 4 focus areas
- **KS:** 15-year plan with 5 goals
- **Iolani Palace:** 4-year plan with 4 strategic priorities
- **UH Mānoa:** 5-year plan with 5 goals

DISCUSSION

What's the preferred timeframe and check-in?

Next Steps

- 1 September 5th: Action Item to approve 2020 Strategies
- 2 Develop Implementation Plan by Q3
- 3 Staff Realignment by Q4
- 4 Rollout Strategic Plan by July 2020

QUESTIONS?

MAHALO!

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. Nimitz Highway, Suite 200
Honolulu, HI 96817**

**Minutes of the Office of Hawaiian Affairs Board of Trustees
Thursday, September 5, 2019
10:00 am**

ATTENDANCE:

TRUSTEE COLETTE MACHADO
TRUSTEE BRENDON KALEI'ĀINA LEE
TRUSTEE DAN AHUNA
TRUSTEE KALEI AKAKA
TRUSTEE W. KELI'I AKINA
TRUSTEE CARMEN HULU LINDSEY
TRUSTEE ROBERT LINDSEY
TRUSTEE JOHN WAIHE'E IV

KURT W. KLEIN, ESQ., ACTING BOARD COUNSEL

EXCUSED:

TRUSTEE LEINAALA AHU ISA

ADMINISTRATION STAFF:

SYLVIA HUSSEY, ICEO
MILES NISHIJIMA, LPD
LISA WATKINS-VICTORINO, RES
JIM PATTERSON, PROG
RAINA GUSHIKEN, CC
STERLING WONG, PRO
DAMON NABER, CP
GLORIA LI, CTRLLR
MEHANA HIND, CE
MOMILANI LAZO, ADM CEO

BOT STAFF:

CAROL HO'OMANAWANUI
LŌPAKA BAPTISTE
LAURENE KALUAU-KEALOHA
ZURI AKI
DAYNA PA
LEHUA ITOKAZU
PRISCILLA NAKAMA
MARIA CALDERON
MELISSA WENNIHAN
ALYSSA-MARIE KAU
NATHAN TAKEUCHI
KAUIKEAOLANI WAILEHUA
LEIANN DURANT
BRANDON MITSUDA
KAMA HOPKINS

GUESTS:

KIRRA DOWNING

I. CALL TO ORDER

Trustee Colette Machado Calls the Board of Trustees meeting to order at 9:41 am. Roll call is taken; Trustees Ahuna, Akaka, Akina, Lee, Carmen Hulu Lindsey, Robert Lindsey, Waihe'e and Machado are present, constituting a quorum. An excused absence has been received from Trustee Leina'ala Ahu Isa

Thank you members we have quorum we can proceed. Before we move on to the official agenda. I'd like to acknowledge the 72-Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for the following items:

II. Approval of Minutes

A. July 18, 2019

VI. New Business

B. Committee on Resource Management

2. Action Item RM #19-13: Approval of and authorization to amend page 1 of the Investment Policy Statement and Sections 4 ("Delegation of Authority"), Section 13 ("Procedure for Selecting and

- Reviewing Investment Advisors”) and Section 16 (“Adding new Asset Classes”). (1st Reading)
3. Action Item RM #19-16: Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy. (1st Reading)

Members we are now on the approval of the minutes.

II. APPROVAL OF MINUTES

A. July 18, 2019

Chair Colette Machado – This is for July 18, 2019. I would like to entertain a motion.

Trustee Carmen Hulu Lindsey moves to approve the Board of Trustees Meeting Minutes of July 18, 2019.

Trustee Dan Ahuna seconds the motion.

Chair Colette Machado – It has been moved and seconded, Trustee Lee.

Trustee Brendon Kalei‘āina Lee – Madame Chair on discussion I would just like on the record, because some things weren’t really clear to the Trustees during some of the testimony here until we recused ourselves. So I would like to bring a few things forward just for the record.

State Auditor Kondo states that, he had no issues the last time we were here two years ago we had no issue. In other words, we had access to whatever OHA information OHA had, confidential information including executive minutes. That is in fact not true Madame Chair. We checked with Corp Counsel, and State Auditor Kondo not only did not request any of such items, none were provided to the State Auditor. He also states in here that when I read the Auditor’s statue it tells me we have access to all records with no exception. That may be true, Madame Chair, but without an exception that goes as well with violating our Attorney Client Privilege. We also have the ability to if necessary to subpoena records or subpoena people, while that is true subpoenas also cannot pierce Attorney Client Privilege. He also states that he did not receive executive minutes when they audited HART and that we did not push further than just reporting the fact that we didn’t get it. Partly because we had deadlines, we needed to meet for the legislature. I am thinking we will take a little tougher stance because I think that is important issue not just for us at OHA but us and other State agencies. I find it interesting Chair that an organization who has spent billions upon billions upon billions of dollars is being said you don’t have to give us the executive minutes. Because there is a legislative timeline. We also are on a legislative timeline and our sole purpose it to better the conditions of our beneficiaries. So is the State Auditor saying that he is going to hold us to a different standard than an organization who is in charge of billions upon billions of dollars. That seems very unreasonable.

Chair Colette Machado – Can you reference the pages you are referring to?

Trustee Brendon Kalei‘āina Lee – Everything that I just quoted came off of page 7 of 19 of the July 18th minutes. He also goes on to state; this is specifically in the second to the last paragraph. So by statue the work papers are confidential, so what that means to me is that nobody gets access to the work papers, to those tapes, to those documents, to those executive session minutes unless there is a court order. Now he may be correct if we provide him with that and a court order, orders him to turn that over that he must. But we do not have to. Even under court order, court orders cannot violate attorney client privilege unless there is fraud or illegal doings. He will have to turn them over no matter what. So that is not the same as the attorney client privilege that we currently have with our attorney. He also states on the next page, on page 8, but we will have our own opinion but we are not lawyers. In fact, the State Auditor is a lawyer. When we report things, in a legal nature, but ultimate decisions as to whether or not you are right or I’m right or whatever the issue is that is a decision for the court. He is correct it is a decision for the court not the State Auditor. I just want to have some understanding that I feel like

there are safe guards that are in place that should give you some assurance as to whatever confidential information you do provide to us for purposes of the audit it remains confidential and is not available to people outside of OHA and outside of my office. He just stated in two paragraphs before that, that in fact is not the case. He also goes on to state after a question by Trustee Ahu Isa; I don't work for the legislature. The State Auditor does in fact work for the legislature.

If you go to page 11 under his testimony at the bottom of the page. He is going to tell you I don't want to be playing phone tag. And this is in regards to our Board Attorney. When he needs to tell you and you need to tell me, I want for legal authority, I feel that is something that me and Mr. Klein or me and your attorneys, we can have that discussion. I would suggest that is an issue you folks talk about and perhaps direct your attorney to have that discussion with us instead of having it with you and then you conveying this information. What is veily being suggested here is that we waive our attorney client privilege. If we direct our attorneys to speak to the State Auditor we have just now waived that privilege. He doesn't come right out to tell us that is what his intention is but that in fact is what is his intention is. If he needs to speak to our attorneys, he needs to talk to us first. Madame Chair, I believe those are all the comments that I had on the minutes for July 18th. Mahalo.

Chair Colette Machado – Thank you for your comments. Are there other comments that anyone would like to make. If not I will call for the roll call for the approval of minutes. These will be noted verbatim in the minutes.

Trustee Keli'i Akina – Thank you when we go around the circle I will abstain as I was absent from the meeting.

Chair Colette Machado – Roll call vote.

Trustee Carmen Hulu Lindsey moves to approve the Board of Trustees Meeting Minutes of July 18, 2019. Trustee Dan Ahuna seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA		x	X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA					X abstain	
TRUSTEE BRENDON KALEI'AINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY	x		X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE'E			X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7		1 abstention	1
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with seven (7) yes votes, one (1) abstention and one (1) excused.						

Chair Colette Machado - We are now are item III. Public Testimony.

III. PUBLIC TESTIMONY

Chair Colette Machado – Do we have anyone signed up for public testimony? Seeing none, let's move on to IV. under unfinished business.

IV. UNFINISHED BUSINESS

A. Interim CEO's 15-Minute Update on Ho'oulu Lāhui Aloha and OHA Activities

Chair Colette Machado – The Chair would like to call upon the Interim CEO, Sylvia Hussey, for any updates.

Sylvia Hussey – Morning Trustees. Just a couple. One is that following up from the solicitation on the emergency assistance the grants department is preparing to resolicit that entire package and so we wanted to let you know that was happening. In the re-solicitation many of the points, so we are decreasing the administration portion to 25%, so that is 75% of the total amount is going directly for beneficiary assistance. We are asking that others step up to match 50% so that there is 40% of administrative support to process things assistance pieces. There is also a response time; they are to ensure that the service provider promptly responds to the situation of our families. Third there is an initially allocation so that whatever the funds, initially go to by County, Hawaii, Oahu, Maui and Kauai County and have a certain amount that is specified to be provided. In the event, that total amount does exceed that then they are to come back for us to consider reallocation. So those four pieces that were raised at the table have been addressed in the re-solicitation. Then we will go back out. In addition, all solicitations will have external reviewers in addition to our internal staff participating in that as well. We just wanted to bring that to your attention. When we are ready to send that out and announce it, we will have our usual public announcement when that goes out.

Trustee Carmen Hulu Lindsey – I think one of the point brought up by us is the presence of this entity whoever will be distributing the money to be present on the islands. So you didn't mention that that was part of the new solicitation.

Sylvia Hussey – Part of it is that they demonstrate through their response how they would physically cover the service coverage in each of the communities. That would be part of what they need to respond to and demonstrate that they have physical presence and the service hours as well as the response time.

Trustee Carmen Hulu Lindsey – Thank you.

Chair Colette Machado- Members any further questions for Sylvia. Hearing none let's proceed.

Sylvia Hussey – One more thing I just wanted to, for those in the education community, Dr. Verle Ann Malina-Wright passed away yesterday. So she was a giant as it relates to Native Hawaiian education and just the community. We wanted to share that with the Trustees and acknowledge her contributions and give our aloha to her family.

Trustee Carmen Hulu Lindsey – Sorry to hear that but I also wanted to let the Board know that Kumu Lee passed away as well. The limu, iwi kupuna, pueo man. Mike Lee, he passed away on Saturday.

Chair Colette Machado – Is there any kind of acknowledgement from anyone else. Hearing none, we will now move to V. which is executive session.

V. EXECUTIVE SESSION

Chair Colette Machado – Members the Chair would like to entertain a motion for recuse ourselves into Executive Session pursuant to HRS 92-5 (a)(4).

Trustee Brendon Kalei'aina Lee moves to recuse into executive session pursuant to HRS §92-5(a)(4).

Trustee Robert Lindsey seconds the motion.

Chair Colette Machado – It has been moved and seconded. Roll call vote please.

Trustee Brendon Kalei'āina Lee moves to recuse into executive session pursuant to HRS §92-5(a)(4). Trustee Robert Lindsey seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA			X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI'ĀINA LEE	x		X			
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY		x	X			
TRUSTEE JOHN WAIHE'E			X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			8			1
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with eight (8) yes votes, and one (1) excused.						

Chair Colette Machado – Please help in clearing the room please. Thank you so much.

The Board resolved into Executive Session at 10:25 am

- A. Consultation with Legal Counsel Shanlyn Park, Esq., Corporation Counsel Raina Gushiken, Esq., and Acting Board Counsel Kurt W. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to requests by the State Attorney General's office for documents related to OHA's support and concern, per its statutory and constitutional obligations, for the physical well-being, fair treatment, safety, and welfare of the OHA Beneficiaries on Maunakea. *Pursuant to HRS § 92-5(a)(4).*
- B. Consultation with Acting Board Counsel Kurt W. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding Civil No. 17-1-1823-11 JPC, OHA v. State, et. al. *Pursuant to HRS §92-5(a)(4).*
- C. Consultation with Acting Board Counsel Kurt W. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities relating to CHING et. al. v. SUZANNE CASE, in her official capacity as Chairperson of the Board of Land and Natural Resources, et. al. SCAP-18-0000432. *Pursuant to HRS §92-5(a)(4).*
- D. Approval of Minutes
1. July 18, 2019

The Board reconvenes in open session at 11:13 pm.

VI. NEW BUSINESS

- A. Committee on Resource Management
 1. Action Item RM #19-10: Approval of a second amendment to BOT #12-05 – Kaka'ako Makai Policy relating to the allocation of revenue from OHA's Kaka'ako Makai properties to the Land Legacy Program. (2nd Reading)

Chair Colette Machado – I would like to call on Trustee Dan Ahuna. This is the second reading on Kaka'ako Makai.

Trustee Dan Ahuna moves to approve of a Board of Trustees (BOT) Policy Second Amendment to the Kaka'ako Makai Policy, Section 3.A.2, originally adopted on September 20, 2012, and amended on August 1, 2017, to state:

Allocate 20% of gross revenue for grants and 50% of net revenue for OHA Legacy Land Program (net revenue equals gross revenue minus direct operating expenses, excluding Kaka'ako Makai planning and development-related costs) (*The 50% allocation of net revenues to LLP shall terminate at the end of FY 2021)

Trustee John Waihe'e IV seconds the motion.

Chair Colette Machado – Any discussion, if not roll call vote please.

Trustee Dan Ahuna moves to approve of a Board of Trustees (BOT) Policy Second Amendment to the Kaka'ako Makai Policy, Section 3.A.2, originally adopted on September 20, 2012, and amended on August 1, 2017, to state: Allocate 20% of gross revenue for grants and 50% of net revenue for OHA Legacy Land Program (net revenue equals gross revenue minus direct operating expenses, excluding Kaka'ako Makai planning and development-related costs) (*The 50% allocation of net revenues to LLP shall terminate at the end of FY 2021)						
Trustee John Waihe'e IV seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA			X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA						Not present at vote
TRUSTEE BRENDON KALEI'ĀINA LEE	x		X			
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY		x	X			
TRUSTEE JOHN WAIHE'E			X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			2
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED						
Motion passed with seven (7) yes votes, and two (2) excused.						

- 2. Action Item RM #19-13: Approval of and authorization to amend page 1 of the Investment Policy Statement and Sections 4 ("Delegation of Authority), Section 13 ("Procedure for Selecting and Reviewing Investment Advisors") and Section 16 ("Adding new Asset Classes", (1st Reading)**

Chair Colette Machado – Trustee Dan Ahuna item VI. A. 2.

Trustee Dan Ahuna moves to approve the amendments to the Native Hawaiian Trust Fund Investment Policy Statement as described in Exhibit A.

Trustee John Waihe'e IV seconds the motion.

Chair Colette Machado – It has been moved and seconded. Members this is the first reading. Any further

discussion or questions. If not roll call vote.

Trustee Dan Ahuna moves to approve the amendments to the Native Hawaiian Trust Fund Investment Policy Statement as described in Exhibit A. Trustee John Waihe'e IV seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA						Not present at vote
TRUSTEE BRENDON KALEI'AINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE'E		x	X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			1
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with eight (8) yes votes, and one (1) excused.						

3. Action Item RM #19-16: Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy. (1st Reading)

Chair Colette Machado – I will call on Trustee Dan Ahuna for item VI. A. 3. Action item RM #19-16.

11:07 am Trustee Keli'i Akina returns to the meeting.

Trustee Dan Ahuna moves to approve Administrations recommendations to the Board of Trustees (BOT):
1) Approve the new Fiscal Stabilization Policy, including Withdrawal Guidelines as detailed in Attachment A; and 2) Eliminate the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy as detailed in Attachment B.

Trustee John Waihe'e IV seconds the motion.

Chair Colette Machado – It has been moved and seconded for first reading. Any further discussions?

Trustee Kalei Akaka – Again, I would like to mahalo Sylvia and all the staff who works so hard on this. The Executive Team on that Gloria Li as well as Grace Chin and the Directors and Senior Corp Counsel.

Chair Colette Machado – Thank you for that acknowledgement. Any further discussions. Hearing none, roll call vote.

Trustee Dan Ahuna moves to approve Administrations recommendations to the Board of Trustees (BOT): 1) Approve the new Fiscal Stabilization Policy, including Withdrawal Guidelines as detailed in Attachment A; and 2) Eliminate the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy as detailed in Attachment B. Trustee John Waihe'e IV seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA						Excused
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI'ĀINA LEE			X			
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE'E		x	X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			8			1
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with eight (8) yes votes, and one (1) excused.						

VII. COMMUNITY CONCERNS

Chair Colette Machado – Do we have any community concerns, hearing none we will move on to VII. BOT Workshop.

VIII. BOT WORKSHOP

A. OHA Strategic Planning 2020+ Phase III, *Workshop Three*, BOT review of the recommended strategies and timeline.

Chair Colette Machado – I will call on Sylvia with our OHA Strategic Plan 2020+ Phase III, Workshop Three BOT review of the recommended strategies and timeline.

Sylvia Hussey – We have DTL folks here and I will switch seats with Lisa and they will take us through the workshop.

11:10 am Trustee Brendon Kalei'āina Lee leaves the table.

Kirra Downing – At the last Board meeting we were at in August we wanted to take the time today to recap some of the strategies that we have identified and suggest some possible wording changes and recommendations based on the 9 strategies that you folks identified at the last Board meeting and then talk about the time frame. I know that we had quite a lengthy discussion about the length and what the check in would look like.

(Kirra begins PowerPoint presentation. Please see attached PowerPoint presentation. OHA Strategic Planning 2020+ Phase III, Workshop Three dated September 5, 2019)

11:12 pm Trustee Brendon Kalei'āina Lee returns to the table.

Lisa Watkins-Victorino – The top, the community progress that is where we were talking about possibly having a report for the community. We have it here and you will see it even in the four year option as every 5 years. We

have our annual progress report to the report to the Board. You wouldn't have something as extensive as the close our report but we would have something that could at least every 5 years inform the public and our beneficiaries about our progress and it would follow whether or not there is a course correct. We talked about having that flexibility. The course correct options are at the bottom.

Kirra Downing – Any questions? Otherwise we are going to compare it to a 4-year check in.

(Kirra continues her PowerPoint presentation)

Lisa Watkins-Victorino – I think what we are looking for today is just to determine what the timeline might be is we need more time to discuss another timeline option that is fine. And then to see if the recommended wording changes to those strategies are fine then we can move forward with presenting the action item at the next meeting.

Trustee Dan Ahuna – Trustee Brendon Kalei'āina Lee this is the one you talked about.

Trustee Brendon Kalei'āina Lee – it said just what I said.

Kirra Downing – Trustees recommendation was 15 years and check in. The first slide. There was some discussion shorter timeframe.

Trustee Dan Ahuna – No that is good.

Kirra Downing – I think the course correct make it a mini plan.

Trustee Brendon Kalei'āina Lee – It is important because we don't want to be locked into this 15-year plan and 2 years in, we are like this really isn't working.

Kirra Downing – And to your point Trustee Carmen Hulu Lindsey you had mentioned being stuck to that and couldn't make a change until the next check in point. So with regular check-ins that affords you the opportunity to revise.

Trustee Brendon Kalei'āina Lee – I did have one comment with regards to the matrix. The strategy matrix and implementation, I know we don't have it listed because what if we don't make a course correction change and we may not need it. The course correction change may not just necessarily mean a course correction with a strategy. It could also be a course correction on the matrix. If we were using this particular tool as a measuring model and we see the results in the field but our matrix isn't really showing maybe we need to change the way we are measuring it so maybe we can just add the purple in as well. Because we don't know.

Chair Colette Machado – My question to you is what is the next step after this workshop. I getting tire of adding you folks on the agenda.

Lisa Watkins-Victorino – So the next steps would be, we are going to bring the action item forward at the next meeting. After that administration will go back and we will do the research and to say what are some of the indicators and what are some of the metrics to measuring the success of these strategies and then we would bring that forward and say these are what we would recommend for measures.

Chair Colette Machado – Are you thinking of whining it down, or closing it out by November.

Lisa Watkins-Victorino – Yes, that would be a point where we would say these are the metrics that we are going to decide upon and then we will time that with any changes with our work plans. That is when we have that roll out in terms of, yesterday when we were looking at the Biennium Budget realignment and that one slide that had the implementation of the Strat plan. We have to do that planning piece as well. But we would come back again at the end of that and say this is how we are going to implement all of this.

Chair Colette Machado – Are we all good with this so that we can move forward? We have given you some guidelines to move forward.

Lisa Watkins-Victorino – Thank you.

Trustee Brendon Kalei‘āina Lee – No thank you for taking all of our chaos, all of those sheets of papers, those loops, circles and coming back with something comprehensive and easy to understand.

IX. ANNOUNCEMENTS

NONE

X. ADJOURNMENT

Chair Colette Machado – I would like to adjourn the meeting.

Trustee Brendon Kalei‘āina Lee moves to adjourn the meeting.

Trustee John Waihe‘e IV seconds the motion.

Chair Colette Machado – It has been moved and seconded. Roll call vote please.

Trustee Brendon Kalei‘āina Lee moves to adjourn the meeting. Trustee John Waihe‘e IV seconds the motion.						
TRUSTEE	1	2	‘AE (YES)	A‘OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA‘ALA AHU ISA						Excused
TRUSTEE DAN AHUNA			X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI‘I AKINA			X			
TRUSTEE BRENDON KALEI‘ĀINA LEE	x		X			
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE‘E		x				
TRUSTEE COLETTE MACHADO			x			
TOTAL VOTE COUNT			8			1
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with eight (8) yes votes and one (1) excused.						

The meeting was adjourned at 11:23 am.

Respectfully submitted,

Dayna Pa, Board Secretary

As approved by the Board of Trustees on _____.

Colette Y. Machado, Chairperson
Board of Trustees

Attachment:

1. Excuse memo from Trustee Leina'ala Ahu Isa
2. PowerPoint OHA Strategic Planning 2020+, Phase III, Workshop Three dated September 5, 2019



OFFICE OF HAWAIIAN AFFAIRS MEMORANDUM

Mea ho'omana'o a ke Ke'ena Kuleana Hawai'i

To: Chairperson Colette Y. Machado
From: Trustee Leina'ala Ahu Isa, Ph.D.
Date: August 30, 2019
Re: Excused Absence

Please be advised that I am unable to attend the Board of Trustees meeting on Thursday, September 5, 2019 at 10:00 A.M. due to my doctor's recommendation that I refrain from all activities because of a medical condition.

If you have any questions, please contact my staff.

Mahalo!

OHA STRATEGIC PLANNING 2020 +

Phase III, Workshop Three

September 5, 2019

ALOHA

3 Year Check-in, Course Correct

[illegible]

4 Year Check-in, Course Correct

[illegible]



Educational Pathways

	ORIGINAL	RECOMMENDATION
1	Support the network of Hawaiian-focused Charter Schools	Support Hawaiian-focused Charter Schools
2	Sharing existing resources, tools, and lessons (including traditional and place-based knowledge, science, and technical expertise)	Support opportunities to share and develop resources, including traditional and place-based knowledge, science, and technical expertise, with schools, communities, and 'ohana



Health Outcomes

	ORIGINAL	RECOMMENDATION
1	Increase opportunities for Native Hawaiian to improve health outcomes through 'āina-based activities, culture-based activities, and/or 'ohana-based activities	No change/recommendation
2	Identify and support 'ohana-based programming that promotes prevention and intervention to address mental, physical and substance abuse issues	Support 'ohana-based programming that promotes prevention and intervention to address mental, physical and substance abuse issues



Quality Housing

	ORIGINAL	RECOMMENDATION
1	Increase the number of Native Hawaiians who own or rent a home in Hawai'i	Increase the number of Native Hawaiians who own or rent an affordable home in Hawai'i which meets the needs of their 'ohana
2	Collaborate with the Department of Hawaiian Homelands (DHHL) to increase housing supply	Collaborate with the Department of Hawaiian Homelands (DHHL) and other partners to increase housing supply



Economic Stability

	ORIGINAL	RECOMMENDATION
1	Promote Native Hawaiian business ownership	Promote Native Hawaiian business and other economic opportunities
2	Increase and fund On the Job (OTJ) internships, externships, fellowships, etc. for Native Hawaiians	Increase job training opportunities for Native Hawaiians
3	Develop financial lending institutions/banks controlled by Native Hawaiian communities	Not to move forward as a strategy until vetted through a PIG to explore the concept and strategies needed to support

MAHALO!

Office of Hawaiian Affairs
Board of Trustee Meeting
October 17, 2019
10:00 am

V. New Business

A. Committee on Resource Management

- 1. Action Item RM #19-14: Action Regarding the Economic Development Policy Implementation Procedures (2nd Reading)**
- 2. Action Item RM #19-15: Action Regarding the Debt Management Policy Implementation Procedures (2nd Reading)**

** - Please insert the committee reports for both V.A.1. and V.A.2. that was distributed on September 26, 2019. (Both items are for 2nd reading.)*

OFFICE OF HAWAIIAN AFFAIRS

**MEETING OF THE
COMMITTEE ON RESOURCE
MANAGEMENT**

COMMITTEE REPORT

September 25, 2019

The Honorable Colette Machado,
Chairperson Board of Trustees
Office of Hawaiian Affairs

Madame Chair Machado,

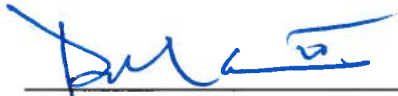
The Committee on Resource Management, having met on September 25, 2019 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

Administration recommends the Board of Trustees (BOT) approve the Economic Development Policy implementation procedures as detailed in Attachment A.

Relevant attachments are included for your information and reference. Attachment(s):

- 1) Action Item RM#19-14
- 2) RMRoll Call VoteSheet

Respectfully submitted:



Trustee Dan Ahuna, Chair

NOT AVAILABLE

Trustee Kalei Akaka, Member



Trustee Leina'ala Ahu Isa, Member

NOT AVAILABLE

Trustee Robert Lindsey, Jr., Member



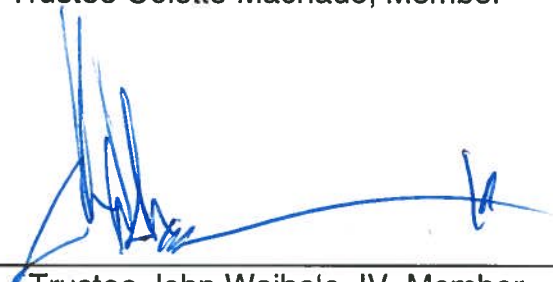
Trustee Keli'i Akina, Member



Trustee Colette Machado, Member



Trustee Hulu Lindsey, Member



Trustee John Waihe'e, IV, Member

NOT AVAILABLE

Trustee Brendon Lee, Member


OFFICE OF HAWAIIAN AFFAIRS

Action Item
Committee on Resource Management
September 4, 2019

RM #19-14

Action Item: Action Regarding the Economic Development Policy Implementation Procedures


Prepared by:


Sylvia M. Hussey, Ed.D.
Ka Pouhana Kūikawā, Interim Chief Executive Officer

8/27/2019

Date


Reviewed by:


Raymond Matsuura
Pou Kako'o Mahele Kumupa'a, Investment Manager

8/27/19

Date


Reviewed by:


Gloria Li
Ka Pou Kihi Kanaloa Wai, Kūikawā, Interim Chief Financial Officer

8/27/19

Date


Reviewed by:


Lisa Watkins-Victorino, Ph.D.
Ka Pou Nui Kūikawā, Interim Chief Operating Officer

8/27/19

Date

Reviewed by:


Ke Kua, Trustee Dan Ahuna
Luna Ho'omalua o ke Kōmike Resource Management
Chair of the Committee on Resource Management

8/27/19

Date

RM #19-14: Action Regarding the Economic Development Policy Implementation Procedures

I. Proposed Action

Administration recommends the Board of Trustees (BOT) approve the accompanying Economic Development Policy implementation procedures as outlined in Attachment A.

II. Issue

Whether the BOT should take action on the accompanying Economic Development Policy implementation procedures associated with the Fiscal Sustainability Plan (FSP).

III. Background¹ and Context of the Economic Development Policy

Overview. As outlined in *Action Item RM #19-07: Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies*, in 2016 OHA understood the need to become fiscally sustainable. Fiscal sustainability was defined as the ability of a government or government agency to sustain its current rate of spending, revenue and other policies in the long run. To do this, OHA needed to change the way it operated and therefore began implementing the Fiscal Sustainability Plan (“FSP”). To propel OHA’s progress in these



efforts, the Committee formed five work groups representing the BOT, OHA Administration, and staff experts to address five main areas that may pose risks to OHA’s fiscal sustainability. The five areas were: spending policy, pension benefits, legal and taxable structure, Department of Hawaiian Home Lands, and real estate investment.

Although the last meeting held by the five working groups was in December 2017, the desire

to implement the FSP, beginning with related policies, remained a priority of Administration through the election of new Trustees and Board leadership in 2018.

¹ Source: Fiscal Year 2018-2019 Summary, Next Steps Checklist, May 2019, transmitted via letter dated May 15, 2019 .

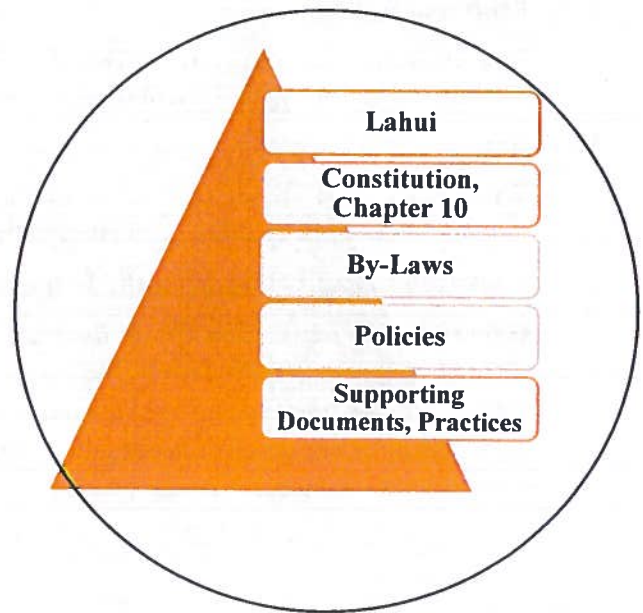
Disclaimer

The information contained in this report is confidential to the Office of Hawaiian Affairs (“OHA”) and may not be disclosed without the express written consent of OHA Board of Trustee (“BOT”) Chair, Resource Management (“RM”) Committee Chair, OHA executive management, and Spire Hawai’i LLP (“Spire”). This information is intended solely for the use of OHA and is not intended to be, and should not be, used by anyone other than OHA. This report should not be used for any other purposes or reproduced in any form that is inconsistent with its intent or is not authorized. If you are not authorized, please note that the use, further transmission, or disclosure of the contents of this report is strictly prohibited. Under the standards promulgated by the American Institute of Certified Public Accountants (“AICPA”), Spire considers all material confidential. However, we defer to OHA counsel on the issue of whether any material is subject to disclosure under Statelaw.

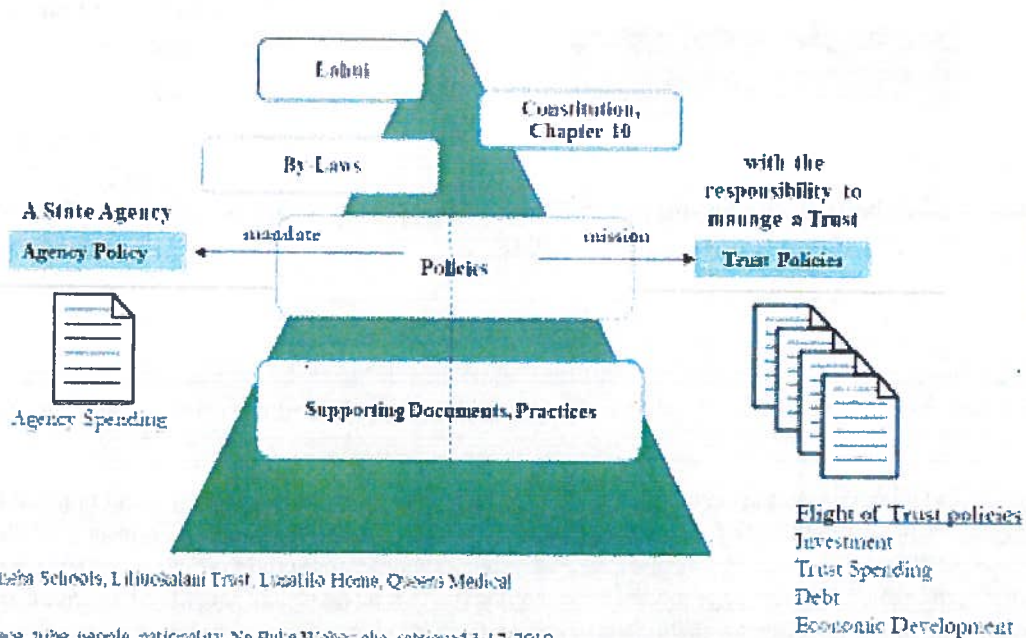
IV. Alignment of the Policy to the Board Governance Framework.

Overall. In January 2019, the Board approved the formation of a permitted interaction group (PIG) to: Investigate various elements of governance frameworks and models, including but not limited to cultural, indigenous, native, national and international contexts. In April 2019, the Board approved the PIG's recommendation to approve the five elements of OHA's Board Governance Framework: 1) Identity; 2) Values and Mana; 3) Statutory Basis; 4) Policies; and 5) Supporting Documents and Practices (Operations).

Element 1) Identity is expanded below and illustrates the dual nature of identity and the related impact to policies.



Element 1: Identity. *Ho oulu Lahui Aloha – To Raise a Beloved Lahui.* A State Agency with the responsibility to manage a Trust, that identifies and operates more similarly to Ali'i Trusts [1] with a Lahui mindset in improving the well-being of our Lahui [2]. Such an identity is rooted in the 'ōlelo no'ea. *E 'ōpū'ā'i'i* have the heart of a chief, have the kindness, generosity, and even temper of a chief. 'ōlelo no'ea 359 [3]. OHA's identity is also place based, that OHA's *hale'āina* is to this place of Hawaii.



[1] - Kamehameha Schools, Liliuokalani Trust, Lualaba Home, Queens Medical Center

[2] - Nation, race, tribe, people, nationality, Na Puke Wehenehe, retrieved 3/17/2019

[3] Palani, 'Olelo No'ea, Hawaiian Proverbs & Poetical Sayings, p. 45

RM #19-14: Action Regarding the Economic Development Policy Implementation Procedures

L-Lāhui Level Policies. Via Action Item #19-06, the Board approved the findings of the L-Lāhui Level Policies PIG and recommended approval of the following policies: (1) E Mālama (to protect); (2) E Ho'omau (to perpetuate); (3) E Pūpūkahi i Holomua (to unite in order to progress); (4) E 'Imi 'Ike (to seek knowledge); (5) E Ho'oulu Lāhui (to grow the Lāhui), developed in accordance with the approved PIG purview. L-Lāhui level policies for OHA's Board Governance Framework, is intended to articulate the Hawaiian cultural foundation of the organization as a basis for the *kaumaha* (heavy weight, sadness) or significant *kuleana* (responsibility) to normalize Hawaiian language, protect and exercise native rights regarding 'āina, water, wahi pana and iwi kupuna, strengthen 'ohana and kaiāulu, perpetuate Hawaiian culture, knowledge and practices and engage in global, international indigenous contexts.

T-Trustee Level Policies. Next in the series of cascaded Board Governance Framework policy work is the formulation of T-Trustee Level policies which would articulate broad, systemic, strategic, overarching policies that are attributed to OHA's Trustee role as a result of the Constitution and Chapter 10 purposes and duties (e.g., fiduciary, care, obedience, code of ethics). The two policies approved via Action Item RM #19-07---Economic Development and Debt Management Policy; and the two additional policies---Spending and Investment and Real Estate Policies are examples of T-Trustee Level Policies; and work will continue and be "on-ramped" to the T-Trustee Level permitted interaction group when formulated.

In short, action on the implementation procedures of the approved Economic Development policy is aligned to the Board Governance Framework work.

Resource Management Committee Action. Attachment B outlines the actual Economic Development Policy as approved by the Trustees at the May 29, 2019 meeting; and at that time, via RM #19-07, Administration committed to the Trustees, to return with the implementation procedures for Board action. The Meeting of the Committee on Resource Management Committee

Report dated May 22, 2019 with Action Item RM #19-07: Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies is attached which outlines the background and context of the overall fiscal policies (Attachment C).

Board Action. At the June 6, 2019 Board meeting, the action noted at left was taken.

Trustee Dan Ahuna moves to

- Approve the Economic Development Policy, noting that Administration will return with the implementation procedures for Board action;
- Approve the Debt Management Policy, noting that Administration will return with the implementation procedures for Board action;
- Acknowledge the Spending Policy language and the existing Native Hawaiian Trust Fund (NHTF) Spending policy, as Amended, noting Administration will return with consolidated policy document for Board action; and
- Acknowledge the Investment and Real Estate Policy language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action.

Trustee Robert Lindsey seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI'AINA LEE					X -Abstain	
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY		x	X			
TRUSTEE JOHN WAIHE'E			X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			8		1	

MOTION [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED

Motion passed with eight (8) yes votes, and one (1) abstention.

V. Alignment to Strategic Plan Foundation and Strategic Directions



In March 2019, via BOT #19-03 Approval of the foundational principles and directions for the next OHA Strategic Plan 2020+, the Trustees approved the following Strategic Foundation and Strategic Direction elements—as depicted below:

Strategic Foundation
‘Aina. Strengthen our ancestral connection to ‘aina through responsible stewardship to preserve legacy lands and to responsibly develop economically viable lands.

Mo’omeheu. Strengthen Native Hawaiian’s connection to culture by supporting opportunities to engage in ‘Olelo and ‘ike activities and initiatives.

‘Ohana. Promote healthy ‘ohana relationships by providing opportunities in communities to engage in ‘aina and mo’omeheu based activities and initiatives as well as opportunities to engage in the well-being of their communities via civic participation and leadership.

‘Aina, mo’omeheu, and ‘ohana are foundational to the work of OHA. **This foundation is the lens through which decisions, planning, activities, initiatives, policies, procedures, and practices are made.** Pilina with āina, mo’omeheu, ‘ohana, kaiaulu, and community partners is how we engage in the implementation of our strategies. Building pilina with communities and organizational partners is critical to successfully achieving our vision and mission.

Strategic Directions

Economic Stability. Engaging in strategies to enhance the economic development and financial empowerment of the lāhui will ensure that Native Hawaiians progress toward a state of economic stability.

Quality Housing. Leveraging partnerships to ensure Native Hawaiians can obtain affordable rentals as well as homeownership while also engaging in opportunities to affect legislation that support Hawaiian Home Lands, overall housing costs, and housing supply will greatly enhance the ability for Native Hawaiians who so desire to remain in Hawai’i.

Educational Pathways. Supporting initiatives, leveraging partnerships, engaging in strategies to develop educational pathways that strengthen culture-based education, early education, K-12 and post-secondary education will ensure that Native Hawaiians are grounded in their past while participating in a technologically oriented future.

Health Outcomes. Supporting initiatives, leveraging partnerships, engaging in strategies to promote healthy and strong families.

In short, action on the implementation procedures of the approved Economic Development policy is aligned to the Strategic Foundation and Directions elements described above.

VI. Policy Review and Analysis²

Background. During this fiscal year, the following policies were developed or reviewed: Spending; Debt Management; Investment and Commercial Real Estate; Economic Development; and Fiscal Stabilization. These policy revisions have the following long-term objective of proposing a distinct potential direction for OHA as an organization as it relates to who it is: A

primary State agency that provides services and programs to Native Hawaiians (HRS Chapter 10-3); a semi-autonomous State agency which relies on self-funding (Legislative opinion); and a State agency to better the conditions of Native Hawaiians. As of February 2018, the BOT placed a moratorium on the use of the Fiscal Reserve³

Establishing the Why? of Policies

policy

1. often attributive

policy | \ 'pā-lə-se \

plural policies

Definition of *policy*

(Entry 1 of 2)

1a : **prudence or wisdom** in the management of affairs

b : management or procedure based primarily on **material interest**

2a : **a definite course or method of action** selected from among alternatives and in light of given conditions **to guide and determine present and future decisions**

b : **a high-level overall plan embracing the general goals and acceptable procedures** especially of a governmental body

<https://www.merriam-webster.com/dictionary/policy>, retrieved 4/15/2019

² Source: Fiscal Year 2018-2019 Summary, Next Steps Checklist, May 2019, transmitted via letter dated May 15, 2019.

Disclaimer

The information contained in this report is confidential to the Office of Hawaiian Affairs ("OHA") and may not be disclosed without the express written consent of OHA Board of Trustee ("BOT") Chair, Resource Management ("RM") Committee Chair, OHA executive management, and Spire Hawai'i LLP ("Spire"). This information is intended solely for the use of OHA and is not intended to be, and should not be, used by anyone other than OHA. This report should not be used for any other purposes or reproduced in any form that is inconsistent with its intent or is not authorized. If you are not authorized, please note that the use, further transmission, or disclosure of the contents of this report is strictly prohibited. Under the standards promulgated by the American Institute of Certified Public Accountants ("AICPA"), Spire considers all material confidential. However, we defer to OHA counsel on the issue of whether any material is subject to disclosure under Statelaw.

³ Moratorium on Fiscal Reserve Spending, RM 18-03 AI, February 2018



OFFICE OF HAWAIIAN AFFAIRS

**NATIVE HAWAIIAN TRUST FUND
INVESTMENT POLICY STATEMENT**

Adopted by the Board of Trustees, August 24, 2017
Effective October 1, 2017

Alignment to the Native Hawaiian Trust Fund Investment Policy Statement⁴. Adopted by the Board of Trustees (BOT) on August 24, 2017 (and effective October 1, 2017), the Native Hawaiian Trust Fund Investment Policy Statement (“IPS” or “NHTFIPS”) governs the investment of assets held in the Office of Hawaiian (OHA) Native Hawaiian Trust Fund (“NHTF” or “the Fund”), including, but not limited to investment objectives, and the expectations and requirements with respect to the ongoing management of the Fund’s assets.

OHA’s mission is to malama (protect) Hawai`i’s people and environmental resources and the Trust Fund’s assets toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally. The overall goal of the fund is to provide superior investment returns to sustain the beneficiaries in perpetuity and to uphold OHA’s mission.

The purpose of the Investment Policy Statement (“Statement”) is to provide: clear and mutual understanding the Fund’s philosophy, investment

objectives and policies; guidance, objectives and limitations in investing the Fund’s assets; and evaluate the Advisors’ performance.

VII. Economic Development Policy

The purpose of the approved Economic Development Policy (“Policy”) was to ensure that revenue enhancement and other economic development projects undertaken by the Office of Hawaiian Affairs (“OHA”) are conducted in a manner consistent with best practices and aligned with OHA’s long-term strategies and current conditions.

Economic Development Policy



- Requires Administration to develop policies for analyzing and selecting economic development projects
- Requires Administration to develop performance standards for staff and consultants, and define permissible and impermissible projects
- Requires the Administration to develop criteria for selecting operating structures (such as LLCs and partnership)

⁴ Native Hawaiian Trust Fund Investment Policy Statement, Adopted by the Board of Trustees, August 24, 2017, Effective October 1, 2017

RM #19-14: Action Regarding the Economic Development Policy Implementation Procedures

- Requires Administration to develop policies for analyzing and selecting economic development projects
- Requires Administration to develop performance standards for staff and consultants, and define permissible and impermissible projects
- Requires the Administration to develop criteria for selecting operating structures (such as LLCs and partnership)

It is the policy of the Board to ensure the development of procedures for selecting economic development projects and the operating structures for the projects that reflect cultural priorities and current economic conditions. The Board believes that documented procedures are important to ensure consistency within OHA regarding the use of land, cultural assets and other resources, and OHA's expectations for business conduct. Additionally, the principles reflected in the procedures can be incorporated in development and other economic development agreements, enabling projects that are developed will be consistent with OHA's needs and priorities.

A lack of due diligence, standards and/or criteria may occur when there is no clear policy. Because this is a new policy, implementation procedures are provided to effect its launch.

VIII. Economic Development Policy – Implementation Procedures

Note: The scope of the Economic Development Policy is for its application by OHA for its own investment considerations vs. grant opportunities and awards to beneficiaries (e.g., Kulia, Community grants).

Refer to Attachment A for proposed implementation procedures.

IX. Certification of Funding Availability

N/A – no funding required for action item.

X. Recommended Action(s)

Administration recommends the Board of Trustees (BOT) approve the Economic Development Policy implementation procedures as detailed in Attachment A.

XI. Alternatives

- A. Take no action, leaving the approved Economic Development Policy without implementation procedures (Attachment B).
- B. Amend the Economic Development Policy implementation procedures (Attachment A).

RM #19-14: Action Regarding the Economic Development Policy Implementation Procedures

XII. Time Frame

This action shall be effective immediately upon approval by the BOT.

XIII. Attachment(s)

- A. Economic Development Policy Implementation Procedures Attachment
- B. Economic Development Policy, including Section IV. PROCEDURES TO IMPLEMENT THE POLICY
- C. Meeting Minutes of the Committee on Resource Management Committee Report dated May 22, 2019

XIV. PROCEDURES TO IMPLEMENT THE POLICY

Ka Pouhana shall develop, for approval by the Board, procedures regarding economic development projects which shall be congruent with this Policy. The procedures shall model best practices and must address, at a minimum:

1. Procedures for analyzing and selecting economic development projects, including the requirements for the due diligence analysis and process prior to selecting the projects, the process for requesting approval by the Board, and reporting requirements to the Board.
2. Performance standards for OHA staff and external consultants, managers, or advisors.
3. Permissible/impermissible projects, if any.
4. Criteria for assessing different operating structures for the projects, including the evaluation criteria for selecting structures (such as LLCs and partnerships) so that diverse factors such as risk to OHA, control by OHA, and revenue potential can be weighed to achieve a structure that best fits OHA's needs.

The procedures shall detail how the policy principles will be implemented - what will be done, what resources will be used and what results will be expected.

1. Procedures for analyzing and selecting economic development projects, including the requirements for the due diligence analysis and process prior to selecting the projects, the process for requesting approval by the Board, and reporting requirements to the Board.

Responsible Unit	Procedure Description
Start (Trigger)	Project, initiative, offer, prospect, opportunity, etc. comes to the attention of the organization (via Board or Administration).
Board or Administration	Delegate (Board) or route (Administration) preliminary review of the economic development project, initiative, offer, prospect, opportunity, etc. for initial strategic or policy alignment to the Resource Management Committee, including whether the project is considered permissible or impermissible.
Resource Management Committee (RMC)	Complete or delegate to Administration the due diligence analysis and processes after determination.
RMC or Administration	Initiate and complete due diligence analysis and processes, including but not limited to the various risk assessments: <ul style="list-style-type: none"> • Considering the nature and type of project, initiative, offer, prospect, opportunity, etc. (e.g., in-state, out-of-state, international) • Strategic or Policy Alignment: Analysis based on OHA's strategic foundation, direction and policy alignment (e.g., spending, investment). • Investment Offering: Shares already issued, funding need and

Responsible Unit	Procedure Description
	<p>rationale (e.g., reason for capital offer), share price and valuation methodology or basis, business model, impact of capital investment on the overall ownership, potential exit value, professional advice, debt provision or vehicles, tax or other government provisions, assumptions, projections, pro-forma (e.g., balance sheet, income statement, revenues, cash flow, debt service, operations, market decline provisions, reserves), shareholder control, share class type.</p> <ul style="list-style-type: none"> • Business: Type of business (e.g., existing, emerging, new technology, start-up, regulated); market factors (e.g., new, continuing, expanding, regional, saturated, product or service demand and distribution, assumptions); business model (e.g., retail, wholesale, vertical integration, social enterprise), management experience (e.g., seasoned, start-up); audited financial statements; debt structure, projections, assumption, pro-forma (e.g., balance sheet, income statement, revenues, cash flow, debt service, operations, market decline provisions, reserves); technology (e.g., business productivity, operations, manufacturing or distribution); intellectual property rights; • Reputation: Company or individuals involved with project, initiative, offer, prospect, etc., including reputation, financial capacity, previous business experience in the identified market. • Other: Consideration of other factors or unique circumstances.
Administration	<ul style="list-style-type: none"> • If recommended, prepare and submit Action Item for Board consideration and action. • If not recommended, prepare analysis transmittal to the Resource Management Committee (Administration) or Board (RM).
Board	Consider and act on Action Item.
End (Action)	Act on approved Action Item (recommendation) or note Analysis Transmittal (non-recommendation)

2. Performance standards for OHA staff and external consultants, managers, or advisors.

Action	Procedure Description
Start (Trigger)	Project, initiative, offer, prospect, opportunity, etc. comes to the attention of the organization (via Board or Administration).
RMC or Administration	Identify staff and/or external consultants, managers or advisors to aid in the due diligence analysis that:

RM #19-14: Action Regarding the Economic Development Policy Implementation Procedures
Attachment A

Action	Procedure Description
	<ul style="list-style-type: none"> Have the requisite knowledge and responsibilities within the organization (staff); and/or Are already on professional services contract to provide such services; and/or Can be secured via OHA employment (e.g., 89-day, new position hire) or procurement methodologies (e.g., independent consultant) with the requisite knowledge and responsibilities.
Staff and/or 3 rd party consultants, managers or advisors	<p>Performance standards/expectations after assignment of responsibilities (e.g., staff or 3rd party consultants, managers or advisors).</p> <ul style="list-style-type: none"> Due Diligence: Execute the identified due diligence activities in the time line prescribed. Post Investment Monitoring: Periodic monitoring and reporting based on the investment provisions.
End (Action)	Act on approved Action Item (due diligence) or transition to periodic monitoring and reporting (post investment reporting).

3. Permissible/impermissible projects, if any.

Action	Procedure Description
Start (Trigger)	Project, initiative, offer, prospect, opportunity, etc. comes to the attention of the organization (via Board or Administration).
Board or Administration	Delegate (Board) or route (Administration) preliminary review of the economic development project, initiative, offer, prospect for initial strategic or policy alignment to the Resource Management Committee, including whether the project is considered permissible or impermissible.
Resource Management Committee	Impermissible projects, initiatives, offers, prospects, etc., are those that counter individually or collectively the tenants of the Board approved L-Level Lāhui policies: (1) E Mālama (to protect); (2) E Ho'omau (to perpetuate); (3) E Pūpūkahi i Holomua (to unite in order to progress); (4) E 'Imi 'Ike (to seek knowledge); (5) E Ho'oulu Lāhui (to grow the Lāhui).
End	Return to due diligence analysis process.

4. Criteria for assessing different operating structures for the projects, including the evaluation criteria for selecting structures (such as LLCs and partnerships) so that diverse factors such as risk to OHA, control by OHA, and revenue potential can be weighed to achieve a structure that best fits OHA's needs.

Note: In the case that the project, initiative, offer, prospect, opportunity, etc. does not already provide an operating structure (e.g., corporation, partnership, limited liability corporation, non-profit, public private partnership) for the investment, the policy implementation procedures described below will be applied in addition to the due diligence analysis above.

Action	Procedure Description
Start (Trigger)	Project, initiative, offer, prospect, opportunity, etc. comes to the attention of the organization (via Board or Administration).
Board or Administration	Delegate (Board) or route (Administration) preliminary review of the economic development project, initiative, offer, prospect for initial strategic or policy alignment to the Resource Management Committee, including whether the project is considered permissible or impermissible.
RMC or Administration	Consider the elements of the project, initiative, offer, prospect, opportunity, etc., including but not limited to considerations regarding: <ul style="list-style-type: none"> Objectives (e.g., non-profit, liability limitation, profit, social enterprise capital, capacity building, enabler, preservation, conservation); Key elements (e.g., methodology, purpose, land acquisition, product, service, financing); Parties involved (e.g., public, private, Native Hawaiian, community, continent, international); OHA role in and capacity to operate, manage or oversee the business structure (e.g., in-house capacity, 3rd party capabilities); and Regulatory (e.g., operations, county, state, national, international).
End	Return to due diligence analysis process.

ECONOMIC DEVELOPMENT POLICY

I. PURPOSE

The purpose of this Economic Development Policy ("Policy") is to ensure that revenue enhancement and other economic development projects undertaken by the Office of Hawaiian Affairs ("OHA") are conducted in a manner consistent with best practices and aligned with OHA's long-term strategies and current conditions.

II. POLICY

It is the policy of the Board to ensure the development of procedures for selecting economic development projects and the operating structures for the projects that reflect cultural priorities and current economic conditions. The Board believes that documented procedures are important to ensure consistency within OHA regarding the use of land, cultural assets and other resources, and OHA's expectations for business conduct. Additionally, the principles reflected in the procedures can be incorporated in development and other economic development agreements, enabling projects that are developed will be consistent with OHA's needs and priorities.

III. SCOPE & AUTHORITY

The projects covered by this Policy are all projects intended to increase the value of OHA assets, generate additional revenues, or achieve cultural and socio-economic priorities. Ka Pouhana is delegated the authority to develop the procedures necessary to implement this Policy. Nothing in this delegation is intended to diminish the approval authority of the Board as stated in the State Constitution, State law, or other OHA policies and procedures.

IV. PROCEDURES TO IMPLEMENT THE POLICY

Ka Pouhana shall develop, for approval by the Board, procedures regarding economic development projects which shall be congruent with this Policy. The procedures shall model best practices and must address, at a minimum:

1. Procedures for analyzing and selecting economic development projects, including the requirements for the due diligence analysis and process prior to selecting the projects, the process for requesting approval by the Board, and reporting requirements to the Board.
2. Performance standards for OHA staff and external consultants, managers, or advisors.
3. Permissible/impermissible projects, if any.
4. Criteria for assessing different operating structures for the projects, including the evaluation criteria for selecting structures (such as LLCs and partnerships) so that diverse factors such as risk to OHA, control by OHA, and revenue potential can be weighed to achieve a structure that best fits OHA's needs.

The procedures shall detail how the policy principles will be implemented - what will be done, what resources will be used and what results will be expected.

V. EXCEPTIONS TO THE POLICY

While adherence to this Policy is required in applicable circumstances, changes in the capital markets, programs and other unforeseen circumstances may produce situations that are not covered by the Policy or require modifications or exceptions to achieve Policy goals. In these cases, the Board may consider and approve exceptions to provisions within this Policy. When a request for exception is made to the Board, a memo detailing the rationale for any exception to the Policy must be submitted to the Board.

**MEETING OF THE
COMMITTEE ON RESOURCE MANAGEMENT
COMMITTEE REPORT**

May 22, 2019

The Honorable Colette Machado,
Chairperson Board of Trustees
Office of Hawaiian Affairs

Madame Chair Machado,

Your Joint Committees on Resource Management and Beneficiary Advocacy and Empowerment, having met on May 22, 2019 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

- A. Approve the Economic Development Policy, noting that Administration will return with the implementation procedures for Board action;
- B. Approve the Debt Management Policy, noting that Administration will return with the implementation procedures for Board action;
- C. Acknowledge the Spending Policy language and the existing Native Hawaiian Trust Fund (NHTF) Spending policy, as Amended, noting Administration will return with consolidated policy document for Board action; and
- D. Acknowledge the Investment and Real Estate Policy language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action.

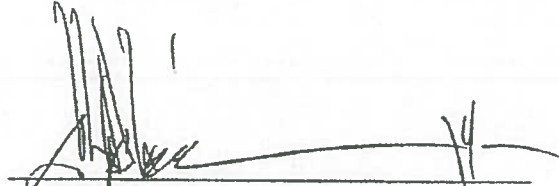
Relevant attachments are included for your information and reference. Attachment(s):

- 1) Action Item RM #19-07
- 2) RM #19-07 Roll Call Sheet

Respectfully submitted:



Trustee, Chair Dan Ahuna



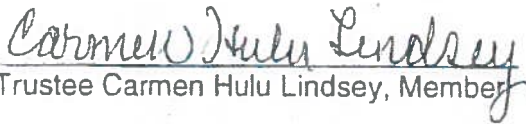
Trustee John Waihe'e, IV, Member

Excused

Trustee Leina'ala Ahu Isa, Member



Trustee Robert Lindsey, Member



Trustee Carmen Hulu Lindsey, Member



Trustee Colette Machado, Member

Excused

Trustee Brenden Lee, Member



Trustee Kalei Akaka, Member



Trustee Keli'i Akina, Member

Office of Hawaiian Affairs
560 N Nimitz Hwy. Ste. 200
Honolulu, HI 96817

Action Item

**COMMITTEE ON
RESOURCE MANAGEMENT (RM)**

DATE: SEPT. 25, 2019

Motion:

Vote:

AGENDA ITEM: III. NEW BUSINESS

**A. Action Item RM #19-14 - Action Regarding the Economic Development
Policy Implementation Procedures**

**MOTION: Administration recommends the Board of Trustees (BOT)
approve the Economic Development Policy implementation procedures as
detailed in Attachment A.**

AMENDMENT:

MEANS OF FINANCING:

TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (2 kanalua's =ABSTENTION)	EXCUSED
LEI	AHU ISA			X			
KALEI	AKAKA			X			
KELI 'I	AKINA			X			
BRENDON	LEE	1		X			
HULU	LINDSEY			X			
ROBERT	LINDSEY			X			
COLETTE	MACHADO			X			
JOHN	WAIHE'E		2	X			
CHAIR DAN	AHUNA			X			
TOTAL VOTE COUNT				9			

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

DISCUSSION:

OFFICE OF HAWAIIAN AFFAIRS

**MEETING OF THE
COMMITTEE ON RESOURCE
MANAGEMENT**

COMMITTEE REPORT

September 25, 2019

The Honorable Colette Machado,
Chairperson Board of Trustees
Office of Hawaiian Affairs

Madame Chair Machado,

The Committee on Resource Management, having met on September 25, 2019 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

Administration recommends the Board of Trustees (BOT) approve the Debt Management Policy implementation procedures as detailed in Attachment A.

Relevant attachments are included for your information and reference. Attachment(s):

- 1) Action Item RM#19-15
- 2) RMRoll Call Vote Sheet

Respectfully submitted:



Trustee Dan Ahuna, Chair

NOT AVAILABLE


Trustee Kalei Akaka, Member



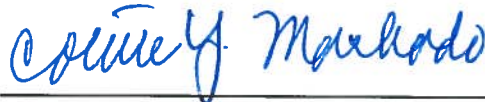
Trustee Leina'ala Ahu Isa, Member

NOT AVAILABLE

Trustee Robert Lindsey, Jr., Member



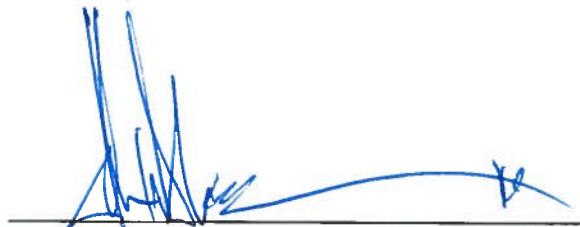
Trustee Keli'i Akina, Member



Trustee Colette Machado, Member



Trustee Hulu Lindsey, Member



Trustee John Waihe'e, IV, Member

NOT AVAILABLE

Trustee Brendon Lee, Member

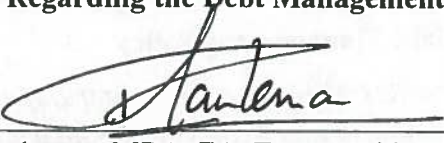
OFFICE OF HAWAIIAN AFFAIRS

Action Item
Committee on Resource Management
September 4, 2019

RM #19-15


Action Item: Action Regarding the Debt Management Policy Implementation Procedures

Co-Prepared by:


Paul Harleman, MBA, EA, Trustee Aide
Office of Keli'i Akina, Ph.D., Trustee At-Large


8/27/19
Date

Reviewed by:


Raymond Matsuura
Pou Kako'o Mahele Kumupa'a, Investment Manager

8/27/19
Date

Reviewed by:


Gloria Li
Ka Pou Kihi Kanaloa Wai, Kūikawā, Interim Chief Financial Officer

8/27/19
Date

Reviewed by:


Lisa Watkins-Victorino, Ph.D.
Ka Pou Nui Kūikawā, Interim Chief Operating Officer


8/27/19
Date

Co-Prepared &
Reviewed by:


Sylvia Hussey, Ed.D.
Ka Pouhana Kūikawā, Interim Chief Executive Officer

8/27/2019
Date

Reviewed by:


Ke Kua, Trustee Dan Ahuna
Luna Ho'omalu o ke Kōmike Resource Management
Chair of the Committee on Resource Management

8/27/19
Date

RM #19-15: Action Regarding the Debt Management Policy Implementation Procedures

I. Proposed Action

Administration recommends the Board of Trustees (BOT) approve the accompanying Debt Management Policy implementation procedures as outlined in Attachment A.

II. Issue

Whether the BOT should take action on the accompanying Debt Management Policy implementation procedures associated with the Fiscal Sustainability Plan (FSP).

III. Background¹ and Context of the Debt Management Policy

Overview. As outlined in *Action Item RM #19-07: Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies*, in 2016 OHA understood the need to become fiscally sustainable. Fiscal sustainability was defined as the ability of a government or government agency to sustain its current rate of spending, revenue and other policies in the long run. To do this, OHA needed to change the way it operated and therefore began implementing the Fiscal Sustainability Plan (“FSP”). To propel OHA’s progress in these



efforts, the Committee formed five work groups representing the BOT, OHA Administration, and staff experts to address five main areas that may pose risks to OHA’s fiscal sustainability. The five areas were: spending policy, pension benefits, legal and taxable structure, Department of Hawaiian Home Lands, and real estate investment.

Although the last meeting held by the five working groups was in December 2017, the desire

to implement the FSP, beginning with related policies, remained a priority of Administration through the election of new Trustees and Board leadership in 2018.

¹ Source: Fiscal Year 2018-2019 Summary, Next Steps Checklist, May 2019, transmitted via letter dated May 15, 2019 .

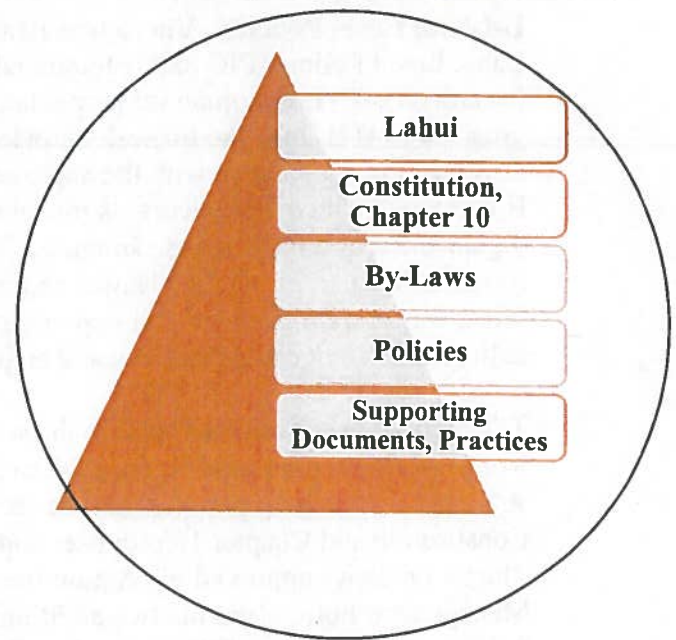
Disclaimer

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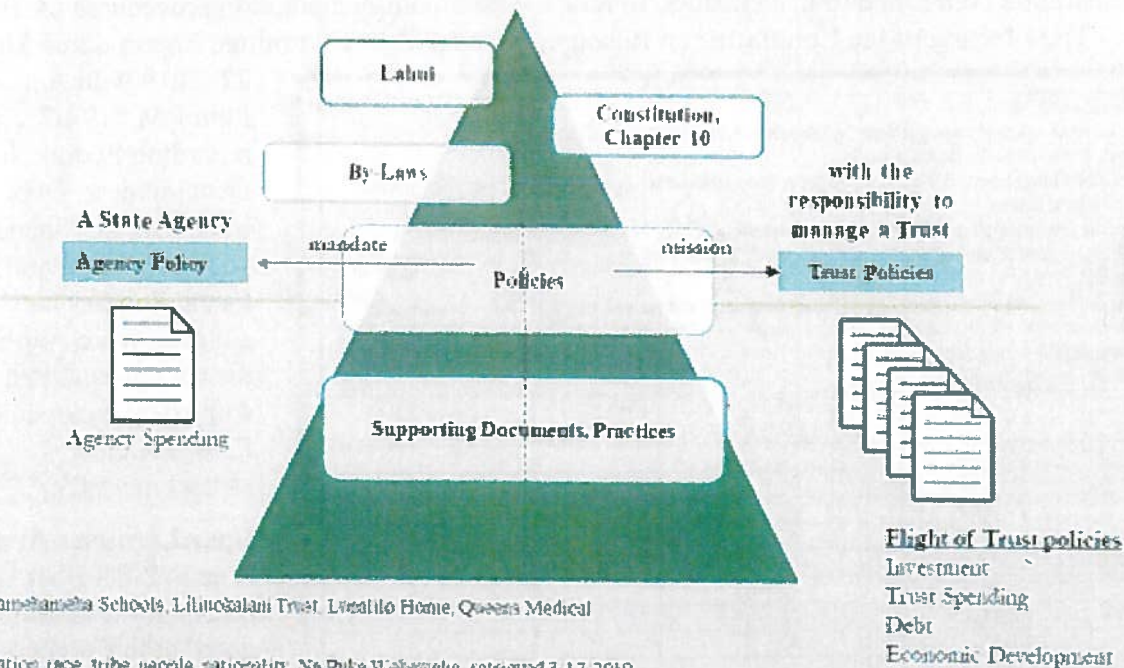
IV. Alignment of the Policy to the Board Governance Framework.

Overall. In January 2019, the Board approved the formation of a permitted interaction group (PIG) to: Investigate various elements of governance frameworks and models, including but not limited to cultural, indigenous, native, national and international contexts. In April 2019, the Board approved the PIG's recommendation to approve the five elements of OHA's Board Governance Framework: 1) Identity; 2) Values and Mana; 3) Statutory Basis; 4) Policies; and 5) Supporting Documents and Practices (Operations).

Element 1) Identity is expanded below and illustrates the dual nature of identity and the related impact to policies.



Element 1: Identity. *Ho oulu Lahui Aloha – To Raise a Beloved Lahui.* A State Agency with the responsibility to manage a Trust, that identifies and operates more similarly to Ali'i Trusts [1] with a lahui mindset in improving the well-being of our lahui [2]. Such an identity is rooted in the 'ōlelo no'eau. *E 'ōpū ali'i* have the heart of a chief, have the kindness, generosity, and even temper of a chief. 'ōlelo no'eau 369 [3] OHA's identity is also place based, that OHA's *kūloana* is to this place of Hawaii.



RM #19-15: Action Regarding the Debt Management Policy Implementation Procedures

L-Lāhui Level Policies. Via Action Item #19-06, the Board approved the findings of the L-Lāhui Level Policies PIG and recommended approval of the following policies: (1) E Mālama (to protect); (2) E Ho'omau (to perpetuate); (3) E Pūpūkahi i Holomua (to unite in order to progress); (4) E 'Imi 'Ike (to seek knowledge); (5) E Ho'oulu Lāhui (to grow the Lāhui), developed in accordance with the approved PIG purview. L-Lāhui level policies for OHA's Board Governance Framework, is intended to articulate the Hawaiian cultural foundation of the organization as a basis for the *kaumaha* (heavy weight, sadness) or significant *kuleana* (responsibility) to normalize Hawaiian language, protect and exercise native rights regarding 'āina, water, wahi pana and iwi kupuna, strengthen 'ohana and kaiāulu, perpetuate Hawaiian culture, knowledge and practices and engage in global, international indigenous contexts.

T-Trustee Level Policies. Next in the series of cascaded Board Governance Framework policy work is the formulation of T-Trustee Level policies which would articulate broad, systemic, strategic, overarching policies that are attributed to OHA's Trustee role as a result of the Constitution and Chapter 10 purposes and duties (e.g., fiduciary, care, obedience, code of ethics). The two policies approved via Action Item RM #19-07---Economic Development and Debt Management Policy; and the two additional policies---Spending and Investment and Real Estate Policies are examples of T-Trustee Level Policies; and work will continue and be "on-ramped" to the T-Trustee Level permitted interaction group when formulated.

In short, action on the implementation procedures of the approved Debt Management policy is aligned to the Board Governance Framework work.

Resource Management Committee Action. Attachment B outlines the actual Debt Management Policy as approved by the Trustees at the May 29, 2019 meeting; and at that time, via RM #19-07, Administration committed to the Trustees, to return with the implementation procedures for Board action. The Meeting of the Committee on Resource Management Committee Report dated May

22, 2019 with Action Item RM #19-07: Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies is attached which outlines the background and context of the overall fiscal policies (Attachment C).

Board Action. At the June 6, 2019 Board meeting, the action noted at left was taken.

Trustee Dan Ahuna moves to

- A. Approve the Economic Development Policy, noting that Administration will return with the implementation procedures for Board action;
- B. Approve the Debt Management Policy, noting that Administration will return with the implementation procedures for Board action;
- C. Acknowledge the Spending Policy language and the existing Native Hawaiian Trust Fund (NHTF) Spending policy, as Amended, noting Administration will return with consolidated policy document for Board action; and
- D. Acknowledge the Investment and Real Estate Policy language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action.

Trustee Robert Lindsey seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA	x		X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI'ĀINA LEE					X -Abstain	
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY		x	X			
TRUSTEE JOHN WAIHE'E			X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			8		1	

MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED
Motion passed with eight (8) yes votes, and one (1) abstention.

Strategic Plan Foundation and Strategic Directions

V. Alignment to



In March 2019, via BOT #19-03 *Approval of the foundational principles and directions for the next OHA Strategic Plan 2020+*, the Trustees approved the following Strategic Foundation and Strategic Direction elements—as depicted below:

Strategic Foundation
'Aina. Strengthen our ancestral connection to 'aina through responsible stewardship to preserve legacy lands and to responsibly develop economically viable lands.

Mo'omeheu. Strengthen Native Hawaiian's connection to culture by supporting opportunities to engage in 'Olelo and 'ike activities and initiatives.

'Ohana. Promote healthy 'ohana relationships by providing opportunities in communities to engage in 'aina and mo'omeheu based activities and initiatives as well as opportunities to engage in the well-being of their communities via civic participation and leadership.

'Aina, mo'omeheu, and 'ohana are foundational to the work of OHA. **This foundation is the lens through which decisions, planning, activities, initiatives, policies, procedures, and practices are made.** Pilina with āina, mo'omeheu, 'ohana, kaiaulu, and community partners is how we engage in the implementation of our strategies. Building pillina with communities and organizational partners is critical to successfully achieving our vision and mission.

Strategic Directions

Economic Stability. Engaging in strategies to enhance the economic development and financial empowerment of the lāhui will ensure that Native Hawaiians progress toward a state of economic stability.

Quality Housing. Leveraging partnerships to ensure Native Hawaiians can obtain affordable rentals as well as homeownership while also engaging in opportunities to affect legislation that support Hawaiian Home Lands, overall housing costs, and housing supply will greatly enhance the ability for Native Hawaiians who so desire to remain in Hawai'i.

Educational Pathways. Supporting initiatives, leveraging partnerships, engaging in strategies to develop educational pathways that strengthen culture-based education, early education, K-12 and post-secondary education will ensure that Native Hawaiians are grounded in their past while participating in a technologically oriented future.

Health Outcomes. Supporting initiatives, leveraging partnerships, engaging in strategies to promote healthy and strong families.

RM #19-15: Action Regarding the Debt Management Policy Implementation Procedures

In short, action on the implementation procedures of the approved Debt Management policy is aligned to the Strategic Foundation and Directions elements described above.

VI. Policy Review and Analysis²

Background. During this fiscal year, the following policies were developed or considered: Spending; Debt Management; Investment and Commercial Real Estate; Economic Development; and Fiscal Stabilization. These policy revisions have the following long-term objective of proposing a distinct potential direction for OHA as an organization as it relates to who it is: A primary State agency that provides services and programs to Native Hawaiians (HRS Chapter 10-

3); a semi-autonomous State agency which relies on self-funding (Legislative opinion); and a State agency to better the conditions of Native Hawaiians. As of February 2018, the BOT placed a moratorium on the use of the Fiscal Reserve³

Establishing the Why? of Policies

policy

po-li-se | , often attributive

po-li-se | \ 'pā-lā-sē \

plural policies

Definition of *policy*

(Entry 1 of 2)

1a : prudence or wisdom in the management of affairs

b : management or procedure based primarily on material interest

2a : a definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions

b : a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body

<https://www.merriam-webster.com/dictionary/policy> retrieved 4/25/2019

² Source: Fiscal Year 2018-2019 Summary, Next Steps Checklist, May 2019, transmitted via letter dated May 15, 2019.

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³ Moratorium on Fiscal Reserve Spending, RM 18-03 AI, February 2018



OFFICE OF HAWAIIAN AFFAIRS

**NATIVE HAWAIIAN TRUST FUND
INVESTMENT POLICY STATEMENT**

Adopted by the Board of Trustees, August 24, 2017
Effective October 1, 2017

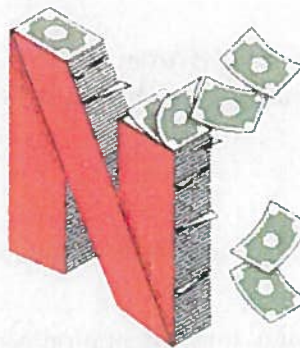
Alignment to the Native Hawaiian Trust Fund Investment Policy Statement⁴. Adopted by the Board of Trustees (BOT) on August 24, 2017 (and effective October 1, 2017), the Native Hawaiian Trust Fund Investment Policy Statement (“IPS” or “NHTFIPS”) governs the investment of assets held in the Office of Hawaiian (OHA) Native Hawaiian Trust Fund (“NHTF” or “the Fund”), including, but not limited to investment objectives, and the expectations and requirements with respect to the ongoing management of the Fund’s assets.

OHA’s mission is to malama (protect) Hawai‘i’s people and environmental resources and the Trust Fund’s assets toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally. The overall goal of the fund is to provide superior investment returns to sustain the beneficiaries in perpetuity and to uphold OHA’s mission.

The purpose of the Investment Policy Statement (“Statement”) is to provide: clear and mutual understanding the Fund’s philosophy, investment objectives and policies; guidance, objectives and

limitations in investing the Fund’s assets; and evaluate the Advisors’ performance.

Debt Management Policy



- Defines purpose for debt – Section III
- Defines debt – Section II
- Does not allow debt that is more than needed, and requires the debt to be secured as close to the date of expenditure as possible
- Requires debt to improve net worth or generate value, including cultural value
- Prohibits debt without a repayment solution, requires debt to be taken against an asset only for financial gain, requires due diligence prior to issuing debt
- Requires debt study every two years
- Requires administration to develop procedures to implement policy

VII. Debt Management Policy

As approved by the BOT via Action Item #19-07 in May 2019, OHA shall not incur debt that is more than necessary to fund the OHA project or purpose for which the issuance was approved and any associated financing costs. Debt proceeds should be secured as close to the date of expenditure as possible, unless there are practical reasons to issue sooner, in which cases such reasons should be documented and approved by the Board.

⁴ Native Hawaiian Trust Fund Investment Policy Statement, Adopted by the Board of Trustees, August 24, 2017, Effective October 1, 2017

RM #19-15: Action Regarding the Debt Management Policy Implementation Procedures

The policy further: Defines purpose for debt; Defines debt; Does not allow debt that is more than needed, and requires the debt to be secured as close to the date of expenditure as possible; Requires debt to improve net worth or generate value, including cultural value; Prohibits debt without a repayment solution, requires debt to be taken against an asset only for financial gain, requires due diligence prior to issuing debt; Requires debt study every two years; Requires administration to develop procedures to implement policy. OHA should not issue debt that it cannot repay or that causes it to incur undue financial risk. OHA should not take on debt without a repayment solution that is consistent with its spending and withdrawal policies and its budget. Debt should be taken against an asset only for a financial gain.

Prior to incurring debt, OHA must consider financial alternatives where its assets and portfolio are not totally at risk. OHA should leverage its assets wisely by using debt strategically and prudently. A rigorous due diligence analysis should be conducted prior to issuance of debt, including impact of future budgets, sufficiency of revenues dedicated to debt service or operating costs of capital assets, and impact on ability to provide future services. A lack of repayment plans and dedication of funds, use of debt to cover operational costs and lack of diligence required to assume debt may occur when there is no clear policy.

Because this is a new policy, implementation procedures are provided to effect its launch.

VIII. Debt Management Policy – Implementation Procedures

Refer to Attachment A for proposed implementation procedures.

IX. Certification of Funding Availability

N/A – no funding required for action item.

X. Recommended Action(s)

Administration recommends the Board of Trustees (BOT) approve the Debt Management Policy implementation procedures as detailed in Attachment A.

XI. Alternatives

- A. Take no action, leaving the approved Debt Management Policy without implementation procedures (Attachment B).
- B. Amend the Debt Management Policy implementation procedures (Attachment A).

XII. Time Frame

This action shall be effective immediately upon approval by the BOT.

RM #19-15: Action Regarding the Debt Management Policy Implementation Procedures

XIII. Attachment(s)

- A. Debt Management Policy Implementation Procedures
- B. Debt Management Policy, including Section IV. PROCEDURES TO IMPLEMENT THE POLICY
- C. Meeting of the Committee on Resource Management Committee Report dated May 22, 2019
- D. Debt Management Procedures Analysis & Recommendations, August 2019
- E. OHA Revenue Bonds, White Paper, July 2019

IV. PROCEDURES TO IMPLEMENT THE POLICY

Ka Pouhana shall develop, for review by the Board, procedures regarding debt which shall be congruent with this Policy. The procedures shall model best practices for issuing debt. The procedures must address, at a minimum

1. Procedures for incurring and managing debt, including the requirements for the due diligence analysis and process prior to incurring debt, the process for requesting approval by the Board, and reporting requirements to the Board
2. Performance standards for OHA staff and external consultants, managers, or advisors
3. Permissible/impermissible forms of debt

The procedures shall detail how the policy principles will be implemented - what will be done, what resources will be used and what results will be expected.

A. Purpose and Uses of Debt

In managing debt, OHA shall distinguish between long-term debt and short-term debt. Debt with maturities that exceed three years are considered long-term debt and debt with maturities that are less than three years are considered short-term debt.

Debt shall only be used to fund capital projects. Under no circumstances shall long-term debt proceeds be used to fund current operations or maintenance expenditures.

1. Long-term debt proceeds shall only be used for the purpose of financing or refinancing the cost of design, acquisition, improvement and construction of capital projects that relate to the mission of OHA and align with its Strategic Plan objectives.
2. Short-term debt may only be used to fund temporary cash flow shortages for capital projects or unexpected and significant repair and maintenance expenses for existing capital assets.

B. Guidelines for Decision-making

OHA shall use the following guidelines for decision-making regarding the assumption of debt:

1. To preserve debt capacity, OHA shall only consider debt when necessary and only if utilizing pay-as-you-go financing is not feasible.
2. Capital projects that are fully self-funded and that relate to OHA's Strategic Plan objectives will receive priority consideration.
3. Capital projects that are partially self-funded and relate to OHA's Strategic Plan objectives will only be considered if the project generates significant cultural value to OHA's beneficiaries and produces adequate revenue to offset recurring expenditures for maintenance.
4. OHA shall balance the objective of achieving the lowest cost of capital with the objective of limiting exposure to restrictive liens and debt covenants, interest rate, default, and liquidity risks.

C. Debt Service Limitation

Under no circumstances shall debt service payments exceed twenty percent of Public Land Trust expenditures.

D. Permissible/Impermissible forms of Debt

In accordance with the provisions, restrictions and limitations of the Hawaii state Constitution, Hawaii Revised Statutes, and applicable provisions of the state Debt Management Policy, OHA shall only consider the following forms of permissible debt:

1. Reimbursable General Obligation Bonds as defined by HRS Chapter 39
2. Revenue Bonds as defined by HRS § 10-25
3. Revenue Anticipation Bonds as defined by § HRS 10-24
4. Financing Agreements as defined by HRS Chapter 37D

To reduce risk and preserve debt capacity, under no circumstances shall OHA enter into the following forms of debt agreements;

1. Conduit debt obligations in which OHA would be liable to pay for the principal and interest for debt instruments issued by third-party entities in which OHA does not hold an ownership interest.
2. Non-Exchange Financial Guarantees in which OHA would provide credit enhancements or financial assurances to a third-party entity in which OHA does not hold an ownership interest.
3. Derivatives Instruments, such as interest rate agreements or swaps.

E. Financing Agreements

If financing agreements are considered the appropriate method of financing, OHA shall consult with the Department of Budget and Finance to determine whether OHA can participate in any state financing opportunities. Additionally, OHA shall solicit and consider proposals from various statewide and national financial institutions.

F. Revenue Bonds

If revenue bonds are considered the appropriate method of financing, OHA shall reach out to the Department of Budget and Finance to request for assistance in the structuring, preparation and sale of revenue bonds. The State Debt Management Policy shall be used as the basis to determine the structure, issuance, methods of sale, standards for professional service providers, and pricing of revenue bonds.

G. Debt Structuring

In structuring debt, OHA shall use the following guidelines:

1. Debt proceeds shall be secured as close to the date of expenditure as possible.
2. Debt maturity structures shall not exceed the lesser of the expected useful life of the project financed or 30 years.
3. Debt amortization schedules for long-term debt shall be structured with either annual level principal payments or annual level debt service payment.
4. Principal payments must be made no later than five years from the date of the debt issuance.
5. Debt covenants shall not consist of features that prohibit or restrict potential refunding or refinancing opportunities in the future.

H. Board of Trustees Approval

The Board of Trustees must approve all decisions regarding new debt as well as the refinancing and refunding of existing debt.

Action items that involve decision-making on debt shall include a financial plan that covers the useful life of the capital project to be financed. At minimum, the financial plan shall include estimates for the cost for design, acquisition, construction, financing and ongoing maintenance of the capital project.

I. Refunding/Refinancing

OHA shall monitor outstanding debt for refunding and refinancing opportunities at least annually. Refunding and refinancing decisions shall be considered under the following circumstances:

1. When refunding or refinancing would generate a net present value savings on debt service.
2. When refunding or refinancing would result in the modification of restrictive debt covenants.
3. When refunding or refinancing would involve the conversion between variable and fixed interest rate structures.

J. Debt Affordability Study ("Study")

The Study shall use generally accepted financial ratios that are consistent with the methodologies adopted by credit rating agencies. At minimum, the Study shall include the following financial ratios:

1. Outstanding debt as a percentage of unrestricted net assets,
2. Outstanding debt, pension and other post-employment benefit liabilities as a percentage of Unrestricted Net Assets,

3. Debt service as a percentage of Public Land Trust expenditures, and
4. Debt service, pension and other post-employment benefit contributions as a percentage of Public Land Trust expenditures.

J. Board Reporting

Consistent with OHA Executive Policy Manual section 3.4.f., a summary of outstanding debt shall be submitted in conjunction with the Multi-Year Financial Plan, which shall be submitted in conjunction with the Biennium Budget.

DEBT MANAGEMENT POLICY

I. PURPOSE

The purpose of this Debt Management Policy (“Policy”) is to ensure that all debt issuances undertaken by the Office of Hawaiian Affairs (“OHA”) are completed in an efficient manner and in accordance with best practices.

II. POLICY

It is the policy of the Board to adhere to prudent financial management practices and commit to long-term capital and financial planning. This Policy will enable OHA to foster consistency and optimize the use of its limited resources to meet its long-term capital needs.

OHA believes that debt is an equitable means of financing projects and represents an important means of meeting fiscal responsibilities. Adherence to a policy is essential to ensure that OHA maintains a sound debt position and protects the credit quality of its obligations.

OHA intends to use debt efficiently to maximize the delivery of projects within acceptable levels of risk, balancing obtaining the best possible credit ratings, minimizing interest costs, and optimizing future flexibility.

A. Purpose of Debt

OHA shall not incur debt that is more than necessary to fund the OHA project or purpose for which the issuance was approved and any associated financing costs. Debt proceeds should be secured as close to the date of expenditure as possible, unless there are practical reasons to issue sooner, in which cases such reasons should be documented and approved by the Board.

Debt should improve OHA’s net worth or help to generate value, including cultural value. Additionally:

1. OHA should not issue debt that it cannot repay or that causes it to incur undue financial risk. OHA should not take on debt without a repayment solution that is consistent with its spending and withdrawal policies and its budget.
2. Debt should be taken against an asset only for a financial gain. Prior to incurring debt, OHA must consider financial alternatives where its assets and portfolio are not totally at risk. OHA should leverage its assets wisely by using debt strategically and prudently.
3. A rigorous due diligence analysis should be conducted prior to issuance of debt, including impact of future budgets, sufficiency of revenues dedicated to debt service or operating costs of capital assets, and impact on ability to provide future services.

B. Financial and Credit Limitations

In addition to legal limitations, financial and credit limitations must also be considered, such as target coverage levels and credit ratings goals, before issuing new debt. In conjunction with this Policy, OHA will undertake a Debt Affordability Study (“Study”)

every two years to optimize the use of limited debt capacity while meeting public spending goals and to ensure the prudent use of debt and to preserve enough future debt capacity. The Study analyzes the OHA's debt profiles and presents relevant financial metrics to assess debt affordability. Before the issuance of any new debt, the analysis and recommendations of the most recent Study should be considered. The financial and credit impact of new debt must be evaluated, in order that OHA will not issue debt that it cannot repay or that causes it to incur undue financial risk.

III. SCOPE & AUTHORITY

The debt covered by this Policy is as defined in GASB Statement 88, namely: "[F]or this purpose, debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established." Debt includes, but is not limited to, issuances under Hawai'i Revised Statutes ("HRS") sections 10-22 and 10-23. Nothing in this Policy is intended to supersede the requirements of State or federal law, including Article VII, sections 12 and 13 of the State Constitution, HRS sections 13(2) and 10-36, and HRS chapter 10, part II. All debt is to be issued pursuant to the provisions, restrictions and limitations of the State Constitution, the HRS, the applicable provisions of the State of Hawai'i Debt Management Policy, applicable federal law, and other mandatory requirements.

IV. PROCEDURES TO IMPLEMENT THE POLICY

Ka Pouhana shall develop, for review by the Board, procedures regarding debt which shall be congruent with this Policy. The procedures shall model best practices for issuing debt. The procedures must address, at a minimum

1. Procedures for incurring and managing debt, including the requirements for the due diligence analysis and process prior to incurring debt, the process for requesting approval by the Board, and reporting requirements to the Board
2. Performance standards for OHA staff and external consultants, managers, or advisors
3. Permissible/impermissible forms of debt

The procedures shall detail how the policy principles will be implemented - what will be done, what resources will be used and what results will be expected.

V. EXCEPTIONS TO THE POLICY

While adherence to this Policy is required in applicable circumstances, changes in the capital markets, programs and other unforeseen circumstances may produce situations that are not covered by the Policy or require modifications or exceptions to achieve Policy goals. In these cases, the Board may consider and approve exceptions to provisions within this Policy. A memo detailing the rationale for any exception to the Policy must be submitted to the Board.

**MEETING OF THE
COMMITTEE ON RESOURCE MANAGEMENT
COMMITTEE REPORT**

May 22, 2019

The Honorable Colette Machado,
Chairperson Board of Trustees
Office of Hawaiian Affairs

Madame Chair Machado,

Your Joint Committees on Resource Management and Beneficiary Advocacy and Empowerment, having met on May 22, 2019 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

- A. Approve the Economic Development Policy, noting that Administration will return with the implementation procedures for Board action;
- B. Approve the Debt Management Policy, noting that Administration will return with the implementation procedures for Board action;
- C. Acknowledge the Spending Policy language and the existing Native Hawaiian Trust Fund (NHTF) Spending policy, as Amended, noting Administration will return with consolidated policy document for Board action; and
- D. Acknowledge the Investment and Real Estate Policy language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action.

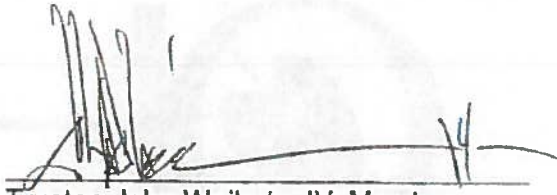
Relevant attachments are included for your information and reference. Attachment(s):

- 1) Action Item RM # 19-07
- 2) RM #19-07 Roll Call Sheet

Respectfully submitted:



Trustee, Chair Dan Ahuna



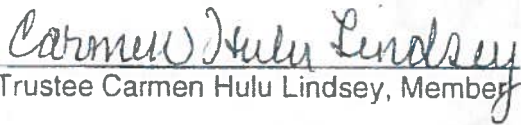
Trustee John Waihe'e, IV, Member

Excused

Trustee Leina'ala Ahu Isa, Member



Trustee Robert Lindsey, Member



Trustee Carmen Hulu Lindsey, Member



Trustee Colette Machado, Member

Excused

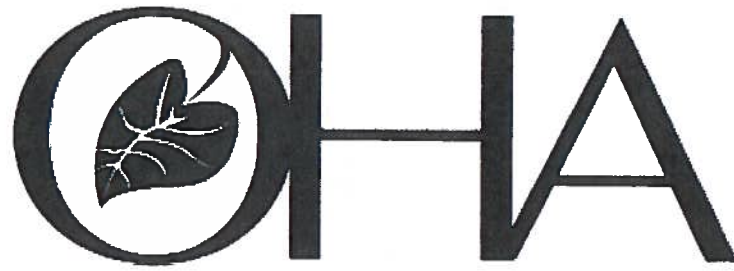
Trustee Brenden Lee, Member



Trustee Kalei Akaka, Member



Trustee Keli'i Akina, Member



DEBT MANAGEMENT PROCEDURES

Analysis & Recommendations

Prepared at the request from Administration:

Paul Harleman, MBA, EA
Trustee Aide
Office of Keli'i Akina, Ph.D., Trustee At-Large

August 14th, 2019

TABLE OF CONTENTS

I. OBJECTIVE	2
II. METHODOLOGY	3
III. DISCUSSION OF FINANCING OPTIONS	5
IV. REVIEW OF DEBT PROFILE	7
V. REVIEW OF FINANCIAL MEASURES	11
VI. DEBT AFFORDABILITY	15
VII. RECOMMENDATIONS	17
VIII. MAHALO	20

APPENDIX**A. DEBT PROFILE**

I. OBJECTIVE

On May 22, 2019, the Board of Trustees approved a series of board level policies, including a Debt Management Policy. The Debt Management Policy requires that specific procedures are developed to address the following:

1. Incurring and managing debt
2. Due diligence process and analysis
3. Board decision-making and reporting
4. Performance standards for OHA staff and external consultants
5. Permissible/impermissible forms of debt

The development of specific recommendations for debt management procedures requires that due diligence is performed to ensure that the proposed procedures align with OHA's current debt profile as well its future strategic and capital needs.

The objectives of this report are threefold:

- To provide a review of the best practices for debt management policies and procedures,
- To provide an analysis of OHA's current debt profile and future debt capacity, and
- To propose specific recommendations for the implementation procedures of the "Debt Management Policy."

II. METHODOLOGY

The (i) *Government Finance Officers Association ("GFOA") Best Practices for Debt Management Policies* and the (ii) *Standards & Poor's/Moody's Credit Ratings Framework* define best practices that OHA can use as a framework to develop its debt management procedures.

(i) GFOA Best Practices

The GFOA best practices for debt management policies are mainly developed for state and municipal governments that have the statutory authority to issue bonded debt instruments. Because OHA's statutory authority is limited to the issuance of revenue bonds, not all the GFOA best practices are relevant for OHA. Nevertheless, the following recommended GFOA framework for debt management policies can be used as an outline for OHA's debt management procedures (Appendix 1).

1. Conditions for debt issuance
2. Restrictions on debt issuance
3. Debt service limitations
4. Limitations on Outstanding debt
5. Characteristics of debt issuance
6. Debt issuance process

In addition to defining best practices for debt management procedures, the GFOA also provides guidance for structuring debt. The following guidelines for structuring debt are generally accepted as best practices:

- Match short-term capital needs with short-term debt, and long-term capital needs with long-term debt.
- Restrict variable rate debt to short-term financing in order reduce interest rate risk exposure.
- Restrict the use of long-term debt proceeds to capital projects.
- Prohibit use of long-term debt to fund current operations or new programs.
- Avoid debt covenants that unduly restrict the ability to redeem bonds and refinance non-bonded debt instruments.
- Do not extend the maturity of debt beyond the useful life of the capital project that is being financed.
- Adopt a debt amortization schedule with equal principal or debt service payments.

(ii) Standards & Poor's/Moody's Credit Ratings Framework

Standards & Poor's and Moody's are the two leading credit rating agencies that opine on the credit worthiness of both governmental and corporate bonds. The factors generally considered by credit rating agencies should therefore provide a baseline to develop OHA's debt management procedures.

Table 1 provides a summarized overview of the factors that credit rating agencies consider as part of their credit ratings process for general obligation bonds.

Table 1. Standards & Poor's/Moody's Credit Rating Criteriaⁱ

Credit Rating Criteria	S&P	Moody's
1. Economy	30%	30%
Diversified asset base		
Strong statewide economic indicators		
2. Financial Measures	30%	30%
Stable, diversified operating revenues		
Budgetary flexibility		
Fiscal reserves & liquidity		
3. Debt & Long-term Liabilities	10%	20%
Modest capital/debt needs and regularly updated CIP plans		
Rapid amortization of debt (less than 65% within 10 years is good)		
Predominantly fixed rate debt (less than 15% variable debt is good)		
Pension and OPEB ¹ funding funded based upon the ARC ²		
Carrying cost for debt (less than 15% of spending is good; greater than 25% is bad)		
4. Management & Institutional Framework	20%	20%
Efficient decision-making process and consistent cooperation among decision-makers		
Adherence to financial policies and timely reporting		
Support from state government in case of fiscal distress		

Source: Government Finance Officers Association, 108th Annual Conference, "Rating Agencies: How New Evaluation Criteria Could Impact Your Rating"

Since the "Management & Institutional Framework" and "Economy" criteria are already addressed by different policy working groups, the emphasis of this report is solely on the "Financial Measures" and "Debt & Long-Term Liabilities" categories.

The Debt Management Policy and related implementation procedures are certainly significant. However, as illustrated by the credit ratings framework, they are only part of the overall equation that affects OHA's creditworthiness. The work on the economic development policies and the additional efforts by the various Permitted Interaction Groups (PIG) are equally important.

Best practices from both the GFOA and the credit rating agencies are used throughout this report as the basis to evaluate OHA's current debt profile, future debt capacity, as well as the development of specific recommendations for debt management procedures.

¹ Other Post Employment Benefits; In OHA's case this refers to the contributions for the Employer Union Trust Fund (EUTF)

² Annual Required Contribution (ARC); In OHA's case this refers to the actuarially determined minimum annual contribution that must be made to the Employment Retirement System (ERS).

III. DISCUSSION OF FINANCING OPTIONS

OHA's financing options consist of (i) bonded debt options and (ii) conventional financing agreements.

(i) Bonded Debt

The bonded debt options available to OHA consist of reimbursable general obligation bonds, revenue bonds, and revenue bond anticipation notes.

Table 2. State of Hawaii Credit Ratings

Bond Program	Fitch	Moody's	S&P
State of Hawaii - G.O. Bonds	AA	Aa1	AA+
<u>Revenue Bonds</u>			
DHHL	A	Aa3	
DOT Airport System	A+	A1	AA-
DOT Harbor System	A+	A2	A+
DOT Highway System	AA	Aa2	AA-
HHFDC Rental Housing	A	A1	
HHFDC Single Family	AAA	Aaaa	AA+
UH Board of Regents	AA	Aa2	

- **Reimbursable G.O. Bonds³** are general obligation bonds that are issued by the State of Hawai'i on behalf of either a department or political subdivision. The bonds are secured by the full faith and credit of the State of Hawai'i and are subject to reimbursement of debt service payments from the beneficiary department or political subdivision.
- **Revenue Bonds⁴** are not secured by the full faith and credit of the State of Hawai'i and are instead secured by revenues to be derived from either the financed project, other departmental or agency revenues, or a combination of both.
- **Revenue Bond Anticipation Notes⁵** are notes that are secured by the proceeds of the sale of the revenue bonds and the revenues that are pledged towards the revenue bonds. They are used as a short-term financing vehicle in anticipation of the sale of revenue bonds.

Table 3 provides a summarized comparison of the reimbursable general obligation bonds and revenue bonds financing options that are available to OHA.

³ HRS § 10-31 (3) "Reimburse the general fund of the State for any bond requirements on general obligation bonds issued for an office project or projects to the extent required by law"

⁴ HRS § 10-27 (2) states that revenue bonds may contain covenants as to: "the use and disposition of the revenue of the office project", "the use and disposition of the revenue of all office projects", "and the revenues of the office"

⁵ HRS § 10-24

Table 3. Comparison: Reimbursable G.O. Bonds vs Revenue Bonds

	Reimbursable G.O. Bonds	Revenue Bonds
Credit Rating & Interest	Because the bonds are backed by the full faith and credit of the State of Hawai'i they generally carry a higher credit rating and lower interest rate.	OHA revenue bonds will likely have a lower credit rating than the State of Hawai'i.
Issuing Fees	The Department of Budget and Finance will cover the issuance fees.	<p>Budget and Finance Department could assist in the process. However, OHA would need to retain</p> <ol style="list-style-type: none"> 1) underwriter(s), 2) financial advisors (municipal advisor) to assist in the structuring of the bond issuance, 3) bond counsel to issue a disclosure with respect to the tax treatment of the bond, 4) bond trustee or fiscal agent, and 5) credit rating agencies. <p>According to a 2013 study done in California, the average issuance costs for bonds ranged from 2.5% - 0.4% per \$1,000⁷.</p>
Recurring Fees	The Department of Budget and Finance will cover the recurring fees.	<p>Requires ongoing costs for the following:</p> <ol style="list-style-type: none"> 1) Permanent employee(s) to manage the required recordkeeping, reporting and investor relations. 2) Annual credit ratings 3) bond trustee, and 4) arbitrage rebate service providers to ensure compliance with IRS arbitrage rules.
Legislative Approval	Requires legislative approval and more scrutiny.	Requires legislative approval. However, because revenue bonds are not backed by the full faith and credit of the State of Hawai'i, they are generally exposed to reduced levels of legislative scrutiny.

(ii) Financing Agreements

In addition to bonded debt instruments, OHA is also allowed to enter into conventional financing agreements such as loan agreements and lines of credit. However, according to HRS Chapter 37D and the State Debt Management Policy, financing agreements by departments and agencies are to be approved by the Director of Finance and Attorney General. It is unclear whether this requirement applies to OHA as a semi-autonomous state agency.

⁷ California Debt and Investment Advisory Commission

IV. REVIEW OF DEBT PROFILE

Review of OHA's debt profile requires that debt be properly defined for the purposes of this report. Action Item RM #18-12, which established a new budget system, and the recently adopted Debt Management Policy define debt and debt service as follows:

- **Debt Management Policy:**
 - "Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established."
- **RM 18-12 (Budgeting System):**
 - "Financing agreement means any lease purchase agreement, installment sale agreement, loan agreement, line of credit, or any other instrument of indebtedness of which the full faith and credit of OHA are pledged towards the payment of principal and interest."
 - "Debt Service means interest and principal repayments on financing agreements"

Considering these definitions, an obligation is therefore considered debt if it satisfies the following three criteria:

1. It is a contractual obligation to pay cash.
2. It is an amount that is fixed at the date the contractual obligation is established.
3. The full faith and credit of OHA are pledged towards the payment of principal and interest.

Subsequently, RM #18-12 requires that any payments made towards an obligation defined as debt be treated and budgeted as debt service. Strict readings of the definitions for debt and debt service require, therefore, that OHA's annual payments to DHHL are in fact included in OHA's debt profile as well as its assessment of future debt capacity.

Although the DHHL payments are currently classified as grants for budgetary purposes, they are reported as a discounted debt obligation⁸ on OHA's financial statements, and creditors and credit rating agencies are likely to include the DHHL financial obligation in their assessment of OHA's creditworthiness. For these reasons, the DHHL financial obligation is included in OHA's debt profile for the purposes of this analysis.

⁸ In 2012, the State Auditor required the total gross commitment to DHHL be reflected on OHA's balance sheet with a debt service schedule to correspond to the actual \$3 million payment. Subsequently, the \$90 million obligation was discounted according to a 30-year debt amortization schedule. (Source: OHA DHHL Evaluation Report, July 15, 2015)

(i) Outstanding Debt

Table 4. Debt Profile OHA

Agreement Date	Matures On	Entity	Amount	Debt Service	Interest Rate	Outstanding Principal (6/30/2018)
08/12/20018	5/22/2039	DHHL	\$41.8M ⁹	\$ 3M	N/A	\$ 29.5M ¹⁰
8/14/2012	9/1/2022	Bank of Hawaii	\$ 21.3M	\$ 1.3M ¹¹	3.6% ¹²	\$ 19.7M
2/2/2015	2/3/2024	Bank of Hawaii	\$ 5M ¹³	\$ 1.8M ¹⁴	3%-4.5% ¹⁵	\$ 8.3M
6/28/2013	6/28/2023	Bank of Hawaii	\$ 6.7M ¹⁶			

Table 4 provides a summary of OHA's debt profile. Appendix 1 provides a comprehensive analysis of the structural details of all financing agreements.

The carrying value ("book value") of OHA's outstanding debt as of June 30, 2018 amounts to \$57.5 million. It is important to note, however, that because of the unique characteristics of the DHHL financial obligation, the carrying value of OHA's outstanding debt is not consistent with the actual value of OHA's outstanding debt.

Per the accounting rules, only outstanding principal is reflected as a liability for financial statement purposes. In DHHL's case, the actual value of the financial obligation after the refinancing of the DHHL revenue bond amounts to \$41.6 million, which is \$12.1 million higher than the reported carrying value of \$29.5 million. Although the accounting rules allow for the discounting of financial obligation to DHHL, it is important to understand that unlike conventional debt instruments in which debtors are only liable for outstanding principal, OHA is contractually obligated to pay the entire outstanding balance of \$41.6M¹⁷ to DHHL.

For the purposes of this report, the carrying value of the DHHL liability is used as opposed to the actual value of the financial obligation. As a disclaimer, it is important to note that creditors and

⁹ This reflects the discounted value of the \$90 million financial obligation. The interest rate per the Supplemental Agreement #2337.01 is 5.733%, which allows OHA to discount the financial obligation based upon a 30-year debt service amortization schedule.

¹⁰ This reflects the discounted carrying value: the full obligation to be repaid after the refinancing of the DHHL revenue bonds amounts to \$43.6 million

¹¹ This does not include the payment of \$17.3 million in 2023.

¹² This reflects the amended rate. The initial interest rate was 3.35%.

¹³ This reflects the maximum allowable draw.

¹⁴ No principal payments have been made as of June 30, 2018.

¹⁵ The interest for the lines of credit are based upon the following elections made by OHA: Variable options are base rate +/- 0.5%, LIBOR +/- 0.75%; Fixed option is federal home loan bank index +/- 0.75%. The current Base Rate is 4.5%, LIBOR is 2.2%; 6-year federal home loan bank index is 2.39%.

¹⁶ This reflects the maximum allowable draw.

¹⁷ OHA Legal Counsel is of the position, as shared during the meetings of the FSP DHHL work group, that OHA is legally required to pay the entire outstanding balance of the DHHL financial obligation. Only DHHL is able to reduce the amount of the financial obligation.

rating agencies may use the actual value of the DHHL obligation in their assessment of OHA's creditworthiness.

(ii) Debt service & Amortization

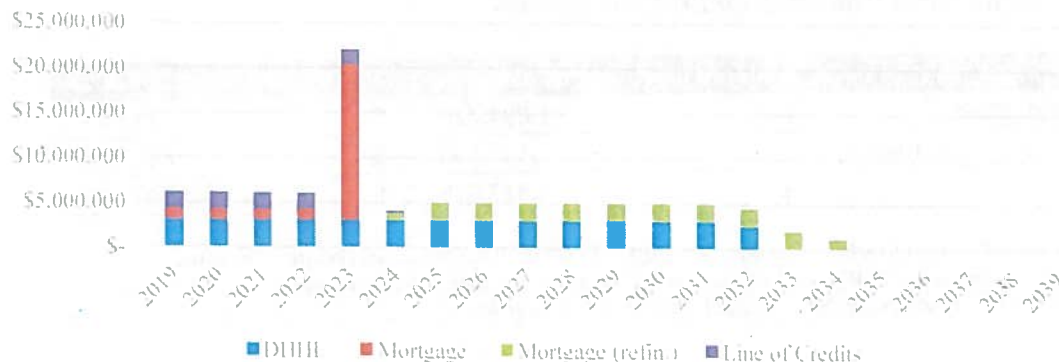
According to the current debt amortization schedule, more than 63% of outstanding principal is expected to be repaid within the next ten years. This is generally viewed as positive factor. However, since the current debt service schedule consists of a \$17 million payment for Nā Lama Kukui in 2023, it does not provide for a realistic scenario.

Table 5. Outstanding Principal



It's reasonable to assume that the mortgage with Bank of Hawaii will have to be refinanced in 2023. The displayed amortization schedule assumes a refinancing of the mortgage at a 3% fixed rate for 10-years. The 10-year 3% fixed rate loan would mirror the current debt service for Nā Lama Kukui. Under this scenario, only 49% of outstanding principal is expected to be repaid within the next ten years, which is less than the 63% benchmark established by the credit rating agencies.

Table 6. Debt Service Schedule



Sources for Table 5 and 6: Mortgage and Line of Credit debt schedule is retrieved from the OHA Financial Statements 2018, Note L – Long Term Liabilities. DHHL debt schedule is retrieved from the DHHL Memorandum to Chair Machado (August 10, 2017). Mortgage refinancing assumes that the Bank of Hawaii mortgage is refinanced at a fixed 10-year loan at 3%.

(iii) Net Pension and OPEB Liabilities

In addition to debt, OHA's credit worthiness is also affected by its participation in the Employment Retirement System ("ERS") and the Employer Union Trust Fund ("EUTF"). Due to recent changes in the government accounting standards, OHA's proportionate share of the unfunded liabilities for the ERS and EUTF are now fully disclosed on OHA's financial statements.

Although the Board of Trustees has limited ability to manage OHA's risk exposure to increased future payments for pension and OPEB liabilities, the likelihood of increased future payments should be carefully evaluated in the context of debt decision-making.

The ERS and EUTF are required to conduct an actuarial valuation study every two years. The actuarial valuation studies contain a projected schedule with minimum annual required contributions for the next 30 years.

Since these actuarial valuation studies form the basis for potential future fringe benefit rate increases, they should be carefully reviewed on a regular basis. Especially the risk exposure to increased healthcare costs needs to be monitored carefully. Under the most recent actuarial study for the EUTF, a 1% increase in the assumption that is used to project healthcare costs could potentially result in a 17% increase of OHA's Net Pension Liability¹⁸.

Table 7. Net Pension and OPEB Liability

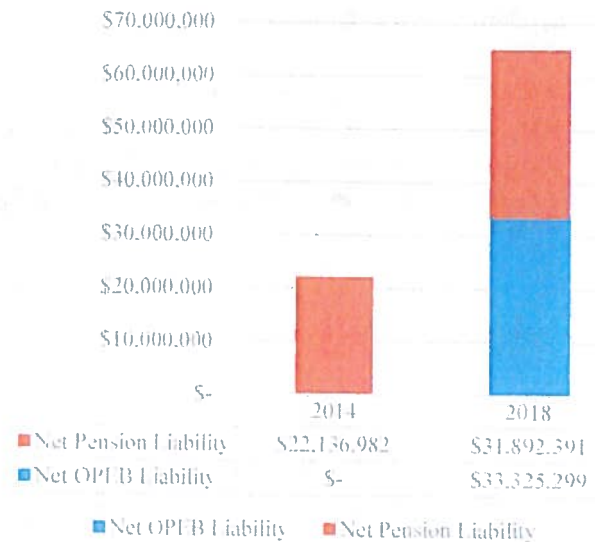


Table 8. Annual Required Pension & OPEB Contributions

	Required Contribution FY2018		Actual Contribution FY 2018	
Pension Contribution	\$	1,694,776	\$	1,621,477
OPEB Contribution (Healthcare)	\$	2,123,100	\$	1,881,695
Total	\$	3,817,876	\$	3,503,172

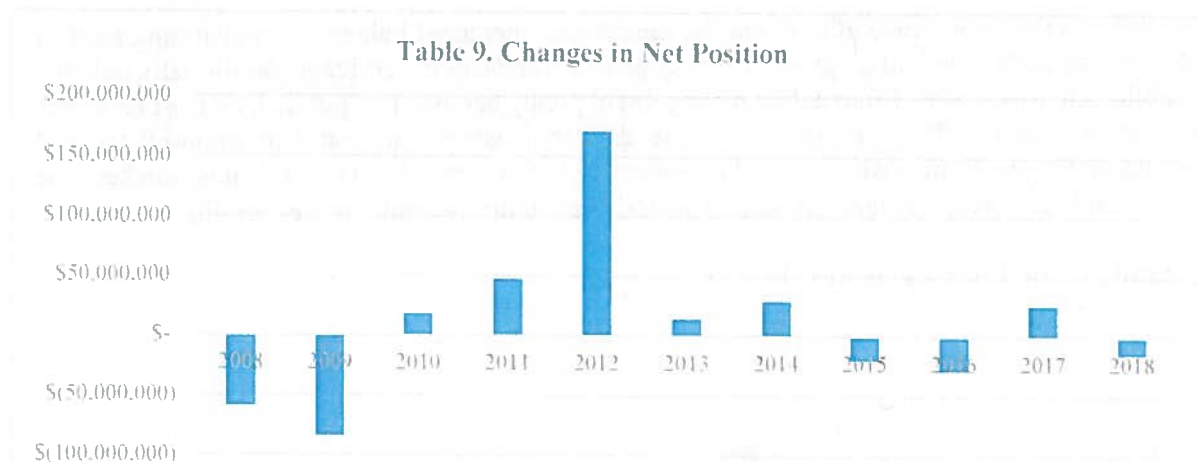
Sources for Table 7 and 8: OHA Financial Statements 2018. Schedule of Contributions (Pensions) page 69. Schedule of Contributions (OPEB) page 72. Schedule of Changes in Net OPEB Liability page 71. Schedule of OHA's Proportionate Share of Net Pension Liability page 68.

¹⁸ Hawaii Employer Union Health Benefit Trust Fund Retiree Health Care Plan, Actuarial Valuation Report as of July 1, 2018. Page 16.

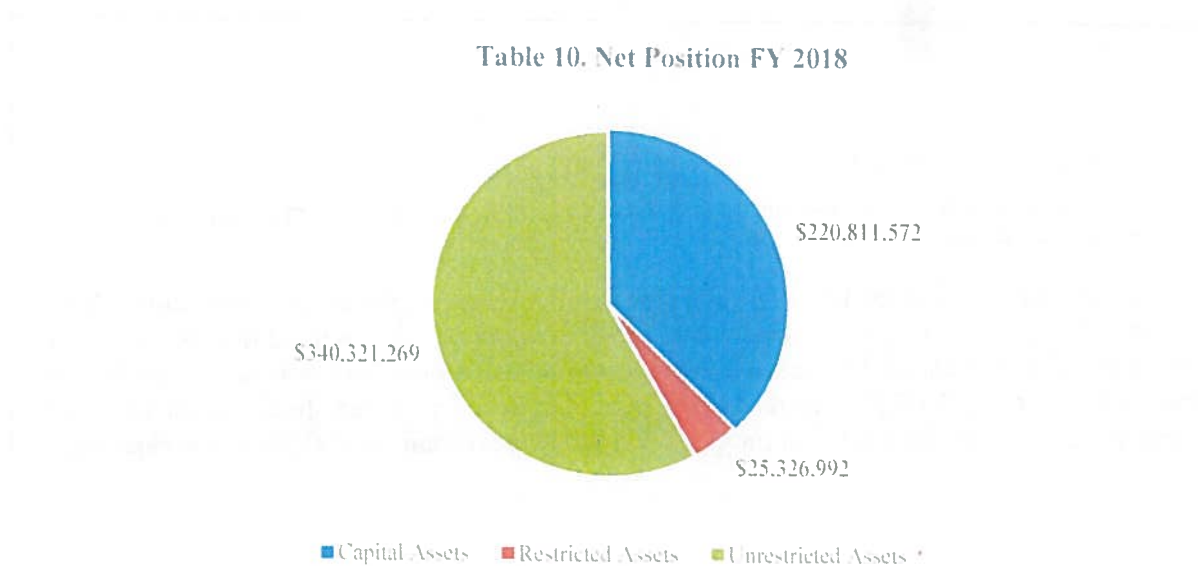
V. REVIEW OF FINANCIAL MEASURES

Financial measures such as the performance of assets, revenue generated capabilities, as well as the flexibility to adjust expenditures are important considerations with respect to the issuance and management of debt.

(i) Net Assets



Over time, increases and decreases in the net position provides a useful indicator of whether OHA's financial position is improving or deteriorating. Since 2008, OHA's net assets have grown from \$446 million to \$586 million. However, this growth is primarily due to the transfer of Kaka'ako Makai (valued at \$200 million) by the State of Hawai'i in 2012.



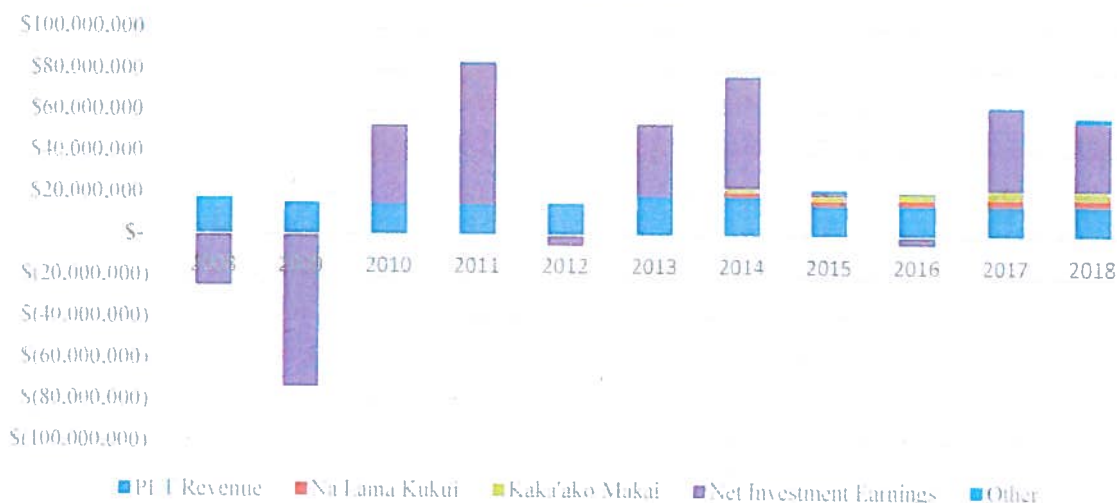
Sources for Table 9 and 10. OHA Financial Statements for the period 2008-2018, Statement of Net Position

In addition to changes in net position, OHA's unrestricted net assets reflect an important measurement of the solvency OHA, which refers to OHA's ability to meet long-term debt and financial obligations. However, since OHA has the discretion to sell its commercial properties, the unrestricted net asset balance, combined with the appraised value of commercial real estate assets would provide a more suitable measurement of OHA's solvency. Because real-estate assets are recorded at their book value for financial statement purposes, OHA should consider regular appraisals for commercial real estate in order to better assess future debt solvency ratios.

In addition to the importance of tracking the unrestricted net asset balance, it is also important to highlight that due to the budget proviso for the general funds, debt service is traditionally paid for by public land trust assets. From a debt management policy perspective, public land trust revenues and expenditures are therefore an appropriate debt management indicator as opposed to total revenues and expenditures, which would provide a distorted view of OHA's debt position because it would include general, federal, as well as proprietary fund¹⁹ revenues and expenditures.

(ii) Public Land Trust Revenue ("PLT")

Table 11. PLT Revenue



Sources: OHA Financial Statements 2008-2018. Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances.

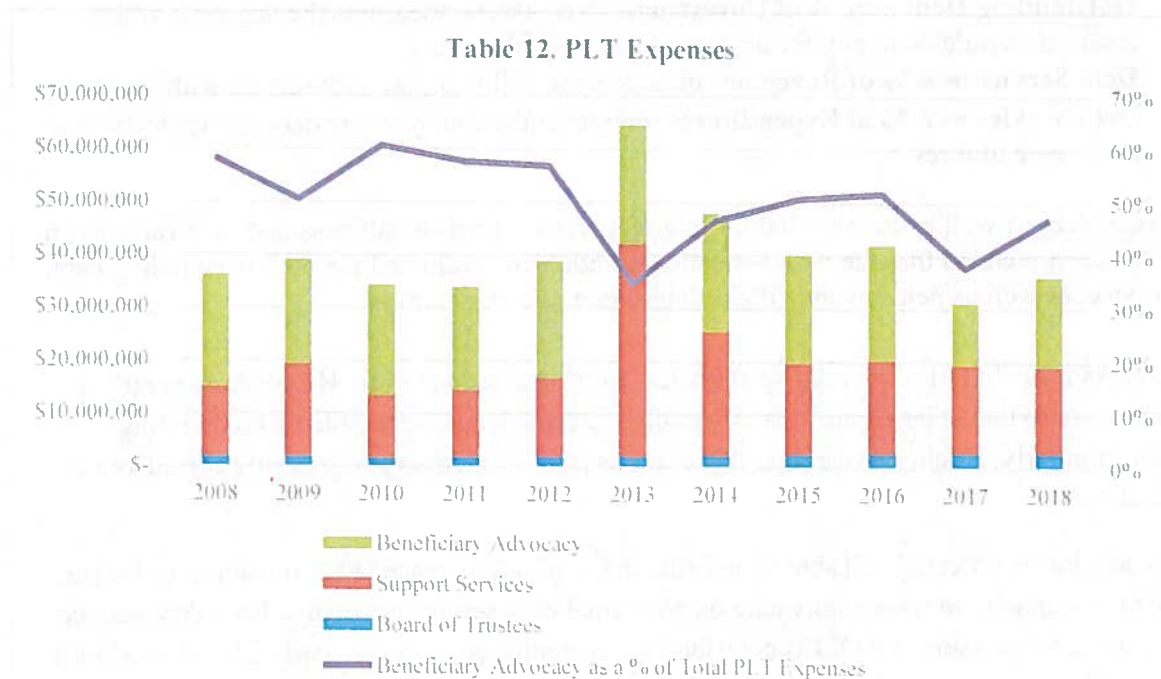
Revenues are often used as the basis for debt policies. For example, the State Constitutional limit for outstanding general obligation bonds is tied to 18.5% of the average general fund revenues for the preceding three years. PLT revenues are predominately tied to the performance of the Native Hawaiian Trust Fund ("NHTF") financial assets portfolio. Because of the volatility of the financial markets, the PLT revenues would not provide for a stable measurement of OHA's debt capacity.

¹⁹ Reflects Hi'ilei Aloha LLC and Ho'okele Pono LLC

(iii) Public Land Trust Expenditures

In contrast to the PLT revenues, PLT expenses have been relatively stable throughout the last decade because they are subject to the Spending Policy, which restricts draws to the 20-month moving average of the NHTF.

Because of the stability, PLT expenditures form a better measurement of OHA's debt capacity. This approach is consistent with the City & County of Honolulu, which has capped debt service on general obligation bonds to 20% of the operating budget²⁰.



Sources: OHA Financial Statements 2008-2018. Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances.

With respect to the issuance of debt, OHA should also assess how future debt service payment would impact its ability to respond to the growing needs among beneficiaries. A review of PLT expenditures illustrates that within the last decade, the share of beneficiary expenditures relative to total PLT expenses has gradually declined from 58% in 2008 to 47% in 2018. OHA defines beneficiary advocacy expenditures on its financial statements as disbursements that provide for the “betterment of all Hawaiians through improving access to resources, benefits, and services, in the areas of housing, education, health, and economic development”²¹.

Because beneficiary advocacy is at the core of OHA's mission, it would be prudent to evaluate and assess the impact of future debt service payments on beneficiary advocacy expenditures.

²⁰ Office of the City Auditor. Audit of the City Debt Service Practices (2006)

²¹ OHA annual financial statements (2018), page 5.

VI. DEBT AFFORDABILITY

The recently adopted Debt Management Policy requires that a “Debt Affordability Study” be conducted every two years to “optimize the use of limited debt capacity while meeting public spending goals and to ensure the prudent use of debt and to preserve enough future debt capacity.”

The credit rating agencies provide a framework of commonly used debt ratios that OHA could implement as part of the “Debt Affordability Study”. The following debt ratios are commonly used:

- **Outstanding Debt as a % of Unrestricted Net Assets:** measures the degree to which assets are available to pay for debt and financial obligations.
- **Debt Service as a % of Revenues:** measures the ability to pay debt service with revenues.
- **Debt Service as a % of Expenditures:** measures the ability to pay debt service relative to other expenditures.

Since both debt as well as pension liabilities affect OHA’s creditworthiness and debt capacity, it is highly recommended that the above-mentioned ratios are evaluated for both outstanding debt, debt service, as well as pension and OPEB liabilities and contributions.

Benchmarks for debt ratios are relative statistics that fluctuate over time. However, generally a debt service ratio that is less than 15% of spending is considered acceptable by credit rating agencies. Similarly, a debt service ratio that exceeds 25% of spending is generally considered as unfavorable.

OHA’s debt ratios reflected in Table 13 indicate that without increased PLT revenues, OHA has limited to no capacity to responsibly take on additional debt service payments. Both debt service and payments for pension and OPEB contributions currently account for nearly 25% of total PLT expenses. This means that in the absence of revenue generating activity, incurring additional debt service will negatively affect OHA’s creditworthiness as well as its ability to respond to the growing needs among beneficiaries.

Table 13. Debt Capacity Assessment

	Actual					Projected						
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>As a % of Unrestricted Net Assets</u>												
Outstanding Debt	17.5%	19.6%	21.8%	19.4%	17.1%	16.2%	15.0%	13.9%	12.8%	11.6%	10.4%	9.3%
Pension & OPEB Liabilities	5.7%	5.8%	6.8%	18.7%	19.3%	18.9%	19.1%	19.2%	19.3%	19.3%	19.3%	19.3%
Outstanding Debt, Pension & OPEB Liabilities	23.2%	25.4%	28.6%	38.1%	36.4%	35.1%	34.2%	33.2%	32.1%	30.9%	29.7%	28.5%
<u>As a % of Unrestricted Net Assets & Commercial Properties (book value)</u>												
Outstanding Debt	11.1%	12.0%	12.9%	11.9%	10.3%	9.9%	9.2%	8.5%	7.8%	7.1%	6.3%	5.7%
Pension & OPEB Liabilities	3.7%	3.6%	4.0%	11.5%	11.7%	11.6%	11.7%	11.8%	11.8%	11.8%	11.8%	11.8%
Outstanding Debt, Pension & OPEB Liabilities	14.8%	15.5%	16.9%	23.4%	22.0%	21.5%	20.9%	20.3%	19.6%	18.9%	18.2%	17.5%
<u>As a % of Public Land Trust Revenue</u>												
Debt Service	5.1%	19.2%	25.2%	7.9%	8.8%	14.2%	14.3%	14.1%	13.9%	11.8%	11.2%	10.7%
Pension & OPEB	2.0%	11.9%	15.2%	5.0%	5.6%	7.6%	7.8%	7.9%	8.0%	8.1%	8.2%	8.3%
Non-Discretionary Costs	7.2%	31.1%	40.4%	12.9%	14.4%	21.9%	22.1%	21.9%	21.8%	19.9%	19.4%	19.0%
<u>As a % of Public Land Trust Expenses</u>												
Debt Service	7.8%	10.7%	10.5%	16.0%	14.1%	16.9%	17.0%	16.7%	16.4%	14.0%	13.3%	12.7%
Pension & OPEB	3.1%	6.7%	6.4%	10.1%	8.9%	9.1%	9.2%	9.3%	9.4%	9.6%	9.7%	9.8%
Non-Discretionary Costs	10.9%	17.4%	16.9%	26.1%	23.0%	25.9%	26.2%	26.0%	25.9%	23.5%	23.0%	22.5%

Actual Financial Data (2014-2018):

The actual financial figures are derived from the OHIA Financial Statements for 2014-2018.

Debt and debt service data is derived from Note L Changes in long-term liabilities (Compensated absences and capital lease obligations are excluded). The DHHL outstanding debt balance is derived from the Governmental Funds – Balance Sheet Committed fund balance for the Public Land Trust. The data for unrestricted net assets and outstanding pension and OPEB liabilities is derived from the Statement of Net Position.

Projected Financial Data (2019-2025):

The projected financial data for the 2019-2025 time-frame is based on various assumptions.

The pension and OPEB liabilities and contributions are assumed to grow proportionately to the Unfunded Actuarial Accrued Liability (UAAL) and Annual Required Contribution (ARC) as projected by the most recent actuarial valuations for the ERS and EUTF.

The Public Land Trust revenues and expenditures are based on the 5-year average for 2014-2018.

VII. RECOMMENDATIONS

The following provides a summary of findings with respect to OHA's debt profile and debt capacity. The SWOT analysis forms the basis for (i) strategic considerations and (ii) specific recommendations for OHA's debt management procedures.

Strengths:

- The ratio of current debt service to PLT expenditures is within acceptable limits (less than 15% is good).

Weakness:

- Only 49% of outstanding debt is scheduled to be repaid within the next 10 years (less than 65% is the benchmark).
- The refinancing of the mortgage for Na Lama Kukui has reduced the recourse to 53% of the property value. However, the refinancing has also increased the interest rate from 3.3 to 3.6%.
- Payments of principal for the mortgage for Na Lama Kukui and lines of credit were delayed by two years.
- A line of credit is designed to provide short-term liquidity, and was not a suitable method to finance capital improvement projects for Na Lama Kukui.
- The mortgage for Na Lama Kukui includes a 1% prepayment privilege fee, which has increased the costs for future refinancing.
- The mortgage for Na Lama Kukui has a final payment that consists of 87% of principal due in 2023.
- The DHHL obligation has substantially reduced OHA's debt capacity.

Opportunities:

- All current debt is held by Bank of Hawaii. Banking diversification could provide more favorable financing terms and potential for increased deposit returns.
- The implementation of debt management procedures could lead to better financing decisions.
- Reimbursable G.O. Bond could potentially provide an affordable and effective means of financing for OHA.
- The development of formal cash management policies and procedures could lead to increased deposit returns on excess cash.
- Closer cooperation with the Budget & Finance department with respect to financing decisions could potentially lead to more favorable terms on conventional financing agreements.

Threats:

- Since OHA is a participating employer within the EUTF, its debt capacity could be impacted by potential liability adjustments due to changing projections for future healthcare inflation.
- Beneficiary advocacy expenses have gradually declined from 58% of total PLT expenses in 2008 to 47% in 2018.
- It is unclear currently whether OHA's financing agreements require formal approval from the Hawai'i Finance Director and Attorney General (HRS Chapter 37D).

(i) Strategic Considerations

The following provides strategic recommendations to be considered in discussions of debt management procedures.

- **Cash Management Policy** – The development of an organization-wide cash management policy could potentially result in increased deposit returns and efficiencies in the management of working capital.
- **Relationship with Budget & Finance** – Fostering a formal relationship with the Department of Budget & Finance could potentially result in more favorable financing terms through either Reimbursable G.O. Bonds or collaborations on conventional financing agreements with local and national banks.
- **Banking Diversification** – Banking diversification, at both the state and national level, could potentially result in more favorable financing terms as well as deposit returns through a more formalized treasury function.

(ii) Recommendations for Debt Management Procedures

The following are specific recommendations for the development of OHA's debt management procedures.

1. Distinguish between short-term (<3 years) and long-term debt (>3 years).
2. Establish a debt ceiling that limits debt service to less than 20% of total PLT expenses.
3. Restrict long-term debt to capital improvement projects only, and prohibit the use of debt proceeds for operating or maintenance expenses.
4. Use the credit rating agency framework as the basis for the "Debt Affordability Study."
5. Prohibit the issuance of conduit debt obligations and non-exchange financial guarantees such as the DHHL financial obligation.
6. Avoid debt covenants that include features that prohibit or restrict future refunding or refinancing opportunities.
7. Require that principal payments are made no later than five years from the date of the debt issuance.
8. Restrict debt maturity schedules to the lesser of the expected useful life of the project financed or 30 years.
9. Use debt amortization schedules that are structured with either fixed annual principal or debt service payments.
10. Encourage diversification among banks as an effort to obtain more favorable financing terms.
11. For revenue bonds, use the "State Debt Management Policy" as the policy and require formal coordination with the State of Hawai'i Director of Finance (HRS § 39-68)

12. The current policy requires that debt only be taken against an asset for a “financial gain”. Providing a working definition for “financial gain” in the procedures provides better guidance and more flexibility with respect to projects that consist of predominantly cultural gains as opposed to financial gains.
13. Require formal Board of Trustees approval of all decision-making on new debt as well as the refinancing of existing debt.
14. Require that refinancing opportunities be reviewed on a regular basis.

(iii) Recommendations for Implementation

The following are some recommendations that could be considered as part of the implementation of the proposed debt management procedures.

1. Obtain a legal opinion from Board Counsel and the Attorney General to determine whether OHA is required to comply with the requirements of HRS Chapter 37D.
2. Since the DHHL debt service payments are properly classified as beneficiary advocacy expenditures, consider reclassifying the DHHL grant to debt service for budgeting purposes.
3. Create a formal nexus between the budget and the financial statements by classifying budgeted expenses by fund type (General Fund, Public Land Trust, Federal Funds, Other) and financial reporting division (Beneficiary Advocacy, Support Services, Board of Trustees).
4. Create a cash management policy and treasury function to better manage OHA’s working capital and potentially increase returns on cash deposits.

VIII. MAHALO

This research was conducted at the request from OHA Administration. The research would not have been possible without the contributions, expertise, support and guidance from the following individuals:

- Rodney Lee; Executive VP, Spire Hawaii LLP
- Lucas Sayin; Partner, Spire Hawaii LLP
- Gill Berger; Chairman Board of Directors (retired), Pacific Rim Bank.
- Wes Machida; State of Hawaii Budget Director (retired)
- Kalbert Young; VP Finance, University of Hawaii
- Ray Matsuura; OHA Investment Manager

APPENDIX A - DEBT PROFILE

ATTACHMENT D

Agreement Date	Matures On	Maturity	Entity	Type	Purpose	Amount	Debt Service (Annually)	Interest Rate	Outstanding Principal (6/30/2018)	Fixed/Variable Rate	Amortization	Lien/Pledge	Covenants	Optional Redemption
08/12/20018	5/22/2039	30 years	DHHL	Non-Exchange Financial Agreement	Programmatic Support: DHHL	\$42,500,000 (reflects the discounted value of the \$90M financial obligation)	\$3,000,000	N/A	\$ 29,516,390	N/A	Equal installments	N/A	N/A	N/A
8/14/2012	9/1/2022	10 years	BOH	Mortgage	Capital Acquisition: Na Lama Kukui	\$ 21,370,000	\$1,297,593 (balloon payment of \$17,368,929)	3.35% (initial); 3.6% amended (7/13/2013)	\$ 19,734,367	Fixed	Based on 25 year amortization schedule, with balloon payment of principal balance at the end in 2023	Mortgage lien on property; assignment of lease rents; security interest in furniture & fixtures (7/13/2013 amendment reduces of OHA to 53.25% of principal and allows for the property to be transferred into a fully owned subsidiary (corporate entity))	Minimum unrestricted net asset balance of \$250M; Minimum liquidity of \$100K; Maintain a minimum debt service coverage ratio from cash flow generated by the property of 1.00-1.25	Subject to 1% prepayment privilege fee of principal prepayment/refinancing
2/3/2015	2/1/2024	7 years	BOH	Line of Credit	Programmatic Support: Governance Planning Initiative	\$5,000,000 (max draw)	Starting FY 2019, annual debt service is \$1,824,717 (the debt service is gradually reduced over 6 years)	Optional: Variable options are base rate +/- 0.5%; LIBOR +/- 0.75%; Fixed option is federal home loan bank index +/- 0.75%; (Current Base BOH base rate is 4.5%; LIBOR is 2.2%; 6-year federal home loan bank index is 2.39%)	\$ 8,325,704	Option between fixed and variable	During the "Draw Period" (> 4/1/2017) only interest is payable. During the "Term Period" (<4/1/2017), principal and interest are amortized over the term period that is elected. As of 6/30/2018, no principal payments have been made).	Security interest up to \$11,758,000 of all assets held in the Siga Real Asset Strategy account maintained by State Street Bank	Minimum unrestricted net asset balance of \$250M; Minimum liquidity of \$100K;	No prepayment privilege fee
6/28/2013	6/28/2023	10 years	BOH	Line of Credit	Capital improvement: Finance renovation of Na Lama Kukui	\$6,758,000 (max draw)								

OHA Revenue Bonds

White Paper



JULY 2019 .

700 Bishop Street | Suite 2001 | Honolulu, Hawaii | 96813

Section 1

Introduction

This white paper summarizes the origins of OHA's revenue bond authority and describes the conditions necessary for an OHA revenue bond issuance. This white paper is a research summary and should not be considered legal or financial advice.

Short summary

OHA has statutory revenue bond authority to finance its projects. However, in order to consider revenue bonds as a financing option, OHA must have enough reliable revenue streams to support the bond issuance, as well as the fiscal, human and infrastructure resources necessary to support the bond through its life. Until OHA can meet these conditions, it should consider more conventional means of financing, provided debt policy requirements can be met.

OHA's Revenue Bond Authority

The authority for OHA to issue revenue bonds¹ is statutory, and not constitutional. This authority was granted by Act 283 of the 1994 State Legislature and was codified as Part II of Hawaii Revised Statutes ("HRS") chapter 10.

Act 283 defined OHA revenue bonds as "revenue bonds, interim certificates, notes, debentures, or other evidence of indebtedness of the board authorized by or issued under this part" and stated that the purpose of granting OHA revenue bond authority was to "enable the office to maximize the trust funds without eroding the trust corpus by providing another alternative to leverage the trust funds."²

¹ Revenue bonds are a form of debt, secured by revenues of the issuing entity.

² It is noteworthy that prior to the passage of Act 283, OHA filed a lawsuit on January 14, 1994, against the State based on the failure of the State to fully compensate OHA for its share of State revenues. Andrade, Troy J.H., Changing Tides, A Political And Legal History of the Office of Hawaiian Affairs (May 2016), page 100.

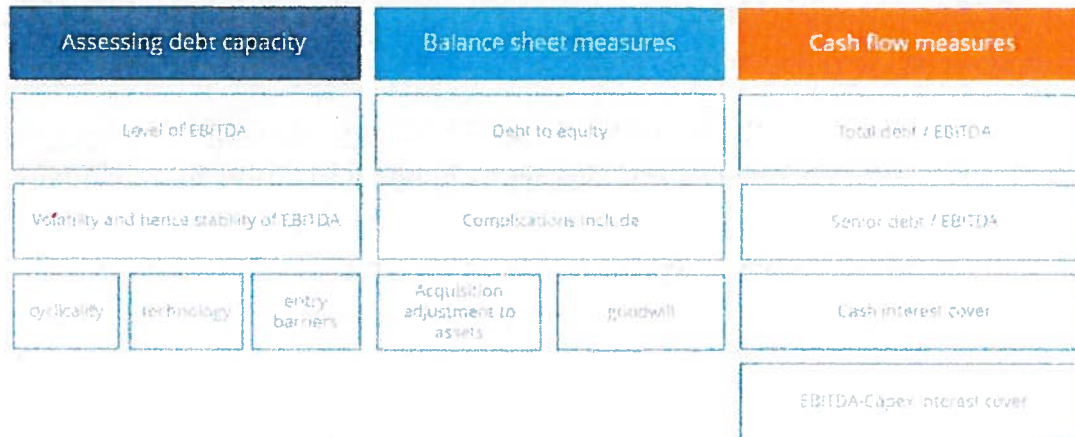
previously committed funds from inclusion in the definition of “revenues of the office.” Revenues are now defined in HRS §10-21 as:

“Revenues of the office” or “office’s revenue” means all rates, rentals, fees and charges, and user taxes, received by the office of Hawaiian affairs, and all money and revenue derived from the operations of the office, other than:

(1) General appropriations; and

(2) Funds, the terms of which preclude their being used for payment of the costs of acquisition, purchase, construction, reconstruction, improvement, betterment, extension, or maintenance of an office project or the costs of a loan program or the payment of principal or interest of revenue bonds.⁷

⁷ Consideration of “loan programs” was added in 2013, by Act 171.



Source: <https://corporatefinanceinstitute.com/resources/knowledge/finance/assessing-debt-capacity/>

By using the ratios captured above, OHA, with its financial specialists, can assess the amount of bonds it can realistically manage. This can be achieved as long as the amount of cash at hand from OHA can easily cover the interest expense, and ultimately cover the principle repayments that are required. Bond lenders will look at a combination of balance sheet measures and cash flow measures when assessing OHA's total debt capacity of the bond.

Also affecting the amount of bonds that can be issued is HRS §39-61, which requires that the undertaking or loan program financed by revenue bonds must be self-sustaining:

"Rates, rentals, fees, and charges; undertaking and loan programs to be self-sustaining. (a) The department issuing revenue bonds pursuant to this part shall impose, prescribe, and collect rates, rentals, fees, or charges for the use and services of, and the facilities and commodities furnished by, the undertaking or for the use and services and benefits of the loan program for which the revenue bonds are issued, and shall from time to time whenever necessary, so that, together with the proceeds of the user taxes derived with respect to the undertaking pledged to the payment of those revenue bonds, the undertaking or loan program shall be and always remain self-sustaining. The rates, rentals, fees, or charges imposed

interest of the bonds and any economic or other trends that may impact revenues. The MSRB was established by Congress in 1975, to protect municipal securities investors, municipal entities and the public interest. In support of their mission to protect public interest, MSRB provides educational resources to help inform potential investors about municipal securities. Per MSRB "a credit rating is the evaluation or assessment that a rating agency assigns to a bond to indicate the likelihood that the issuer will repay the bond."⁹ Investment grade bonds are rated as BBB-/Baa3, and without an obvious stream of revenue to repay the bond issuance, being rated as an investment grade bond may prove difficult.

Unlike other government agencies with substantial tax or fee revenues, OHA might not have enough reliable revenue sources to support the kind of issuance it needs.¹⁰

2. Assess adequacy of infrastructure for bond issuance

Considerable resources and infrastructure are needed to support a bond issuance. First, fiscal resources are required. OHA must pledge adequate funds for the punctual payment of revenue bonds and interest (from the revenue of the office project or projects or loan program or programs for which the bonds have been issued, or the revenues of the office, or both), and for reasonable reserves to back these payments.¹¹ In addition, OHA, as an issuer, will also incur other issuance expenses, which vary according to the nature, size and complexity of the financing. These include underwriting costs and insurance. Issuance costs must be paid for by OHA under HRS §10-22, which provides that "OHA must advance such moneys of the office, not otherwise required, as are necessary to pay the expenses incurred in making the preparations for the initial issuance of revenue bonds under this part."

⁹ <http://www.msrb.org/~media/Files/Education/Credit-Rating-Basics-for-Municipal-Bond-Investors.ashx??>

¹⁰ The PLT revenues are now capped at \$15,100,000, and are not immune to future (downward or upward) adjustment by the State Legislature.

¹¹ HRS §10-22.

- Rigorous due diligence analysis, including assessing the sufficiency of revenues dedicated to debt service, consideration of the operating cost of capital assets and the impact on OHA's ability to provide future services
- Debt Affordability Study (if one has not been done in the last two years)
- Financial and credit impact of new debt

HRS §10-36 requires OHA comply with the State constitutional requirements for bonds in Article VII, sections §§12 and 13, therefore, these requirements will prevail over any contradictory language in HRS chapter 10. Also, as a State agency, OHA is required to follow the requirements applicable to State agencies, unless specifically exempted.

OHA must submit the BOT resolution to the State legislature for approval to issue the bonds. It is significant to note that by Act 146, 2009 SLH, the State legislature amended HRS §10-4(6) to remove the language that stated the principal amounts of OHA's revenue bonds needed to be "authorized from time to time by law." The reason for this removal was that OHA's authority to issue revenue bonds would be strengthened, because the BOT could "[i]ssue revenue bonds without legislative authorization and approval."¹⁵ However, the same legislature inexplicably added back the requirement for legislative approval in an amendment to HRS §10-22(2), by inserting the requirement that revenue bonds issued under HRS chapter 10 needed to be in such principal amounts "as may be authorized by the legislature from time to time." There is no written legislative history that appears to directly address this discrepancy.

If other State agencies issue bonds for capital improvements, they must receive capital appropriation authorization. In OHA's case, there is no requirement in HRS §10-22(2) that the cost of the "office project" funded by the revenue bond must be "as authorized by law."¹⁶ To be certain about the applicability of the capital

¹⁵ Conference Committee Rep. No. 161 on H.B. No. 899, H.D. 1, S.D. 1, C.D. 1 (2009)

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Section 3**Other Bond Options**

HRS §10-31 states, in part, that:

...the revenues of the office project or the loan program, and the revenues of the office shall produce revenue at least sufficient to:

* * * *

(3) Reimburse the general fund of the State for any bond requirements on general obligation bonds issued for an office project or projects or for a loan program or programs to the extent required by law;

This language implies that OHA can request that the State issue general obligation bonds for its projects or loan programs. General obligation bonds of the State must be authorized pursuant to the State Constitution by a majority vote of the members to which each house of the Legislature is entitled. The Legislature enacts laws specifying the amount of such bonds that may be issued and defining the purposes for which the bonds are to be issued.

RM #19-15 Action Regarding the Debt
Management Policy Implementation
Procedures

ATTACHMENT E

OHA Revenue Bonds

White Paper



JULY 2019

700 Bishop Street | Suite 2001 | Honolulu, Hawaii 96813

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Assessing debt capacity			Balance sheet measures		Cash flow measures
Level of EBITDA			Debt to equity		Total debt / EBITDA
Volatility and hence stability of EBITDA			Complications include		Senior debt / EBITDA
cyclicality	technology	entry barriers	Acquisition adjustment to assets	goodwill	Cash interest cover
					EBITDA Capex interest cover

Source: <https://corporatefinanceinstitute.com/resources/knowledge/finance/assessing-debt-capacity/>

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This language implies that OHA can request that the State issue general obligation bonds for its projects or loan programs. General obligation bonds of the State must be authorized pursuant to the State Constitution by a majority vote of the members to which each house of the Legislature is entitled. The Legislature enacts laws specifying the amount of such bonds that may be issued and defining the purposes for which the bonds are to be issued.

Office of Hawaiian Affairs
560 N Nimitz Hwy. Ste. 200
Honolulu, HI 96817

- Action Item

**COMMITTEE ON
RESOURCE MANAGEMENT (RM)**

DATE: Sept. 25, 2019
Motion:
Vote:

AGENDA ITEM: III. NEW BUSINESS
B. Action Item RM #19-15 - Action Regarding the Debt Management Policy Implementation Procedures

MOTION: Administration recommends the Board of Trustees (BOT) approve the Debt Management Policy implementation procedures as detailed in Attachment A.

AMENDMENT:

MEANS OF FINANCING:

TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (2 kanalua's =ABSTENTION)	EXCUSED
LEI	AHU ISA			X			
KALEI	AKAKA			X			
KELI 'I	AKINA			X			
BRENDON	LEE	1		X			
HULU	LINDSEY			X			
ROBERT	LINDSEY		2	X			
COLETTE	MACHADO			X			
JOHN	WAIHE'E			X			
CHAIR DAN	AHUNA			X			
TOTAL VOTE COUNT				9			

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

DISCUSSION:

Office of Hawaiian Affairs
Board of Trustee Meeting
October 17, 2019
10:00 am

V. New Business*

**B. Joint Committees on Beneficiary Advocacy
and Empowerment and Resource
Management**

- 1. Action Item BAE/RM #19-08 – FB 20-21
Hawaiian-Focused Public Charter School
Fund Administration Grant
Recommendation. †**

** - The committee report for V.B.1. will be forwarded to the Board of Trustees following its approval at the Joint BAE/RM Committee Meeting scheduled for October 16, 2019*

Office of Hawaiian Affairs
Board of Trustee Meeting
October 17, 2019
10:00 am


V. New Business*

- C. Deliberation and decision making on the
Report by the Permitted Interaction Group re:
the investigation of the alignment and update
of the existing Board of Trustees By-Laws
for OHA's Board Governance Framework.
Pursuant to HRS 92-2.5(b)(1)(C)

*Please bring with you the report that was
distributed at the September 26, 2019 Board of
Trustees meeting.



OFFICE OF HAWAIIAN AFFAIRS
Interoffice Memorandum

DATE: September 17, 2019
TO: Board of Trustees
FROM: Trustee Brendon Kalei'aina Lee, Vice-Chairperson 
CC: Sylvia Hussey, Ka Pouhana Kuikawa
SUBJECT: By-Laws Permitted Interaction Group (PIG)

With the adoption of the new Governance Framework and the new Lahui Level Policies the next phase of the BOT Governance project was approved by the BOT to reexamine the By-Laws. Using the University of Hawaii Board of Regents By-Laws, for formatting only, the four (4) Trustee member PIG began their work.

The team consisted of four (4) Trustees, their respective staff, BOT chief of staff and secretary, administration and staff. This was a long process and all team members brought their own respective edits to the table. The team went through the document page by page and addressed every issue brought forward by both BOT and administration. The only section not addressed was ARTICLE XVIII. TRUSTEE CODE OF CONDUCT AND SANCTIONS FOR VIOLATION OF THE CODE OF CONDUCT, given the on-going work of another Permitted Interaction Group (PIG).

I would like to especially mahalo Jim McMahon for his contribution in providing the analysis of the UH By-Laws and all the high-level discussions on the intent of the language in the By-Laws. His insight helped the committee to focus on the importance of language and its impact on intent versus practice. Mahalo nui also to our project manager Ka Pouhana Kuikawa, Sylvia Hussey, for the tracking of ideas and amendments as this was a very fluid process. Also, mahalo Keala Nichols for stepping in when Sylvia was not able to be at meetings.



OFFICE OF HAWAIIAN AFFAIRS

BOARD OF TRUSTEES

BYLAWS

Approved by the Board of Trustees,

Contents

ARTICLE I. AUTHORIZATION	I-1
ARTICLE II. DEFINITIONS	II-1
ARTICLE III. DUTIES OF THE BOARD	III-1
ARTICLE IV. MEMBERS.....	IV-1
ARTICLE V. OFFICERS.....	V-1
ARTICLE VI. DUTIES OF OFFICERS AND MEMBERS	VI-1
ARTICLE VII. ADMINISTRATOR.....	VII-1
ARTICLE VIII. COMMITTEES OF THE BOARD.....	VIII-1
ARTICLE IX. MEETINGS.....	IX-1
ARTICLE X. QUORUM AND VOTING.....	X-1
ARTICLE XI. LEGAL COUNSEL.....	XI-1
ARTICLE XII. PARLIAMENTARY AUTHORITY	XII-1
ARTICLE XIII. AMENDMENTS TO BYLAWS	XIII-1
ARTICLE XIV. BOARD OF TRUSTEE STAFF.....	XIV-1
ARTICLE XV. CONFLICT OF INTEREST	XV-1
ARTICLE XVI. CONFIDENTIALITY.....	XVI-1
ARTICLE XVII. ORDER AND DECORUM.....	XVII-1
ARTICLE XVIII. TRUSTEE CODE OF CONDUCT AND SANCTIONS FOR VIOLATION OF THE CODE OF CONDUCT	XVIII-1
ARTICLE XIX. HAWAIIAN LANGUAGE USAGE.....	XIX-1
ARTICLE XX. TABLE OF AUTHORITIES.....	XX-1
APPENDIX A. INDEX.....	A-1

ARTICLE I. AUTHORIZATION

These Bylaws are adopted pursuant to Chapter 10, Hawai'i Revised Statutes **HRS §10-4(1)**, **HRS §10-4(5)**,¹ as amended.

¹ **HRS §10-4(1) Office of Hawaiian Affairs; established; general powers.** "To adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to or imposed upon it by law." (In general, bylaws include laws and/or rules established by OHA or community to regulate itself as allowed or provided for by a higher authority such as the legislature or other governmental entity).

HRS §10-4(5) Office of Hawaiian Affairs; established; general powers. "To execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers;"

ARTICLE II. DEFINITIONS

As used herein:

"Ad Hoc Committee" means a committee created, by the Board, for a one-time purpose or to focus on examining a specific subject. Created with a deadline by which the work must be completed or otherwise expires

"Administrator" means the administrator of the Office of Hawaiian Affairs.

"Advisory Committee" means a committee established to assist Standing Committees in an advisory capacity for the resolution or study of issues arising in the specific areas of concern.

"Agency" as described and used in Hawaii Revised Statutes, Chapter 92 means the Office of Hawaiian Affairs for purposes of these Bylaws

Agency: means any department, authority, commission, council, board, committee, institution, legislative body, agency, or other establishment or office of the executive, legislative, or judicial branch of the State, and includes the office of Hawaiian affairs. See [Hawaii Revised Statutes 304A-2170](#)

"Board" means the Board of Trustees of the Office of Hawaiian Affairs.

"Board Packet" means documents that are compiled by the Board and distributed to board members before a meeting for use at that meeting, to the extent the documents are public under chapter 92F, Hawai'i Revised Statutes. Section 92-7.5, Hawai'i Revised Statutes, shall not require disclosure of executive session minutes, license applications, or other records for which the Board cannot reasonably complete its redaction of nonpublic information in the time available before the public inspection required by Section 92-7.5, Hawai'i Revised Statutes.²

² The added language is recommended to be consistent with the changes in the Sunshine Law that took effect July 1, 2018.

"Chair" or "Chairperson" means the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs.³

"CEO" means the Chief Executive Officer function of the Office of Hawaiian Affairs.

"Committee" means a body of one or more Trustees, elected or appointed, as provided for under Article VIII of these Bylaws.

"Committee Chairperson" means the Chairperson of a Standing, Advisory, Ad hoc, Permitted Interaction Group or Commission of the Office of Hawaiian Affairs.

"Majority" means more than half of the members in good standing that are both present and voting.

"Meeting" means the convening of a Board or Committee for which a quorum is required, an agenda is posted and matters listed to decide or to deliberate toward a decision over which the Board or Committee has supervision, control, jurisdiction, or advisory power.

"Chance meeting" means a social or informal assemblage of two or more Members at which matters relating to official business are not discussed

"Executive Meeting" means a meeting closed to the public upon an affirmative vote, taken at an open meeting, of two-thirds of the members present; provided the affirmative vote constitutes a majority of the members to which the board is entitled. A meeting closed to the public shall be limited to matters exempted by section 92-5. The reason for holding such a meeting shall be publicly announced and the vote of each member on the question of holding a meeting closed to the public shall be recorded, and entered into the minutes of the meeting

³ **HRS §10-8 Organization; quorum; meeting.** refers to Chair as Chairperson and subsequent sections refer to Chairperson and Vice-Chairperson. For clarity and uniformity "Chair" will mean Chairperson and "Vice-Chair" will mean Vice-Chairperson throughout the Board of Trustees Bylaws.

“Open Meeting” means a Meeting of the Office of Hawaiian Affairs that is open to the public and all persons are permitted to attend any meeting unless otherwise provided in the constitution or as closed pursuant to HRS sections 92-4 and 92-5.

“Limited Meeting” means a Meeting of the Office of Hawaiian Affairs that is held at a location that is dangerous to health or safety, or if the Board determines that it is necessary to conduct an on-site inspection of a location that is related to the Board’s business at which public attendance is not practicable, and the director of the office of information practices concurs.

“Meeting by interactive conference technology” means a meeting that utilizes any form of audio or audio and visual conference technology, including teleconference, videoconference, and voice over internet protocol, that facilitates interaction between the public and Members utilizes technology access, tools, application etc. that allows interaction among all members of the board participating in the meeting and all members of the public attending the meeting, and the notice required by section 92-7

"Office or OHA" means the Office of Hawaiian Affairs.

"Officer" means the Chairperson and Vice Chairperson of the Office of Hawaiian Affairs.

"Official Business" means an activity or activities authorized by the Chairperson for members of the Board, and includes these enumerated performed or conducted pursuant to the duties of the Board, committee, or Office. It includes, when authorized, the following: attending a meeting relevant to the work of the Board, board committee, or Office; participating in a seminar or conference sponsored in whole or in part by the Office; attending either as a representative of the Board, Office or as a participant, a meeting, seminar, or conference of a community, county, island, state, national, or international organization on a subject matter of direct concern to the Board, Committee, or Office; participating in any training program to maintain or

improve the skills of Trustees or OHA employees in the performance of their duties; and/or conducting studies and investigations on matters before the Board, Committee or Office.

" Special Councils or Commission" means a council or commission established by the Board to address a specific subject matter.

"Permitted Interaction Group" means a group organized in accordance with HRS, CHAPTER 92, PUBLIC AGENCY MEETINGS AND RECORDS §92-2.5

"Quorum" means the minimum number of Trustees or members of a committee who must be present for valid transaction of business.

"Reading" means a Meeting at which a particular interpretation of something (e.g., policy, Board By-Laws, Board Operations Manual) is affirmatively voted upon.

"Simple Majority" means more than half of the votes entitled to be cast. It does not include abstentions or absent members.

"Super Majority" means two more than half of the entitled votes cast. It does not include abstentions or absent members

"Special Board Meeting" means a special meeting of the Board called by the Chairperson or a majority (5) of all members to which the Board is entitled.

"Standing Committees" means a constituted Committee of the Board as detailed in Article VIII. Committees of the Board.

"Vice Chair" or "Vice-Chairperson" means the Vice-Chairperson of the Board of Trustees of the Office of Hawaiian Affairs.

ARTICLE III. DUTIES OF THE BOARD

The Board shall exercise power as provided by Article XII of the Constitution of the State of Hawai'i and Chapter 10, Hawai'i Revised Statutes, as amended.

ARTICLE IV. MEMBERS

- A. The membership of the Board shall be as provided by Article XII, Section 5 of the Constitution of the State of Hawai'i and Hawaii Revised Statutes, as amended, Chapters 10 and 13D
- B. Members of the Board shall be elected in accordance with Chapter 13D,⁴ as amended, and vacancies shall be filled in accordance with Chapter 10, Hawai'i Revised Statutes, as amended.

⁴ **HRS §10-7 Board of Trustees.** The office of Hawaiian affairs shall be governed by a board to be officially known as the board of trustees, office of Hawaiian affairs. Members of the board shall be elected in accordance with chapter 13D, with reference to sections 11-15, 11-25, 12-5, 12-6, and vacancies shall be filled in accordance with section 17-7. [L 1979, c 196, pt of §2]

ARTICLE V. OFFICERS

- A. **Election and Certification.** As required in Chapter 10, Hawai'i Revised Statutes, as amended, the Board, at its first meeting after an election, shall elect from its own membership a Chairperson and a Vice-Chairperson who shall serve at the pleasure of the Board. Their election shall be immediately certified by the Board to the Lieutenant Governor. The concurrence of a majority (5) of all Trustees shall be necessary to make any action of the Board effective, provided that due notice shall be given to all members.

[10-7] **Board of trustees.** The office of Hawaiian affairs shall be governed by a board to be officially known as the board of trustees, office of Hawaiian affairs. Members of the board shall be elected in accordance with chapter 13D, with reference to sections 11-15, 11-25, 12-5, 12-6, and vacancies shall be filled in accordance with section 17-7.

- B. **Vote.** Vote for Chairperson and Vice-Chairperson of the Board shall be by a method determined by a majority (5) of all Trustees to which the Board is entitled.
- C. **Vacancy.** Vacancy in the Office of Chairperson or Vice-Chairperson shall exist under the following circumstances:
1. When the Chairperson or Vice-Chairperson is removed by the majority (5) of the members to which the Board is entitled; or
 2. when the Chairperson or Vice-Chairperson resigns from the position held; or⁵
 3. in the case of illness or death of the Chairperson or Vice Chairperson.
- D. **Succession.** In the event of a vacancy in the Office of the Chairperson, the Vice-Chairperson shall succeed as Chairperson until the following Board meeting at which time a Chairperson is elected by a majority (5) of the

⁵ June 28, 1985, amended "When the chairperson or Vice-Chairperson resigns from the position held and the resignation is accepted by the members of the Board."

members of the Board. If the Vice-Chairperson is elected to become the Chairperson, the Board shall elect a Vice-Chairperson at the same meeting. The election(s) shall be immediately certified by the Board to the Lieutenant Governor.

ARTICLE VI. DUTIES OF OFFICERS AND MEMBERS

- A. **Chairperson.** The Chairperson, in addition to presiding at all regular and special Board meetings. shall:
1. Appoint the Chairperson, Vice-Chairperson and members of all Standing committees, subject to the approval of the Board;
 2. Appoint members of Ad hoc Committees, Permitted Interaction Groups and designate the Chairperson and Vice-Chairperson of such Committees or Permitted Interaction Groups;
 3. Acknowledge communications, petitions, requests, and proposals on behalf of the Board and refer same to the Administrator, appropriate Committee of the Board and/or Permitted Interaction Group for action and/or recommendation;
 4. Serve as the primary liaison with the Governor, Congressional delegation, the Legislature, and other agencies and organizations to ensure that there are effective working relationships between all of the above and the Board;
 5. Approve all press releases and public announcements which state the official position of the Board;
 6. Approve agenda items for all meetings of the Board; and
 7. Perform such other duties as may be required by law or such as may properly pertain to such office.
- B. **Vice-Chairperson.** The Vice-Chairperson shall assume the duties and responsibilities of the Chairperson in the absence of the Chairperson and shall undertake such other duties as may be assigned by the Chairperson.
- C. **Members.** The unanimous vote of all members of the Board after full consultation with Board Counsel shall be required before any confidential communication, proprietary or otherwise privileged material received in an

Executive Meeting convened under Hawai'i Revised Statutes §92-5 may be publicly released except for communications and materials deemed no longer confidential or redacted and released under Board of Trustees Operations Manual, Rule 21 (July, 2007).

ARTICLE VII. ADMINISTRATOR

The Board shall have the power to exercise control over the Office through its executive officer, the Administrator.

- A. **Appointment.** As required by Hawai'i Revised Statutes § 10-10,⁶ as amended, the Board, by a majority (5) of all members to which the Board is entitled, shall appoint an Administrator who shall serve a term to be determined by the Board.
- B. **Duties.** As required by Hawai'i Revised Statutes § 10-12,⁷ as amended, the Administrator serves at the pleasure of the Board. The Administrator may employ and retain such employees as deemed necessary to carry out the function of the Office.
- C. **Removal.** As required by Hawai'i Revised Statutes § 10-10, as amended, the Board, by a two-thirds vote (6) of all Trustees to which it is entitled, may remove the Administrator for cause at any time.
- D. **Function.** The Administrator shall function as the chief executive officer.

⁶ **HRS §10-10 Administrator; appointment, tenure, removal.** The board by a majority vote, shall appoint an administrator who shall serve without regard to the provisions of chapter 76 for a term to be determined by the board. The board, by a two-thirds vote of all members to which it is entitled, may remove the administrator for cause at any time.

⁷ **HRS §10-12 Assistant; staff.** The administrator may employ and retain such officers and employees as may be necessary to carry out the functions of the office. Such officers and employees may be hired without regard to chapter 76, and shall serve at the pleasure of the administrator. Officers and employees of the office of Hawaiian affairs shall be included in any benefit program generally applicable to officers and employees of the State. [L 1979, c 196, pt of §2; am L 1990, c 231, §1; am L 2000, c 253, §150]]

ARTICLE VIII. COMMITTEES OF THE BOARD

- A. Establishment of Standing Committees. To facilitate consideration of policy matters that must be approved by the Board, standing committees are established. Authority to act on all matters is reserved for the Board, and the functions of each standing committee shall be to consider and make recommendations to the Board.

There shall be a minimum of two (2) Standing Committees of the Board. Each Committee shall be led by a Chairperson and a Vice-Chairperson. The Board may increase the number of Standing Committees, but the membership of the Standing Committees shall be all nine (9) Trustees. The minimum two (2) Standing Committees shall consist of the Committee on Resource Management (RM) and Committee on Beneficiary Advocacy and Empowerment (BAE).

1. **Committee on Resource Management.** The committee shall:
 - a. handle all fiscal and budgetary matters and ensure proper management, planning, evaluation, investment and use of OHA's trust funds;
 - b. review and approve or not approve all acquisition expenditures that have a multi-year implication,
 - c. review and approve all acquisition expenditures that impact the OHA Debt Management, Economic Development, Investment and Spending policies;
 - d. develop policies which strengthen OHA's fiscal controls and financial management;
 - e. oversee the use and condition of OHA's real estate and execute policy for the proper use of such lands including land to which OHA shall have an interest;

- f. develop policy on issues of land use, native rights, and natural and cultural resources, including: the inventory, identification, analysis and treatment of land, native rights and natural and cultural resources;
- g. develop policies and criteria for OHA's land acquisitions, dispositions, development, management, and the use of real estate in which OHA has an interest;
- h. develop policies relating to OHA's real estate asset allocation, desired returns, and balancing OHA's real estate portfolio including legacy lands, corporate real estate, programmatic lands and investment properties;
- i. oversee the use and condition of OHA's real estate and develop policy for the proper use and stewardship of such real estate;
- j. develop policies and programs for OHA's ownership, financing and development of real estate, including capital improvements, debt management, economic development, investment and spending policies and forms of ownership for OHA's real estate.
- k. oversee OHA's performance of its rights and obligations with respect to real estate not owned by OHA in its own name;
- l. review and approve or not approve appropriate grants that support OHA's overall mission;
- m. evaluate OHA programs to determine effectiveness to decide whether to continue, modify, or terminate funding of any of OHA's programs
- n. in consultation with the Chairperson of the Committee on Beneficiary Advocacy and Empowerment and other resources (e.g., Corporation Counsel, Ethics Commission), develop training and orientation programs for Trustees and staff,

including materials relating to Trustees roles, fiduciary responsibilities, and ethics⁸;

- o. in consultation with the Chairperson of the Committee on Beneficiary Advocacy and Empowerment carry out the recruitment and selection of the OHA Administrator; and
- p. provide oversight over Special Councils or Commissions as assigned by the Board.

2. **Committee on Beneficiary Advocacy and Empowerment.** The committee shall:

- a. plan, coordinate, and implement programs and activities which encourage Hawaiians to participate in governance;
- b. facilitate OHA's legislative agenda and advocacy efforts with Federal, State, and County officials, private and community organizations, and groups involved in Hawaiian issues;
- c. develop programs which focus on beneficiary health, human services, native rights and education;
- d. develop policies and programs relating to land use and housing, the environment and natural resources;
- e. evaluate all OHA programs to ensure that the programs have a positive impact on beneficiaries;
- f. review and approve or not approve program grants that support OHA's legislative and advocacy efforts;
- g. review and support the passage of legislation which benefits Hawaiians and supports Hawaiian issues, and work to defeat legislation which is not in the best interest of OHA and its beneficiaries; and
- h. provide oversight over Special Councils or Commissions as assigned by the Board.

⁸ Consistent with Hawaii Revised Statutes, Chapter 84

- B. Each Standing Committee shall consider all matters referred to it in accordance with Section J, Article VIII, of these Bylaws and make appropriate recommendations to the Board, in a timely manner, but no later than twelve (12) calendar days before a Board meeting, and shall make progress reports to the Board periodically or when requested by the Chairperson of the Board.
- C. Standing Committees may meet in joint session when subject matter falls under the purview of more than one of the Standing Committees. In the case of an “un-budgeted” funding decision, a joint meeting of the Beneficiary Advocacy and Empowerment Committee and the Resource Management Committee, led by the Chairperson of the Resource Management Committee, shall be mandatory.
- D. **Advisory Committee.**
 - 1. Standing Committees may create Advisory Committees as necessary to serve in an advisory capacity to the Standing Committees. Advisory Committees shall assist in the resolution or study of issues arising in the specific areas of concern assigned to their respective Standing Committee. To avoid duplication in the consideration of issues, the Standing Committees shall create only one Advisory Committee to study or undertake the resolution of a single subject or issue. Each Standing Committee shall have no more than three (3) Advisory Committees at any one time. All communications and advice from an Advisory Committee shall be made to the Chairperson of the Standing Committee, no later than twelve (12) calendar days before a Standing Committee Meeting. All communication and advice to an Advisory Committee shall be made by the Chairperson of the Standing Committee or designee.
 - 2. The Advisory Committee Chairperson and membership shall be appointed by the Standing Committee Chairperson, upon advice and

counsel of Standing Committee members. The term of the Advisory Committees shall expire with the completion of the assigned task or at the discretion of the Standing Committee Chairperson. There shall be no less than three (3) members to each Advisory Committee, at least one (1) of whom shall be a member of the Board of Trustees of the Office of Hawaiian Affairs, who shall be appointed by the Standing Committee Chairperson.

E. Ad Hoc Committees.

1. From time to time, there shall be such Ad hoc Committees, as designated by the Chairperson, the members of which shall be appointed by the Chairperson, and subject to approval of the Board by a majority (5) vote. There shall be a minimum of three (3) members on each Ad hoc Committee, at least one of whom shall be a member of the Board and who shall be the Chairperson of the Ad hoc Committee.
2. The term of the Ad hoc Committees shall expire at the completion of the assigned task or at a specific time that is determined for each Ad hoc Committee at the time of the appointment of said Committee or at the discretion of the Chairperson.
 - a. All communications and advice from an Ad hoc Committee shall be made to the Chairperson of the Board no later than ten days before a Board meeting.
 - b. All communications and advice to an Ad hoc Committee shall be made by the Chairperson of the Board.
 - c. In the event that three (3) or more Board members are appointed to an Ad Hoc Committee, Chapter 92, Public Agency Meetings and Records, of the Hawai'i Revised Statutes, as amended, will apply.

F. Special Councils or Commissions.

1. There shall be such Special Councils or Commissions as the Board deems appropriate to create. The Board shall designate a Standing Committee that shall exercise oversight over said Council or Commission. The Special Council shall determine the duration of said Council or Commission.
2. Council members or Commissioners shall be appointed by the Standing Committee to which oversight authority is granted pending confirmation of the Board through a majority (5) vote of all members to which the Board is entitled.
3. Membership of each Council or Commission shall be composed of at least one (1) member of the Board of Trustees.
4. The subject matter and purview of said Councils or Commissions shall be clearly defined and limited to only those areas so recommended by the Standing Committee having oversight thereof and subject to the approval of the full Board by a majority (5) vote of all members to which the Board is entitled. Oversight by the appropriate Standing Committee shall include, but not be limited to, review of budgetary concerns for the operation of said Council or Commission, and affirmation of requests for actions by such Council or Commission for the continued operations of such Council or Commission.
- 5.

G. Quorum and Voting for Committees, Councils and Commissions .

1. For Advisory, Ad hoc, and Standing Committees, Councils and Commissions, a majority of the members of the Committee, Council or

Commission shall constitute a quorum. Except for Ad Hoc Committees, three members shall constitute a quorum to do business.⁹

2. The concurrence of a quorum shall be required for any Committee (other than a Standing Committee), Council or Commission to make any recommendation to the Board or Standing Committee where appropriate, for Board or Standing Committee approval.
 3. A majority of the Members present at a Standing Committee meeting shall be required for it to make any recommendation to the Board, provided that a quorum is present at the time of the vote.
 4. When Standing Committees meet jointly, each Committee shall vote separately as individual Committees.
- H. Authority to act on all matters is reserved to the Board and the functions of the Advisory and Ad hoc Committees, Councils and Commissions, and Permitted Interaction Groups shall be to investigate, consider, and make recommendations to the Standing Committee and the Board, respectively.
- I. **Staff Assignments.** The Administrator shall assign to each Standing, Advisory, and Ad hoc Committee, and to each Council, Commission and Permitted Interaction Group, appropriate Administration staff to conduct research, analyze data, draft findings, and report and provide project management and support for and to advise the respective Committee, Council, Commission or Permitted Interaction Group and to maintain records of the proceedings of same.
- J. **Committee Recommendations.** The Chairperson of the Board of Trustees shall place a Committee recommendation on a full Board of Trustees agenda no later than thirty (30) calendar days after receipt of the recommendation.

All Standing Committees shall do the same with respect to any matter referred to the committee by a member.

- K. Waiver of any matter by committee to the Board of Trustees shall require two-thirds ($2/3$) vote of all members to which the Board is entitled.

ARTICLE IX. MEETINGS

- A. As required in Hawai'i Revised Statutes § 10-8, as amended, Board meetings shall be convened at the call of the Chairperson or by a quorum, as often as may be necessary for transaction of the Board's business. and shall meet at least once annually on each of the islands of Hawai'i, Maui, Moloka'i, Lāna'i, Kaua'i, and O'ahu. The Board may, at each meeting, fix the time and place for its next regular meeting.
- B. Board meetings may be convened by the Chairperson. In addition, upon written request of a majority of the members of the Board, the Administrator shall schedule a meeting of the Board to take place within twelve (12) calendar days after receipt of such request, provided that the notice requirement of Chapter 92, 92-7 and 92-41 Hawai'i Revised Statutes, as amended, is met.
- C. Emergency meetings may be called by the Chairperson in accordance with Chapter 92, Hawai'i Revised Statutes, Chapter 92-8 as amended.
- D. Committee meetings shall be called by the Committee Chairperson.
- E. The Board shall give written public notice of any regular, special, emergency or rescheduled Board, Standing Committee, at least six (6) calendar days before the meeting and in the manner as required by Hawai'i Revised Statutes, Chapter 92-7 and 92-41 as amended.
- F. All meetings of the Board or its Committees, shall be open to the public, except for executive session meetings permitted pursuant to Chapter 92, Hawai'i Revised Statutes, as amended.
- G. Appearances before the Board, and/or Standing Committees, Councils or Commissions shall be in accordance with Chapter 92, Hawai'i Revised Statutes, as amended.

1. Any person who wants to appear before the Board or any Standing Committee, Council, or Commission, except for executive meetings, to present testimony on a matter before the Board or any Standing Committee, Council or Commission, shall make a request and submit a written copy of such testimony to the Administrator at least seventy-two (72) hours prior to the Board, or Standing Committee, Council or Commission meeting unless such requirement is waived by a simple majority of the Board or Standing Committee, Council or Commission provided further that any verbal presentation permitted by the Board or Standing Committee, Council or Commission shall be limited to five minutes.
2. The Chairperson or Standing Committee Council or Commission Chairperson shall have the authority to extend, limit, or terminate any testimony, which the Chairperson determines to be repetitious, to be made solely for purposes of delay, or to be without any substantive purpose.
3. Any person who wants to submit written testimony, data, views, or arguments on any agenda item shall submit thirteen (13) copies of such testimony to the Administrator at least seventy-two (72) hours prior to the Board or Standing Committee, Council, or Commission meeting unless waived by a majority vote of all Board, Standing Committee, Council, or Commission members present.
4. The Board or Standing Committee, Council, or Commission by a simple majority vote may restrict the total time allowed per agenda item.

H. **Minutes of Meetings.** The Board and each Standing Committee, Council or Commission shall keep written or recorded minutes of all meetings as required under Chapter 92, Hawai'i Revised Statutes, as amended. The Board shall adopt standardized forms for use in the recordation of minutes of meetings.

Minutes of all preceding meetings shall be available as provided by Hawai'i Revised Statutes § 92-9(b),. The minutes shall include, but need not be limited to:

1. The date, time, and place of the meeting;
2. The members of the Board, Standing Committee, Council, or Commission recorded as either present, absent, or excused;
3. A summary of all matters proposed, discussed, or decided; and a record, by individual member, of motions made, motions seconded, and votes taken to include dissenting votes and abstentions;
4. Staff assignments for investigation and the date staff reports are due;
5. Departure and arrival of members from meetings to show matters discussed before arrival, while there, or after departure; and
6. Any other information that any member of the Board, Standing Committee, Council, or Commission requests be included or reflected in the minutes.

I. **Board Packet.** Pursuant to, Hawai'i Revised Statutes Section 92-7.5, at the time the board packet is distributed to its members, the Board shall also make the board packet available for public inspection in the Board's office. The Board shall provide notice to persons requesting notification of meetings pursuant to, Hawai'i Revised Statutes Section 92-7E, that the board packet is available for inspection in the board's office and shall provide reasonably prompt access to the board packet to any person upon request. The Board is not required to mail board packets. As soon as practicable, the Board shall accommodate requests for electronic access to the Board Packet.

J. **Referrals.** The Board shall adopt procedures for research, due diligence and analysis, referrals to staff via the Administrator.

- K. The Board may hold additional community meetings, informational meetings and public hearings.

ARTICLE X. QUORUM AND VOTING

As required by Hawai'i Revised Statutes § 10-8, as amended, a majority (5) of all the members to which the Board is entitled shall constitute a quorum to conduct business. The concurrence of a majority (5) of all the members to which the Board is entitled shall be necessary to make any action of the Board valid provided that due notice shall be given to all members.

An abstention shall not be considered a positive or negative vote. A procedural motion may be passed by a majority (5) vote of the members present. Upon the request of any member of the Board, the Board Secretary shall call the roll.

- A. Unless a member is excused from voting, such member's silence shall be recorded as an abstention.
- B. A member may use a "kanalua" response when called upon to vote and if repeated when polled again, that vote shall be recorded as an "abstention", or when polled to vote again, the second time may either vote "yes" or "no".
- C. Yes with Reservation

The Board Secretary shall record each vote in the minutes and report to the Chairperson, who shall announce the result to the Board.

ARTICLE XI. LEGAL COUNSEL

- A. Legal Counsel for the Board shall be present at all regular meetings and certain committee meetings of the Board when requested by the Chairperson, or Chairperson of the relevant Committee.
- B. The Chairperson or designee, subject to prior approval of the Board, may request any written or verbal legal opinion from the OHA's Corporate Counsel, the Department of the Attorney General or from any other external legal counsel. Where a request is made in writing and a legal opinion is rendered by the Department of the Attorney General, or from any other external legal counsel, such opinion along with a copy of the written request for such opinion shall be immediately distributed to all Board members in written form.
- C. The Administrator of the Office Hawaiian Affairs or designee, subject to prior approval of the Board, may request any written or verbal legal opinion from the Department of the Attorney General, or from any other external legal counsel. Where a request is made in writing and a legal opinion is rendered by the Department of the Attorney General or from any other external legal counsel, such opinion along with a copy of the written request for such opinion shall be immediately distributed to all Board members in written form

ARTICLE XII. PARLIAMENTARY AUTHORITY

The most recent edition of Robert's Rules of Order shall apply in situations not covered by these Bylaws or applicable statutes.

ARTICLE XIII. AMENDMENTS TO BYLAWS

These Bylaws shall be amended only by two-thirds (2/3) vote of all members to which the Board is entitled. Any proposed amendment to the Bylaws shall be submitted in writing for consideration by the Board. Any Bylaw amendment shall require two readings by the Board. The Board shall not vote on any bylaw amendment until a minimum of two readings by the Board.

ARTICLE XIV. BOARD OF TRUSTEE STAFF

The Board Chair shall appoint a Chief of Staff who will be responsible for coordinating Board staff functions and activities and shall act as a liaison between the Board staff and the Administrator.

Each Board member shall be entitled up to two full time positions and shall have the flexibility, to help carry out the duties of their office, in choosing their staff positions from the following job classifications: Trustee Aide and Trustee Secretary. Each Board member shall have sole discretion in selecting from the job classifications listed above that best suit the needs of their office.

The Chairperson of the Board shall also be entitled to one additional position known as the BOT Private Secretary. Changes to the type and number of staff shall require Board approval.

ARTICLE XV. CONFLICT OF INTEREST

Members of the Board shall comply with the provisions of this Bylaw and are subject to the standards of conduct and financial interest disclosure requirements of Hawai'i Revised Statutes, Chapter 84, as amended, to include attending ethics training within a reasonable time upon taking office. For the purpose of this By-Law Article:

- A. An 'affiliation' exists if a Board member or a member of the Board member's family is an owner, officer, director, trustee, partner, employee (which shall also include legal counsel, consultant, contractor, advisor, or representative) or agent of such organization.
- B. All Members must disclose to the Chairperson and the Board their membership(s) or affiliation(s) with any organizations or person(s) who are eligible to receive grants from, may be in competition with for resources or eligible to procure from or contract with the Office of Hawaiian Affairs. . Members shall disqualify themselves any time an action is being considered by the Board which would affect the funding, procurement or contracting of that organization or person. Disclosure by declaration shall be made before Board action on the matter.

Board members have a clear obligation to conduct all affairs of OHA in the best interest of beneficiaries. Members of the Board are expected to place the welfare of OHA above personal interests or the interests of family members or others who may be personally involved in affairs affecting OHA. All decisions of the Board are to be made solely on the basis of a desire to promote the best interest of OHA and its beneficiaries.

- C. Members violating this Article shall be subject to disciplinary action, as set forth in Article XVIII herein.

ARTICLE XVI. CONFIDENTIALITY

- A. All information, data, and documents that are not public records, received or reviewed by a Member acting in the capacity as Member, shall be deemed confidential and shall not be released or utilized by any Member for any purpose other than OHA or Committee business.

ARTICLE XVII. ORDER AND DECORUM

- A. While the Chairperson is putting any question to, or addressing the Board, or when a person is speaking, all persons present are expected to conduct themselves with decorum and provide respect to the speaker. While a person is speaking, no one shall pass between such speaker and the Chairperson.
- B. When a Member or other person properly before the Board wishes to speak, the speaker shall address the Chairperson, be recognized before proceeding, and shall confine remarks to the question under discussion.
- C. If a Member or other person, in speaking or otherwise, transgresses these rules, any Member may raise a question of order. The Chairperson shall then decide the question of order without debate, subject to an appeal to the Board. In addition, the Chairperson may call for the sense of the Board on any question of order.
- D. Whenever any person is called to order while speaking, such person shall be in possession of the floor after the question of order is decided and may proceed with the matter under discussion within the ruling made on the question of order.
- E. All persons attending Board meetings, including staff, witnesses, members of the media, and the general public, are expected to respect the dignity of the Board.
- F. Members who repeatedly violate any provision of any of the above sections of this Article shall be subject to disciplinary action, as set forth in Article XVII herein.
- G. Defamation and Slander. The OHA is concerned that no defamatory material or statements are presented at the OHA Board of Trustee and Committee meetings. In the unlikely event that this situation should develop, it will be necessary to call this to the attention of the persons making those statements,

and request that they desist in their action. Such information may be stricken from the record

**ARTICLE XVIII. TRUSTEE CODE OF CONDUCT AND SANCTIONS FOR
VIOLATION OF THE CODE OF CONDUCT**

The professional conduct of a member of OHA Board of Trustees shall be guided by the Code of Conduct and Sanctions for Violations of the Code of Conduct, hereinafter referred to as "Code of Conduct", which shall be created as a stand-alone executive policy of the Board of Trustees and made part of the OHA Board of Trustees' Executive Policy Manual as a stand-alone policy.

The Code of Conduct shall contain a discussion of fiduciary responsibilities of an OHA Trustee and laws applicable to a Trustee's conduct. The Code of Conduct consists of three parts: (1) Fiduciary Responsibilities; (2) Board of Trustees' Executive Policies; and (3) Applicable Laws. The Sanctions for Violations of the Code of Conduct shall contain procedures which are fitting to the position of an elected trustee and while ensuring that due process is afforded to a Trustee whose matter is being considered by the Board of Trustees.

The Code of Conduct and Sanctions for Violations of the Code of Conduct shall be reviewed at least annually to be kept current with changes to the Board of Trustees' Executive Policies and laws applicable to Trustee conduct.

ARTICLE XIX. HAWAIIAN LANGUAGE USAGE

All Members and staff are expected to use proper spelling of Hawaiian words and Hawaiian language and grammar when preparing official correspondence and documents for OHA.

ARTICLE XX. TABLE OF AUTHORITIES

Statutes

Chapter 10.....	I-1, III-1, IV-1, V-1, VII-1
Chapter 13D.....	IV-1
Chapter 84.....	XV-1, XV-2
Chapter 92.....	VIII-6, IX-1, IX-2
HRS § 5-6.5, State language.....	XVIII-1
HRS §10-10 Administrator; appointment, tenure, removal.....	VII-1
HRS §10-12 Assistant; staff	VII-1
HRS §10-4(1) Office of Hawaiian Affairs; established; general powers	I-1
HRS §10-4(5) Office of Hawaiian Affairs; established; general powers	I-1
HRS §10-7 Board of trustees	IV-1
HRS §10-8 Organization; quorum; meeting.....	IX-1, X-1
HRS §11-15 Application to register	IV-1
HRS §11-25 Challenge by voters; grounds; procedure	IV-1
HRS §12-5 Nomination papers: number of signers.....	IV-1
HRS §12-6 Nomination papers: time for filing; fees.....	IV-1
HRS §17-7 Board of trustees, office of Hawaiian affairs.....	IV-1
HRS §92-5 Exceptions	VI-1
HRS §92-7.5 Board Packet; Filing; Public Inspection; Notice	IX-3
HRS §92-9(b) Minutes	IX-3

Constitutional Provisions

Article XII, Constitution of State of Hawai`i	III-1
Article XII, Section 5, Constitution of State of Hawai`i	IV-1

APPENDIX A. INDEX

A

Absence..... VI-1
 Absent II-3, IX-3
 Acquisition..... VIII-1
 Ad hoc Committee..... VIII-5, VIII-7, IX-1
 Ad Hoc Committee II-1, VIII-6
 Ad hoc Committees VI-1, VIII-5, VIII-7
 Administrator. II-1, II-2, VI-1, VII-1, VIII-2,
 VIII-7, IX-1, IX-2, IX-4, XI-1, XIV-1
 Advisory Committee..... II-1, VIII-4, IX-1
 Advocacy VIII-1, VIII-2, VIII-3
 Agency..... II-1, VIII-6
 Appointed II-1, VIII-4, VIII-5, VIII-6
 Appointment VII-1
 Attorney General XI-1

B

BAE VIII-1
 Beneficiaries VIII-3, XV-1
 Beneficiary..... VIII-3
 Budgetary..... VIII-1, VIII-6

C

Chairperson. II-1, II-2, V-1, V-2, VI-1, VIII-
 4, VIII-5, IX-2, XI-1, XV-2, XVI-1
 Commission ..II-1, II-2, VIII-6, VIII-7, IX-1,
 IX-2, IX-3
 Committee Chair..... II-1, VIII-4
 Compensation IV-1, VIII-5, VIII-6
 Confidential VI-1, VI-2, XV-1
 Conflict XV-2
 Congressional VI-1
 Constitution..... III-1, IV-1
 Coordinate..... VIII-3
 Cultural VIII-1

D

Data..... IX-2, XV-1
 Defamatory XVI-1
 dignity of the Board XVI-1
 Disciplinary..... XV-2, XVI-1
 Disclosure XV-1
 Duties VII-1

E

Effectiveness..... VIII-2
 Elected II-1, II-2, IV-1, V-1, V-2
 Election V-1
 Empowerment..... VIII-1, VIII-2, VIII-3
 Ethics VIII-2, XV-1
 Evaluate VIII-2, VIII-3
 Executive officer..... VII-1
 Expenditure..... VIII-4, XIX-1

F

Fiduciary VIII-2
 Fiscal VIII-1
 For cause VII-1

G

Governor V-1, V-2, VI-1
 Grants..... VIII-2, VIII-3, XV-1

I

Investment..... VIII-1

J

Joint Committee..... II-1

L

Land use..... VIII-1, VIII-3
 Legal Counsel XI-1
 Legislature VI-1
 Liaison VI-1, XIV-1

M

Majority II-3, V-1, VII-1, VIII-5, VIII-6,
 VIII-7, IX-1, IX-2, X-1
 Majority vote VIII-5, IX-2, X-1
 Minutes IX-2
 Mission VIII-2

N

Native rights..... VIII-1, VIII-3

O

Officer	II-2
Official Business	II-2

P

Petitions	VI-1
Purview	II-1, VIII-4, VIII-6

Q

Quorum	II-2, VIII-7, IX-1, X-1
--------------	-------------------------

R

Real estate	VIII-1
Removal	VII-1
Requests	VI-1, VIII-6, IX-3, XIX-1
Research	VIII-7, IX-4
Robert's Rules of Order	XII-1

S

Simple Majority	II-3
Slander	XVI-1
Special Board Meeting	II-3
Standing Committee	II-1, VIII-3, VIII-4, VIII-6, VIII-7, IX-1

Statutes	I-1, III-1, IV-1, V-1, VI-1, VII-1, IX-1, IX-2, X-1, XV-1, 10
----------------	--

Succession	V-1
Summary	IX-3

T

Transgress	XVI-1
Travel	IV-1, VIII-5, VIII-6
Trust funds	VIII-1
two-thirds	VII-1, XIII-1, XIX-1
Two-thirds vote	VII-1, XIII-1

U

Unanimous	VI-1
-----------------	------

V

Vacancy	V-1
Vice-Chairperson	II-1, II-2, V-2
Vote	V-1

W

Waiver	VIII-8
--------------	--------



OFFICE OF HAWAIIAN AFFAIRS

BOARD OF TRUSTEES

BYLAWS

Approved by the Board of Trustees, **August 30, 2018**

Contents

ARTICLE I. AUTHORIZATION	I-IH-I
ARTICLE II. DEFINITIONS	II-IH-IH-I
ARTICLE III. DUTIES OF THE BOARD	III-IH-IH-I
ARTICLE IV. MEMBERS.....	IV-IV-IV-I
ARTICLE V. OFFICERS	V-IV-IV-I
ARTICLE VI. DUTIES OF OFFICERS AND MEMBERS	VI-IV-IV-I
ARTICLE VII. ADMINISTRATOR.....	VII-IV-IV-I
ARTICLE VIII. COMMITTEES OF THE BOARD.....	VIII-IV-IV-I
ARTICLE IX. MEETINGS	IX-IX-IX-I
ARTICLE X. QUORUM AND VOTING.....	X-IX-IX-I
ARTICLE XI. LEGAL COUNSEL.....	XI-IX-IX-I
ARTICLE XII. PARLIAMENTARY AUTHORITY	XII-IX-IX-I
ARTICLE XIII. AMENDMENTS TO BYLAWS	XIII-IX-IX-I
ARTICLE XIV. BOARD OF TRUSTEE STAFF.....	XIV-IX-IX-I
ARTICLE XV. CONFLICT OF INTEREST	XV-IX-IX-I
ARTICLE XVI. CONFIDENTIALITY.....	XVI-I
ARTICLE XVII . ORDER AND DECORUM.....	XVII-IX-IX-I
ARTICLE XVIII . TRUSTEE CODE OF CONDUCT AND SANCTIONS FOR VIOLATION OF THE CODE OF CONDUCT	XVIII-IX-IX-I
ARTICLE XIX VIII . HAWAIIAN LANGUAGE USAGE	XIX-IX-IX-I
ARTICLE XX. TABLE OF AUTHORITIES.....	XX-I
ARTICLE XIX. UNBUDGETED FUNDING REQUEST	IX-IX-I
APPENDIX A. HISTORY AND REFERENCE RELATED TO THE BYLAWS OF THE BOARD.....	A-I
APPENDIX B. TABLE SHOWING EFFECTS ON BYLAWS.....	B-I
APPENDIX C. ENUMERATION SYSTEM.....	C-I
APPENDIX D. TABLE OF AUTHORITIES.....	D-I
APPENDIX AE . INDEX.....	AE

ARTICLE I. AUTHORIZATION

These Bylaws are adopted pursuant to Chapter 10, Hawai'i Revised Statutes **HRS §10-4(1), HRS §10-4(5)**,¹ as amended.

¹ **HRS §10-4(1) Office of Hawaiian Affairs; established; general powers.** "To adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to or imposed upon it by law." (In general, bylaws include laws and/or rules established by OHA or community to regulate itself as allowed or provided for by a higher authority such as the legislature or other governmental entity).

HRS §10-4(5) Office of Hawaiian Affairs; established; general powers. "To execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers;"

ARTICLE II. DEFINITIONS

As used herein:

"**Ad Hoc Committee**" means a committee created, by the Board, for a one-time purpose or to focus on examining a specific subject. Created with a deadline by which ~~they must complete their work, or expire the work must be completed or otherwise expires~~

"**Administrator**" means the administrator of the Office of Hawaiian Affairs.

"**Advisory Committee**" means a committee ~~which shall serve in an advisory capacity to a Standing Committee. Advisory Committees are~~ established to assist Standing Committees in an advisory capacity for the resolution or study of issues arising in the specific areas of concern.

"**Agency**" as described and used in Hawaii Revised Statutes, Chapter 92 means the Office of Hawaiian Affairs for purposes of these Bylaws-

Agency: means any department, authority, commission, council, board, committee, institution, legislative body, agency, or other establishment or office of the executive, legislative, or judicial branch of the State, and includes the office of Hawaiian affairs. See Hawaii Revised Statutes 304A-2170

"**Board**" means the Board of Trustees of the Office of Hawaiian Affairs.

"Board Packet" means documents that are compiled by the Board and distributed to board members before a meeting for use at that meeting, to the extent the documents are public under chapter 92F, Hawai'i Revised Statutes. Section 92-7.5, Hawai'i Revised Statutes, shall not require disclosure of executive session minutes, license applications, or other records for which the Board cannot reasonably complete its

redaction of nonpublic information in the time available before the public inspection required by Section 92-7.5, Hawai'i Revised Statutes.²

"Chair" or "Chairperson"³ means the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs.⁴

"CEO" means the Chief Executive Officer function of the Office of Hawaiian Affairs...

"Committee"⁵ means a body of one or more Trustees, elected or appointed, as provided for under Article VIII of these Bylaws.⁶

"Committee Chairperson" means the Chairperson of a Standing, Advisory, Ad hoc, Permitted Interaction Group or Commission of the Office of Hawaiian Affairs.

~~**"Joint Committee"** means a body of two or more committees meeting in a joint session to discuss and decide an issue(s) that falls under the purview of more than one of the committees.~~

"Majority" means more than half of the members in good standing that are both present and voting.

"Meeting" means the convening of a Board or Committee for which a quorum is required, an agenda is posted and matters listed in order to make a decision ~~or to deliberate toward a decision upon a matter over which the Board or Committee has supervision, control, jurisdiction, or advisory power.~~

² The added language is recommended to be consistent with the changes in the Sunshine Law that took effect July 1, 2018.

³ ~~HRS §10-8 Organization; quorum; meeting.~~ refers to Chair as Chairperson and subsequent sections refer to Chairperson and Vice Chairperson. For the purpose of ~~For~~ clarity and uniformity "Chair" will mean Chairperson and "Vice-Chair" will mean Vice Chairperson throughout the Board of Trustees Bylaws.

⁴ HRS §10-8 Organization; quorum; meeting. refers to Chair as Chairperson and subsequent sections refer to Chairperson and Vice-Chairperson. For clarity and uniformity "Chair" will mean Chairperson and "Vice-Chair" will mean Vice-Chairperson throughout the Board of Trustees Bylaws.

⁵ June 28, 1985 defined the term Committee and incorporated it in Article II.

⁶ ~~June 28, 1985 defined the term Committee and incorporated it in Article II.~~

“Chance meeting” means a social or informal assemblage of two or more ~~M~~members at which matters relating to official business are not discussed.

“Executive Meeting” means a meeting closed to the public upon an affirmative vote, taken at an open meeting, of two-thirds of the members present; provided the affirmative vote constitutes a majority of the members to which the board is entitled. A meeting closed to the public shall be limited to matters exempted by section 92-5. The reason for holding such a meeting shall be publicly announced and the vote of each member on the question of holding a meeting closed to the public shall be recorded, and entered into the minutes of the meeting

“Open Meeting” means a Meeting of the Office of Hawaiian Affairs that is open to the public and all persons are permitted to attend any meeting unless otherwise provided in the constitution or as closed pursuant to HRS sections 92-4 and 92-5.

“Limited Meeting” means a Meeting of the Office of Hawaiian Affairs that is held at a location that is dangerous to health or safety, or if the Board determines that it is necessary to conduct an on-site inspection of a location that is related to the Board’s business at which public attendance is not practicable, and the director of the office of information practices concurs.

;

“Meeting by interactive conference technology” means a meeting that utilizes any form of audio or audio and visual conference technology, including teleconference, videoconference, and voice over internet protocol, that facilitates interaction between the public and Members utilizes technology access, tools, application etc. that allows interaction among all members of the board participating in the meeting and all members of the public attending the meeting, and the notice required by section 92-7

~~"Member" means a duly elected member of the OHA Board of Trustees of the Office of Hawaiian Affairs.~~

~~"Vice Chair" or "Vice Chairperson" means the Vice Chairperson of the Board of Trustees of the Office of Hawaiian Affairs.~~

"Office or OHA" means the Office of Hawaiian Affairs.

"Officer" means the Chairperson and Vice Chairperson of the Office of Hawaiian Affairs.

"Official Business" means an activity or activities authorized by the Chairperson for members of the Board, ~~or the Administrator for employees, and employees and~~ includes these enumerated performed or conducted pursuant to the duties of the Board, committee, or Office. It includes, when authorized, the following: attending a meeting relevant to the work of the Board, board committee, or Office; participating in a seminar or conference sponsored in whole or in part by the Office; attending either as a representative of the Board, Office or as a participant, a meeting, seminar, or conference of a community, county, island, state, national, or international organization on a subject matter of direct concern to the Board, Committee, or Office; participating in any training program to maintain or improve the skills of Trustees or OHA employees in the performance of their duties; and/or conducting studies and investigations on matters before the Board, Committee or Office.

~~"OHA" means the Office of Hawaiian Affairs.~~

"~~Permanent~~ Special Councils or Commission" means a ~~permanent~~ council or commission established by the Board to address a specific subject matter.

"Permitted Interaction Group" means a group organized in accordance with HRS, CHAPTER 92, PUBLIC AGENCY MEETINGS AND RECORDS §92-2.5

"Quorum" means the ~~minimal~~ minimum number of Trustees or members of a committee who must be present for valid transaction of business.

"Reading" means a Mmeeting at which a particular interpretation of something (e.g., policy, Board By-Laws, Board Operations Manual) is affirmatively voted upon.

"Simple Majority" means more than half of the votes entitled to be cast. It does not include abstentions or absent members.

"Super Majority" means two more than half of the entitled votes cast. It does not include abstentions or absent members.

"Special Board Meeting" means a special meeting of the Board called by the Chairperson or a majority (5) of all members to which the Board is entitled.

"Standing Committees" means a constituted Committee of the Board as detailed in Article VIII. Committees of the Board.

"Vice Chair" or "Vice-Chairperson" means the Vice-Chairperson of the Board of Trustees of the Office of Hawaiian Affairs.

ARTICLE III. DUTIES OF THE BOARD

The Board ~~of Trustees~~ shall exercise power as provided by Article XII of the Constitution of the State of Hawai'i and Chapter 10, Hawai'i Revised Statutes, as amended.

ARTICLE IV. MEMBERS

- A. The membership of the Board shall be as provided by Article XII, Section 5 of the Constitution of the State of Hawai'i and Hawaii Revised Statutes, as amended, Chapters 10 and 13D, ~~Hawai'i Revised Statutes, as amended.~~
- B. Members of the Board shall be elected in accordance with Chapter 13D,⁷ as amended, and vacancies shall be filled in accordance with Chapter 10, Hawai'i Revised Statutes, as amended.
- ~~C. Members of the Board shall be allowed compensation, travel, and expenses as provided by law.~~

⁷ **HRS §10-7 Board of Trustees.** The office of Hawaiian affairs shall be governed by a board to be officially known as the board of trustees, office of Hawaiian affairs. Members of the board shall be elected in accordance with chapter 13D, with reference to sections 11-15, 11-25, 12-5, 12-6, and vacancies shall be filled in accordance with section 17-7. [L 1979, c 196, pt of §2]

ARTICLE V. OFFICERS

A. **Election and Certification.** As required in Chapter 10, Hawai'i Revised Statutes, as amended, the Board, at its first meeting after an election, shall elect from its own membership a Chairperson and a Vice-Chairperson who shall serve at the pleasure of the Board;⁸ ~~—~~ Their election shall be immediately certified by the Board to the Lieutenant Governor. The concurrence of a majority (5) of all ~~members to which the Board is entitled~~ Trustees shall be necessary to make any action of the Board ~~valid~~ effective, provided that due notice shall be given to all members.

[10-7] Board of trustees. The office of Hawaiian affairs shall be governed by a board to be officially known as the board of trustees, office of Hawaiian affairs. Members of the board shall be elected in accordance with chapter 13D, with reference to sections 11-15, 11-25, 12-5, 12-6, and vacancies shall be filled in accordance with section 17-7.

A.B. **Vote.** Vote for Chairperson and Vice-Chairperson of the Board shall be by a method determined by a majority (5) of all ~~members~~ Trustees to which the Board is entitled.

B.C. **Vacancy.** Vacancy in the Office of Chairperson or Vice-Chairperson shall exist under the following circumstances:⁹

1. When the Chairperson or Vice-Chairperson is removed¹⁰—by the majority (5) of the members to which the Board is entitled; or¹¹

⁸—June 28, 1985, adopted "at the pleasure of the Board" in relation to Sunshine Law.

⁹ June 28, 1985, amended "when such officer commits the following or is acted upon by the Board in the following ways" and added under the following circumstances;

¹⁰ February 21, 1985, language expressed "...the Board may consider valid, provided that a two-thirds vote of all members to which it is entitled, declares the office vacant." June 28, 1985, amended "...removed by the majority of the members of the Board."

¹¹ February 21, 1985, language expressed "...the Board may consider valid, provided that a two-thirds vote of all members to which it is entitled, declares the office vacant." June 28, 1985, amended "...removed by the majority of the members of the Board."

2. when the Chairperson or Vice-Chairperson resigns from the position held;¹² or¹³
3. in the case of illness or death of the Chairperson or Vice Chairperson.

C.D. **Succession.** In the event of a vacancy in the Office of the Chairperson, the Vice-Chairperson shall succeed as Chairperson until the following Board meeting at which time a Chairperson is elected by a majority (5) of the members of the Board.¹⁴ If the Vice-Chairperson is elected to become the Chairperson, the Board shall elect a Vice-Chairperson at the same meeting. The election(s) shall be immediately certified by the Board to the Lieutenant Governor.

¹² June 28, 1985, amended "When the chairperson or Vice-Chairperson resigns from the position held and the resignation is accepted by the members of the Board."

¹³ June 28, 1985, amended "When the chairperson or Vice-Chairperson resigns from the position held and the resignation is accepted by the members of the Board."

¹⁴ June 28, 1985, amended and added "until another Chairperson is elected by a majority of the members of the Board."

ARTICLE VI. DUTIES OF OFFICERS AND MEMBERS

A. **Chairperson.** The Chairperson, in addition to presiding at all regular and special Board meetings, shall:

1. Appoint the Chairperson, Vice-Chairperson and members of all Standing committees, subject to the approval of the Board;
2. Appoint members of Ad hoc Committees, Permitted Interaction Groups and designate the Chairperson and Vice-Chairperson of such Committees or Permitted Interaction Groups;
3. Acknowledge communications, petitions, requests, and proposals on behalf of the Board and refer same to the Administrator, ~~or~~ appropriate Committee of the Board and/or Permitted Interaction Group for action and/or recommendation;
4. Serve as the primary liaison with the Governor, Congressional delegation, the Legislature, and other agencies and organizations to ensure that there are effective working relationships between all of the above and the Board;
5. Approve all press releases and public announcements which state the official position of the Board;
6. Approve agenda items for all meetings of the Board; and
7. Perform such other duties as may be required by law or such as may properly pertain to such office.

B. **Vice-Chairperson.** The Vice-Chairperson ~~will~~ shall assume the duties and responsibilities of the Chairperson in the absence of the Chairperson and ~~will~~ shall undertake such other duties as may be assigned by the Chairperson.

C. **Members.** The unanimous vote of all ~~m~~**M**embers of the Board after full consultation with Board Counsel shall be required before any confidential communication, proprietary or otherwise privileged material received in an

Executive Meeting convened under Hawai'i Revised Statutes §92-5 may be publicly released except for communications and materials deemed no longer confidential or redacted and released under Board of Trustees Operations Manual, Rule 21 (July, 2007).¹⁵

¹⁵ ~~November 8, 2007, approved amendments of OHA Bylaws Article VI, by adding new section "C" and to approve creation of conforming with OHA Executive Policies.~~

ARTICLE VII. ADMINISTRATOR

The Board shall have the power to exercise control over the Office through its executive officer, the Administrator.

- A. **Appointment.** As required by ~~Chapter 10, Section 10,~~ Hawai'i Revised Statutes §§ -10-10,¹⁶, as amended, the Board, by a majority (5) of all members to which the Board is entitled, shall appoint an Administrator who shall serve a term to be determined by the Board.
- B. **Duties.** As required by ~~Chapter 10, Section 12,~~ Hawai'i Revised Statutes §§ 10-12,¹⁷ as amended, the Administrator serves at the pleasure of the Board. The Administrator may employ and retain such employees as deemed necessary to carry out the function of the Office.
- C. **Removal.** As required by ~~Chapter 10, Section 10,~~ Hawai'i Revised Statutes §§ 10-10, as amended, the Board, by a two-thirds vote (6) of all ~~members~~ Trustees to which it is entitled, may remove the Administrator for cause at any time.
- G.D. **Function.** The Administrator shall function as the chief executive officer.

¹⁶ **HRS §10-10 Administrator; appointment, tenure, removal.** The board by a majority vote, shall appoint an administrator who shall serve without regard to the provisions of chapter 76 for a term to be determined by the board. The board, by a two-thirds vote of all members to which it is entitled, may remove the administrator for cause at any time.

¹⁷ **HRS §10-12 Assistant; staff.** The administrator may employ and retain such officers and employees as may be necessary to carry out the functions of the office. Such officers and employees may be hired without regard to chapter 76, and shall serve at the pleasure of the administrator. Officers and employees of the office of Hawaiian affairs shall be included in any benefit program generally applicable to officers and employees of the State. [L 1979, c 196, pt of §2; am L 1990, c 231, §1; am L 2000, c 253, §150]]

ARTICLE VIII. COMMITTEES OF THE BOARD

A. Establishment of Standing Committees. To facilitate consideration of policy matters that must be approved by the Board, standing committees are established. Authority to act on all matters is reserved for the Board, and the functions of each standing committee shall be to consider and make recommendations to the Board.

There shall be a minimum of two (2) Standing Committees of the Board. Each Committee ~~will~~ shall be led by a Chairperson and a Vice-Chairperson. The Board may increase the number of Standing Committees, but the membership of the Standing Committees shall be all nine (9) Trustees. The minimum two (2) Standing Committees shall consist of the Committee on Resource Management (RM) and Committee on Beneficiary Advocacy and Empowerment (BAE).

1. **Committee on Resource Management.** The committee shall:
 - a. handle all fiscal and budgetary matters and ensure proper management, planning, evaluation, investment and use of OHA's trust funds;
 - b. review and approve ~~or not approve any and all~~ acquisition expenditures that have a multi-year implication, ~~and~~
 - ~~b.c.~~ review and approve all acquisition expenditures that ~~which~~ impact the OHA Debt Management, Economic Development, Investment ~~and/or~~ Spending policies;
 - ~~e.d.~~ develop ~~establish~~ policies which strengthen OHA's fiscal controls and financial management;
 - ~~d.e.~~ oversee the use and condition of OHA's real estate and execute policy for the proper use of such lands including land to which OHA shall have an interest;

- e.f. develop policy on issues of land use, native rights, and natural and cultural resources, including: the inventory, identification, analysis and treatment of land, native rights and natural and cultural resources;
- f.g. develop policies and criteria for OHA's land acquisitions, dispositions, development, management, and the use of real estate in which OHA has an interest;
- g.h. develop policies relating to OHA's real estate asset allocation, desired returns, and balancing OHA's real estate portfolio including legacy lands, corporate real estate, programmatic lands and investment properties;
- h.i. oversee the use and condition of OHA's real estate and develop policy for the proper use and stewardship of such real estate;
- i.j. develop policies and programs for OHA's ownership, financing and development of real estate, including capital improvements, debt management, economic development, investment and spending policies and forms of ownership for OHA's real estate, in conjunction with the appropriate Committee (e.g., Resources Management);
- j.k. oversee OHA's performance of its rights and obligations with respect to real estate not owned by OHA in its own name; with respect to real estate not owned by OHA in its own name, but owned in one or more limited liability companies or other entities in which OHA, directly or indirectly, maintains an ownership interest, oversee OHA's performance of its rights and obligations with respect to real estate under the terms and conditions of the applicable limited liability company agreement or other operating agreement;
- k.l. review and approve or not approve appropriate grants ~~to programs~~ that support OHA's overall mission;

- ~~l.m.~~ evaluate OHA programs to determine effectiveness ~~in order to~~ decide whether to continue, modify, or terminate funding of any of OHA's programs ~~in alignment with strategic plan, strategies and priorities;~~
- ~~m.n.~~ in consultation with the Chairperson of the Committee on Beneficiary Advocacy and Empowerment and other resources (e.g., Corporation Counsel, Ethics Commission), develop training and orientation programs for Trustees and staff, including materials relating to Trustees roles, fiduciary responsibilities, and ethics¹⁸;
- ~~n.o.~~ in consultation with the Chairperson of the Committee on Beneficiary Advocacy and Empowerment carry out the recruitment and selection of the OHA Administrator; and
- ~~o.p.~~ provide oversight over ~~Permanent~~—Special Councils or Commissions¹⁹ as assigned by the Board.²⁰

2. **Committee on Beneficiary Advocacy and Empowerment.** The committee shall:

- a. plan, coordinate, and implement programs and activities which encourage Hawaiians to participate in governance;
- b. facilitate OHA's legislative agenda and advocacy efforts with Federal, State, and County officials, private and community organizations, and groups involved in Hawaiian issues;
- c. develop programs which focus on beneficiary health, human services, native rights and education;

¹⁸ Consistent with Hawaii Revised Statutes, Chapter 84

¹⁹ February 28, 1992, approved to allow for the creation of councils and commissions to specify their organizational position within the Board structure and to specify appointment procedures and operational procedures of such councils and commissions.

²⁰ February 28, 1992, approved to allow for the creation of councils and commissions to specify their organizational position within the Board structure and to specify appointment procedures and operational procedures of such councils and commissions.

- d. develop policies and programs relating to land use and housing, the environment and natural resources;
- e. evaluate all OHA programs to ensure that the programs have a positive impact on beneficiaries;
- f. review and approve or not approve program grants that support OHA's legislative and advocacy efforts;
- g. ~~draft, introduce, review~~ -and support the passage of legislation which benefits Hawaiians and supports Hawaiian issues, and work to defeat legislation which is not in the best interest of OHA and its beneficiaries; and
- h. provide oversight over ~~Permanent~~ Special Councils or Commissions as assigned by the Board.

A.B. Each Standing Committee shall consider all matters referred to it in accordance with Section J, Article VIII, of these Bylaws and make appropriate recommendations to the Board, in a timely manner, but no later than twelve (12) calendar days before a Board meeting, and shall make progress reports to the Board periodically or when requested by the Chairperson of the Board.

B.C. Standing Committees may meet in joint session when subject matter falls under the purview of more than one of the Standing Committees. In the case of an "un-budgeted" funding decision, a joint ~~committee~~ meeting of the Beneficiary Advocacy and Empowerment Committee and with the Resource Management Committee, led by the Chairperson of the Resource Management Committee, shall be mandatory. ~~An "un-budgeted" funding decision is one in which the Board considers the reallocation of funds in the existing budget to meet an expenditure not appropriated in the existing budget.~~

C.D. **Advisory Committee.**

- 1. Standing Committees may create Advisory Committees as necessary ~~which shall~~ to serve in an advisory capacity to the Standing Committees. Advisory Committees shall assist in the resolution or study of issues

arising in the specific areas of concern assigned to their respective Standing Committee. To avoid duplication in the consideration of issues, the Standing Committees shall create only one Advisory Committee to study or undertake the resolution of a single subject or issue. Each Standing Committee shall have no more than three (3) Advisory Committees at any one time. All communications and advice from an Advisory Committee shall be made to the Chairperson of the Standing Committee, no later than twelve (12) calendar days before a Standing Committee Meeting. All communication and advice to an Advisory Committee shall be made by the Chairperson of the Standing Committee or designee.

2. The Advisory Committee Chairperson and membership shall be appointed by the Standing Committee Chairperson, upon advice and counsel of Standing Committee members. The term of the Advisory Committees shall expire with the completion of the assigned task or at the discretion of the Standing Committee Chairperson. There shall be no less than three (3) members to each Advisory Committee, at least one (1) of whom shall be a member of the Board of Trustees of the Office of Hawaiian Affairs, who shall be appointed by the Standing Committee Chairperson. ~~All Advisory Committee members, with the exception of the members of the Board of Trustees, shall serve on a voluntary basis without compensation, other than reasonable expenses such as travel, parking, and meals in line with (x policies).~~

D.E. Ad Hoc Committees.

1. From time to time, there shall be such Ad hoc Committees, as designated by the Chairperson, the members of which shall be appointed by the Chairperson, and subject to approval of the Board by a ~~simple~~ majority (5) vote. There shall be a minimum of three (3) members on each Ad hoc Committee, at least one of whom shall be a

member of the Board and who shall be the Chairperson of the Ad hoc Committee.

2. The term of the Ad hoc Committees shall expire at the completion of the assigned task or at a specific time that is determined for each Ad hoc Committee at the time of the appointment of said Committee or at the discretion of the Chairperson.

- a. All communications and advice from an Ad hoc Committee shall be made to the Chairperson of the Board no later than ten days before a Board meeting.

- b. All communications and advice to an Ad hoc Committee shall be made by the Chairperson of the Board.

- ~~c. All Ad hoc Committee members, with the exception of except for the members of the Board of Trustees shall serve on a voluntary basis without compensation, other than reasonable expenses such as travel, parking, and meals.~~

- ~~d.c.~~ In the event that three (3) or more Board members are appointed to an Ad Hoc Committee, Chapter 92, Public Agency Meetings and Records, of the Hawai'i Revised Statutes, as amended, will apply.

E.F. ~~Permanent~~ Special Councils or Commissions.

1. There shall be such ~~Permanent~~ Special Councils or Commissions as the Board shall deem appropriate to create. The Board shall designate a Standing Committee that shall exercise oversight over said Council or Commission. The Special Council shall determine the duration of said Council or Commission.

2. Council members or Commissioners shall be appointed by the Standing Committee to which oversight authority is granted pending

confirmation of the ~~full~~ Board through a majority (5) vote of all members to which the Board is entitled.

3. Membership of each Council or Commission shall be composed of at least one (1) member of the Board of Trustees.
4. The subject matter and purview of said Councils or Commissions shall be clearly defined and limited to only those areas so recommended by the Standing Committee having oversight thereof and subject to the approval of the full Board by a majority (5) vote of all members to which the Board is entitled. Oversight by the appropriate Standing Committee shall include, but not be limited to, review of budgetary concerns for the operation of said Council or Commission, and affirmation of requests for actions by such Council or Commission for the continued operations of such Council or Commission.
5. ~~Such Council members or Commissioners with the exception of any members of the Board of Trustees, shall serve terms as established by the Board and shall serve on a voluntary basis without compensation, other than reasonable expenses such as travel, parking, and meals.~~

F.G. **Quorum and Voting for Committees, Councils and Commissions.**

1. For Advisory, Ad hoc, and Standing Committees, Councils and Commissions, a majority of the members of the Committee, Council or Commission shall constitute a quorum. Except for Ad Hoc Committees, three members shall constitute a quorum to do business.²¹
2. The concurrence of a quorum shall be required for any Committee (other than a Standing Committee), Council or Commission to make any recommendation to the Board or Standing Committee where appropriate, for Board or Standing Committee approval.

²¹ ~~June 28, 1985, except for Ad Hoc Committee, amended to specify the minimum quorum size of three (3) members is required to vote and do business.~~

3. A majority of the Members present at a Standing Committee meeting shall be required for it to make any recommendation to the Board, provided that a quorum is present at the time of the vote.

3.4. ~~When Standing Committees meet jointly, each Committee shall hold vote separately as complete separate voting actions as individual Committees.~~

G.H. Authority to act on all matters is reserved to the Board and the functions of the Advisory and Ad hoc Committees, ~~and~~ Councils and Commissions, and Permitted Interaction Groups shall be to investigate, consider, and make recommendations to the Standing Committee and the Board, respectively.

H.I. **Staff Assignments.** The Administrator shall assign to each Standing, Advisory, and Ad hoc Committee, and to each Council, ~~and~~ Commission and Permitted Interaction Group, appropriate Administration staff to conduct research, analyze data, draft findings, and report and provide project management and support for and to advise the respective Committee, Council, ~~or~~ Commission or Permitted Interaction Group and to maintain records of the proceedings of same.

I.J. **Committee Recommendations.** The Chairperson of the Board of Trustees ~~shall is required to~~ place a Committee recommendation on a full Board of Trustees agenda no later than thirty (30) calendar days after receipt of the recommendation.

All Standing Committees shall ~~are required to~~ do the same with respect to any matter action items referred to the committee by a member-Trustee.²³

J.K. Waiver of any matter by committee to the Board of Trustees shall require two-thirds (2/3) vote of all members to which the Board is entitled.²³

²³ October 30, 2002, (second reading) added "All Standing Committees are required to do the same with respect to action items referred to the committee by a Trustee."

~~K. Waiver of any matter by committee to the Board of Trustees shall require two-thirds (2/3) vote of all members Trustees ~~members~~ to which the Board is entitled.²⁴~~

²³ ~~October 17, 2001, (second reading) requiring two-thirds vote t waiver any matter by committee to the Board. (Source: OHA. Committee on Policy and Planning Action Item. doi: #PP-14. September 20, 2001). First reading was approved on 9/20/2001.~~

²⁴ ~~October 17, 2001, (second reading) requiring two-thirds vote to waiver any matter by committee to the Board. (Source: OHA. Committee on Policy and Planning Action Item. doi: #PP-14. September 20, 2001). First reading was approved on 9/20/2001.~~

ARTICLE IX. MEETINGS

A. As required in ~~Section 10-8~~, Hawai'i Revised Statutes §§ 10-8, as amended, Board meetings shall be convened at the call of the Chairperson or by a quorum, as often as may be necessary for transaction of the Board's business, and shall meet at least once annually on each of the islands of Hawai'i, Maui, Moloka'i, Lāna'i, Kaua'i, and O'ahu. The Board may, at each meeting, fix the time and place for its next regular meeting.

~~A. The Board shall meet at least once annually on each of the islands of Hawai'i, Maui, Moloka'i, Lāna'i, Kaua'i, and O'ahu.~~

B. Board meetings may be convened by the Chairperson. In addition, upon written request of a majority of the members of the Board, the Administrator shall schedule a meeting of the Board to take place within twelve (12) calendar days after receipt of such request, provided that the notice requirement of Chapter 92, 92-7 and 92-41 Hawai'i Revised Statutes, as amended, is met.

C. Emergency meetings may be called by the Chairperson in accordance with Chapter 92, Hawai'i Revised Statutes, Chapter 92-8 as amended.

D. Committee meetings shall be called by the Committee Chairperson.

E. The Board shall give written public notice of any regular, special, emergency or rescheduled Board, Standing Committee, ~~Advisory Committee, Ad hoc Committee, Council and Commission meetings~~ at least six (6) calendar days before the meeting and in the manner as required by ~~Chapter 92~~, Hawai'i Revised Statutes, Chapter 92=-7 and 92-41 as amended.²⁵—.

F. All meetings of the Board or its Committees, ~~Councils, or Commissions~~ shall be open to the public, except for executive session meetings permitted pursuant to Chapter 92, Hawai'i Revised Statutes, as amended.

²⁵—The added language is recommended to be consistent with the changes in chapter 92, Hawai'i, Revised Statutes, ("Sunshine Law") that take effect July 1, 2018.

G. Appearances before the Board, and/or Standing Committees, Councils or Commissions shall be in accordance with Chapter 92, Hawai'i Revised Statutes, as amended.

1. Any person who wants to appear before the Board or any Standing Committee, Council, or Commission, except for executive meetings, to present testimony on a matter before the Board or any Standing Committee, Council or Commission, shall make a request and submit a written copy of such testimony to the Administrator at least seventy-two forty eight (7248) hours prior to the Board, or Standing Committee, Council or Commission meeting unless such requirement is waived by a simple majority of the Board or Standing, Committee, Council or Commission provided further that any verbal presentation permitted by the Board or Standing, Committee, Council or Commission shall be limited to five minutes.
2. The Chairperson or Standing Committee, Council or Commission Chairperson shall have the authority to extend, limit, or terminate any testimony, which the Chairperson determines to be repetitious, to be made solely for purposes of delay, or to be without any substantive purpose.
3. Any person who wants to submit written testimony, data, views, or arguments on any agenda item shall submit thirteen (13) ten copies of such testimony to the Administrator at least seventy-two (72) forty-eight hours prior to the Board or Standing, Committee, Council, or Commission meeting unless waived by a majority vote of all Board, Standing Committee, Council, or Commission members present.²⁶

²⁶ June 28, 1985, amended to add to the bylaws and allow any person to submit written testimony, data, views, or arguments on any agenda item and the Administrator inform the Board or Committee members at least 48 hours prior to the Board or Committee meeting.

4. The Board or Standing, Committee, Council, or Commission by a simple majority vote may restrict the total time allowed per agenda item.

H. **Minutes of Meetings.** The Board and each Standing Committee, Council or Commission shall keep written or recorded minutes of all meetings as required under Chapter 92, Hawai'i Revised Statutes, as amended. The Board shall adopt standardized forms for use in the recordation of minutes of meetings. Minutes of all preceding meetings shall be available as provided by ~~Section 92-9(b)~~, Hawai'i Revised Statutes § 92-9(b),²⁷. The minutes shall include, but need not be limited to:

1. The date, time, and place of the meeting;
2. The members of the Board, Standing Committee, Council, or Commission recorded as -either present, absent, or excused;
3. A summary of all matters proposed, discussed, or decided; and a record, by individual member, of motions made, motions seconded, and votes taken to include dissenting votes and abstentions;
4. Staff assignments for investigation and the date staff reports are due;
5. Departure and arrival of members from meetings ~~so as to~~ show matters discussed before arrival, while there, or after departure; and
6. Any other information that any member of the Board, Standing Committee, Council, or Commission requests be included or reflected in the minutes.

I. **Board Packet.** Pursuant to ~~Section 92-7.5~~, Hawai'i Revised Statutes Section 92-7.5, at the time the board packet is distributed ~~to its members to the trustees~~, the Board shall also make the board packet available for public

²⁷ The following deletion and added language is recommended to be consistent with the changes in the Sunshine Law that take effect July 1, 2018. Section 92-9(b) of the Hawai'i Revised Statutes states, "The minutes shall be made available to the public by posting on the board's website or, if the board does not have a website, on an appropriate state or county website within forty days after the meeting except where such disclosure would be inconsistent with section 92-5; provided that minutes of executive meetings may be withheld so long as their publication would defeat the lawful purpose of the executive meeting, but no longer."

inspection in the Board's office. The Board shall provide notice to persons requesting notification of meetings pursuant to ~~Section 92-7(e)~~, Hawai'i Revised Statutes Section 92-7E, that the board packet is available for inspection in the board's office and shall provide reasonably prompt access to the board packet to any person upon request. The Board is not required to mail board packets. As soon as practicable, the Board shall accommodate requests for electronic access to the ~~Bb~~board ~~Pp~~packet.²⁸

~~"Board packet" means documents that are compiled by the Board and distributed to board members before a meeting for use at that meeting, to the extent the documents are public under chapter 92F, Hawai'i Revised Statutes. Section 92-7.5, Hawai'i Revised Statutes, shall not require disclosure of executive session minutes, license applications, or other records for which the Board cannot reasonably complete its redaction of nonpublic information in the time available before the public inspection required by Section 92-7.5, Hawai'i Revised Statutes.~~²⁹

J. **Referrals.** The Board shall adopt procedures for research, due diligence and analysis, referrals to staff via the Administrator.

J. — The Board may hold additional community meetings, informational meetings and public hearings. ~~, including meetings in island, beneficiary communities, for the purposes of gathering additional information (e.g., beneficiary needs, policies, strategies, impacts of disasters), and public hearings (for the following reasons...) pursuant to...~~

²⁸ The added language is recommended to be consistent with the changes in the Sunshine Law that take effect July 1, 2018.

²⁹ The added language is recommended to be consistent with the changes in the Sunshine Law that take effect July 1, 2018.

ARTICLE X. QUORUM AND VOTING

As required by ~~Section 10-8~~, Hawai'i Revised Statutes Section § 10-8, as amended, a majority (5) of all the members to which the Board is entitled shall constitute a quorum to conduct business. The concurrence of a majority (5) of all the members to which the Board is entitled shall be necessary to make any action of the Board valid provided that due notice shall be given to all members.

An abstention shall not be considered a positive or negative vote. A procedural motion may be passed by a majority (5) vote of the members present. Upon the request of any member of the Board, the Board Secretary shall call the roll.

A. Unless a member is excused from voting, such member's silence shall be recorded as an abstention.

B. A member may use a "~~k~~Kanalua" response when called upon to vote and if repeated when polled again, that vote shall be recorded as an "abstention", or when polled to vote again, the second time may either vote "yes" or "no"³⁰.

B.C. Yes with Reservation

The Board Secretary shall record each vote in the minutes and report to the Chairperson, who shall announce the result to the Board.

³⁰ ~~June 3, 1997, defined the meaning, use and limit of Kanalua (abstain). "Unless a member is excused from voting, such member's silence shall be recorded as an abstention;" and sentence 6 to read "a member may use a 'Kanalua' response but once, and if repeated when polled again, that vote shall be recorded as an abstention, or a member may first respond with one 'Kanalua' vote, when polled to vote again the second time may either vote Yes or No." Second reading and the motion was carried unanimously June 24, 1997.~~

ARTICLE XI. LEGAL COUNSEL

- A. Legal Counsel for the Board ~~should~~shall be present at all regular meetings and certain committee meetings of the Board when requested by the Chairperson, or Chairperson of the relevant Committee.
- B. The Chairperson or designee, subject to prior approval of the Board, may request any written or verbal legal opinion from the OHA's Corporate Counsel, the , Department of the Attorney General or from any other external legal counsel. Where a request is made in writing and a legal opinion is rendered by the Department of the Attorney General, or from any other external legal counsel, such opinion along with a copy of the written request for such opinion shall be immediately distributed to all Board members in written form.³¹
- C. The Administrator of the Office Hawaiian Affairs or designee, subject to prior approval of the Board, may request any written or verbal legal opinion from the Department of the Attorney General, or from any other external legal counsel. Where a request is made in writing and a legal opinion is rendered by the Department of the Attorney General or from any other external legal counsel, such opinion along with a copy of the written request for such opinion shall be immediately distributed to all Board members in written form.³²

³¹ ~~September 30, 1988, amended the Bylaws add clarity and require the Chair or designee to receive prior approval of the Board to request for legal opinion.~~

³² ~~August 30, 1988, the expressed language was approved by the Board and included in the 2016 update.~~

ARTICLE XII. PARLIAMENTARY AUTHORITY

The most recent edition of Robert's Rules of Order shall apply in situations not covered by these Bylaws or applicable statutes.

ARTICLE XIII. AMENDMENTS TO BYLAWS

These Bylaws shall be amended only by two-thirds (2/3) vote of all members to which the Board is entitled. Any proposed amendment to the Bylaws shall be submitted in writing for consideration by the Board. Any Bylaw amendment shall require two readings by the Board. The Board shall not vote on any bylaw amendment until a minimum of two readings by the Board.

ARTICLE XIV. BOARD OF TRUSTEE STAFF

The Board ~~Chair shall will appoint a of Trustees will employ a~~ Chief of Staff who will be responsible for coordinating Board staff functions and activities and ~~shall will~~ act as a liaison between the Board staff and the Administrator.

Each Board member ~~shall will~~ be entitled up to two full time positions and ~~shall will~~ have the flexibility, ~~in order to to~~ help carry out the duties of their office, in choosing their staff positions from the following job classifications: Trustee Aide and Trustee Secretary. Each Board member ~~shall will~~ have sole discretion in selecting from the job classifications listed above that best suit the needs of their office. ³³

The Chairperson of the Board ~~shall will~~ also be entitled to one additional position known as the BOT Private Secretary. Changes to the type and number of staff ~~shall will~~ require Board approval.

³³ March 7, 2013 (first reading) and March 21, 2013 (second reading) amending Bylaws to correspond and conform to changes to OHA's Board of Trustees' Executive Policy Manual relating to options for staffing of each Board of Trustee office to "deal with increasingly complex and diverse OHA projects such as investments, land development and management, and partnership agreements."

ARTICLE XV. CONFLICT OF INTEREST

Members of the Board shall comply with the provisions of this Bylaw and are subject to the standards of conduct and financial interest disclosure requirements of ~~Chapter 84,~~ Hawai'i Revised Statutes, Chapter 84, as amended, to include attending ethics training within a reasonable time upon taking office. For the purpose of this By-Law Article:

A. An 'affiliation' exists if a Board member or a member of the Board member's family is an owner, officer, director, trustee, partner, employee (which shall also include legal counsel, consultant, contractor, advisor, or representative) or agent of such organization.

A.B. All ~~Members~~ ~~Trustees~~ must disclose to the Chairperson and the Board their membership(s) or affiliation(s) with any organizations or person(s) who are eligible to receive grants from ~~the Office of Hawaiian Affairs,~~ or who may be in competition with ~~the Office of Hawaiian Affairs~~ for resources or eligible to procure from or contract with the Office of Hawaiian Affairs. , and ~~Trustees~~ Members shall disqualify themselves any time an action is being considered by the Board which would affect the funding, procurement or contracting of that organization or person. Disclosure by declaration shall be made before Board action on the matter.

Board members have a clear obligation to conduct all affairs of OHA in the best interest of beneficiaries. Members of the Board are expected to place the welfare of OHA above personal interests or the interests of family members or others who may be personally involved in affairs affecting OHA. All decisions of the Board are to be made solely on the basis of a desire to promote the best interest of OHA and its beneficiaries.

C. Members violating this Article shall be subject to disciplinary action, as set forth in Article XVIII herein.

ARTICLE XVI. ~~ARTICLE XVI-CONFIDENTIALITY~~

- A. All information, data, and documents that are not public records, received or reviewed by a ~~Trustee-Member~~ acting in the capacity as ~~Member-Trustee~~, shall be deemed confidential and shall not be released or utilized by any ~~Member-Trustee~~ for any purpose other than OHA or Committee business.

~~Disclosure. In the event the Board must consider any matter for OHA which also directly involves:~~

~~a Member's Board or member of the Board's family (which shall be e.g., a spouse, parents, siblings, and any household member, etc.);~~

~~a public or private organization with which a Board Mmember is a member of or affiliated; For this Bylaw, 'affiliation' exists if a Board member or a member of the Board member's family is an owner, officer, director, trustee, partner, employee (which shall also include legal counsel, consultant, contractor, advisor, or representative) or agent of such organization.~~

~~or~~

~~a Board Mmember's personal financial interest as defined under Hawai'i Revised Statutes, Chapter 84, as amended.~~

~~The affected Board member(s), at the first knowledge of the matter, shall disclose fully the precise nature of the interest or involvement to the Chairperson, or in the case of the Chairperson, to the Vice Chairperson.~~

~~For the purpose of For this Bylaw, affiliation exists if a Board member or a member of the Board member's family is an owner, officer, director, trustee, partner, employee (which shall also include legal counsel, consultant, contractor, advisor, or representative) or agent of such organization.~~

~~Matters covered under this Bylaw shall be reported initially to the Chairperson of the Board for appropriate action. Should the Chairperson be the Board~~

~~member with a potential conflict, the matter shall be reported to the Vice Chairperson.~~

~~. — Trustees Members violating provisions A or B this Article above shall be subject to disciplinary action, as set forth in Article XVIII herein.~~

ARTICLE XVII. ~~ARTICLE XVII~~ ORDER AND DECORUM

- A. While the Chairperson is putting any question to, or addressing the Board, or when a person is speaking, all persons present are expected to conduct themselves with decorum and provide respect to the speaker. While a person is speaking, no one shall pass between such speaker and the Chairperson.
- B. When a ~~Member~~ ~~Trustee~~ or other person properly before the Board wishes to speak, the speaker shall address the Chairperson, be recognized before proceeding, and shall confine remarks to the question under discussion.
- C. If a ~~Trustee~~ ~~Member~~ or other person, in speaking or otherwise, transgresses these rules, any ~~Member~~ ~~Trustee~~ may raise a question of order. The Chairperson shall then decide the question of order without debate, subject to an appeal to the Board. In addition, the Chairperson may call for the sense of the Board on any question of order.
- D. Whenever any person is called to order while speaking, such person shall be in possession of the floor after the question of order is decided and may proceed with the matter under discussion within the ruling made on the question of order.
- E. All persons attending Board meetings, including staff, witnesses, members of the media, and the general public, are expected to respect the dignity of the Board.
- F. ~~Members~~ ~~Trustees~~ who repeatedly violate any provision of any of the above sections of this Article shall be subject to disciplinary action, as set forth in Article XVII herein.
- G. Defamation and Slander. ~~The~~ OHA is concerned that no defamatory material or statements are presented at ~~the~~ OHA Board of Trustee and ~~Ce~~ommittee meetings. In the unlikely event that this situation should develop, it will be necessary to call this to the attention of the persons making those statements,

and request that they desist in their action. Such information ~~may~~will be stricken from the record,~~if necessary.~~³⁴

³⁴ October 25, 2000, (second reading) approved the motion to incorporate language on defamatory and slander in the Bylaws and adopt policy on defamatory and slander.

ARTICLE XVIII. TRUSTEE CODE OF CONDUCT AND SANCTIONS FOR VIOLATION OF THE CODE OF CONDUCT

The professional conduct of a member of OHA Board of Trustees shall be guided by the Code of Conduct and Sanctions for Violations of the Code of Conduct, hereinafter referred to as "Code of Conduct", which shall be created as a stand-alone executive policy of the Board of Trustees and made part of the OHA Board of Trustees' Executive Policy Manual as a stand-alone policy.

The Code of Conduct shall contain a discussion of fiduciary responsibilities of an OHA Trustee and laws applicable to a Trustee's conduct. The Code of Conduct consists of three parts: (1) Fiduciary Responsibilities; (2) Board of Trustees' Executive Policies; and (3) Applicable Laws. The Sanctions for Violations of the Code of Conduct shall contain procedures which are fitting to the position of an elected trustee and while ensuring that appropriate due process is afforded to a Trustee whose matter is being considered by the Board of Trustees.

The Code of Conduct and Sanctions for Violations of the Code of Conduct shall be reviewed at least annually to be kept current with changes to the Board of Trustees' Executive Policies and laws applicable to Trustee conduct.³⁵ .

³⁵ March 15, 2016, (second reading), approved motion to amend, approve, adopt and ratify Bylaws Article XVII to create a stand-alone policy entitled "Trustee Code of Conduct and Sanctions for Violations of the Code of Conduct".

ARTICLE XIX. HAWAIIAN LANGUAGE USAGE

All ~~Members Board members~~ and staff are expected to use proper spelling of Hawaiian words and Hawaiian language³⁶ ~~grammar~~ Hawaiian language and grammar ~~to~~ Olelo Hawaii when preparing official correspondence and documents for the OHA, the Office of Hawaiian Affairs.³⁷

³⁶ HRS § 5-6.5, State language. "The Hawaiian language is the native language of Hawaii".

³⁷ HRS § 5-6.5, State language. "The Hawaiian language is the native language of Hawaii". Haw. Const. art. XV, § 4 ("English and Hawaiian shall be the official languages of Hawai'i, except Hawaiian shall be required for public acts and transactions only as provided by law.") (1978).

UNBUDGETED FUNDING REQUEST

An

ARTICLE XX. TABLE OF AUTHORITIES

Statutes

Chapter 10.....	I-1, III-1, IV-1, V-1, VII-1
Chapter 13D.....	IV-1
Chapter 84.....	XV-1, XV-2
Chapter 92.....	VIII-6, IX-1, IX-2
HRS § 5-6.5, State language.....	XVIII-1
HRS §10-10 Administrator; appointment, tenure, removal.....	VII-1
HRS §10-12 Assistant; staff	VII-1
HRS §10-4(1) Office of Hawaiian Affairs; established; general powers	I-1
HRS §10-4(5) Office of Hawaiian Affairs; established; general powers	I-1
HRS §10-7 Board of trustees	IV-1
HRS §10-8 Organization; quorum; meeting.....	IX-1, X-1
HRS §11-15 Application to register	IV-1
HRS §11-25 Challenge by voters; grounds; procedure	IV-1
HRS §12-5 Nomination papers: number of signers.....	IV-1
HRS §12-6 Nomination papers: time for filing; fees.....	IV-1
HRS §17-7 Board of trustees, office of Hawaiian affairs.....	IV-1
HRS §92-5 Exceptions	VI-1
HRS §92-7.5 Board Packet; Filing; Public Inspection; Notice	IX-3
HRS §92-9(b) Minutes	IX-3

Constitutional Provisions

Article XII, Constitution of State of Hawai`i	III-1
Article XII, Section 5, Constitution of State of Hawai`i	IV-1

APPENDIX A. HISTORY AND REFERENCE RELATED TO THE BYLAWS OF THE BOARD

Commented [SH1]: Recommend that the entire Appendix A be 'archived' as a workpaper accessible each time the By-laws are reviewed but not included in the actual document itself

Board Action

HRS §10-4(1) mentioned three specific actions in relation to bylaws, they are 1) adopt, 2) amend and 3) repeal provides the Office of Hawaiian Affairs with the general power to adopt, amend, and repeal bylaws governing the conduct of its business and the performance and duties granted to or imposed upon it by law. Examples of adoption include but are not limited to: incorporating a statute, case law or referencing a higher authority relevant to OHA that incorporates effective statutes or relevant case law (i.e. adopting Chapter 92 which requires governmental agencies to be transparent and to protect the public interest and encourage the public to participate in discussions, deliberations, decision and actions of OHA). An amendment adds specificity, clarity, flexibility, compliance or expressions of the Board within the purpose, powers and duties of the Board and provisions of OHA. Repeal may include chapters and/or sections that had been removed (i.e. HRS §10-14, HRS) or recodified in the statute or administrative rule or languages repealed by the Board of Trustees.

Editing Style

Edit	Indication and Presented in this Document
Delete	Strike through
Add/Edit/Correction	Underline or underscore
Comments	Within open and close parentheses

Source Referencing Style

Modern Language Association (MLA) style is used to reference information source. All sources are within parentheses. The contents are in the following order. Starting from the organization (i.e. OHA) followed by a period, the document type (i.e. Board minutes), the page number or page range and finally the digital object identifier aka doi (i.e. BOT 81-11 file name from OHA's Ka Ipu O Ka 'Ike (KI I) system).

Board Action	Meeting Date	Note
Adopted Bylaws	February 13, 1981	Source: (OHA. Board minutes. Page 6. doi: BOT 81-11). Under the header "Signing of Bylaws", eight (8) of the Board members present (one left due to illness) approved the first adopted Bylaws. Attorney General staff Charlotte Libman created this document.
Amended Article VIII	June 9, 1983	Source: (OHA. Board minutes. Page 2. doi: BOT 83-11). Relating to Standing Committee. Under the header "Amendments to By-Laws". Ten (10) of the Board members present and unanimously approved the amendment of the Bylaws to change the number of standing committees from 6 to 5. The 5 standing committees were 1) Budget and Finance, 2) Culture, 3) Education/Human Services, 4) Resource development and 5) Planning and Development. Motion carried unanimously.

Board Action	Meeting Date	Note
Amended Article VIII and Article XI	December 18, 1984	<p>Source: (OHA. Board minutes. Page 1-2. doi: BOT 84-22).</p> <p>Relating to Standing Committee. Board minutes and page 2 entitled "Amending the Bylaws – Article VIII. Committees of the Board". Eight (8) of the Board members present, 5 approved the amendment and 3 members voted against efforts to consolidate committees. Motion was carried to consolidate committees to Budget and Finance, Culture/Education, Human Services, Resource Development and Planning and Development.</p> <p>Relating to Legal Counsel. Amended Article XI. Legal Counsel to include "The Attorney General or his representative, in his capacity as Counsel of the Board, should be present at all regular and special meetings and certain committee meetings of the Board <u>when requested by the Chairman of the Board or Chairman of the relevant committee.</u> The Attorney General or his representative shall be designated as Counsel for the Board.</p>
Amended Article V	February 21, 1985	<p>Source: (OHA. Board minutes. Page 9-10. doi: BOT 85-05).</p> <p>Relating to Officers. Board minutes and page 9 "Amendment to Bylaws of OHA, Article V. Officers". Seven (7) of the Board present and 6 approved and 1 opposed the amended language "A vacancy in the office of Chairperson or Vice-Chairperson shall exist when such officer commits the following or is acted upon by the Board in the following ways: 1) When the officer resigns from his position; and 2) For such other and further reasons as the Board may consider valid, provided that a two-thirds vote of all members to which it is entitled, declares the office vacant."</p>
Amended Article II, Article V and Article VIII	June 28, 1985	<p>Source: (OHA. Board minutes. Page 3. doi: BOT 85-14).</p> <p>"Amending OHA's Bylaws".</p> <p>Relating to Article II Definitions. <u>Committee means a body of one or more trustees, elected or appointed as provided for under Article VIII of these By-Laws.</u></p> <p>Relating to Article V. Officers. <u>Delete a term of two years and add at the pleasure of the Board.</u></p> <p>Relating to Article V. Vacancy. <u>Delete when such officer commits the following or is acted upon by the Board in the following ways and added under the following circumstances:</u></p> <p><u>Delete when the officer resigns from his position and add When the Chairperson and Vice-Chairperson is removed by the majority of the members of the Board.</u></p>

Board Action	Meeting Date	Note
		<p>Delete For such other and further reasons as the Board may consider valid, provided that a two-thirds vote of all members to which it is entitled, declares that office vacant and add <u>When the chairperson or Vice-Chairperson resigns from the position held and the resignation is accepted by the members of the Board</u></p> <p>Related to Succession delete for the unexpired term and add <u>until another Chairperson is elected by a majority of the members of the Board.</u></p> <p>Relating to Article VIII. Committees of the Board. Relating to Quorum and Voting for Committees add <u>Except for Ad Hoc Committees, three members shall constitute a quorum to do business.</u></p> <p>Relating to Article XI. Meetings. Add <u>Any person who wants to submit written testimony, data, views, or arguments on any agenda item shall submit ten (10) copies of such testimony to the Administrator at least 48 hours prior to the Board or Committee members present meeting unless waived by a majority vote of all Board or Committee Members.</u></p> <p>Seven (7) of the Board members present and unanimously adopted the amendment.</p>
Amended Article VIII and Article IX	July 25, 1987	<p>Source: (OHA. Board minutes. Page 7-8. doi: BOT 87-05.)</p> <p>Attorney General suggested changes to Article VIII, Section C, Paragraph 2, Article VIII, Section D and Article IX, Section B.</p>
Amended Article XI	September 30, 1988	<p>Source: (OHA. Board minutes. Page 5. doi: BOT 88-10.) (OHA., Board minutes. BOT 88-07. 1988)</p> <p>Relating to Article XI Legal Counsel</p> <p><u>The Chair or designee, subject to prior approval of the Board, may request any written or verbal legal opinion from the Department of the Attorney General, or from any other legal counsel. Where a request is made in writing and a legal opinion is rendered by the Department of the Attorney General, or from any other legal counsel, such opinion along with a copy of the written request for such opinion shall be immediately distributed to all Board members in written form."</u></p> <p><u>The Administrator of the Office of Hawaiian Affairs or designee, subject to prior approval of the Board, may request any written or verbal legal opinion from the Department of Attorney General, or from any other legal counsel. Where a request is made in writing and a legal opinion is rendered by the Department of Attorney General or from any other legal</u></p>

Board Action	Meeting Date	Note
		<u>counsel, such opinion along with a copy of the written request for such opinion shall be immediately distributed to all Board members in written form.</u>
Amended Article VIII	April 29, 1989	<p>The Board unanimously approved of the motion.</p> <p>Source: (OHA. Board minutes. Page 3. doi: BOT 89-05.)</p> <p>Relating to Committee. Committee on Operations and Development proposed bylaws amendment to reduce the number of members on Committee on Operations and development from nine to seven.</p> <p>Amend to create a fourth standing Committee on Native Hawaiian Status and Entitlement.</p> <p>The Board unanimously approved of the motion.</p>
Amended	October 23, 1991	<p>Source: (OHA. Board minutes. Page 5. doi: BOT 91-18.)</p> <p>Second reading of the revisions to OHA Bylaws Articles II, VII and X. 9 Trustees present with 7 yes and 2 no. Motion was carried.</p>
Amended Article VIII and IX	February 28, 1992	<p>Source: (OHA. Board minutes. Page 8. doi: BOT 92-03.)</p> <p>Approved amendment to Articles VIII and IX to allow for the creation of Councils and Commissions, to specify their organizational position within the Board structure, and to specify appointment procedures and operational procedures of such Councils and Commissions. Motion was carried.</p>
Amended Article VIII	December 16, 1992	<p>Source: (OHA. Board minutes. Page 2. doi: BOT 92-32.)</p> <p>1st reading to Article VIII to reduce the number of committees from 9 to 6 and redefine the purviews of those committees.</p>
Amended Article VIII	December 18, 1992	<p>Source: (OHA. Board minutes. Page 2. doi: BOT 92-33.)</p> <p>2nd reading to reduce the number of committees from 9 to 6 was approved with concerns. Motion was carried.</p>
Amended Article VIII	April 24, 1997	<p>Source: (OHA. Board minutes. Page 4. doi: BOT 97-13.)</p> <p>1st reading to reorganize committees to better understand and manage issues. Committees include 1) Budget and Finance; 2) Policy and Planning; 3) Program Management; 4) Land and Sovereignty; 5) Legislative Review; and 6) Ad Hoc Committee on Entitlement and Negotiations. Motion carried unanimously.</p>
Amended Article X	May 21, 1997	<p>Source: (OHA. Board minutes. Page 2. doi: BOT 97-17.)</p> <p>Motion to incorporate 554A 1-6 HRS into Article II as stipulated by the Committee purview adopted by the Board to read; the BOT shall exercise Power as provided by Article XII Constitution of the State of Hawai'i and deleting Chapter X,</p>

Board Action	Meeting Date	Note
		and adding Chapter 554A 1-6 Uniform Trustees Powers Act HRS.
Amended Article X	June 3, 1997	Source: (OHA. Board minutes. Page 3. doi: BOT 97-19.) Amended Article X, sentence to read "Unless a member is excused from voting, such member's silence shall be recorded as an abstention;" and sentence 6 to read "a member may use a 'Kanalua' response but once, and if repeated when polled again, that vote shall be recorded as an abstention, or a member may first respond with one 'Kanalua' vote, when polled to vote again the second time may either vote Yes or No. " Motion carried unanimously.
Amended Article X	June 24, 1997	Source: (OHA. Board minutes. Page 6. doi: BOT 97-20.) 2 nd reading clarifies the use of "Kanalua" in abstaining and voting. Motion carried unanimously.
Withdrawal	August 28, 1997	Source: (OHA. Board minutes. Page 6. doi: BOT 97-29.) Relating to May 21, 1997 motion to incorporate 554 HRS into Article II was withdrawn because discussion regarding liability insurance for Trustees, which Trustees don't have any insurance. Motion to add 5549(a) Trustees fiduciary Responsibility Second reading. Motion was defeated. Motion to amend Article XVIII Out of State Travel was defeated
Amended Article VIII	December 8, 1998	Source: (OHA. Board minutes. Page 2. doi: BOT 98-53.) 2 nd reading to amend the organization of the committee structure 1) Government Affairs and Sovereignty; 2) Government Affairs and Sovereignty; and 3) land. Motion carried.
Amended Article VIII	January 13, 2000	Source: (OHA. Board minutes. Page 7-10. doi: BOT 00-03.) 1 st reading, motion to amend committee purviews and individual assignment. Motion carried.
Amended	October 17, 2000	Source: (OHA. Board minutes. Page 2-3 and 5-6. doi: BOT 00-41.) Motion to amend any unbudgeted request for funding shall require the two-third vote of all members to which the Board Is entitled. Motion carried. 1 st reading to add OHA is concerned that no defamatory material or statements are presented at OHA Board of Trustee and OHA committee meetings. In the unlikely event that this situation should develop it will be necessary to call this to the

Board Action	Meeting Date	Note
		<u>attention of persons making those statements and request that they desist in their action. Such information will be stricken from the record if necessary.</u> Defamation is communication when it tends to "harm the reputation of another as to lower him or her in the estimation of the community or deter a third from associating or dealing with him or her." Motion carried unanimously.
Adopted	October 25, 2000	Source: (OHA. Board minutes. Page 2-3 and 5-6. doi: BOT 00-41.) 2 nd reading to adopt policy on defamation and slander. Motion carried.
Amended Article VIII	April 19, 2001	Source: (OHA. Board minutes. Page 33. doi: BOT 01-21.) 2 nd reading to amend time limit to <u>adopt an amendment to the Office of Hawaiian Affairs wherein the Chairperson of the Board of Trustees is required to place a committee recommendation on a full Board of Trustees agenda no later than thirty (30) calendar days after the receipt of the recommendation.</u>
Amended Article VIII	October 17, 2001	Source: (OHA. Board minutes. Page 2. doi: BOT 01-45.) (OHA. Committee on Policy and Planning Action Item. doi: #PP-14. September 20, 2001.) 2 nd reading to amend <u>To adopt an amendment to the OHA Bylaws wherein the waiver of any matter by committee to the Board of Trustees shall require two-thirds vote of all members to which the Board is entitled.</u> Motion carried unanimously.
Bylaws Systematic Review	May 29, 2002	Source: (OHA. Action Item. doi : PP 02-04) Amend policy and procedure manual to 1) integrate planning process such as setting program priorities with strategic planning, community input, program evaluation activities and performance and program budget and to 2) systematically review, update and publish the bylaws, OHA Policies and Procedures Manual and OHA Financial Manual of Guides.
Amended Article VIII	October 10, 2002	Source: (OHA. Board minutes. Page 22-32. doi: BOT 02-29.) 1 st reading to amend Article VIII, "The Chairperson of the Board of Trustees is required to place a committee recommendation of a full Board of Trustees agenda no later than 30 days after the receipt of the recommendation. All standing committees are required to do the same with respect to action items referred to the committee by a Trustee." Motion carried. Committee on Policy and Planning recommend acceptance of

Board Action	Meeting Date	Note
		the content of the OHA bylaws and policies and procedures manual that have systematically updated. Motion carried.
Amended Article VIII	October 30, 2002	<p>Source: (OHA. Board minutes. Page 8-9. doi: BOT 02-31.)</p> <p>2nd reading to amend Article VIII "the Chairman of the Board of Trustees is required to place a committee recommendation on a full Board of Trustees agenda no later than 30 days after the receipt of such a recommendation to add the following: All standing committees are required to do the same with respect to the action items referred to the committee by a Trustee." Motion carried.</p> <p>Source: (OHA. Action Item. doi: PP 02-21)</p> <p>Mentioned that this amendment is related to OHA Strategic Plan, Goal 7 – Policy, Strategy 7.2 "Assure an effective and efficient process of decision-making by the Board of Trustees and create the infrastructure to support their work."</p> <p>Trustees' action items are the major catalysts for organizational change. Mentioned that in practice, such "initiative are sporadic and at-the-will of the proponent(s) and not routine or set-in-schedule. Furthermore, the initiator(s) of an action may deem their initiative time-sensitive by belief or by information that only the initiator is privileged. with, unbeknownst to the rest of their peers on the Committee or the Board."</p> <p>Such inefficiencies were also described in the 2001 Audit of the Office of Hawaiian Affairs, Office of the Auditor, State of Hawai'i, page 29.</p> <p>Recommended Action: All Chairpersons, Vice-Chairperson, and/or vested authorities of each standing committee and the Board of Trustees are required to place on their respective agendas any and all action items that are: submitted, referred, or recommended to their respective Committee or to the Board, no later than thirty (30) calendar days after receipt of such an action item.</p>
Amended Article VIII	December 10, 2002	<p>Source: (OHA. Board minutes. Page 4-6. doi: BOT 02-33.)</p> <p>Motion to amend Article VIII "Committees of the Board", to simplify the structure of the Standing Committees of the Board of Trustees, to ensure each Trustee has the opportunity for full participation in Standing Committee deliberations, and to clarify the procedures required when matters are referred to a Standing Committee. This would be accomplished by adopting the language proposed in Appendices "II", "III" and "IV", attached hereto, which would: A. Delete and replace Article VIII.A with a new language. B. amend Article VIII.F to</p>

Board Action	Meeting Date	Note
		conform to the amendment of Article VIII A and C. amend Article VIII.B to conform to the amendment of Article VIII A. Delete "by the Chairperson of the Board" in Appendix III (in lines with 1 and 2).
Amended Article VI	October 24, 2007	<p>Source: (OHA. ARM/BAE Action Item. doi: ARM-BAE 07-22)</p> <p>ARM/BAE joint committees amended Article VI to add a new section on members rename the Article title from "DUTIES OF OFFICERS" to "DUTIES OF OFFICERS AND MEMBERS".</p> <p>Issue: To add a new paragraph on Member to Duties of Officers. An amendment to the OHA Bylaws Article VI was recommended by the Board of Trustees Attorney. An amendment to conform the OHA BOT Executive Policy Subseries 1030 (Trustee Duties, Responsibilities, and Conduct) Manual to the Bylaw amendment is proposed to ensure consistency of meaning and substance between Bylaw and Executive Policy.</p> <p>C. Members. The unanimous vote of all Members of the Board after full consultation with Board Counsel shall be required before any confidential communication, proprietary or otherwise privileged material received in an Executive Meeting convened under Hawai'i Revised Statutes §92-5 may be publicly released except for communications and materials deemed no longer confidential or redacted and released under Board of Trustees Operations Manual, Rule 21 (July, 2007).¹</p> <p>Motion carried or passed.</p>
Amended Article VI	November 1, 2007	<p>Source: (OHA. Board minutes. Page 6-10. doi: BOT 07-23o.)</p> <p>1st reading. ARM/BAE met on October 24, 2007 recommend the following actions: <u>To simultaneously approve, adopt and ratify amendments to the OHA Board of Trustees' Bylaws as shown in Attachment "B" and to approve and adopt changes to the OHA Board of Trustees' Executive Policy Manual as shown in Attachment "C".</u></p>
Amended Article VI	November 8, 2007	<p>Source: (OHA. Board minutes. Page 3-4. doi: BOT 07-25o.)</p> <p>Source: (OHA. ARM/BAE minutes. Page 2-8. doi: ARM-BAE 07-10o)</p> <p>Source: (OHA. Action Item. Entire document. doi: ARM-</p>

¹ Source: OHA. Board minutes. Page 6-10. doi: BOT 07-23o. Board of Trustees Operational Manual was last revised 11/15/2007.

Board Action	Meeting Date	Note
		BAE 07-22)
		Relating to Fiduciary Duty of Confidentiality.
		2 nd reading To simultaneously approve, adopt and ratify amendments to the OHA Board of Trustees' Bylaws as shown in Attachment "B" and to approve and adopt changes to the OHA Board of Trustees' Executive Policy Manual as shown in Attachment "C". Motion carried.
		A. <u>Chairperson.</u> The Chairperson in addition to presiding at all regular and special Board meetings shall:
		1. Appoint the <u>Chairperson, Vice-Chairperson</u> and members of all Standing committees, subject to the approval of the Board;
		2. Appoint members of Ad hoc Committees and designate the <u>Chairperson and Vice-Chairperson</u> of such Committees;
		3. Acknowledge communications, petitions, requests, and proposals on behalf of the Board and refer same to the <u>Administrator Chief Executive Officer</u> or appropriate Committee of the Board for action or recommendation;
		4. Serve as the primary liaison with the Governor, Congressional delegation, the Legislature, and other agencies and organizations to ensure that there are effective working relationships between all of the above and the Board;
		5. Approve all press releases and public announcements which state the official position of the Board;
		6. Approve agenda items for all meetings of the Board;
		7. [Reserved];
		8. [Reserved]; and
		9. Perform such other duties as may be required by law or such as may properly pertain to such office.
		B. <u>Vice-Chair.</u> The <u>Vice-Chairperson</u> will assume the duties and responsibilities of the <u>Chairperson</u> in the absence of the <u>Chairperson</u> and will undertake such other duties as may be assigned by the <u>Chairperson</u> .
		C. <u>Members.</u> The unanimous vote of all Members of

Board Action	Meeting Date	Note
		<p><u>the Board after full consultation with Board Counsel shall be required before any confidential communication, proprietary or otherwise privileged material received in an Executive Meeting convened under Hawai'i Revised Statutes §92-5 may be publicly released except for communications and materials deemed no longer confidential or redacted and released under Board of Trustees Operations Manual, Rule 21 (July, 2007).</u></p> <p>D. Motion carried.</p>
Amendment Article II	December 17, 2009	<p>Source: (OHA. Board minutes. Page 11-13. doi: BOT 09-40.)</p> <p>The Board approved making technical change from Administrator to Chief Executive Officer and that the title change does not change the responsibilities to carry out the Board directives, governance functions and/or the requirements of the laws.</p> <p>Source: (OHA. BOT Action Item. Page 3-4. doi: BOT 09-05.)</p> <p>Issue: Whether or not to approve and authorize the re-designation of position title from OHA "Administrator" to OHA "Chief Executive Officer" and to approve and authorize the Chief Executive Officer to make technical changes to Chapter 10, HRS, OHA's governing documents, to include Bylaws, Executive Policies and operational procedures, and to any other policies, procedures, documents and/or instruments as appropriate to reflect the re-designation of position title.</p> <p>To approve and authorize the re-designation of position title from OHA "Administrator" to OHA "Chief Executive Officer" and to approve and authorize the Chief Executive Officer to make technical changes to Chapter 10, HRS, OHA's governing documents, to include its Bylaws, Executive Policies and operational procedures, and to any other policies, procedures, documents and/or instruments as appropriate to reflect the re-designation of position title.</p> <p>Motion carried.</p>
Amendment Article XIV	March 7, 2013	<p>Source: (OHA. Action Item. doi: ARM-BAE 13-01)</p> <p>Issue: Whether or not the Board of Trustees' Bylaws and the OHA Board of Trustees' Executive Policy Manual should be amended to allow each Trustee to have options in the manner in which their officers are staffed while at the same time ensuring that the staff selected considering adequate and qualified staff to help them fulfill their fiduciary duties. An amendment to</p>

Board Action	Meeting Date	Note
		<p>Article XIV of the OHA Bylaw is necessary to provide a uniform approach to exercising these options in the configuration of their respective offices. An amendment to conform the OHA BOT Executive Policy Manual Subseries 3100 Personnel (BOT Staffing) to the Bylaw amendment is proposed to ensure consistency of meaning and substance between Bylaw and Executive Policy Manual.</p> <p>Amend the language of Article XIV to read, "The Board of Trustees will employ a Chief of Staff who will be responsible for coordinating Board staff functions and activities and will act as a liaison between the Board staff and the Administrator Chief Executive Officer. Each Board member is entitled to one aide and one secretary to help carry out the duties of their office.</p> <p><u>Each Board member will be entitled up to two full time positions and will have the flexibility, in order to help carry out the duties of their office, in choosing their staff positions from the following job classifications: Trustee Aide and Trustee Secretary. Each Board member will have sole discretion in selecting from the job classifications listed above that best suit the needs of their office."</u></p> <p>1st reading, motion passed.</p> <p>Source: (OHA. Executive Session minutes. doi: BOT ES Minutes 030713)</p> <p>ARM/BAE joint committees unanimously approved the motion to simultaneously approve, adopt and ratify amendments to the OHA Board of Trustees' By-Laws as shown in Attachment "A" and to approve and adopt changes to the OHA Board of Trustees' Executive Policy Manual as shown in Attachment "B" relating to options for staffing of each Board of Trustee Office.</p> <p>"This action item is part of an effort to enhance the capacity of Trustees to deal with increasingly complex and diverse OHA projects such as investments, land development and management, and partnership agreements."</p>
Amendment Article XIV	March 21, 2013	<p>Source: (OHA. Board minutes. Page 1-2. doi: BOT 13-06.)</p> <p>Agenda VI.A. Executive Session ARM/BAE 13-01 (actually this is found in ARM/BAE 13-02, March 7, 2013) Approval of an OHA Board of Trustees Bylaws amendment and corresponding and conforming changes to OHA's Board of Trustees' Executive Policy Manual relating to options for staffing of each Board of Trustee office.</p>

Board Action	Meeting Date	Note
		<p>Source: (OHA. Board minutes. doi: BOT ES 032113.)</p> <p>To approve, adopt and ratify amendments the following language. "The Board of Trustees will employ a Chief of Staff who will be responsible for coordinating Board staff functions and activities and will act as a liaison between the Board staff and the Administrator Chief Executive Officer. Each Board member is entitled to one aide and one secretary to help carry out the duties of their office.</p> <p><u>Each Board member will be entitled up to two full time positions and will have the flexibility, in order to help carry out the duties of their office, in choosing their staff positions from the following job classifications: Trustee Aide and Trustee Secretary. Each Board member will have sole discretion in selecting from the job classifications listed above that best suit the needs of their office."</u></p> <p>2nd reading, motion passed unanimously.</p>
Amended Article VIII	January 23, 2014	<p>Source: (OHA. Board minutes. Page 15-24. doi: BOT 14-02.)</p> <p>1st reading to amend Article VIII to add a standing committee to be called the "Committee on Land and Property" (LP) as proposed. Motion carried unanimously.</p> <p>Concerns and clarification about the purview were discussed about land (purchasing and selling), water and natural resources and purview relationships with other standing committees. Specific revisions would be introduced and discussed during the second reading.</p> <p>"Committees of the Board</p> <p>A. There shall be a minimum of two <u>three</u> standing Committees of the Board. Each Committee will be led by a Chair and a Vice-Chair. The Board may increase the number of Standing Committees, but the membership of the Standing Committees shall be all nine (9) Trustees. The minimum two <u>three</u> Standing Committees shall consist of the Committee on Asset and Resource Management (ARM), and Committee on Beneficiary Advocacy and Empowerment (BAE), and the Committee on Land and Property (LP).</p> <p>1. Committee on Asset and Resource Management. The committee shall:</p> <p><u>a. handle all fiscal and budgetary matters and ensure proper management, planning, evaluation, investment and use of</u></p>

Board Action	Meeting Date	Note
		<p>OHA's trust funds;</p> <p>b. review and approve any and all acquisition expenditures that have a multi-year implication, and which impact the OHA Investment or Spending policies, <u>including all decisions concerning the allocation and utilization of resources for the acquisition, development and/or disposition of real property</u>, which requires unbudgeted funding.</p> <p>c. establish policies which strengthen OHA's fiscal controls and financial management;</p> <p>d. <u>oversee the use and condition of OHA's real estate and execute policy for the proper use of such lands including land to which OHA shall have an interest;</u></p> <p>e. <u>develop policy on issues of land use, native rights, and natural and cultural resources, including the inventory, identification, analysis and treatment of land, native rights and natural and cultural resources;</u></p> <p>f. d. review and approve appropriate grants to programs that support OHA's overall mission;</p> <p>g. e. evaluate OHA programs to determine effectiveness in order to decide whether to continue, modify, or terminate funding of any of OHA's programs;</p> <p>h. f. develop training and orientation programs for Trustees and staff including materials relating to Trustees roles, fiduciary responsibilities, and ethics;</p> <p>i. g. in consultation with the Chair of the Committee on Beneficiary Advocacy and Empowerment carry out the recruitment and selection of the <u>Administrator</u> Chief Executive Officer; and</p> <p>j. h. provide oversight over Permanent Special Councils or Commissions as assigned by the Board."</p> <p>Committee on Land and Property. The committee shall:</p> <ol style="list-style-type: none"> develop policies and criteria for OHA's land acquisitions, dispositions, development, management, and the use of real estate in which OHA has an interest; develop policies relating to OHA's real estate asset allocation, desired returns, and balancing OHA's real estate portfolio including legacy lands, corporate real estate, programmatic lands and investment properties; oversee the use and condition of OHA's real estate and develop policy for the proper use and stewardship of such real estate; develop policies and programs for OHA's ownership, financing and development of real estate, including capital improvements, spending

Board Action	Meeting Date	Note
		<p>policy and forms of ownership for OHA's real estate;</p> <p>e. with respect to real estate not owned by OHA in its own name, but owned in one or more limited liability companies or other entities in which OHA, directly or indirectly, maintains an ownership interest, oversee OHA's performance of its rights and obligations with respect to real estate under the terms and conditions of the applicable limited liability company agreement or other operating agreement; and</p> <p>f. provide oversight over Permanent Special Councils or Commissions as assigned by the Board.</p>
Amended Article VIII	February 6, 2014	<p>Source: (OHA. Board minutes. Page 3-4. doi: BOT 14-04.)</p> <p>2nd reading related to BOT 14-01 amendment of the Board's Bylaws and executive manual to create a Committee on Land and Property as a third standing committee of the Board. The motion to amend Article VIII of the OHA BOT Bylaws entitled, "Committee of the Board" to add a standing committee to be called "Committee on Land and Property" (LP) in accordance with the revised language changes to Exhibit "C" on January 23, 2014 BOT meeting.</p> <p>The first LP meeting commenced on February 26, 2014.</p>
Information	May 28, 2015	<p>Source: (OHA. Board minutes. Page 7-8. doi: BOT 15-16.)</p> <p>In accordance with Article VI, Section A.2 and Article VII, Section H Chair Lindsey appointed an Ad Hoc Committee on Trustees' responsibilities to consider options available to the Board when an individual Trustee breaches fiduciary responsibilities or commits other acts that may be prohibited in the OHA Bylaws and Executive Policy Manual. Report is expected and report to the Board August 15, 2015.</p>
Amended Article VIII	July 23, 2015	<p>Source: (OHA. Board minutes. Page 2. doi: BOT 15-24.)</p> <p>Announcement to amend Article VIII to reorganize Standing Committee Structure of BOT to create the Committee on Resource Management mentioned on the agenda. Refer to BOT 15-03. Chair Lindsey announced (Action Item) BOT #15-03 be deferred to July 30 to give Trustees time to review and consider the action item.</p> <p>Source: (OHA. Board Action Item. doi: BOT 15-03)</p> <p>Issue: As part of a larger effort to help ensure that the Board of Trustees can perform and function in the best possible manner with the least waste of time and effort, this action item is</p>

Board Action	Meeting Date	Note
		<p>designed to enhance the ability of the Board of Trustees to oversee, as effectively and efficiently as possible, OHA's land assets to assure that those assets are well managed and that its financial situation remains sound.</p> <p>At present, there are three Standing Committees of the Board of Trustees. This action item if approved will organizationally combine and consolidate the purviews of the Committee on Asset and Resource Management and the Committee on Land and Property into what will be entitled the "Committee on Resource Management."</p>
Amended Article VIII	July 30, 2015	<p>Source: (OHA. Board minutes. Page 4-5. doi: BOT 15-25.)</p> <p>1st reading to amend Article VIII to reorganize Standing Committee Structure of BOT to create the Committee on Resource Management. The action aims to help the Board to be more efficient and effective and save time and costs.</p> <p>Motion carried.</p>
Amended Article VIII	August 27, 2015	<p>Source: (OHA. Board minutes. Page 4-6. doi: BOT 15-29.)</p> <p>2nd reading to amend Article VIII to reorganize Standing Committee Structure of BOT to create the Committee on Resource Management. The intent is to improve the effectiveness and efficiency of the Board in terms of timeliness and responsiveness around pressing issues and concerns related to Hawaiians and native Hawaiians; oversight around policies, planning and evaluation activities; fiscal and budgetary matter; investment and financial management; economic opportunities; land and property management; environmental and natural resources, grant review and approval and etc.</p> <p><u>1. Committee on Resource Management. The committee shall:</u></p> <ol style="list-style-type: none"> handle all fiscal and budgetary matters and ensure proper management, planning, evaluation, investment and use of OHA's trust funds; review and approve any and all acquisition expenditures that have a multi-year implication, and which impact the OHA Investment or Spending policies; establish policies which strengthen OHA's fiscal controls and financial management; oversee the use and condition of OHA's real estate and execute policy for the proper use of such lands including land to which OHA shall have an interest; develop policy on issues of land use, native rights, and natural and cultural resources, including the

Board Action	Meeting Date	Note
		<p><u>inventory, identification, analysis and treatment of land, native rights and natural and cultural resources;</u></p> <p>f. <u>develop policies and criteria for OHA's land acquisitions, dispositions, development, management, and the use of real estate in which OHA has an interest;</u></p> <p>g. <u>develop policies relating to OHA's real estate asset allocation, desired returns, and balancing OHA's real estate portfolio including legacy lands, corporate real estate, programmatic lands and investment properties;</u></p> <p>h. <u>oversee the use and condition of OHA's real estate and develop policy for the proper use and stewardship of such real estate;</u></p> <p>i. <u>develop policies and programs for OHA's ownership, financing and development of real estate, including capital improvements, spending policy and forms of ownership for OHA's real estate;</u></p> <p>j. <u>with respect to real estate not owned by OHA in its own name, but owned in one or more limited liability companies or other entities in which OHA, directly or indirectly, maintains an ownership interest, oversee OHA's performance of its rights and obligations with respect to real estate under the terms and conditions of the applicable limited liability company agreement or other operating agreement;</u></p> <p>k. <u>review and approve appropriate grants to programs that support OHA's overall mission;</u></p> <p>l. <u>evaluate OHA programs to determine effectiveness in order to decide whether to continue, modify, or terminate funding of any of OHA's programs;</u></p> <p>m. <u>develop training and orientation programs for Trustees and staff including materials relating to Trustees roles, fiduciary responsibilities, and ethics;</u></p> <p>n. <u>in consultation with the Chair of the Committee on Beneficiary Advocacy and Empowerment carry out the recruitment and selection of the Administrator Chief Executive Officer; and</u></p> <p>o. <u>provide oversight over Permanent Special Councils or Commissions² as assigned by the Board.</u></p>

² February 28, 1992, approve to allow for the creation of councils and commissions to specify their organizational position within the Board structure and to specify appointment procedures and operational procedures of such councils and commissions.

Board Action	Meeting Date	Note
		Motion carried.
Information	September 10, 2015	<p>Source: (OHA. Board minutes. Page 4-6. doi: BOT 15-32.)</p> <p>Approve Chair (John Waihe'e), Vice Chair (Lei Ahu Isa) and member of Ad Hoc Committee on Bylaws review. On December 3, 2015, the Ad Hoc Committee review was extended to June 30, 2016.</p>
Amendment Article XVII	February 25, 2016	<p>Source: (OHA. Board Action Item. doi: BR 16-1)</p> <p>Issue: This Action Item contemplates the amendment of OHA Bylaws Article XVII, the creation of a code of conduct for OHA trustees and sanctions for trustees for the violation of the code of conduct, and the concurrent approval, adoption and ratification of the code of conduct as a stand-alone policy to comport with the recommendation of the Board of Trustees.</p> <p>The modification to conform the OHA BOT Executive Policy Manual, Subseries 1030 (Trustee Duties, Responsibilities, and Conduct), to Bylaw amendment is proposed to ensure consistency of meaning and substance between Bylaw and Executive Policy.</p> <p>Source: (OHA. Board minutes. Page 6-7. doi: BOT 16-04)</p> <p>1st reading to amend Article XVII</p> <p>Chair Lindsey stated "this is second attempt to set standards for ensuring that we are all appropriately held accountable for our actions... We put our mission at risk when we act for the benefit of ourselves, rather than the good of our organization. Our lack of ability to policy ourselves is an irregularity in our operations that must be corrected. For the effective functioning of our Board, we must establish a procedure for imposing disciplinary sanctions when Board rules are violated and we need to approach this objective with urgency and unity...to meeting the high standards of ethics, transparency, and accountability that are expected from oversight responsibilities. I also must now ask for your vote to approve the First Reading of an amendment to our Bylaws that would help us better demonstrate that we are responsible stewards capable of exercising our authority in OHA's best interest."</p> <p>Motion to amend, approve, adopt and ratify OHA Board of Trustees' Bylaws Article XVII, "Trustee Code of Conduct and Sanctions for Violations of the Code of Conduct" and to approve, adopt and ratify a stand-alone policy which shall be titled "Code of Conduct and Sanctions for Violation of the Code of Conduct".</p>

Board Action	Meeting Date	Note
Amendment Article XVII	March 15, 2016	Motion carried. 7 yes, 0 no and 2 excused.
		Source: (OHÁ. Board minutes. Page 4-6. doi: BR 16-05) 2 nd reading to amend, approve, adopt and ratify OHA Board of Trustees' Bylaws Article XVII, "Trustee Code of Conduct and Sanctions for Violations of the Code of Conduct" and to approve, adopt and ratify a stand-alone policy which shall be titled "Code of Conduct and Sanctions for Violation of the Code of Conduct", as amended. The stand-alone policy includes a number of actions that the Board can take. Motion carried. (8 yes, 0 no, 0 abstention and 1 excused.)

APPENDIX B. TABLE SHOWING EFFECTS ON BYLAWS

The list of adopted/amended dates of BOT Bylaws, also known as “History of Board Actions on [OHA] Bylaws” and “Table Showing Effects on Bylaws” from the Board approved BOT Bylaws on November 8, 2007 have been replaced by a more fuller updated version of the history and explanation of the BOT actions with cited reference (digital object identifier) to KFI to look up the expressed language and specific details of the action of the Board. Appendix B of this document has been deleted and replaced by Appendix A. History and Reference Related to the Bylaws of the Board.

Commented [SH2]: Recommend that the entire Appendix B be ‘archived’ as a workpaper accessible each time the By-laws are reviewed but not included in the actual document itself

APPENDIX C. ENUMERATION SYSTEM

The content and format of the Board of Trustees Bylaws is organized by a hierarchy from the most general concept that embodies all other concepts (i.e. title or chapter in this case the Board of Trustees Bylaws) to the most specific details. To maintain clarity especially with long and complicating documents, the following outline or enumeration system will be used through this document.

Commented [SH3]: Delete and move to operations/operational section

Starting from the title or section description and capitalized followed by a unique number or alpha (i.e. SECTION I. MASTER PLAN AND SCOPE OF SERVICES or CHAPTER 10, Hawai'i Revised Statutes or BOARD OF TRUSTEES BYLAWS).

- I. **Subsection** is indicated by a roman numeral followed by a period. (i.e. ARTICLE I., ARTICLE II., ARTICLE III., ARTICLE IV. and etc.). Subsections are the principal divisions of a section and deal with discrete elements of a section.
 - A. **Paragraph** is indicated by a capital alphabet and period with or without a brief description. (i.e. A. or A. Chair., B., C. and etc.). Paragraphs are used to break down a subsection that covers a number of contingencies, alternatives, requirements, or conditions.
 1. **Subparagraph** indicated by a whole number and period. (i.e. 1., 2.)
 - b. **Clause** indicated by lower case alphabet and period.
 - (1) **Sub-Clause** indicated by an open and close parentheses.

APPENDIX D. TABLE OF AUTHORITIES

Commented [SH4]: Recommend this be included in the actual By-law document as a new article section

Statutes

Chapter 10	I-1, III-1, IV-1, V-1, VII-1
Chapter 13D	IV-1
Chapter 84	XV-1, XV-2
Chapter 92	VIII-6, IX-1, IX-2
HRS § 5-6.5, State language	XVIII-1
HRS § 10-10 Administrator; appointment, tenure, removal	VII-1
HRS § 10-12 Assistant; staff	VII-1
HRS § 10-4(1) Office of Hawaiian Affairs; established; general powers	I-1
HRS § 10-4(5) Office of Hawaiian Affairs; established; general powers	I-1
HRS § 10-7 Board of trustees	IV-1
HRS § 10-8 Organization; quorum; meeting	IX-1, X-1
HRS § 11-15 Application to register	IV-1
HRS § 11-25 Challenge by voters; grounds; procedure	IV-1
HRS § 12-5 Nomination papers: number of signers	IV-1
HRS § 12-6 Nomination papers: time for filing; fees	IV-1
HRS § 17-7 Board of trustees, office of Hawaiian affairs	VI-1
HRS § 92-5 Exceptions	IX-3
HRS § 92-7.5 Board Packet; Filing; Public Inspection; Notice	IX-3
HRS § 92-9(b) Minutes	IX-3

Constitutional Provisions

Article XII, Constitution of State of Hawai'i	III-1
Article XII, Section 5, Constitution of State of Hawai'i	IV-1

APPENDIX A INDEX

Commented [SH5]: Recommend this be retained as an Appendix and remapped, reaffirmed.

A

Absence.....	VI-1
Absent.....	II-3, IX-3
Acquisition.....	VIII-1
Ad hoc Committee.....	VIII-5, VIII-7, IX-1
Ad Hoc Committee.....	II-1, VIII-6
Ad hoc Committees.....	VI-1, VIII-5, VIII-7
Administrator.....	II-1, II-2, VI-1, VII-1, VIII-2, VIII-7, IX-1, IX-2, IX-4, XI-1, XIV-1
Advisory Committee.....	II-1, VIII-4, IX-1
Advocacy.....	VIII-1, VIII-2, VIII-3
Agency.....	II-1, VIII-6
Appointed.....	II-1, VIII-4, VIII-5, VIII-6
Appointment.....	VII-1
Attorney General.....	XI-1

B

BAE.....	VIII-1
Beneficiaries.....	VIII-3, XV-1
Beneficiary.....	VIII-3
Budgetary.....	VIII-1, VIII-6

C

Chairperson.....	II-1, II-2, V-1, V-2, VI-1, VIII-4, VIII-5, IX-2, XI-1, XV-2, XVI-1
Commission.....	II-1, II-2, VIII-6, VIII-7, IX-1, IX-2, IX-3
Committee Chair.....	II-1, VIII-4
Compensation.....	IV-1, VIII-5, VIII-6
Confidential.....	VI-1, VI-2, XV-1
Conflict.....	XV-2
Congressional.....	VI-1
Constitution.....	III-1, IV-1
Coordinate.....	VIII-3
Cultural.....	VIII-1

D

Data.....	IX-2, XV-1
Defamatory.....	XVI-1
dignity of the Board.....	XVI-1
Disciplinary.....	XV-2, XVI-1
Disclosure.....	XV-1
Duties.....	VII-1

E

Effectiveness.....	VIII-2
Elected.....	II-1, II-2, IV-1, V-1, V-2
Election.....	V-1
Empowerment.....	VIII-1, VIII-2, VIII-3
Ethics.....	VIII-2, XV-1
Evaluate.....	VIII-2, VIII-3
Executive officer.....	VII-1
Expenditure.....	VIII-4, XIX-1

F

Fiduciary.....	VIII-2
Fiscal.....	VIII-1
For cause.....	VII-1

G

Governor.....	V-1, V-2, VI-1
Grants.....	VIII-2, VIII-3, XV-1

I

Investment.....	VIII-1
-----------------	--------

J

Joint Committee.....	II-1
----------------------	------

L

Land use.....	VIII-1, VIII-3
Legal Counsel.....	XI-1
Legislature.....	VI-1
Liaison.....	VI-1, XIV-1

M

Majority.....	II-3, V-1, VII-1, VIII-5, VIII-6, VIII-7, IX-1, IX-2, X-1
Majority vote.....	VIII-5, IX-2, X-1
Minutes.....	IX-2
Mission.....	VIII-2

N

Native rights.....	VIII-1, VIII-3
--------------------	----------------

O	
Officer.....	II-2
Official Business.....	II-2

P	
Petitions.....	VI-1
Purview.....	II-1, VIII-4, VIII-6

Q	
Quorum.....	II-2, VIII-7, IX-1, X-1

R	
Real estate.....	VIII-1
Removal.....	VII-1
Requests.....	VI-1, VIII-6, IX-3, XIX-1
Research.....	VIII-7, IX-4
Robert's Rules of Order.....	XII-1

S	
Simple Majority.....	II-3
Slander.....	XVI-1
Special Board Meeting.....	II-3
Standing Committee. II-1, VIII-3, VIII-4, VIII-6, VIII-7, IX-1	

Statutes., I-1, III-1, IV-1, V-1, VI-1, VII-1, IX-1, IX-2, X-1, XV-1, 10	
Succession.....	V-1
Summary.....	IX-3

T	
Transgress.....	XVI-1
Travel.....	IV-1, VIII-5, VIII-6
Trust funds.....	VIII-1
two-thirds.....	VII-1, XIII-1, XIX-1
Two-thirds vote.....	VII-1, XIII-1

U	
Unanimous.....	VI-1

V	
Vacancy.....	V-1
Vice-Chairperson.....	II-1, II-2, V-2
Vote.....	V-1

W	
Waiver.....	VIII-8

Office of Hawaiian Affairs
Board of Trustee Meeting
October 17, 2019
10:00 am

VI. Executive Session *

- A. Consultation with Kumabe HR LLC regarding the recruitment of candidates and hiring of the position of OHA Chief Executive Officer (CEO). Pursuant to *HRS §92-5(a)(2)*.
- B. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding Civil No. 17-1-1823-11 JPC, OHA v. State, et. al. Pursuant to *HRS §92-5(a)(4)*.
- C. Approval of Minutes
 - 1. July 25, 2019
 - 2. August 22, 2019
 - 3. September 5, 2019

* - Any material that is relevant to this section will be distributed at the table during Executive Session.