

**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS  
560 N. NIMITZ HIGHWAY, SUITE 200  
(VIRTUAL MEETING - VIA ZOOM WEBINAR)  
COMMITTEE ON INVESTMENT AND LAND MANAGEMENT  
MINUTES**

**March 5, 2025 2:00 p.m.**

**ATTENDANCE:**

Chairperson J. Keoni Souza  
Vice-Chairperson John Waihe'e, IV  
Trustee Dan Ahuna  
Trustee Kaleihikina Akaka(On Zoom)  
Trustee Keli'i Akina  
Trustee Brickwood Galuteria(On Zoom)  
Trustee C. Hulu Lindsey

**EXCUSED:**

Board Chair Kai Kahele  
Trustee Luana Alapa

**BOT STAFF:**

Anuheia Diamond  
Carina Lee  
Crayn Akina  
Kanani Iaea  
Lei-Ann Durant  
Mark Watanabe  
Morgan Kauai Robello  
Nathan Takeuchi  
Pohai Ryan  
Remy Keliihoomalu

Richelle Kim  
Yvonne Mahelona

**ADMINISTRATION STAFF:**

Stacy Ferreira, CEO/ Ka Pouhana  
Kēhaulani Pu'u, COO / Ka Pou Nui  
Everett Ohta, Interim General Counsel  
Nietzsche Ozawa, Interim Senior Legal Counsel  
Hailama Farden, Sr. Director of HAWAIIAN Cultural Affairs  
Ramona Hinck, Chief Financial Officer  
Ryan Lee, Endowment Director  
Kuuleianuheia Awo-Chun, Dir of Educ.and Culture-Based Learning  
Ku'ikeokalani Kamakea-Ohelo, Dir of 'Oiwī Well-Being and 'Aina Momona  
Lise Vaughn-Sekona, Dir. Community Engagement  
Lori Walker, Interim Land Director  
Bill Brennan, Director of Communications  
Lise Vaugh-Sekona, Dir Community Engagement  
Parker Spencer, Strategy Consultant  
Kevin Chak, IT  
Kelcie Wade, Solution Delivery Tech  
Keone Oldroyd, Legacy Land Agent

**GUESTS:**

Naiwi Wurdeman, Board Counsel  
Vijoy Chattergy, Consequent Capital Management

See attached Link to YouTube video: [https://www.youtube.com/watch?v=PokPW\\_dZyyc](https://www.youtube.com/watch?v=PokPW_dZyyc)

**I. CALL TO ORDER**

**Chair Souza** calls the Committee on Investment and Land Management meeting for Wednesday, March 5, 2025 to order at **2:01 p.m.**

**Chair Souza** roll call 2:02pm - 6 Trustees present constituting a quorum. **Trustee Akaka** arrived after roll call.

**CEO Stacy Ferreira** introduces administration present.

**II. Approval of Minutes from the Committee on Investment and Land Management**

**A. February 19, 2025\***

**Motion by ILM Vice Chair Waihe'e, Second by Trustee Lindsey at 2:05 PM**

There is zero discussion. No Testifiers.

**Chair Souza** calls for a **ROLL CALL VOTE**.

							2:05 PM
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
LUANA	ALAPA						Excused
BRICKWOOD	GALUTERIA			X			
KAIALII	KAHELE						Excused
CARMEN HULU	LINDSEY		2	X			
VICE-CHAIR JOHN	WAIHE'E	1		X			
CHAIR J. KEONI	SOUZA			X			
TOTAL VOTE COUNT				7	0	0	2

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

### III. UNFINISHED BUSINESS

None

### IV. NEW BUSINESS

**A. Informational briefing by Michael Naho'opi'i, Executive Director of the Kaho'olawe Island Reserve Commission(KIRC) on current activities and updates\***

No testifiers.

**Chair Souza recognizes Michael Naho'opi'i, Executive Director KIRC 2:05PM**

**Exec. Director KIRC, Naho'opi'i summarized:**

Overview of KIRC, Current projects, Briefing on transfer of Kaho'olawe to sovereign Native Hawaiian Entity.

The Kaho'olawe Island Reserve Commission (KIRC)state agency was established in 1993 following the transfer of Kaho'olawe from the U.S. military to the State of Hawaii. KIRC oversees the restoration and management of the island and its surrounding waters by involving the community to restore devastated area. The island and two miles surrounding is restricted for use for Native Hawaiian cultural, spiritual and subsistence practices, preservation of its archaeological, historical, cultural significance and resources, restoration and education. Those are the allowed activities on the island no commercial activities.

**Current Projects:**

- **Restoration Efforts:** Native plant restoration, erosion control, seabird repopulation, and invasive species eradication.
- **Ocean Management:** Protection of marine resources, sustainable fishing, and coastline stabilization projects. Shoreline protection management schemes.
- **Cultural Preservation:** National Registry of Historical Places, Safeguarding over 2,000 archaeological sites and supporting Native Hawaiian cultural practices.

- **Infrastructure Management:** Maintenance of transportation, water production, energy systems, and safety programs. Reserve operations – logistics, facilities, and unexploded ordinances.

**Kihei Facility Project:** An 8-acre site for KIRC's permanent operations, educational exhibits, community center, conference rooms, and fundraising initiatives to support restoration efforts. The estimated total cost is \$43 million, with an immediate funding request of \$4.25 million for design and planning. Plans for this to be revenue generator since it is not on the island.

**HRS 6K-9 Statue - Eventual Transfer to a Sovereign Native Hawaiian Entity: MOU's must also transfer**

- HRS 6K-9 management and control of Kaho'olawe will transfer to a federally and state-recognized Native Hawaiian government when one is established.
- Action Plan Steps include confirming legal recognition, holding public hearings, auditing assets, and negotiating transfer terms.
- 4-5 models of possible transfer models range from full title and trust conveyance to limited management control or deferment.
  1. Full Title and Trust Transfer
  2. Title Transfer Only
  3. Management and Control Transfer Without Title
    - A.) The new entity fully replaces KIRC while the state retains liability
    - B.) The KIRC remains, but all commission seats are transferred to the sovereign entity, ensuring Native Hawaiian control while maintaining state funding.
  4. Deferral of Transfer

Make the place better. The KIRC aims to improve Kaho'olawe 's condition, ensuring sustainability for future management. Current efforts focus on environmental restoration, infrastructure development, and establishing a governance model to facilitate a smooth transition when a sovereign entity is recognized.

**Chair Souza recognizes Trustee Lindsey summarized:** Recommend the Board visit Kaho'olawe. It does not look like the state is going to give it to Native Hawaiians.

**Trustee Galuteria summarized:** Timeline for clean up? Access for the lahui. Concept of tourism- revenue stream. Should OHA move to be the entity to receive the island until a time where a Native Hawaiian entity is recognized.

**E.D. Naho'opi'i:** 2004 was the end of military cleanup of a 10 year, \$400 Million clean up effort. Current programs- can do restoration without digging. No plans for new clean up. Every month KIRC sponsors 2 volunteer groups to the island. School groups and volunteer- guided work trips. PKO monthly volunteer trips. All help in the restoration. Yes it's possible that OHA move to become the entity to receive Kaho'olawe until a time when a Native Hawaiian entity is recognized.

**Trustee Ahuna summarized:** Is the transfer of the island through federal recognition or sovereign entity? Is PKO being considered as the sovereign entity?

**E.D. Naho'opi'i summarized:** The statue says federally and state recognized. KIRC is attached to DLNR. PKO are the stewards of the island, not the entire state.

**Trustee Galuteria:** Funding mechanism is needed.

**Discussion on lineal descendants of the island and dryland vegetation:** KIRC has asked the community if there are lineal descendants, only 1 person born on Kahoolawe recently. Otherwise there are descendants related to the use of the island and have input. No rancher claims to lineal descendants, they are donors that assist with funding to buy plants, soil, etc. Two brothers wanted to be reinterned on Kaho'olawe.

Dryland forest - restoration of soil erosion, save reefs, preserves fishing. Using native plants for soil conservation. Desert shrubs for the wind tunnel/little rain – aalii, koko, low plants. The water source is a reverse osmosis converting salt water to drinking water, one acre of water collectors, stores ½ million gallons of rain. The whole idea of the cultural practices on the island is re-green the island, bring the rain back to Kaho'olawe, raise the water table, restore life to the island.

#### **IV. NEW BUSINESS**

##### **B. Informational briefing by OHA Land department on the following properties:**

##### **1. Wahiawā Lands Surrounding Kūkaniloko: TMK No: 7-1-012:009, 010, 011, 012, 013, 015\***

**Testifier Kahealani Hrbacek-** Commented on site stewardship wahi kapu, agricultural efforts, and soil

**Testifier Daniel Anthony-** Comment to activate the agricultural lands, coconut rhinoceros beetle infestation

**Testifier Tom Lenchanko** – Comments on comprehensive management plan 2018 to consult on program, 2023 CMP update recommendation UH. 50 years of stewardship ongoing. Sent email.

##### **Chair Souza recognizes Lori Walker, Interim Land Director summarized: Start 2:56 PM**

Mahalo nui Uncle Tom. The Wahiawā Lands Conceptual Master Plan (CMP) Update and Implementation, approved by the Board in 2018, continues to guide planning and implementation. Other foundational documents include the 2011 Traditional and Cultural Practices Report, conservation easement, governance by the West O'ahu Soil and Water Conservation District, and the Mana I Maui Ola Strategic Plan.

History – Kūkaniloko is a Wahi pana birthing stones and a site for training and resource management. Over time, sandalwood harvesting, ranching, and pineapple monocropping led to soil degradation and invasive species overgrowth. OHA acquired 511 acres in 2012, with management authority over the five-acre birthstone site transferred in 2020 by Executive order. A major challenge remains the lack of a permanent water source for vegetation restoration.

May 2011 Board approved acquisition. Protection of Kūkaniloko: Creating buffers against incompatible development. Agriculture & Food Self-Sufficiency: Exploring compatible agricultural uses.

2015 Board approved conceptual direction 'Āina for CMP. Consult community and establish stewardship.

4 programmatic outcomes:

- Educational Programming: Designating Kūkaniloko as a place for intergenerational learning and traditional knowledge practices.
- Vegetation Continuum: Restoring the Hawaiian ecology through soil remediation, invasive species removal, and reforestation.
- Hub & Spoke Model: Establishing Kūkaniloko as a piko for collaborative partnerships to enhance collective impact and resources.
- Integrated Programming: overlaps the outcomes and has intentional intersections to maximize impact.

Conceptual site plan – visitor spaces, greenhouse and nursery, water storage components, cultural nodes, and vegetation delineations.

Implementation: Stewards

- The Hawaiian Civic Club of Wahiawā has stewarded Kūkaniloko for over 50 years, hosting 126 events and 2,100 participants since July 2023.
- The University of Hawai'i's College of Tropical Agriculture and nonprofit 'Āina Kaiāulu have played key roles in soil remediation, reforestation, and agroforestry.
- 2019 OHA planted 1,000 native trees, and an 'ulu Niu grove of 108 trees and windbreaks were established. 2000 trees and soil remediation. Practicum certified location.
- 2023 grant Readiness and Environmental Protection Integration (REPI) 5-year project, I 'Ulu mai ka 'Ulu Lā'au, secured \$2.2 million in federal funding for 1 year funding reforestation, agroforestry, native seed production, and invasive species management.

CMP Refinement (2024 Update): The University of Hawai'i Community Design Center helped refine the 2018 plan to include actionable steps. Adjustments included citing infrastructure on the northwest edge to reduce visitor impact on the birthstones and specialized agricultural activities to the southeast peninsula(zone 3). Zone 2 protect birthstones and traditional practices. Heavy resources are needed per this CMP. Revised CMP should address state's food production initiatives.

Next Steps: 1. Agricultural feasibility study, evaluating different farming models, infrastructure needs, costs, and market potential.

2. Agribusiness Development Corporation- need permanent water source, rebuild water cycle

Water Infrastructure Development: Exploring access to ADC well water and potential R-1 pipeline expansion. Pipeline funding is at legislature as a CIP request. OHA would need to build infrastructure to store and convey water.

After due diligence, OHA will present an updated CMP and site plan for Board approval.

**Trustee Ahuna:** Are we able to do piping underground by wahi pana birthing stones. R1 water is sewage water.

**Director Walker:** ADC, OHA and others have been consulted, assessed that ADC completed the necessary preservation plans to ensure they do not disturb the birthing stones and other archaeological features.

**Trustee Lindsey:** Planned water line runs along edge of perimeter.

#### **IV. NEW BUSINESS**

##### **C. Informational briefing by Consequent Capital Management (CCM) on the following investment topics for education:**

##### **1. Review of Public Market Equity Strategies and Holdings of the Native Hawaiian Trust Fund\***

No testifiers.

##### **Chair Souza recognizes Vijoy Chattergy, Board Investment Consultant summarized: Start 3:21 PM**

As of December 31, 2024, public equities accounted for 52% of the Native Hawaiian Trust Fund (NHTF) portfolio, exceeding the target allocation of 42%. This overweight position has been beneficial due to strong performance, especially in U.S. large-cap growth stocks. Meanwhile, private equity was underweighted by 8.77%, staff working on rebalancing the portfolio.

The investment strategy categorizes assets into three groups:

1. Capital Appreciation (Public & Private Equity, Global Real Assets) – Focused on growth.
2. Diversifying Assets – Helps balance risk.
3. Capital Preservation – Ensures stability.

Approximately 70% of the portfolio is dedicated to capital appreciation, aligning with an aggressive investment approach aimed at long-term growth and maintaining purchasing power against inflation. Staff is working on rebalancing in public equity holdings and private equity to maintain strategic allocation targets. 70% risk.

Public equities make up 52% of the portfolio, divided into sub-strategies global equity, domestic equity, international equity, and emerging markets.

- Global equity includes two primary funds totaling \$110 million. The JP Morgan exchange-traded fund (ETF) was added in March 2024. Strategic Solutions since 2014. OK performance.
- Domestic equities have been the best-performing segment, with \$123 million allocated, benefiting from the strong U.S. stock market. JP Morgan ETF, State Street Equity S&P 500 Index Fund- slight underperformance (could be due to fees), held since 2016, plays a key role in this segment.
- International equities, covering developed markets (Europe, Japan, Korea, Australia), account for \$69 million. Investments in this category date back to 2012, with JP Morgan and State Street(2016) managing key funds.
  - JP Morgan strategies-Japan, no long track records, question these allocations. Manager of manager structure moved away from that.
  - State Street is being implemented better.
- Emerging equities - \$9 million only 1-2% of portfolio. Two managers 2019 JP Morgan-underperforming, one from 201. For OHA, it may not be appropriate to hold emerging markets. Has it been worth the effort? Change policy if needed, discuss with staff and managers. Could get better returns with less risk.

Page 9 Investment trends and key portfolio strategies, focusing on balancing active vs. passive management, risk considerations, and evolving market dynamics.

- **Active vs. Passive Investing:** much of the portfolio should be actively managed versus passive index investments, in private or public equities balancing costs(fees), risk, and manager skill/strategy.
- **Risk Management:** Active managers aim to generate returns while controlling risk, whereas passive investing simply tracks the market. Monitoring manager decisions to ensure they are not taking excessive risks.
- **Expected vs. Actual Returns:** Investments are structured to achieve the best risk-adjusted returns, though forecasting market performance is inherently difficult.
- **Public equities drive long-term capital appreciation** - growing the portfolio, driven by health of economy, opportunities for higher returns despite economic risks like inflation and deflation.
- **Market Trends & Future Considerations:** Investment strategies evolve over time going from securities to from mutual funds to ETFs, and possibly tokens and blockchain technology. While OHA is not investing in emerging technologies now, trustees should stay informed about market trends.

Overall responsible oversight, risk awareness, and aligning investment strategies with long-term portfolio growth.

## **V. ADJOURNMENT**

**Trustee Waihee moves to adjourn the ILM meeting. 3:49pm**

**Trustee Lindsey seconds the motion.**

There is zero discussion.

**Chair Souza** calls for a **ROLL CALL VOTE**.

							3:49 PM
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
LUANA	ALAPA						Excused
BRICKWOOD	GALUTERIA						Left meeting at 3:15PM
KAIALII	KAHELE						Excused
CARMEN HULU	LINDSEY		2	X			
VICE-CHAIR JOHN	WAIHE'E	1		X			
CHAIR J. KEONI	SOUZA			X			
TOTAL VOTE COUNT				6	0	0	3

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

**Chair Souza** adjourns the ILM meeting at 3:49 p.m.

Respectfully submitted,

*Richelle Kim*

03/27/2025

Richelle Kim  
Trustee Aide  
Committee on Investment and Land Management

As approved by the Committee on Investment and Land Management (ILM) on March 19, 2025

*J.*

03/27/2025

Trustee J Keoni Souza  
Chair  
Committee on Investment and Land Management