

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

**Minutes of the Office of Hawaiian Affairs Committee on Resource Management  
July 26, 2017  
10:00pm**

**ATTENDANCE:**

Trustee Dan Ahuna  
Trustee Rowena Akana  
Trustee Keli'i Akina  
Trustee Peter Apo  
Trustee Colette Machado

Trustee Carmen Hulu Lindsey  
Trustee Robert K. Lindsey, Jr.  
Trustee John Waihe'e, IV  
Trustee Leina'ala Ahu Isa

**STAFF PRESENT:**

Kamana'opono Crabbe, CEO  
Alvin Akee  
Albert Tiberi  
Brutus La Benz  
Charlyn Ontai  
David Laeha  
Dylan Zheng  
Everett Ohta  
Johnathan Ching  
'Olu Campbell  
Karlen Oneha  
Kawika Riley  
Lisa Victor  
Lehua Itokazu

Lopaka Baptise  
Miles Nishijima  
Paul Harleman  
Phyllis Ono-Evengelista  
Lady Garrett  
Lehua Itokazu  
Liana Pang  
Lopaka Baptiste  
Makana Chai  
Max Mukai  
Miles Nishijima  
Raina Gushiken  
Raymond Matsuura  
Sterling Wong

**GUESTS:**

Germaine Meyers

**I. CALL TO ORDER**

**Committee Chair Hulu Lindsey** – Calls the Committee on Resource Management to order at 10:05pm, noting for the record the following Trustees are present:

		<b>Present</b>	<b>Excused</b>	<b>Comments</b>
TRUSTEE LEI	AHU ISA	X		
TRUSTEE DAN	AHUNA	X		
TRUSTEE ROWENA	AKANA	X		
TRUSTEE KELI'I	AKINA	X		
TRUSTEE PETER	APO	X		
TRUSTEE ROBERT	LINDSEY	X		
TRUSTEE COLETTE	MACHADO	X		
TRUSTEE JOHN	WAIHE'E	X		
CHAIRPERSON HULU	LINDSEY	X		
<b>TOTAL</b>		<b>9</b>		
At the Call to Order, there are nine (9) Trustees present.				

**II. APPROVAL OF MINUTES**

**Chair H. Lindsey** defers the minutes dated May 5, 2017 to August 23, 2017 RM Committee meeting due to typo error of the date for which it should have been listed as May 3, 2017. She states that the minutes will be placed on the RM Committee agenda.

<b>Trustee John Waihe'e, IV moves to approve the minutes dated May 24, 2017 and May 31, 2017 Workshop. Trustee Rowena Akana seconds the motion.</b>							
		<b>1</b>	<b>2</b>	<b>'AE (YES)</b>	<b>'A'OLE (NO)</b>	<b>KANALUA (ABSTAIN)</b>	<b>EXCUSED</b>
TRUSTEE LEI	AHU ISA			X			
TRUSTEE DAN	AHUNA			X			
TRUSTEE ROWENA	AKANA		X	X			
TRUSTEE KELI'I	AKINA			X			
TRUSTEE PETER	APO			X			
TRUSTEE ROBERT	LINDSEY			X			
TRUSTEE COLETTE	MACHADO			X			
TRUSTEE JOHN	WAIHE'E	X		X			
CHAIRPERSON HULU	LINDSEY			X			

<b>TOTAL VOTE COUNT</b>			<b>9</b>			
<b>MOTION:</b> [ X ] UNANIMOUS [ X ] PASSED [ ] DEFERRED [ ] FAILED						
<b>Motion passes with nine (9) YES votes and one (0) EXCUSED votes.</b>						

**III. PUBLIC TESTIMONY**

None.

**IV. NEW BUSINESS**

**Chair H. Lindsey** turns over the time over to the COO, Lisa Victor, and Raymond Matsuura to introduce the Investment Advisory Committee Members (IACM).

**A. Introduction of Investment Advisory Committee Members (IACM)**

**COO Victor** thanks Chair H. Lindsey, and calls upon OHA’s Investment Manager Raymond Matsuura to introduce and acknowledge the IACM as well as the following Action Item.

**Raymond Matsuura** greets the board and the IACM. He explains that the IACM are members of the local community in the following fields; law, non-profit, business, and finance. He says that they will provide independent commentary and advice to the Chair and Vice Chair of the Resource Management committee, and serve for the betterment of the NHTF. He says that it is important to have this independent voice outside his role and the consultant with regard to investments in the trust. He points out that they have volunteered their time regularly to provide excellent commentary and advice. He says that they also provide a level of continuity to the trust program. He recalls a time when OHA did not have an investment manager nor a consultant, and that reaffirms the purpose of their voice which is outside of OHA and within the community. He says that they have been a part of more controversial decisions, for which he personally has not been a part of here at OHA, but as those decisions arise, it will be important to have their opinion. He says that they have been invited to the meeting today to thank them for their time and service for the betterment of OHA. He suggests that each of them introduce themselves, starting with David Todani.

**David Todani’s** introduction of himself is inaudible.

**Larry Okinaga’s** introduction of himself is inaudible.

**Brant Chillingworth’s** introduction of himself is inaudible.

**M'Liss Moore's** introduction of herself is inaudible.

**Brad Punu's** introduction of himself is inaudible.

**Trustee Akana** says, "I want to thank you personally for volunteering your time. It is a thankless job. As Larry knows, he has been with this group from the beginning and he has helped us through many upheavals. He has been here with the good and the bad. And so he is a very humble guy. He is an attorney with Carlsmith Ball and he has volunteered his time many times for OHA for free, legally. We can't say that about too many attorneys, most attorneys want our money. But Larry has volunteered and done many things pro bono for OHA, so we owe him a great gratitude of mahalo. So thank you for still sticking with us and welcome to the rest of you and we hope we see you as long as Larry has served."

**Trustee Apo** says, "I'll repeat the thank you. You know what I love about this is that we are, one of the challenges we have is connecting to Bishop Street. We don't have a very high presence there as an institution. So having this investment, this counseling, gives us a little window of that part of Hawaii that we seldom visit. So thank you for providing us that bridge and that opportunity. We appreciate it."

**Chair H. Lindsey** says, "The committee wants to thank you again for all of you services. We really appreciate the time you take out to assist our Investment Advisor."

**Raymond Matsuura** says, "I agree wholly. They have been a great asset. Again, it's good to hear from people who have been with the committee, and associated with OHA, longer than I have, I have only been here less than two years, so it is kind of good to get the history of the committee and what OHA has been trying to do for the Native Hawaiian Trust Fund (NHTF). I might add that I have noticed that Larry was voted a super lawyer for 2017 by his peer group in Hawaii Business News. This is a pretty outstanding group of people that we work with."

**Larry Okinaga** addresses the Board but his dialogue is inaudible.

**Trustee Akina** says, "Thank you Madam Chair and thank you to the members of the Advisory Committee for Investment. We appreciate your work. Can Raymond share the role that the committee plays and the kind of time and service that are provided the members."

**Raymond Matsuura** replies, "Some of the issues, again they are strictly advisory, there is no decision making, I think we are going to address that, and see how we can make it more effective, and the direction we want to see it go. But I think things like, when we are deciding on terminating Goldman Sachs as an investment manager, you know, we vetted them, we brought them in front of the committee, and just kind of got their opinion, of how we should do 'that,' and do they think that is a good decision. Again, another voice, another independent opinion about that situation. Another one would be, what we were going to bring up in the action item today, the asset allocation and benchmark changes. Those were discussed before the committee. As you know M'Liss and David have a strong background working with foundations with benchmarks. So I think they bring that expertise to the table that the consultant may not have noticed. So it is just good to have more voices in the game."

**Trustee Ahu Isa** says, “I want to mahalo Chair for putting this on the agenda, cause I did not know. I’ve been at OHA for three years, and I did not know we had an investment committee, or the members of the committee. Also we need to address the ‘John Kim Waihe’e’ on the minutes.”

**Raymond Matsuura** says, “I would like to give another round of applause for our members of the committee and thank them.”

**B. RM #17-08: Amendment to Section 5.1 of the Investment Policy, changing the Native Hawaiian Trust Fund Asset Allocation and Benchmarks**

<b>Trustee John Waihe’e, IV moves to approve the amendment to Section 5.1 of the Native Hawaiian Trust Fund Investment Policy Statement as described in Attachment “A” (Investment Policy Statement). Trustee Colette Machado seconds the motion.</b>							
		<b>1</b>	<b>2</b>	<b>‘AE (YES)</b>	<b>‘A‘OLE (NO)</b>	<b>KANALUA (ABSTAIN)</b>	<b>EXCUSED</b>
TRUSTEE LEI	<b>AHU ISA</b>			X			
TRUSTEE DAN	<b>AHUNA</b>			X			
TRUSTEE ROWENA	<b>AKANA</b>			X			
TRUSTEE KELI‘I	<b>AKINA</b>			X			
TRUSTEE PETER	<b>APO</b>			X			
TRUSTEE ROBERT	<b>LINDSEY</b>			X			
TRUSTEE COLETTE	<b>MACHADO</b>		X	X			
TRUSTEE JOHN	<b>WAIHE‘E</b>	X		X			
CHAIRPERSON HULU	<b>LINDSEY</b>			X			
<b>TOTAL VOTE COUNT</b>				<b>9</b>			
<b>MOTION: [ X ] UNANIMOUS [ X ] PASSED [ ] DEFERRED [ ] FAILED</b>							
<b>Motion passes with nine (9) YES votes and zero (0) EXCUSED votes.</b>							

**C. RM #17-09: Approval of amendment to the BOT Executive Policy Manual, as shown in Attachment “A.”**

<b>Trustee John Waihe’e, IV moves to approve the amendment to the BOT Executive Policy Manual, as shown in Attachment “A.” Trustee Peter Apo seconds the motion.</b>							
		<b>1</b>	<b>2</b>	<b>‘AE (YES)</b>	<b>‘A‘OLE (NO)</b>	<b>KANALUA (ABSTAIN)</b>	<b>EXCUSED</b>

TRUSTEE LEI	AHU ISA					
TRUSTEE DAN	AHUNA					
TRUSTEE ROWENA	AKANA					
TRUSTEE KELI'I	AKINA					
TRUSTEE PETER	APO		X			
TRUSTEE ROBERT	LINDSEY					
TRUSTEE COLETTE	MACHADO					
TRUSTEE JOHN	WAIHE'E		X			
CHAIRPERSON HULU	LINDSEY					
<b>TOTAL VOTE COUNT</b>						
<b>MOTION:</b> [ ] UNANIMOUS [ ] PASSED [ X ] DEFERRED [ ] FAILED						
<b>Motion was deferred.</b>						

**Chair H. Lindsey** calls for discussion.

**Trustee Machado** says, “Madam Chair, just for the record I will be voting no on this motion. I want to be able to look at the recommendation in attachment “A”. I feel that some of the requirements that’s attached to it that all current and proposed contracts and contract amendments and extensions shall be maintained on a BOT section of Ki’i. What becomes more encumbered by the staff, perhaps unreasonable responsibility, is to return some of this information within a 30 day period. So I am not really sure this is going to help the flow and do it more, what we consider, efficiently. So I will be voting no because this appears as the first phase of micro management. Many of you on the table may disagree with me when it comes to procurement process for goods and services, and as outlined in attachment “A” I think that this is unreasonable, and I will be voting no.”

**Trustee R. Lindsey** says, “I too will be voting no on this matter for the reasons cited by Chair Machado.”

**Trustee Ahuna** says, “And I too will be voting no. Thank you.”

**Trustee Apo** says, “I understand the dilemma of the no votes. I support this because I’ve had this notion that Trustees ought to be the first to know when large appropriations are made without having to send staff to investigate, to find out what’s going on. [It is] embarrassing for me to find out that we gave half a million dollars to a group by meeting someone in the hallway from the state. My personal experiences have been huge sums of money that have been appropriated not illegally, legally, under jurisdiction of the administration, but I did not know about it. And I think I am somewhat diligent. So the

intent of this is not mean spirited, but Trustee's ought to be the first to know, particularly with large appropriations in contracts that are entered in to that we need to be aware of. Rather than walk out in the street and someone comes up and asks you, 'oh how come you did this, how come you gave all this money to them?' and I don't know anything about it. This has been going on for some time now. Again, I don't think, at least my purposes is not to be mean spirited in supporting it, I just want to be in the loop as a Trustee. That is my responsibility. Thank you."

**Trustee Akana** says, "I will vote in the affirmative, for some of the same reasons. I think that it is only appropriate, but it is long overdue. So I will vote in the affirmative."

**Trustee Ahu Isa** says, "Is there a dollar amount?"

**Chair H. Lindsey** says no.

**Trustee Ahu Isa** asks, "So everything?"

**Chair H. Lindsey** says yes.

**Trustee Ahu Isa** says, "Yah, that is kind of micro managing. I thought there was a dollar amount, anything over \$25,000 on the Board of Education, Pat Hamamoto, anything over \$25,000 she had to come to the Board for approval."

**Trustee Akana** responds, "That is already a rule."

**Trustee Ahu Isa** says, "That is already a rule, \$25,000? Lisa, what is the dollar amount?"

**COO Victor** says, "According to this, Madam Chair, if I may, a couple things, admin does not concur because of the ineffectiveness of this policy change. It is already a difficult process, and it is made that way on purpose, and we follow it to the "T". But I wanted to share a couple things before the Board votes. There is a website that we post solicitations to on oha.org. That is part of our process. Internally as well, I am not so sure. The request in here as well is to post contracts to Ki'i, and that is already available. So I wanted to share that with the Trustees before they decide today on whichever way they are going to vote. I wanted to show you from the Ki'i page, there is a contracts link and I wanted to show you also how to navigate this. In here you'll see access to all the contracts on file. If you click on the expiration date, you can choose to do ascending or descending order, and you'll see contracts I think from 2015. If you click on it, you will open the entire contract. So I hope this is helpful in your decision today. I wanted to ask Albert and Raina to comment if they would."

**Trustee Ahuna** says, "When did this Ki'i platform begin? I believe Trustee Robert Lindsey was the Chair at that time."

**Phyllis Ono-Evangelista** says, "I believe the website has been up since 2010, very early on. And we are working to keep it updated and post as soon as we can. Although it takes a number of steps, so I am working on a process where we can scan directly to the Ki'i and then that will give you almost a real time, when the contract gets executed, and then disseminated."

**Trustee Ahuna** says, "On this back page, I was told way back then that our staff, people can actually see who goes on it and who doesn't go on it. What I want to say is, everyone had the opportunity to this information. Did you guys check to see if any Trustees went on to check the information?"

**Phyllis Ono-Evangelista** says, "No, I have not checked that yet."

**Trustee Akana** says, "Well Phyllis is right, this thing came up on 2010, but it has not been updated to the point where we are talking about now. It has only been like last year when we were looking contracts that, and my office has tried to get on the site and to look at particular things, and it isn't easy, to go look for what you are looking for. It isn't that easy. Even when it is only for Trustees. Trust me it is not easy. So you can check to see how many Trustees actually went on this site, I was one of those. But it is not easy. This is ridiculous this conversation because we are talking about contracts that we can look at, after the fact. We want to know before the fact. We want to know how much of our money is actually being spent my darlings. We are the guys that take the hits at the polls and people ask us questions outside, it's not the staff. The staff is getting paid to put this stuff on the website. So what? Our staff is required 30 days to get the minutes together, why can't they do it in 30 days? This is ridiculous this whole conversation. It is just another attempt to just hold Trustees down."

**Albert Tiberi** says, "I think what Lisa is trying to say is, I don't think we are opposed to sharing contract information, and like Phyllis said, they have been posting, and I think it's through 2016 sometime. The more current stuff is on the website, which is the solicitation and award page, which shows the solicitations and awards that were made. I think it is a resource issue for her as far as making sure she has the staff time to update the webpage and the Ki'i page. I think the Ki'i page could use some help as far as efficiency and how searching, it is a little clumsy. So I think administration can work on that. I think for us reading the action item, I think that's what Trustee Ahu Isa brought up, the impact would be, to us, you're talking about every contract, every transaction. We have a hotel agreement that is a contract, if we wait 30 days, sometimes that is not going to be timely. Sometimes we have health and safety issues that we have to turn around in a couple weeks. We have legal services issues sometimes, we get sued we need to respond in 20 days. So there is a timing issue on a lot of the procurements that come in to play that would be impeded by a 30 day wait period as we read it, that says we have to hold everything for 30 days till we can execute, amend, terminate. We have termination for



cause situations, where we have to terminate contracts. We don't want to wait 30 days, maybe we want to do it immediately. So there are some issues here that we object to. I think there are some, 30 day wait period, is a little inconsistent. And I think with the role of the CPO, the Chair plays as the Chief Procurement Officer and authority given to her by the procurement code. For us the bigger issue is the 30 day waiting period. I think like Lisa is saying, we are trying to provide better information through Ki'i. Phyllis is trying to do a better job of keeping the site of solicitations and awards page updated."

**Trustee Waihe'e** says, "What was the reason for the 30 day number? I could see if you wanted it posted within 30 days of executing it. But why would you need 30 days before there were even going to execute it, when they may not even know they are going to do it."

**Chair H. Lindsey** says, "Well this can be amended."

**Trustee Akina** says, "I think for the most part we are probably on the same page over here. I think that this must be understood as a policy that is being formalized and not a change so much in our operations. As Lisa Victor correctly pointed out, we do have the Ki'i system already in place, so this isn't going to be an extraordinary change. We do post. What this does as an Action Item is that it says it is our policy. It updates, it is part of the larger project of the Board to update our financial policies. So I don't see this as controversial. Now with respect to the management of micro management, this is not requiring the Board's action to authorize any disbursements. This is simply reporting information, so that the Board is aware of things. And we do have to formalize that a bit. If you recall earlier, in the year, I pointed out that there was a very large contract, number 2976, for \$95,000 in 2014 and had been extended 5 times to a total of \$723,000. And from what I hear also from a committee is that we have extended that. We are in the dark as Trustees to know that has happened. So I want to point out that the action item is not telling administration that they need to come to the Board to execute contracts or to make disbursements, but simply formalizes the policy that Trustees shall be informed. Personally, I don't think 30 day requirement is necessary for this. So long as we know what has taken place. We still have the authority should the administration need to be told this was a bad thing in our opinion after the fact. I think we can forego the 30 day requirement Madam Chair and perhaps rephrase this with all the provisions in it now except the 30 day requirement."

**Chair H. Lindsey** says, "Would you like to make an amendment?"

**Trustee Akina** says, "Yes, I would like to make that amendment. I will allow our staff to frame it. But basically I am proposing is that we adopt this action item as worded here, but remove from it the requirement of items A., B., and C. that are listed here be done within 30 days in advance."

**COO Victor** says, "I just wanted to make sure that the Board understands that you are talking about 400 to 500 procurements a year. That is how many. And without a threshold as Trustee Ahu Isa spoke about, I would like to recommend the Board consider not just, you know, that piece of the 30 day, but how much volume is the Board willing to review."

**Trustee Akina** says, "Lisa, do you keep track of all contracts in any case? Aren't they entered and kept on file? Wouldn't you simply through this policy be letting Trustees see that?"

**Phyllis Ono-Evangelista** says, "We do have a contract log that we keep and that is available to the procurement staff so that we can make sure we follow up on contracts."

**Trustee Akana** says, "Yah, but that is not available to the Trustees."

**Phyllis Ono-Evangelista** says, "We can provide a report either monthly or however we decide with you folks."

**Trustee Apo** says, "Before?"

**Phyllis Ono-Evangelista** says, "I can provide you what the procurement is for, but I cannot necessarily provide you who the contractor is, because until we finally make an award, and then we take in to the negotiation, it is not a final contract."

**Trustee Akina** says, "Well all the action item is calling for is that Ki'i reflect those contracts, which you are already recording in terms of data. So it shouldn't be much more difficult. It is simply giving us as Trustees the ability to go and take a look at what contracts exist. That's all."

**Albert Tiberi** says, "I think the action item is asking for notice prior to execution, amendment, or termination, which for us can be problematic operationally. When we are going through a procurement process we don't want to have the appearance of interfering with the process. I think what we are talking about is, and there seems to be a difference of opinion, as to whether it would be post execution or action, or pre decision or action, as it's written in I think the action item it's pre decision or pre execution, pre amendment, pre termination. It is requesting notice."

**Trustee Apo** says, "I don't think we are asking to approve, that is not our job to approve. So here is the kind of thing, this just didn't spring up as an idea recently. How do we prevent increments to the same vendor of \$25,000 contracts up to eight times? That's egregious. That is so underhanded. That is not the first thing. There are other examples of parceling. I am sorry to say that, but that is my opinion. It is not a legal opinion. So tell us how we can manage that. That is all we are asking for. Does this keep continuing on and on? This is kind of a wakeup call that we need help. We need to know about these things. So that when we walk out in the street, we aren't embarrassed as a Trustee that we don't know this stuff is going on. And we have to find out from third parties."

**Trustee Waihe'e** says, "Albert, if we removed the 30 days in advance from decision making, which is being proposed, what if the remaining policy obligates you guys to post pre approval?"

**Albert Tiberi** says, "Not pre approval, but notify ahead of time. Intent infers pre decision."

**Trustee Waihe'e** says, "The intent to notify to terminate existing contracts?"

**Albert Tiberi** says, "So we would notify you that we are going to terminate vendor A because of... I don't know. Operationally, it's Phyllis working with all the contracts issued. It could be. We just got the action item Friday. We are doing our best to respond to it. I think we could use more time probably to digest and there are some issues that seem to be requiring some attention."

**Trustee Ahuna** says, "I am just trying to understand this. Trustee Apo, so, I want to get clear. Are we asking to see the contract procurements before they are awarded? Is that what is happening? Can we even do that?"

**Trustee Akina** says, "I think Albert brought up a very good point. Your notification to the Board that you are about to terminate could be problematic. You might have legitimate reasons to do immediate termination for non-performance or something else, and we need to trust administration to do that. In that sense, I also recommend that we remove Item A. that the administration would accordingly not need to tell us they are going to terminate. And that would just leave Items B. and C. which are already a part of procurement law and HRS, which is B. you only have to let us know if you are going to execute a contract or intend to execute a contract, and C. you only have let us know if you intend to amend a contract and so forth. And that would have solved our problem with the contract with Spire. It would have brought that awareness to the Board members earlier. So this is what I would like to do Madam Chair, is have this amended so that we remove the 30 day notice as pointed out earlier, and remove Item A., where there would not be any need for the administration to notify us of an immediate termination of a contract.

**Trustee Akana** first part of sentence is inaudible. She continues with, "As a Trustee who has sat here for a long time, it has always been the practice of previous administrations to always notify the Board of Trustees before any firing is done, because of lawsuits. Lawsuits are a big thing with OHA, especially if the firing is going to be of a division officer or higher. These kinds of things should be brought to the Board before administration makes its decision, because the legal ramifications of it become problematic for the Board at the end of the day, and you know that Colette."

**Trustee Machado** says, "But we are stepping over that, that is his staff. That is not our staff. Now you are twisting this Rowena."

**Trustee Akana** says, “You were here when Mr. Namu‘o was here. You were here when the previous administrator was here. When someone was going to be terminated at least the administration would come to the Board and let us know. So that when things happened, the Board was already appraised. And there are some Trustees here that know this to be true. So I do not agree that these people can just fire people without telling the Board that this is going to happen.”

**Trustee Machado** says, “You are overstepping the responsibility of the...”

**Chair H. Lindsey** says, “Do our department heads get hired on contracts?”

**COO Victor** says, “Madam Chair, I would like clarity, and make sure we are in fact talking about contracting, and the process around contracting.”

**Trustee Machado** says, “And not hiring or firing of personnel. Let’s be clear about that.”

**Trustee Ahu Isa** says, “Can I just say something as former procurement disbursing and payroll officer for UH Mānoa, or system wide, we cannot be looking at every contract, we have to have a dollar amount. And I know about work order changes cause we had that happen. SSFM was one of the contractors that was hired by the DOE to fix the room and the change orders kept coming in, so it went way over the \$20,000 maximum. So we said as a Board, to the facility director, who was the head of the DOE facility, we don’t talk to the Superintendent. We have different people that are in charge of different things. So whoever is in charge of procurement contracts, then they just notify the Board when all these huge change orders come in like Spire. But not every single one, that is impossible to operate efficiently.”

**Trustee Ahuna** says, “I think what we are talking about is interfering with contracts. And that is none of our business. Stay out of it.”

**Trustee Ahu Isa** says, “To a certain dollar amount it is.”

**Trustee Apo** says, “I think we can work something out, I think administration gets the message, and that is all I am saying. Help us. You understand the concerns, but to allow certain practices to happen on and on and on, there has got to be a solution. I’ll tell you what, it is crazy that we should be even having this discussion, because what it signals is that there is a huge amount of distrust from a number of people, and that needs to be fixed. How can we build trust with each other? That is all I am saying.”

**Trustee Ahuna** says, “That is why we should defer it and talk about this more.”

**Trustee Akina** says, “I think there are some good values being expressed here, but we have to understand the limited purpose of this action item. When we talk about the need for dollar amounts to differentiate larger contracts from smaller ones, what we are talking about there is decision making, and we have that in place already. But this action item is only

talking about a record. It is only talking about the ability of a Trustee to go in to the Ki'i system and see what is taking place. So there would be no interference. We wouldn't be actually involved in decision making. As to Trustee Akana's concern, I think we all are concerned that we minimize law suits and so forth, but I think we can trust the administration to know the difference between a contract that we go through the procurement process with as part of our budget and personnel matters. And we have corporate counsel and we have an HR department and so issues that fall under personnel we can leave to them, and for that reason, I would just like to repeat the two amendments I would like to make, which is to accept the policy to update our policies, but to remove the requirement for 30 day decision making and notice, and to remove Item A. the requirement that administration let us know when they are going to terminate a contract. I think the rest of this is sufficient. Again, the spirit of this is so that we as Trustees can do our fiduciary duty, which is get the information we need in order to make sure that we are aware of how the funds are being spent."

**Trustee Waihe'e** says, "I don't know who to ask this to, because I am not sure where this came from, but is the intent of the policy at the end of the day is that we get to look at all the contracts at any given time?"

**Chair H. Lindsey** clarifies, "The desire of the Trustees were to be informed of all the contracts."

**Trustee Waihe'e** says, "But this policy is more complicated than that. They have to post their intent to execute a contract, or their intent to extend the contract. This is a lot more complicated than what the intent is. We should have access to the contracts because under state law, every state agency has to, no matter what the dollar amount, if someone from the public requests to see a contract you have to show it to them. As Trustees we should be able to see our contracts. So that part I agree with."

**Chair H. Lindsey** says, "I am open to deferring and working on it and making it cleaner."

**Trustee R. Lindsey** says, "I guess this is a question for Phyllis, and I am looking at Page 4 of Attachment A. and my question is, when it comes to the procurement code, what is the exact language in the code regarding procurement as it relates to items B. or C.? Does the procurement code align with these pieces in the attachment."

**Phyllis Ono-Evangelista** says, "I do not have the exact language, but what it does speak to is that keeping the process confidential, and that it does require us to follow within the procurement rules and states that people that are involved in the procurement, drafting, reviewing, executing, solicitation, and so forth, have training and have some expertise in the area of procurement. So my concern is that if we do open this up, and we start interfering with the procurement process, any awardee, if we make an award, then we become open to protest."

**Trustee Ahu Isa** says, "Writing up the contract, you have to put all the, can be sole source or sealed bids, we do not interfere with sealed bids."

**Trustee Ahuna** says, "To resolve the issues, I think the extensions could be a problem. But instead of making amendments can we just put a cap on extensions?"

**Phyllis Ono-Evangelista** says, "No, because sometimes extensions are made for time, compensation, scope, we need to further define the scope. We need to amend it to further define. We intended this is what they needed to do, but we need to further define it because we have run in to problems. Or years ago there was a huge increase in the charges for oil, where we needed to increase a number of contracts of the costs of oil. What we can do is look at how we are going to define which contracts need to be looked at prior to supplemental, I think it's something we can work together. Procurement is really working to be transparent. And I have incorporated a number of things like setting up the website for everyone to see our postings, we do it both there and on the SPO. We are currently working with SPO actually to connect the two websites. It's called under their hands program. So once we post on OHA or when we post on SPO, it will just populate."

**Trustee Ahuna** says, "Can we just cap the number of extensions?"

**Trustee Akana** says, "Parceling as Trustee Apo said, is illegal. Right? It has been a problem for me to extend contracts without letting the Trustees know that you're doing this. Now, according to procurement, unless the law has changed since last year, if you put in a contract, let's just say I am going to give you a contract for a year, if you put in that contract that that contract can be extended, it can be extended. Then you have to put a time limit. No contract can go on and on and on and on. That is the state law. You cannot do this. So we have been breaking the law consistently over the years by extending these contracts where there is no extension written in the original contract. And even in the original contract you cannot go five times. That's impossible. That's against the law. We've already been dinged by it from the procurement office."

**Phyllis Ono-Evangelista** says, "I agree with you Trustee Akana and since I have been on board, we have changed that. We have now put in time limits within our time of performance for the contracts. We will state, usually, the best standard right now is five years if they need it. So like a custodial contract for janitorial work, we did one for five years. If we are doing for other services, so let's say for an architect service or for some of the more recent in the Kaka'ako Makai, or looking at finding a way to best utilize, we have the contract for two years with a minimal extension of 12 months or up to 36 months. That is what we have incorporated in to our contracts now."

**Trustee Akina** says, "Is any action needed to have this deferred and then reviewed and brought back again? In addition to the items that I suggested for amendment, I agree with Trustee Waihe'e that we should eliminate the reference to the intent of any one with respect to

actions and only be looking at reportable actions. The bottom line is this, the laws exist. Procurement rules exist. And what we are trying to do is make sure we have a set of policies on the Board that are consistent with them. I am convinced that from what the administration says today is you want to work within the framework of law. We should not as a Board want to put any greater burden upon you. And so I am optimistic that as your committee works on this, and includes administration, and their input, we can come up with a good action item.”

**Trustee Apo** says, “I would agree with those concepts. I do agree with those concepts of those who do not support the bill that it is complicated. I don’t deny that. And I think we have an opportunity now to work it out so that everybody is happy. You know? So let’s work it out. So I support to defer.”

**Trustee R. Lindsey** says, “My question is for Albert, would the amendment as it is currently crafted potentially cause us to violate the procurement code?”

**Albert Tiberi** says, “Like I said we had a quick turn around on this one. We can look at and address the concerns and come back to you guys. Look at how it is written now and maybe provide some suggestions and communicate with Chair Lindsey’s office.”

**Chair H. Lindsey** says, “That sounds good because you have heard the discussion from all of the Trustees. It is the frustration of not knowing what is going on as far as contracts are concerned. So take this amendment to the policy and work it out and pass it on to us, and we’ll see what it looks like. At this time I am going to defer this action item.”

**D. RM #17-10: Authorizing OHA Administration to negotiate and execute an easement agreement with Agribusiness Development Corporation for the installation of irrigation water infrastructure on OHA’s Wahiawā property.**

<b>Trustee John Waihe‘e, IV moves to approve and authorize OHA Administration to negotiate an easement agreement with the Agribusiness Development Corporation (ADC) for the installation of irrigation water infrastructure on portions of OHA’s 511-acre property located in Wahiawā and execute all necessary agreements, applications, and other appropriate documents related to or pertaining to said easement, and take all other reasonable actions necessary to implement the foregoing. Trustee Machado seconds the motion.</b>							
		<b>1</b>	<b>2</b>	<b>‘AE (YES)</b>	<b>‘A‘OLE (NO)</b>	<b>KANALUA (ABSTAIN)</b>	<b>EXCUSED</b>
<b>TRUSTEE LEI</b>	<b>AHU ISA</b>			<b>X</b>			
<b>TRUSTEE DAN</b>	<b>AHUNA</b>					<b>X</b>	
<b>TRUSTEE ROWENA</b>	<b>AKANA</b>			<b>X</b>			
<b>TRUSTEE KELI‘I</b>	<b>AKINA</b>			<b>X</b>			

TRUSTEE PETER	APO			X			
TRUSTEE ROBERT	LINDSEY			X			
TRUSTEE COLETTE	MACHADO		X	X			
TRUSTEE JOHN	WAIHE'E	X		X			
CHAIRPERSON HULU	LINDSEY			X			
<b>TOTAL VOTE COUNT</b>				<b>8</b>		<b>1</b>	
<b>MOTION:</b> [ ] UNANIMOUS [ X ] PASSED [ ] DEFERRED [ ] FAILED <b>Motion passes with eight (8) YES votes and one (1) ABSTAIN vote.</b>							

**Trustee Ahuna** says, “How do the people of Kukaniloko feel about this decision?”

**Chair H. Lindsey** says, “I just want to let you folks know that I did attend the planning for our people and it was an unbelievable turn out by the Wahiawā people. They were just so excited to listen to the plans that our administration had for them. Senator Dela Cruz was there. Representative Marcus Oshiro was there.”

**Jonathon Ching** says, “If I may address the question (from Trustee Ahuna). The R1 water, the way the people feel about it so far, I think people know we need water, in that area, and this is one of those options. But there have been some concerns raised about R1 water in the past, about its cleanliness and appropriateness to be used on areas that are sacred like this. We should go out and ask again with the new information because the way R1 water clean now and the level of quality is much different than before. But it has been raised by members of the community that we have engaged with that there is a concern about using this type of water.”

**Olu Campbell** says, “If I may add. The easement of this action item is talking about, could cover infrastructure not only for R1 water, although that would likely be the first one to go. It could also potentially be used for water that is from ADC’s existing well, which is already up and running. In the long-term it could potentially be used for water from the Wahiawā reservoir. So it has a wide range of use in different time periods.”

**Trustee Ahuna** says, “So the people are ok with using that R1 water on the property, is that what I am hearing, or no they are not ok with it?”

**Jonathon Ching** says, “I think with a little bit of more information they maybe, but there is a concern about it, about specifically the use of R1 water there is a concern, because it comes from recycled water from the sewage water treatment plant. And we have done a lot of research and we have worked with aqua engineers to understand. Our consultants



also helped us to understand the level of cleanliness. Again, this is going to help negotiate the deals whether or not we actually utilize the water. It doesn't mean that by doing this we have to use R1 water, but it will become an option, and number 2, as Olu was saying, ADC, one of their main things they are pushing for is by taking that water from being dumped in to the reservoir, Lake Wilson. It cleans up Lake Wilson, then Lake Wilson down the road becomes available for use in that whole region. So part of it is that we are trying to be good neighbors with the state, but we don't have to use R1 water."

**Chair H. Lindsey** calls for the roll call vote since there is no more discussion.

## **V. COMMUNITY CONCERNS**

**Chair H. Lindsey** opens the floor for community concerns.

**Germaine Meyers** says, "It has been four weeks, I kind of miss you guys. I've been busy during those four weeks. One of the things that has transpired in Nānākuli is the Nānākuli Neighborhood Board (NNB), last week Tuesday, I was elected as a Board member. In addition to that, I was elected to be the Chair of the Hawaiian Affairs Committee. The fortunate thing for that is that we have Senator Maile Shimabukuro as our District Senator. So she is also the Chair of the Hawaiian Affairs in the Senate. And then as well, we have Cedric Gates, our neighborhood board encompasses Nānākuli and Ma'ili. So Cedric Gates being the District Representative from Ma'ili, also attends our Board meetings. So he is also a member of the Hawaiian Affairs Committee in the Representatives of the House. So I come before you because I want you to know my new positions. When I do come to give testimony, of course, I am not going to give up my membership as a beneficiary and a Hawaiian Homestead Lessee. But I think it was a perfect marriage that in my community I am going to be advocate in the neighborhood board as a Hawaiian Affairs Chair. And that Chair membership I would like to notify my community Nānākuli and Ma'ili and we also actually have relationships with Waianae and as well as Kapolei. And I think all of you know that DHHL has a lot of homesteaders in Kapolei, Nānākuli, Ma'ili, which they are developing, as well as Waianae. So I am going to be asking for updates on a monthly basis for our meetings for standing issues. So with OHA the standing issues would be the audit status, as well as the biennium budget status. I am hoping that reports could be given to our community as far as we understand the approved budget by OHA, but as far as what money has been spent and allocated. You know I have been a big advocate for that. As well as knowing that actual results of it. So I will be asking for our committee to find out the effectiveness of the programs. I also ask to meet with Kama'ānao, our Ka Pouhana. I am sorry I am still trying to get my Hawaiian. I am doing hula now. But I am going to ask Ka Pouhana to meet in order to get these things as well as other information that our community would need. For example, a lot of people don't know OHA exists in our community. And then what actual, cause I've asked people. I have 14 uncles and aunties biological on my mom's. She has 14 siblings. On my dad's there are 16. And all of them I've asked over at parties and everything

around Hawaiian issues. A lot of them don't know nothing. And so it is unfortunate and I am hoping that my generation can be the generation. Because I understand that there generation comes out of fear of the consequences when the colonization happened. Those were my tūtus, and those were my parents. That's why we were not able to learn the Hawaiian language, the 'ōlelo. So I am grateful that my generation is a new generation and that my generation and the future generation will be able to establish that Hawaii matters and Hawaiians matter. One of the last things I wanted to share, besides that I am going to also be tapping in to our Oahu Trustee, Trustee Apo's office, for communications and resources as well as our four at large Trustees, of course the neighbor islands, I know you want to focus on your neighbor island. I can give you feedback as well. Our first meeting is August 22. And I am hoping that throughout the fiscal year, our Trustees will one at a time come out and actually show your faces there and actually give feedback to the community. And I will also give feedback to you about the things that are brought up at our meetings and give you a copy of our minutes etc. But of course our minutes are actually publicized on the neighborhood board. So when you are a member of the neighborhood board or in that residence, you also get a copy of our Hawaiian Affairs minutes and agenda. So I will be asked to put out banners and letting people know. I already have enough 'ohana with the 14 and 16 to asked to put it on their Facebook, about this important endeavor of mine. This journey. But what I am hoping that can happen is that as I have stated to many people, I am very confused when our own people, our own Hawaiian commissioners on Hawaiian Homelands, as well as OHA Trustees, when there is comparison to the big "H" and the little "h." You know, nobody says, nobody makes comparisons about big dollar sign and little dollar sign. There is an economic imbalance. Nobody talks about that. We as Hawaiians allow ourselves to take, including commissioners and Trustees, we allow ourselves to tap into affordable housing. And those things, because we understand economics make a difference in your life experiences. So when I hear the big "H" and the little "h" comparison, it's like again, if you are going to talk about big dollar sign and little dollar sign, I understand. But when you don't, and you advocate for affordable rental, but then you talk about big "H" and the little "h" you're splitting us up. And there is a lot of confusion in that message. The last thing I want to say is that something that I will bring up in my committee, of course, Sunshine Law, we are going to honor it, so majority rules, and we are going to have respect, whether you are for independence, whether you are for nation building, everybody can come to the table and the majority rules. Sunshine law, majority rules. So of course there is going to be time for everyone to come up there and express themselves and we are going to allow that, it is about inclusivity. And what I want to say about us as Hawaiians and, cause I have mentioned to you, when there is a Hawaiian issue, I come to my people. I don't go to the media, unless my people don't want to talk to me. So I want to say to our community that in any other ethnicity for example Chinese, your descendants are in China, and your lineage, you can actually tell yourself, if I want to go home to see my ancestors, I can go to China. In Japan, if they say I want to go see my ancestor, I want to see the history of the lineage I was born in to, you can go back to

Japan. Same with Micronesians, I don't know. But in Hawaii, where do we go. When I am born a Hawaiian-German, I want to be able to go back to Germany, as well as I want to look in my lineage in Hawaii. This is my homeland. So when I felt like an outsider in my homeland, saying you guys are asking for benefits, excuse me, you can go back to the Philipines, you can go back to China, you can go back to Japan. Where I go? How can you come on my homeland and tell me about my homeland? So this whole business of about Maunakea, coming on here and telling us we need to be the advocate for the whole world. Is China going to be the advocate for the whole world? Is Japan? Is Korea? Why this little island in the ocean in the middle of the sea has to be advocate for the world? So we have voices and I don't want to revert to history. I don't want to be silenced like my kupunas, my tutu, I sat at her leg, and I heard why she did not teach me or any of her 69 grandchildren the Hawaiian language. She told me, 'I didn't want you to be killed,' so if I come here and I don't know 'ōlelo and I ask you to speak English to tell me what you are telling me, I'm sorry, that is my history. And I'm not going to erase my history, I have no power to do that. So I am not going to erase me as being worthy of sitting at this table speaking English. Mahalo."

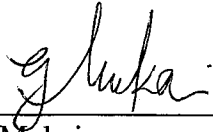
**VI. ANNOUNCEMENTS**

**Chair H. Lindsey** announces that the August 23, 2017. Prior to that we get to go to Molokai and eat the best food there is.

**VII. ADJOURNMENT**

<b>Trustee John Waihe'e, IV moves to adjourn. Trustee Machado seconds the motion.</b>						
	1	2	'AE (YES)	'A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE DAN AHUNA			X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE PETER APO			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE COLETTE MACHADO		X	X			
TRUSTEE JOHN WAIHE'E	X		X			
CHAIRPERSON HULU LINDSEY			X			
<b>TOTAL VOTE COUNT</b>						
<b>MOTION: <input type="checkbox"/> UNANIMOUS <input checked="" type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED</b>						
<b>Motion passes with nine (9) YES votes and zero (0) EXCUSED votes.</b>						

Respectfully Submitted,



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G. Maxwell Mukai  
Trustee Aide  
Committee on Resource Management

As approved by the Committee on Resource Management on September 21, 2017



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Trustee Carmen Hulu Lindsey  
Committee Chair  
Committee on Resource Management

ATTACHMENTS:

- Community Sign-In Sheet