

HAWAIIAN HOMES COMMISSION
Minutes of May 19 and May 20, 2014
Meeting held in Kuhio Hale, Kamuela, Hawai'i

Pursuant to proper call, the 651st Regular Meeting of the Hawaiian Homes Commission was held at Kuhio Hale, 64-756 Mamalahoa Highway, Kamuela, Hawaii, beginning Monday, May 19, 2014 at 10:30 a.m.

PRESENT Jobie M. K. Masagatani, Chairman
 Gene Ross K. Davis, Commissioner, Molokai
 Doreen N. Gomes, Commissioner, Maui
 J. Kama Hopkins, Commissioner, Oahu
 Wallace A. Ishibashi, Commissioner, East Hawaii
 David B. Kaapu, Commissioner, West Hawaii
 Patricia W. Sheehan, Commissioner, Kauai
 Renwick V. I. Tassill, Commissioner, Oahu

EXCUSED Michael P. Kahikina, Commissioner, Oahu

COUNSEL Craig Y. Iha, Deputy Attorney General

STAFF Darrell Young, Deputy to the Chairman, Office of the Chairman
 Kahana Albinio, Acting Property Development Supervisor, Land Management Div
 Puni Chee, Administrator, Information & Community Relations Office
 Francis Apoliona, Compliance Officer
 John Peiper, Enforcement Officer
 Kaleo Manuel, Acting Manager, Planning Division
 Dre Kalili, Policy and Program Analyst, Office of the Chairman
 Dean Oshiro, Acting Administrator, Homestead Services Division
 Sandra Pfund, Administrator, Land Development Division
 Jeff Fujimoto, Engineer, Land Development Division
 Jim DuPont, Manager, West Hawaii District Office
 Kahana Albinio, Property Development Manager, Land Management Division
 Niniau Simmons, NAHASDA Manager, Office of the Chairman
 Elaine Searle, Secretary to the Commission

ORDER OF BUSINESS

CALL TO ORDER

Chair Masagatani called the meeting to order at 10:30 a.m.

ROLL CALL

Commissioner Kahikina was excused. Eight (8) members were present at roll call.

APPROVAL OF AGENDA

Commissioner Hopkins moved, seconded by Commissioner Sheehan, to approve the agenda. Motion carried unanimously.

WORKSHOP PRESENTATIONS

ITEM A-1 Pu'ukapu Pastoral Lots Hybrid Water System

Land Development Administrator Sandra Pfund and Engineer Jeff Fujimoto presented an overview of the Puukapu Pastoral Lots Hybrid Water System (Puukapu Hybrid System). It features a non-potable water system servicing 184 lots in this subdivision. The system includes storage and fire tanks, booster pumps and transmission mains within the road, and the water system is substantially complete. Cost of the system is \$3.2 million. The department conducted a survey and determined that most Pu'ukapu homesteaders favored a non-potable water system over a potable water system. A spigot for limited potable-water consumption will be provided. County of Hawai'i, Department of Water Supply (DWS) installed a 4" master meter on March 5, 2014. DHHL paid \$849,000 to DWS to obtain the water for the lots and for 14 water-service credits for livestock. Prior to setting the system to operation, the contractor will complete the final flushing and refilling of the system. ITC Water Management Inc., a service contractor, will be maintaining the water system. The contract amount is for \$588,000, which includes service for two years, installing the meters, back-flow preventers and allowances; and for each additional two-year period, it will cost another \$258,000. The total bid for 72 months, if extended, will cost the department \$1 million. The West Hawaii District Office will receive monthly readouts.

The current usage per lot is 600 gallons per day and the department proposes that each lessee pay for his own water meter, which is \$114, installed. In addition, lessees will be asked to pay for the back-flow preventers at \$675, installed. The lessee will be required to sign an internal elevation agreement, informing the lessee of the limited water pressure and volume. Based on consumption, costs payable to the DHHL for the 4" master water meter supply is \$255 monthly, water consumption charges, based on 600 gallons per day x 40 meters = 720,000 gallons per month = \$727. There is a flat rate for electrical power to run the system, thus, the total monthly costs will average out to \$1,692 per month. The potable water spigot (600 gallons per day) costs \$89 per month. The Operations and Maintenance service contract divided by \$258,000 = \$10,761 per month. J. Fujimoto estimates that the department will pay \$13,500 per month to provide water.

The system is not built to DWS standards and is not able to provide potable water. The system is not regulated and, therefore, billing based on consumption is not possible. The proposed interim rate is a flat rate for one year. After the year, the system should be re-evaluated. The first month of operation is at no charge, to allow for testing of the system, installation of the meters and the back-flow preventers, and checking of the water pressure.

J. Fujimoto provided a summary of the water rates for each lessee. The total cost to the lessee for the interim rates is \$122.42. The department will need to cover \$8,421 per month in additional charges, until the full build-out of 184 lots. There is a one-time charge of \$789 for the individual 5/8" meter, and the back-flow preventer.

Two community meetings were held on September 19th and December 12th for the proposed interim rates. The community voiced their concerns about the rate amounts, individual meters, back flow preventers, and possible pumps for higher elevation lots to mitigate lower water pressure. A workshop before the Commission was held on March 18, 2014 on the proposed rates and comments received from both community meetings were shared. Once the interim rates are approved, the department will schedule a community meeting to present the approved interim rates. After the update to the community, the department will complete the internal water elevation agreement and finalize other arrangements before placing the water system in operation.

Commissioner Hopkins questioned the differences in water rates compared to the Kailapa and Molokai water systems. According to Administrator S. Pfund, the department heavily subsidizes those other water systems, which are in the deep red. For the Kailapa water subsidy program, the department pays Kohala Ranch more than the Department of Water Supply rates. On Molokai, the department loses over \$1 million annually, subsidizing its water system, due mainly to electrical costs to pump the water. The department is working towards making that system more efficient. The Planning office intends to assess all of the water systems managed by the department to determine the true cost subsidies, and true efficiencies of each system. S. Pfund also noted that the department is attempting to be fair to the homesteaders and not stick them with an astronomical operations and maintenance fee. She added that the capital cost to date is over \$3.4 million, and in order to improve the system, it may be necessary to come back to the Commission for approval of additional capital expenses.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

ITEM B-1 Kanani Kapuniai, Re: Item A-1

K. Kapuniai shared information on the rules and standards that apply to Department of Health (DOH) regulations for safe drinking water (potable) and non-potable drinking water, which does not come under the Act. Title 11, Chapter 19 discusses the use and operation of a back flow preventer, which is necessary for safe drinking water. K. Kapuniai considers this an added expense and unnecessary for the homesteaders of Puukapu Pastoral Lots. She said one animal per 10-acre drinks 35 gallons a day and the department wants to charge 600 gallons per daily usage. She noted that some homesteaders may be using that amount of water, others, not so. Some homesteaders have homes while others do not and each has a different carrying capacity. A range cow consumes 16.5 gallons a day; the difference between intensive grazing and commercial grazing doesn't amount to 35 gallons per day. K. Kapuniai said that the imposed usage by DHHL for 600 gallons of water a day is impractical and unjust while DWS determines 400 gallons as an average use. Metering the water usage is the only fair solution and asked for a revision to allow people to pay for what is used. The connection to the water system is made possible through inadequacies for supply and volume. She requested revisions to Item No. E-4, Nos. 6 and 7. A 24,500-gallon hui water tank was built by homesteaders and paid for by DHHL grant funds.

The PPWG (Pu'ukapu Pastoral Water Group) received a letter from DHHL's Land Management Division stating that the water license they have held for 20 years will be terminated, as the Pu'ukapu Hybrid Water System will be up and running by August. PPWG questioned the termination and sent a request to extend the license agreement. She hopes to be able to continue servicing the three existing meters.

Commissioner Hopkins inquired about water system charges. Deputy AG Iha recommended discussing the matter in executive session. K. Kapuniai said homesteaders need to be educated on the operation of non-potable water usage.

Administrator S. Pfund explained how the department placed transmission lines and a water system in the subdivision with each lot having a meter and a back-flow preventer. The issue was discussed in depth with DOH as to why is the department is subjected to a flat rate or non-consumptive charge requirement. Because the department services more than 25 users, if the department charges by consumption, the DOH will consider it a public water system, subject to all requirements, including bringing the system up to code. The cost of bringing the system up to code is over \$30,000,000, which Commissioners felt was not efficient for 4,600 acres. The department did want to provide water to the accelerated pastoral lots. The DOH does not recognize the difference between potable and non-potable because they believe people will use

the water to bathe and wash dishes, etc. but they may not drink it. Adequate signage and caution are serious concerns, and the department needs to stick to the exemption of non-consumptive charging. The water that comes from Waimea to the master meter is potable clean water, but once it enters the department's system, it is not regulated. To quantify as potable water, it needs to be chlorinated and tested weekly to ensure no bacteria exists. The back-flow preventer will aid in the prevention of contamination into the system from individual users, such as cross contamination from other animals. This is why the department strongly recommends a back-flow preventer. K. Kapunia recommends an exemption to allow metering to be fair to the lessees living there.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis, to convene in executive session pursuant to HRS 92-5 (a) (4). Motion carried unanimously.

EXECUTIVE SESSION IN 11:56 a.m.

EXECUTIVE SESSION OUT 12:45 p.m.

ITEM B-2 Sam Pung, Waimea Lessee, Re: A-1.

S. Pung stated that the number of animals that can be raised on ranch lands in Pu'ukapu is unpredictable due to limited rainfall. He said he will not utilize 600 gallons per month, yet is expected to pay \$160 per month for water. He is a member of the PPWG (Puukapu Pastoral Water Group) which currently supplies his water needs. His mother, Myrtle Kealoha Pung, was an applicant who applied in 1962. In 1991, she received 10 acres in Puukapu. He voiced her frustration of a previous claim (did not mention what) and anticipates it can be rectified, although his mother is no longer alive. The Chair requested that S. Pung submit correspondence to her, addressing his mother's lease and application.

ITEM B-3 Jojo Tanimoto, Re: A-1,

J. Tanimoto, a board member of a community development corporation for South Kohala, asked to view the Hawai'i Island master-plan map, which was presented at a November 2013 meeting in Hilo. Their group is working with the Department of Water Supply (DWS) in measuring drought complaints from homesteaders who are subjected to drought restrictions. She requested that both the department and DWS update its Water Policy Plan to expand water coverage for an area to include Honokaia, Puukapu, and Kawaihae homesteads that have drought restrictive usage. J. Tanimoto is willing to assist the department in any way possible.

OFFICE OF THE CHAIRMAN

ITEM C-1 Resolution of Appreciation – Leimana K. DaMate

RECOMMENDED MOTION/ACTION

Deputy to the Chair Darrell Young presented the adoption of a draft resolution No. 275 for Commissioner Leimana DaMate who served as Commissioner from 2011, and shared her perspective and values, advocating for the traditional Hawaiian values and culture into contemporary society. He said that her work as a Public Policy Analyst for OHA, an Information and Advocacy Coordinator for the Council for Native Hawaiian Advancement, and a small business entrepreneur coupled with a 35-year history of advocacy for the Hawaiian community, its values and cultures, brought a unique perspective that has served native Hawaiians well. The

Commission extended its congratulatory wishes for her devotion, dedication, and sincerity in serving the people of Hawaii.

DISCUSSION

The Chair acknowledged L. DaMate's strong advocacy for beneficiaries and said she was responsible for bringing the Commission to Ka'ū, the Chair also acknowledged L. Damate's tireless effort to realize the completion of the Water Policy Plan.

MOTION /ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Sheehan to approve Resolution 275. Motion carried unanimously.

ITEM C-2 Monthly Legislative Update

RECOMMENDED MOTION/ACTION

None. For Information Only.

DISCUSSION

Policy and Program Analyst Dreana Kalili presented the final report of the 2014 Legislative Session. The department was very successful having four (4) bills pass:

1. HB 883 – Relating to sewers systems servicing on Hawaiian home lands;
2. HB 2288 – Improvements on DHHL lands that come back to the inventory, the space can be leased by direct negotiation for short term;
3. SB 2839 – Amends the Native Hawaiian Roll Commission Act that required an amendment to the Hawaiian Homes Commission Act (HHCA); Act 14, signed into law;
4. SB 2953 – Introduced by Senator Malama Solomon and reflects the Attorney General opinion that 100% of any royalties from geothermal projects on Hawaiian home lands shall be paid to DHHL.

D. Kalili said that the Legislature appropriated \$9.6 million to the department for its operating costs, which is the same amount for the current fiscal year. The amount appropriated is less than the \$15 million requested by the governor's office, and even less than what the department asked for.

- \$7 million in CIP (Capital Improvement Program) projects;
- \$3 million to repair dams in Anahola and
- \$4 million for a feasibility study on lands in Pulehunui, Maui. Also,
- \$8 million to homestead organizations for their projects.

Proposals for the 2015 Legislative Session can be submitted via a form located on the department's website. The deadline for legislative proposals is July 31, 2014. Legislative proposals will be available in September 2014.

HOMESTEAD SERVICES DIVISION

ITEM D-1 HSD Status Reports

MOTION/ACTION

None, for information only.

ITEM D-2 Approval of Consent to Mortgage (see exhibit)

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:
To approve the following consents to mortgages for Federal Housing Administration (FHA) insured loans, Department of Veterans Affairs (VA) loans, United States Department of Agriculture, Rural Development (USDA, RD) guaranteed loans, United States Housing and Urban Development (BUD 184A) guaranteed loans and Conventional (CON) loans insured by private mortgage insurers.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Tassill. Motion carried unanimously.

ITEM D-3 Approval of Streamline Refinance of Loans (see exhibit)

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:
To approve the refinancing of loans from the Hawaiian Home General Loan Fund.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Gomes. Motion carried unanimously.

ITEM D-4 Approval to Schedule Loan Delinquency Contested Case Hearing (see exhibit)

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:
To authorize the scheduling of the following loan delinquency contested case hearings as shown in the submittal.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis. Motion carried unanimously.

ITEM D-5 Approval of Homestead Application Transfers / Cancellations (see exhibit)

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:
To approve the transfers and cancellations of applications from the Application Waiting Lists for reasons described in the submittal.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Sheehan. Motion carried unanimously.

ITEM D-6 Commission Designation of Successor to Application Rights – Public Notice 2011, Vivian Pacheco, Deceased

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis. Motion carried unanimously.

ITEM D-7 Ratification of Designation of Successor to Leasehold Interest and Designation of Person to Receive Net Proceed (see exhibit)

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:

To ratify the approval of the designation of successor to the leasehold interest and person to receive the net proceeds, pursuant to section 209, Hawaiian Homes Commission Act, 1920, as amended. This designation was previously approved by the Chairman.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis. Motion carried unanimously.

ITEM D-8 Approval of Assignment of Leasehold Interest (see exhibit)

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:

To approve the assignment of the leasehold interest, pursuant to section 208, Hawaiian Homes Commission Act, 1920, as amended, and subject to any applicable terms and conditions of the assignment, including but not limited to the approval of a loan.

D. Oshiro requested that transaction No. 4, Roberta Helm, No. 11, Brennan Wyatt N. Naeole, and No. 15, Stanley Pauole be withdrawn from this action.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Gomes, noting change to recommended motion to remove Items No.4, No. 11, and No. 15 from this transaction. Motion carried unanimously.

ITEM D-9 Approval of Amendment of Leasehold Interest (see exhibit)

RECOMMENDED MOTION/ACTION

Acting Homestead Services Division Administrator Dean Oshiro requested that Items No. 11, Yvette Helm and Gregory Helm and No. 21, Stanley Pauole and Kaiulani Pauole be withdrawn from this transaction.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Gomes, noting change to recommended motion to withdraw Items No. 11 and No. 21 from this transaction. Motion carried unanimously.

ITEM D-10 Commission Designation of Successor – Rosalyn K. Kanamu-Lopes, Lease No. 7753, Lot No. 216, Waiohuli, Maui

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:

1. To dispense with the public notice required by HAR §10-3-63 as Lloyd Keoki Lopes, widower of Rosalyn K. Kanamu-Lopes, being the highest priority qualified successor, has come forward with a request to succeed to the lease;
2. To approve the designation of Lloyd Keoki Lopes, a successor, to Residential Lease No. 7753, Lot No. 216, Waiohuli, Maui (Lease), for the remaining term of the Lease.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis. Motion carried unanimously.

Note: The Chair asked that the successor be notified that there is an outstanding property tax delinquency, which is an obligation for the lessee to pay it back.

ITEM D-11 Commission Designation of Successor – Isabel H. Pua, Lease No. 4219, Lot No. 139, Pana‘ewa, Hawai‘i

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:

1. To dispense with the public notice required by HAR §10-3-63 as George N. K. Pua, widower of Isabel H. Pua, being the highest priority qualified successor, has come forward with a request to succeed to the lease;
2. To approve the designation of George N. K. Pua, a successor, to Agricultural Lease No. 4219, Lot No. 139, Pana‘ewa, Hawai‘i (Lease), for the remaining term of the Lease.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis. Motion carried unanimously.

ITEM D-12 Request to Surrender Lease – Chad G.A. DePonte, Residential Lease No. 11902, Lot No. 139, Waianae, Oahu

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:

1. Approve the surrender of Department of Hawaiian Home Lands (DHHL) Residential Lot Lease No. 11902, Lot No. 139, Waianae, West Oahu District, further identified as Tax Map Key: 1-8-5-031:023;
2. To accept the appraisal of the improvements, and to pay net proceeds or to collect on deficiency if the value of the improvements are deemed to be less than the amount of the outstanding debt;
3. To authorize the department to award Lot No. 139, Waianae, Oahu to another qualified applicant on the waitlist.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis. Motion carried unanimously.

ITEM D-13 Cancellation of Lease – Tracy Aluli Kuoha, Lease No. 4186C, Lot No. 126-A4, Ho‘olehua, Molokai

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:

1. Approve to cancel Agriculture Lease No. 4816-C, Lot No. 126-A-4, Ho‘olehua, Moloka‘i, due to there being no eligible successor to the lease.
2. Approve the payment of net proceeds of the appraised value of the improvements to Malia Ann Kuoha.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis. Motion carried unanimously.

ITEM D-14 Request to Schedule Contested Case Hearing – Denise Rosehill-Mahi, Lease No. 1891, Waiakea, Hawai‘i

RECOMMENDED MOTION/ACTION

Acting HSD Administrator Dean Oshiro recommended the following:
Motion to deny petitioner Robin Victorino's (Robin) request for a hearing to contest the successorship to State of Hawaii, Department of Hawaiian Home Lands Residential Lot Lease No. 1891 (Lease).

MOTION

Moved by Commissioner Hopkins, seconded by Commissioner Canto.

DISCUSSION

The Department once again respectfully recommends that this request be denied for a hearing because:

1. The allegations involve a private controversy redressable in the courts;
2. There has been no violation of a law or rule of the Commission; and
3. It has been verified that Elizabeth Kuamoo was indeed wedded to Damien Kuamoo at the time of his death. As such, she was legally qualified to succeed to his lease as his spouse.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis, to convene in executive session pursuant to HRS 92-5 (a) (4). Motion carried unanimously.

EXECUTIVE SESSION IN 1:25 p.m.

EXECUTIVE SESSION OUT 1:45 p.m.

After consulting with counsel, the Chairman called for a vote to deny petitioner Robin Victorino's request for a hearing to contest the Successorship to Residential Lot Lease No. 1891.

ACTION

Motion carried unanimously to deny petitioner Robin Victorino a request for a hearing on Residential Lot Lease No. 1891.

LAND DEVELOPMENT DIVISION

ITEM E-1 Approval of Lease Award – Reggie Ann K. Ostermiller

RECOMMENDED MOTION/ACTION

LDD Administrator Sandra Pfund recommended the following action:
Approve the award of Department of Hawaiian Home Lands Residence Lot Lease to the applicant (identified in the submittal) for 99 years, subject to the purchase of the existing improvements on the lot by way of loan or cash.

MOTION/ACTION

Moved by Commissioner Davis, seconded by Commissioner Gomes. Motion carried unanimously.

ITEM E-2 Rescission of Homestead Lease Award and Reinstatement of Application – Anahola Undivided Interest – Makana A. Bacon

RECOMMENDED MOTION/ACTION

LDD Administrator Sandra Pfund recommended the following action:

1. To approve the rescission of one (1) Residential Lease, Anahola Undivided Interest Program, which commenced on May 13, 2006.
2. To reinstate one (1) residential lease application to the appropriate Residential Lease Waiting list according to the original date of application.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Sheehan. Motion carried unanimously.

ITEM E-3 Rescission of Homestead Lease Awards and Reinstatement of Applications – Various (see exhibit)

RECOMMENDED MOTION/ACTION

LDD Administrator Sandra Pfund recommended the following action:

1. To approve the rescission of three (3) residential lease awards.
2. To reinstate three (3) residential lease applications to the appropriate Residential Lease Waiting list according to the original date of application.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Ishibashi. Motion carried unanimously.

LAND MANAGEMENT DIVISION

ITEM F-1 Approval to Issue License, Hawaiian Electric Company, Ltd., East Kapolei II, Oahu

RECOMMENDED MOTION/ACTION

Acting Property Development Manager Kahana Albinio recommended the following action: That the Hawaiian Homes Commission (HHC) approve the issuance of a perpetual, non-exclusive License easement to Hawaiian Electric Company "HECO" for electrical utility purposes to service future communities within the East Kapolei II Development - Infrastructure Project (Phase 1A) on portions of that certain Hawaiian home lands parcel identified by Tax Map Key (1)9-1-017:110(por.) as identified specifically by "Utility Vaults" on Exhibit "A". Approval and issuance of this non-exclusive license utility easement shall be subject to the conditions in the submittal.

MOTION

Moved by Commissioner Gomes, seconded by Commissioner Ishibashi.

DISCUSSION

As in previous discussions, Commissioner Hopkins recommended that additional verbiage be added to Item No. 3. He deems that once the deal is put in place, the Commission should have the final say on approving the license.

AMENDED MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Tassill, to amend Item No. 3:

License fee shall be determined through negotiation and on such terms and conditions as may be prudently and reasonably set by the department, “subject to the approval of the Hawaiian Homes Commission.” Motion carried unanimously.

2nd AMENDED MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis, to amend Item No. 9: The Chairman of the HHC is authorized to impose such other conditions deemed prudent and necessary, “subject to the ratification of the Hawaiian Homes Commission.” Motion carried unanimously.

ACTION ON AMENDED MOTION

Motion carried unanimously.

ITEM F-2 Approval to Execute Memorandum of Understanding, Na Hoku Welo, LLC, Anahola, Kauai

RECOMMENDED MOTION/ACTION

Acting Property Development Supervisor Kahana Albinio, Land Management Division, recommended granting approval to execute a Memorandum of Understanding (MOU) with Na Hoku Welo, LLC, and DHHL subject to the following conditions listed:

1. The proposed MOU between Na Hoku Welo, LLC, and DHHL to confirm the commitment to work together on a cultural signage project called Kauai Nui Kuapapa;
2. Authorize the Chair of the HHC to execute the final MOU.

MOTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis.

DISCUSSION

Deputy Attorney Iha recommended that language be added to include a review by the Attorney General’s office. The Chairman proposed an amendment to Item No. 2.

AMENDED MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis, to append to Item No. 2 to read Authorize the Chairman of the HHC to execute the final MOU, **subject to the review of the Department of the Attorney General.** Motion carried unanimously.

ACTION ON AMENDED MOTION

Motion carried unanimously.

ITEM F-3 Approval to Issue License, State Department of Defense, Nanakuli, Oahu

RECOMMENDED MOTION/ACTION

Acting Property Development Supervisor Kahana Albinio recommended that the HHC grant approval to issuance of a perpetual non-exclusive license as easement to the Hawaii State Civil Defense to install a new civil defense communication devise “Warning Siren” in Nanakuli as outlined.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis.

DISCUSSION

Commissioner Hopkins proposed adding additional verbiage to Item No. 14.

AMENDED MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis, to append to Item No. 14 “The Chairman of the HHC is authorized to impose such other conditions deemed prudent and necessary, **subject to the ratification of the Hawaiian Homes Commission.**”

Commissioner Kaapu questioned the need for indemnification as both entities should be consistent in exercising due care and diligence in preventing injury to persons and preventing destruction of property belonging to DHHL. Deputy AG Iha stated that the additional verbiage was acceptable.

ACTION ON AMENDED MOTION

Motion carried unanimously.

ITEM F-4 Ratification of Actions Taken by Chairman, Hawaiian Homes Commission, Statewide

RECOMMENDED MOTION/ACTION

Acting Property Development Supervisor Kahana Albinio recommended that the Hawaiian Homes Commission ratify the consents and approvals granted by the Chairman, Hawaiian Homes Commission.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis. Motion carried unanimously.

ITEM F-5 Approval to Issue Right-of-Entry Permit, Forest City Hawaii Kona, LLC, Villages of Lai Opuu, Kealakehe, Hawaii

RECOMMENDED MOTION/ACTION

Acting Property Development Supervisor Kahana Albinio, Land Management Division, recommended approval to issue a Right-of-Entry Permit (ROE) to Forest City Hawaii Kona, LLC, (Forest City) to use a portion of Hawaiian home lands at Kealakehe, Island of Hawaii, to begin construction activities on the Manawalea Street extension.

MOTION

Moved by Commissioner Hopkins, seconded by Commissioner Sheehan.

DISCUSSION

K. Albinio stated Forest City secured a final environmental assessment (FEA) for the Keahuolu Affordable Housing project prepared by Belt Collins in September 2008. Commissioner Kaapu recommended that an indemnity provision be added.

AMENDED MOTION/ACTION

Moved by Commissioner Kaapu, seconded by Commissioner Hopkins, to add Condition No. 15 which will read, “**Permittee shall agree to a standard indemnity provision in favor of DHHL.**” Motion carried unanimously.

2nd AMENDED MOTION

Moved by Commissioner Hopkins, seconded by Commissioner Kaapu, to amend Item No. 3a to read, "The term of the ROE (Right of Entry) can be extended for an additional six (6) months at the option of the "**Hawaiian Homes Commission.**" Permittee must apply for an extension six (6) months prior to the expiration of the term and approval shall be subject to the "**Hawaiian Homes Commission's**" review and evaluation of PERMITTEE'S progress."

DISCUSSION

Chair conveyed a concern mostly from a logistical standpoint in preserving the time on the Commission's calendar since the existing ROE could be extended for only six (6) months. If additional work is needed beyond this extension, Commission approval would already be necessary. Commissioner Hopkins withdrew his 2nd amended motion.

ACTION ON AMENDED MOTION

Motion carried unanimously, as amended.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Davis, to convene in executive session pursuant to Section 92-5 (a)(4), HRS. Motion carried unanimously.

EXECUTIVE SESSION IN

2:25 p.m.

The Commission convened in executive meeting pursuant to Section 92-5 (a)(4), HRS, to consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities and liabilities on these matters.

1. Ka'ū – Liabilities Associated with Management of Ka'ū
2. In the Matter Regarding Request for Contested Case Hearing – Maureen K. Marshall
3. Leonard Low, et al., vs DHHL, et al., Civil No. 13-1-561K
4. Kalawahine Streamside Subdivision – Construction Defect Claims

EXECUTIVE SESSION OUT

4:05 p.m.

RECESS

4:06 p.m.

HAWAIIAN HOMES COMMISSION
Minutes of May 20, 2014
Meeting held in Kuhio Hale, Kamuela, Hawaii

The Meeting of the Hawaiian Homes Commission reconvened on Tuesday, May 20, 2014, at Kuhio Hale, 64-756 Mamalahoa Highway, beginning at 10:35 a.m.

PRESENT Jobie M. K. Masagatani, Chairman
Gene Ross K. Davis, Commissioner, Molokai
Doreen N. Gomes, Commissioner, Maui
J. Kama Hopkins, Commissioner, Oahu
Wallace A. Ishibashi, Commissioner, East Hawaii
David B. Kaapu, Commissioner, West Hawaii
Patricia W. Sheehan, Commissioner, Kauai
Renwick V. I. Tassill, Commissioner, Oahu

EXCUSED Michael P. Kahikina, Commissioner, Oahu

COUNSEL Craig Y. Iha, Deputy Attorney General

STAFF Darrell Young, Deputy to the Chairman, Office of the Chairman
Kahana Albinio, Acting Property Development Supervisor, LMD
Puni Chee, Administrator, Information & Community Relations Office
Francis Apoliona, Compliance Officer
John Peiper, Enforcement Officer
Kaleo Manuel, Acting Manager, Planning Division
Jim DuPont, Manager, West Hawaii District Office,
Kahana Albinio, Property Development Manager, Land Management Division
Elaine Searle, Secretary to the Commission

ORDER OF BUSINESS

CALL TO ORDER

Chair Masagatani reconvened the meeting at 10:35 a.m.

APPROVAL OF MINUTES

Chair Masagatani asked for a motion to approve the minutes of April 2013.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Gomes, to approve the minutes of April 2013. Motion carried unanimously.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

ITEM B-4 Kanani Kapuniai, Waimea Hawaiian Homestead Community, Re: E-4,

K. Kapuniai quickly reiterated from her testimony at the previous meeting that a flat-rate water fee of 600 gallons for Puukapu Pastoral Lot residents is inaccurate and should be adjusted to a usage rate instead. She indicated that the annual rainfall for Puukapu averages 32 inches.

LAND DEVELOPMENT DIVISION

ITEM E-4 Puukapu Hybrid Water System, Waimea, Hawaii, Establishment of Equipment and Installation Fees and Interim Water Rate for One Year

RECOMMENDED MOTION/ACTION

Land Development Administrator Sandra Pfund recommended the following:

That the Hawaiian Homes Commission approving the establishment of equipment and installation fees and interim water rate to be charged to lessees of the Puukapu Pastoral Lots for a period of one year from the effective date of this action.

DISCUSSION

S. Pfund noted that the department will evaluate the system for one year and then report back to the Commission. A monthly water rate will average \$122.41 and equipment and installation costs will run around \$789.00. A 5/8" meter will cost \$114 and a backflow preventer will be added, added S. Pfund. The Commission took a short recess.

1. In 1983 a Federal-State Task Force on the Hawaiian Homes Commission Act issued a report which concluded that the award of homestead leases should be accelerated even though site improvements were not provided ("Acceleration Program").
2. In 1990, DHHL prepared a "paper subdivision" of approximately 4, 600 acres at Pu'ukapu into 184 lots and awarded homesteads:
 - 97 leases @ 10 acres
 - 54 leases @ 15 acres
 - 17 leases @ 20 acres
 - 8 leases @ 100 acres
 - 8 leases @ 200 acres
3. Actual use and occupancy of the lots was conditioned upon the availability of adequate access roads and water, estimated at that time to take about 5 years to develop.
4. In 1992, the County of Hawaii required a water master plan detailing the type of water service that would be developed. Over the ensuing years, the department completed a water master plan, negotiated with the County of Hawaii Department of Water Supply (DWS) for the cost of water allocation credits and assessed various options for the provision of water to the area.
5. In May 2002, a study entitled, "DHHL Pu'ukapu Water Strategy Report", by Engineers Survey Hawaii, Inc., recommended that a DWS standard system was not feasible due to the extremely high cost and length of time for completion of such a system. In the alternative, a non-standard system was recommended for development.
6. In March 2014, construction of a non-potable water system consisting of storage and firefighting tank reservoirs, booster pumps and transmission mains within the gravel road system was completed.
7. Water system costs to date:

Construction	\$3,261,700
Facilities Charge to DWS	<u>\$ 849,420</u>
(184 lots & 14 livestock credits)	\$4,111,120

RECESS

10:45 a.m.

RECONVENE

10:50 a.m.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Gomes to approve the motion as stated. Commissioner Tassill opposed. Motion carried with 7 Ayes and 1 No.

PLANNING DIVISION

ITEM G-1 Water Policy Plan – Status Update

MOTION/ACTION

None, informational only.

Acting Planning Program Manager Kaleo Manuel presented the following:

DISCUSSION

The Planning Office has conducted two (2). rounds of beneficiary meetings for the Water Policy Plan (WPP) preparation and adoption. The first round was conducted in October and November of 2013, and input from that as well as previous research was used as the basis of developing a Draft Water Policy Plan (DWPP). The information from the first round of meetings and the DWPP were presented to the Hawaiian Homes Commission (HHC) in February 2014; with some edits made by the HHC, a draft DWPP was approved for formal beneficiary consultation on February 19. The second round of beneficiary meetings, the formal beneficiary consultation, was held from March 31 - April 16, 2014.

An additional tenth meeting was held the morning of April 15 in Kona for stakeholders in the development community; Kona is an emerging area of controversy over water and stakeholders asked for a special briefing.

Approximately 200 individuals attended this second round of meetings, the majority of whom signed in indicating they were beneficiaries. There was less than an expected number of attendees that overlapped between attendees at the first-round meetings and the second meeting in each location.

The primary purposes of the meetings were to:

- (a) Answer questions regarding the role or content of the DWPP; and
- (b) Gain beneficiary feedback on the DWPP (including addressing of any errors or Commissions).

The agenda for each evening meeting was organized around the four key value statements in the DWPP to reinforce the significant purpose of these statements. Time was spent at the beginning of each meeting repeating content from the first round of meetings on the role and purpose of the WPP for the HHC, DHHL, and beneficiaries. The overview was followed by a presentation by the consultant, reviewing the content of the DWPP. The second half of the meeting allowed for general discussion. At the end of each meeting, all of the twenty-two goals were posted in the meeting room and attendees were allowed to place three dots (differently colored for each meeting) on the goal(s) they felt should be prioritized for implementation in the three to six-year time frame of the DWPP.

The general quality of the meetings was very high; while attendance was lower than for some other issues brought to Beneficiary Consultation, participation in each meeting was high and the content was sophisticated. Many individuals who also participated in the first round of meetings and/or are actively involved with water issues expressed their appreciation and support for these efforts.

Commissioner Hopkins thanked staff for their work on the Water Plan and all of outreach to beneficiaries. He prefers that the department use caution when exercising its unique water rights and look carefully and cautiously at how we develop these assets.

Chair Masagatani stated that Planning staff will bring the recommended final policy with the beneficiary consultation report, to the Commission in a workshop format. The goal is to have the final policy and beneficiary consultation report to Commissioners in the packets. She urges Commissioners to look closely at the language of the policy so that the discussion can be thorough. The final vote will take place in July.

There are water hotspots on every island and this Policy will help future Commissions understand the framework from which Commission actions and decisions are made. She thanked K. Manuel and J. Scheuer for all of the hard work on this Policy.

RECESS

12:06 p.m.

RECONVENE

12:30 p.m.

GENERAL AGENDA

ITEM J-1 John A. Kaluau, Lessee

J. Kaluau stated he received a letter from the department that told him he does not have permission to be at South Point. As a beneficiary, he felt he had more right to be at South Point than the hundreds of tourists who make their way to the point every day. He has been taking care of the area for years because the department is derelict in its duty to manage the land that it says it owns. He asked to see the deed that proves DHHL is the owner of the land. He is willing go to court to confirm that DHHL is the owner of the property. Everything he has done at South Point is documented and for the betterment of the area.

J. Kaluau allowed Tom Anthony representing Na Haku O Ka'ū, a few moments of his time to speak. Mr. Anthony was distressed about addressing Chair Masagatani during his testimony. As the signor of the aforementioned cease and desist letter mentioned by J. Kaluau, he did not want to address her. As a courtesy to Mr. Anthony, Chair Masagatani stepped out of the room to allow Mr. Anthony to express his concerns without addressing her directly.

T. Anthony asked if the cease and desist letter is the voice of the Commission, or just DHHL. He felt the letter was offensive and egregious. The department had no right to send the letter to its beneficiaries who have tried their best to care for Ka'ū. He requested an answer within 14 days.

Commissioner Ishibashi thanked J. Kaluau for the work they have done in Ka'u. The natural resources and historical sites in the area need protection. J. Kaluau stated thousands of tourists go there daily and they do not care about the place. He lives there and he takes care of the area. It upset him to receive the letter telling him he cannot go there. Commissioner Davis thanked J. Kaluau for his time and for taking care of the kuleana at South Point.

ITEM J-2 Riley W. Smith, Lanihau Properties, LLC

R. Smith testified as the President of Lanihau Properties. He is a lifelong resident of Hawaii, born and raised in Kaneohe, Oahu, a graduate of Kamehameha Schools. He is also the CEO for the combined family enterprise that includes Palani Ranch. They are stewards of lands in North

Kona since the early 1900s and own most of the ahupua'a of Honokohau, which is adjacent to DHHL's Villages of La'i'ōpua within the ahupua'a of Kealahou.

He attended a number of DHHL's statewide Water Policy briefings (11/12/13 presentation in Kona, 11/12/13 presentation at Kuhio Hale and the 4/15/14 presentation in Kona). As a native Hawaiian, an applicant on your waiting list, a beneficiary of an alii trust, a former Chair of the Hawaii County Water Board and as the CEO of an adjacent landowner, he wanted to share his thoughts on the proposed Water Policy.

Currently, the department is not being denied water in North Kona. The Commission on Water Resource Management recognizes the sustainable yield of the Keahole aquifer at 30 million gallons per day. Current withdrawals are in the neighborhood of 14 million gallons per day which appears to be sufficient water available for homesteading uses as long as DHHL cooperates with the department of water supply and develops wells, storage, and transmission systems. DHHL can apply for a well permit for its future projects at La'i'ōpua.

One of his concerns is the lack of collaboration from the department with its neighbors. Past administrations have conducted regional infrastructure studies on numerous department tracts in order to identify common water, sewer, and transportation needs. Another concern is DHHL's support of the National Park Service petition. The petition is decisive and pits DHHL against its neighbors including the Queen Liliuokalani Trust and Kamehameha Schools. Supporting the petition is also opposing the affordable housing project at Ka Makana Villages will benefit many native Hawaiians that are unable to qualify for residential homestead award at La'i'ōpua. Lanihau's water agreement with the department of water supply allowed it to share its water with DHHL at La'iopua. Lanihau worked closely with the department of water supply and DHHL to include provisions to share water. Designation of a water management area would prevent Lanihau from cooperating with DHHL.

Designation of a water management area would also have indirect consequences in that DHHL would have priority rights for the next well permit in North Kona after all existing uses are confirmed. On Maui, in a situation similar to this it has taken 11 years to do. For Kona, everyone with an existing well permit will have to reapply for the permit and it could take years for anyone to get approval. DHHL also needs to consider the fact that when applying for a well permit it will have to locate a well mauka of the highway, where it does not own any land. DHHL will need to work cooperatively with its neighbors to provide water for its developments. His final concern is that there may be a conflict of interest as DHHL and the National Park Service share the same water consultant. The NPS is obligated to intervene in all future well permit applications including those from DHHL. He summarized by stating that DHHL needs to be sure its policies are not counter to the interests of its neighbors.

Chair Masagatani stated she is not quite clear that she understands the reason for Mr. Smith's concern over the designation as a water management area.

R. Smith stated if there is a designation all water permits, existing and proposed, would have to be reevaluated. Even though someone has a permit and is drawing 2 mgs per day now, they might not get that amount after everything is reevaluated. This process has taken 11-years on Maui. If the Department of Water Supply does not have enough water for everyone, some folks are going to be left out.

Chair Masagatani stated from the perspective of DHHL, the designation the water management area has allowed the department to ensure that there is a process in place at CWRM to be sure

that water reservations for homestead development is honored. The complexities of this issue may require a workshop to allow for more discussion. She thanked R. Smith for his testimony.

ITEM J-3 Robert K. Napeahi, Jr., Lessee

R. Napeahi Jr. was represented by his daughter Terry Napeahi. Her father lives on Lyman Avenue in Keaukaha homestead and has lived there for over 50 years.

- Her father was not notified or consulted about DHHL's plan to build homes next to his residential property at 69 Lyman Ave. Hilo, Hawaii 96720, lease no. 3272. They were alarmed to see two civil engineers surveying along the evacuation gate and airport fence line. The district office was not aware of the surveyors either.
- DHHL would need access to development the project that would mean an easement through their property. No consultation was done with the "only" property owner next to this project to mitigate future problems, which by law is the process.
- The family would like DHHL to consider placing a family member on this lot, who is on the waitlist.
- The Napeahi ohana has experienced years of emotional distress due to displacement because of the development of the General Lyman field. They live right across the main terminal where aircraft fly every single day with only a fence dividing the runway from the family. Through all of it, the family has had no voice.
- Their family was among those first pioneers to Keaukaha and we have served in your department many years fighting for the rights and wellbeing of our people. Mr. Napeahi's mother was Abby Napeahi who was the voice of Keaukaha homesteaders for many years.

Chair Masagatani stated keeping the family informed of the project is an easy fix and someone will keep them up to date on the future of the project. As far as placing family members on the lot the department plans to open, there are rules the department must abide by.

ITEM J-4 John P. "Jackie" Kaluau, Native Hawaiian General Services

J. Kaluau stated his testimony is regarding a right of entry permit for the lower section of South Point called Kamā'oa. The partnership would include his company, the community of Ka'ū, the commercial fishermen of Ka'ū and the non-profit Na Koa O Ka'ū. Their proposition is to develop a road to the boat ramp. They checked with the Office of Conservation and Coastal Lands, but they do not deal with DHHL property. They would need to work with the Department of Planning for a Special Management Area Permit and the Department of Land and Natural Resources because the boat ramp is public property. The State Historic Preservation Division did a study of the area, which said that DHHL is in violation of 6E, for not protecting and preserving the cultural and historic sites at Kamā'oa. Vehicles are driving everywhere. SHPD will have to show everyone which roads to use so that burials are not being disturbed. They want to put in a designated road to the boat ramp and then work their way up to Palahemo and then to the site where the bones are exposed. In 1985 and again in 1992, there were plans to preserve the sites but nothing was done.

He has a pastoral lease and is not inclined to get involved with the lower parts of South Point, but because of the serious concerns over cultural sites, he has to get involved. He is stepping up to the plate to do what DHHL should be doing. They want the permit to clean up the area and take care of it the way it should be done. He does not need money for the work they do, but he asked that DHHL pay the archaeologist to designate where the road should be. His grandfather is buried at Kamā'oa and he does not want anyone driving over unmarked graves.

Commissioners Ishibashi and Tassill thanked J. Kaluau for the work they've done at Kamā'oa.

ITEM J-5 Maureen Kanani Marshall

M. Mashall requested a contested case hearing regarding her father's lease transfer. She has her father's one acre lease document dated Feb 10, 1971, and she believes she is still the current lessee for the one acre property located at 2260 Moreira Street, Honolulu, Hawaii 96813, Lot 3781. She found discrepancies in her father's DHHL file. There has never been a "NOTICE OF DETERMINATION OF HEIRS" by the Department of Hawaiian Home Lands since the passing of her father, William Kahau, Jr. in 2001, as well as her mother, who never signed a lease up to her passing in 2009. M. Marshall contends that a Commission at an official meeting never approved the lease.

M. Marshall is not a party to any active court cases or pending lawsuits and is seeking legal advice for a clearer understanding of the (Federal) Hawaiian Homes Commission Act and Administrative Rules.

Chair Masagatani clarified that the reason for the request of a contested case is that there was no public notice for heirs to come forward when her father passed without naming a successor. There has been a contested case for the size of the lot. The issue with the transfer was not a part of the prior contested case. Staff is investigating the file and will provide the Commission with a recommendation based on their analysis. She does not know how long the analysis will take. It is a complicated case because the transaction happened a while ago and there has been civil action related to how the lease was succeeded to by the current lessee. Those factors have to be taken into consideration by counsel and staff before a recommendation is made to the Commission.

M. Marshall's sister Mahealani Kahau Kahanaoe stated the Commission meeting location is not an inconvenience and they will attend wherever a decision is listed for action on the agenda. She stated her concern is the abandonment of the property. The neighbors said the house has been empty for 7 months and the house is deteriorating. DHHL Enforcement Officer Francis Apoliona stated the house has been boarded up.

Chair Masagatani thanked M. Marshall and M. Kahanaoe for their testimony.

ITEM J-6 Michael Hodson, Waimea Hawaiian Homestead Association (WHHA)

M. Hodson expressed appreciation for the department's support for the Waimea Ag lots that are not in compliance. Program helps homesteaders comply with their leases. M. Hodson discussed the following:

1. The conceptual plan design by WHHA and the NRCS (Natural Resources Conservation Service) This plan is for the care of the spreading nehe endangered shrub at the cinder quarry. A request for a right of entry to the cinder quarry for planning with to finalize proposal for the property for the NCRS Equip program was also discussed. It will require a long-term lease from DHHL. Access is the priority to get the plan approved by all agencies involved.
2. Greenhouse project on agricultural lands. This project is called Farmers for the Working Class. They are on the third phase and hope to have this group in the production stage by July 2014.
3. Environmental assessment progress for the Waimea Nui Community Development Initiative. An update was given

4. Briefing on the Governor's funding for initial infrastructure and agriculture park build out. They were recently approved for \$3.5 million for capital improvements to begin work on the ag park, which is the long-term goal.

Tui Ala, Bruce Lindsey and Sherise Ala of the Waimea Nui Community Development Corporation reviewed different parts of the 29-lot agriculture park project.

Chair Masagatani thanked the group for their hard work and hospitality.

ITEM J-7 Diane Kanealii, Kailapa Community Association

D. Kanealii updated Commissioners on the status of the Kailapa Wellness Park. They recently signed the right of entry permit for the 72-acres on the ocean side. Over the last two years the Kailapa Homestead Association has done a lot of work in Kailapa. They were able to get funding from the Atherton Foundation to survey the area for its many archaeological and historical sites. Many of the sites were being degraded by regular public use, and sites were not being protected. There are truckloads of rocks being removed from the sites and terraces to build stonewalls for new houses. There are campers there all the time, securing their tents to archaeological and historical sites.

In March 2013, they held a clean-up day and removed six dumpsters full of trash from the area. In the two years since, the trash has returned. Their right of entry permit expires in August, and they are proposing an extension for another two years to complete the work. They applied for another grant to do interpretive signage so people understand and respect the history of the area. They are working on finishing the archaeological study so the environmental study can get started. They have many partners including the Nature Conservancy and National Park Historical Trails Association.

They are working on how to manage the area while still allowing practitioners to gather. Eventually, Kailapa goal is to ask for a license or a lease to manage the area effectively and allow access to practitioners.

ITEM J-8 Bo Kahui, La'i'ōpua 2020 and Dora Aio, Villages of La'i'ōpua

D. Aio and B. Kahui introduced Laura Niffen to help with the delinquent homeowner's maintenance fees. The current balances are approximately \$77,513.36. They would like to collect the fees for five leases that were cancelled and or declared bankrupt, totaling more than \$8,000.00. They have asked for contested case hearings for the most egregious cases, but the Commission has not granted any of them. The Kanawai enforcement procedures outline the process for resolution to this serious issue.

Chair Masagatani stated several associations share the same frustrations. The department is working on providing homeowner association homestead leaders with a workshop to clarify the roles and responsibilities of the department and the homeowners' associations.

B. Kahui added that La'i'ōpua 2020 participated in the beneficiary consultation process for the department's water policy. They request a copy of the compiled report as soon as the Commission is provided a copy.

Regarding the National Park Service's petition for designation of Keauhou Aquifer as a water management area. La'i'ōpua will be taking a position to oppose the designation. He personally opposes the project and feels it is unwarranted.

B. Kahui commended the Commission for seeking an exclusion for the La‘i‘ōpua 2020 community and commercial centers from the U.S. Fish and Wildlife’s critical habitat designation. The designation lacked an economic and social analysis.

They support the Waimea and Kailapa Hawaiian Homestead Associations in their efforts.

Chair Masagatani thanked B. Kahui and D. Aio for their time and testimony.

ANNOUNCEMENTS AND ADJOURNMENT


NEXT MEETING

June 16, 2014, Kapolei, Hawaii

ADJOURNMENT

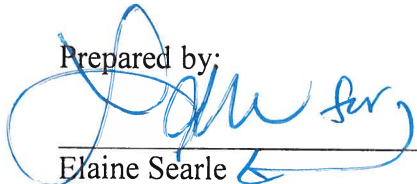
3:25 p.m.

Respectfully submitted:



Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission

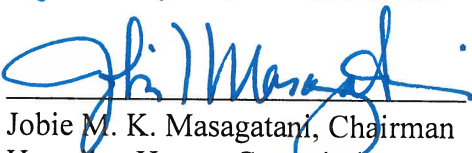
Prepared by:



Elaine Searle
Secretary to the Commission

APPROVED BY:

The Hawaiian Homes Commission
At Its Regular Monthly Meeting On
January 30, 2018



Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission