Pursuant to proper call, the 702nd Regular Meeting of the Hawaiian Homes Commission was held at the Līhu`e State Building, 3060 Eiwa Street, Rooms A-C, Lihu`e, Kaua`i, beginning at 10:00 a.m.

**PRESENT**

Jobie M. K. Masagatani, Chairman  
Zachary Z. Helm, Moloka`i Commissioner  (arrived 10:37 a.m.)  
Wallace A. Ishibashi, East Hawai`i Commissioner  
David B. Ka`apu, West Hawai`i Commissioner  
Michael P. Kahikina, O`ahu Commissioner  
Wren Wescoatt, O`ahu Commissioner

**EXCUSED**

Randy K. Awo, Maui Commissioner  
Vacant, Kaua`i Commissioner  
Vacant, O`ahu Commissioner

**COUNSEL**

Craig Iha, Deputy Attorney General

**STAFF**

William Aila Jr., Deputy to the Chairman  
Paula Aila, Contact and Awards Division Manager  
Kahana Albinio, Acting Land Management Division Administrator  
Dean Oshiro, Acting Homestead Services Division Administrator  
Niniau Simmons, NAHASDA Manager  
Norman Sakamoto, Acting Land Development Division Administrator  
Kaleo Manuel, Acting Planning Program Manager  
Andrew Choy, Planner  
Leah Burrows-Nuuanu, Secretary to the Commission  
Cedric Duarte, ICRO Manager  
Debra Aliviado, Customer Service Manager  
Julie Cachola, Planner  
Nancy McPherson, Planner  
Mark Yim, Land Agent

**ORDER OF BUSINESS**

**CALL TO ORDER**

Chair Masagatani called the meeting to order at 10:04 a.m.  
Five (5) members were present at roll call. Commissioner Helm was on his way. The Kaua`i and Oahu Commission seats were vacant.

**APPROVAL OF AGENDA**

**MOTION/ACTION**

Moved by Commissioner Ishibashi, seconded by Commissioner Ka`apu, to approve the agenda. Motion carried unanimously.

**APPROVAL OF MINUTES**

**MOTION/ACTION**

Moved by Commissioner Ka`apu, seconded by Commissioner Ishibashi, to approve the Minutes of January 2015. Motion carried unanimously.
PUBLIC TESTIMONY ON AGENDIZED ITEMS

ITEM A-1  Alison Lewis Re: Item D-2 thru D-6

Alison Lewis testified on agenda items D2 thru D-6 commenting on the constitutionality of the administrative rule changes that require mortgages and credits to receive land awards.

ITEMS FOR INFORMATION

WORKSHOPS

OFFICE OF THE CHAIRMAN

ITEM C-1  Mutual Aid and Assistance Agreement with the County of Kaua`i

RECOMMENDATION
None. For information only.

Corporate Counsel from the County of Kaua`i, M. Trask, regarding the Mutual Aid and Assistance Agreement stated that Kaua`i County would do the work, comply with the permit, procurement and contract requirements; get the money from the remainder of the $100 million, the Act 12 money that Legislative appropriates to the Governor. Kaua`i County will follow all the rules, assessments have been done and, Kaua`i will send the invoices to DHHL. DHHL can apply for the reimbursement from FEMA and keep the money, the 75% reimbursement. Kaua`i will need the ROE from DHHL to do the work.

GENERAL AGENDA

REQUESTS TO ADDRESS THE COMMISSION

ITEM J-1  Kilipaki Vaughan – Anahola Fire Station Update

Deputy Fire Chief for the Kaua`i Fire Department K. Vaughan expressed the need for resources to help cut the time of travel when fires are raging. KFD needs a landing zone for the helicopter, 3 acres for a training center, ocean safety and mechanics resources. An MOU from the Fire Department has been forwarded to the Commission from the Kaua`i District Office. The hope is that the next administration will help to carry the MOU through.

WORKSHOPS

PLANNING OFFICE

ITEM G-4  Update on Kaua`i Regional Plan Priority Projects

RECOMMENDED MOTION/ACTION
None. For information only.

Acting Planning Office Manager K. Manuel and Planner Robert Freitas presented the following:

DISCUSSION
B. Freitas stated that the two primary residential areas on the Kaua`i Island Plan are Anahola at Pi`ilani Mai Kekai and at Hanapepe which is in the process of being master planned for a second phase. The focus for the Regional Plan is Anahola, West Kaua`i and Hanapepe. For Anahola’s Kuleana Homestead Master Plan, the contract is out but the scoping for the project should occur in
the next 2-3 months, which will involve getting the community and applicants input. Update for the West Kaua‘i Regional Plan was the renewable pumped hydro project which DHHL is working in partnership with KIUC. This project helps to open up the Pu‘upai lands for water and road access. The Hanapepe Master Plan includes a residential and agricultural homestead lot mix and is in the process of being done now.

ITEM G-2 DHHL Kaua‘i Water Projects and Issues

RECOMMENDED MOTION/ACTION
None. For information only.
Acting Planning Office Manager K. Manuel presented the following:

DISCUSSION
K. Manuel reported that the Waialua Well was cased and capped, and the well is completed. The 52-acres of land is going through master planning regarding what kind of homesteading to do. The Waialua River has two main tributaries flowing into it, the North Fork and the South Fork; North Fork side is State lands and the South Fork side is private ag lands. The Waialua River, which is a connection of the Wai‘ale‘ale and Waikoko tributaries, the North Fork, has enough water to meet DHHL’s water needs. DHHL’s Planning submittal to CWRM is to reserve 1.2 million gallons of water per day. CWRM’s interpretation is that DHHL should get water from the Hanamaʻulu Stream.

ITEM G-3 Update on Puʻu ʻŌpae Special Area Master Plan (SAMP), Waimea, Kaua‘i, TMK (4) 1-2-002:023

RECOMMENDED MOTION/ACTION
None. For information only.
Acting Planning Office Manager K. Manuel presented the following:

DISCUSSION
K. McKeague of Group70 stated that they will be coming to the Commission at least three times: (1) for the approval of the Special Area Master Plan (2) for the Settlement Plan and, (3) seeking the FONSI on the Draft EA on the Settlement Plan. The goal is to get all this done by June 2019. The intent of the Special Area Master Plan is to bring the KIUC and the Hydroelectric Projects together; inclusive of the Kikaha Homestead Associations’ Kuleana Homes program. Looking at the Planning criteria and keeping within the financial design constraints, G70 takes into consideration slope, less than 15% is best for roadways and structures, however, more than 15% slope can be a financial burden. G70 is aware of the wild fires in the area and looking at the need for water and fire protection. A concern is the limited access into the property from the mauka and makai sides. There are 3 access roads primarily for 4-wheel drive: DLNR road, DHHL road which is rough and the Marine Road which is a rugged terrain road deemed a third alternative access. All the KIUC promises must be kept, reservoir improvements, roadway improvements; if not kept, all becomes cost prohibitive. KIUC makes it happen, G70 can make it happen as well. The EA takes about 6-9 months, however, G70 would like to try and meet the timetable in 6 months. The EA steps include: notification, provision of a draft, 30-day review for the draft, release of the final with the FONSI, and usually a 30-day legal challenge period.
ITEMS FOR DECISION MAKING

CONSENT AGENDA

HOMESTEAD SERVICES DIVISION

RECOMMENDED MOTION/ACTION
Acting Homestead Services Division Administrator Dean Oshiro presented the following:
Motion to approve the Consent Agenda as listed in the submittal.

DISCUSSION
Chair Masagatani asked Commissioners if there were any Items from the Consent Agenda that they wanted to move to the Regular Agenda.

Commissioner Ka´apu requested that Items D-15 to D-19 be moved to the Regular Agenda.

ITEM D-2 Approval of Consent to Mortgage (see exhibit)
ITEM D-3 Approval of Streamline Refinance of Loans (see exhibit)
ITEM D-4 Approval to Schedule Loan Delinquency Contested Case Hearings (see exhibit)
ITEM D-5 Approval of Refinance of Loans (see exhibit)
ITEM D-6 Ratification of Loan Approvals (see exhibit)
ITEM D-7 Approval of Homestead Application / Cancellations (see exhibit)
ITEM D-8 Commission Designation of Successors to Application Rights – Public Notice 2015, 2017 (see exhibit)
ITEM D-9 Approval of Designation of Successors to Leasehold Interest (see exhibit)
ITEM D-10 Approval of Assignment to Leasehold Interest (see exhibit)
ITEM D-11 Approval of Amendment of Leasehold Interest (see exhibit)
ITEM D-12 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)
ITEM D-13 Commission Designation of Successor – ABRAHAM S. TORRES, JR., Residential Lease No. 4556, Lot No. 12, Nanakuli, Oahu
ITEM D-14 Request to Schedule a Contested Case Hearing – ADAM KAIWI, JR., Residential Lease No. 8187, Lot No. 52, Waimanalo, O`ahu

MOTION/ACTION
Moved by Commissioner Wescoatt, seconded by Commissioner Helm, to approve the motions as stated in the submittals. Motion carried unanimously.

REGULAR AGENDA

OFFICE OF THE CHAIRMAN

ITEM C-1 Resolution 297 – Honoring Commissioner Kathleen Puamaeole Chin

RECOMMENDED MOTION/ACTION
Deputy William Aila presented the Resolution 297, Honoring Commissioner Kathleen Puamaeole Chin for her service to the Hawaiian Homes Commission

MOTION/ACTION
Moved by Commissioner Kahikina, seconded by Commissioner Wescoatt, to approve the motion as stated in the submittal. Motion carried unanimously.
MOTION/ACTION
Chair Masagatani noted the Commission will convene into executive session. Moved by Commissioner Awo, seconded by Commissioner Kahikina, to convene in executive session 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. Motion carried unanimously.

EXECUTIVE SESSION IN 11:55 a.m.

The Commission anticipates convening 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. Commission’s Duty in Implementing HAR Section 10-3-36 - Transfer of Homestead Leases

EXECUTIVE SESSION OUT 1:05 p.m.

ITEMS FOR INFORMATION

GENERAL AGENDA

REQUEST TO ADDRESS THE COMMISSION

ITEM J-4 Bronson Lovell – Anahola Health and Wellness Program

B. Lovell stated that the Keala Foundation is a 501 3C, non-member, insured organization seeking DHHLs permission to use the building on HHL to provide a free, safe environment for the youth.

ITEMS FOR DECISION MAKING

REGULAR AGENDA

HOMESTEAD SERVICES DIVISION

RECOMMENDED MOTION/ACTION

Acting Homestead Services Division Administrator D. Oshiro presented the following:

ITEM D-15 Request to Schedule a Contested Case Hearing – DANIEL PERREIRA, JR., Residential Lease No. 4637, Lot No. 68, Waianae, Oahu

ITEM D-16 Request to Schedule Contested Case Hearing – RAY R. RAPOZO, JR., Residential Lease No. 4343, Lot No. 59, Anahola, Kauai, Hawaii

ITEM D-17 Request to Schedule Contested Case Hearing – Lease Violation, HARRIDEEN L. AMBROSE, Residential Lease No. 5410, Lot No. 16, Paukūkalo, Maui, Hawaii

ITEM D-18 Request to Schedule Contested Case Hearing - Lease Violation, BENJAMIN R. VICTORINO, JR., Residential Lease No. 8204, Lot No. 10, Paukūkalo, Maui, Hawaii

ITEM D-19 Request to Schedule a Contested Case Hearing – Authorization to Proceed to Public Notice Under Section 209, HHCA, Due to Nonresponsive Designated Successor – MYRTLE T. FUJIMOTO (Deceased), DARCY T. FUJIMOTO (Designated Successor), Residential Lease No. 1497, Lot No. 4, Waiakea, Hawai`i
MOTION
Moved by Commissioner Kahikina, seconded by Commissioner Ishibashi, to approve the motion as stated in the submittal.

DISCUSSION
Commissioner Ka`apu noticed the items were all requests for contested case hearings and asked if they were all requests originated from the lessees or the Department.

D. Oshiro stated, D-15 and D-16 are lessee originated and D-17, 18 and 19 are staff/Department originated.

ITEM D-15 Request to Schedule a Contested Case Hearing – DANIEL PERREIRA, JR., Residential Lease No. 4637, Lot No. 68, Waianae, Oahu
ITEM D-16 Request to Schedule Contested Case Hearing – RAY R. RAPOZO, JR., Residential Lease No. 4343, Lot No. 59, Anahola, Kauai, Hawaii
ITEM D-17 Request to Schedule Contested Case Hearing – Lease Violation, HARRIDEEN L. AMBROSE, Residential Lease No. 5410, Lot No. 16, Paukūkalo, Maui, Hawaii
ITEM D-18 Request to Schedule Contested Case Hearing - Lease Violation, BENJAMIN R. VICTORINO, JR., Residential Lease No. 8204, Lot No. 10, Paukūkalo, Maui, Hawaii
ITEM D-19 Request to Schedule a Contested Case Hearing – Authorization to Proceed to Public Notice Under Section 209, HHCA, Due to Nonresponsive Designated Successor – MYRTLE T. FUJIMOTO (Deceased), DARCY T. FUJIMOTO (Designated Successor), Residential Lease No. 1497, Lot No. 4, Waiakea, Hawai`i

ACTION
Motion carried unanimously.

LAND MANAGEMENT DIVISION

ITEM F-1 Annual Renewal of Right of Entry Permit(s), Kaua`i Island (see exhibit)

RECOMMENDED MOTION/ACTION
Acting Land Management Division Administrator K. Albinio presented the following:
Motion that the HHC approve the following actions while developing a process for making short term agriculture and pastoral land distributions available to beneficiaries.

MOTION
Moved by Commissioner Ka`apu, seconded by Commissioner Helm, to approve the motion as stated in the submittal.

DISCUSSION
K. Albinio expressed that LMD is still working with the vendor to establish a method and approach to fair market rent when they determine the ROE and apply those across the board. Thirty-one permits being renewed, 19 are beneficiaries, nine permittees have industrial use, and the rents are going to be increased. He explained that LMD must stay within the boundaries of Chapter 171.

The conversation focused on the commercial use of DHHL properties.

ACTION
Motion carried unanimously.
PLANNING OFFICE

ITEM G-1 Acceptance of Beneficiary Consultation Report for Proposed Water Rate Increase for the DHHL Anahola Farm Lots Water System

RECOMMENDED MOTION/ACTION
Acting Planning Office Manager K. Manuel presented the following:
Motion to accept the Beneficiary Consultation Report as a public record of beneficiary input and feedback relative to the proposed water rate increase for the DHHL’s Anahola Farm Lots Water System. Acceptance of the report does not indicate concurrence or approval of any staff recommendations that may appear herein.

MOTION
Moved by Commissioner Ishibashi, seconded by Commissioner Helm, to approve the motion as stated in the submittal.

DISCUSSION
K. Manuel stated only three beneficiaries attended the consultation meeting, and no comments were received during the comment period. It is possible to train beneficiaries to become water operators but to get certified to become a Water Operator, and they would need access to a water system to learn on.

ACTION
Motion carried unanimously.

ITEMS FOR INFORMATION

GENERAL AGENDA
REQUEST TO ADDRESS THE COMMISSION

ITEM J-2 Agnes Kini-Marti – KA Farmers Hui Request

A. Kini-Marti is requesting to renew the KA Farmers Hui lease of one acre and looking to renovate for a commercial kitchen.

K. Juggles, Vice-President for Princess Kahanu Homesteads in Lualualei brought forward two issues of concern: (1) Traffic calming. Speeding within the community, need speed bumps, and raised crosswalks, (2) Request is to acquire one of the adjacent lots to Princess Kahanu so a bigger community center can be built.

WORKSHOPS

LAND DEVELOPMENT DIVISION

ITEM E-1 Soil Testing at Kekaha Residential Lots, Unit 4

S. Matsunaga of LDD reported that the subsurface testing for two lots was negative and did not exceed the State’s Environmental Action Levels. Testing for fruit and vegetables was also negative. A new Soil Management Plan will be submitted by the end of year. Tar was found in lot #3; the tar was removed, the ground filled with clean soil and construction done for the grade adjustment.

PLANNING OFFICE
ITEM G-5  Summary of Response to Proposed Legislative Action Request for 2019 & Draft Legislative Proposal

RECOMMENDED MOTION/ACTION
Acting Planning Office Manager K. Manuel and Legislative Analyst Lehua Kinilau-Cano presented the following:

DISCUSSION
L. Kinilau-Cano reported on proposals to the Legislature, none of which required new legislation. (1) To pass the bill to lower the blood quantum. The bill passed and is awaiting Congressional consent. (2) allow individuals in Waialua Nui to lease lands (3) cell transfer study (4) funding request from Kanehili for their community center (5) make permanent DHHL’s affordable housing credit.

Commissioner Wescoatt proposed that DHHL does not need to comply with the State's competitive rules if it is with a beneficiary owned vendor. Another proposal is to obligate the counties to begin performing maintenance on the infrastructure immediately, even if they haven’t accepted it yet; for all DHHL roads, sewers, and lights.

RECESS 4:12 p.m.
HAWAIIAN HOMES COMMISSION
Minutes of August 21, 2018
Meeting held at the Lihu‘e State Bldg., Lihu‘e, Hawai‘i

PRESENT
Jobie M. K. Masagatani, Chairman
Zachary Z. Helm, Moloka‘i Commissioner
Wallace A. Ishibashi, East Hawai‘i Commissioner
David B. Ka‘apu, West Hawai‘i Commissioner
Michael P. Kahikina, O‘ahu Commissioner
Wren Wescoatt, O‘ahu Commissioner

EXCUSED
Randy K. Awo, Maui Commissioner
Vacant, Kaua‘i Commissioner
Vacant, O‘ahu Commissioner

COUNSEL
Craig Iha, Deputy Attorney General

STAFF
William Aila Jr., Deputy to the Chairman
Paula Aila, Contact and Awards Division Manager
Kahana Albinio, Acting Land Management Division Administrator
Dean Oshiro, Acting Homestead Services Division Administrator
Niniau Simmons, NAHASDA Manager
Norman Sakamoto, Acting Land Development Division Administrator
Stewart Matsunaga, Land Development Agent
Kaleo Manuel, Acting Planning Program Manager
Andrew Choy, Planner
Leah Burrows-Nuuanu, Secretary to the Commission
Cedric Duarte, ICRO Manager
Debra Aliviado, Customer Service Manager
Lehua Kinilau-Cano, Legislative Analyst
Nancy McPherson, Planner
Halealoha Ayau, Water Specialist

ORDER OF BUSINESS

Roll Call
Chair Masagatani called the meeting to order at 9:09 a.m.
Six (6) members were present at roll call. The Kaua‘i and Oahu Commission seats were vacant.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

ITEM A-1 Charles Bronco Re: Palakiko Farm

C. Bronco and his grandson, Henaku Berturaku, are farmers in Kekaha who don’t have enough water for their trees and lo‘i. He and his grandson are getting their water from Kekaha Ditch; however, when the hydroelectric pump gets turned off or shut for maintenance, they don’t have enough water. They requested that the State entities get together to help them exercise their rights to the water. He and his grandson are looking to a solar pump because when the electricity gets shut down, they don’t have water. NRCS and USDA are willing to help them financially; however, they need the rights and DHHL’s help.
ITEM A-2  Keohukui Kauihana Re: Lawful Hawaiian Government

K. Kauihana stated that the Hawaiian Islands belong to the Hawaiian Kingdom and not the United States because of the illegal military overthrow of the Hawaiian Monarchy.

ITEMS FOR DECISION MAKING

REGULAR AGENDA

OFFICE OF THE CHAIRMAN

ITEM C-3  Adoption of the HHC Investment and Spending Policies relating to DHHL Trust Funds

RECOMMENDED MOTION/ACTION
Administrative Services Officer Rodney Lau presented the following:
Recommends that the Hawaiian Homes Commission adopt the HHC Investment and Spending Policies relating to DHHL Trust Funds.

MOTION
Moved by Commissioner Ishibashi, seconded by Commissioner Helm, to approve the motion as stated in the submittal.

DISCUSSION
Chair Masagatani thanked the Commissioners who assisted and gave their time to bring this into fruition. The Trust Fund was received in 1995, and now it’s 2018. It took 23 years to get here, and DHHL finally has something to work with. Mahalo Rodney Lau and the late Kahele Richardson.

ACTION
Motion carried unanimously.

PLANNING DIVISION

ITEM G-6  Approval of Water Rate Increase for DHHL Anahola Farm Lots Water System

RECOMMENDED MOTION/ACTION
Water Specialist Halealoha Ayau presented the following:
Motion to approve the Water Rate Increase for the Anahola Farm Lots Water System, which shall take place effective July 1, 2019.

MOTION
Moved by Commissioner Wescoatt, seconded by Commissioner Ka`apu, to approve the motion as stated in the submittal.

DISCUSSION
The current rates expire June 30, 2019, until new rates are approved by the Hawaiian Homes Commission. In fiscal year 2016, the Anahola Water System operated at a loss of close to $182,000. The huge losses indicate a deficiency in the current water rates and to some extent, the failure of systems and operational management. The recommendation is to increase the rates incrementally over ten years.

ACTION
Motion carried unanimously.
ITEM C-2  To Authorize the Chairman to enter into and/or participate in a Mutual Aid and Assistance Agreement with the County of Kaua‘i

RECOMMENDED MOTION/ACTION
Deputy William Aila presented the following:
Motion to approve an agreement between the County of Kaua‘i and the Department of Hawaiian Home Lands to respond to disaster-related emergencies and provide services that the Department may request of the County of Kaua‘i, in addition, request that the Commission delegate to the Chairman the authority to negotiate and approve the final agreement and any extensions that may be necessary.

MOTION
Moved by Commissioner Wescoatt, seconded by Commissioner Ka‘apu, to approve the motion as stated in the submittal.

DISCUSSION
Chair Masagatani wants it to be part of the record that the agreement includes authorization to enter DHHL lands for doing assessments and any necessary cleanups.

ACTION
Motion carried unanimously.

ANNOUNCEMENTS AND ADJOURNMENT

NEXT MEETING
The next regular meeting Keaukaha, Hawai‘i, September 16, 17, & 18, 2018.

MOTION/ACTION
Moved by Commissioner Ka‘apu, seconded by Commissioner Ishibashi, to adjourn the meeting. Motion carried unanimously.

ADJOURNMENT 10:00 a.m.

Respectfully submitted:

________________________________
Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission

Prepared by:

________________________________
Leah Burrows-Nuuanu, Commission Secretary
Hawaiian Homes Commission

APPROVED BY:
The Hawaiian Homes Commission at its regular monthly meeting on:

________________________________
Jobie M.K. Masagatani, Chairman