

HAWAIIAN HOMES COMMISSION
Minutes of May 16, 2022
Courtyard King Kamehameha’s Kona Beach Hotel Ballroom #4
75-5660 Palani Road, Kailua-Kona, Hawai`i
and Interactive Conferencing Technology (ICT)

Pursuant to proper call, the meeting of the Hawaiian Homes Commission was held both in person and via Interactive conferencing technology, beginning at 9:30 a.m.

PRESENT William J. Ailā Jr., Chairman
Randy K. Awo, Maui Commissioner
Zachary Z. Helm, Moloka‘i Commissioner
David B. Ka‘apu, West Hawai‘i Commissioner
Michael L. Kaleikini, East Hawai‘i Commissioner (via ICT)
Russell K. Ka‘upu, O‘ahu Commissioner
Dennis L. Neves, Kauai Commissioner
Pauline N. Namu‘o, O‘ahu Commissioner (via ICT)
Patricia A. Teruya, O‘ahu Commissioner (via ICT)

COUNSEL Katie Lambert, Deputy AG

STAFF Tyler I. Gomes, Deputy to the Chairman
Leah Burrows-Nuuanu, Secretary to the Commission
Andrew Choy, Planning Manager
Kahana Albinio, Acting Land Management Division Administrator
Juan Garcia, Homestead Services Division Administrator
Cedric Duarte, Information & Community Relations Officer
Stewart Matsunaga, Acting Land Development Division Administrator
Paula Ailā, Acting Contact and Awards Division Administrator
Michael Lowe, Information Specialist

ORDER OF BUSINESS

CALL TO ORDER

Chair Ailā called the meeting to order at 9:45 a.m. six (6) members were present in person, and three (3) via ICT at roll call.

Chair Aila reviewed the provisions of Act 220 relating to virtual meetings.

APPROVAL OF AGENDA

Homestead Services Division Administrator Juan Garcia requested an amendment to agenda Item D-18; it should read “Cancellation of Lease” and not Designation of Successor for Caroldean K. Jackson. The submittal is correct.

MOTION/ACTION TO AMENDMENT

Moved by Commissioner Helm, seconded by Commissioner Awo, to approve the agenda as amended. Motion carried unanimously.

APPROVAL OF MINUTES FOR APRIL 18 & 19, 2022

Chair Aila asked if there were any amendments to the Minutes. Commissioner Neves asked that his comments about Item J-8 be included in the minutes.

MOTION/ACTION

Moved by Commissioner Teruya, seconded by Commissioner Helm, to approve the April 18 & 19, 2022 Minutes as amended. Motion carried unanimously.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

PT-1 Kanani Kapuniai – Various

K. Kapuniai testified the \$100 million for the waitlist is a move in the right direction. Chair Aila stated the projects need to match a strategic plan laid out in the bill.

For HB 2195, her hope is staff will come out to the community and discuss the process and the hazards in the bill regarding priority levels 1 & 2. Item G-2, she stated Pu‘ukapu is still in drought.

Item G-3, the Department of Water Supply dug a well and built a water tank sending water through DHHL land into Honokaa. Still, they are not assisting with water to the DHHL Honokaia lots. Former LDD Administrator Linda Chin told her a standpipe would be erected so ranches that needed additional water could go there instead of trucking to Waimea.

Chair Aila stated his understanding is that the potential operator of the Honokaia system is reaching out to the lessees to discuss if there is a project that makes sense, given the limited amount of water and the cost of building the system.

PT-2 Leila Beals – Item F-2

L. Beals, a Supervising Land Agent with Hawaiian Electric Light Company, testified in support of Item F-2.

ITEMS FOR DECISION MAKING

CONSENT AGENDA

Chair Aila asked if there were any items on the Consent Agenda that the Commissioners would like to discuss separately. Commissioner Ka‘apu stated Item D-8, and Commissioner Neves stated D-18. He also reminded Commissioners that the agenda was amended to correct the title of item D-18.

HOMESTEAD SERVICES DIVISION

- ITEM D-2 Approval of Consent to Mortgage (see exhibit)**
- ITEM D-3 Ratification of Loan Approvals (see exhibit)**
- ITEM D-4 Approval of Streamline Refinance of Loans (see exhibit)**
- ITEM D-5 Approval of Homestead Application Transfers / Cancellations (see exhibit)**
- ITEM D-7 Approval to Certify Applications of Qualified Applicants for the Month of April 2022 (see exhibit)**
- ITEM D-9 Approval of Designation of Successors to Leasehold Interest and Designation of Persons to Receive the Net Proceeds (see exhibit)**

- ITEM D-10 Approval of Assignment of 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 – MANLY K. KANOA, JR., Residential Lease No. 7767, Lot No. A Waimanalo, Oahu**
- ITEM D-14 Commission Designation of Successor – ELIZABETH H. NOHOLOWAA, Residential Lease No. 3769, Lot No. 305, Nanakuli, O`ahu**
- ITEM D-15 Commission Designation of Successor – CAROL K. KANEAKUA, Residential Lease No. 2516, Lot No. 106, Ka`uluokaha`i, O`ahu**
- ITEM D-16 Commission Designation of Successor – FLORENCE KEALOHA, Residential Lease No. 12932, Lot No. 106, Ka`uluokaha`i, O`ahu**
- ITEM D-17 Commission Designation of Successor – ALLAN L. KILA, Residential Lease No. 12944, Lot No. 97, Ka`uluokaha`i, O`ahu**
- ITEM D-19 Commission Designation of Successor – BEATRICE P. KALAI, Residential Lease No. 3665, Lot No. 64, Waimanalo, O`ahu**
- ITEM D-20 Cancellation of Tenant-In-Common Leasehold Interest – ALFRED G. KUMALAE, JR., Agricultural Lease No. 6887, Lot No. 18, Pana`ewa, Hawai`i**
- ITEM D-21 Cancellation of Lease – CLEVIS AIONA AKA, Residential Lease No. 3097, Lot No. 27, Waiakea, Hawai`i**
- ITEM D-22 Commission Designation of Successor – THERESA M. DUCRET, Residential Lease No. 6841, Lot No. 29, Waiakea, Hawai`i**
- ITEM D-23 Cancellation of Lease – HARRY K. KAMALII, JR., Agricultural Lease No. 6982, Lot No. 38, Maku`u, Hawai`i**
- ITEM D-24 Commission Designation of Successor – RICHARD ALAN LOVELL, Residential Lease No. 3253, Lot No. 65, Anahola, Kaua`i**
- ITEM D-25 Commission Designation of Successor – POHAIKEALOHA DYMOND, Residential Lease No. 11042, Lot No. UNDV041, Anahola, Kaua`i**
- ITEM D-26 Cancellation of Tenant-In-Common Leasehold Interest – DONALD W. NIHIPALI, TIC, Residential Lease No. 6486, lot No. 61, Anahola, Kaua`i**
- ITEM D-27 Commission Designation of Successor – JOHN KANUI, Residential Lease No. 09301, Lot No. 88, Kaniohale, Hawai`i**

MOTION/ACTION

Moved by Commissioner Helm, seconded by Commissioner Ka`apu, to approve the amended Consent Agenda removing Items D-6, D-8, and D-18.						
Commissioner	1	2	`AE (YES)	A`OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm		X	X			
Commissioner Ka`apu			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			9			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Nine (9) Yes votes.						

Commissioner Ka`apu commented that the Department has been getting the notices out to the successors much quicker than in the past. He appreciates staff moving that along. He stated the Department needs to renew its efforts in encouraging the beneficiaries to appoint a successor.

J. Garcia stated he could work with Cedric in ICRO to get an article on the website. The staff does its best when speaking with beneficiaries and highly recommend that they designate a qualified successor. He stated they would make that extra measure to renew that effort as requested.

REGULAR AGENDA

LAND MANAGEMENT DIVISION

ITEM F-1 Approval to Issue Annual Renewal of Right of Entry Permit(s), North & West Hawai`i Island

RECOMMENDED MOTION/ACTION

Acting Land Management Division Administrator Kahana Albinio presented the following: Motion that the Hawaiian Homes Commission approve Annual Renewal of Right of Entry Permit(s) to the North and West side of Hawai`i Island

MOTION

Moved by Commissioner Awo, seconded by Commissioner Kaupu, to approve the motion as stated in the submittal.

DISCUSSION

Commissioner Ka`apu stated there is supposed to be the agreement for King's Landing presented so the Commission could have it by next month. He asked if somebody was working on it. K. Albinio stated he and Jobie are working on it.

Commissioner Ka`apu asked about Pūnana Leo in Waimea. The Commission approved it subject to Land Management Division coming back with a reduction in the rent, but he has not heard anything. K. Albinio stated they have not started on that yet. Chair Aila stated they would add it to Kahana's list and reprioritize it.

Commissioner Kaleikini asked if the consultant would be able to review all the grants and things associated with the Right of Entries. K. Albinio stated yes, it is part of the task.

Commissioner Neves asked if there is a list of the consultant's duties and responsibilities. Chair Aila stated once the contract is finalized, it can be given to the Commissioners. Commissioner Neves commented regarding the Colliers report and stated it is like pennies per square foot.

Commissioner Kaleikini asked how much more fencing was required for the Kohala Center. Property Development Agent Kuali`i Camara stated they have funding till the end of September and another 60-acres to fence. The right of entry is mainly for fencing.

ACTION

Moved by Commissioner Awo, seconded by Commissioner Kaupu, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo	X		X			
Commissioner Helm			X			
Commissioner Ka`apu			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu		X	X			
Commissioner Namu`o			X			
Commissioner Neves			X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			9			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously- Nine (9) Yes votes.						

ITEM F-2 Approval to Issue Master Benefit License to Hawai`i Electric Light Company, Inc., (HELCO), for Homestead Developments, County of Hawai`i (Various TMKs)

RECOMMENDED MOTION/ACTION

Acting Land Management Division Administrator Kahana Albinio presented the following: Motion that the Hawaiian Homes Commission approve a Master Benefit License to Hawai`i Electric Light Company, Inc., (HELCO), for homestead developments, County of Hawai`i (Various TMKs)

MOTION

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

K. Albinio stated the license mirrors the licenses issued to the County of Maui and the County of Honolulu. It helps the Department from having to come back to the Commission. Chair Aila asked that each locale will be added. K. Albinio stated yes, which is an addendum to the Master License.

ACTION

Moved by Commissioner Neves, seconded by Commissioner Ka`apu, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm			X			
Commissioner Ka`apu		X	X			
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			

TOTAL VOTE COUNT			9			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously- Nine (9) Yes votes.						

ITEM F-3 Approval to Issue Temporary “Six (6) Month” Right of Entry Permit to Special Olympics Hawai`i, Inc., Kapolei, Island of O`ahu, TMK No. (1) 9-1-017:161 (por.)

RECOMMENDED MOTION/ACTION

Acting Land Management Division Administrator Kahana Albinio introduced Dan Epstein, the CEO of Special Olympics Hawai`i presented the following:

Motion that the Hawaiian Homes Commission approve a Temporary six (6) month Right of Entry Permit to Special Olympics Hawai`i, Inc., Kapolei, Island of O`ahu, TMK No. (1) 9.1.017:161 (por.)

K. Albinio stated they are seeking the use of the vacant lot adjacent to theirs for storage.

D. Epstein stated they are in the next phase of building their Health and Wellness Center next to the Crock Center. They have their Administration Building up and have athletes training. The plan is to start construction in June, so the request is to use a small portion of the land adjacent to theirs for storage for approximately 6-months during the construction. They will make sure everything is cleaned up and removed.

MOTION

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

DISCUSSION

Commissioner Helm asked for the current fee paid for 20,000 square feet. K. Albinio stated it is \$184 per month. Exhibit B shows how they came up with that number.

Commissioner Teruya asked after the facility is built, what is the monthly rent for the facility and the lease for one year. She asked if it was \$1000 per month and \$12,000 per year. She asked how large the parcel was and how long the license is for. D. Epstein stated it was 2.4 acres, for 45-years plus the opportunity of 2/10-year extensions, and their license started in 2011. Chair Aila added they would need to come back to the Commission for the extension.

Commissioner Namu`o stated she supports Special Olympics.

Commissioner Teruya asked if the program is open to youth with drug addiction. D. Epstein stated that is not the path they are going down. It is not their specialty, and they do not have the background or training. There are still thousands with intellectual disabilities they are trying to reach, which is their focus.

ACTION

Moved by Commissioner Helm, seconded by Commissioner Neves, to approve the motion as stated in the submittal.						
Commissioner	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm	X		X			

Commissioner Ka`apu			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves		X	X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			9			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously- Nine (9) Yes votes.						

ITEM F-4 Approval to Issue Right of Entry Permit to Ka`u Hawaiian Homelands Association, Wai`ohinu, Island of Hawai`i, TMK No. (3) 9-5-005:003 (por.)

RECOMMENDED MOTION/ACTION

Acting Land Management Division Administrator Kahana Albinio presented the following: Motion that the Hawaiian Homes Commission approve a Right of Entry Permit to Ka`u Hawaiian Homelands Association, Wai`ohinu, Island of Hawai`i, TMK No. (3) 9-5-005:003 (por.)

K. Albinio introduced the President of the Ka`u Hawaiian Home Lands Association, Jeffery Kekoa, and his colleague Paul Makuakane.

MOTION

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

K. Albinio stated the purpose of the request is to establish the Wai`ohinu Ahupua`a Agricultural project program to educate the Ka`u Hawaiian homestead members and beneficiaries about how to grow kalo, u`ala, olena, mai`a, and other crops for subsistence farming.

J. Kekoa stated the markets are far, and the community wants to grow their own fruits and vegetables, share them, and feed their families. He stated Paul Makuakane came up with the Wai`ohinu Ahupua`a Agricultural Project Proposal. P. Makuakane stated this is the opportunity to get on to the land and start planting for future sustainability.

DISCUSSION

Commissioner Helm asked if the area had access to water. J. Kekoa stated the area does provide enough rainfall because it is mauka of Wai`ohinu. There are two water resources.

K. Albinio added that the Ka`u lands were just acquired from DLNR.

ACTION

Moved by Commissioner Ka`apu, seconded by Commissioner Helm, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A`OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm		X	X			
Commissioner Ka`apu	X		X			

Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves			X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			8			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously- Nine (9) Yes votes.						

RECESS 10:50 AM
RECONVENED 11:00 AM

ITEMS FOR INFORMATION/DISCUSSION

GENERAL AGENDA

LAND DEVELOPMENT DIVISION

ITEM E-2 For Information Only – Update on ‘Rental Housing in the Villages of La‘i‘Ōpua

RECOMMENDED MOTION/ACTION

None. For Information Only. Acting Land Development Division Administrator Steward Matsunaga presented the following:

S. Matsunaga introduced Doug Begley of Ikaika Ohana Developers to join him at the table. He stated it is a Rent with Option to Purchase project. There are 60 rental units, and D. Begley has secured low-income housing tax credits to build an additional 24 units.

Chair Aila asked D. Begley for a brief explanation of why they got into the Rent with Option to Purchase program.

D. Begley stated they did a rental project with Hawai`i Housing Finance and Development Corporation (HHFDC) years ago, and the Department of Hawaiian Homes was one of the forerunners in leveraging that program to reach an income level that some of the other programs could not reach. The program leverages the Department’s money and marries everything the Department wants to do with the tax credit world. The equity which is substantial does not have to get paid back, and the Department is left with the debt component, which is manageable for people below the 60% area median income.

There have only been a few programs like it, and the Department has only done one. He talked about the affordability for those who qualify and how the program is beneficial for those who have limited resources. If anything happens to the roof, they have no resources to fix it. He stated that is something to be attentive to. He likes the program and knows there are things to fix.

Chair Aila stated he appreciated D. Begley coming to answer the questions firsthand. It is a great program, but it is complicated with the tax credits, what is required, keeping the rents low, and making sure there is enough money for proper maintenance.

D. Begley stated that some of the lots are big compared to others, and these larger lots take more water, which is an inequity. He stated they need to get to that equilibrium, and they will tackle many nuances.

DISCUSSION

Commissioner Ka`apu asked if we did get to a fix for the water. The beneficiaries are used to \$50 every other month, but if they get hit with a bill of \$800, that impacts them. If they do not pay their bill, they are in default of their lease or rent to own. D. Begley stated there is no full fix. They must go out and fix the common areas and the landscaping, which will take a while, so he will probably have to keep paying some of the water bills.

Commissioner Teruya asked if they are the ones that put in the landscaping for the homesteads. D. Begley stated that they have a contractor. She suggested using native Hawaiian plants that take less water. S. Matsunaga stated it is correct, and the first was the Ho`olimalima project. The program works but still has a lot of growing pains. Mark Development was the project's overseer but is no longer involved since the purchase of the houses.

RECESS

11:30 AM

RECONVENED

11:35 AM

ITEM E-1 For Information Only – West Hawai`i Project Updates

RECOMMENDED MOTION/ACTION

None. For Information Only. Acting Land Development Division Administrator Stewart Matsunaga presented the following:

West Hawai`i Project Updates – Slide Presentation

La`i`Ōpua – Rent with Option to Purchase (RWOTP)

- Village 4 118 lots
- Village 5 45 lots
- Additional rental offerings are subject to the developer obtaining LIHTC

La`i`Ōpua Village 4 Hema

- 125 Vacant lots
- Start construction early 2022
- Complete construction in late 2023, subject to change

La`i`Ōpua Village 5

- 42 Turnkey occupied
- 20 Habitat homes occupied
- 45 RWOTP
- 10 Vacant lots for offer 2022

DISCUSSION

None.

ITEM E-3 For Information Only – Acquisition of Property from the Hawai`i Housing Finance and Development Corporation, Kapolei, Island of O`ahu, Tax Map Key No. (1) 9-1-140:159

RECOMMENDED MOTION/ACTION

None. For Information Only. Acting Land Development Division Administrator Stewart Matsunaga presented the following:

The Acquisition of Property from the Hawai`i Housing Finance & Development Corporation (HHFDC) is an add on to the Kaupe`a Subdivision. HHFDC was in the process of putting out an RFP to develop the land on their own. There were some discussions earlier about the Department acquiring the parcel.

DISCUSSION

Commissioner Ka`upu asked whether the Department became aware of this because the Hawai`i Housing Finance and Development Corporation (HHFDC) was going to do something with the land.

Chair Aila stated the Legislature giving the Department money is amazing because now the Department has various entities coming to offer and sell land. With this parcel, the timing was right, and HHFDC saw the potential for Hawaiian Homes to do something on that parcel. This made more sense to the Department, so it is being presented to the Commission as an informational item. Commissioner Ka`upu asked if there were other opportunities. Chair Aila stated very premature analysis on that right now.

Commissioner Teruya stated the parcel is nice and adds to Kaupe`a homestead. She wondered if the school would be able to handle the capacity. Chair Aila stated it would impact the schools greatly. She asked that CIP projects already started being prioritized before moving forward on new projects. She wants to see the Voice of America project move forward.

Commissioner Awo stated that regarding the \$600 million, his understanding is the projects are in various stages of development; if the Department takes that \$600 million, it can complete upwards of 3,000 homes, is that correct. Chair Aila stated approximately yes. Commissioner Awo's concern is the offers coming to the Department because of the money, the impact, and the takeaway to homes we can deliver to the beneficiaries.

Chair Aila stated in this case that there is infrastructure, and the land is already graded, so the development process would be shortened. We don't have the \$600 million yet, but once the Governor signs, the Department will have to look at HB 2511 as it is written. It comes with pre-instructions as to how the money is to be spent, and not all of it will be going to the development of new lots; some of it goes to payment assistance, rental assistance, mortgage assistance, and some to the development schedule to create inventory as quickly as possible. There will be more discussion and information. Chair Aila stated the Department asked for 6-years, but there is a technical flaw in the Bill right now, which is 2-years, and they need to hopefully fix it to make sure the Department gets the full 3-years.

A. Choy stated over 50% of the waitlist is for O`ahu, but only 3% of the DHHL's available land inventory. The acquisition was a good opportunity for the Department.

Note: Slide presentation attached

Commissioner Neves asked to rescind his request for Item D-18 to the executive session and take care of it now. Chair Aila stated if there are no objections.

ITEMS FOR DECISION MAKING

REGULAR AGENDA

HOMESTEAD SERVICES DIVISION

ITEM D-18 Commission Cancellation of Lease – CAROLDEAN K. JACKSON, Residential Lease No. 8385, Lot No. 94, PKE, O`ahu

Chair Aila asked for a motion to consider the staff’s recommendation for Agenda Item D-18.

MOTION/ACTION

Moved by Commissioner Neves, seconded by Commissioner Teruya, to approve Item D-18 as amended.						
Commissioner	1	2	`AE (YES)	A’OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm			X			
Commissioner Ka`apu			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya		X	X			
Chairman Aila			X			
TOTAL VOTE COUNT			9			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Nine (9) Yes votes.						

ITEM D-6 Commission Designation of Successors to Application Rights – Public Notice 2010 & 2020 (see exhibit)

MOTION/ACTION

Moved by Commissioner Helm, seconded by Commissioner Neves, to approve Item D-6 as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm	X		X			
Commissioner Ka`apu			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves		X	X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			9			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Nine (9) Yes votes.						

ITEMS FOR INFORMATION/DISCUSSION

HOMESTEAD SERVICES DIVISION

- ITEM D-1 HSD Status Reports**
A. Homestead Lease and Application Totals and Monthly Activity Reports
B. Delinquency Reports

DISCUSSION

Commissioner Kaleikini asked what the criteria were for delinquencies. J. Garcia stated that Dean Oshiro would meet with Commissioner Kaleikini with the answer.

MOTION

Moved by Commissioner Neves, seconded by Commissioner Helm to convene in an 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.

EXECUTIVE SESSION IN 12:09 PM

The Commission anticipates convening an 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 the following matters:

1. Application of Part 1 of Chapter 92, Hawai`i Revised Statutes (the Sunshine Law) to Commission meetings
2. Update on negotiations pertaining to Lease No. 12569, Lot No. 18336, Kanehili, O`ahu

EXECUTIVE SESSION OUT 2:16 PM

ITEMS FOR INFORMATION/DISCUSSION

PLANNING OFFICE

ITEM G-2 For Information Only – Status Update on Plan Implementation in West Hawai'i

RECOMMENDED MOTION/ACTION

None. For Information Only. Planning Manager Andrew Choy presented the following:
West Hawai'i Regional Update to the Hawaiian Homes Commission

First Tier:	General Plan			
Second Tier:	Strategic Program Plan	Island Plan		
Third Tier:	Regional Plan	Development Plan		
Implementation Tools:	Funding	Legislation	Land Use	Evaluation

West Hawai'i Regional Plans

- Kealakehe & La'i `Opua
 - Priority Projects
 - North Kona Water Source Development Project
 - Provide homestead opportunities for beneficiaries in the Gap Group
 - Renewable Energy initiative
 - Establish a DHHL-Kona District Office
 - Initiate Commercial Development of DHHL lands near Honokohau Harbor
- Kawaihae
 - Priority Projects
 - Kailapa Resource Center
 - Kawaihae Water and Energy Research and Development
 - Kawaihae Bypass Highway
 - Improve Marine Water at Pelekane Bay
 - Management and Maintenance of Kawaihae Reinternment Site
- Waimea Nui Region
 - Priority Projects
 - Waimea Hawaiian Homestead Community Complex – Planning
 - Evaluate and Revise Agriculture/Pastoral Program Waimea Nui
 - Support/Plan Development of Affordable Homestead Alternatives in Waimea Nui
 - Assess the Implications of Eliminating Requirement to Pay Property Taxes
 - Assess the Implications of a Non-Standard Building Code

DISCUSSION

None

ITEM G-3 For Information Only – West Hawai'i Water Project Update

RECOMMENDED MOTION/ACTION

None. For Information Only. Planning Manager Andrew Choy presented the following:
Water Consultant Dr. Jonathan Likeke Scheuer presented the West Hawai'i Water Projects Updates

Note: Slide presentation attached.

1. Planning Regions Covered
2. Future Water Demands
 - a. Water demands are calculated based on
 - i. HHC land use designations
 - ii. County and other water demand rates
 - b. Calculated in the State Water Projects Plan
 - i. SWPP was approved on May 16, 2017
 - ii. SWPP update approved May 18, 2021
3. Existing Water Reservations
 - a. What is a water reservation
 - i. Kapu for future use
 - ii. CWRM protects it from other users
 - iii. More legal protections in the water management area
 - b. A water reservation is not
 - i. Immediate access to “wet water.”
 - ii. To develop “wet water,” we still need a place-based combination of advocacy, CIP funds, design for source, storage, transmission, the environmental review process, and any agreements for access and operation with the county or others
4. Updates: Actions to turn reservations to “wet water.”
 - a. Ongoing discussions with plaintiffs
 - b. Business plan development

West Hawai`i Ground Water Reservations

Hydrologic Unit	Quantity Reserved (mgd)	Effective Date
Hawi	0.148	9/18/2018
Mahukona	3.014	9/18/2018
Honoka`a	0.396	9/18/2018
Keauhou	3.398	8/17/2015

DISCUSSION

Commissioner Helm asked if the Kohala Ranch closes, what is the alternative for water. Dr. Scheuer stated on the short term; there is no good alternative. The Department has drilled two wells on its lands, and both turned out to be brackish. Desalinization remains an option.

Commissioner Namu`o asked if the Department has a strategy for water since Red Hill has become such a big issue. A. Choy stated the Department has been in conversation with the Board of Water Supply regarding the Department’s water needs in Honolulu and elsewhere. They have been informed that the Department is one of four Public Trusts’ purpose use of waters and that their use of waters should be prioritized over non-commercial uses of water. Talks have been positive, but the Department hopes to have a policy confirmation with the Board soon.

The Honolulu Board of Water Supply is outstanding amongst the Counties in recognizing the high priority the State puts on DHHL lands. She recommended that the Department be a little bit more aggressive in being represented on different water resource entities and having a say on the major boards as it would be important for the beneficiaries. Chair Aila stated the Department was not going to give up, and it got close to the deadline for getting a seat on the Water Commission. He thinks the Department can do it in one more year.

OFFICE OF THE CHAIRMAN

ITEM C-1 For Information Only – Summary of Legislative Session 2022

RECOMMENDED MOTION/ACTION

None. For information only. Legislative Analyst Lehua Kinilau-Cano presented the following:

L. Kinilau-Cano reviewed HB 2511 HD2 CD1, and DHHL's Budget, in which she laid out the Operating and the CIP Funds. The request for the Operating Funds was just under \$50 million, the Governor included \$20.7 million in his budget request, and the Legislature funded \$25 million in Operating Funds to the Department. The request for the CIP Funds was over \$263 million. The Governor included \$35 million in his budget, and the Legislature funded \$37 million.

The Legislature appropriated \$41.5 million as a cash infusion for the Rental Housing Revolving Fund for redevelopment at 820 Isenberg Street.

DISCUSSION

Commissioner Ka'apu commented on SB 2623 that he does not think it amends the Hawaiian Homes Commission Act as it pertains to the waiting list, which is not part of the Act. His understanding is the waiting list is a creation of the Department. L. Kinilau-Cano stated she would provide the language to Commissioners. She stated it amends Section 208 and 209 of the Hawaiian Homes Commission Act.

Chair Aila stated there was the \$10 million that was added to the Department's Operating Budget by the Legislature, but it is not clear what its purpose is. They are following up and will report back.

Commissioner Kaleikini asked about the timeframe for spending the \$600 million. Chair Aila stated the way it was written; it starts this fiscal year. There is a willingness to return next year to fix it, but we will have to see next year. Even 3-years is a short time to spend that much money.

Commissioner Teruya stated the 2022 Legislation was outstanding with the number of monies to DHHL. She asked if the \$600 million was like a blank check for the Department. L. Kinilau-Cano stated on page 3 of the Legislation, it states that DHHL may expend the funds to (1) develop lots for units, (2) purchase available lands or units, (3) provide funding for an applicant on the waiting list or a qualified relative of the applicant similar to the qualified relative of a lessee who does not own a principal residence to purchase, (4) allow for a mortgage or rental subsidy to the applicant on the waiting list, and (5) other services category which was intended for housing counseling to coincide with the resources. She stated she does not think \$600 million will eliminate the waitlist, but it could significantly reduce the waitlist in a short time. She thinks the objective is to address applicants on the waitlist.

Chair Aila stated the Department has sort of a measuring stick as to how the Department can expend the money as smartly and quickly as possible to demonstrate to the Legislature that we are not only deserving but we can.

Note: Slide presentation attached.

ITEM C-2 For Information Only – Appointment of ‘Waitlist Reduction Act’ (HB 2511 HD2 SD2 CD1) Permitted Interaction Group pursuant to Hawai‘i Revised Statutes Section 92-2.5 and Hawai‘i Administrative Rules Section 10-2-16(b)(1)

RECOMMENDED MOTION/ACTION

None. For information only. Executive Assistant Jobie Masagatani presented the following:

J. Masagatani stated Item C-2 identifies the members of the Permitted Interaction Group (PIG). The PIG intends to assist the Departmental staff with crafting the strategic plan related to HB 2511, nicknamed the Waitlist Reduction Act because that is the primary purpose.

DISCUSSION

Chair Aila thanked the members, Commissioners Russell Ka`upu, Pauline Namu`o, and Dennis Neves, for being part of the group. He is part of the group and stated they would be meeting soon and often to make the June 15, 2022, deadline for recommendations and findings to the Commission. He stated there are a lot of expectations, and the Department has its parameters that have been set. The group will hone down on what is reasonable and what the Department can accomplish in the next 3-years, if the Legislature extends it for 1-year.

Commissioner Ka`upu asked if the Sovereign Council of Hawaiian Homestead Association (SCHHA) is supposed to report to the Legislature or the Department. Chair Aila stated the email indicated they would report to the Legislature.

Note: Slide presentation attached.

RECESS

3:16 PM

HAWAIIAN HOMES COMMISSION
Minutes of May 17, 2022
Courtyard King Kamehameha's Kona Beach Hotel Ballroom #4
75-5660 Palani Road, Kailua-Kona, Hawai'i
and Interactive Conferencing Technology (ICT)

Pursuant to proper call, the meeting of the Hawaiian Homes Commission was held both in person and via Interactive conferencing technology, beginning at 9:30 a.m.

PRESENT William J. Ailā Jr., Chairman
Zachary Z. Helm, Moloka'i Commissioner
David B. Ka'apu, West Hawai'i Commissioner
Michael L. Kaleikini, East Hawai'i Commissioner (via ICT)
Russell K. Ka'upu, O'ahu Commissioner, (left at 3:30 p.m.)
Dennis L. Neves, Kauai Commissioner, (left at 3:30 p.m.)
Pauline N. Namu'o, O'ahu Commissioner (via ICT)
Patricia A. Teruya, O'ahu Commissioner (via ICT)

EXCUSED Randy K. Awo, Maui Commissioner

COUNSEL Katie Lambert, Deputy AG (left at 2:45 p.m.)

STAFF Tyler I. Gomes, Deputy to the Chairman
Leah Burrows-Nuuanu, Secretary to the Commission
Andrew Choy, Acting Planning Manager
Kahana Albinio, Acting Land Management Division Administrator
Juan Garcia, Homestead Services Division Administrator
Cedric Duarte, Information & Community Relations Officer
Stewart Matsunaga, Acting Land Development Division Administrator
Paula Ailā, Acting Contact and Awards Division Administrator
Michael Lowe, Information Specialist

ORDER OF BUSINESS

CALL TO ORDER

Chair Ailā called the meeting to order at 9:34 a.m. eight (8) members were present, four(4) via ICT, and (5) in person, at roll call.

Chair Aila reviewed the provisions of Act 220 relating to virtual meetings. Commissioners must keep their cameras on unless they are excusing themselves from the meeting. A quorum of Commissioners must be visible during the meeting.

Chair Aila stated the Commission would recess around noon for lunch and convene into executive session for an additional 30-minutes.

Item G-1 is a carry-over from yesterday's meeting, which will be taken after the Public Testimony, then the Commission will take up the J-Agenda items.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

PT-1 Kanani Kapuni`ai – Various

K. Kapuni`ai testified on Item J-10 regarding the fire at Pu`ukapu and the right of entry request.

Commissioner Ka`apu asked what the status was. She stated that is the status, which is why the testifier will be presenting before the Commission because it has been 9-months since the fire.

PT-2 Bo Kahui – Various

B Kahui testified for Item E-1, the La`i`Ōpua Village Homes, regarding the water issues. He spoke with Doug Begley of Ikaika Ohana and suggested he look at their landscape plan regarding the high-water payments the beneficiaries are paying. He recommended they redo the water connection and creating an interim association to address the Commission. The interim association is not connected to their association, and it would sunset when the Department takes over. The Village of La`i`Ōpua Association would take over the interim association.

For Item E-2, housing assistance for the GAP group; his daughter is an undivided interest awardee. Two-gap groups need to be acknowledged, those below the 60% AMI, and those above. He requested the Department's assistance in creating opportunities for the undivided interest awardees that fall in these gap groups.

For the Right-of-Entry Permits, the splitting up large leases at Pelekane and Kahua Ranch had been a long ongoing issue. It has been going on for 25 years and he still does not have a pastoral lease. The Department needs to break up those lands to serve more of the beneficiaries.

PT-3 Derwin Nunes - Various

D. Nunes testified that he is a recovering addict. He offered a slide presentation about intergenerational trauma. He showed his father's water bill which stated their water usage at 600 gallons per day. Chair Aila stated the developer indicated that it is being reimbursed directly or through rental credits. You are saying that has not happened. D. Nunes confirmed that it has not happened. He stated his father is on Section 8, and the reimbursement does not work for his father. He said case management-wise, the Department is not looking at each client's needs. He added that they were threatened with the water being shut off 10-days after the 3rd notice of delinquency.

Chair Aila stated he is surprised that D. Nunes' case has not been worked on and would have staff follow up on the issue. The Department would make it a priority that his water is not disconnected as

Commissioner Ka`apu stated the developer stated they were going to pay for it. It is troubling that that has not happened. D. Nunes stated they called him and were only given a 24-hour notice for the meeting the developer held.

PT-4 Kaui Peralto – Item J-9 (ICT)

K. Peralto testified she was speaking on the Kamoleao project and stated they started bulldozing the property. She shared her dream of Kamoleao. It has been 27 years of waiting.

ITEMS FOR INFORMATION/DISCUSSION

GENERAL AGENDA

PLANNING OFFICE

ITEM G-1 For Information Only – Update on the Hawaiian Electric Company DLNR Water License Application Under HRS 171-58 for Hydroelectricity Generation from the Wailuku River, Hilo, Hawai`i Island

RECOMMENDED MOTION/ACTION

None. For Information Only. Planning Manager Andrew Choy presented the following:

A Choy stated per Legislative direction, the Board of Land and Natural Resources (BLNR) of the Department of Land and Natural Resources (DLNR) was required to convert a month-to-month right of entry permit for water to licenses. DHHL has three interests in the issuance of water licenses.

1. How the water license impacts the building to provide water for homesteading
2. How does the water license impact native Hawaiian and customary practice
3. 30% of water license fees must be paid to the Department's Native Hawaiian Rehabilitation Fund under the Hawaiian Homes Commission Act.

Hawaiian Electric Company (HECO) is one of the water license applicants. They are here to discuss their proposed water license terms and conditions, and how they arrived at those terms and conditions. HECO Hawai`i Island Director Kevin Waltjen and Maintenance Superintendent Ryan Kohatsu were present. DHHL's water consultant Dr. Jonathan Likeke Scheuer was available by Zoom for any questions for staff.

The Two Hydroelectric Plants on the Wailuku River for long-term lease

- Pu`u`eo – constructed in 1910
 - 750 kw unit installed in 1919
 - 3,000 kw unit installed in 2005
 - Generates up to 3.4 megawatts of electricity for Hawai`i Island
- Waiau - constructed in 1920 and upgraded in 1947
 - 350 kw unit
 - 750 k2 unit
 - Generates up to 1.1 megawatts of renewable energy
- Run of the River Plants and are non-consumptive use of the resource
 - A portion of river water diverted
 - Water is returned to the river
 - Head level control to maintain river flow
- Water Lease Documents plan to submit for BLNR consideration
 - Watershed Management Plan managed by the Division of Forestry and Wildlife (DOFAW)
 - Terms – Lease requires a written agreement with DLNR for the implementation of a Watershed Management Plan; and
 - The plan may be updated every five years
 - Inventory – 275 million gallons of water flow through the Wailuku River to Hilo daily
 - Habitat for three native species of fish and 35 species of invertebrates

- 70,000 acres of native forest are home to multiple endangered plants, insects, and forest bird species
 - Cost Share – contribution based on watershed cost-share less discount for non-consumptive use and contribution to carbon reduction
- The water Lease is managed by the Department of Land and Natural Resources (DLNR)
 - Term – 30-year lease between HECO and BLNR
 - Annual rent – FERC rate or higher as a bid at the public auction of .001cents/kwh
 - Annual rent increased every ten years and based on the prevailing FERC rate at the time
 - Rights – DLNR reserves the right to inspect diversion work and hydroelectric generating facility at reasonable times to confirm compliance with the lease
 - Audit – DLNR reserves the right to examine and make copies of information relating to the use of water resources which shall include kwh generated by the use of water resource
- Water Monitoring Memorandum of Agreement managed by the Commission on Water Resource Management (CWRM)
 - MOA – with CWRM only effective if a long-term lease is in effect
- All documents are negotiated with DLNR, and all documents are subject to approval by DLNR.

DISCUSSION

Commissioner Kaleikini asked if DHHL gets 30% of the lease payment, and if there is a revenue piece that HECO uses in the calculation as far as the amount of revenue is anticipated. R. Kohatsu stated they took the capital investment, operation, and maintenance costs, and calculated that based on how much kwh are generated in that plant. From that they come up with a cents per kwh cost.

Commissioner Kaleikini asked if the Department plans to participate when the lease for approval goes before BLNR. Chair Aila stated the Department would be providing testimony about water licenses, in which the DHHL disagreed with the appraisal BLNR was using. The Department requested a contested case which was denied. DHHL is appealing to the Circuit Court. DHHL has a constitutional duty to its beneficiaries and the Trust, to obtain the most reasonable return on water licenses, which goes into the DHHL's Rehabilitation Fund. He is not sure when the appeal will be heard but is confident that the DHHL's attorneys will make the arguments. The appraisal process for water licenses is too important to DHHL and the revenue that is generated for its beneficiaries.

Commissioner Ka`apu stated he is hopeful that DHHL's appeal will be successful. He would like to hear what Dr. Scheuer has to say as far as values are concerned.

Dr. Scheuer raised three things in response to the presentation and the discussion.

1. The Department has no records of ever being consulted on the upper Wailuku River, Hilo Plant referenced as a precedent. In terms of the Department's involvement, if we consider it a fair precedent for setting the rate on the lower Wailuku project, there is no record that DLNR ever consulted with the Department. The Department probably would not stand behind that as an advisable process to look at it as a precedent.
2. To tie together these overlapping but non-identical issues, there is no appraisal process for setting these leases. What DLNR has been trying to seek approval of, and the Department has contested, is a proposed appraisal process. They helped present an analysis and presentation of their work to DLNR and shared that with the Department. Essentially, we

have the lessee proposing a rate that DLNR has agreed to base on the US Continent's large-scale hydroelectric projects.

3. One of the calculations they shared was a concept that has been sometimes used called a Shared Net Benefit. You start with the premise if you are not using water to generate electricity, you are using an alternate source. There is a price differential between them. If you are using water and the water source is cheaper, saving money by using hydroelectric, you can calculate how much money per year you are saving. If you split that down the middle, 50/50, half is going to the lessor and half to the lessee's benefit. The data that Kevin and his team provided shows that it is slightly more than a half a million dollars saved for repairs per year compared to what they consider to be a comparable power source, so 50% of our Shared Net Benefit fee would not be 1/10th of a cent per kwh. It would be based on the overall savings, \$500,000 divided in half, \$250,000, and 30% of that is roughly \$75,000 per year versus the \$11,000 per year that is being proposed.

Chair Aila commented that using FERC methodology (Federal Energy Regulatory Commission) is troublesome to him because it is a mainland concept based on ownership of water, and that is not the situation here in Hawai'i. The second concern is that the State of Hawai'i exists because of a compact with the Federal Government to further the benefits of the Native Hawaiians and our beneficiaries. That has not been considered. He stated the Department had heard the concerns of a possible \$10,000 per year for our beneficiaries. He asked what the estimate of what DLNR is going to receive on the watershed portion is. K. Waltjen stated it is based on the generation and ranges from \$47,000 and up because they are taking a percentage of \$123,000. Suppose there is no generation and the cost increases. He stated there is no Shared Net Benefit.

Chair Aila asked how much of the power used on Hawai'i Island comes from different sources. How much from fuel, how much from geothermal, and how much is coming from solar. K. Waltjen stated Hawai'i Island is at 60% renewable energy. He stated their intercept parameters (IPT) that are the renewable wind linked to the avoided cost. PERBA is ruled that says whenever you take renewable energy. You will pay them at what it costs you to avoid using that fuel; the avoided cost.

Commissioner Neves stated he needs all the raw data. The cost per kilowatt is embarrassing.

Commissioner Ka'upu asked what rate is being paid now. He stated they pay roughly \$2100 per month on the lease.

Commissioner Ka'upu asked Dr. Scheuer if there is any authority for the Department to create a cooperative, so the Department can take it over and buy it out from HECO and generate electricity, as the Kaua'i Island Utility Cooperative (KIUC) does. Dr. Scheuer stated he thinks the Department has the authority explicitly enough in the Act to the degree that it is also not disallowed from the Act to becoming an independent power producer to the grid would not be unreasonable in terms of a pursued course of action. Commissioner Ka'upu stated he is thinking of an alternative.

Commissioner Kaleikini commented that the key component is DLNR. DLNR is working out the lease with Hawaiian Electric. He does not understand why the Department's request for a contested case was denied. Chair Aila stated in the change of the statute, DLNR was able to ink out a component as funding for watershed management from the water licenses. That is the change. Before that, he did not think they took such a big cut. He stated these facilities have operated for over 100 years, so they have recouped their costs many times. The amortization of potential new investments was discussed over 30-years; why would that not be considered over 100 years. K. Waltjen stated the lease itself is binding for 30 years.

RECESS
RECONVENED

10:34 AM
10:44 AM

REQUEST TO ADDRESS THE COMMISSION

ITEM J-1 Al Hee - Telecommunications

Al Hee commented on Item G-1 and stated that he is the developer for the upper Wailuku Plant and is familiar with hydroelectric. He stated he understands avoided costs. Commissioner Ka'apu's comment about buying it is what he was trying to bring to the Commission. He stated the Department should buy it, then all the benefits go to the beneficiaries, or bring an experienced person like him to buy it.

He stated the hearing yesterday was disappointing that the Court, with DHHL's backing, gave away Hawaiian home lands. He stated the Court says that the fair price is zero. He stated Hawaiian Tel would give the Department something but nothing near what the Department is getting from Waimana and Sandwich Isles. He stated he fully intends to fulfill the obligation of License 372.

ITEM J-3 Jojo Tanimoto – Proposed renewable energy lot configuration. Lease Boundary

J. Tanimoto asked what the outcome for Item F-1 was, she was told it was approved, and she has a problem with that right of entry. She questioned why the subdivision could not get emergency access out of the subdivision. She stated the Kailapa subdivision sits between two gulches. She stated that they are trespassing if they do not have the ROE, but if Hawaiian Homes considers the access, then the subdivision can cross to the other side.

Chair Aila asked if there was a jeep road down and back up the other side. J. Tanimoto stated there is, and it goes through the gulch and continues to Kohala. Chair Aila asked if it is only for 4-wheeled vehicles or if cars can drive on the road in the gulch. She then stated there is no road; it is just land.

Commissioner Ka'apu asked if the ROE has retention to fully retain rights for emergency access. Chair Aila stated it is not specifically stated, but the Department reserves the right, with a 30-day notice, to remove or withdraw any portion. His understanding is to have an agreement to provide emergency access to the existing road and build a new one.

Chair Aila stated if the Department of Transportation (DOT) proceeds with its project, then the Department can look to withdraw that portion and give it as an easement to the Department of Transportation. The Department needs to confirm if the DOT will move with its project. He stated that if there is no funding, it will not happen. The Department can approach the ROE to withdraw whatever portion is necessary if DOT provides the funding and chooses to proceed with the project.

She stated they are trying to get the Department to realign the renewable energy project. Chair Aila stated the alternative is to change the alignment of the road if the DOT decides to make it a project. She stated they had waited for 35-years. Chair Aila stated because the DOT has chosen not to fund the bypass road, it is not the Commission.

ITEM J-2 Velma Mariano – Paukūkalo Park

V. Mariano of the Paukūkalo Hawaiian Homestead Community Association proposed 6-months management of the Paukūkalo Park to hire Clarence Kealii Solomon as the maintenance manager for \$12,000 and Administration at \$2,000. She also requested that the Department help renew the

sprinkler system. Chair Aila asked if the request was submitted for 6-months. She stated no, but she needs guidance and will talk with Commissioner Awo and Blossom Feiteira to help create it so she can submit it.

MOTION

Moved by Commissioner Teruya, seconded by Commissioner Helm, to convene in an 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.

EXECUTIVE SESSION IN

11:58 AM

The Commission anticipates convening an 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 the following matters:

1. Discussion on *Kalima et al. v. State of Hawai'i*, Civil No. 99-4771-12
2. Update on issues related to Telecommunications and Broadband services on Hawaiian Home Lands
3. Discussion on *In re Paniolo Cable Company, LLC*, Case No. 18-01319 (RJF) before the U.S. Bankruptcy Court, District of Hawai'i; and
4. Discussion on the *United States of America vs. Sandwich Isles Communications, Inc., et al.*, Case No. 18-00145 (JMS-RT) before the U.S. District Court for the District of Hawai'i

EXECUTIVE SESSION OUT

3:20 PM

ITEM J-12 Kawehi Correa and Malama Solomon – Waika Consulting Geothermal Undersea Power Cable

K. Correa stated the project is a geothermal development power plant, which was presented to the Commission in October 2021. It unites the power grids as all the power grids are separated. She believes the model will sustain our people.

R. Cabral stated that geothermal is a resource of the ceded lands trust, and the beneficiaries are the public and the native Hawaiians. Cultural practice ties the native Hawaiians to this resource. The Department has the land base and the fiduciary obligations to its beneficiaries. It has 100% ownership and rights of the geothermal mineral rights under the Hawaiian home lands, which is the interest in coming to the Commission. The proposal is to invite DHHL into a partnership with their group, the organizers, and the founders. The estimate of the project is \$3 billion over 15 years. Waika LLC will have two primary responsibilities; (1) DHHL's Owner Representative to secure the highest and best use for its geothermal lands; and (2) DHHL's Hawai'i Developer to procure and develop its geothermal resources.

DHHL's contribution is (1) Land leased and managed by Waika LLC, (2) \$2 million in capital improvements funds for land exploration and federal funding application, and (3) federal grant qualifier.

Commissioner Kaleikini stated he supports geothermal efforts.

Commissioner Ka'upu asked if the \$2 million was a pre-development fund. R. Cabral affirmed that. He wanted to know what the Department was asked to deliver. K. Correa stated on all three because the rate of return is astronomically high compared to what the Department is giving out.

Commissioner Teruya stated she supports geothermal. She asked if they were requesting DHHL for land or money. K. Correa stated for all.

Commissioner Kaleikini asked regarding the 200 MW model, what is the anticipated buyers, is that portion going to stay on Hawai`i island or all of it to O`ahu. R. Cabral stated customers would be the US Government, who will be huge buyers of this and HECO. HECO does not have a solution for 60% of its rate (indiscernible) on O`ahu. She stated it came out of the mouth of the HECO CEO to her ears. He stated that HECO would be another entity to collaborate with.

Commissioner Ka`apu stated hydrogen makes sense when the oil costs are high because it costs a lot to generate hydrogen. He stated he is in favor of geothermal as he has experienced it. Going forward, the devil is in the details of how the legal structure will work out.

Malama Solomon stated geothermal had been talked about in Hawai`i for 30 years. The submarine cable allows them to take advantage of all the renewables that are present now on the islands. Those renewable energy sources can be transmitted through that submarine cable. He stated if the Department contributes the \$2 million to drill the puka and it is not successful, would DHHL still be a partner, and would it have to contribute another \$2 million to check another (indiscernible). She stated she does not know all the logistics of that, but the Department will be a founding member regardless of the result. DHHL is the organization the umbrella that should have this empowerment.

Chair Aila stated it is not just the \$2 million but the partner to go after the federal funds. R. Cabral stated there was a study done that they found 300 degrees hot water in Humu`ula. Chair Aila stated he could ask Don Thomas to do a presentation if Commissioner Kaapu is interested.

ITEM J-4 Bo Kahui – Various

B. Kahui is the former President of the Villages of La`i `Opuu. He introduced Rick Willock, a Realtor/Broker from Kona.

- Holuolooa
- Proposal for DHHL to submit a bid for property for the Agricultural program
- Lanipu`u project presented by R. Willock, Entitlement and Infrastructure
 - Identify the water
 - Kona has used most of the Well sites
 - An underground river was discovered
 - The county and state drilled a Well at the 850 ft. elevation and found the water there capable of producing 1.1 mgd of potable water
 - Lower elevation and close to the major transmission systems, and under pressure

Chair Aila asked if it was a joint development of the well or if the property was for sale. R. Willock stated it could be either. The biggest issue is to prove the water is there, which is \$900,000 to find out if that water is there. If the Department puts up the \$900,00 to drill the well and test if it is there, it is a risk. He stated they would commit most of the water to the Department. He stated he has people to put the money in to build the system.

Chair Aila stated they would consider their initiative. B. Kahui stated they would put the packet together for Lanipu`u and Keopu. Chair asked that he work with Andrew Choy.

ITEM J-9 Bill Brown – Project Kamoleao

B. Brown is the Executive Director of the Pana‘ewa Community Alliance (PCA) and the Board of Directors of the Original Pana‘ewa Hawaiian Home Lands Community Association (PHHLCA). He stated PCA maintains the licensee’s fee for Kamoleao, procures the insurance for the property as stated in the licensee agreement, and has provided the maintenance on Kamoleao as recommended in the agreement.

He agrees that co-licensing exists between the parties of the original PHHLCA and the PCA and DHHL as stipulated by license 788. What is not agreed upon is the intrusion of the undesirable party purporting to be representative of the community and trespassing on Kamoleao with no standing. The other party approached him regarding the excavation on Kamoleao. He stated they are trespassing and excavating without PCA’s consent. His question is did DHHL approve the action taken by the other party.

Chair Aila stated the Department was not asked to approve any action. There was a presentation to put an imu on the property by the co-lessee as a proposal. The co-lessee is technically not trespassing on the property because they are a co-lessee of the property. The Department recommended contacting the other co-lessee (PCA) to work things out. It sounds like they proceeded, and PCA is not in agreement.

He stated the license has two co-lessees, PCA and the other group. They are legally entitled to be on the property, which is why it was suggested that the co-lessees work it out. B. Brown asked if the Department received PHHLCA’s testimony last month because that indicates how it all started with two parties in the Association. Chair asked if he was saying two other organizations are vying for the second entity on the license. B. Brown stated no, the Department is saying that; he is saying there is no other PHHLCA. There is no other group that is in representation on license 788. Chair Aila stated two community groups claim to represent the Pana‘ewa Community. The Department asked that the two groups work it out, and it appears the two groups did not work it out. That is where it is at today.

B. Brown said they are bulldozing. Chair asked if they were bulldozing for an imu or bulldozing and clearing the entire property. B. Brown stated they are bulldozing and clearing the entire property, and he can send pictures of what they did on the lot. Chair stated he assumes that the purpose of this J-Agenda is to lodge a complaint or make it known that you feel another group is not entitled to represent the community and, therefore, they are trespassing. Chair Aila stated he would have an attorney look at the issue of who has standing and who is trespassing.

Commissioner Kaleikini explained what he was aware of. He stated that Kauai Almeida talked about the imu on last month’s J-Agenda. Before that, Kauai Almeida provided information regarding the election they held. For the Department not to get directly involved came from the Attorney General. There is funding being held because of this disagreement.

ITEM J-7 Yvette Nakaahiki – Kaivin Farm Educational Programs

Y. Nakaahiki runs the Kaivin Farm Educational Program. They serve DHHL beneficiaries and run a farm of goats. Their educational program has a 4-H goat donation. They teach farming skills, help children with disabilities, help students with school credits toward graduation and work with the Division of Vocational Rehabilitation. Goats are used to help prevent fires as their grazing reduces flammable vegetation. She is requesting a 1-year ROE. Chair Aila stated she has animals that need to be someplace, and many others are asking for the same thing.

Commissioner Ka`apu stated he believes the question if she was truly a non-profit because she was selling the goats for profit. She stated she is not-for-profit. She uses \$20,000 per year of her own money to run the program. She did the non-profit so she could get grants to run the program. Commissioner Ka`apu stated he remembers that the last presentation was to review her financial books. She stated she sent Kaipo her tax records which will show everything is zero. Chair Aila stated to share it with Kaipo. Kaipo stated that her tax records show that her income was zero.

- ITEM J-6** **Kaleo Cullen – Ulupalakua Lot** (not available)
- ITEM J-8** **Blossom Feiteira – Various** (not available)
- ITEM J-10** **Mahana Keakealani – Hui Aloha Pu`ukapu** (not available)
- ITEM J-11** **Aulani Freitas – Papakolea Beach** (deferred to June)
- ITEM J-5** **Malia Greaney – Moloka`i Water System Improvements** (not available)

ANNOUNCEMENTS AND ADJOURNMENT

NEXT MEETING

The next HHC meeting will be held on June 20 & 21, 2022, Monday & Tuesday, Kapolei, Oahu

MOTION/ACTION

Moved by Commissioner Ka`apu, seconded by Commissioner Namuo, to adjourn the meeting.

Motion carried unanimously.

ADJOURNMENT

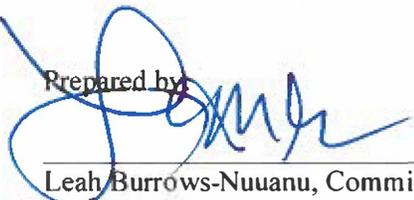
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Respectfully submitted:



William A. Ailā Jr., Chairman
Hawaiian Homes Commission

Prepared by:



Leah Burrows-Nuuanu, Commission Secretary
Hawaiian Homes Commission

Attachments: