



KŪKULU KE EA A KANALOA
KAHO'OLAWE ISLAND RESERVE COMMISSION

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Michael K. Nāho'opi'i
Executive Director

MINUTES MEETING

Monday, April 18, 2011

1:00 pm

Office of Hawaiian Affairs
Conference Board Room, 5th Floor
711 Kapi'olani Blvd.
Honolulu, Hawaii

COMMISSION MEMBERS

PRESENT: A. Nāmaka Whitehead, Acting Chairperson; Colette Y. Machado; Michele McLean; Ka'iulani Murphy; William Aila, Jr.

KIRC STAFF: Michael Nāho'opi'i, Executive Director, (ED); Ka'onohi Lee, Administrative Officer (AO); Terri Gavagan, Commission Coordinator (CC)

GUESTS: Katie Kamelamela, Protect Kaho'olawe Ohana (PKO); Jonathan Ching (PKO and OHA); Joshua Kaakua (PKO and UHM); Keoni Fairbanks (PKO & HWWA); Kylee Mar (PKO); Eric Brundage (Zapata, Inc.) Kahale Saito (PKO); Davianna McGregor (PKO)

I. CALL TO ORDER

Acting Chair Whitehead called the meeting to order at 1:12 pm. A quorum was established with four Commissioners present.

II. APPROVAL OF AGENDA

MOTION: Commissioner McLean move to approve the agenda. Commissioner Murphy seconded the motion.

Discussion: Commissioner Machado stated that she needed to leave at 3:30 pm. She wanted to make sure there was adequate time for the FY2012 budget discussion. Staff stated that there would be sufficient time to discuss Item VI. Continue Discussion on FY 2012 Budget Planning and Item VII.A. Authorize Executive Director to extend Base Camp Management Contract with Zapata Incorporated before Commissioner Machado has to leave.

ACTION: Motion approved by all Commissioners present.

III. APPROVAL OF MINUTES

MOTION: Commissioner Machado moved to approve the minutes of January 18, 2011, February 10, 2011, and February 28, 2011. Commissioner McLean seconded the motion for discussion.

Discussion: January 18, 2011 Minutes - Staff affirmed that the minutes of January 18, 2011 contained a good record of Manuel Kuloloio's comments. Commissioner McLean stated that there were typographical errors in the

January 18, 2011 minutes on page 5 in the paragraph beginning with “Commissioner Machado . . .” the word “who” should be replaced with “she” in the 4th line. Acting Chair Whitehead stated that on page 7 under “Commission membership” it should read that Commissioner McGregor is in the representative position not the appointed position.

February 28, 2011 Minutes - Commissioner McLean stated that on page 2 of the February 28, 2011 minutes the sentence “Here is my rendition for this item” should be deleted. Also on page 3 at the bottom of the first long paragraph which reads “She has advised staff to keep continue” the word “keep” should be stricken. Acting Chair Whitehead stated that there should be clarification on page 4 of the February 28, 2011 minutes of who was speaking during the discussion of the pros and cons of decreasing the number of the PKO Commissioners from 3 to 1. She also stated that the word “Luakini” should be deleted on page 9 under the Program Status Updates, subsection Culture Program. Staff recommended that the minutes of January 18, 2011 could be approved as noted today, but requested that approval of the February 28, 2011 minutes be deferred to give CC Gavagan time to listen to the recording of that meeting.

ACTION: Commissioner McLean withdrew her second. Commissioner Machado withdrew her motion to approve the minutes of January 18, 2011, February 10, 2011, and February 28, 2011.

MOTION: Commissioner Machado moved to approve the minutes of January 18, 2011 and February 10, 2011 with the above amendments and to defer the approval of the minutes of February 28, 2011. Commissioner McLean seconded the motion.

ACTION: Motion approved by all Commissioners present.

IV. COMMUNITY AND PUBLIC COMMENTS

Members of the public introduced themselves: Katie Kamelamela (PKO); Jonathan Ching (PKO and OHA); Joshua Kaakua (PKO and UHM); Keoni Fairbanks (PKO and HWHA); Kylee Mar (PKO) and Eric Brundage (Zapata, Inc.). No comments were made.

V. ADMINISTRATIVE BUSINESS

A. Executive Director’s Report

Budget, Finance and Funding:

There are no budget variances for this period. The budget will be discussed in more detail during the workshop.

Plans, Policies, and Procedures:

Two swimmers swam the Alalakeiki Channel from Kaho‘olawe to Maui on March 5, 2011 without permission to enter the Reserve. A letter was faxed to their hotel notifying them that they violated state statutes regarding unauthorized entry into the Reserve. They responded via e-mail apologizing for violating the statute. The matter was referred to DOCARE and an officer has been assigned to investigate the matter.

On March 10, 2011 a tsunami warning was issued for Hawai'i. There were only two base camp staff on island at the time and were notified immediately via KIRC radio. There was minimal damage on Kaho'olawe. However, the debris which was collected during the last Kanapou cleanup was scattered during the tsunami.

Administration, Staffing, and Personnel:

Commissioner McLean's confirmation hearing was held on April 14, 2011 with the Senate Water, Land and Housing Committee. Commissioner McLean stated that she was asked several questions one of which was whether she thought an audit was warranted; after several minutes of thinking she said yes because she felt she could not say no.

The PKO has submitted the names of Josh Kaakua as the replacement for the seat previously filled by Commissioner McGregor and Christopher Kaliko Baker as the replacement for the seat previously held by Commissioner Neff. Their nominations are still at the Boards and Commissions office. The KIRC was in the news regarding its attempt for state funding this session.

Government Relations:

The Navy Land Use Controls (LUC) inspections will be discussed in greater detail after the Executive Director's Report as well as the Legislative Update.

During a meeting with Senator English, he provided background information for SCR165 and SR102. These resolutions are a compilation of 5 different resolutions and include a request for a fiscal and compliance audit of the Kahoolawe Rehabilitation Trust Fund and the convening of a working group to evaluate and make recommendations for the most appropriate and effective composition of members of the commission; and whether the Molokini should be incorporated into the Reserve. The incorporation of Molokini into the Reserve is the Senator's focus and he will resurrect the bill next session. Staff will be providing language for the bill that will be suitable for the KIRC and will provide the best economic benefit with minimal impact to KIRC programs and activities.

ED Nāho'opi'i informed the Commission that Senator Dela Cruz introduced Senate Concurrent Resolution 171, urging the Governor to withdraw certain executive orders that set aside public lands for an agency's use but where the agency has underutilized the lands for the purposes specified. The Senate asked DLNR to provide any additional executive orders which should be examined. The Land Division listed the KIRC's Kihei property as one such property. Staff sent a memo to the DLNR Deputy requesting that the Kihei site be removed from the list. The measure moved forward without the KIRC's Kihei site.

Capital Improvement:

The Governor has released the KIRC's CIP funding request for \$400,000 which will be used for the construction of Hakioawa Hale and alternative energy improvements in Honokanai'a. We have until June 2012 to obligate the funds. An internal estimate is being developed so we know how much of the funds should be divided between the

two projects. We are working with Kober, Hansen and Mitchell as well as DLNR Engineering to complete the solicitation package and construction drawings for the project. Staff may recommend that the alternative energy materials be purchased and that the design and construction be done in-house. Zapata has put together an alternative energy plan for Base Camp. DLNR Engineering will conduct the solicitation, provide construction management, develop the selection criteria and process the billing. KIRC will be asking that PKO designate a single Point of Contact to be the liaison to address site and construction issues as they arise.

Attempts have been made during the past two months to repair our primary 125KW generator. Part of the camp was powered by the backup 23KW during the repair until it went down last month. A rental generator is being used until repairs can be made on one of the generators. Staff has been directed to research and begin the procurement process for a new 50-60KW generator. The Reserve Operations budget is running under budget thus far so a budget request is not expected at this time.

Fuel bladder operations have been a success and we have converted all our fuel transportation to fuel bladders. The fuel bladders allow us to safely transport 1,000 gallons of diesel fuel per run as opposed to 300 gallons per run using barrels.

B. Report on Naval Ordnance Security and Safety Activity (NOSSA) Site Visit

This visit was part of the Navy's 5 year inspection. They wanted to look at how the KIRC operates with volunteers. They attended the volunteer orientation and observed a Lahainaluna High School boarders volunteer access. The NOSSA representatives liked the access guide program as well as the safety program. They did have suggestions for the KIRC UXO tracking procedures. They also suggested that the UXO Discovery forms and Standard Operating Procedures (SOP) be included in the Access Guide Handbook. They recommended that the final disposition of each UXO discovery be included on the UXO Discovery form sheet.

NOSSA informed the KIRC that three Tier II or sub surfaced-cleared areas failed during the verification visit in 2005. Two are in the K-1 Road Area and one is in the OBOD Area. Although this failure is documented deep within certification documents, it is not reflected in the clearance maps or institutional control maps. The carsonite markers in the field in these areas also indicate they are Tier II cleared. Annotated maps showing these locations were included in the Commissioners' packets. Two of the three areas are not highly used and do not impact the current use or restoration of the island. The third area does significantly impact operations as it includes a portion of the main road and the access road into Kealialalo. The NOSSA representatives agreed to grant an interim clearance of the road to allow continued use of the two routes based on a visual UXO sweep of the road and access route conducted by NOSSA, KIRC UXO Specialist Bart Maybee and Zapata Manager Eric Brundage.

KIRC informed NOSAA that these certification issues need to be corrected since the clearance boundary markers and clearance maps do not match the certification documents and the Navy's recommended land use for these areas. Staff will be

working closely with the Navy to either have the subject grids cleared or at least have the clearance boundary markers relocated and produce new clearance boundary maps.

C. Legislative Update

The conveyance tax measures were not heard by the House Finance Committee or the Senate Ways and Means Committee. However, they could be heard again next year. SB816 SD1, the Senate version of the conveyance tax, which included language that eliminates KIRC oversight of DLNR and other departments and state agencies with regard to the control and management of the Reserve, was not heard by the Senate Ways and Means Committee.

HB 1223 was not heard by the House Finance Committee. SB815 crossed over to the House and was heard by the House Finance Committee and deferred. Apparently, members of the Ocean Tourism Coalition spoke with representatives on the Committee and Representative Agaron felt there would not be enough votes in favor of the bill. Members of the coalition argued that if a boater accidentally sailed into Reserve waters then the operator would have to forfeit his boat. DOCARE was present and explained that this is not the case; the boat is not taken away immediately. Each incident is handled on a case by case basis. Staff was able to communicate to the representatives that most boat operators who are conducting commercial tours would already have either navigational charts or GPS technology on board if they were prudent operators and would not be accidentally crossing into Reserve waters. The KIRC statutes do allow crossing into the Reserve when there is imminent danger to life or equipment as long as fishing equipment is stowed and contact is made with the Coast Guard. KIRC will try to bring the measure up again next year.

SB 817, the measure to include Molokini into the Reserve is on hold. The Senate measure to reduce the number of KIRC commissioners, SB 609, is also on hold. No action has been taken to hear SCR 165/SR 102 or HCR 292/HR 257, both resolutions request a fiscal and compliance audit of the Kaho'olawe Rehabilitation Trust Fund and establishment of a working group to study and evaluate certain issues concerning the Reserve.

The staff reported that Senator Galuteria and Representative Hanahano want to help create some kind of funding for the Reserve, but they cautioned that the State is still short of money. Senator Galuteria stated that the KIRC is in a good position. Senator English has stated that his priority is to get Molokini into the Reserve. Staff expressed to Senator English that the KIRC would want to work with all parties involved in this issue to come to an amicable resolution. Acting Chair Whitehead asked if ED Nāho'opi'i has been in contact with Senator Kidani. He responded that he has not been able to speak with her since the last Commission meeting. The Commission suggested that ED Nāho'opi'i contact Senator Kidani.

Staff is recommending that the conveyance tax and asset forfeiture measures be resurrected next legislative session and cautioned that the legislators could bring back SB 609. Acting Chair Whitehead stated that all outstanding issues in relation to SB 609 should be resolved through discussions with the legislators.

D. Review and Accept February 2011 and March 2011 Expenditure Reports

Currently, the budget is 14% below the projected amount. Some upcoming costs include those associated with trying to get the Hakilo running again.

MOTION: Commissioner McLean moved to accept the February 2011 and March 2011 Expenditure Reports. Commissioner Aila seconded the motion.

ACTION: Motion approved by all Commissioners present.

VI. WORKSHOP-Continue Discussion on FY2012 Budget Planning

The following reductions were proposed by staff for FY2012:

- ❖ Commission – 70% reduction:
 - eliminate Deputy Attorney General salary
 - reduce Commission meetings to 6 per year
- ❖ Administration – 20% reduction:
 - eliminate Deputy Director's salary
 - more electronic notices, less paper and postage
 - lower office rent due to new negotiated rate
 - computer hardware and software costs limited to maintenance of current systems and server upgrades as necessary
 - eliminated all consultant contract services in Administration
- ❖ Operations – 16% reduction based on partial closure of base camp:
 - reduce Base Camp operations and personnel cost; ½ time Base Camp Manager and Cook
 - reduce boat runs thus reducing cost for fuel and supplies
 - reduce on-island operations thus reducing base camp supply needs and fuel consumption
 - reduce meals and volunteers supplies by 50%
 - eliminate Maui vehicle replacement
 - reduce infrastructure improvements such as building repairs, road repairs
 - reduce field equipment costs
- ❖ Ocean – 15% reduction:
 - reduce aerial surveys to quarterly
 - reduce marine debris work but maintaining grant requirements
 - reduce overall cost for material and supplies
- ❖ Restoration – 35% reduction:
 - DOH grant work completed
 - reduce NRCS wetland projects
 - eliminate infrastructure construction
 - eliminate pili bale project costs

- ❖ Culture—50% reduction:
 - eliminate salary for Cultural Specialist II position
 - eliminate Bailey House Museum storage cost—the archival material has been moved to the KIRC office in Wailuku
 - reduce servicing of the clivuses in Hakioawa to quarterly

Staff presented the following effects that could be realized based on the partial closure of Honokanai‘a Base Camp:

- ❖ Honokanai‘a Base Camp Operations:
 - 1) base camp would be open for use by volunteers and KIRC staff two weeks per month and limited to 30 people per access including KIRC Staff
 - 2) cook and Base Camp manager reduced to ½ time and are on island only during volunteer work weeks
 - 3) base camp would be manned by 2 base camp staff the rest of the month
 - 4) buildings would be secured during non-volunteer weeks
 - 5) food supplies and power requirements would be reduced
- ❖ Boat Operations:
 - 1) Ohua would run on Monday and Thursdays during volunteer weeks only
 - 2) Monday runs for base camp staff only during non-volunteer weeks
 - 3) possible additional supply or fuel runs during non-volunteer weeks
 - 4) shift to Hakilo patrols during non-volunteer weeks
- ❖ Scheduling:
 - 1) implement 3/6/9 month planning calendar
 - 9 months out: collect all on-island requests for the month
 - 6 months out: establish open and dark weeks and begin scheduling volunteer accesses
 - 3 months out: lock in schedule and allow deletions only
 - 2) post calendar on a secure KIRC website for use by Base Camp and PKO for planning purposes

KIRC is in a good position to get funding from the state and this proposed budget will allow staff to do what needs to be done to continue the island’s mission for the next 1-2 years. If the intent of the commission is to save more money by cutting field staff; it would be difficult to replace them in the future with workers of the same experience and skill set.

Commissioner McLean suggested exploring the possibility of an arrangement with Tri-Isle R C & D, which lost its office due to federal funding cuts. Allow them to use KIRC office space in exchange for foregoing their administrative fees and charge them some rent.

Acting Chair Whitehead expressed concerns regarding cancelled accesses. Would replacements be allowed 3 months out if there are deletions (cancellations)? Staff was

unsure at this time if that would be allowed. She also asked if stewardship accesses would still be allowed during the dark periods. Staff clarified that those accesses would still be allowed but that there would be no KIRC on-island support. ED Nāho‘opi‘i added that there might be staff working on island during the dark weeks.

Acting Chair Whitehead stated that decreasing commission meetings from 12 to 6 was too much and recommended that there be 7 or 8 meetings per year.

Commissioner Murphy expressed concerns about the canoes which visit the island. She wanted to know if they could be rescheduled if their accesses were cancelled due to bad weather. Staff stated that hopefully that would be a rarity. It is possible that a boat run could be rescheduled to the next day due to bad weather. Staff will have to be very careful about the recurring need to reschedule because that would generate the most cost.

Kylee Mar from PKO expressed concerns about the change to quarterly clivus servicing at Hakioawa. Staff explained that the proposed change in clivus servicing is scheduled to coincide with aerial surveys given the cost of helicopter transport. Ms. Mar stated PKO was still going to be having monthly accesses at Hakioawa and wondered whether reducing the servicing to quarterly would cause faster wear and tear on the clivuses. Staff explained that there would be approximately 2 months between servicing and there is almost 30 days between each access which is a lot of time for the material to breakdown. Eric Brundage of Zapata explained that the servicing is mainly cleaning but added that Base Camp staff could make accommodations if there is a debilitating issue with the clivuses. He also stated that it is important that the use of the clivuses be spread out among all 4 clivuses.

Ms. Mar also had concerns with the new scheduling procedure and whether it would affect PKO’s Honokanaia’s accesses. ED Nāho‘opi‘i explained that all the PKO Honokanaia accesses should be included in the 9 month evaluation period. She asked if it was safe to assume that these open periods would be around solstices. ED Nāho‘opi‘i responded that is why the requests are required so far in advance so that all the requests can be compiled, sorted and a schedule developed that would best fulfill the purpose of each request within a specific two week window.

Commissioner McLean stated that she doesn’t think that the budget needs to come down so low. If saving \$200,000 out of the current \$3 million budget, as indicated by the FY2012 Budget Draft, is achieved by decreasing boat runs; it is not significant enough, in her opinion, to offset the impact on day to day operations. Staff should be able to go Monday through Thursday. The Thursday run could be the food run for the following week. It would give the staff more flexibility. She was agreeable to all the other cutbacks and felt that staff did a good job in coming up with this budget.

Staff explained that a budget of \$2.6 or even \$2.5 would be preferable, but is capping it at \$2.8. The \$2.8 million budget includes some contingencies such medical evacuations and will require constant advance planning. Commissioner Machado asked ED Nāho‘opi‘i if staff had concerns about this budget. He responded that they did express concerns about the amount of work they are being asked to pick up, particularly by the program managers.

Mr. Brundage added that Zapata has reduced its Base Camp budget by 15%; the Base Camp Manager and cook have been reduced to ½ time and these cuts have been painful.

Acting Chair Whitehead stated she would like to see a lower budget, but is okay with a \$2.8 million budget. Commissioner McLean also said that she is okay with a \$2.8 million budget. Commissioner Murphy stated that the staff did a good job and next year will be a good learning year. Commissioner Aila stated that he thought the suggested budget was reasonable. Commissioner Machado stated that the Commission and the staff will learn what it is made of with this budget. Staff will start to fine tune the operations and start long term planning.

Commissioner McLean requested to see a breakdown of the airfare costs under the Administration's part of the budget. She also suggested that staff take another look at the itemized expenses of the Honokanai's supplies such as fuel, trucks/equipment and meals; the line regarding UXO direct costs could be a cell calculation issue; the marine debris clean-up amount seems to be low, the grant monies should be spent by December 2012; and would like to see 6 aerial surveys done in FY 2012. In response to Commissioner McLean's question regarding the expense for the ocean management plan for Hakioawa, staff explained it is travel cost for KIRC Ocean Program Manager Dean Tokishi to go out with KIRC Culture Resource Program Coordinator (CRPC) Kahale Saito to meet with fishermen to discuss ocean management in Hakioawa. Commissioner McLean also asked for clarification on the Huaka'i Kaho'olawe project. CRPC Saito explained that it is part of the Ocean Management Plan for Hakioawa in which information is obtained from kupuna from various islands in order to determine how to better manage the ocean resources in the Reserve. The requested amount of \$5,000 is to be used to transport the participating kupuna to the Island for an on-island event. Commissioner McLean requested that the staff double check the math in the FY2012 Budget Draft to insure accuracy.

VII. ACTION ITEMS

A. Authorize Executive Director to Extend Base Camp Management Contract with Zapata, Inc.

Staff explained that in order to accomplish the suggested FY2012 Budget the contract with Zapata needs to be renewed. Both staff and Mr. Brundage explained that Zapata is cognizant of the KIRC's funding situation and proposed a contract which has a decreased cost of 8%. The Commission stated that they were aware of the cuts which Zapata has implemented and was very appreciative of Zapata's efforts to cut costs while maintaining their quality of service.

MOTION: Commissioner Machado moved to authorize the Executive Director to extend the Base Camp management contract with Zapata Incorporated. Commissioner McLean seconded the motion.

ACTION: Motion approved by all Commissioners present.

Commissioner Machado was excused at 3:15 pm.

IX. ADJOURNMENT

It was agreed that the Commissioners would review the program status updates and FYI documents on their own.

MOTION: Commissioner Murphy moved to adjourn the meeting. Commissioner McLean seconded the motion.

ACTION: Motion approved by all Commissioners present.

The meeting adjourned at 3:20 pm.