

**MINUTES**

**WATER BOARD PUBLIC HEARING ON THE  
PROPOSED NEW COST OF POWER ADJUSTMENT CLAUSE**

October 25, 2022

Waimea Community Center, 65-1260 Kawaihae Road, Kamuela, Hawai'i

MEMBERS PRESENT: Mr. David De Luz, Jr., Chairperson  
Mr. Michael Bell  
Mr. Benjamin Ney  
Mr. Kenneth Sugai  
Mr. Keith K. Okamoto, Manager-Chief Engineer,  
Department of Water Supply (ex-officio member)

ABSENT: Mr. Steven Hirakami, Vice-Chairperson  
Ms. Julie Hugo, Water Board Member  
Ms. Kea Keolanui, Water Board Member  
Mr. Pono Kekela, Water Board Member  
Mr. Stephen "Kawena" Lopez, Water Board Member  
Director, Planning Department (ex-officio member)  
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel  
Mr. Jeff Bray

DEPARTMENT OF

WATER SUPPLY STAFF: Mr. Kawika Uyehara, Deputy  
Mr. Kurt Inaba, Engineering Division Head  
Ms. Candace Gray, Waterworks Controller  
Mr. Gregory Goodale, Chief of Operations  
Mr. Eric Takamoto, Operations Division  
Mr. Warren Ching, Energy Management Specialist  
Mr. William O'Neil, Jr., Water Service District Supervisor II, DWS Waimea  
Ms. Sunshine Carter, Administration Division

*(Chairperson De Luz called the Public Hearing to order at 9:45 a.m.)*

CHAIRPERSON DE LUZ: Good morning. I would like to start our public hearing on the proposed new cost of power adjustment clause. Thank you all for coming. Doreen, did you want to introduce our guest here today?

SECRETARY: Yes, we have Mr. Jeff Bray, here to listen in on our public hearing and meeting today, not to testify.

CHAIRPERSON DE LUZ: Welcome. Will the public hearing of the Water Board on the proposed new cost of Power Adjustment Clause please come to order. I am David De Luz, Jr., Chairperson of the Water Board; and I'll have the members of the Board and staff introduce themselves, starting with the Board, to my right please.

K. SUGAI: Ken Sugai, District 6.

CHAIRPERSON DE LUZ: To my left.

M. BELL: Michael Bell, District 7.

B. NEY: Benjamin Ney, District 9.

CHAIRPERSON DE LUZ: And Manager-Chief, Keith Okamoto.

MANAGER-CHIEF ENG.: Yeah, I'm Keith Okamoto, Manager-Chief Engineer, and I'll turn it over to Kawika.

K. UYEHARA: Kawika Uyehara, Deputy.

G. GOODALE: Greg Goodale, Operations Chief.

K. INABA: Kurt Inaba, Engineering Division Head.

W. O'NEIL: William O'Neil, District Supervisor, Waimea.

C. GRAY: Candace Gray, Waterworks Controller.

W. CHING: Warren Ching, Energy Management Analyst for the Department.

E. TAKAMOTO: Eric Takamoto, Hilo Operations, Mechanical Engineer.

D. JOLLIMORE: Doreen Jollimore, Secretary.

S. CARTER: Sunshine Carter, Private Secretary.

D. MELLON-LACEY: Diana Mellon-Lacey, Deputy Corporation Counsel.

CHAIRPERSON DE LUZ: Thank you. Notice of this public hearing was published in the Hawai'i Tribune-Herald and in the West Hawai'i Today on October 4, 2022. The Department of Water Supply is operated and controlled by this Water Board as provided by the Hawai'i County Charter. Section 63 of Part III, Chapter 54, Hawai'i Revised Statutes, reads as follows:

“The Board of Water Supply may fix and adjust rates and charges for the furnishing of water and for water services so that the revenues derived therefrom shall be sufficient to make the waterworks and water systems self-supporting and to meet all expenditures authorized by this part; the Board may establish variable rates among the several districts of the County, or among the areas served by the individual water systems within the County, for the purpose of establishing charges as closely as possible to the necessary amount required for the maintenance and operation of the particular individual water systems; provided no rates and charges shall be fixed or adjusted prior to the holding by the Board of a public hearing, public notice of which shall have been given not less than twenty days before the date set for the hearing. The notice shall state the time and place for the hearing and the proposed rates and charges to be considered thereat. The time within which the notice shall

be given shall be computed by including the first day (the day of notice) and excluding the last day.”

We are here to receive comments or testimony on the proposed amendment to the Power Cost Charge. The Department recommends increasing the Power Cost Charge **from \$2.75 to \$2.87** per thousand gallons to reflect the increase in power costs. As stated in the hearing notice, all comments or testimony were to be filed in writing before the time of the hearing or are to be presented in person at the time of the hearing. We would like to follow this format as closely as possible; however, because there may be some of you who do not have any written statements but would like to testify or comment, we would like to afford you this opportunity to do so but would like to limit such presentations to five minutes. The hearing is now open for comments from the floor. Is there anyone here to provide oral testimony? For the record, please state your name and organization.

SECRETARY: No, Mr. Chair.

CHAIRPERSON DE LUZ: Thank you. If there is no further testimony at this time, I would like enter a motion that this public hearing be...yes?

SECRETARY: Mr. Chair, we do have written testimony.

CHAIRPERSON DE LUZ: Oh, yes. In your packet, you have written testimony in regards to the power cost charge.

SECRETARY: It is from Patricia Takamoto of Hilo against increases. (The Board took a few minutes to review the testimony.)

CHAIRPERSON DE LUZ: Okay. Any comments from the Board? Only one, Keith, you know, and we'll cover this later on; but one of the challenges, unfortunately, is I don't know if people can appreciate and understand that this is a pass-through and so perhaps when you do have your communication, whether it's Jason or you doing it through Facebook or what have you, you know, to just emphasize the fact that there is no profit-taking or adding to the Department's budget. In fact, there is time that the increases happen so frequently, probably the Department subsidizes a little bit from their general operating funds. But I think this is one of those unfortunate scenarios because of what's happened as of recently and with the other impact of inflation, people feel like they are getting squeezed; and this is just one of the unfortunate issues. Now as we go through the budget, which will happen, and also your next review as far as your profit rates, when you get to the operating and expense side, you might want to spend a little bit more time in actually showing that your increases are really minimal as what's happened in the general public purview, but that's different, so although I can sympathize with this letter, it's just unfortunate that this is not a rate increase as much as a pass-through. Any other comments or questions?

B. NEY: Um, just to add to the Chair's comments, um, maybe you can send out information alongside the bill saying, you know, here's how you check your meter, clarifying this is a pass-through cost, here's ways to watch your consumption, try to keep your bill within reason. I think when you have an informed consumer, they can do better on their end at trying to keep their bill within reason.

CHAIRPERSON DE LUZ: Okay. If there's no further testimony at this time, I'd like to entertain a Motion that this public hearing be closed.

B. NEY: So move.

CHAIRPERSON DE LUZ: Moved by Ben.

K. SUGAI: Second.

CHAIRPERSON DE LUZ: Seconded by Ken. It has been moved and seconded that the public hearing is closed. All those in favor say aye. (Board Members: Unanimous Ayes) Any opposed? (None.) Motion is carried. Thank you. This ends this public hearing and our regular meeting will start at 10:00 a.m., eight minutes.

*(Public Hearing adjourned at 9:52 a.m.)*

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Recording Secretary

APPROVED BY WATER BOARD  
NOVEMBER 22, 2022