

MINUTES

DEPARTMENT OF WATER SUPPLY

COUNTY OF HAWAII

WATER BOARD MEETING

February 28, 2023

Department of Water Supply, Hilo Operations Baseyard, 889 Leilani Street, Hilo, HI

MEMBERS PRESENT: Mr. Steven Hirakami, Chairperson
Mr. David De Luz, Jr., Water Board Member
Mr. Michael Bell, Water Board Member
Ms. Julie Hugo, Water Board Member
Mr. Michael Pono Kekela, Water Board Member
Mr. Benjamin Ney, Water Board Member
Mr. Kenneth Sugai, Water Board Member
Mr. Keith K. Okamoto, Manager-Chief Engineer,
Department of Water Supply (ex-officio member)

ABSENT: Mr. Stephen Kawena Lopez, Vice-Chairperson
Ms. Kea Keolanui, 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
Ms. Lerisa Heroldt, Deputy Corporation Counsel

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, Mechanical Engineer
Mr. Warren Ching, Energy Management Analyst
Mr. Alvin Inouye, Operations Superintendent
Ms. Sunshine Carter, Private Secretary
Ms. Paulette Wilson, Temp Water Board Secretary (PW)

- 1) **CALL TO ORDER** – Chairperson Hirakami called the meeting to order at 10:00 a.m.
A quorum of seven members were in attendance.
- 2) **STATEMENTS FROM THE PUBLIC** – Deborah Ward gave an oral testimony Agenda Item 5, Proposed Operating and 5-year Capital Improvement Projects CIP Budgets for Fiscal Year 2024. (See Agenda Item 5 for oral testimony.)

Chair Steven Hirakami: First Order on the agenda is **Statements from the Public**. Do we have any testifiers?

PW: I don't see any right now.

Chair Steven Hirakami: We did receive one, it's in your packet, a written testimony from Deborah Ward. And this is what we're going to discuss. Maybe she'll come to next month's meeting when we're going to discuss that.

Let's see, we'll move to **Item 3, Approval of the Minutes**. I think you all had a chance to read over the minutes of the last meeting. That was a long one. So good job for the first time. I think Paulette did it.

Keith Okamoto: Yes.

Chair Steven Hirakami: And thank you for identifying yourself. Do we have a **Motion to Approve the Minutes** of the last board meeting of January 24?

Ken Sugai: I so move.

Chair Steven Hirakami: Ken moved.

Benjamin Ney: Second.

Chair Steven Hirakami: Second by Ben. Okay, it's been moved and seconded that we approve the minutes. Any discussion? Seeing none, calling for a vote. All in favor of approving the minutes say aye.

Board Members: Unanimous Ayes

Chair Steven Hirakami: Any opposed? (None)

Motion passed.

David DeLuz, Jr: Excuse me, Mr. Chair. Just for clarification, I apologize I didn't ask. This is more a question directed to Keith, "How long do you keep the digital records of the minutes?"

Keith Okamoto: In the past, I'm not sure about now, but we just use it until we create the minutes.

David DeLuz Jr: Oh, okay.

Keith Okamoto: And then we overwrite it.

David DeLuz Jr: Okay. The only reason I ask, is that's one of the reasons that it's pretty much verbatim on the minutes then, so that it captures the essence of the meeting, you don't paraphrase. I'm okay with that. It's just a lot of work.

Keith Okamoto: Actually, it's less work.

PW: Yes, it is.

David DeLuz: Oh, it is?

Keith Okamoto: Yes

PW: Yes

David DeLuz Jr: Okay. That's fine. For a point. And again, this is for the record keeping side. Should someone want, especially, if you want to go back in the record. Okay. Thank you Chair.

Chair Steven Hirakami: And we go to **Item 4, Approval of Addendum and/or Supplemental Agenda**. We're going to skip that because there's no Supplemental Agenda. And so that brings us to **Item 5. This is the Proposed Operating and 5-year Capital Improvement Projects, CIP Budgets for Fiscal Year 2024**. Is there any testimony for this item? Seeing none. We'd like to get a...oh...

PW: Mr. Chair?

Chair Steven Hirakami: We have somebody who missed the opening testimony part but we'll allow testimony on **Item No. 5**. This is the **Department of Water Supply's Proposed Operating and 5-year Capital Improvement Projects, CIP Budgets for Fiscal Year 2024**, so I'm calling for any testimony. Deborah Ward?

Keith Okamoto: She's still signing in.

Chair Steven Hirakami: Welcome, welcome.

Testimony by Deborah Ward: Good Morning everybody. Hi, I see some old friends. I live on North Ala Road. When the Chair was my real estate agent, I bought a piece of land 25 years ago, and I was under the impression that because there was water on the road, I'd eventually get water to that piece of land. I'm still waiting. It's been 25 years. We have a five H inch pipe that is constantly corroding, falling apart, getting driven over all the time. Every time somebody pulls off because it's a one lane road, they pull off, they break line then we see water gushing out for days sometimes hours, but it goes on and on and it's just that you know, it's every, it's a couple every couple of weeks. Sometimes it's twice a month sometimes it's once a month but it's very frequent. And I just think that it's time that you folks thought about this property because it is, that North Ala Road has been a homestead for 115 years. And as a result, the properties on that street think that they're getting homestead land that they will be able to get water on and a lot of them now have been forced to get catchment. And when I was an educator with the extension service, I spent a lot of years in the 80s, trying to get people to understand that the lead in their catchments was giving their kids lead poisoning, because we were seeing a lot of that in the schools. And also, that because of rat lungworm, there are a lot of people now at risk, because you can die of rat lungworm. And my son has been very, very impacted by it, he got it in 2008. And he's still not better. So, using catchment is very useful for farming. It's very useful for showers and toilets, but

it's really not a good idea to drink it. And I think it's time that you took the, you know, the care and safety of the community into consideration and add or putting in a new pipe to your CIP. And I provided written testimony, which gives a lot more detail. But I hope that you'll consider adding that pipe. It's not a very long road, it's about a mile and a quarter, I understand that you've got other concerns, and particularly the Hualālai Deepwell, is very expensive and gets repaired all the time, but so does our road. And I think it would be a lot cheaper to fix them than the well. So, I encourage you to think about that. Thank you.

Chair Steven Hiramami: Thank you for your input.

Keith Okamoto: Thanks for coming out.

Deborah Ward: Sure

Chair Steven Hiramami: We have to have a public hearing, and you're welcome to come next month to Kona too.

Deborah Ward: I'm sure my neighbors will too.

Chair Steven Hiramami: You know, we enjoy public testimony. We don't get...it's unusual to get any. So, thank you very much for showing up. It's recommended that our Board approve a public hearing to be held on *Tuesday, March 28, 2023, at 9:30am*, prior to the Water Board's regular meeting, and prior to another public hearing on Power Costs Charges, to accept public testimony regarding the department's fiscal year 2024 Operating and CIP budgets. **Do I have a motion?**

David DeLuz Jr: So moved.

Chair Steven Hiramami: David moved.

Ken Sugai: Second

Chair Steven Hiramami: Second by Ken. It moved and seconded that we hold a public hearing. Is there any discussion?

Keith Okamoto: Yes. Mr. Chair, Board members. Candace can come up here now. So basically, the highlights are before you. And I do want to take the moment to acknowledge Ms. Ward's testimony. We had staff look into it, and as a matter of fact, we do have North Ala Road as a project on the five-year CIP. It's on there. And it is slated for fiscal year 2027. But we can consider moving that up. But it's on there, yes. But thank you for bringing your concerns and awareness to us. We appreciate that. And other than that, the big part is if you can see that there's a 6% increase over prior year budget. And that's primarily due to the increase in revenues that we're anticipating for our upcoming year based on the recent rates that we've implemented. So, if there's any other detailed questions, I know there's some highlights that maybe Candace can touch upon.

Benjamin Ney: So quick question, how many properties is this line serving?

Keith Okamoto: Oh, the Ala Road?

Benjamin Ney: Yes.

Keith Okamoto: That one? I'm not sure right now.

David DeLuz Jr: So, excuse me if I could, Ben, just for clarification, do we have to set this as a separate agenda item?

Keith Okamoto: It would probably be cleaner to discuss Ala Road separately?

Chair Steven Hirakami: Ok.

Keith Okamoto: Sorry, Ben.

David DeLuz Jr: Because now we're going off track.

Keith Okamoto: Yeah, good question. We can actually...if anybody's interested in anything, just technical or anything like that, shoot us an email, and then we can respond accordingly. Not everything has to be agendized if it's just for information purposes. So, for the budget, are there any questions or concerns over the proposed budget?

David DeLuz Jr: No, Keith, but Mr. Chair if I may.

Chair Steven: Yes.

David DeLuz Jr: I believe we'll be having another rate or CIP review this coming calendar year.

Keith Okamoto: Under our rates study?

David DeLuz Jr: Right, so I think it...what I would suggest is that when that comes to play, and if you could give a, not a detailed, but update your 5-year CIP based currently on status quo as far as what you know your revenue stream will be, correct? For this budget on the CIP 5-year.

Candace Gray: That's correct.

Keith Okamoto: Yes, right.

David DeLuz Jr: So, the impact on the CIP, because of the way that you folks are, well, that we have worked diligently to include within the price, supplemental increases, I would suggest also that that could be reviewed as part of that, and to see if there's other, based on the opportunity of additional revenue, if it so proceeds on that area. That you re-look at the five year and see if there's other opportunities to add or bring up some of these projects that are out. So, in other words, you would have more revenue to consider pushing it up as Keith had said. So that's the only thing Chair that I'd like to suggest that the administration works on that.

Chair Steven Hirakami: Okay.

David DeLuz Jr: Thank you Candace and Keith.

Chair Steven Hirakami: Any other discussion? And this, I'm sure, we're going to discuss it again. This is just to set the public hearing for next month. If there is no further discussion, **all in favor of the Motion?**

Board Members: Unanimous Ayes

Chair Steven Hirakami: Any opposed? (None) Motion carries.

The meeting will be on *March 28 at 9:30am*.

We move on to **Item 6, Power Cost Charge**. As you can see on your chart, that last year, we had a lot of public meetings to increase the Power Cost Charge because of the rising fuel prices. I think we should take advantage of this one because we are actually lowering it by quite substantial. So, the recommendation is that we approve a public hearing for *March 28, at 9:45am*. Unless we receive a lot of testimony on the first side, to reduce the Power Cost Charge from \$3.04 to \$2.70, effective April 1, 2023. So, **do we have a Motion to Set that Public Hearing?**

Michael Bell: So moved.

Chair Steven Hirakami: Mr. Bell moves.

Julie Hugo: Second.

Chair Steven Hirakami: Second by Julie. Do we have any discussion on this item?

Benjamin Ney: No, but I'd like to just reiterate a point I made earlier about the way we had the power cost adjustment. We're always trying to adjust, after the fact and we're kind of in arrears. I guess, financially, on some of those related costs, where we haven't reconciled what we paid for power costs with what we're kind of behind on it.

Chair Steven Hirakami: That's my understanding.

Ben Ney: Okay. And we couldn't go back and retroactively adjust this to try to make that work. Is that correct?

Keith Okamoto: Yes

Benjamin Ney: So, my suggestion was, instead of having to adjust the power costs, and be in this situation, if we could credit back the difference, so whatever our costs are, we have the money coming in to meet those costs. Anything over, we credit back to the customer at the end of the year. Then that wouldn't put us in a position to be negative on that balance.

Diana Mellon-Lacey: Mr. Chair, because we have a motion on the floor regarding the hearing. I think if we are going to have a discussion on how power costs are handled, we'd need to have that in a separate agenda item.

Benjamin Ney: Yes if we could have that agendized that so we could look at how they're structured.

Chair Steven Hirakami: Well after the Public Hearing, we bring it to the Board to actually vote on it. And at that time, you can disagree with the power cost charge being reduced.

Benjamin Ney: Yes, I guess my understanding is we're always trying to adjust after going. Did we adjust the amount or did we not adjust the amount.

Chair Steven Hirakami: Yes, I think the decision was made by the Finance Department as far as reducing it, and that we can afford to reduce it right now. Is that how it works?

Keith Okamoto: Yes, that's how it works. There's an evaluation period, so this evaluation period, and it's typically every two months. So, this evaluation period was for November and December of 2022. So, what Ben said is correct. We're always looking at the past previous two months to come up with this power costs. We're always lagging. But sometimes it's a wash, right? So, two months, we've been charging at a higher rate until now, end of February. And now we're proposing to lower the rate. And that's going to go into effect. March or April.

Chair Steven Hirakami: April 1st

Keith Okamoto: April 1st. Yes. So, you know, it works both ways. So, if you follow this path of the electrical power, ours will follow. It parallels probably two months later,

Diana Mellon-Lacey: Maybe what would be helpful when this is agendized, is to actually bring in a schedule to show what's happened over time. And that would be helpful to the Board.

Chair Steven Hirakami: Yes

Benjamin Ney: Yes. Just so the cumulative effect is not where we're out, and that indeed, the Power Cost Charge is getting covered as a pass through to the customer. And we don't want more than what the customer pays. That's why I'm proposing that we credit it back. Seems like a fair way to go about it.

Keith Okamoto: Okay. So yes, we'll definitely add it in as an agenda item.

Chair Steven Hirakami: That'll be on March 28, right? Because we hold the public hearing, and right after that meeting is when we decide on the Power Cost Charge.

Keith Okamoto: Yes.

Chair Steven Hirakami: That gets placed on our agenda so we can discuss it at that time.

Benjamin Ney: Perfect.

Diana Mellon-Lacey: That would be good if we have this agendized. But it's not agendized for today.

Chair Steven Hirakami: Yes, it's not. Exactly.

Michael Pono Kekela: What's the motion?

Benjamin Ney: The motion is about the public hearing.

Michael Pono Kekela: The first one has to do with a public hearing, too, but is there a way, I don't know who to address this to but how are we marketing this public hearing? And then do they offer like alternate, like, hybrid version? You know, like in council, you can show up at council chambers, and you appear for that on the day? Is that possible?

Keith Okamoto: Unfortunately, we don't have that capacity, like Council does with their AV equipment. And they have established physical locations with the AV equipment on both sides. We don't have that. My understanding is we're still in compliance with Sunshine Law. So, unless the board decides otherwise, our plan is

Michael Pono Kekela: But if it's in person, and then the monthly announcement is put in the paper? Do you offer them a chance to submit a written?

Keith Okamoto: Yes.

Chair Steven Hirakami: Well, I noticed that there wasn't any testimony when the rates were going up, which I was really surprised at. So, I don't think there'll be testimony when the prices are down. I'll be really surprised, except if people are coming to thank us.

Chair Steven Hirakami: No, that was my comment exactly about them. So anyway, any other further discussion? **This is just to set the public hearing for next month. Any other discussion? If not, all in favor on setting a public hearing for next month, say aye.**

Board Members: Unanimous Ayes.

Chair Steven Hirakami: Any opposed? (None)

Okay, so that'll be at 9:45a right after the public hearing on the CIP Operating Budget. Moving down to **Item 7, Puna This is for Furnishing and Delivering, a 1,000 kW.** That's a 1-megawatt generator, right?

Keith Okamoto: Yes.

Chair Steven Hirakami: This is a portable generator, and we have one bidder, King Power Systems, Inc. The funding will come from the CIP budget and FEMA Public Assistance Program.

And that's most needed. I know in Kalapana, we're out for days because of the lack of emergency generators. This will come in handy. I don't know if one will do, but that one is a good start.

Do I have a Motion to accept the bid for King Power system to furnish and delivering a 1-megawatt generator set?

Benjamin Ney: So moved.

Ken Sugai: Second.

Chair Steven Hirakami: Ben moves, second by Ken. Any discussion?

Keith Okamoto: Yes. So straightforward, like the write up said, this is actually part of resulting from the funds or the public assistance available to us from the Kilauea Eruption in 2018. Because of the way that program works, we can use it for a project like this, which is one of the benefits of that 428 Public Assistance Program. And this is for a new generator that can be transported island wide. It will be staged in a strategic area.

Chair Steven Hirakami: How many others do we have currently?

Warren Ching: Portable generators, we have 12. This one will be 13.

Chair Steven Hirakami: So this has the capacity to run off any of our wells.

Keith Okamoto: Pretty much, yes.

Chair Steven Hirakami: Pretty much one meg?

Warren Ching: Yes, the 1-megawatt is the largest that we have. And, yes, we found that it can run pretty much any of our wells.

David DeLuz Jr: Warren, this is just more of an FYI for me. So, when you folks do your electrical, then you do a parallel for your emergency generator as well.

Warren Ching: Yes.

David DeLuz Jr: Okay. That's fine. Thank you.

Keith Okamoto: You may have seen on other prior board meetings, that the transfer switches that's related to this, makes the connection more seamless.

David DeLuz Jr: Thank you.

Warren Ching: Yes. We're trying to put more in so that we have that ability to transfer from utility power to the generator power. It just makes it a lot faster.

Chair Steven Hirakami: How many portable generators did you have in 2014 during Iselle?

Warren Ching: In 2014, we had eight.

Chair Steven Hirakami: Eight?

Warren Ching: Eight large ones, in 40-foot containers. We had those at the time.

David DeLuz Jr: Mr. Chair, if there's no further discussion, I'd like to suggest calling for the vote please.

Chair Steven Hirakami: Okay, we'll call for the vote.

All in favor of this motion say aye.

Board Members: Unanimous Ayes.

Chair Steven Hirakami: Any opposed? (None)

David DeLuz Jr: Thank you Mr. Chair.

Chair Steven Hirakami: Thank you for the reminder. Moving on to **Item 8, South Hilo. Job Number 2020-1146. Hilo Operations Baseyard Emergency Generator Replacement-Requests for Time Extension.**

As you can see, they've had several, for material delays and additional work. This one is just a matter of scheduling HELCO. And the extension is from February 7, which already passed, right. So, we're approving a period that's already passed. Okay, let's have a **Motion to Approve the Contract Time Extension for 15 calendar days to Isemoto Contracting. Do I have a motion?**

Ken Sugai: So Moved

Michael Pono Kekela: Second.

Chair Steven Hirakami: Okay. Any discussion?

Diana Mellon Lacey: That was a motion by Ken?

Chair Steven Hirakami: That was a motion by Ken, second by Pono. Any discussion?

Keith Okamoto: Yes. If you noticed, that's the project right out in front by the parking area. You probably saw staff out there, still doing work. So obviously they're not 100% finished. This is to grant them time for the time that was eligible. So, they're still working and beyond this, if it gets approved, whenever their work continues until, will be subject to liquidated damages.

Chair Steven Hirakami: Oh, I see. Okay.

Keith Okamoto: If you have any other detailed questions, we have the smart guy here next to me.

Chair Steven Hirakami: So, we're one week away from this extension, one week ago. But they're almost finished? Are they almost done?

Eric Takamoto: Yes. Very close.

Keith Okamoto: So again, we don't bring it to the board unless it's been reviewed by our project manager, project engineer and vetted. Then, we bring to the board for action and consideration.

Chair Steven Hiramami: Okay, so I'll call for the question.

All in favor of this motion, granting a time extension say Aye.

Board Members: Unanimous Ayes.

Chair Steven Hiramami: Okay thank you. Any oppose. (None)

Motion carried.

Moving right along here. **Item 9, North Kona. Hualālai Deepwell Repair.** **Do we have any testimony for this item?** (None) Okay, so you all read this, we have three bid amounts and an extensive well history repair. As you can see the original installation in 1997. Then at first, not too many, but in recent years, it's been like every two or three years of repair. So, this is granting the low bidder Derrick's Well Drilling and Pump Services. The bid Amount of \$461,991.00 with the contingency, the total cost would be \$508,190.

Do I have a motion to accept the bid?

David DeLuz Jr: David so moved.

Chair Steven Hiramami: David moves.

Benjamin Ney: Second, Ben.

Chair Steven Hiramami: Second by Ben

Any discussion?

Keith Okamoto: Yes. Mr. Chair and board members. Sorry, we should have included it in your board packet.

Chair Steven Hiramami: We got something right here.

Keith Okamoto: Yes, there should be some bid tabs that we handed out this morning. It shows the breakdown for the three different bidders. And if you have any, budget specific questions.

Chair Steven Hiramami: I do.

Keith Okamoto: Okay.

Chair Steven Hiramami: We're just repairing it again, right? After all these repairs, and if you think of each repair costing about \$300,000-\$400,000 to repair it, and we spend millions on this. How much would actually a new pump cost? Would it be wiser this time rather than fixing an old pump to actually install a new pump?

Keith Okamoto: Yes, so I'll give it a shot. And then if I spit out anything wrong, Eric, you can correct me. So basically, how a well is established is you need the hole in the ground first, right?

That's part of the whole effort of developing a well. So once that's there, then you can install the equipment, which is typically the pump motor, pipe collar and the power cable and the piping.

Typically, when it breaks down, it's normally either the pump or the motor, breaking down. Sometimes it's a power cable issue, but for the most part, pump and motor. So, when that gets yanked out, staff evaluates, what's broken. And then they make a decision to move forward with an appropriate repair. If it's just the motor, and the pump is still good, then we can reuse the pump, and put in a new motor. But when we do that, we lose warranty right? If the pump goes out, the motor guy says, 'Well, not my fault, I gave you a good motor.' This one is a whole new set.

For the previous repair that was back in July, my notes indicate we reused an existing pump. And we just changed the motor, because the evaluation at that time indicated that the pump was still good, right. And that's how we tried to be prudent about our repairs. This time, I think it was prudent for staff to decide to do a whole string replacement, which includes the motor, the pump, the power cable, and I believe part of this scope of this work too is to look at the pump and motor that they pull it out. And if we can fix it, fix it, refurbish it. If it's beyond repair, discard. Hopefully, that explains it. Is that okay?

Eric Takamoto: Yes.

Keith Okamoto: Okay.

Michael Bell: Mr. Chair, I have a quick question. If you're looking at percentage cost between materials, and Derrick's or Beylik or whoever does it, is the labor a lot more expensive than the materials? Or how does that break down into?

Eric Takamoto: In general, I'm thinking the materials, are probably more expensive than the labor.

Michael Bell: But is it like, a 60/40 or something like that?

Keith Okamoto: That's a good question. That's a tough one. Because, we don't have them break it down that way.

Michael Bell: Because it would have bearing in terms of, if the labor is like really high to just preventatively just change stuff? Because if the labor aspect is really high on that

Keith Okamoto: Yes, that's a good point. And, we might be deviating from the topic, but, for well repairs in general, part of what we're trying to do moving forward again, is standardize. And also, operations crew is working on a system for asset management. And the ultimate goal is for proactive or preventative typing. Just like when you say, we can actually replace it, or fix it before the thing breaks. That's what we want. So, we're moving in that direction.

Benjamin Ney: You're talking like a gross margin, then? Because who knows what the net is?

Keith Okamoto: Yes,

Benjamin Ney: After they pay all their debt. So, in the event that a job, if there's issue with a pump versus workmanship or something, what is the process? How does that play out in terms of if they install a new pump? Do they have to go to them for a manufacturer claim for warranty? Or do we have to make that claim? Because I could see, like the job's done, might be entirely, not the fault of the contractor, just faulty equipment they got. But how does that relate to the effort we have to go through to correct the issue.

Keith Okamoto: Right. And again, I'll try to take a first stab at it, and Eric can probably refine the response. So, for example, so say this one goes in right, full unit warranty, motor, pump, cable, and something goes wrong within that one-year warranty period. Then we will call on the contractor. Hey, a full warranty issue. It's been less than a year. You have to pull it out, evaluate what happened. But all through that process our staff is involved. Say it's a motor issue. Or a pump issue. Often times, that's something you cannot really determine that on site.

Benjamin Ney: Yes, right.

Keith Okamoto: So, it might take that tear down. Do they have facilities locally, where they can do that evaluation?

Eric Takamoto: If it's a pump, typically, they can do a teardown in their shop, they can find the expert from the mainland to observe, but if it's a motor, typically, we do not have facilities that can accommodate. That would need to be sent up to the manufacturer on the mainland for eval.

Benjamin Ney: But these cost overruns would be him having to go to the manufacturer and say, "Hey, you owe me for pulling the pump back out, and we investigated and determined it was due to faulty ..."

Keith Okamoto: We need that part.

Benjamin Ney: Okay. We don't get involved with that at all. Okay, good.

Chair Steven Hirakami: Good.

David DeLuz Jr: Mr. Chair, if I may?

Chair Steven Hirakami: Sure, Mr. DeLuz.

David DeLuz Jr: Keith, clarification on Item D. Says refurbishment, but then on A, it's a new pump and motor. So, what does that...are you going to attempt to repurpose the current?

Keith Okamoto: Yes.

David DeLuz Jr: So, if I understand correctly...well, if this is what you're hoping to do, then because of the history of this particular well, we're hoping to have a pump and motor available in case there's an issue with this well?

Eric Takamoto: Yes.

David DeLuz Jr: And because this is a deep well, is there future consideration that into the CIP to drill a redundant pump and motor in this? Okay, so for this one, what you folks are looking for is to have a backup as a countermeasure as far as failure, if there should be a failure.

Keith Okamoto: In that, we may

David DeLuz Jr: and again, only because of the history, it seemed that you attempted to have some kind of insurance, so to speak.

Keith Okamoto: It'll add to our spare inventory.

David DeLuz Jr: Okay, that's fine. So, the specs of the motor and pump to be replaced will be the same as the refurbishment if it's successful. Similar?

Eric Takamoto: Similar equipment.

David DeLuz Jr: Thank you.

Chair Steven Hirakami: Any other discussion? Seeing none, I'll call for the question. **The Motion is to Accept the Total Contract amount of \$508,190.00 to the low bidder Derrick's Well Drilling and Pump Services. All in favor, say Aye.**

Board Members: Unanimous Ayes.

Chair Steven Hirakami: Any opposed? (None)

Motion carried.

Now we go to **Item 10A, Dedications.** **Is there any testimony for this item? Seeing none.** The department received the following document for active metal waterborne water systems have been constructed in accordance with the department standards and acceptable condition. So, this is for cancellation. And there's things of temporary construction easement. The benefit of owner is the waterboard and the burger owner is more in my own LLC. **Do I have a Motion to Accept this document?**

David DeLuz Jr: So moved David.

Chair Steven Hirakami: David moved.

Ken Sugai: Second.

Julie Hugo: Second.

Chair Steven Hiramami: David moved and Ken seconded. I heard Ken first. Doesn't matter. Is there any discussion on this item?

Keith Okamoto: Yes. Kurt handed out this graphics, which helps me anyway. Very straightforward. It's a cancellation of a temporary easement, that was used for construction. And the yellow one is the permanent that's already in place and recorded.

Chair Steven Hiramami: So the red line one, that's a temporary one that we're canceling and then we got the permanent one in the yellow.

Keith Okamoto: It's basically housekeeping for easements.

David DeLuz Jr: Mr. Chair.

Chair Steven Hiramami: Yes.

David DeLuz Jr: So because this is a private landowner, is this easement in perpetuity, or as long as the DWS deems it necessary for this infrastructure?

Kurt Inaba: Yes, there's a water line under that.

David DeLuz Jr: Okay, so there's a water line and access to the tank.

Kurt Inaba: Yes.

David DeLuz Jr: And you don't think you need that additional easement in the event of repairs and/or reconstruction? Okay, thank you.

Chair Steven Hiramami: Any other questions? Now the call for the question.

All in favor of that motion say Aye.

Board Members: Unanimous Ayes.

Chair Steven Hiramami: Motion carried.

We go down to **Item 10B, Service Job No. 2022-14, Provide Small Utility Easement Enterprise License Agreement for GIS Software.** Is there any testimony by this item?

And the recommendation is we have a motion to approve a multi-year contract for GIS software. And either the Chairperson or Vice-Chairperson will be authorized to sign the contract. And I think we need a motion to open this up for discussion.

Julie Hugo: I so move.

Benjamin Ney: I second. Ben.

Chair Steven Hiramami: Julie moves, Ben seconds. Is there any discussion?

David DeLuz Jr: Mr. Chair, if I may.

Chair Steven Hirakami: Yes.

David DeLuz Jr: So Keith, in regard to the product work that is generated during this license period, is it going to be the ownership of DWS?

Keith Okamoto: Yes.

David DeLuz Jr: Okay. So, in addition to access of a licensing agreement to do and I believe you'll be able to work...well, will you be able to do the overlays over real property tax as well?

Keith Okamoto: Yes.

David DeLuz, Jr: Okay, so there is an opportunity to integrate then, in regard to real property tax records, along with DWS.

Keith Okamoto: Yes. it's already there.

David DeLuz Jr: Okay. And will you also be able to plot future opportunities, in regard to this software?

Keith Okamoto: Yes.

David DeLuz, Jr: And it strictly overlays, or are you able to...Well, I'm pretty sure you can do the metes and bounds within the context of this and then be able to plot. But putting that aside, does it have the capacity to integrate topo and elevations?

David DeLuz, Jr: Okay, so it's quite comprehensive then.

Keith Okamoto: Yes.

David DeLuz, Jr: All right, thank you.

Keith Okamoto: And if there are any questions for Kawika.

Benjamin Ney: Is this like a cloud storage type of deal with our data. And then if we decide to go with the different subscription, later for GIS service.

Kawika Uyehara: Well, this is...this is Kawika speaking, software as a service contract with ESRI, who is our current provider who also has a platform that the County of Hawaii uses also. So, the way we procure it is to continue that service, but we bring it before the board again, because we need to execute a contract. We need that authority to do the contract and certify the funds for the next three years. As it is right now, I think the platform we're getting is meant for utilities like us. Water utilities, so that package is called storage. And some of the other features

that we want to get into has modeling features like hydraulic modeling within it. We can set up all the networks.

Benjamin Ney: Just as if our first data was transferable pretty much with someone else.

Kawika Uyehara: It would not be a good thing, honestly, because all of everything we have set up, all of our databases are in this ASD Arc GIS format.

Chair Steven Hirakami: I have a question. Is this for three years with an estimated total of \$90,000.00? Do we have a definitive number on that?

Kawika Uyehara: I'm working on that. The current number we have right now is under that, but we want to make sure what their total costs in taxes is going to be. So that \$90,000 that we put on the agenda is a little higher than we think the cost will be.

Chair Steven Hirakami: But there is an actual cost that's going to be?

Kawika Uyehara: There will be an actual cost.

Chair Steven Hirakami: Okay. Good clarification. Any other discussion? If not, **all in favor of this Motion say aye.**

Board Members: Unanimous Ayes.

Chair Steven Hirakami: Any opposed? (None)

Motion carries.

We go to **Item C, Waimea Water Treatment Plant Tier 2 Water Quality Violations.** **Is there any testimony for this item? Seeing none,** staff is going to provide some updates for us.

Keith Okamoto: Yes. So, at this point, I want to turn it over to Kurt and Greg to brief the board. Basically, what happened, and steps moving forward.

Kurt Inaba: So basically, we received the notice from the Department Health that we had a recording violation. And so, immediately, once we were notified, I contacted the Department of Health to work through identifying what the violation was and worked with Operations, on our treatment plan. So, it's a Surface Water System and we have to follow what's called the Surface Water Treatment Rule. And under that, there's all these guidance. And, depending on what the violation is, or what the occurrence is, you have to follow certain steps in making sure that we meet all of these requirements. Otherwise, there's all kinds of possible fines and stuff attached to it. You know, we worked step by step with the Department of Health and Operations to also identify basically, what the cause was.

Keith Okamoto: Kurt's real great about explaining the details. Right off the bat, I just want to say what happened was, you know there's a lot of things like Kurt said, that can constitute or cause a

violation. But what we wanted to make sure and what we expressed to various stakeholders is that at no time, was public health at risk. So that's what I wanted to start off with.

Kurt Inaba: I was just getting to that. So, the water was never in question. The water quality.

Keith Okamoto: Right.

Kurt Inaba: What we did to make to make sure our customers knew that is to make sure we included that in our public notice. There's certain language in there that may confuse people, that's required. But we did make sure about that. And in the meantime, Operations had actually addressed the problem also. Anyway, it turned up purple then went to gray. So, we satisfied the public notice requirements.

Keith Okamoto: Before Greg starts, I just want to explain why we had a tag team. Water Quality Branch, which is housed under Engineering, kind of keeps track of all the different Water Quality and Compliance Regulations related to safe drinking water. That falls under Engineering. That's like the notification, the monitoring, the reporting of the water quality data. Now, the day-to-day operations of the system, of course, falls under Greg.

Chair Steven Hirakami: Is there a simple description of the violation?

Keith Okamoto: Yes, Greg can give a simple description.

Chair Steven Hirakami: What's a simple description that a layman could understand turbidity?

Gregory Goodale: Bottom line, when they're up at the treatment plant, they obviously have over there all types of monitoring equipment. One of the pieces of equipment is the turbidity meter. And so essentially, what occurred was the plant came offline, which within the current configuration, not the current, but the previous configuration, because we make corrections to it. It allowed for a spike to occur in the turbidity, which wasn't a true exceedance of turbidity. But because the meter read that. so essentially, the meters aren't smart. All they know is what they see. And if it sees what appears to be an exceedance, they're going to report that, and that's what's going to be logged. So all this data is logged within the computer. It shows exactly what's occurring at any given time, which is all the stuff that's submitted to the State. Every month, we submit these reports to the State. And if it shows any kind of actual exceedance, that's something we have to report on. So essentially, that's what occurred in this situation. Is the meter saw what it thought was an exceedance. It put the number down and put the value which exceeds.

There were a couple of different things. There was a bunch of power spikes that occurred at the plant. But then there was also a time where the meter essentially got moved, which introduced some air bubbles into the turbidity meter, which, again, made it appear as though it was an exceedance. There never was actual exceedance that occurred within the plant. But the things that you know, from our end, when we look at these things, we say, how can we make this not happen again. Well, we made a determination, when we met with the folks of the plant, is if there

was a way we could have this turbidity meter, be immersed within the water, that wasn't going to get any bubbles introduced or anything that would have a consistent baseline reading, which represents what the actual turbidity of the water is, which doesn't exceed the standards. That got corrected so that we're not going to see this type of thing occur again. But again, basically, for us, you know, it's that communication with the State making sure that the State knows what happened, why they got this report. But then that also means we had to send out the letter that Kurt talked about, so that the public knows what happened. And again, from our end, when we see anything like this happen, we want to make sure that it's not happening again, that nobody wants to see us having to send out these letters to the public or anything else like that. Because we want the highest possible confidence from the public, as to what's happening at these facilities.

So, again, as Kurt said, when it comes to the surface water treatment, that's much more complicated than, at, say, our groundwater sites, which don't have all these of types of things. But in either which way it's still part of our water system. We want to make sure that we're being accountable for all those things. I probably said way more than the question asked.

Chair Steven Hiramami: No. I have a question. From the time the incident happened to the time of the violation, how many days lapsed before that. And how fast did the department react to that? Because we get the readings too. We get the readings, the turbidity readings. Do we wait for the violation to react or do we react before the violation.

Kurt Inaba: No. That's also something we worked on. And I think we have most of that addressed at the time.

Greg Goodale: Yes. So, at that time, the report was submitted, we essentially got the report, looked at it, got right back with the State because we noticed the exceedance and discussed it with them. Now moving forward, what we've done is essentially we've got it on, so we're having a much tighter review process. So, before anything ever gets sent to the State, it's going to go through several sets of eyes. So, for us, the biggest thing is we want to make sure we're not sending something off to the State that may be an error. You know, if it's an error, we want to be able to let them know ahead of time so that we don't have to put it down on that monthly report. Because again, it's like moving backwards, we don't want to have to be able to explain what had happened in the past. We want to be able to make sure we can correct it right then and there. So that the reports being sent is accurate, and it reflects what was actually occurring, while the water was being analyzed by these meters.

Keith Okamoto: Real quick, in response to the question. Steve, so what happened was we had a couple of violations in December, I believe. So, it did take us a while. What happened was, we don't report these numbers to the State on a daily basis. We submit them on a monthly basis. So, it's an accumulation of the prior month's data. Part of our process that we're trying to improve is being more timely on our end, like Greg said. Even before we send it to the State, we should have eyes on it more often than once a month. Yes, so that's part of the process improvement and why I wanted to agendaize this is just for transparency. And make sure that the Board is aware

of what happened. What caused the violation, and steps forward to make sure that we can do a better job,

Chair Steven Hiramami: I think that steps forward is a real good action. Because we can send them a report saying, 'hey, we already got it, already dealt with it. We have to report this and that's our reporting requirements every month, but we noticed that, we rectified that situation, but we're letting you know.'

Keith Okamoto: Exactly. And you know, part of all of this is for not only our consumers' or customers' trust and confidence in us, but for our regulators. We need to have that relationship where they can say, if something went wrong and it's explainable, Water Supply would call us first, before they call us and say something was funny kine. We'd rather do it the other way. The proactive approach.

Benjamin Ney: I was just going to comment. Everyone got the email, right?

Kurt Inaba: Yes.

Benjamin Ney: With a post. But is there more of a time sensitivity with reporting to the State? I mean, luckily, this had no public risk, but if there was a risk, then the State intervention might have been a little bit sooner.

Kurt Inaba: Oh, heck yeah.

Keith Okamoto: Yeah.

Kurt Inaba: Yeah. I think in here it does say that we would have had to issue a notice within 24 hours.

Benjamin Ney: From a transparency standpoint, that was good you put that post out.

Keith Okamoto: Yes, and you know, at that point, if there was any threat to public health, we would be in contact with civil defense and all those other channels too, besides Department of Health. You know, you've heard other situations like boil water notices.

Chair Steven Hiramami: Alright, thanks for that.

Keith Okamoto: So, there's no motion, this was just for your awareness.

Chair Steven Hiramami: Informational, yes. And so that moves us to **Item D, the Permitted Action Group** update. Ben, do you have a report?

Benjamin Ney: No. Nothing to report.

Diana Mellon-Lacey: I was going to ask just first of all, we didn't ask if there was any testimony for that.

Chair Steven Hirakami: Oh, I'm sorry.

Diana Mellon-Lacey: But I was also going to ask if we could go into Executive Session briefly. I know no one likes surprises but I do need to update the board on powers, duties, privileges, immunities, and liabilities with respect to the PIG in light of an opinion from OIP.

Chair Steven Hirakami: Oh, opinion from OIP. We need a motion...

Julie Hugo: I move that we move to Executive Session.

Benjamin Ney: I second the motion.

Chair Steven Hirakami: We need a roll call vote for this because we need two thirds. Okay, roll call vote of the members please.

PW: Mr. Bell

Mr. Bell: Aye

PW: Mr. DeLuz

Mr. DeLuz: Aye

PW: Ms. Hugo

Ms. Hugo: Aye

PW: Mr. Kekela

Mr. Kekela: Aye

PW: Mr. Ney

Mr. Ney: Aye

PW: Mr. Sugai

Mr. Sugai: Aye

PW: Chair Hirakami

Chair Hirakami: Aye

Motion carried.

We'll be moving into Executive Session: (10:55a.)

Returned To Regular Session: (11:09a.)

Chair Steven Hirakami: Okay, we're all here. We are returning to Regular Session of the Board. We went into Executive Session to get advice from our Corporation Counsel and now returning to our Regular meeting. We are now on **Item D, Permitted Interaction Group Update**, and there is no update. We're going to move on to **Item E, Monthly Progress Report**. **Is there any testimony for this item? If not, I think we will turn it over to Kurt.**

Kurt Inaba: I mainly wanted to report on...maybe I'll just go down the list here.

Kilauea and Keawe Street project. Basically, there was a public meeting last week, mainly trying to inform the businesses around there that the project will be starting. And it's really a Public Works project that we're jumping on. But yet, they're going to start just probing to locate the exact locations of whatever they can find in there, and they're not going to really be digging it up until after Merrie Monarch. So, the project will be ongoing from April, mid-April.

And for Halaula, I just wanted to report about the samples we received. And so right now, I tried to double-check but I didn't get it. We got information last week that we can submit the new source report. Want to report that the samples all look pretty good, and we shouldn't have any problems. So once that's submitted, we just need to wait again for the Department of Health to give us the okay. Then we can put that water into the system. And that's about it really. Unless you guys have any specific questions.

Benjamin Ney: Just an update on the Lālāmilo Reservoir. Any movement with Parker Ranch?

Kurt Inaba: So we are they have been a little bit...just actually moved back. I got a call yesterday that they're going to try and expedite on their side to help expedite this process of negotiating land costs. So they'll be working on separate from what they've been waiting for, my understanding is, from their appraiser, some of things they're going to work on their own, to submit information to us. Hopefully this week.

Benjamin Ney: Yes, that one's dragged on for a while.

Keith Okamoto: Yes, we keep pushing. Kurt has been in contact, and I've sent emails. I've even communicated with a trustee. So it's definitely on our radar to try and move forward with that.

David DeLuz Jr: Chair, if I could?

Chair Steven Hirakami: Yes. Go ahead.

David DeLuz Jr: Kurt, you know, in regard to the Lālāmilo Windfarm.

Kurt: Inaba: Yes.

David DeLuz Jr: In regard to that last status or comment, when was the date of this? This has been actually ongoing right?

Kurt Inaba: Yes. It's been

David DeLuz Jr: It's been a while, right? So, it's still within the context of negotiation then?

Kurt Inaba: Yes. I don't know about negotiations but, (unintelligible)

David DeLuz Jr: Well, I mean, not necessarily from DWS side. Okay, so, from our side it's status quo, we believe we have met the necessary commitments and obligations.

Kurt Inaba: Yes.

David DeLuz Jr: Okay, thank you.

Chair Steven Hirakami: Anything else? Thank you, Kurt.

Kurt Inaba: Thank you, Steve.

Chair Steven Hirakami: Now we move to **Item F, Review of Monthly Finance Statements. Is there any testimony for this item?** If not, we'll turn it over to Candace.

Candace Gray: This is Candace, Waterworks Controller.

I would like to point out that for this month, you will see on your cover sheet that our delinquency for the greater than 90-day category is less than a million. And I would attribute that to efforts being done by collections. And I understand that as far as the shut-offs and collection efforts has increased. So, for January, we had 50 shut-offs and in the prior years, that's just about 25% of what we've done before in a year. So, they're also doing their best as far as monitoring the write-offs. taking phone calls, to hopefully bring in the money prior to shut off. So I just wanted to point that out. And on the cover sheet, you'll also see a few items that I've added with regards to the leases. Whether we're a lessor or lessee, and this is to be, I guess, in compliance with the new standards, GASB 87. This was in conjunction with auditors reports, which will be presented next month. With that, do you have questions?

Chair Steven Hirakami: Yes. How many times when water gets shut off to have people come in and say, 'hey, I need more water? What can I do to pay it off?' Do they come back in once the water is shut off? I assume they still need water?

Candace Gray: Yes, I would say. I just had that conversation with Collections. I'd say at least 90 percent will pay or they'll pay actually at that time, when they're going to shut it off.

Benjamin Ney: One other question along the same line. If they do, you exhaust every possibility of them paying and you shut off water. Then do you want balance in full? Are you still want some kind of arrangement or payment plan? That's something that should be like, maybe emphasized to the consumer. 'Hey, we're more than happy to give you a payment plan. But if you don't do it and pay in full, you're not getting your water back on. That might put more pressure on people to comply ahead of time or not comply but pay their bill ahead of time.

Keith Okamoto: Yes, our collections people try to provide every opportunity that they can, because the last resort we want to do is shut somebody off. So, if they can pay something, you know, something at least somewhat reasonable. I believe we try to give them that opportunity. And there's many opportunities to talk to our staff. And as Candace said, even to the point where

we're there at the service, shutting them off. If they come out the door and say 'hey, I can pay whatever 20 bucks or 100 bucks or whatever.' I think our staff is pretty good about

Benjamin Ney: revisiting that.

David DeLuz Jr: A couple of questions and to follow up on. Chair, in regard to the bills, from my perspective. it's prudent only because they'll be in arrears for two billing cycles, because it's every two months. So, that allows an opportunity, hopefully, not to be in a predicament where you're two billing cycles in arrears. So, I think it's effective.

Two questions, in regard to this new GASB. It's my understanding, literally, it's a non-cash entry, correct? I mean, only because it's a total of the receivable as opposed to a monthly obligation or potential obligation. It's the totality of that receivable, correct?

Candace Gray: Correct.

David DeLuz Jr: So it doesn't necessarily represent an operating matter, as opposed to a balance sheet representation?

Candace Gray: It's on the balance sheet.

David DeLuz Jr: Right.

Candace Gray: Correct.

David DeLuz Jr: Okay. So, you know, for those of us who are not financial, you may want to suggest to the auditors to put a footnote to make it easier for board members to understand. Because it could be construed as a liability when it's technically maybe not.

Keith Okamoto: Well, it's listed as a liability.

David DeLuz Jr: Well, it is. But it's in total. So, you know, it's like, it's an accrued liability, as opposed to an ongoing liability. So essentially, you have a debit credit as the payment. I mean, you know, it's an offset, right. But it can get confusing, I think, for board members to understand that. So that's a suggestion to maybe look at that.

And then the other item is as it relates to the noncash. I think when you do your monthly reports, and this can be also more of a management internal letter to the Board. Because of the way the representation of the balance sheet will be done as of your year-end position, cash position, well, it essentially goes to your operating margin. Depreciation is deducted. And so, that is something where if you're not used to understand, it'll look like you diminished your cash, your operating is actually less than, as opposed to more than. And I know you understand that Candace, but, again, so fundamentally attempt to see if you can make it for like a 101 on the financials. Also, in regards to the minutes to someone looking into it. Because the numbers will look like it's huge.

To some degree, especially in your depreciation, because last year, you had offsets and maybe added more as your capital projects came to completion until you added those to your depreciations in February. So, just some insights and comments. That's all. Thank you.

Chair Steven Hiramaki: Thank you for that. Anything else? That's good. Thank you very much Candace. And now we move down to **Item G, Manager-Chief Engineer's Report.**

Keith Okamoto: For **Item 1, North Kona Wells.** Again, I will have Kawika report on that.

Kawika Uyehara: Okay, so this is my North Kona Wells Status. We have 10 of our 14 wells free or available to use. So, for the four that are offline, I'll give update on them.

- **Palani Well:** That's the one we awarded a contract to at last month's board meeting. We issued a notice to proceed to the contractors, March fourth. And they'll have three months to install that replacement equipment.
- **Hualālai Well.** We just heard that today in today's agenda. Once that notice to proceed is given, they'll also have 90 days to complete that.
- **Makalei Well.** Engineering is still working with the contractor to get a schedule going. Construction repair is ready to go.
- **Wai'aha Well.** It's back on our side, so we're going to be meeting internally with Corp Counsel on how to proceed. Any questions?

Keith Okamoto: Ok. Thanks Kawika. And **Item Number 2, Energy Report** by Warren.

Warren Ching: Yes, this is Warren, **Energy Management Analyst.**

As always, as I go through this report, feel free to stop me at any time to ask questions. Okay, so this is looking at the *fourth quarter of 2022*. Total costs for that quarter was just under \$6.4 million, which was up almost 21% from the same quarter in 2021. But compared to the previous quarter, it was down about 6%. So that's good.

Customer water consumption and total energy use. So our *water consumption for the fourth quarter of 2022* was over 2.3 billion gallons. And so that was up 3.3% from the same quarter 2021 Compared to the previous quarter, it was up 1.4% of total energy use, same quarter was just over 15.1 million kilowatt hours, which is up 1.8% From the same quarter 2021 Compared to the previous quarter, it was up 2.3%.

And, I just have a couple of figures in there just to show the history and the trend. Moving on to page two, we still have our *158 Hawaiian Electric accounts* broken down. All of them fall in one of the three schedules that's in that table.

And *Hawaiian Energy Rate*, fourth quarter 2022. This is an average rate. But that was about 40.2 cents per kilowatt hour, which was up 22.6% from same quarter 2021 compared the previous quarter was down 9%. And then *Hawaiian Electric Demand Rate*, fourth quarter 2022 was the same as both the previous year and previous quarter. And again, you have a little trend to see history.

And, *Power Cost Charge* history. Current Power Cost Charge \$3.04. Made effective January 1, 2023. And hopefully coming down fairly soon.

Diana Mellon-Lacey: Warren, I have a question.

Warren Ching: Yes.

Diana Mellon-Lacey: When I'm looking at the consumer, customer water consumption and total energy use to this, this the standpipe usage throughout the island get taken into consideration in this in these videos at all. And I'm just asking that because I think you know we had a drought period that I know I observed a lot of people like those pipes filling some pretty darn big containers.

Warren Ching: I assume yes.

Voice: Yeah.

Keith Okamoto: So yes. Those all go through a meter. They're factored into our overall consumption.

David DeLuz Jr: Excuse me. Keith, if I remember correctly, that gets billed to County, Correct?

Keith Okamoto: Yes.

David DeLuz Jr: Okay. Thank you.

Keith Okamoto: So there's two. Yes. There's a meter for the spigots, which is what the general public goes to use to fill up. It's supposed to be like a five-gallon container. But then there's standpipes which are used for the larger water haulers. Those standpipes are individually metered. And, whoever's account that is, pays for it. But the spigots are paid for by the County.

David DeLuz Jr: I see. Thank you.

Benjamin Ney: Is there a log they fill out? Like when you have the haulers go

Keith Okamoto: Oh no. We read the meter there.

Benjamin Ney: Oh, you charge them. Okay, okay. Not an honor system.

Keith Okamoto: No.

Chair Steven Hirakami: Even at the public spigots, especially in Kalapana.

Voice: Thank you.

Keith Okamoto: Good question though.

Warren Ching: Yes. So, I think we're on Page 4. Just wanted to highlight a project that was done. This is a *Booster Replacement Project*. So when it comes to pumps, we tend to focus on boosters, since they last decades. So we can get that payback period. But getting into this, we're basically replacing for energy efficiency, that's an increase of almost 10%. In overall efficiency, overall efficiency is pump and motor combined. And translating that into estimated energy savings, which is a little over 47,000 kilowatt hours annually and a \$20,000 power cost savings. And so that's incorporating energy savings plus demand savings, because we're using less power now, to produce the same amount of gpm. And at a total project cost of \$144,000. So that's a substantial amount, but looking at the payback period, which is 7.2 years, approximately, we'll exceed that, in terms of service life. And so, essentially, we're looking to pay this back, many times over, over the service life. The existing pump was almost 50 years old. Unless there's some records that I'm missing. It's not uncommon for these to last a while. But the expected service life is 30 plus years. And we have pictures there too, of before and after.

Keith Okamoto: And there's two more projects that you guys have any questions. Warren's available to answer?

Warren Ching: Yep.

David DeLuz Jr: Chair, if I may?

Chair Steven Hirakami: Warren, are you pau?

Warren Ching: Yes.

David DeLuz Jr: So you know, it would be interesting to know what your total electric consumption is. And the reason is, it will give us a better idea on your demand charge. Your efficiency there. So you know, it's, well, you're managing your demand charge quite well. So, I applaud you, because that's one of the areas with 158 accounts. I'm pretty sure that they're not all on the same schedule. As far as recalculating the demand charge.

Warren Ching: Right.

David DeLuz Jr: So, what's that? What's that 30 days per year period prior to the annual change, right, or whatever, forget what it was.

Warren Ching: Yeah.

David DeLuz Jr: That makes it pretty tough to manage in that regard.

Warren Ching: Yes, it does follow us for a year.

David DeLuz Jr: Right. And the other question I had is, you know, the new equipment, especially on the pumps, and the motors. I think you might have mentioned, and I apologize, but some of them if they have capacity is they have RFID outputs or scattered data that you can track the ones that are

Warren Ching: As far as, say remote monitoring, I think we're kind of moving towards smart meters now from Hawaiian Electric.

David DeLuz Jr: Okay. And so, since they're putting in the infrastructure, then you can use it. It's pretty effective for us. So now do the meters also record their spikes? Because one of the challenges with HEI is their dirty energy. Especially, you know, was it two months ago when they were really having issues with having enough capacity and they were relying more on alternative energy. That becomes a challenge for them to regulate their frequency in their line. It's curious to know that when you have those negotiations, if they share that information, or it's going to be in the meter, that you can sit down with them to hold them accountable.

Warren Ching: Yeah. That amount of details will probably not be in the Smart Meter readout.

David DeLuz Jr: That's fine.

Warren Ching: But we do have power monitors on our end that do log at a more detailed finer interval. So

David DeLuz Jr: So, the disadvantage of the new technology is their sensitivities to some of this stuff.

Warren Ching: Yes.

David DeLuz Jr: Okay, thank you.

Chair Steven Hiramami: Moving further. **10H, Executive Session, I need a motion to go into Executive Session.**

Julie Hugo: I move that we go into Executive Session.

Benjamin Ney: Second.

Chair Steven Hiramami: Second by Ben. And we need a roll call vote again, please.

PW: Mr. Bell

Mr. Bell: Aye

PW: Mr. DeLuz

Mr. DeLuz: Aye

PW: Ms. Hugo

Ms. Hugo: Aye

PW: Mr. Kekela

Mr. Kekela: Aye

PW: Mr. Ney

Mr. Ney: Aye

PW: Mr. Sugai

Mr. Sugai: Aye

PW: Chair Hirakami

Chair Hirakami: Aye

Motion carried. We're moving into Executive Session. (11:35a)

Returned to Regular Session (12:05p)

Chair Steven Hirakami: Okay, moving back to the Regular meeting...back in session. Coming out of Executive Session. Can I have a **Motion to accept the recommendations of our Corporation Counsel and give her the authority to execute?**

David DeLuz Jr: So moved.

Michael Pono Kekela: Second.

Chair Steven Hirakami: Okay. Any discussion? Hearing none.

All in favor say aye.

Board Members: Unanimous Ayes.

Chair Steven Hirakami: Any opposed? (None)

Motion carried.

Chair Steven Hirakami: Okay, that brings me to **Item 10I, The Chairperson's Report**. And I just want to say how grateful I was to be able to travel to Honolulu for the conference. Ben, Ken, and Kawena went with Keith, and we had a great time. Learned a whole lot. I went through the money sessions, and I paid attention to what Biden signed on November 15, a little over three months ago, about that bipartisan infrastructure law that puts \$50 billion for projects like highways and everything but specifically in water. It's for the Clearwater Act and Drinking Water Act. There's approximately \$43.4 billion. And these funds are distributed to the States and the EPA. Our Department of Health uses it in what they call a SRF (State Revolving Fund). And just for the drinking water, which we are probably involved in over the next five years there'll be 11, is it million? It's \$11 billion, and this is to all States. And for immersion contaminants, it's \$4,000,000 and for Lead line service replacement and the rest for EPA is \$15 billion. So, what comes to the

State is in the EPA revolving fund, just as a drinking water. The general supplement is \$22 million for 2023 award. And they just awarded fiscal year 2022 was \$17-\$18 million. So, there's \$40 million between November and now. I was going to say, hey, let's take advantage and today I just signed a \$10 million loan from the revolving fund, of which about 35%, specifically \$3,500,000, is due for loan forgiveness. So, what we learned in this, is that loan forgiveness is supposed to go to disadvantaged communities. Well, we learned that the whole Big Island except for just a small portion is in the disadvantaged area. So, we can get this. We're more likely to get that loan forgiveness, which is what they call free money. And I like that free money stuff, so the terms are available. In Hawaii, the term's 20 years and the percentage, what they list in here, the percentage rates were like 1.75. But I think the contract we signed was even lower than that. Yeah, so this is a real good use of that EPA money. We met a lot. Keith's an all-star in the Water World by the way.

Voice: Nice.

Chair Steven Hiramami: Nice hanging with him and meeting some of his water colleagues and friends. It was nice meeting other Water Departments and talking to Ernest Lau. That was the highlight of my trip. I met the Chairman of the Board for Honolulu, who is a real knowledgeable guy. He has actually served for about seven years on the Board, so, he's a really groomed Chairman. I learned a lot from that. But overall, it was a good trip, and I really learned a lot. Thank you for inviting us. That's my report, as far as what's new. Very different from the kind of conferences I go to. Since most conferences I go to are mostly education conferences. This one was quite different with water engineers.

Item 11, Announcements. Next meeting will be March 28, 10:00am. But remember we're having two public hearings, one at 9:30am and one at 9:45am. And that's going to be in Kona.

Keith Okamoto: And, real quickly, Mr. Chair. So, Greg folks and Alvin. We're going to try and see if we can work on a Field Trip-Site Visit, down the shaft.

Chair Steven Hiramami: Well, thank you for that. Looking forward to that. **And, Item 12, Adjournment.** Do I have a **Motion for Adjournment?**

Julie Hugo: I move to adjourn.

Benjamin Ney: Second.

Chair Steven Hiramami: It's been moved and second. Any discussion? Hearing none.

All in favor say Aye.

Board Members: Unanimous Ayes

Chair Steven Hiramami: All Opposed? (None)

Motion carried and meeting is adjourned. (12:13pm)

Secretary

APPROVED BY WATER BOARD
(March 28, 2023)