

## MINUTES

### DEPARTMENT OF WATER SUPPLY COUNTY OF HAWAI'I WATER BOARD MEETING

October 24, 2023

Department of Water Supply, Hilo Operations Baseyard, 889 Leilani Street, Hilo, Hawai'i

MEMBERS PRESENT: Mr. Steven Hirakami, Chairperson  
Mr. Stephen Kawena Lopez, Vice-Chairperson  
Mr. Thomas Brown, Water Board Member  
Mr. Michael Pono Kekela, Water Board Member  
Mr. Benjamin Ney, Water Board Member  
Mr. Keith Unger, Water Board Member  
Mr. Keith K. Okamoto, Manager-Chief Engineer,  
Department of Water Supply (ex-officio member)

ABSENT: Mr. Michael Bell, Water Board Member  
Ms. Julie Hugo, Water Board Member  
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

#### 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  
Ms. Kaiulani Matsumoto, Private Secretary  
Ms. Nora Avenue, Recording Secretary

- 1) **CALL TO ORDER** – Chairperson Hirakami called the meeting to order at 10:00 a.m. A quorum of six Board Members were in attendance.
- 2) **STATEMENTS FROM THE PUBLIC** – Pursuant to HRS §92-3, oral testimony may be provided entirely at the beginning of the meeting, or immediately preceding the agenda item. There were no statements from the public at this time.
- 3) **APPROVAL OF MINUTES**

#### **Minutes of the September 26, 2023, Water Board Meeting**

**ACTION:** Mr. Kekela moved to approve the Minutes of September 26, 2023; seconded by Mr. Ney and carried unanimously by voice vote. Mr. Bell, Ms. Hugo, and Ms. Keolanui were absent.

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA – None.

5) MISCELLANEOUS:

**A. POWER COST CHARGE ADJUSTMENT CRITERIA CALCULATION**

*Chair: Is there any testimony for this item?*

The staff has reviewed a number of different bases for calculating the Power Cost Charge in order to reflect most accurately the actual cost of power incurred by the Department.

The basis that provides the best results include revising the formula to calculate the Power Charge from (existing):

$$PCC = \frac{\text{Actual Power Cost}}{\text{Actual Water Consumed}}$$

To (revised):

$$PCC = \frac{\text{Actual Power Cost} - \text{Power Cost Gain / (Loss)}}{\text{Actual Water Consumed}}$$

Where:

“PCC”: Power Cost Charge (\$/1,000 gal)

“Actual Power Cost”: Actual power cost expense, excluding power cost for office buildings.

“Actual Water Consumed”: Actual water consumption by customers.

“Power Cost Gain/(Loss)”: Difference between the power cost recovered through the PCC by billing customers and the actual power cost expense paid by DWS.

And to present recommendations on adjustments to the Water Board every 4 months for decision-making.

**RECOMMENDATION:** It is recommended that the Board approve the revised formula to calculate the Power Cost Charge and for staff to present proposed adjustments for the Power Cost Charge every 4 months effective immediately.

**MOTION:** Mr. Kekela moved for approval of the recommendation; seconded by Mr. Ney.

**CHR. HIRAKAMI:** Discussion? I’ll turn it over to Keith.

**MR. OKAMOTO:** All right, thank you. So last meeting we had some discussion and I know there was some additional information that was requested by the Board, some more details on how the calculations and the summary came about. Hopefully, you folks all have with you just like another packet of spreadsheets. If that all made sense to you, and if not, that’s why Warren’s here.

The bottom-line was there were a lot of significant effort, much more than was presented in the summary that you folks received last month, which basically compiled all these calculations that Warren did into the proposal that we presented to the Board, and that we adjust the formula. Let me backtrack a little bit, the intent was, at the Board’s request, try to make it where we are closer to the actual cost that we incurred by the electrical utility because on the current formula, we’re always playing catch-up, there was always a lag, and there wasn’t any real means to kind of really recover whatever shortage or overage that resulted from that lag. So this adjusted formula and the results of all this calculation that Warren did led

us to present to you folks what we recommended today, which is the adjusted formula of the power paid for divided by the consumption but to also factor in the shortage and overage into that formula, and then to bring it to you every four months regardless of any change in amount, up or down. So, all those spreadsheets are what led us to propose that to you folks.

Warren is ready. He's been going over this, and he's the one who did it. If there are questions about the calculations, we actually have the spreadsheet, and we can pull up individual cells to look at whatever the calcs. are for that. I know it's a lot of information.

CHR. HIRAKAMI: One of the questions that I had was, how we can be more agile in a time where the fuel prices are rising rapidly? So, this seems the opposite of what you were asking for. I see it in the numbers. Do we have any leverage to—are we restricted to four months? Say there's a steep pike, fuel prices go up like from 20 cents to 30 cents in two months, do we have to wait till four months to make a change?

MR. CHING: So how I see it is we stick to the four months, but what would happen is we may see a loss in that four-month interval, that would bump up the PCC to go into effect the next time. We would recover that loss through that new PCC, with the incorporated gain and loss into the new calculation. I think to keep it consistent, like the interval-wise is probably best when it comes to that type of situation.

MR. OKAMOTO: And this doesn't mean to say that should we see a situation like that, where we cannot come and adjust again with this body, even though this is what we presented at this point and time, based on all this calculation, if we run into a situation where it gets really dramatic in the oil industry and we have to pivot again, that's the great thing about being semi-autonomous, we can make that pivot a lot easier than other entities can.

MS. MELLON-LACEY: Warren, I have a question.

MR. CHING: Yes?

MS. MELLON-LACEY: The power company, HECO, they change it every month. They don't have to give anybody any advance notice of what their power cost is, correct?

MR. CHING: Not that I've seen, yeah, it just comes out. I guess when they get PUC approval, of course.

MS. MELLON-LACEY: So there isn't a way for you to know like ahead of time how much it's going to change. It's only when you actually get the bill, like the rest of us.

MR. CHING: They change it, I guess, on the first of every month, there's a new rate schedule that comes out, and that's online, so I usually refer to that when the new month comes out.

MS. MELLON-LACEY: Okay, so you get it a little bit ahead of your bill?

MR. CHING: The bill, yes. And the bill might be from the 15<sup>th</sup> to the next 15<sup>th</sup>. Kind of a little bit complicated, but they like do half of one schedule half of the next month's schedule. It's kind of interesting.

MS. MELLON-LACEY: They actually do it that way. They actually split it.

MR. CHING: Yes.

MS. MELLON-LACEY: And I see you've analyzed this to the line, so you're good with that.

MR. OKAMOTO: I hear what you're saying too, about the agility component.

CHR. HIRAKAMI: With the Middle East war sliding up, it's going to definitely affect the cost of fuel.

MR. OKAMOTO: And I believe Warren's calculations also went back in time that incorporated the Ukraine conflict, which also had an effect on oil prices and whatnot.

CHR. HIRAKAMI: This is whole new avenue right now, I mean it's still going on in the Middle East.

MR. NEY: There's no way to align the adjustments, so when we adjust too, there's this lag effect, correct, of when we're billing to when they're making their adjustment? There's not a way we can try to—?

MR. OKAMOTO: We would have to change the State's statute, I believe, because when we adjust our rates, we're required by statute to hold public hearings. So what we have to do is we have to present it to the Board for consideration, and then once it gets approved by the Board then we can schedule the public hearing, and that's the following month, so that's where the lag comes in.

MR. NEY: Procedurally, that's not for them, their case too, do they have to? No? Oh, okay.

MS. MELLON-LACEY: They seem to be outside anybody's regulation. They get to do what they want, but we are not like that.

MR. KEKELA: So the four months gets us closer to minimizing loss, right? That's it. And then that kind of shows the agility, so to say, because to adjust (INAUDIBLE) based off of the (INAUDIBLE).

MR. OKAMOTO: In addition to every four months and that established interval, it's the adjustment of the formula that helps us get to be more close to the actual cost for power.

MR. KEKELA: For like our construction dummies, how more efficient is the new formula compared to the old formula at that time?

MR. OKAMOTO: More efficient.

MR. KEKELA: Do you see it being more efficient as far as, I mean, to service the customers?

MR. OKAMOTO: I'm interpreting efficient to mean closest to actual cost for power that we paid for. It should be better than the old formula.

CHR. HIRAKAMI: So is this still the plan using a five-cent special, or are we doing away with the threshold? Doing away with the percentage or the five-cent threshold?

MR. CHING: So I'll point out too, say there's like a conflict and oil prices skyrocket, with this formula it may, I guess—that delta or the difference, when we're going from PCC to the next PCC, that may be larger now compared to the current formula because we're incorporating that loss, and to make up that loss it bumps up the PCC. So let's say power cost is flat and then it jumps—you know, it's not only going to jump with our power cost, but also to recover that loss.

CHR. HIRAKAMI: So I think we could add language every four months except for extenuating circumstances subject to the public hearing, or something like that.

MS. MELLON-LACEY: We could put at least every four months?

CHR. HIRAKAMI: Oh, “at least.”

MS. MELLON-LACEY: And that would allow you to bring in (INAUDIBLE) money?

CHR. HIRAKAMI: Yeah okay, at least every four months, would give us—so if we set it at four months, it’s going to be four months. If there’s an extenuating circumstance and then it skyrockets and we want to adjust it, then we can come back?

MR. OKAMOTO: Yes.

CHR. HIRAKAMI: That’s all good. So reflect that change in the motion, instead of every four months to at least every four months, to add the words “at least.”

MR. OKAMOTO: To at least or at most?

MS. MELLON-LACEY: At least because “at least” would allow you to (INAUDIBLE).

MR. OKAMOTO: Okay. As long as—

MS. MELLON-LACEY: Or a minimum of, if you like.

MR. OKAMOTO: I mean, I know the intent is if got to, do it more frequent.

CHR. HIRAKAMI: That makes sense.

MR. OKAMOTO: Sounds good. You can amend your motion.

MR. KEKELA: I make a motion to at least every four months.

MR. LOPEZ: Second.

MR. OKAMOTO: So sounds like the amended motion is to be “adjustments for the Power Cost Charge at least every 4 months effective immediately.”

**MOTION**: Mr. Kekela moved to amend the motion by adding the words “at least” to the recommendation. Seconded by Mr. Lopez.

MR. LOPEZ: I have a question. What will happen, in the four months you see a spike, or you see a significant drop, we still need to go through the public hearing process to get that. So in the case of a spike, what we’re talking about, we’re losing more money during that timeframe. So the following four months could be worst, just because of the timeframe getting to be approved?

MR. OKAMOTO: Yes, correct. That’s why this adjusted formula will include that shortage in the next calculation, and which is why Warren brought this up to us internally that what could result is the deltas between the PCC—the prior approved PCC to the next PCC, those deltas might be larger in magnitude

than we've seen in the past because of that recovery component in the calculation. And it could work that way, the deltas could work that way either up or down.

MR. LOPEZ: In those words, exactly.

MR. OKAMOTO: If anyone has questions, hand them the spreadsheet. This recommendation was not done arbitrarily or frivolously. There's basis behind it; there are calculations behind it, so hopefully the Board is comfortable. Again, if somebody from the public questions, you can direct those questions to us, but hopefully you folks are confident that our staff has put in the time and effort to come up with this recommendation.

MR. UNGER: So it's not like the shortage period to adjust would be two months. If there is a big spike and an emergency, you got two months, one to make the proposal—public hearing, and then two months later.

MR. OKAMOTO: Yeah, that's the lag.

MR. UNGER: So the motion covers that?

MR. OKAMOTO: Yes, seems to be, right. No perfect system, but we're trying to—the Board definitely helped us realize that if there's something we can adjust, at least make it closer to what we're actually paying for.

MR. UNGER: What is the admin. cost to adjust the bill? I mean, like you're reprinting every bill. Do you have a number for that?

MR. OKAMOTO: Yeah, great question. That came up in the past, and we asked Candace. It's a calculation that's built into our daily processing already. The additional cost really comes from advertising for the public notices, which are couple hundred bucks.

MR. UNGER: Okay, so it's not significant to make these changes, administrative?

MR. OKAMOTO: Correct, yeah. Any other questions?

CHR. HIRAKAMI: Closer to zero is the best. We didn't like the red, and that's what we want the best of. In a perfect world, zero would be the best. We don't need to make a profit out of the power. But we don't want to see red ink too, on the power.

MR. OKAMOTO: Yeah, we don't want to get too far into a hole.

MR. NEY: There hasn't been an overwhelming interest from the public to ever come to these things and question, as far as I've been on the Board, the process. We want to be transparent, so we publicize it, just as far as our due diligence. I don't think anyone is going to come question anything on this.

MR. OKAMOTO: This is all open to public record, right, Diana? If somebody wanted to see our spreadsheets, we'd give it to them.

MS. MELLON-LACEY: You never know what people will question.

CHR. HIRAKAMI: Okay, any other further discussion? Hearing none, all in favor of the motion say "aye."

MR. LOPEZ: The motion as amended.

CHR. HIRAKAMI: All in favor the motion, as amended, say “aye.”

**ACTION**: There being no further discussion. Motion, as amended, was carried unanimously by voice vote. Mr. Bell, Ms. Hugo, and Ms. Keolanui were absent.

MR. LOPEZ: Before we go on, can I comment? Two months ago, we’ve been talking about this for several years in a discussion, and now we have a new solution. I want tip my hat off to staff because this is a lot of work and a lot consideration. I’m sure there was what about this, what about that. Thank you very much. This was brought up two months ago.

MR. OKAMOTO: Thanks to you guys for bringing it up as something we should look at. Bottom-line it does make a difference, so was worth the effort. Thanks for those words, Kawena. Appreciate it.

CHR. HIRAKAMI: Yeah, you know that conversation came up so many times, and there was never any formal discussion, so we finally put it on the agenda and covered these points. Okay, moving on to Item B.

**B. MATERIAL BID NO. 2023-07, FURNISHING AND DELIVERING STRUCTURAL TUBULAR PALLET RACKING FOR THE DEPARTMENT OF WATER SUPPLY – REQUEST FOR TIME EXTENSION**

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*Chair: Is there any testimony for this item?*

The Vendor, Barbarian U.S.A., Inc. is requesting a contract time extension of 105 calendar days due to a manufacturer backlog for CAD design services. This delay was beyond the control of the Vendor.

Staff reviewed the request for the time extension and the accompanying supporting documents and found the 105 calendar days to be justified. *Note: There are no additional costs associated with this time extension.*

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	09/28/2023	01/15/2024	105	Manufacturer backlog for CAD design services.
Total Days (including this request)			105	

**RECOMMENDATION**: It is recommended that the Board approve a contract time extension of 105 calendar days to Barbarian U.S.A., Inc., for MATERIAL BID NO. 2023-07, FURNISHING AND DELIVERING STRUCTURAL TUBULAR PALLET RACKING FOR THE DEPARTMENT OF WATER SUPPLY. If approved, the contract completion date will be revised from September 28, 2023 to January 15, 2024.

**MOTION**: Mr. Kekela moved for approval of the recommendation; seconded by Mr. Unger.

CHR. HIRAKAMI: We’ll go into discussion.

MR. OKAMOTO: The explanation was attached. Basically, they got a big job and ours got pushed back. Any other questions?

MR. KEKELA: It's not like—the current shelving is there, right? It's not going to collapse.

MR. GOODALE: It's not going to collapse. It needs to be replaced. But yeah, there were some things we ended up having to do with some of it that was in worst condition. Bottom-line is, at two different locations that needed to be replaced.

CHR. HIRAKAMI: So I read there's something about checking with the price adjustment on this. Something in the letter said that we have to “investigate the pricing to see if having the material come out of Stevens,” is an option. So whatever it is, to have it pass it on to the Water Department.

MR. GOODALE: We haven't been notified of any cost increase due to the delay.

CHR. HIRAKAMI: Okay, if we can add that to the motion, that there will be no significant change in the original cost to the department.

MR. OKAMOTO: In the write-up, that's why we've included it in this typical time-extension write-ups, above the table, “*Note: There are no additional costs associated with this time extension.*”

MS. MELLON-LACEY: Do you want it in a motion?

CHR. HIRAKAMI: Yes, if you can put it in, just to be careful.

MS. MELLON-LACEY: And maybe just put in “without additional cost.”

CHR. HIRAKAMI: Yeah, without additional cost.

MR. OKAMOTO: Ben, do you want to amend the motion?

CHR. HIRAKAMI: Are you agreeable to add without additional cost to the end of the year.

MR. NEY: I'd like to amend to that.

MR. UNGER: Second.

CHR. HIRAKAMI: Any further discussion? All in favor the amendment of the motion say “aye,”

**ACTION**: There being no further discussion. Motion, as amended, was carried unanimously by voice vote. Mr. Bell, Ms. Hugo, and Ms. Keolanui were absent.

CHR. HIRAKAMI: Motion passed.

MR. OKAMOTO: Thanks, Greg. Moving right along.

### **C. MONTHLY PROGRESS REPORT**

*Chair: Is there any testimony for this item?*



Submission of Progress Report of Projects by the Department. Department personnel will be available to respond to questions by the Board regarding the status/progress of any project.

MR. OKAMOTO: So if there's any questions on any particular projects, let us know. I know Kurt will update you folks.

MR. INABA: For the Progress Report, just for Kīlauea-Keawe, the project Downtown Hilo, we've been making a little bit of progress. Hopefully, we're coming within budget now. We may have to come back. We're making pretty good progress. We're taking a lot of steel plates, so that might be impacting Puakō right now, well impacting so much.

We can jump to Puakō. Puakō, contractor still kind of, you know, in the early stages trying to figure out their thing. They're installing pipe, though. I think four to five lengths a day, but not really too much at this point. They're still working back towards the end and not impacting too much traffic either right now. But as they move closer again, all those cars that live behind where they're at, you're going to start seeing that every day, so more and more traffic is going to be affected as they progress with that. We're starting at Paniau side?

CHR. HIRAKAMI: So they're starting from the Paniau side?

MR. INABA: We're starting at Paniau, at the end of the project. The dead end.

MR. NEY: Very quiet down there because I had a house on the beach side, and you could hardly ever know what's going on.

MR. INABA: Oh, okay.

MR. NEY: But the steel plates, is that something we furnish?

MR. INABA: No, they got to get. I mean literally I was surprised to find out, kind of like it's very difficult to obtain any right now.

MR. NEY: They're very heavy to move around. That's a logistical component down there. Working Puakō, there's not enough plates to cover both. They got a lot of shoulder mobility.

MR. INABA: So anyway, the Kīlauea-Keawe project, they have—I don't know if anybody don't drive there.

CHR. HIRAKAMI: Two sides of the road or just the mauka side, or how they doing that?

MR. INABA: Kīlauea-Keawe?

CHR. HIRAKAMI: Puakō.

MR. INABA: Yeah, so they're working really on the opposite side of the existing pipe, pretty much.

MR. OKAMOTO: Currently, it's on the makai.

MR. INABA: Yes, and then it switches over actually at one point. Anyway, that project's going.

MR. NEY: We started the clock on—the target completion date was pushed back, right?

MR. INABA: Yes. And still, actually, we've asked them to resubmit their schedule because it wasn't acceptable as what's submitted initially, so I'm still working on that. The project engineer is still trying to get that from them, the revised schedule.

MR. NEY: But it's going to include the same amount of working days that was originally calculated?

MR. INABA: Yes.

CHR. HIRAKAMI: October to October.

MR. INABA: Probably not the full because we anticipated some—you know, we've got to anticipate some time with the delivery of materials. Not that long that it actually took; you know, we're just saying, "Hey, it's not like you can start when you want, and then 365 days from there."

So for the Lālāmilo Reservoir, we're still trying to determine the actual groundbreaking date. It looks like maybe the very end of November or maybe early beginning of December. We're going to have to the date on that and coordinate that. They are ready to go out and start setting up their baseyard. They got pretty much the UXO scanning okay, but they're still some section in there that they've got to scan in the easement. The pipe installation is not actually in the reservoir site. That's all being coordinated and moving along, so not to worry about holding up anything at this point. That is pretty much it really. That's about all since the last meeting. Any questions?

MR. LOPEZ: Always have questions. I'm just curious, under the Kīlauea Avenue and Keawe Street, you put the "force account."

MR. INABA: Oh yeah, sorry.

MR. LOPEZ: Many force people work at night.

MR. INABA: So force account, yeah, let me explain that, that one there is just a term. The definition is really to pay by actual work-time and materials, with pre-approved really overhead and profit percentage, insurance, bond. It's a detailed spreadsheet of actual work that you're doing. It takes a lot more work to monitor, and to go through to make the payments. We didn't have an actual bid price. It was actually in the bid that they do it like that.

MR. NEY: Is there a ceiling on this?

MR. INABA: Right now our budget is \$1 million for this. We're monitoring it. We are also asking for updates, a budget update, where we stand with the contractor and where we anticipate where we anticipate we're going to be, so we're keeping a close eye on it.

MR. LOPEZ: I don't see up here Mākālei well.

MR. INABA: Mākālei well is actually—a private contractor doing it at their own cost. It's not our contract because it's a warranty issue right now, and actually it was a developer that installed it to begin with.

MR. LOPEZ: I seen it in an earlier report.

MR. UYEHARA: That's part of the North Kona report, the Mākālei well. Might be at the end of the discussion. We have the discussion in the North Kona wells.

MR. LOPEZ: So that private—does that impact our ability to deliver water to whatever standard?

MR. OKAMOTO: It still does. That all adds to our overall source capacity for the region. Yes, so it does.

MR. BROWN: But if it's a different item than these projects—

MR. OKAMOTO: This particular report is the department's projects that we fund with the department monies that we administer.

MR. BROWN: So there will be a separate report on the wells.

MR. OKAMOTO: Yes.

MR. BROWN: Thank you.

CHR. HIRAKAMI: I had an earlier meeting with the Mayor in Pāhoa, Keith and Kawika were there. The Planning Director said that there was no answer from FEMA on the draft EA, and they couldn't give them a timeline, which was really confusing. Is this tied to that EA?

MR. INABA: Yes, the Pohoiki. So under the Kīlauea eruption?

CHR. HIRAKAMI: Yes. So we don't know when that EA is—?

MR. OKAMOTO: There's no promises now. Recent updates have shown that FEMA is close to finalizing the draft EA.

CHR. HIRAKAMI: Yeah, because most of the negative comments were just on the Lighthouse Road, that portion of the Lighthouse Road, which is holding up all these miles of work. It's just a few people from Waa Waa.

MR. OKAMOTO: So it seems like it was adequately addressed. Public Works and us have been working with FEMA. FEMA is the agency doing the environmental assessment, but they're consulting with us to assist them with responses to the comments. So my understanding is those concerns about the Kumukahi Lighthouse Road seem to have been adequately addressed by Public Works, by shifting the timeframe, moving things around. So with that, I think FEMA could address that particular concern in their comments, and now it appears that they're close to finalizing the EA.

MR. INABA: Yes.

MR. OKAMOTO: We're still hoping for early November.

CHR. HIRAKAMI: I mean it's such a minor issue on one portion of the project, and a small portion of the project, holding up the larger part of the project, so that's even kind of like an unnecessary stall.

MR. INABA: Yeah, and unfortunately we had to encompass the whole thing, so the EA has to cover all of it. Cannot parcel it out.

MR. OKAMOTO: Any other questions for Kurt? All right. Thanks, Kurt.

CHR. HIRAKAMI: And we're going to Item D.

**D. REVIEW OF MONTHLY FINANCIAL STATEMENTS**

*Chair: Is there any testimony for this item?*

Submission of financial statements and information relating to the financial status of the Department. Department personnel will be available to respond to questions by the Board relating to the financial status of the Department.

MR. OKAMOTO: Candace.

(Note: At this time, Waterworks Controller Candace Gray gave a brief overview of the Financial Statements – September 2023.)

CHR. HIRAKAMI: Any explanation for the increase in receivables?

MS. GRAY: Okay, so the delinquencies increased \$5,956 during the month of September, and much attributed to the timing of the billing. As you can see, the fluctuations pretty much stays within the \$25,000, and \$25,000, \$10,000. We are getting to the point of looking more into the details, you know, hopefully give a little bit more—

CHR. HIRAKAMI: So, the shut-off notices are after 30 days? How many days delinquency before the shut-off on the accounts?

MS. GRAY: Sixty (60).

CHR. HIRAKAMI: And then what's the actual leeway time you give them between the shut-off and not paying the bills, after they get the notice?

MS. GRAY: I guess in practice I would say they have about six months with the time lag, as far as the process.

CHR. HIRAKAMI: About what, six months?

MS. GRAY: Yes. I did lay it out in my handout in the previous discussion.

CHR. HIRAKAMI: How aggressive are we at shutting the water off? I mean I know it's a really bad thing and a last resort, but are we actually following through or are we giving—?

MR. OKAMOTO: We actually do shut off accounts, but we try to give our customers as much opportunity as can, even in negotiating payment plans, so we don't have to shut them off. Then they also have the appeal process, per our Rules and Regulations, on requesting for an Administrative hearing, and then if that hearing doesn't go to their liking, then it comes to the Board for potential adjudication process at the Board level.

CHR. HIRAKAMI: How many follow-up letters do we send, like shut-off notices? I know that it's in the water bill, and could we do more of a progressive system of reminders? Or like if you see the water shut-off notice, you see your second notice, or you see your third notice.

MS. MELLON-LACEY: If I may, this is going a little (INAUDIBLE) from the Financial Statements. My recommendation would be if you want to have a discussion of the whole process of how receivables are handled that we schedule that as an agenda item, and then perhaps we could—Candace could really give us a breakdown of exactly how that's going.

MR. OKAMOTO: And we know Board Member Ney has been asking for that discussion and we have it programmed I think for January. We were trying to get it in this year, but we're currently going through the annual audit with new auditors, and they have different means than prior auditors. Our staff is having to adjust to the new auditors, and it's a significant effort.

CHR. HIRAKAMI: We'll put it on the agenda because this item was actually started by the former Chair, and we discussed it a lot before this meeting, so we never really had a strategy moving.

MR. NEY: It's good it's brought up though to keep it fresh, because all these holes haven't been plugged for like years and years, and that's why I harp on it at least sometimes myself. One quick question about out cash ledger, though. What is cash on hand that we usually keep as a department? Is there sort of a number that we usually say, "Hey, we've got so much cash on hand?"

MR. OKAMOTO: That's why we're trying to establish, I think with our current rate study and fiscal policies reserves, and there are several different reserves that we're shooting to set those kind of parameters for. I think one is for emergencies, the other one is for CIP reserve, so we can tap into that for construction projects.

MR. NEY: Yeah, it's interesting to move around kind of a wide range, like sometimes we're flushed, sometimes like I understand there a lot of—but we've kind established how much, as a normal, like the department should have as a buffer.

MR. OKAMOTO: Yes. Candace, did you want to say?

MS. GRAY: I would say that is definitely the goal and the objective.

MR. OKAMOTO: Objective, yes.

MS. GRAY: And something that we definitely are striving for.

MR. OKAMOTO: So next month, we have scheduled for November an update from our consultant that's doing our rate study, and I think that could be part of that discussion also, you know the reserve policies, setting some parameters for a good fiscal policies and things like that.

MR. NEY: Well, we should be in a healthy cash position because with the interest rate it makes me a little nervous. In the private sector, the interest rates are low. Water companies load up on the cash when they have rough times, so I'm just wondering with our cash position where we stand. Who knows, unforeseeable events; that we're in a healthy position, that's all.

MR. OKAMOTO: Yes, Kawena?

MR. LOPEZ: Relative to an earlier comment about agendizing in January for this, I'll refer the Board members, for the June 27<sup>th</sup> meeting agenda, there was an attachment, Item D, which is what you're referring to, which explain what the collection processes—it would be good to revisit that before we get into this.

MR. OKAMOTO: Thanks, Kawena.

MR. LOPEZ: It's because I like this table in front of here, that's why.

MR. OKAMOTO: Okay, cool. Yeah, yeah, yeah.

MR. LOPEZ: Just a reminder, it would help.

MR. OKAMOTO: Okay, and then what we'll do is—I think maybe as part of the agenda item, we'll reinsert that as part of the agenda item.

MR. LOPEZ: June 27.

MR. OKAMOTO: That helps us a lot, thanks. June 27, 2023. Thank you.

Any other questions for Candace? If not, we'll move on to Item G, Manager-Chief Engineer's report.

#### **E. MANAGER-CHIEF ENGINEER'S REPORT**

The Manager-Chief Engineer to provide an update on the following:

1. North Kona Wells
2. Groundbreaking for Lālāmilo 10MG Reservoir

CHR. HIRAKAMI: Any discussion on this item? Seeing none. Keith.

MR. OKAMOTO: Okay, and as usual, I will turn it over to Kawika for an update on the Kona wells.

MR. UYEHARA: Okay, thank you. So for this month, I think per the Board request last month, to provide a map; we created an 11x17, in your packet. It should be in color.

So north is to the left; South Point is to the right on the map. One correction we wanted to make was on the northern end, Mākālei well, we should have actually put it on red because we consider that a basal source. So the red texts are the basal sources, and the purple texts are the ones for the high-level lower chloride waters. So for this month, we have 14 sources in North Kona, 10 are online and 4 are offline.

MR. LOPEZ: Ten online?

MR. UYEHARA: Thank you for asking. Yeah, so I'll get into that, as far as if you need details. So the ones that are offline are Palani, Honōkohau, Mākālei, and Wai'aha. Palani well, we're working on the repairs. We're anticipating repairs by early November. Honōkohau is also under repair, and that one has a completion date of December 25<sup>th</sup>, this year.

The Mākālei well, which was brought up earlier, that's the one the developer is repairing under their warranty. They have told us that in the next couple of weeks they're planning to start demolition of the control building probably, and also installing thereafter SCADA equipment, which is the communications. They got word the replacement pump got shipped, so I think they're trying to track down estimated delivery time of the item, so at least that one is moving on repairs. Wai'aha, I think we're going into Executive Session on details for that.

So the other one we wanted to mention was of the 10 running one of them is Keopu well, but we are running it at reduced capacity right now, lower capacity, and we're working—well, we're procuring the pump and seal I believe with that one—pump, seal, and motor cable. Oh, they have it already?

MR. OKAMOTO: Yeah.

MR. UYEHARA: Looking to complete that first week of December, we're working on that. But it's running at reduced capacity.

MR. LOPEZ: So first week in December, it will come up full capacity?

MR. UYEHARA: Anticipated. Ideally. Are there any questions?

MR. LOPEZ: Yes.

MR. OKAMOTO: Go for it, Kawena.

MR. LOPEZ: Always because it's near and dear to me. This well that you show here at Kona Heights—

MR. INABA: Those are tanks.

MR. LOPEZ: That's a tank?

MR. INABA: Yep.

MR. LOPEZ: Okay, thank you. Is that tank—let me rephrase the question. There is a tank on a lot that's on Puakinikini Street, is that an operation? Is there water in it? I understand Bolton was to tear that down when they built a new—

MR. INABA: So they had two corridors proposed. When they did the north corridor, that would be replaced.

MR. LOPEZ: Oh, they did that?

MR. INABA: They did not do that one.

MR. LOPEZ: They did not do that.

CHR. HIRAKAMI: You know why, pretty close to—

MR. INABA: Yeah, that one is incomplete.

MR. LOPEZ: How about the one coming from the other side? I think pictured here.

MR. INABA: No, so that one there is just removed, the new transmission route would be around and coming down.

MR. LOPEZ: Where the new tank is?

MR. INABA: Yes.

MR. LOPEZ: There is water—being serviced water from that tank. That's the one that's going to be taken down?

MR. INABA: Yes.

CHR. HIRAKAMI: Any other questions?

MR. NEY: So when you look over, like Keahou, those upper lots, where the (INAUDIBLE) down, is this all interconnected, in terms of your pressure head and everything? Are those lots up mauka on catchment?

MR. INABA: Most of them are catchment.

MR. NEY: Yeah, because I was looking at it, well there's no well source.

MR. INABA: So if there's no—you cannot really tell, but if there's no—like blue line, those are waterlines. Exactly waterlines, yeah, water mains. All of those really light-colored lots, the lot lines, those don't have waterlines fronting them.

MR. NEY: So there's not a lot of activities between the water systems? There some, but not—

MR. INABA: There are a few that have private lines, so there's a master meter. So some of the subdivisions below the upper highway, if you see those lots, some of them have private waterlines, so we don't have that, that's not ours.

MR. NEY: Got it.

MR. INABA: They're fed from our system. But yeah, you have a private line in there.

CHR. HIRAKAMI: What is the deepest well on this island?

BOARD MEMBER: Waiki'i?

MR. INABA: Yeah, but that's a private well, though,

MR. UYEHARA: Ours is HOVE, Hawai'i Ocean View Estates, I believe, which is almost—by over 2,000 feet deep .

CHR. HIRAKAMI: I noticed the ones—because Kaloko mauka, we got wells going all over the island.

MR. UYEHARA: Those are water tanks.

MR. OKAMOTO: Boosters.

CHR. HIRAKAMI: Boosters, yeah. But the wells that that feed the higher elevations, like Hualalai is about 1,700 feet, so it's already deep already.

MR. INABA: Yeah, very deep.

MR. OKAMOTO: Those high-level wells are typically over 1,500 feet in depth, sometimes closer to 1,600.



MR. UYEHARA: 1,700, yeah.

CHR. HIRAKAMI: What's the maximum you could go to as far as the well, as far as efficiency and stuff like that?

MR. OKAMOTO: That we're not sure, but we'd like to keep it as what they are as the max for our operations because of the challenges that we've already been facing. We do understand that it can go deeper. I know, like somebody said Waiki'i is deep.

MR. NEY: That's what I call as deep.

MR. OKAMOTO: Yeah, I don't know the actual depth to water on that one.

MR. NEY: It would be interesting to find out, Keith. I mean you guys haven't—like talk to whoever built it, or got a little background on that?

MR. OKAMOTO: Yeah, theirs is a much lower horsepower, much lower capacity.

CHR. HIRAKAMI: So I mean the Kaloko Mauka users, they're paying the same rate as anybody on the island, but for us to get the water to their—also considering pumping between all these water is pretty expensive, as far as power cost.

MR. OKAMOTO: At one point and time, they did have different rates.

MR. INABA: There was a surcharge on their bills.

CHR. HIRAKAMI: And we don't do that anymore?

MR. OKAMOTO: Right now, overall we are just trying to maintain an island-wide uniform rate.

MR. INABA: I think when the developer initially did that, they had like an agreement, especially because initially it was not going to have many customers, and we will be pumping all the way up for just a few customers, and I think there was a timeframe on that, but that lapsed. We adjusted the rates to remove that.

MR. NEY: I'll try to find a little bit information on Waiki'i because I believe Bob was involved in some regards with the finances of that development, I think a little background. I mean, that system is running smoothly. I haven't really heard of any real issues, so I'm wondering what they're doing differently in their design to have a functioning system, with having little problems.

MR. OKAMOTO: Yeah, it wouldn't hurt for us to get that information, too. So if there is a point of contact that he can point us to, we're open to—yeah.

MR. LOPEZ: I have another question again, Kona Heights. I understand what you told me about the tanks. So is that tank that's there, like a blue in the Kona Heights, is that being source above the Māmalahoa Highway, and it is there to feed into Heinaloli Road.

MR. INABA: Yes.

MR. LOPEZ: So everything else along that line is following that dark line, that's not the property line. That's a transmission line?

MR. INABA: Yes.

MR. LOPEZ: Okay.

MR. INABA: Also, that south mauka tank, just to the right of that Kona Heights, that's another tank feeding that service over there.

MR. LOPEZ: I'm sorry which?

MR. INABA: Wai'aha south.

MR. LOPEZ: Wai'aha south?

MR. INABA: Yes, mauka.

MR. LOPEZ: And that's feeding?

MR. INABA: That feeds into the same distribution system as that Kona Heights tank.

MR. LOPEZ: Oh, yeah. But as far as going to Heinaloli Road, it's just a transmission line from the upper road?

MR. INABA: Yeah, because it even comes from south of the Holualoa side, too.

MR. LOPEZ: A lot of pressure. Thank you.

MR. OKAMOTO: A picture tells a thousand words.

MR. LOPEZ: And the transmission lines, I appreciate this.

CHR. HIRAKAMI: We always talk about the Kona up water system but never had a complete picture of it like this map.

MR. UYEHARA: Thank you for asking that. By all means, if you guys want a larger map. We just thought it would be easier to put it on a map. We have it in a larger format.

MR. OKAMOTO: Or any other system too that you guys may have interest in, just shoot us an email, and then we can get you graphics like this. I'm surprised you guys can actually see it because with eyes I can't even—

CHR. HIRAKAMI: Is this on the GIS software that we got for the department?

MR. OKAMOTO: Yes.

CHR. HIRAKAMI: Making use of it.

MR. OKAMOTO: Oh, yes, it's a useful tool. It's a form of centralized data retainage, with graphics incorporated.

MR. INABA: That is probably the most useful.

MR. OKAMOTO: Tool.

MR. INABA: You know, collectively within the department, which helps.

MR. OKAMOTO: Engineers, Customer Service, Operations.

CHR. HIRAKAMI: It's good for the department when we do presentations, and we have to use that; give us some maps. It's really understanding.

MR. INABA: This one was done by our GIS, kind of assisted.

MR. OKAMOTO: So even, Kawena, if you want certain subdivisions or hydraulic understanding of what areas are fed and how, just shoot us an email, just let us know. That doesn't require Board action, that's just information we could give out to the general public, as well. Any other updates for the well, Kawika?

All right, and then for groundbreaking for Lālāmilo, we just wanted to keep the Board informed. I guess what I would like to know is how many people would want to participate in the groundbreaking. Yeah, definitely the Board Member representing the region. Because if we have more than two, it would require a Special Meeting of the Board. Sunshine Law, yeah. We're shooting for end of November. So besides Ben, is there anybody from the Board that would like to attend the Lālāmilo groundbreaking? Chair? Okay. So if we only have two, you guys are free to come up, but if there are three or more, then we have to agendize it as a Special Board Meeting with all the public notification.

MR. INABA: I do want to kind of clarify that may be an issue. We found out last week that we still would need to—we'll need to sign waivers with Parker Ranch.

MR. OKAMOTO: Oh, okay.

MR. INABA: So if it's a Special Meeting, I'm not sure if that's public, then that might generate a bigger concern.

MR. OKAMOTO: Special Meeting, it would have to be open to the public.

MR. INABA: Yes.

MS. MELLON-LACEY: Well, there's some caveats there. If it poses a danger to the public, and so it wouldn't be a safe place for the public to go. There's some work around there. I have to look for the rules. Yeah, if there's a danger.

MR. OKAMOTO: Yeah, I don't think that's something we could utilize.

MR. INABA: No construction is actually ongoing, so it's not like—

MS. MELLON-LACEY: I know that Parker Ranch is like super strict about the requirement of these waivers, but I know that groups have gone up there, as long as everybody is going to sign the waiver. They just want to have a waiver signed. I don't think it's really an impediment to people going. It's just they want the waiver signed, so if something happens, they're not wanting—

MR. NEY: Did we require that, or what's the process?

MR. OKAMOTO: So, it's not ours yet.

MR. NEY: So they kind of extend the rules.

MR. OKAMOTO: If it's ours—and then the other tricky part that I wanted to confirm with Kurt too, so we have that access road, that waterline easement for our pipelines that are there already, coming from our well sites, but it's an easement.

MR. INABA: That's only an easement, yes.

MR. NEY: I know that Parker Ranch—every part of the way to getting this thing off the ground. I'm going to remember them when they come back in.

MR. OKAMOTO: Actually, maybe it's partly my fault. I didn't want to paint them in that terrible light. They have to do what they have to do I guess to protect their interest. We maybe had the misunderstanding that we could move forward with certain parts of the project, that maybe we weren't on the same page with them.

MS. MELLON-LACEY: They're very strict about complying with their rules.

MR. NEY: It's kind of moving (INAUDIBLE) over the last—

MS. MELLON-LACEY: It's not just with DWS.

MR. OKAMOTO: They're consistent at least.

MR. INABA: They're not treating us any differently.

MR. UNGER: Who are we dealing with at Parker Ranch?

MR. OKAMOTO: Mostly with Jonathan Mitchell.

MR. UNGER: Okay.

MR. OKAMOTO: Again, he has to comply with the Trustees and the CEO. The other alternative was actually working with State property. But to be quite candid, even with the hiccups with what we've experienced, it was probably an easier path than navigating with the State and the Land Board.

MS. MELLON-LACEY: Yes.

MR. UNGER: Maybe, put me down as a “maybe,” but I don't want to kick it. If there's three people, I don't want to kick it into another category. But if it's easy, I might be interested in going; if it's not, I'll back down,

MR. OKAMOTO: Okay. And hopefully there's other opportunities for other groundbreaking. You know, especially we want to give preference to the Board Member whose district it's in.

MR. UNGER: Oh, yeah.

MR. OKAMOTO: Hopefully, there's an opportunity. The project for you and Kawena might be our mid-elevation deepwell, that is another significant project that we'd like to move forward on.

MR. UNGER: Let the Board Members to just get eyes on a project, that's really important.

MR. OKAMOTO: And where can too, we still want to provide opportunities for the Board at a regularly scheduled meeting to do site visits like we did up in Waimea, because we think it's beneficial for you folks to see. Thank you. Appreciate that. That's all I have, Mr. Chair, for my report.

CHR. HIRAKAMI: Okay, we'll move to Item F, a long-awaited discussion on the Wai'aha wells.

**F. EXECUTIVE SESSION REGARDING STATUS OF DISPUTED JOB NO. 2016-1056, WAI'AHA DEEPWELL REPAIR, DISTRICT OF NORTH KONA**

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The Board anticipates convening an executive meeting regarding the above matter, pursuant to Section 92-5(a)(4), Hawai'i Revised Statutes, as amended, for the purpose of consulting with its attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities, including the current status of the litigation. A 2/3 vote, pursuant to Hawai'i Revised Statutes Section 92-4 is necessary to hold an executive meeting.

CHR. HIRAKAMI: I need a motion and a roll call vote.

**ACTION**: Mr. Unger moved that the Board enter into Executive Session; seconded by Mr. Lopez and carried by the following roll call vote: Ayes: 6 - Mr. Brown, Mr. Kekela, Mr. Lopez, Mr. Ney, Mr. Unger, and Chairperson Hirakami; Absent: 3 - Mr. Bell, Ms. Hugo, and Ms. Keolanui.

(The Board entered Executive Session at 11:12 a.m. and returned at 11:48 a.m.)

CHR. HIRAKAMI: Okay, I'm going to call the Regular Board meeting back to order. Coming out of Executive Session, I'd like to enter a Motion to accept the Settlement and Release Agreement between the Department of Water Supply and Derrick's Well Drilling & Pump Services. Do I have a motion?

**MOTION**: Mr. Brown moved to accept the Settlement Agreement by and between Derrick's Well Drilling & Pump Servicers, LLC and Department of Water Supply, County of Hawai'i, relating to Job No. 2016-1056, Wai'aha Deepwell Repair, District of North Kona; seconded by Mr. Unger.

CHR. HIRAKAMI: Moved and seconded. Is there any discussion? Hearing none. We're ready for the question, all in favor of this motion say "aye."

**ACTION**: The motion to accept the Settlement Agreement by and between Derrick's Well Drilling & Pump Servicers, LLC and Department of Water Supply, County of Hawai'i, relating to Job No. 2016-1056, Wai'aha Deepwell Repair, District of North Kona, was carried by the following voice vote: Ayes: 6 - Mr. Brown, Mr. Kekela, Mr. Lopez, Mr. Ney, Mr. Unger, and Chairperson Hirakami; Absent: 3 - Mr. Bell, Ms. Hugo, and Ms. Keolanui.

CHR. HIRAKAMI: Okay, Motion passed. The next item on the agenda is another Executive Session.

**G. EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2023**

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The Board anticipates convening an executive meeting to consider the evaluations of the Manager-Chief Engineer and Deputy for its annual performance review, as authorized by Hawai'i County Charter Section 7-4.6(d) and Hawai'i Revised Statutes ("HRS"), Sections 92-4 and 92-5(a)(2). The Board wishes

to have its attorney present, in order to consult with the Board's attorney on its questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities pursuant to HRS Section 92-5(a)(4). A two-thirds vote of the members present, pursuant to HRS Section 92-4, is necessary to hold an executive meeting, provided that the affirmative vote constitutes a majority of the board.

**ACTION:** Mr. Lopez moved that the Board enter into Executive Session; seconded by Mr. Unger and carried by the following roll call vote: Ayes: 6 - Mr. Brown, Mr. Kekela, Mr. Lopez, Mr. Ney, Mr. Unger, and Chairperson HIRAKAMI; Absent: 3 - Mr. Bell, Ms. Hugo, and Ms. Keolanui.

(The Board entered Executive Session at 11:49 a.m. and ended at 12:01 p.m.)

**CHR. HIRAKAMI:** Okay, I want to call the Regular Session of the Water Meeting for October back to order. We are going to have my report.

## **H. CHAIRPERSON'S REPORT**

Chairperson to report on matters of interest to the Board.

It's really a pleasure that we're finally getting some longstanding things off the plate. Ever since I came all of this—that Wai'aha well, Mākālei well, I'm really glad settlement during my tenure on the Board. I'm glad to see that—next month, is it elections?

**MR. OKAMOTO:** I think December is elections for the Board Chair and Vice Chair.

**CHR. HIRAKAMI:** So my term ends on December 31<sup>st</sup>; and unless I get replaced, I'll have two more months, then I can serve after that.

**MS. MELLON-LACEY:** Ninety days.

**MR. OKAMOTO:** Three months. We'll stretch it out as long as we can.

**CHR. HIRAKAMI:** Yeah, but then I'll be sitting on the Board, and of course I'll turn it over to the new Chair earlier. It's been a real pleasure. This is the best Board. I've sat on other County boards, and it's been a real pleasure. We actually do something on this Board. Our fiscal responsibilities are different from any other board that you can sit on in the County. I thank you guys all for the service because it's a really important decision in—I've enjoyed myself. I served as a Vice Chair under Chairman DeLuz, and it was pretty entertaining, and it was informational too, so I learned a lot. Anyway, I just want to express my appreciation. I hope we get to Lālāmilo before I term out.

## 6) **ANNOUNCEMENTS:**

**Next Meeting:** - November 28, 2023, 10:00 a.m., at the West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokālole, Hawai'i.

**MR. OKAMOTO:** And we're still working on how to hybrid. I think we're getting close.

**CHR. HIRAKAMI:** To do hybrid?

**MR. OKAMOTO:** Yes, in person and web-conference.

**CHR. HIRAKAMI:** We have the capability here. Isn't that done yet?

MR. OKAMOTO: So I know we've tested some equipment out and it seems to work. We want to make sure it works before we implement it, because I think once you go hybrid, whatever communication or technology failure, the meeting stops.

MS. MELLON-LACEY: Yes, it could stop, and then you can resume within 30 minutes.

CHR. HIRAKAMI: Even with a hybrid, you want some of the meetings over in Kona.

MR. OKAMOTO: Oh yes, for sure. Once we do that, we're not going to—

CHR. HIRAKAMI: The purpose of moving it is not for us, it's for public input.

MR. OKAMOTO: Yes.

CHR. HIRAKAMI: It's absolutely good to move it, so that if there is any testimony or any public equipment, it's working from both side. That's the reason I think most boards rotate between both sides.

MS. MELLON-LACEY: And one of the big problems, if you don't have a good, like a mic system or something, then people won't hear each other, like with the hybrid, we can't hear them. If you hear public testimony (INAUDIBLE) on that.

MR. UNGER: You can't do it consecutively?

MR. OKAMOTO: We inquired. Apparently, you have to be serving for two years or less.

MS. MELLON-LACEY: It's two years. I think if there's a different restriction in the statute for the Water Board.

MR. OKAMOTO: Oh, really?

MS. MELLON-LACEY: It's even more—

CHR. HIRAKAMI: And the other drawback is that I work at District 5, which I'm no longer in because District 5 used to be Kalapana.

MR. OKAMOTO: Oh yeah, they redrew the lines, yeah?

CHR. HIRAKAMI: Yes, they redrew the lines, so I'm now in District 4. I know we didn't double the District 4 representation for this report. I know it's required. They were looking for a cabinet opportunity, from District 5.

MR. NEY: You can always come back after one term lapse, right?

MR. OKAMOTO: I think one year.

MS. MELLON-LACEY: Two years. Because this is something that you've already (INAUDIBLE) on. It isn't a secret.

MR. OKAMOTO: So maybe the Settlement Agreement—

MS. MELLON-LACEY: Oh, they've approved it.

MR. OKAMOTO: Okay, is it public record?

MS. MELLON-LACEY: It really isn't secret anymore.

7) **ADJOURNMENT**

CHR. HIRAKAMI: The meeting is adjourned.

(Note: There was no motion made to adjourn the meeting.)

(Meeting adjourned at 12:08 p.m.)

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Recording Secretary