

MINUTES

DEPARTMENT OF WATER SUPPLY COUNTY OF HAWAI‘I WATER BOARD MEETING

January 23, 2024

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

MEMBERS PRESENT: Mr. Stephen Kawena Lopez, Chairperson
Mr. Michael Pono Kekela, Vice-Chairperson
Mr. Michael Bell, Water Board Member
Mr. Steven Hiramaki, Water Board Member
Ms. Kea Keolanui, Water Board Member
Mr. James Kimo Lee, 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. Thomas Brown, 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
Mr. Warren Ching, Energy Management Analyst
Mr. Alvin Inouye, Water Operations Superintendent
Ms. Nora Avenue, Recording Secretary

- 1) **CALL TO ORDER** – Chairperson Lopez called the meeting to order at 10:01 a.m. A quorum of eight 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.

(There were none.)

3) **APPROVAL OF MINUTES**

Minutes of the December 19, 2023, Water Board Meeting

ACTION: Mr. Ney moved to approve the Minutes of December 19, 2023; seconded by Mr. Unger and carried unanimously by voice vote: Mr. Brown was absent.

- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA – None.
- 5) **POWER COST CHARGE:**

Chair: Is there any testimony for this item? Hearing none.

Departmental power costs from all power sources decreased since the last Power Cost Charge rate was determined. The Department proposes to decrease the Power Cost Charge from \$2.64 to \$2.37 per thousand gallons as a result of this decrease. Power cost charges over the past year were as follows:

<u>Effective</u>	<u>PCC</u>
September 1, 2023	\$2.64
April 1, 2023	\$2.70
January 1, 2023	\$3.04
November 1, 2022	\$2.87
September 1, 2022	\$2.75

A Public Hearing will have been held prior to this Board meeting to accept public testimony on this change.

It is recommended that the Board approve the decrease of the Power Cost Charge from \$2.64 to \$2.37, effective February 1, 2024.

MOTION: Mr. Kekela moved for approval of the recommendation; seconded by Ms. Keolanui.

CHR. LOPEZ: Discussion?

MR. HIRAKAMI: I just wanted to know, is this going to decrease based on a calculation of the average of power cost, or is it a percentage? How are we doing it? It's kind of actual, we're taking like a four months actual and averaging it?

MS. GRAY: It's just based on the revised formula, over the four-month review period. We take the electricity cost for that period, that 4-month period, divide it by our consumption, plus the difference between our electricity billing and our actual revenue, so we take that difference into account.

MR. HIRAKAMI: So it's based on actual calculation, averaged out every four months. Thank you.

MR. UNGER: So we talked about that last week also, every four months now we're going to do this, is that what we agreed on?

MR. OKAMOTO: Yes. Just as a refresher, because some of the Board is new, so what we do is we've decided through Board action to revise how we calculate the Power Cost Charge, and because of extensive evaluation done by our Energy Management Analyst, the scenario of evaluating it every four months regardless as well as inputting another factor which was the difference, I guess the delta between the previous calculation and the current calculation, will bring us closer to the actual cost of power paid for. So that's what goes into this Power Cost Charge calculation.

CHR. LOPEZ: Any other discussion?

MR. HIRAKAMI: That's a good explanation for the power cost, for the Board to know and for the public to know. Thank you. That's why I asked the question.

MR. NEY: Just to add, it was the intention to close the loss that we had, because we had quite a write-off of debt for uncollected power cost. Ultimately, the result is by the consumer to absorb it. Anyway, in the long run, if we had to raise to cover those, just assume that the cashflow of that cost.

CHR. LOPEZ: Any other discussion?

MR. OKAMOTO: Yes just real quick, just to clarify, so we're not going to be able to recoup past, I guess, shortage that the department experienced because of the prior calculation; but what this revised calculation would do is to not let that continue down the road. It's to prevent that from happening as much as possible. Thank you, guys.

CHR. LOPEZ: Any other discussion?

MR. LEE: Yes, how is it calculated?

MR. OKAMOTO: What we do, we basically take what we pay HELCO, or HECO now, basically our electric bills for our pumping, well all of our electric bills, and then we divide it by our consumption for that same period, in thousands of gallons, and that's how we come up with it. So if you look at it, it's a significant portion of everybody's water bill. Yes, Candace?

MS. GRAY: I do want to clarify that the electricity cost that we include does not include the cost for let's say administration or office buildings.

MR. OKAMOTO: This kind lighting.

MR. UNGER: Oh, okay, just for probably pumping water?

MR. OKAMOTO: Yes. Thanks, Candace.

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

ACTION: There being no further discussion. Motion was carried unanimously by voice vote.

CHR. LOPEZ: Before we go on to the next item, I was going through my agenda, and it says to introduce our new Board Member at the end. Let me take care of that. Mr. Lee, you rather just go by "Kimo." What district do you represent?

MR. LEE: Two.

CHR. LOPEZ: Two districts or District 2? That's a joke. Okay, everybody seems to know this gentleman.

6) **SOUTH KONA**:

A. **JOB NO. 2021-1179, KEEI #2A & #3B BOOSTER REPAIR – REQUEST FOR TIME EXTENSION:**

The Contractor, Beylik/Energetic A JV is requesting a contract time extension of 60 calendar days. The request is due to a delay from the impeller manufacturer in providing the pump manufacturer with necessary pump components for assembly. This delay was beyond the control of the Contractor.

Staff reviewed the request for the time extension and the accompanying supporting documentation and found the 60 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	01/13/2023	07/07/2023	175	Delays from Manufacturer regarding recommended material and design changes.
2	07/07/2023	12/31/2023	177	Delays from Manufacturer for equipment and material substitution requests.
3	12/31/2023	01/31/2024	31	Delays from motor Manufacturer.
4	01/31/2024	03/31/2024	60	Delays from impeller Manufacturer.
Total Days (including this request)			443	

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 60 calendar days to Beylik/Energetic A JV, for JOB NO. 2021-1179, KEEI #2A & #3B BOOSTER REPAIR. If approved, the contract completion date will be revised from January 31, 2024, to March 31, 2024.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: Yes, Mr. Chair. Board Members, unfortunately there is another delay to this project; this time it's due to the impellers, which is basically that propeller looking thing within the pump bowls. Apparently, the manufacturer of that impeller part of it is behind, as documented by the correspondence from Beylik.

Fortunately, I do want to share that this is a proactive repair from our Ops. team, and I think at both sites we still have two operating boosters at each site, normally there's three available, which is good to begin with for the redundancy, and we still have two operating at each site.

MR. UNGER: The well is operating.

MR. OKAMOTO: Yes, it's the boosters. Our system is not really affected at this time by this repair delay, I guess is what I'm trying to say. But if there are technical questions—

CHR. LOPEZ: Before we go to that, so is this going to be delayed beyond January 31st?

MR. OKAMOTO: Yes, it's going to be. We're asking for your approval to change the completion date to March 31, 2024.

CHR. LOPEZ: So that requires amending the motion?

MR. OKAMOTO: No, that's the motion. That's the recommendation.

CHR. LOPEZ: Oh, I see that at the last line, thank you. Okay, go ahead, Steve.

MR. HIRAKAMI: Are these impellers and the motors same for the three boosters, and is this something that they may want to keep on stock because of the delay, because it's been over a year? Is this the kind of booster that probably we want to keep? They're all like synonymous, interchangeable with our boosters? Are all boosters, the pumps, the motors, and impellers the same?

MR. TAKAMOTO: In some instances, yes, the motors could be interchangeable. As for the impellers, the pumps are different manufacturers, different sizes, so they are not interchangeable.

MR. OKAMOTO: My understanding—good question. So sometimes we have boosters that are really redundant, exact same for the two of them. In this case, we have three on each site, and each three are different. Like one would be 100 gpm, one would be 250, the other 375, as an example. Boosters are a little bit different also, because when you pump different rates and they experience different head-losses between the booster station and the receiving tank, so that all factors into the pump design. So I think even with the impellers, what they do is sometimes they have to shave them down so that we get I guess the most efficient, and within whatever the pump design curve, things like that. Long answer to the short questions is these are all custom at this point. It would be hard to stock them on shelves. And again, the good part about this is we have three sets at each location, so we have redundancy already built into the system.

CHR. LOPEZ: Any other discussion on the motion?

MR. LEE: Did they give you guys a date of when the delivery of the—?

MR. TAKAMOTO: They did not. The pump for Booster 3B is complete, and the two motors were received. It's the pump for 2A that is currently up in the air right now. That's the one we're waiting for the impellers.

MR. OKAMOTO: Could be, you know, if it doesn't pan out to what they think, we could be coming back again for another extension. Good question, Kimo.

MR. LEE: Okay, I got a better question. What's the difference between an impeller and a propeller?

MR. OKAMOTO: One pulls, the other pushes.

CHR. LOPEZ: Okay, thank you.

MR. LEE: Good answer.

MR. OKAMOTO: I could be wrong, but yes.

CHR. LOPEZ: Okay, back to order. All in favor of the motion?

ACTION: There being no further discussion. Motion was carried unanimously by voice vote.

7) MISCELLANEOUS:

A. DISCUSSION REGARDING 2024 WATER BOARD MEETING SCHEDULE:

Chair: Is there any testimony for this item?

For discussion and possible action.

CHR. LOPEZ: This, I don't believe requires a motion. It's a matter of putting it on the table for discussion.

MR. OKAMOTO: Yes, we put it on the agenda because I think it was requested by the Board to have it on the agenda. I believe it's open for discussion. If you see within your packet, Nora has provided what we currently have as the schedule with the location, so what is not amendable at this point is the date and the time because that's locked in by our Rules and Regulations. So what can be considered for discussion now is the venue, the location, and possibly another update from Kawika on where we stand as far as the hybrid implementation.

CHR. LOPEZ: Probably some history with this for the last year. As a board, and my understanding, this is something real, in concert with the department to schedule for us. I think we need more time than we've been given in the last two years, I don't know what happened before that, in the last two years to vet this schedule before it gets given. We can't look at it December, just throw it out there, and in January we start meeting, because it takes time. It takes maybe weeks or months to schedule meetings. So that's the intent, at least my intent, for bringing this to the floor.

The other aspect in my estimation is that we meet for the purposes of conducting our business in a public forum and providing public to participate. So the earlier we have notification, the better; and we serve all the members of the island, not just east and/or west, the entire island. That's another purpose that I had in mind.

So with that, I'd like to open this. I noticed, probably by saying, when this was done in February, we will have had three meetings in a row in Hilo, but then I look at the schedule and it's not so bad. We have more Kona meetings this year than we had this past year, so it's not as bad in my estimation as it was once we get over this three-meeting hump. It's for the Board members on the west side to be able to participate more. But the other aspect of this is that we're talking about hybrid meetings and remote access, so that could solve all this problem once that happens, and Keith said, "That maybe by March, they'll have a final course or not." So with that, I'll open it up for discussion.

MR. UNGER: Kawika, you want to give us an update on the hybrid meeting?

MR. UYEHARA: Sure. So for a hybrid version of our Board meetings, the plan is to start it up by next month, within the first quarter of this year, we're trying for the February meeting. We still need the in-person location, as required, to have that hybrid access via Zoom. We still need to clean up some of the technical side like streaming it. There are some options. We could go Facebook live or YouTube, but we have to keep the public viewability live, and then still be able to connect into a meeting, say if they want to testify on a certain item throughout the meeting. Yes, the goal is to get it up by next month.

CHR. LOPEZ: Next month, February.

MR. OKAMOTO: So like Kawika mentioned, we'll still need a physical location because that's part of the requirement; and Diana, correct me if I say anything wrong, the other thing for us to consider with the hybrid is if that remote access goes down for 30 minutes, then basically you terminate the meeting. At that point?

MR. UYEHARA: Yes.

MR. OKAMOTO: So anything that happened prior to that counts?

MR. UYEHARA: So that would be where we Notice the meeting. If we put in our Notice in the agenda, like in the instance where the meeting gets disconnected this is how the DWS and the Board will proceed to continue. We have to predetermine that, like the next day at the same time, then we could continue the meeting; but if we don't have it notified in our agendas, then from what I understand we would have to start the meeting all over.

MS. MELLON-LACEY: So by including a contingency with a date and time if had to continue, then it allows the meeting to continue, you don't have to revisit what happened before; but if you don't do that, then you'll have to do the meeting all over.

MS. KEOLANUI: When we were doing remote meetings for the pandemic, did that ever happen that we can recall?

MR. OKAMOTO: Not that I can recall, not for that pandemic time.

MR. UYEHARA: We would recess for a period, but not if we went up to 30 minutes.

MS. KEOLANUI: And remote meetings were happening for about a year, I think it was, or a little more than a year.

MR. UNGER: So not reinventing the wheel.

MR. OKAMOTO: Yes, not really. But there are new rules, so we were kind of working within the rules at that time; but since then—was it HRS?

MS. MELLON-LACEY: It's OIP. The Office of Information Practices has come out with these new rules, and it was passed by the Legislature too, to ensure that everybody has access for testimony. It's just a little more stringent. It just keeps in order a little bit more, and it puts a little more onus I think on the department in terms of the set up. But, it wouldn't affect the Board.

MR. UNGER: So say we're implementing this and we have a quorum of Board members present at the meeting in the room and one or two up there, power goes out, we lose them, we still have quorum.

MR. OKAMOTO: It depends if there's public—what if there's no public accessing the meeting, does that still apply?

MS. MELLON-LACEY: What do you mean if there's no public people?

MR. UNGER: If there's no public sitting—

MS. MELLON-LACEY: No, it would still apply because the potential is there. You have to advertise the meeting basically as being a hybrid meeting; and since you don't know when people might jump on or make a call.

MR. OKAMOTO: Got it.

MS. MELLON-LACEY: It's kind of like you either are or you aren't, and if you are (INAUDIBLE).

MR. OKAMOTO: Good question.

MS. MELLON-LACEY: It's a good question.

MR. HIRAKAMI: I just want to make a comment. I'm leaving the Board in a couple of months. I've sat at my local school Board for 23 years. I've served on County Boards for ten years. I have to comment that last night was our first hybrid meeting of our Governing Board and it was the worst meeting ever. There was no decorum.

We had good in-person meetings; we had good all virtual meetings. Hybrid meetings are terrible. There's no decorum. People talk out of turn. If we're doing it for the sake of testimony, which we receive very little of, over my experiences, nil to none. We've invited testifiers. So if we're doing it for the Board's sake, I just want to comment on my experience last night. The Board Chair was in person. The Board Vice Chair and Treasurer was online. There were five members online. We have twelve Board members, so we had 7 Board members in person. It was the worst run meeting with people coming in and out. We didn't have any testifiers either in person or online. The decorum was terrible.

I experienced that all virtual is pretty good. You still got decorum. People can raise their hand for the Chair to recognize, but you lose control of the meeting when you do hybrid, and that's just speaking from my experience last night. Like I said, I've been on that Board 23 years, and County Boards for 10 years.

CHR. LOPEZ: Thank you.

MR. NEY: I was just going to say I'm probably in a position to (INAUDIBLE) schedule, to come back the next day if there is a remote possibility, no pun intended. My schedule is pretty structured, and my time is very (INAUDIBLE) throughout the month. I'm not just going to have an extra day just in case something goes wrong on that end, you know, being in a meeting remotely. That's just my piece.

MS. KEOLANUI: I was just going to say, with Keith's comments about the hybrid meeting, ways that I hadn't seen in hybrid meetings work is really good procedures and having someone in the room. Anyone that's on virtually needs to do through the protocol; if you say something, you raise your hand, which on the screen, you can then see them raise their hand, and someone is able to keep their eye on it, and say, "Excuse me, you have a comment," before anyone else. So I think there are ways to go about it that I've seen.

I also just want to bring light to the new members about why we scheduled most of the meetings in Hilo when we did, and I think that a big reason, of course, there's public testimony, which we want more public testimony and we hope to get it, although we haven't seen as much of it in the past few years. But overall, we scheduled them in Hilo because the majority of employees under the Department of Water Supply are coming from Hilo, and so that's a big chunk of the day adding an hour-and-a-half there minimum, and an hour-and-a-half back of just driving and transporting. That was

kind of I think another big part of why we decided, you know, for the sake of the Board as an organization in looking at the bottom-line.

CHR. LOPEZ: Any other discussion? I guess we just need some consensus since we don't need a motion. Do we have anybody that supports this, or who doesn't support this present meeting schedule? Okay, then we're in agreement to accept this as is.

MR. UNGER: Yes I accept it, but I agree if it could come out sooner rather than later, because I just have a conflict in February already.

CHR. LOPEZ: I'll be asking for that. I've already been asked to help out with the meetings in Kona, too.

MR. UNGER: I would just say the sooner the better; schedule for the next year, kick them out even before the year expires, perfect.

MR. KEKELA: Around September timeframe good?

MR. UNGER: Yes.

CHR. LOPEZ: The schedule, because by that time you would have already lined up your schedules.

MR. OKAMOTO: We'll try to—Nora has to hustle the venues. What we'll try to do is maybe get a different split, maybe seven in Hilo, five in Kona, something like that, shoot for something like that. Part of our decision to go hybrid too is that desire—like the expectation from the public is different now, to have access and not have to physically come to our physical location. So that's the other reason why we think we have to move to that hybrid set-up, too.

MR. KEKELA: We'll have the hybrid in Kona, right? (INAUDIBLE) drive all the way over.

MR. OKAMOTO: These two drove all the way from Kona today.

MR. HIRAKAMI: There's one drawback, and if you can fix it, is complaints from people online. The general meeting, most of the people were in person, but we were like tiny dots, when we speak, you don't know who's speaking. Whereas, we had a big screen, and all the people online were big icons and you could see them plainly. So we could see them plainly, but they said, "Hey, we can't tell who's talking, you know, because it was the whole room. I've experienced that with our Charter School Commission, our meetings are like that. We have a small camera, you don't know who's talking, you don't know who's running the meeting, and then people online are very prominent.

CHR. LOPEZ: That's what Kea pointed out earlier. It's all a matter of control, the strength of the Chairman and the technician, and also the process by which people are allowed to speak, because there is a "mute" the meeting, or attendees (INAUDIBLE) one speaking. Indication of a raised hand, you recognize that person. It's all there, you just have to learn how to.

MR. OKAMOTO: I think what we can do as staff too is at least come up with some basic guidelines to share with the Board. I think what Steve was saying, the view of, like this body, the people on screen may not know who's talking, so it may require that the Chair also recognize folks before they speak. If you do speak, we get into the practice of saying, "So move, Pono." "Discussion?" And then the Chair would ask the people to raise their hand, and when you acknowledge them, "Yes, Keith, your comments?"

CHR. LOPEZ: Question. I read in the minutes and I heard today, really ask the question for Corp. Counsel, where in a hybrid meeting you must have quorum of the Board at the physical meeting site?

MS. MELLON-LACEY: No, but they have to be visible. You have to have a quorum of members visible. So if you have some people in the room, that's fine; and what makes up your quorum is online, those people have to have their cameras on.

MR. HIRAKAMI: Only for the quorum, but then some members can—if there's already quorum, they can leave their cameras off, which is really poor for a public meeting. Most State commissions require that if you're a member, you leave your screen on. But it's not required of two quorum. So you can have a quorum, and the people that make up the rest of the quorum can have their cameras off, but that's really poor protocol. You can work on that. You can make it that every Board member needs to leave their camera on at all times. For instance, we had three of us online, and where would you place the camera for this meeting right here to make it public?

MR. UYEHARA: Right now, the set-up is right there, right above that right speaker. We tested it out.

MR. HIRAKAMI: So when speaks, it would be his back?

MR. UYEHARA: Yes. That's the current set-up.

MS. KEOLANUI: Yes, and I know that this probably isn't in the budget, but other meetings that I've seen that are hybrid have cameras placed around the room so that it's more directly pointed at the Board members, so that's another option; and cameras are expensive. I mean, they're not skyrocket.

MR. OKAMOTO: And real quick, we're also investigating other technology. There's this Owl unit that has this directional camera, and somehow knows—it kind of senses who's talking, but yes it does that somehow. So we'll look at that, too.

CHR. LOPEZ: So it's been agreed by everyone, nobody's objected, we'll keep the current schedule. We know we're going to get the hybrid in February. We may have some hiccups, and it's best to deal with them and it's okay, and we move on,

B. DEPARTMENT OF WATER SUPPLY COLLECTION AND DELINQUENCY POLICIES:

Chair: Is there any testimony for this item?

Information will be provided to the Board on current policies and procedures in place for collection and water shut-offs due to delinquent balances for water service charges. Discussion will follow along with any recommendations that should be considered for future action.

CHR. LOPEZ: Let's open discussion. I'll turn it over to Keith.

MR. OKAMOTO: Yes, what you should have in front of you that came with the packet would be like a flowchart, which was probably too small for even some of the young eyes to see, so we provided this 11x17 flowchart to help see it a little better, a sample shut-off notice letter, as well as a copy of excerpts from our Rules and Regulations. And this morning Candace also handed out two sets of additional information: one was a single sheet that's two-sided, that should have at the top "Water Board Meeting Agenda, January 23, 2024, Item 7B" at the top," I think page one has the table on it.

Also, she provided this stapled two-sided document that just looks like a bunch of lines with dates and numbers. So with that, if everybody can take a few seconds to compile this information. I know, thank you, Board Member Ney, he's been asking for this for a while.

Just to share with you folks how we manage our delinquencies, our long-term delinquencies, which also includes our procedures to contest those delinquencies perhaps as well as where we stand with ultimately shutting off a customer due to delinquencies.

CHR. LOPEZ: Better than having everybody address this stuff, would it be better to just have walk us through it, on the flowchart, and maybe ask questions every step of the way.

MR. OKAMOTO: That sounds good. And with that, I'm going to deflect to Candace.

MS. GRAY: Okay, so you want to go through the flowchart?

CHR. LOPEZ: Yes, begin to end.

MS. GRAY: Okay, so on this flowchart you'll see at the bottom left we start with our water bills mailed to the customers, and they have 30 days until their bill is due. If we don't receive any payment, or an insufficient payment that doesn't pay the balance, there is a 1% late fee charged on the current charges. And then 10 days after the bill due date, a shut-off letter is generated and mailed for accounts with a balance due greater than \$100. There's 15 days until the payment due date on the shut-off letter. If the customer appeals the shut-off or makes a payment arrangement or pays a balance, then that could result in either the payment plan, or appeals process, or the shut-off process. If none of that occurs, then our system generates a list of accounts subject to disconnection.

Our Collections Section will review the report to finalize the shut-off list. Again, if no payment or if it's insufficient payment received for the balance due, then within 3 weeks from the payment due date, they'll conduct water shut-offs.

CHR. LOPEZ: I have a question. Going back to collection review, so that's for delinquencies that are greater than \$100?

MS. GRAY: And this is just the normal routine process.

CHR. LOPEZ: But mentioned review, you take all the delinquencies and you pull out (INAUDIBLE) appeals because they're in a separate process, and (INAUDIBLE). Those are the leftovers, greater than the \$100.

MS. GRAY: And there is some communication also being conducted at that point to see if we can collect by phone call or—

CHR. LOPEZ: So you're working on contacting the customers?

MS. GRAY: Yes.

CHR. LOPEZ: So if it's insufficient or no payments received for balance due after that two-week period, or that's five-week period?

MS. GRAY: Five weeks from the shut-off letter. After that, if it is shut off, the account is closed, and the final bill mailed to the customer. Again, once the account is closed, if it's insufficient and no payment, then 60 days after the account is closed, there's another reminder letter.

CHR. LOPEZ: Let me go back. My confusion here, see where it says "5 wks from Shut-off Letter," in blue?

MS. GRAY: Yes.

CHR. LOPEZ: Then the next blocks says, "Within 3 weeks from Payment Due," so we're not clear what the timing is.

MS. GRAY: Three weeks after the—so backtracking, 10 days after the bill due date, then the shut-off letter is generated, then they have 15 days to pay. From there, there's another 3 weeks time to make up the total 5 weeks.

MR. HIRAKAMI: Going back to the original due date, because the original due date is 30 days after the bill is generated. So you're going back to that 15 days?

MS. GRAY: Yes.

MR. HIRAKAMI: We should (INAUDIBLE) something because it's saying 3 weeks from payment due date, it's only 51 days from the issuing of the bill. So if it's 3 weeks from, you know, that bullet block, "that 15 days (in red) Payment Due Date on Shut-off Letter," you see that "15 days-Payment Due Date on Shut-off Letter?"

MS. GRAY: Yes.

MR. HIRAKAMI: That's the date that you're referring to, the three weeks.

MS. GRAY: At that point, it's only 15 days from the payment due date on the Shut-off Letter, so at that point it's already two weeks after the bill payment was due.

MR. OKAMOTO: I guess maybe it might help if we put some sample dates on this. Like hypothetically, you see the second block to the right, if your bill was due January 1st of this year, when would this block be generated?

MS. GRAY: If the bill was due on January 1st, the 10 days after the bill due date, so that would be January 11th.

MR. OKAMOTO: The payment was due January 1st. We sent out the bill prior to that, but your payment was due January 1st.

MS. GRAY: So January 11th.

MR. HIRAKAMI: 30 days before January 1st the bill was sent out, so January 1st being the due date. That other block, 10 days after bill due date is January 11. And then the next date, 15 days from there?

MS. GRAY: Yes, so that would be—

MR. HIRAKAMI: January 26.

CHR. LOPEZ: So the Shut-off Letter says you have 15 more days to pay, before you're going to get shut off, so that would be the 26th.

MS. KEOLANUI: I just have a question once we're done clarifying the details of what this all means, compared to other public utilities; electricity, gas, are there standard allowances I guess you could say that the County suggest that we give to customers? Or what are our standards compared to other public utilities?

MR. OKAMOTO: I knew that question was coming. We don't have the answer; we're still working on that. My understanding, just in general, I think we're fairly lenient. I think what we'd like to do is kind compare ourselves to other Water Utilities versus electrical, cable, telephone because they're a little bit different. So, that's something we're still digging into, Kea. Even me, I don't know all the details to this process, but I just know in general we try to give our customers every opportunity to pay something before we shut them off because we realize that it is a health and safety concern.

MS. MELLON-LACEY: I understand that some of what you're doing too is steering people that maybe having difficulties toward some of the County or State programs, they might help them pay their bills or paying part of their bills, so there's that process going on as well. Am I correct, Candace?

MS. GRAY: Yes.

MR. NEY: I was hoping we had the new and improved collection procedure. Because couple things that I mentioned earlier was the fact that if we allow people just open accounts, not have the property owner be a guarantor of the payment, two things are going to result at the end of that shut-off, either the bill is going to get paid and it'll get restored, or that person is going to walk away from the bill and not pay us, and that's what we need to put a stop to.

I don't see this improving the situation. The reality of the situation is, if someone has a leak and it gets up to \$3,000, it might not be financially feasible for them to pay the bill. Now, if they were to do the right thing, they would structure a payment plan with the department and pay it off. But again, if the bill were to be \$5,000, \$10,000, I mean do you guys want to wait 10 years to get paid at a \$100 a month? I mean, that's the reality. The only way we're going to stop bills going into uncollectible debt is to have property owner guarantee payment. So, what's to say if someone doesn't close the account on that particular meter, he still can open a new account on that meter with the delinquency? That's the problem there.

MS. KEOLANUI: But then you're also—sorry, go ahead.

CHR. LOPEZ: I think your point is good and you want to arrive at a solution, but with my process background you've got to understand the current before you start to try and fix it. I think that's where we are, in trying to understand what's going on today.

MR. OKAMOTO: We had this discussion yesterday. We don't see this as the end of this discussion. This is the presentation and the background. Where we can make improvements, we'll definitely try to do that. I think Ben has been saying, signing or having the landowner be a co-signer or co-applicant, so that's one thing that I'm asking our staff to visit with the other Water Utilities, if they do things like that; and if they do, how have they implemented it.

MS. KEOLANUI: I was just going to say my concern with that, and prohibiting the landowner to rent to future tenants if there is a hold on their account is affordable public housing, and really making sure that there's enough places for local people to rent that are affordable.

CHR. LOPEZ: We're trying to draw up a solution. I think we need to let them explain the current process, and then we figure out how do we fix these things.

MR. LEE: I got a question, is it the same for businesses and individuals, because with individuals it seems more of a necessity and business is more of a commodity. So is it the same collection procedure? Okay.

CHR. LOPEZ: Excuse me, but I think we need to get a common ground, that's why understanding what it is today. But following this graph is a little (INAUDIBLE). I like Keith's suggestion about the dates. So we're at 15 days on January 26.

MR. HIRAKAMI: If you read the next red block, the next block that is in red, that is "Within 3 weeks from," I think you mean the past due payment date, right, because that refers not back to the payment due date but that payment date on January 26? So isn't it 3 weeks from that date that you're talking about? It seems to be because—

MS. GRAY: Okay, where it says "Within 3 weeks from Payment Due Date"—

MR. HIRAKAMI: Yes, due date. We just established a payment due date was January 1st, but I don't think we mean that because—

CHR. LOPEZ: That's the payment on shut-off, right?

MR. HIRAKAMI: I think it's a payment due on that 15 days, , payment due date on Shut-off Letter.

MS. GRAY: Okay, from January 11th, when the Shut-off Letter is generated, there's 15 days again for them to pay, and from that 15 days, January 26th, then there's a 3-week time period when Collections conducts the water shut-off.

CHR. LOPEZ: So then you're correct, it is from the Shut-off due date.

MR. HIRAKAMI: Yep, okay.

MR. OKAMOTO: The January 26.

CHR. LOPEZ: That's that red block "Within 3 weeks."

MR. HIRAKAMI: Okay, so I've got it at temporary 17th.

CHR. LOPEZ: Okay, above the block where it says, "Within 3 weeks?"

MR. HIRAKAMMI: Yes.

CHR. LOPEZ: That makes sense.

MR. HIRAKAMI: And the next block, right here in red, "60 days after Account is closed," is April 20th , and then the final red block would be May 30th , so those are your dates.

CHR. LOPEZ: May 30 you said?

MR. HIRAKAMI: Yes, on the last red box.

CHR. LOPEZ: 90 days?

MR. HIRAKAMI: Yes, 90 days after the account is closed.

MR. OKAMOTO: We'll try to have staff double-check that. That's why you can kind of see how forgiving we are. The due date was really January 1st, and that last one is May 30th.

MR. HIRAKAMI: Going back to what Ben said about water leaks and everything, water bills is really low, I mean compared to electric bills, real low. Now, water bills are kind of high for two months. It's kind of like an old electric bill. So wouldn't one strategy would be to do a monthly billing which would actually detect losses? I mean if somebody has a leak after two months, oh my God, a \$1,000 leak would turn into a \$2,000 leak, and that would push it out of the range of being affordable. Would something like that, is that a strategy?

MR. OKAMOTO: Yes, we can evaluate that too. I think the prior evaluations indicated that it would be very costly because of—

MR. UNGER: Administration.

MR. UNGER: Yes, personnel requirements, that's doubling the workload, and then the mailouts. So there's other solutions available now that weren't before, remote reads or—

CHR. LOPEZ: I think we're saying devices to pump it up.

MR. OKAMOTO: That's for leaks. I think there's even solutions for the customer side. We try not to promote products, but we can let the customers know, "Hey, there's products available to you now." Especially for those whose meter is far away from the residence, they don't physically see, but may not even be on their property. But there might be these devices now available to the customer that they can implement on their side or at the meter, or warn them of a situation.

MR. NEY: There was a pilot with cellular meters that we did, any results from that? You guys ran a pilot program, like 100 meters or something. Not that many?

MR. OKAMOTO: Yes, it was less.

MR. NEY: A bunch of results were using that technology. Again, people are going to bypass and circumvent paying the bill. Unless you—people pay property tax, it's kind of like a collateralized loan. Like if you don't pay the property tax, we can put a lien on your property or take your property. This is kind of in the same sense doing the same thing, it's putting the responsibility on the owner. So if that meter is locked for nonpayment, I'm pretty sure the owner is going to be quick about getting the bill squared up so that can be unlocked. What is a property good without a water meter? So it's to make sure that there's a lot of ways to start around paying the bill, and just closing one account and opening another account.

MR. OKAMOTO: Yes, we hear you, Ben. That's something we'll definitely look into the possibility.

MS. KEOLANUI: So when the amount is sent to Collections, is it affecting that person's credit? Because I know for some collections, like for student loans, car payments, they're directly affecting their credit. You can see your credit continually going down as you don't pay that loan. So just what are, like parameters, with the collection agency that we use?

CHR. LOPEZ: They would have to submit to the credit reporting agencies.

MR. BELL: You get the social security number to open an account?

MR. OKAMOTO: Yes, just driver's license.

MS. KEOLANUI: Driver's license. Is there a way to affect credit?

MR. OKAMOTO: I'm guessing, could be.

MS. KEOLANUI: I mean, that's another way to implement a strategy that would put pressure on the customer to pay their bill.

CHR. LOPEZ: Some.

MS. KEOLANUI: As we like (INAUDIBLE) on that, are there any of these that are currently in Small Claims Court, of someone renting, and say, "The leak was not—it was the property owner who is responsible for upkeeping that." Are there any, I guess, sections where we put those, or are there just none? I would imagine if you're a renter and you have a \$10,000 bill from a leak that was from your landlord's property, I would imagine that would be going to Small Claims Court against the property owner.

MR. OKAMOTO: Not that I'm aware of. Do we have instances like that?

CHR. LOPEZ: Like I said, our process is pretty lenient. Small Claims is \$5,000.

MR. OKAMOTO: And then we wouldn't know sometimes if they have that legal action outside of their direct interaction with us.

CHR. LOPEZ: Steve?

MR. HIRAKAMI: One strategy might be to improve the communications because they're always really outdated. A lot of people don't check their mail. Since I've sat on this Board, I've received three shut-off notices. I fell behind because I don't check my mail. I mail my landlord. Everything is done electronically. My landlord hardly receive anything but ads and whatever. So improving the way we communicate, besides the mail, like texting, or emails, or auto dialers, or things like that, would be a good strategy. Autodialer would be a constant reminder. It might be a strategy to improve the way we communicate, besides just relying on man-mail, and I know that because that's one of my faults too.

MR. OKAMOTO: That's something we were looking at too, to provide additional background for the Board's information, typically it's a component of the billing system software. Those were all possibilities. What we weighed in the past was—I'll put it simply, the software salesman, hey their product can do everything and anything. And then when it comes to implementation, whoa, there's some hiccups. And then if you want that solution now, it's a different component that wasn't included in the original price, so we've experienced that in one of our latest attempts to update our billing system. All these solutions are out there, it's just finding that balance of what to utilize, because no

sense we spend \$3 million on a software solution to solve a \$1 million delinquency problem, and things like that.

Other solutions that come to mind is an Opt-in program. We'll allow customers to opt in to a Smart meter, where they can have the solution, but we're going to ask you to pay for it, and we're not going to implement it across the board; because one fear that I have, which has happened in other utilities, is when they do a whole blanket replacement of meters, these Smart type meters, they all crap out or they all go out of whatever, that useful life of electronics, and then now you've got to replace them all one time or get into this mode of estimating. That is a slippery slope as well once you start having to estimate consumptions. So, there are a lot of solutions out there. It will take us some time to probably evaluate CBE (Cost Benefit Evaluation) and things like that.

But I guess what we wanted to present now again is what we do, where we're at financially, and then have the Board—you know, through these types of discussions, we'll figure out a path forward to improve it.

MR. HIRAKAMI: Yeah, I think this is more constructive than anything. It's not a criticism. My position on the Board, when I get the financial report, I look at that delinquency and it's always about \$1 million, and that's a lot of delinquencies, so coming up with preventative ways and then also proactive ways so that we can reduce that amount, because I know that's really important to the Board, self-solve it. That's a big cut when we see this.

MR. UYEHARA: Mr. Chair, if I may, if I could ask maybe Candace to go over the sheet she provided because I think—this summary she drafted kind of gives the Board some context and some numbers, that \$966,000 delinquency that's put in the plan, shows the monthly financial, so kind of give a better understanding of what exactly that \$966,000 is broken up into.

CHR. LOPEZ: Okay, please. Any further questions you get, please.

MS. GRAY: So this two-page sheet you received today, and I tried to give pretty much a good overview of what are greater, the 90-day delinquency includes, and this is the number that you're seeing every month on your Financial Statement report. I'm just going to kind of highlight.

The first section, I do have a table there that shows the greater than the 90-day delinquent accounts. There's a total, that \$966,000, and this is as of November 2023, includes 2,410 account. Of that 2,410 accounts, 1,623 of those accounts are closed, which 67% of the total; 787 accounts are still active, that's your other 33%.

I have three different categories between active and close, which gives you information about those that are greater than \$1,000, between \$100 to \$999, and then \$1 to \$99. So you'll see the breakdown as far as the number of accounts as well as the dollar amount. Of our total, let's say "receivable" for that month, this delinquency represents roughly about 5% of that.

CHR. LOPEZ: Question on this. Where you have the "close" line and you have a total, 1,623 accounts were close, and you have \$751,000 value, so is that write-off, is it collected and the accounts not closed, what does "close" mean?

MR. NEY: The accounts closed.

MS. GRAY: The accounts are closed.

CHR. LOPEZ: But what about revenue (INAUDIBLE)?

MR. NEY: That's going to be write-offed probably.

CHR. LOPEZ: That's what I'm asking.

MR. NEY: I mean, I don't want to be negative, but that's probably a write-off.

MS. GRAY: The statute of limitations for write-offs is six years, so between that time period it could be referred to collections. The payment plans are being worked on.

CHR. LOPEZ: Can you say of this \$751,000, that is closed?

MS. GRAY: Yes, and this is cumulative.

CHR. LOPEZ: How much of that, through the delinquency process, did we recover? Or is this loss, because the accounts are not closed?

MS. GRAY: I don't have that information at this time.

MR. NEY: One question for Diana. I mean this shows me that this historically has been a problem and it's still currently a problem. Now, you said it would require implementing new procedures, some work on your end, perhaps; I mean, for me it's like if we got to jump through some hoops, let's jump through some hoops. I mean I hate going, "Well, let's kick this idea around but let's not execute, making changes because it's difficult." You know, everything is why it's difficult, you just got to move forward in changing something. So what is it going to take to get the ball rolling, I guess, in order to make those changes?

MS. MELLON-LACEY: Well, it depends on what changes you're talking about.

MR. NEY: Well, the changes I proposed, not to say my ideas are better. But I think that's the only swift action you can take to plug these holes.

MS. MELLON-LACEY: I think that would take changes to the policy's procedures of the Water Department, and you have to have public hearings on those and take public testimony.

MR. NEY: I'd love to see this done with before my term expires, so we could see that's a target, before the year's up.

MS. KEOLANUI: Just to clarify, right now we're just discussing so that we understand, and later we're going to be discussing implemental changes that we could make.

CHR. LOPEZ: Once we understand the process.

MS. KEOLANUI: Okay.

CHR. LOPEZ: Of this \$966,430, this includes the adjustments, right, what do you call them?

MS. GRAY: Yes.

CHR. LOPEZ: So wouldn't we want to strip those out because those people are paying? They aren't delinquent but they're paying, so it's really not subject to what you look at as potential write-off. Personally, I'd like to see those numbers separate so we don't—

MS. GRAY: I do have some of that information for you, and it's on this other handout.

MR. OKAMOTO: The stapled one.

MS. GRAY: So this represents the delinquency category that has a balance greater than \$1,000.

CHR. LOPEZ: Over 90 days?

MS. GRAY: Correct. And then on the last page, I have this little table with a list of numbers as well as codes on the right side. So the first code at the bottom of the page you'll see Chapter 11, that's the first one CH11; COLL means the collection agency. The next one, that's referring to the Utility Assistance Program. The next one, LK refers to leaks, if the delinquency is associated with leaks, and this is only in this category. The next one, LTR, that means Letters in Process.

CHR. LOPEZ: Shut-off letter?

MS. GRAY: Correct, or it's going through the delinquency letter process. The next one is payment arrangement, the PA. Under that, Partial, meaning anything in the partial payment, so it's kind of like a payment arrangement. The next one is Paid in Full (PIF), so they did pay off the balance due. The last one, that's subject to shutoff.

CHR. LOPEZ: They actually did shut off. So the power adjustments are in that PA?

MS. GRAY: The LK means that's associated with water leak, so 10% of that.

CHR. LOPEZ: Okay, leaks—partial, not necessarily leak adjustment, just people are paying a portion?

MS. GRAY: Yes.

CHR. LOPEZ: So I think those 55%, and the partial payment is 2,300. We got like maybe \$57,600 of that \$900,000 that are in process, they're trying to do something. It's a small percentage. So, we do have a large uncollected delinquency problem.

MR. OKAMOTO: And this accumulation, what kind of period of timeframe?

MS. GRAY: Like I said, the statute of limitations is six years, but it could be longer than that, depending on how active they are as far as paying off their bill.

MR. OKAMOTO: This date that's on Column No. 4, what does that represent?

MS. GRAY: I believe that date was the last payment date.

CHR. LOPEZ: Assigned to (INAUDIBLE), that's the collection agency?

MS. GRAY: Yes.

CHR. LOPEZ: Assigned to Corp. Counsel means they're going pay (INAUDIBLE)?

MR. OKAMOTO: Assigned to Corp. Counsel means they're going to proceed with a letter.

MR. NEY: Mr. Chair, to keep this issue alive, make sure it gets agendized. Should I be reminding you or should I remind Keith that—you know, I don't want to keep harping on this every meeting. We were talking about this, but it kind of got lost in everything else, so we're not revisiting this (INAUDIBLE). I'd like to keep this till we come to a solution.

CHR. LOPEZ: What do you think about keeping it on the agenda every meeting, and getting an update on progress towards this? Is that reasonable?

MR. OKAMOTO: Yes, we can do that, or maybe every two months.

CHR. LOPEZ: There could be more meat to the information, yeah?

MR. OKAMOTO: Yes. How about every two months we'll have it as an agenda item?

MR. UNGER: Every water billing cycle, every two months.

MR. HIRAKAMI: I have a question for Candace. You know when people get leak adjustment, does that come off of the receivable or does it stay on the receivable?

MS. GRAY: It does.

MR. HIRAKAMI: Oh, so this is already an adjusted amount? Okay. Couple times we wrote off as uncollectible. Those were all past six years, the statute of limitation? How many of these are reflected in like the five or six years, coming up to that time where you come to the Board and say, "These are uncollectible," and we take them off the accounts receivable? Like, do we have a chart of the ones that are kind of aging out like, "Eh, we did enough on that, and the Board will be considering an uncollectible?"

MS. GRAY: Not today.

MR. HIRAKAMI: Not today.

MS. GRAY: But we are working on that.

CHR. LOPEZ: Can we determine that by just looking at this date here (INAUDIBLE).

MS. GRAY: Not necessarily.

MR. HIRAKAMI: Thought it would be interesting to see the Board to prepare for, because those are kind of shockers on the two \$10,000 ones. So if we had kind of a heads-up, "Hey, you know what, expect (INAUDIBLE) five to six year range, and expect these things to be coming up," because after five years, after it's been through collecting and everything, that's going to be on the Water, then it won't be such a big number. You know what, this chart really explains the million dollars, the \$996,000. That's really good because you can see what's happened, and what's current, and what's these dates are. This chart is really good. So it's not just a big number here. So, thanks for that

CHR. LOPEZ: Candace, are these going to collections? What percentage are we paying? I mean is it 50/50, 20/30. Is it big at all?

MS. GRAY: Let's just say the standard is 25%.

CHR. LOPEZ: They get 25%?

MS. GRAY: Yes. But if it was, let's say referred from a previous collection agency or if they're out-of-state, it may be higher.

CHR. LOPEZ: Before I close the subject, if it's okay, I'm going to suggest that Keith's recommendation of every two months we'll revisit this topic, but to me it's not rehashing these numbers, it's ways—we're asking you to work towards a solution to decrease the write-offs, and then come up with something.

MR. NEY: Can I ask, is there a way to kind of just give us an idea of how many accounts are open every year, how many are closed? That will give us a better understanding of that movement there of accounts going in and out, or people moving out, someone opening a new account.

Also, I understand retroactively implementing this might be difficult on existing accounts, so might be something you guys have to implement on the basis of new accounts opening.

MR. OKAMOTO: Yes.

MR. UNGER: I'd like to comment also because it's really a good discussion. Thank you very much for this report. This is awesome, this information. I don't think anybody had any idea that we're a million dollars—so it is an issue. The Water Department has been working on ways to work towards collections, et cetera, et cetera, so I think it's going to take work between the Board and the Water Department to take it to the next step; Corporate Counsel, the good news is we don't have to go through County Council, Legislature. It sounds like it's in-house.

I mean we can come up—so number one, we have to work together to come up with some recommendations. I've got to say already, just with this discussion, it's really good, what we're talking about as far as getting some kind of guarantee from the landowner and/or the tenant. That would get their attention. Credit loss, somehow get their credit, and definitely small claims court, up to \$5,000, somehow maybe that clicks into a small claim situation. I like the idea, maybe split it into two categories, business commercial versus residential. For residential, yes you have health and safety; business and commercial you don't, that's a business. So I'm thinking we probably could have two different policies, residential versus business and commercial. Already we've got a bunch of stuff on the table that could really push the discussion forward and come up with some ideas to implement.

CHR. LOPEZ: Great summary. Okay, anything else?

MR. OKAMOTO: Nope, that's perfect.

CHR. LOPEZ: We'll see you in March on this topic.

MR. OKAMOTO: Yes. Hopefully, we'll have some movement on what Keith (Unger) summarized.

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: Go ahead, Kurt.

MR. INABA: I just kind of wanted to point out for our Kīlauea and Keawe Project, the waterline portion actually we're complete, so now they're basically working on getting the road reconstructed. We'll just be adjusting valve boxes to the finished grade, so yeah we're done. We're waiting for final numbers, so we can finalize our contract amount. We're pretty confident. That last meeting we came in, for the request for the additional funds, we should be good, if not I'll be back next month. Hopefully, we're all done. I can report the final number too, hopefully on that.

Hala'ula, the pump had failed, and we are still investigating on the cause as well as getting a timeframe to get that repaired.

I just wanted to correct one thing. My mistake communicating with my personnel, Puakō, they're actually like 4,500 feet have been installed of the waterline, not 2,500 feet. They're approaching the half-way mark by today, actually. They're in a pretty good area where tide isn't influencing them anymore so much, but it's going to be a little bit harder digging again. They got some hard stuff. Anyway, making decent progress on there. We're currently in communication. We know the completion date—actually, they came in with an October date, requested for 365 days, when they started the actual construction, but we negotiated with them and we're going to be back next month with the revised date. I don't have the exact day yet, but it's probably like a month prior to that, so I'm not going to give them the full 365 days from the day they got their equipment up there basically.

MR. OKAMOTO: Before Kurt moves on from Puakō, what I did want to make sure that we get for the record and for the Board's awareness, is Puakō had some other challenges besides the tide. I guess there's been a number of encroachments into the right-of-way by the residents, and so what that did was it made the actual—the ability for the contractor to do his work, it confined his workable area.

I just want to acknowledge Steve Pause, Director of Public Works because to me—you know, we try to work together with our cousins at other departments. But I've got to give kudos to Steve because he really helped out. There is an alternate access through Mauna Lani that's supposedly only be used for emergencies, things like that, but he worked it out so that we could have that open. Basically, what that allowed the contractor to do is close the road. So if you're on the Kawaihae side of the construction, you come in from Queen Kaahumanu Hwy; if you're on the other side of the construction, you come in through the Mauna Lani access, so that eliminated this crossing of the construction area. It was so tight that the contractor would have to stop, move his equipment to allow cars to go pass basically, so that alone allowed the construction to progress a lot better. So I just want to acknowledge Director Pause's willingness to work with our contractor. That's basically an arrangement between Public Works and the contractor but it benefits our progress, basically. I just wanted to make you folks aware of that.

MR. INABA: Next project was the Lālāmilo 10 MG reservoir. Our land acquisition is complete, I just wanted to report that, so we now own the property. The Right of Entry has been executed for the staging area that we won't own in the future, but we have full legal access to all of that. So the contractor is now coordinating and trying to get—approved that we'll be doing the scanning for the

unexploded ordinances. The Federal Government has a contractor now, and they don't have an exact date but hope to be in Hawai'i in the next month or so, so we can have the contractor coordinate with our contractor to coordinate with that contractor, so we can get on site and start **construction**.

MR. OKAMOTO: And also for the Board's awareness, there was a point and time where the government did not have a contractor.

MR. INABA: Right.

MR. OKAMOTO: So what we were worried about was, well now that burden is going to fall on the department to scan for UXOs, so we would have to put out some kind of RFP for some kind of contractor to do that, so fortunately for us they progressed and got one, so we don't have to be responsible for that. Yes, that's huge.

MR. NEY: One question on Halaula, the final billing hasn't been submitted?

MR. INABA: It has.

MR. NEY: Because that one thing too, they're not going to try pass contingency on that right?

MR. INABA: No.

MR. NEY: Okay, I just want to be clear on that.

MR. HIRAKAMI: Question on the Halaula well or any isolated well, when the thing goes down, is there still enough water for firefighting? Yeah, there is.

CHR. LOPEZ: Anything else, Keith?

MR. OKAMOTO: Again, for the Board's awareness and mostly for the new Board member, you don't have to wait, if there's a particular project that you're interested in finding the status on, shoot us an email, and we can provide you specifics on any particular project that you have interest in. But other than that, thanks Kurt.

CHR. LOPEZ: Thank you.

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.

(Note: At this time, Ms. Gray provided an overview of the Financial Statements – December 2023.)

MS. GRAY: Any questions?

CHR. LOPEZ: All good? Any questions for Candace?

MR. OKAMOTO: Bottomline, Candace, financially we're in a good place?

MS. GRAY: We're in a good place. We keep on moving towards our financial objectives.

MR. OKAMOTO: And then again, primarily for Kimo, we're trying to—

MS. GRAY: Strive.

MR. OKAMOTO: We're trying to do better with establishing and maintaining reserves; CIP reserves, Rainy Day Fund reserves, things like that. We're trying to elevate our reserve capacity.

MS. GRAY: Just one more thing, I did pass out a preliminary review of our proposed budget for FY25, and that will be on the February agenda.

CHR. LOPEZ: Okay, anything else for Candace? Thank you. Let's go on.

E. MANAGER-CHIEF ENGINEER'S REPORT:

Chair: Is there any testimony for this item?

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

1. North Kona Wells
2. Pacific Water Conference

MR. OKAMOTO: Okay, and with that I'll ask Kawika to provide an update on our North Kona Wells.

MR. UYEHARA: Oka, so this month for North Kona, again, we have 14 sources in the North Kona system; eleven are operational, same as last month. The ones that are offline are Honōkohau, Wai'aha, and Mākālei.

Updates for Honōkohau, we're still waiting for a schedule from the contractor. They have to do some additional well rehab. They have the equipment ready to install, but they got to clean the well up first, so we'll first get on that.

CHR. LOPEZ: Before we skip on that, is that like eminent in the next 30 days, 60 days, 90 days?

MR. UYEHARA: I'll say 30, by 30 days.

CHR. LOPEZ: Okay, thank you.

MR. UYEHARA: But yes, it's only for schedule. Wai'aha, we gave the contractor Notice to Proceed, and the contractor is working on submittals pump and motor. Notice to Proceed was given, so the time to complete it right now is August 24th of this year.

Mākālei, the contractor is scheduled to video the well, supposed to be today I believe but it's probably going to get delayed. Our staff will work with the well contractor on the schedule, because they probably have all the equipment and stuff ready to go, but they have to do the video inspection on the well.

CHR. LOPEZ: So again, is that like a night/day window?

MR. INABA: This one is roughly on the early side. It's a major overhaul, a reconstruction of the facility.

CHR. LOPEZ: So once they get the video, they'll all understand what the scope of work is?

MR. INABA: Yes. Because they're downsizing the pump and motor, they're also having to replace all of the control equipment in the control building.

CHR. LOPEZ: So night and days on that.

MR. OKAMOTO: On the very optimistic side, yes. The good part about this one is there's new ownership there, and that new ownership is actually, I think, caused movement on this. The difference with Mākālei is that wasn't our CIP project. Was it dedicated to us?

MR. INABA: It was dedicated.

MR. OKAMOTO: It was, but then it failed under warranty, so the developer's responsibility was to figure it out, and then in the meantime they changed ownership. But during that transitional period, there was hardly any movement. It was zero. But now that there's new ownership, now we actually have a contractor.

CHR. LOPEZ: Any questions of Kurt? Want to move on?

MR. OKAMOTO: Yes. Pacific Water Conference, looking forward to that. That's happening next month, February 21st and 22nd. I think so far we have three Board members locked in with the possibility of a fourth.

CHR. LOPEZ: And that's the limit, four?

MR. OKAMOTO: Yes, the limit is four. Ka'iulani is working on finalizing the memo to those that will be attending. But yes, looking forward to another great conference, and hopefully those that attend will gain some value from it. Again, what's probably required is in the March meeting, a report by those who attended the conference, so we'll put that on the agenda.

MR. HIRAKAMI: Chair, I know there's a slot and I've been offered a seat, but I'm leaving in a couple of months. I think maybe Kimo didn't know about it. It's a real good program and conference, especially if you're new to the Board and learning what's happening around the State and everything. Kimo, you have the dates open?

MR. LEE: What are the dates?

MR. OKAMOTO: February 21st through the 22nd. So what we'll probably do is we'll probably fly out early on the 21st. The conference actually starts on the 21st. We might miss the very opening of the conference, and fly out probably Friday, because Thursday, the 22nd, is an all-day conference, and then after that it's the conference banquet.

CHR. LOPEZ: On Thursday?

MR. OKAMOTO: On O'ahu. Thanks for asking, Steve.

MR. HIRAKAMI: I think that would be good thing for him. It's a real good conference. I don't want to take up space.

CHR. LOPEZ: Okay, anything else Keith?

MR. OKAMOTO: Nope, that's it for me.

CHR. HIRAKAMI: Do I have a motion to convene an Executive Session.

F. EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION AND COMPENSATION FOR CALENDAR YEAR 2023:

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.

CHR. LOPEZ: I entertain a motion to convene Executive Session.

ACTION: Ms. Keolanui moved that the Board enter into Executive Session; seconded by Mr. Kekela and carried by unanimously by the following roll call vote: Ayes: 8 – Mr. Bell, Mr. Hirakami, Mr. Kekela, Ms. Keolanui, Mr. Lee, Mr. Ney, Mr. Unger, and Chairperson Lopez; Absent: 1 – Mr. Brown.

(The Board entered into Executive Session at 11:35 a.m. and returned at 12:00 p.m.)

ACTION: Mr. Unger moved to get out of Executive Session. Seconded by Ms. Keolanui and carried unanimously by the following voice vote: Ayes: 8 – Mr. Bell, Mr. Hirakami, Mr. Kekela, Ms. Keolanui, Mr. Lee, Mr. Ney, Mr. Unger, and Chairperson Lopez; Absent: 1 – Mr. Brown.

CHR. LOPEZ: Now, we go back to Regular Session.

G. MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION AND COMPENSATION FOR CALENDAR YEAR 2023:

Discussion/action on Manager-Chief Engineer and Deputy evaluation and compensation.

CHR. LOPEZ: We're back in session with the regular meeting. Here to discuss/take action on the Manager-Chief Engineer and Deputy Evaluation 2023, and Compensation for Calendar Year 2024. I'll open the discussion, are there any? Hearing none, I'll entertain a motion

MOTION/ACTION #1: Mr. Hirakami moved that the evaluation exceeded the expectations for the Manager-Chief Engineer and the Deputy for Calendar Year 2023 and suggests that the Board take that separate from the compensation; seconded by Mr. Kekela and carried unanimously by voice vote. Mr. Brown was absent.

MOTION/ACTION #2: Mr. Hirakami moved that the compensation for Calendar Year 2024, January 1 to December 31, upon discussion and evaluation primarily based on evaluation, that the Board recommend approval for the Manager-Chief Engineer of a salary of \$14,665.00 per month and the Deputy of a salary of \$13,935.00 per month; seconded by Mr. Unger and carried unanimously by voice vote. Mr. Brown was absent.

H. **CHAIRPERSON'S REPORT:**

1. Welcome new Water Board Member James "Kimo" Lee. (Note: This agenda item was taken up previously.)
2. Chairperson to report on matters of interest to the Board.

CHR. LOPEZ: There's a session in the Fall, and I couldn't attend it. I signed up for it, and I hope you all got this, the DHHL Water Law & Leadership Training. Did you get it?

MS. AVENUE: No, I did not.

CHR. LOPEZ: I don't want to push this on anybody. But when I was vetted by the Council, I had maybe three Council Members ask me my knowledge of Hawaiian Water Law, I didn't know anything. They encouraged me to understand it, get involved in it so that I could represent that concept within the Board, so I took it seriously. The thing about it is it's five Mondays in a row, in the evening for five weeks, Zoom, though. I'll recommend it to you. I'll be taking it. If you're interested, I'll be glad to send you a link.

MR. OKAMOTO: Maybe what might be easier, Chair, is if you could send the link to our Board secretary, and then she can distribute it.

CHR. LOPEZ: And then it's up to you. You can read more about it.

Going on to me and how I do things. Every Board Chairman has their own personality. Some do it differently, some like this, some stronger here, some stronger there. All good, and I hope you'll recognize that for me, we'll see at the end of the year. I'm very process-oriented. I have a reasonable good knowledge of Robert's Rules of Order, and I believe in them, and that's way a good meeting runs, I think, and it leads to expeditiously conducting business, bang, bang, bang, done we're out of here. That's the way I like to run my meetings.

I will begin, over time because I think we're shifting, to call a point of order when somebody is out of order; if somebody cuts somebody else that was recognized to speak, for instance I recognize Steve to speak, and he's speaking, I don't want him cut off. Give him the courtesy of letting him finish, and then certainly he could be recognized (INAUDIBLE). That's just common courtesy.

I'd like to see, just for my benefit, Nora, the District representative on the list, like the agendas and the minutes, to have the Board Member's name, because I don't know who's from where.

BOARD MEMBER: (INAUDIBLE)

CHR. LOPEZ: Yeah, but I don't have that here. I wish I did. I don't use my phone all the time. Anyway, it would be really—once you do it once, you get the template, right?

When we're conducting our meeting, oh before you come to the meeting, Steve emphasized this too, it's really easy to get the packet instead of saying I'll get it to it later, and perhaps you will; but if you look at it, scan it, scan the agenda at least, and read the attachments you scanned, so you have an idea of what we're going to be talking about.

During the meeting, I would like you to refrain from texting, being on your phone, not paying attention to the conversation, otherwise you would have to just repeat things over for you, and that doesn't serve anybody, so pay attention, that's my way. That's really about it. You may feel that I run a tighter meeting and maybe you've seen. I don't know, I hope not. I don't want to be destructive. I don't want to be condescending. I don't want you to think that I'm trying to take charge or something, but it's just a way of doing business that I'm used to over 40 years.

One last thing I really thought I need to make a mention of, in the Minutes, and I read the minutes, there was comment made about the Vice Chair and/or the Chair being able to sign the agreements, and that's codified, no problem. It was said that because we have somebody on the east side, that he may be signing more of this. Well, that's not a policy change. I don't want to abdicate my responsibility prematurely, so I expect to know, to be asked when it makes perfect sense, I don't want somebody to run over Kona side, that wouldn't make sense, then I think we should exercise that. Any questions? No.

MR. HIRAKAMI: I tried as much as possible to get the document signed. The department would save on transportation costs because every time I come in it's \$40 or something like that.

CHR. LOPEZ: Alright, anything else?

8) ANNOUNCEMENTS:

1. **Next Meeting**: - February 27, 2024, 10:00 a.m., at the Department of Water Supply, Hilo Operations Baseyard, 899 Leilani Street, Hilo, Hawai'i.

9) ADJOURNMENT

ACTION: Mr. Kekela moved to adjourn the meeting; seconded by Ms. Keolanui and carried unanimously by voice vote. Mr. Brown was absent.

(There was no motion to adjourn the meeting.)

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

Recording Secretary

APPROVED BY WATER BOARD
FEBRUARY 27, 2024