

MINUTES

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

May 28, 2024

West Hawai‘i Civic Center, Building G, 74-5044 Ane Keohokālole Highway, Kailua-Kona, Hawai‘i

MEMBERS PRESENT: Mr. Stephen Kawena Lopez, Chairperson, Dist. 8
Mr. Michael Pono Kekela, Vice-Chairperson, Dist. 4 (via videoconference, came in later))
Mr. Michael Bell, Water Board Member, Dist. 7
Mr. Thomas Brown, Water Board Member, Dist. 3 (came in later)
Mr. James Kimo Lee, Water Board Member, Dist. 2,
Mr. Benjamin Ney, Water Board Member, Dist. 9
Ms. Emily Taaroa, Water Board Member, Dist. 5 (via videoconference)
Mr. Keith Unger, Water Board Member, Dist. 6 (via videoconference)
Mr. Keith K. Okamoto, Manager-Chief Engineer,
Department of Water Supply (ex-officio member)

ABSENT: Ms. Kea Keolanui, Water Board Member, Dist. 1
Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel
Ms. Ann Hajnosz, representing Harris & Associates (via videoconference)
Mr. Jeff Bray, guest
Mr. Ikaika Kailiawa-Smith, guest
Mr. Jeff Zimpfer, guest

DEPARTMENT OF WATER SUPPLY STAFF:

Mr. Kawika Uyehara, Deputy
Mr. Kurt Inaba, Engineering Division Head
Ms. Candace Gray, Waterworks Controller
Mr. Alvin Inouye, Water Operations Superintendent
Mr. Eric Takamoto, Operations Division
Mr. Warren Ching, Energy Management Analyst
Ms. Nora Avenue, Recording Secretary

- 1) **CALL TO ORDER** – Chairperson Lopez called the meeting to order at 10:00 a.m. A roll call was taken for Board Members in attendance. Six Board Members were present: Mr. Bell, Mr. Lee, Mr. Ney, Ms. Taaroa, Mr. Unger, and Chair Lopez.
- 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**

- **ACTION:** Mr. Lee moved for approval of the Minutes of the April 23, 2024 Public Hearing on the Power Cost Charge; seconded by Mr. Ney and carried unanimously by voice vote (Ayes: 6 – Ms. Taaroa; Messrs. Bell, Lee, Ney, Unger, and Chairperson Lopez).
- **ACTION:** Mr. Ney moved for approval of the Minutes of the April 23, 2024 Water Board meeting; seconded by Mr. Lee and carried unanimously by voice vote (Ayes: 6 – Ms. Taaroa; Messrs. Bell, Lee, Ney, Unger, and Chairperson Lopez).
- **ACTION:** Mr. Unger moved for approval of the Minutes of the April 23, 2024 Public Hearing on the Water Rates Schedule, in Hilo, Hawai‘i; seconded by Mr. Ney and carried unanimously by voice vote (Ayes: 6 – Ms. Taaroa; Messrs. Bell, Lee, Ney, Unger, and Chairperson Lopez).
- **ACTION:** Mr. Lee moved for approval of the Minutes of the April 24, 2024 Public Hearing on the Water Rates Schedule, in Kailua-Kona, Hawai‘i; seconded by Mr. Ney and carried unanimously by voice vote (Ayes: 6 – Ms. Taaroa; Messrs. Bell, Lee, Ney, Unger, and Chairperson Lopez).

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

5) **DEPARTMENT OF WATER SUPPLY PROPOSED AMENDED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (C.I.P.) BUDGETS FOR FISCAL YEAR 2025:**

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda item.

The Department’s Fiscal Year 2025 Operating Budget, totaling \$69,151,304.00, and 5-Year C.I.P. Budget for Fiscal Year 2025-2029, totaling \$203,335,000.00 has been distributed for the Board’s review. A public hearing was held on March 19, 2024, to accept testimony. The Board may change either Budget or adopt them as presented over two readings.

RECOMMENDATION: It is recommended that the Board approve the Department’s Amended Fiscal Year 2025 Operating and C.I.P. Budgets on this first of two readings.

ACTION: Mr. Unger moved for approval of the recommendation; seconded by Mr. Ney and carried unanimously by voice vote (Ayes: 6 – Ms. Taaroa; Messrs. Bell, Lee, Ney, Unger, and Chairperson Lopez).

6) **WATER RATE STUDY:**

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda item.

The consulting firm of Harris & Associates was contracted to determine water rates for the Department for the 5-year period, Fiscal Year 2023 to Fiscal Year 2027.

The Water Board held public hearings on the Proposed Water Rates on April 23, 2024 at the Liquor Conference Room, 101 Aupuni Street, Unit 230, Hilo, Hawai‘i, and on April 24, 2024 at the West Hawai‘i

Civic Center, Build G, 74-5044 Ane Keohokālole Highway, Kailua-Kona, Hawai‘i to accept testimony on the proposed water rate increases that were published in the newspapers in Hilo and Kona on April 1, 2024.

RECOMMENDATION: The Department recommends the Board approve the proposed water rate increases of 9.5% each year, for Fiscal Year 2025, Fiscal Year 2026, and Fiscal Year 2027 under the existing rate structure for the consumption and standby water rates, to be effective July 1, 2024, July 1, 2025, and July 1, 2026.

ACTION: Mr. Lee moved for approval of the recommendation; seconded by Mr. Bell and carried unanimously by voice vote (Ayes: 6 – Ms. Taaroa; Messrs. Bell, Lee, Ney, Unger, and Chairperson Lopez).

7) **SOUTH KOHALA:**

A. **WATER TREATMENT PROPOSAL NO. 2024-06, FURNISH AND DELIVERING VARIOUS TREATMENT CHEMICALS (LIQUID AMMONIA; 50% LIQUID CAUSTIC SODA; C-9 POLYPHOSPHATE; 38% SODIUM BISULFITE; 50% SULFURIC ACID; 12.5% SODIUM HYPOCHLORITE; 50% SODIUM HYDROXIDE, ACCU-TABS SI TABLETS, AND SODA ASH) TO THE WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS):**

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda item.

This bid generally consists of furnishing all labor, materials, tools and equipment necessary to deliver various treatment chemicals to the Waimea Water Treatment Plant, for a period not to exceed two years.

Bids were opened on May 2, 2024, at 2:00 p.m., and the following are the bid results:

	Brenntag Pacific	Malama Solutions & Supplies, LLC	Phoenix V LLC dba BEI Hawaii	Shannon Chemical Corporation	South Pacific Gold Combine LLC DBA Chemstation Hawaii	Estimated Cost Based on Mat. Bid 2022-05
Part A – Liquid Ammonia, delivery once per month, (90 cylinders per year) Cost per 100 pound cylinders	Non-Responsive	No Bid	No Bid	No Bid	No Bid	\$669.28
Part B – 50% Liquid Caustic Soda (4 dry tons per 5 weeks) Cost per dry ton	No Bid	\$2,855.96	\$2,307.42	No Bid	No Bid	\$2,101.52

	Brenntag Pacific	Malama Solutions & Supplies, LLC	Phoenix V LLC dba BEI Hawaii	Shannon Chemical Corporation	South Pacific Gold Combine LLC DBA Chemstation Hawaii	Estimated Cost Based on Mat. Bid 2022-05
Part C – C-9 Polyphosphate (7 drums per month) Cost per 30 gallon drum	No Bid	\$1,219.50	\$1,221.30	\$1,127.27	\$1,131.00	\$1,042.00
Part D – 38% Sodium Bisulfite (Delivery once per 3 weeks) Cost per 50 gallon drum	Non-Responsive	\$820.00	\$404.47	No Bid	\$605.90	\$519.40
Part E – 50% Sulfuric Acid (Delivery once per 3 weeks) Cost per 750 pound drum	Non-Responsive	\$795.00	\$425.17	No Bid	\$766.76	\$722.00
Part F – 12.5% Sodium Hypochlorite (3 drums per month) Cost per 53 gallon drum	Non-Responsive	\$389.50	\$392.91	No Bid	\$495.00	\$389.62
Part G – 50% Sodium Hydroxide (Delivery once per month) Cost per 650 pound drum	Non-Responsive	\$925.00	\$450.37	No Bid	\$495.00	\$385.65
Part H – Accu-Tabs SI Tablets (14 buckets per month) Cost per 60 pound bucket	Non-Responsive	\$240.00	\$187.99	No Bid	\$256.97	\$197.08
Part I – Soda Ash (62 bags per 3 weeks) Cost per 50 pound bag	Non-Responsive	\$31.85	\$32.00	No Bid	\$38.24	\$25.20

RECOMMENDATION: It is recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2024-06 FURNISH AND DELIVER VARIOUS TREATMENT PLANT CHEMICALS TO WAIMEA WATER TREATMENT PLANT by Parts to the following for the amounts shown above, and that either the Chairperson or the Vice-Chairperson be authorized to

sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The price agreement shall be from July 1, 2024, to June 30, 2026.

Parts B, D, E, G, and H to Phoenix V LLC dba BEI Hawaii
Parts F, and I to Malama Solutions & Supplies, LLC
Part C to Shannon Chemical Corporation

For Part A No Bids were received. Staff will seek alternative procurement pursuant to HAR 3-122-35 to secure pricing in the best interest of the Department.

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

CHR. LOPEZ: Any discussion?

MR. OKAMOTO: Yes, Mr. Chair. Real quickly, we'll need to defer the award to Part C, to Shannon Chemical Corporation. They as of yet are noncompliant with the Hawai'i Compliance Express (HCE) requirements which is required before we award to a contractor. So just that part, the rest is still okay.

CHR. LOPEZ: The rest is as noted in the agenda.

MR. OKAMOTO: Correct.

CHR. LOPEZ: Okay. Any further discussion? (none) All in favor of the motion say "aye."

ACTION: Motion was carried unanimously by voice vote (Ayes: 7 – Ms. Taaroa; Messrs. Bell, Kekela, Lee, Ney, Unger, and Chairperson Lopez).

CHR. LOPEZ: Let the record show Vice Chair Kekela is now present.

8) **NORTH KONA:**

A. **JOB NO. 2016-1056, WAI'AHA DEEPWELL REPAIR – REQUEST FOR ADDITIONAL FUNDS:**

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda item.

The Department is requesting a contract change order for the additional work for inclusion of special coating for threading on the positive check valve, and special anti-seize compound. The request for these precautions were made to prevent or significantly reduce the chances of galling occurring with the stainless-steel check valve the Contractor specified to furnish as part of Change Order #2. The description of the additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Phenolic coating for stainless steel check valve threads and thread lubricant.	\$ 1,130.89
	TOTAL	\$ 1,130.89

Original Contract Amount: \$ 650,000.00
Original Contingency Amount: \$ 65,000.00
1st Additional Funds Request: \$ 380,080.50
2nd Additional Funds Request: \$ 1,130.89
Total Revised Contract Amount: \$ 1,096,211.39

Staff reviewed the request for additional funds and found that the \$1,130.89 can be considered justified.

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$1,130.89 to Derrick's Well Drilling & Pump Services, LLC, for a total project cost of \$1,096,211.39 for JOB NO. 2016-1056, WAI'AHA DEEPWELL REPAIR.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: Yes, Mr. Chair. Sorry, we forgot to include this in your packet, basically the proposal from the contractor for this additional cost. If you have any questions regarding this additional work, Eric can explain.

MR. LEE: How come it wasn't included? Well, I'm kind of new here, so the \$380,080.50, the 1st Additional Funds, what was that for?

MS. TAAROA: That was for—

CHR. LOPEZ: \$380,000, 1st Adding Funds Request.

MR. LEE: It's just like 50% of the contract?

MR. TAKAMOTO: Yes, that was for the settlement agreement of warranty, to get us—

MR. OKAMOTO: I'll try explaining it. Just for some background, this one we went into mediation because of a dispute between the department and contractor. What happened was basically their cable on their rig broke and sent items down the hole. Through several years of back and forth, it was settled on that amount. There's an additional detail we can probably discuss on the side, Mr. Lee, but basically for that amount to proceed with repairing this well. We've had this well out of commission for a number of years, and it's been brought to the Board numerous times for discussion and even through Executive Sessions. Basically, it reached the point where we needed to move on, and that's what that settlement came to, and that's what we settled on to have the contractor to proceed with repair.

This one is now our department's request. This \$1,000 is basically to provide a coating on stainless steel. If you folks kind of know stainless steel threaded fittings, it can lock up the threads if you don't have it properly lubricated and/or with a proper coating, especially if there's—even if it's stainless to stainless, you'll have that situation. But this one, is it stainless?

MR. TAKAMOTO: Stainless to carbon steel.

MR. OKAMOTO: Carbon steel. So even more so, we wanted to have this extra work done that wasn't foreseen when we initially scoped this out.

CHR. LOPEZ: Thank you for that. Did your question get answered, Mr. Lee?

MR. LEE: Yes.

MR. NEY: How many sets of threads, I mean like how many pipes are we talking about that they're trying to coat?

MR. TAKAMOTO: They're just putting the check valve.

MR. NEY: Just the check valve?

MR. TAKAMOTO: Yes.

MR. NEY: The materials are that much?

MR. TAKAMOTO: Yes.

MR. NEY: Seems a lot.

CHR. LOPEZ: I have a question. I could have looked this up ahead of time, I apologize. Galling?

MR. TAKAMOTO: That's the process that Keith explained about, the threading locking up.

CHR. LOPEZ: It locks up?

MR. TAKAMOTO: Yes. Basically, galling is another term for when it locks together. Basically, you're fusing the metal together.

CHR. LOPEZ: Is that incompatibility of metal? Like copper or stuff like that?

MR. TAKAMOTO: Not necessarily.

CHR. LOPEZ: That's a different subject?

MR. TAKAMOTO: Yes.

CHR. LOPEZ: All right, thank you. That's enough. Any other discussion? All in favor of accepting the recommendation say "aye."

ACTION: Motion was carried unanimously by voice vote (Ayes: 7 – Ms. Taaroa; Messrs. Bell, Kekela, Lee, Ney, Unger, and Chairperson Lopez).

B. **JOB NO. 2023-08 (MAT), F&D SPARE PUMP AND MOTOR SET FOR KALAOA #1 DEEPWELL – REQUEST FOR ADDITIONAL FUNDS AND TIME EXTENSION:**

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda item.

The Department is requesting a contract time extension of 40 calendar days, due to the delays from resolving the motor lead and testing issues. The 40 calendar days was assessed from 01/30/2024 to

02/26/2024, and from 04/04/2024 to 04/15/2024. *Note: There are no additional costs associated with this time extension.*

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	03/31/2024	04/23/2024	23	Delay due to need for additional funding.
2	04/23/2024	05/08/2024	15	Delay due to DWS submittal review.
3	05/08/2024	06/17/2024	40	Delay due to resolving equipment issues and DWS submittal review.
Total Days (including this request)			78	

1st time extension – 23 calendar days
 2nd time extension – 15 calendar days
 3rd time extension – 40 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of calendar days for JOB NO. 2023-08 (MAT), F&D SPARE PUMP AND MOTOR SET FOR KALAOA #1 DEEPWELL. If approved, the contract completion date will be revised from May 8, 2024 to June 17, 2024.

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

CHR. LOPEZ: Discussion?

MR. UNGER: June 7th is in a couple of days, what is the status today?

MS. MELLON-LACEY: It's June 17th.

CHR. LOPEZ: 17th.

MR. UNGER: Oh, 17th, okay.

CHR. LOPEZ: You still have a question.

MR. OKAMOTO: That's still a valid question, so Eric can provide—

MR. UNGER: It's still a valid question, that's only a week away.

CHR. LOPEZ: Go ahead, please.

MR. TAKAMOTO: Basically the time that they requested, it could be enough time for them, but that's all the time that we considered justified; so if they exceed the time, then they'll be accruing liquidated damages.

CHR. LOPEZ: Okay, any other discussion? I have a question. I kept myself wrapped around the axel on this 40 days, when it says it “was assessed from 01/30/24,” in the request section, so that to me is— which date are we working with, either May 8th or January 30th? You see that in “The Department is requesting . . .the date the motor manufacturer received the motor from the,”—so that’s what my question is, where is the January 30th because that’s kind of the start date.

MR. TAKAMOTO: The project may possibly be suspended, that’s why the 40 days doesn’t necessarily count from January 30th. I think once we issue the notice to resume work, then they have 40 days, which would bring us to that new date, May 8th.

CHR. LOPEZ: May 8th is when the 40 days, the calendar days starts?

MR. TAKAMOTO: Yes.

CHR. LOPEZ: Do you think it’s worthwhile to clear up this language, 40 calendar days was assessed from January 30th?

MR. TAKAMOTO: Yes, we can clarify that language further in the minutes.

CHR. LOPEZ: Okay, got me. All right, any other discussion? (none) All in favor of the recommendation for 40-day grant of extension say “aye.”

ACTION: Motion was carried unanimously by voice vote (Ayes: 7 – Ms. Taarora; Messrs. Bell, Kekela, Lee, Ney, Unger, and Chairperson Lopez).

9) MISCELLANEOUS:

A. MATERIAL BID NO. 2024-01 – FURNISHING AND DELIVERING PIPES, FITTINGS, WATER METERS, FIRE HYDRANTS, BRASS GOODS, VALVES, ELECTRICAL SUPPLIES, ELECTRICAL EQUIPMENT, SCADA, WATER QUALITY EQUIPMENT, CHLORINATORS, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK:

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda item.

Bids were opened on May 9, 2024 at 1:30 p.m., and the following are the bid results:

Section No.	Description	Bidder	Amount	Estimated Cost Based on Mat. Bid 2023-01
1	DUCTILE IRON PIPE, PUSH-ON TYPE JOINT	Core & Main LP dba Pacific Pipe Company	\$113,000.00	\$108,000.00
2	DUCTILE IRON FITTINGS	Core & Main LP dba Pacific Pipe Company	\$193,082.00	\$161,385.00*

Section No.	Description	Bidder	Amount	Estimated Cost Based on Mat. Bid 2023-01
3	DUCTILE IRON FITTINGS – CORROSIVE SERVICE	Core & Main LP dba Pacific Pipe Company	\$12,705.00	\$33,035.00
4	DUCTILE IRON SOLID BODY SLEEVES	Core & Main LP dba Pacific Pipe Company	\$72,330.00	\$65,702.70
5	FLANGE GASKETS	No Bids		No Bids
6	NUTS, BOLTS, AND THREADED RODS	No Bids		\$71,930.20
7	COPPER TUBING	Ferguson Enterprises, LLC	\$174,015.95	\$194,750.00
8	GALVANIZED PIPES T&C (THREADED & COUPLED)	Core & Main LP dba Pacific Pipe Company	\$34,915.00	\$101,436.30
9	METER BOXES	Ferguson Enterprises, LLC	\$56,425.00	\$47,643.00
10	METER COVERS	Ferguson Enterprises, LLC	\$7,900.00	\$8,200.00
11	AUTOMATIC METER READING UNIT	Ferguson Enterprises, LLC	\$101,160.00	No Bids
12	SMART WATER METERS	Core & Main LP dba Pacific Pipe Company	\$221,206.00	\$200,432.00
13	5/8” WATER METERS	Badger Meter, Inc.	\$71,712.00	\$64,422.00
14	NEPTUNE T-10 SERIES METER PARTS	Ferguson Enterprises, LLC	\$118,765.00	No Bids
15	BADGER RECORDALL SERIES METER PARTS	Badger Meter, Inc.	\$5,526.00	\$5,175.26
16	1”- 2” WATER METERS	Badger Meter, Inc.	\$13,976.90	\$11,920.00
17	COMPOUND WATER METERS	Badger Meter, Inc.	\$14,774.22	\$11,755.00
18	TURBINE METERS	Badger Meter, Inc.	\$26,074.85	\$23,204.00
19	DETECTOR CHECK METERS	Core & Main LP dba Pacific Pipe Company	\$7,805.00	\$7,000.00
20	FIRE SERVICE METERS	Badger Meter, Inc.	\$80,404.40	\$63,771.00
21	FIRE HYDRANTS	Core & Main LP dba Pacific Pipe Company	\$244,000.00	\$200,671.00
22	TAMPER-RESISTANT FIRE HYDRANTS	No Bids		\$201,420.00

Section No.	Description	Bidder	Amount	Estimated Cost Based on Mat. Bid 2023-01
23	MUELLER FIRE HYDRANT PARTS	Core & Main LP dba Pacific Pipe Company	\$29,528.00	\$24,549.91
24	M&H VALVE FIRE HYDRANT PARTS	Core & Main LP dba Pacific Pipe Company	\$28,402.00	No Bids
25	AMERICAN DARLING FIRE HYDRANT PARTS	Core & Main LP dba Pacific Pipe Company	\$29,548.00	No Bids
26	BALL METER VALVES	Core & Main LP dba Pacific Pipe Company	\$90,250.00	\$79,742.50
27	BALL VALVE, PACK JOINT X METER COUPLING / FIP	Core & Main LP dba Pacific Pipe Company	\$67,240.00	\$55,854.40
28	COMPRESSION JOINT COUPLING	Core & Main LP dba Pacific Pipe Company	\$9,000.00	\$8,372.00
29	METER FLANGE COUPLING	Core & Main LP dba Pacific Pipe Company	\$6,350.00	\$5,623.50
30	PACK JOINT COUPLING	Core & Main LP dba Pacific Pipe Company	\$60,270.00	\$54,917.25
31	CORPORATION AND CURB STOPS – BALL TYPE	Core & Main LP dba Pacific Pipe Company	\$147,455.00	\$128,223.80*
32	HOSE BIBBS	Ferguson Enterprises, LLC	\$5,260.00	No Bids
33	INVERTED MARKING PAINT	Safety Systems and Signs Hawaii, Inc. dba Statewide Safety Systems	\$17,544.00	\$14,450.00
34	AIR RELIEF VALVES	Core & Main LP dba Pacific Pipe Company	\$48,300.00	\$52,250.00
35	SLOW CLOSING AIR/VACUUM VALVES	No Bids		
36	SILENT CHECK VALVES	Core & Main LP dba Pacific Pipe Company	\$152,800.00	\$138,156.50
37	DUCKBILL CHECK VALVES	Core & Main LP dba Pacific Pipe Company	\$111,080.00	\$125,530.30
38	GATE VALVES – 3” AND LARGER, 125# CLASS	Core & Main LP dba Pacific Pipe Company	\$89,888.00	\$77,510.54

Section No.	Description	Bidder	Amount	Estimated Cost Based on Mat. Bid 2023-01
39	GATE VALVES – 3” AND LARGER, 250# CLASS	Core & Main LP dba Pacific Pipe Company	\$150,733.00	\$137,045.24
40	BUTTERFLY VALVES – 3” AND LARGER, 125# CLASS	Core & Main LP dba Pacific Pipe Company	\$20,761.00	
41	AUTOMATIC CONTROL VALVES	Core & Main LP dba Pacific Pipe Company	\$2,661,400.68	\$2,735,602.16
42	ROTARY PUMP CONTROL VALVES AND ACTUATION	No Bids		No Bids
43	RESERVOIR LEVEL INDICATOR	TK Process Hawaii, LLC	\$14,109.20	\$12,614.28
44	HATCH FRAMES AND COVERS	No Bids		No Bids
45	EMERGENCY EYEWASH/SHOWER STATIONS	Safety Systems and Signs Hawaii, Inc. dba Statewide Safety Systems	\$169,847.30	\$157,636.70
46	SUPPLEMENTAL PPE	Safety Systems and Signs Hawaii, Inc. dba Statewide Safety Systems	\$8,776.76	\$7,829.00
47	ELECTRICAL GLOVES	No Bids		\$2,605.00
48	PORTABLE POWER CABLE & FITTINGS	No Bids		No Bids
49	INDUSTRIAL MOTOR LEAD CABLE	No Bids		\$154,860.00
50	INDUSTRIAL CONTROL WIRING	No Bids		\$13,425.00
51	HEAVY-DUTY SAFETY SWITCH	No Bids		No Bids
52	MEDIUM-VOLTAGE REDUCED VOLTAGE SOFT STARTER	TK Process Hawaii, LLC	\$374,369.60	\$538,718.99
53	ULH VARIABLE FREQUENCY DRIVES	No Bids		\$1,422,213.00*

Section No.	Description	Bidder	Amount	Estimated Cost Based on Mat. Bid 2023-01
54	VARIABLE FREQUENCY DRIVES	TK Process Hawaii, LLC	\$3,370,222.58	\$3,268,314.41
55	POWER QUALITY EQUIPMENT	No Bids		No Bids
56	SURGE PROTECTION DEVICES	TK Process Hawaii, LLC	\$90,766.18	\$90,595.81
57	PROGRAMMING SERVICES	SCADA & Control Systems, LLC	\$1,135.00	\$560.00
58	PRESSURE TRANSDUCER – WELL LEVEL	No Bid		No Bids
59	PRESSURE TRANSDUCER – RESERVOIR LEVEL	No Bid		No Bids
60	PRESSURE TRANSMITTER	TK Process Hawaii, LLC	\$4,988.26	\$4,846.46
61	FLOW SWITCH	TK Process Hawaii, LLC	\$2,648.66	\$2,335.28
62	ELECTROMAGNETIC FLOW METER – WELL & BOOSTER	No Bids		No Bids
63	ELECTROMAGNETIC FLOW METER – RESERVOIR & PRV	No Bids		No Bids
64	REAGENTLESS CHLORINE RESIDUAL ANALYZERS	No Bids		No Bids
65	WATER QUALITY EQUIPMENT	TK Process Hawaii, LLC	\$108,513.63	No Bids
66	REAGENTS AND STANDARDS	TK Process Hawaii, LLC	\$14,687.32	No Bids
67	MULTISTAGE BOOSTER PUMPS	No Bids		No Bids
68	DIGITAL CHLORINE CYLINDER SCALE	TK Process Hawaii, LLC	\$53,200.80	No Bids
69	CHLORINE GAS EXHAUST FANS	No Bids		

Section No.	Description	Bidder	Amount	Estimated Cost Based on Mat. Bid 2023-01
70	CHLORINE GAS FEEDER	No Bids		No Bids
71	MECHANICAL SEALS	No Bids		No Bids
72	MOTORS	No Bids		No Bids
73	INDUSTRIAL LUBRICANTS	No Bids		No Bids
74A	LEGACY LEAK NOISE DATA LOGGER & PARTS	Wong's Equipment & Service, LLC	\$5,940.86	\$1,967.54*
75	LEAK NOISE DATA LOGGERS	TK Process Hawaii, LLC	\$69,094.32	\$49,814.32
76	LIGHT EMITTING DIODE LUMINARIES	TK Process Hawaii, LLC	\$4,786.65	\$4,782.75

*Item(s) in this Part for Material Bid 2023-01 may have been different or additional items were added to this Part for Material Bid 2024-01.

The contract period for all Parts is one year, from July 1, 2024, to June 30, 2025. All Parts are established price agreements for materials on an "As-Needed Basis."

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2024-01, FURNISHING AND DELIVERING PIPES, FITTINGS, WATER METERS, FIRE HYDRANTS, BRASS GOODS, VALVES, ELECTRICAL SUPPLIES, ELECTRICAL EQUIPMENT, SCADA, WATER QUALITY EQUIPMENT, CHLORINATORS, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK by Parts to the following for the amounts shown above, on an as-needed basis, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period shall be from July 1, 2024, to June 30, 2025.

Parts 1, 2, 3, 4, 8, 12, 19, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 34, 36, 37, 38, 39, 40, and 41 to Core & Main LP dba Pacific Pipe Co., Inc.

Parts 7, 9, 10, 11, 14, and 32 to Ferguson Enterprises, LLC

Parts 15, 16, 17, 18, and 20 to Badger Meter, Inc.

Parts 33, 45, and 46 to Safety Systems & Signs Hawaii, Inc.

Parts 43, 52, 54, 56, 60, 61, 65, 66, 68, 75, and 76 to TK Process Hawaii, LLC

Part 57 to SCADA & Control Systems, LLC

Part 74A to Wong's Equipment & Services, LLC

For the Parts where no bids were received, staff shall seek alternative procurement pursuant to HAR 3-122-35 to procure the required materials in the best interests of the Department.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: Okay, I wanted to take some time, primarily for the new Board members. This is a recurring—every year we’ll put out this bid, and this is to essentially establish a pricelist for us to be able to buy material instead of having to do an individual quote for each item as we need it. We may not necessarily use or need to purchase all the items on this list, but it will establish a price contract for us to do so should the need arise, which is why we call it on “As-Needed Basis.” If there are any questions—

CHR. LOPEZ: Question, SCADA?

MR. OKAMOTO: SCADA is Supervisory Control and Data Acquisition, basically it’s an acronym to cover equipment that we can use to monitor things we need to monitor without actually having to drive to the site, we can do it remotely.

CHR. LOPEZ: So is that related to this item, Part 57, SCADA & Control Systems, LLC? Is it software?

MR. TAKAMOTO: Yes, for that particular section, they’re providing programming services.

CHR. LOPEZ: They’re providing services, but the term you’re applying here in the recommendation is for a broader term, not just—

MR. TAKAMOTO: Yes, for other sections also.

CHR. LOPEZ: Thank you. Any other discussion?

MR. LEE: Is there a reason why there are so many No Bids?

MR. OKAMOTO: I don’t know if there is a reason, but it does happen. We don’t know the reason why; but should we need that item during the course of this next fiscal year, then we’ll typically probably do a Request for Quotes (RFQ), depending on what the cost amount is. So, we’ll still keep it competitive. We still have to follow procurement.

CHR. LOPEZ: But that doesn’t have to come back to the Board, right, because it’s under HAR-3-122-35?

MR. OKAMOTO: Correct.

MR. NEY: Keith, so these are all line-item budgets for like an aggregate of each material I guess, or a part. We have the prices locked in?

MR. OKAMOTO: Mm-hm (affirmative).

MR. NEY: Per cost, per item. Have you guys had any issues with them coming back and saying, “Hey, our costs have gone up unexpectedly. We’ve got to pass along that difference.”

MR. TAKAMOTO: In some instances, we have an escalation clause to cover that.

MR. OKAMOTO: It's in the contract?

MR. TAKAMOTO: Yes.

MR. NEY: But is that stipulated in the contract with them that if they had to adjust for inflation on some of these items, or do we have to come back and present that to the Board and say, "Hey, these costs of these items are going up from what it originally was agreed upon?"

MR. OKAMOTO: I think in general, if I'm understanding what Eric said correctly, some items we may put an escalation clause in. It may not apply to all of these items. Now if it doesn't have that escalation clause in the contract and they want to raise their price, then I think for that particular item we would need to come back to the Board and request your approval; otherwise, it's established by contract that this is what we'll pay for that piece of equipment.

MS. MELLON-LACEY: If I could just add, I think the whole Procurement Code under the State is to be fair and reasonable for vendors, and so it's not like you would, you know, make them and then go broke. They know this is a contract, but they would have to provide proof.

MR. NEY: So in their cost?

MS. MELLON-LACEY: Yes, it's a whole mechanism for this. It's not like, "Hey, it's going up," They've got to prove and show it.

MR. NEY: Yeah, as long as they validate that it's costing them money. Thanks.

CHR. LOPEZ: Any other questions, or discussion?

MR. UNGER: To clarify your thing, this is just a checklist that if the Water Department needs any of these items they can go to the contractor and say, "Hey, we want to purchase those items," and then you go and purchase them and they're locked in for the year, is that correct?

MR. OKAMOTO: Correct.

MR. UNGER: Okay. Well, I would recommend—I mean, number 8, it looks like you got a really good deal this year unless that's a typo. Boy, at some point if you got a deal like that, I would just go and buy that and stockpile it for future use.

MR. OKAMOTO: I don't know the details on that particular line item, but great point. If the department can take advantage of prices, and we have the ability to increase our stock, we'll definitely do that. Sometimes these bids are based on an estimated quantity, so it's not like we're going to actually buy that amount over the course of a year, but just so all the different vendors are bidding accordingly. Sometimes a material will cost different; if you say you buy 20 tons of it during a year versus one ton of it during the year.

MR. UNGER: Okay, understood.

MR. OKAMOTO: I'm not sure that's reflected—

MR. UNGER: Just looking at the sheet here, I would certainly recommend you all look into it; if you get a 70% discount for something you know you're going to need in the future, that might be something to consider.

MR. OKAMOTO: Right. Good point, thank you.

CHR. LOPEZ: Any other questions, discussion on the agenda item? Hearing none, we'll go to a vote. All in favor say "aye."

Point of Order:

MR. OKAMOTO: Just a Point of Order, Mr. Chair, just for Nora's sake, we're going to assume all the votes so far have been unanimous "ayes," and nobody has voted "nay" to any of the other items. Just to make sure.

MS. MELLON-LACEY: We could do roll call.

MR. OKAMOTO: No, I think it's working just as long as we all are on the same page. I think the Chair is moving very quickly, so I appreciate that.

ACTION: Motion was carried unanimously by voice vote (Ayes: 7 – Ms. Taaroa; Messrs. Bell, Kekela, Lee, Ney, Unger, and Chairperson Lopez).

B. MATERIAL BID NO. 2024-02 - FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER:

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda item.

Bids were opened on May 2, 2023, at 2:30 p.m., and the following are the bid results:

		Edwin Deluz Trucking & Gravel, LLC	Grace Pacific, LLC	Jas. W. Glover, Ltd.	Puna Rock Company Limited	Estimated Cost Based on Mat. Bid 2023-02
	DISTRICT I:					
1A.	3/4-Inch Base Course (Cost per ton)	No Bid	No Bid	\$21.00	\$20.80	\$20.05
1B.	1½-Inch Base Course (Cost per ton)	No Bid	No Bid	\$21.00	\$19.75	\$19.00
1C.	No. 3F Rock (Cost per ton)	No Bid	No Bid	\$41.00	\$24.35	\$23.00
1D.	#4 Sand (Cost per ton)	No Bid	No Bid	\$49.00	\$43.95	\$43.95
1E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	No Bid	\$64.00	No Bid	\$63.90

		Edwin Deluz Trucking & Gravel, LLC	Grace Pacific, LLC	Jas. W. Glover, Ltd.	Puna Rock Company Limited	Estimated Cost Based on Mat. Bid 2023-02
1F.	Cold Mix – ASTM D4215-87 (Cost per ton)	No Bid	No Bid	No Bid	No Bid	No Bid
1G.	Blended Material 60% #4 Sand and 40% No. 3F Rock (Cost per ton)	No Bid	No Bid	\$57.00	\$26.95	\$21.70
1H.	Hot Mix - County Mix IV (Cost per ton)	No Bid	No Bid	\$186.00	No Bid	No Bid
	DISTRICT II:					
2A.	3/4-Inch Base Course (Cost per ton)	\$15.90	No Bid	No Bid	No Bid	No Bid
2B.	1½-Inch Base Course (Cost per ton)	\$15.15	No Bid	No Bid	No Bid	No Bid
2C.	No. 3F Rock (Cost per ton)	\$22.90	No Bid	No Bid	No Bid	No Bid
2D.	#4 Sand (Cost per ton)	\$29.95	No Bid	No Bid	No Bid	No Bid
2E.	Mortar Sand - ASTM C144 (Cost per ton)	\$75.00	No Bid	No Bid	No Bid	No Bid
2F.	Cold Mix - ASTM D4215-87 (Cost per ton)	No Bid	No Bid	No Bid	No Bid	\$177.10
2G.	Blended Material 60% #4 Sand and 40% No. 3F Rock (Cost per ton)	\$22.15	No Bid	No Bid	No Bid	No Bid
	DISTRICT III:					
3A.	3/4-Inch Base Course (Cost per ton)	No Bid	No Bid	No Bid	No Bid	No Bid
3B.	1½-Inch Base Course (Cost per ton)	No Bid	No Bid	No Bid	No Bid	No Bid

		Edwin Deluz Trucking & Gravel, LLC	Grace Pacific, LLC	Jas. W. Glover, Ltd.	Puna Rock Company Limited	Estimated Cost Based on Mat. Bid 2023-02
3C.	No. 3F Rock (Cost per ton)	No Bid	No Bid	No Bid	No Bid	No Bid
3D.	#4 Sand (Cost per ton)	No Bid	No Bid	No Bid	No Bid	No Bid
3E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	No Bid	No Bid	No Bid	No Bid
3F.	Cold Mix - ASTM D4215-87 (Cost per ton)	No Bid	No Bid	No Bid	No Bid	\$184.00
3G.	Hot Mix - County Mix IV (Cost per ton)	No Bid	\$250.50	No Bid	No Bid	\$176.50

RECOMMENDATION: It is recommended that the Board approve the contract for MATERIAL BID NO. 2024-02, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY by Parts to the following for the amounts shown above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The price agreement shall be from July 1, 2024, to June 30, 2025.

District I - Parts 1A, 1B, 1C, 1D, and 1G to Puna Rock Company, Limited
Part 1E to Jas. W. Glover, Ltd.

District II - Parts 2A, 2B, 2C, 2D, 2E, and 2G to Edwin DeLuz Trucking & Gravel, LLC

District III - Parts 3G to Grace Pacific, LLC

For Parts 1F, 2F, 3A, 3B, 3C, 3D, 3E, and 3F no bids were received. Staff will seek alternative procurement pursuant to HAR §3-122-35 to secure pricing in the best interest of the Department.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: Yes. One correction, in District 1 we need to add Item 1H to 1E to be awarded to James W. Glover, Ltd. So it's Part 1E and Part 1H to James W. Glover, Ltd. No changes to the rest

CHR. LOPEZ: So 1H goes under James W. Glover?

MR. OKAMOTO: Correct.

CHR. LOPEZ: And it's not previously listed anywhere else, okay. Very good, thank you. Any other discussions or questions? We have a motion, all in favor say "aye."

ACTION: Motion was carried unanimously by voice vote (Ayes: 7 – Ms. Taaroa; Messrs. Bell, Kekela, Lee, Ney, Unger, and Chairperson Lopez).

C. **MEMORANDUM OF AGREEMENT (MOA) FOR THE EMERGENCY POWER TRANSFER SWITCHING CAPABILITY FOR CRITICAL WATER INFRASTRUCTURE:**

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda item.

The Department of Water Supply (DWS) is proposing to enter into a MOA with the Hawai‘i Emergency Management Agency to facilitate the allocation of FEMA Hazard Mitigation Grant Program funds to DWS’ Emergency Power Transfer Switching Capability for Critical Water Infrastructure project. This project involves the installation of power transfer switches and supporting infrastructure at six (6) well sites (Honoka‘a, Makapala, Parker #1, Lālāmilo C, Kahalu‘u A&C, and Keahuolū wells). The federal share will be 90% of the total project cost, not to exceed \$702,000.00. DWS share will be a 10% match. DWS will be responsible for the procurement of the professional services and construction.

Federal Share (90%):	\$	702,000
<u>DWS Share (10%):</u>	\$	<u>78,000</u>
Total Est. Project Cost:	\$	780,000

RECOMMENDATION: It is recommended that the Board approve the MOA with the Hawai‘i Emergency Management Agency for the Emergency Power Transfer Switching Capability for Critical Water Infrastructure, and that either the Chairperson or the Vice-Chairperson be authorized to sign the MOA, subject to review as to form and legality by Corporation Counsel.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: Yes, for the Board’s information, this is our continuing effort to be better positioned for resiliency’s sake, for the scenario where we do have power outages and things like that. So I want to thank Warren for working hard to go after these types of funds. What I think should be noted on this particular Federal funding is that it’s a 90/10 split. Normally, it’s 75/25, where our share would be 25%. This is a great deal, yes, it’s like getting a 90% sale on something. But if you have questions, Warren’s available.

MR. UNGER: Keith, can you just briefly describe what this is?

MR. OKAMOTO: Yeah, this will help it be more plug & play, to hook up a backup generator to our facility. So contrary to maybe the public’s awareness, even though you have a backup generator, unless on the design and construction of our facility you incorporate the backup generator plug-in to the facility, it takes a lot of additional work to actually hook up a generator to one of our control buildings. So this work will make it as seamless as we can make it to incorporate and utilize backup generators at these locations. Is that about it?

MR. CHING: Yep.

MR. OKAMOTO: Other than that, does that make sense?

MR. UNGER: Yes.

CHR. LOPEZ: Any other questions? Hearing none, all in favor of the recommendation say “aye.”

ACTION: Motion was carried unanimously by voice vote (Ayes: 7 – Ms. Taaroa; Messrs. Bell, Kekela, Lee, Ney, Unger, and Chairperson Lopez).

D. MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN COUNTY OF HAWAI‘I FINANCE DEPARTMENT (FIN) AND COUNTY OF HAWAI‘I DEPARTMENT OF WATER SUPPLY (DWS) FOR UTILIZATION OF STATE AND LOCAL FISCAL RECOVERY FUNDS:

CHR. LOPEZ: Is there any testimony for this item?

MS. AVENUE: Mr. Chair, we Mr. Ikaika Kailiawa-Smith who would like to come forward and testify.

CHR. LOPEZ: We have somebody on this item, yes, Mr. Smith.

MR. SMITH: My name is Ikaika Kailiawa-Smith, running for County Council District 6. I am reading through this, and the funds are \$60 million are wanting to be approved for Lālāmilo. My question is, one, Lālāmilo is Hawaiian Homes, that’s a state entity. Their budget was \$600 million last year, so why are these emergency funds going to Lālāmilo? Second part, on Lālāmilo, is million-dollar homes in that community, so why aren’t their taxes going to this one?

Right now as it sits, the EPA is shutting down gang cesspools in my district of Nā‘ālehu and Pāhala. These are returned people who have paid taxes their entire life and now have to give or find \$30,000 to \$70,000, pull it out of somewhere, to build septic tanks. The County is supposed to be building a wastewater treatment facility. So why is the \$60 million going to Lālāmilo instead of Ka‘ū where the EPA is going to start fining the County for its failure to upkeep the wastewater in Ka‘ū? So that’s my question, why is this money being spent over there and not in my district, I thought we pay taxes, too?

MR. OKAMOTO: I’ll report to that during our discussion period.

MR. KAILIAWA-SMITH: Okay.

MR. OKAMOTO: Okay thanks, Ikaika.

CHR. LOPEZ: The United States Congress, through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) a part of the American Rescue Plan, allocated \$350 billion to state, local, and Tribal governments across the country to support their response to aid recovery from the COVID-19 public health emergency. One of the permitted uses for these funds is to make necessary investments in water, sewer, or broadband infrastructure.

Hawai‘i County (“COH”) received an award for sixty million, two hundred thirty-three thousand six hundred thirteen dollars (\$60,233,613). Under the SLFRF program, funds must be used for costs incurred on or after March 3, 2021. Further, funds must be obligated by December 31, 2024, and expended by December 31, 2026, defined as the period of performance.

FIN desires to enter into a MOU with the DWS to award funds for a portion of the cost of the construction of the Lālāmilo 10 million-gallon (MG) Reservoir for the Lālāmilo Water System. The MOU is currently in draft form.

RECOMMENDATION: It is recommended that the Board approve entering into a MOU with FIN to receive SLFRF funds for a portion of the construction costs of the Lālāmilo 10mg Reservoir, subject to the approval of the Corporation Counsel and that the Chairman or Vice-Chairman be authorized to sign the MOU.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: First, I'll explain, and sorry, we may have confused folks with our write-up on the agenda. Basically this is that American Rescue Plan Act. The Feds, they like to make titles and then they shorten it with acronyms, so this Act authorized the funds, which is the SLFRF Funds (State and Local Fiscal Recovery Funds). Various states got these fundings, and it was primarily COVID time. But after an iteration or so, they decided to add critical infrastructure, including water and wastewater. The entire County was awarded \$60 million. They're allowing us a portion of that, \$3 million, and we'd like to use that on our Lālāmilo 10mg reservoir project. We've got some funding, but we're underfunded for that project already. Graciously, we took them up on that offer to get \$3 million to help supplement our funding for that project.

I understand Mr. Smith's concern in his district, Nā'ālehu, and the cesspools. I'm not sure what kind of funding, if any, came from this pot of money to go to that effort.

MR. SMITH: No, and that's why I was asking why it's going there instead of (inaudible).

MR. OKAMOTO: Okay, and that's actually not our department. You would need to check with probably Wastewater or other departments in the County. Basically, that's it. If there are questions—

CHR. LOPEZ: Given what Mr. Smith said, and given what you just said, I would have expected to see in the recommendation, where it says, "the Board approve entering into a MOU with FIN to receive SLFRF funds for a portion of the construction costs, I would have expected to see \$3 million here because that changes the whole picture of what we're actually voting for.

MR. OKAMOTO: Correct.

CHR. LOPEZ: Do you want to make that part of your recommendation?

MR. OKAMOTO: Yes, we can include the actual fund as part of the recommendation.

CHR. LOPEZ: Or a portion (inaudible).

MR. UYEHARA: Yeah, I guess for clarity? (inaudible).

CHR. LOPEZ: Well, it's in the MOU document. But if it's on here, will you point that out to me? Where is the \$3 million?

(BOARD MEMBER ?): It's not \$3 million.

CHR. LOPEZ: So it's separate from the—which is what we're working with. We have to use all \$3 million, right?

MR. OKAMOTO: You're correct, just for clarity.

CHR. LOPEZ: So to your other point of the \$60 million being awarded, the question about Mr. Smith's concern for sewer would be directed to Sewer to see if what portion of that is being used for that need.

MR. OKAMOTO: Correct.

CHR. LOPEZ: We're only concerned with the \$3 million awarded to DWS?

MR. OKAMOTO: Yes

CHR. LOPEZ: All right, thank you.

MR. NEY: I guess my question is too, Keith, when these funds were given to the County, did they have allocation amounts that suggested how much to each department? That's totally the discretion of how the County wants to allocate anything (inaudible), basically?

MR. OKAMOTO: Yes, I believe that's their discretion. From my understanding, Department of Finance took the lead and I think they did a presentation to County Council as well, on the use of this fund. One of the important pieces of this funding is if you don't have it locked in or allocated by December 31st of this year, the County stands to lose the funds.

MR. NEY: Is there any discussion from us saying, "Hey, if we feel like this is a fair portion, then we should get, or is there a little bit of lobbying on your guy's part to go, "Hey, we don't want 5% of this, we want 10%," or whatever the case. Because one thing with the County, you know, like partly to his point, they have a huge revenue stream through property tax, and that reinvestment of money going back into the community, from the Water Department standpoint, we want to be cut and fair too on things.

MR. OKAMOTO: Yes, so basically that's part of my job to do those kinds of lobbying requests, to make sure that we're not forgotten. A lot of times we do sometimes get forgotten because we generate our own funds, and typically the funds from Real Property, we don't receive any of that, right.

MR. NEY: Right, right.

MR. OKAMOTO: So that gets apportioned to all the other County departments. In cases like this though, where it's external funding, federally funded, and especially when they added an amendment to the funding to allow for drinking water projects, you know for sure I'm going to ask them; and basically I'll ask them, "I'll take \$10 million if you got it," but I think they had to distribute it more evenly. For us to get \$10 million out of the \$60 million, it would probably been disproportionate.

MR. NEY: Do you feel there's a lot of transparency from the County? For instance, some of these properties are paying six-figures of property tax, you know, these mega houses on the coast. At the end of day, you got all these revenues. I was just talking to a client whose property got reassessed, and he goes, "Where's all that money going towards?" It just doesn't seem like there's a lot of that comes out of it sometimes.

MR. OKAMOTO: And that I wouldn't feel comfortable even opining on that. That's something outside of our jurisdiction.

MR. SMITH: Could I ask you a question about (inaudible)?

MR. OKAMOTO: No, sorry.

CHR. LOPEZ: Okay, any other discussion, questions?

MR. OKAMOTO: We can talk story any time after.

CHR. LOPEZ: Oh, let the record show that Mr. Tom Brown is attending the meeting. Another voice vote. Thank you. All right, I'll call for the vote because I'm very sensitive to the issue brought up. To me it's not just gang cesspools but cesspools all over Hawai'i. I would like to emphasize Keith's already agreed that the recommendation, the portion, the MOU is entering into for SLFRF Funds for DWS is \$3 million.

MR. OKAMOTO: We will include that in the minutes.

CHR. LOPEZ: All right. So all in favor of the recommendation say "aye."

ACTION: Motion was carried unanimously by voice vote (Ayes: 8 – Ms. Taaroa; Messrs. Bell, Brown, Kekela, Lee, Ney, Unger, and Chairperson Lopez).

E. DISCUSSION ON STRATEGIES TO IMPROVE DEEPWELL RELIABILITY:

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda item.

Information will be provided to the Board on updates on efforts to improve the longevity of the well's operation and reduce duration of repairs. Discussion will follow along with any recommendations that should be considered for future action.

CHR. LOPEZ: Motion to approve?

MR. OKAMOTO: Actually, Mr. Chair, there's no recommendation on this one.

CHR. LOPEZ: Discussion.

MR. OKAMOTO: Yes, this was just for discussion.

CHR. LOPEZ: Okay, discussion. Thank you.

MR. OKAMOTO: Actually, thank you, Mr. Chair, for reminding me that because we have a fair amount of new Board members that weren't present or on the Board when we had some challenges with our Kona wells and their failures and whatnot back in 2017, I believe, so this body actually assembled a Permitted Interaction Group to address the issue. In the meantime, staff was already working on resolutions to make improvements, but I think it was opportune for us to update the current body, the current Board members, on what the department has done over the past several years to make improvements. Basically so we can reduce the downtime when a well goes down as well as improve so that we can have less repairs due to some of the causes that were happening to us at the time.

Basically, the point that we want to share with the Board and the public is that our staff has been working very hard. We've actually hired consultants to assist us with this, but the bulk of the effort has

been done with our staff working with both engineering. It's a whole team effort basically to accomplish those goals; reduce downtime and lessen the occurrences of failure as much as possible. Those of you who are in any trade field—if it moves, it's going to break, right? Any mechanical or electrical device is going to fail. They're not made to run forever; a prime example is your vehicle.

Anyway, with that we have attached in your packet a brief summary, basically it's a two-page summary bulleted of what we've done, front and back, to accomplish this. What I'd like to do is ask our team members to kind of highlight what they felt our key points of what we've done. Eric, can you come and—Eric's played a big part in the improvements that we've made. What do you think is key?

MR. TAKAMOTO: I think the most significant effort we did to improve the longevity would probably be our efforts to prefill the column assembly, basically that effort alone I believe resolved our issues that we were having with thrust bearing failures, so basically we're no longer sending our unit in upthrust, which basically hammers the thrust bearing. I think that is the most significant we did, efforts of improving longevity.

In terms of improving shortening the repair time, I think our efforts of moving towards standardization is paying off because we were able to do our repair Hualalai fairly quickly because of that, and hopefully in the future once we get further into our standardization with our second phase, that will improve even more because now it will be shared among even more of our facilities.

MR. OKAMOTO: For the Board's awareness, back in 2017, in the past we basically didn't have a good standard that these pumps and motors followed, so we have what we call slimline units, which in the past were not too reliable, but I think we've seen improvement in that regard so now we're leaning more towards that. The industry changes over time, and we're trying to adapt. We've had cooling issues, but as Eric just reminded me, a lot of the failures we've had back then were to the thrust bearing; and correct me if I'm wrong, this is a critical component in the motor that was failing. Basically, a bearing helps to address anything spinning, right, to allow it to spin more freely and not lock up and bind. This bearing is different from the normal bearings we typically see. And it's at the bottom of the motor?

MR. TAKAMOTO: Yes.

MR. OKAMOTO: So if you're trying to pump water up against an empty column, you're not pumping it to what the pump was designed for. You're pumping it against air, so you're not having that whole column height, 1,500 feet or so, of water column that the pumps want to pump against. So now you're pumping against air, and what's happening then is the thrust bearing is having a force imposed upon it that it doesn't like basically, and it was failing. So basically when that fails, the motor cannot spin freely, and you know what happens when the motor can't spin freely, you typically burn the motor. When this unit is 1,500 to 1,700 feet down the hole, it takes some effort to get it out, analyze it, see what went wrong, and that kind of boggled us. It took us a while before we figured that out. Kurt, do you have any other things to add besides what Eric shared?

MR. INABA: Part of standardizing was downsizing right to a more readily available unit, somewhat I guess from a larger unit, say 600 HP motor compared to a 400-horsepower motor, it's not as common, so I know kind of standardizing on that size. The bad side to that is our capacity was reduced, so a lot of our sources, sacrificing capacity but at least it's in service, right? The one large one down, nothing pumping, and that's what put us in that situation in 2017.

MR. OKAMOTO: That's another good point. I used to kind of equate that to, I guess I like cars, but it's almost like dropping a Ferrari down the hole. You have a 700-horsepower unit pumping three million gallons a day, it's almost like an exotic. So we decided to go to maybe the Ford F150s, something that's more accessible, not as costly, but the downside like Kurt said, is now we've lost capacity, where we might have had a 3 million gallons a day well, we're downsizing it to a 1-million gallons a day, so we need to recover that lost capacity.

Fortunately, in Kona, we have 14 sources, but we were trying to migrate away from the basal sources, the sources that pump from those thin freshwater lands floating on salt water to the high-level higher quality water up mauka, but I'd rather pump some than zero, right? Some are better than zero. When our mission is to provide an adequate and continuous supply of potable water to our customers.

So anyway, that's where we evolved to in a nutshell. If there are any questions, there's a lot more detail and it's in this one-page handout. But again, anytime you have questions or ideas—because at the time, there were a lot of—we were ready to accept any thoughts or any ideas, but not all that came in were feasible. At the end of the day it wouldn't have worked for us, but we're in a good place now. What I do want to assure the Board and the public is we're always working to be better; so just because we're better now than we were seven years ago, that doesn't mean we're done.

We're always learning, and we'll continue to make improvements, especially as the industry continues to evolve, and we learn things. As you see in our repairs, we're still asking for additional time and additional change orders because we're still figuring stuff out. So like the item previously on this agenda, that stainless steel check valve and that coating, that's something new that we haven't really done similar in the past, but because we've learned from the past, we've decided to spend some money and put that coating on, instead of having the thing cease up, because I think one repair we actually broke a pump, trying to take that apart. So we're not going to do the same thing again and make that same mistake and damage the costly pump versus trying to prevent that in the first place. Again, if there are any questions?

MR. NEY: I have a question, Keith. How much does the manufacturer—I think it would be back on their equipment, hey, are we the only one plugged into this pump or is there anything unique to us why had this many problems? Hopefully, this is like one off of (inaudible) have problems or foreseeable future, or lesser amount of problems. But how much does the manufacturer—going, “Hey, this is the prescribed procedure for installing our equipment. This is the prescribed procedure for commencing it into operation.” Does the manufacturer have some kind of responsibility? Or is there a communication gap between the manufacturer and the contractor doing the work, and not quite doing it to—you know, if you can do like 95% of something correct, but is that 5% of neglect that you come back and (inaudible), because they're just oversights I guess along the way that were just due to more of a communication thing maybe from manufacturer to the contractor to us.

MR. OKAMOTO: Unfortunately, we do have quite a unique situation here on our island, and typically even on the other islands and across the nation, the wells aren't as deep as the ones that we typically have in Kona. A matter of fact, and correct me if I'm wrong Eric, but the slimline units that we've decided to kind of migrate towards, had their origins in the oil industry. We had criticism in the past, how come you guys don't have more of these, or just have them ready to go, and order a bunch of them, like the oil industry does? Well, if we could charge the same amount based on the volume that the oil industry did, then we could have those kinds of policies in place. We don't charge by the gallon, right, we charge by the thousand-gallon, and our cost for a thousand-gallon is equal to what you pay at the pump for one gallon. So if we charge for 1,000 more, then yeah, we could have whatever units' backup available. So Eric guys have been working with manufacturers to get their thoughts and whatnot on how to improve our longevity, but even they don't have the answer for all our situations.

MR. NEY: They provide you with a performance (inaudible) of the pump and maybe a degradation schedule, or service-life schedule. Okay.

MR. OKAMOTO: And other factors come in. If it was just pumping water, but then you have power quality issues, you have on and off issues, so we try to rectify that with installation with VFDs, like a dimmer switch. If you go to your house and you just flick the light on and off all the time, on-off, on-off, your switch is going to break down, and you don't need to be an electrician to know that. Same thing with our pumps. Now you're talking 400-horsepower units like that, you flick off one 400-horsepower unit, that means your motor going at whatever rpm, 2300 rpm, you turn it off. And then now if you get this whole column of water coming down, your motor is still spinning this way, but it's still going because of momentum, but now you get your water forcing it the other way. That's like you're driving your car, put it in forward, all of a sudden I'm going to throw it into reverse, how long is your transmission going to last? That's why we're putting in check valves, positive sealed check valves now, that retain that column of water in the pipe. But now, when you get repairs, the well repair guy got to know that thing is full of water now, so your rig better be equipped to pull all of that up, and your cable better not break and send it all down the hole again.

MR. NEY: Is there any way to integrate a—some way to bleed that once you fill it, because you have a check valve at the bottom, right, you said.

MR. TAKAMOTO: Yes.

MR. NEY: Now you would incorporate bleeding that water out.

MR. TAKAMOTO: Yeah, those positive steel check valves incorporate what they call a knock-off bleeder, so they can send a weight down, which breaks off a hollow pin, which allows it to drain the column.

MR. NEY: Okay, got that.

MR. OKAMOTO: So we're incorporating that, too?

MR. TAKAMOTO: Yes.

MR. OKAMOTO: Okay. And we even tried multiple valves. And multiple different locations?

MR. TAKAMOTO: Yes.

MR. OKAMOTO: Of where the check-valve is located in the pipe column. So now we're putting it close to the pump.

MR. TAKAMOTO: Yes, approximately. They wanted to be next to the pump.

CHR. LOPEZ: Thank you for all that, Keith. This discussion is getting off-topic. Because we're not looking for solutions right now, we're looking at process.

MR. OKAMOTO: Yes.

CHR. LOPEZ: I personally want to thank you for bringing this forward, and it's something that the Board, at least in my term, has been pretty well aware of because we've discussed these things of

what's being done; and if any of us were around 2017, and we're still taking it on the chin, and I still get public inputs about it. It's not always good, but I attribute that to the experts out there who want to make comments, and they're all welcome. You don't see them at a meeting. You don't see them really understanding the information that we're putting out, and part of that may be—a statement like this in our Board packet, is this part of what the public could see if they went to the minutes of the agendas, as posted on the website after the fact?

MR. OKAMOTO: Yes, it probably won't be in that because as you know our minutes don't have all the attachments. But hearing what you just said now, Mr. Chair, I think what we can do is we can post this on our website separately.

CHR. LOPEZ: Very good, because what I was going to get to was that this positive—very positive in doing all we can, something that experts have no visibility of what we could help people absorb, by using your public relations person, Jason Armstrong. I was thinking maybe he could put out a statement, you know, this is what we're doing, just as an. FYI, because that goes to Hawai'i citizens. Anything we can do to apprise the public of the actions that you're taking would be to your benefit, and certainly to everyone. I'm not trying to stifle any of you folks, but it would be good if you had a balanced kind of approach. I was here. I lived through this 2017 issue. It was tough, very tough. It was tough on the public. It was tough on you guys. But you are in fact doing something about this. It's not going to be something that happens overnight.

MR. OKAMOTO: Right.

CHR. LOPEZ: Continue your process. That's really important. Any other comments, questions?

MR. OKAMOTO: Really quick for the Board's awareness, too, is I totally agree that government in general I think we need to do a better job of putting out things that we're trying to do proactively. A lot of that doesn't get out there. We've been working with Nā Leo TV, and I think I've might have mentioned this in past, to do some type of maybe podcast. Something like this I think would be a great topic. Maybe I can interview Eric or Kurt, and they can hear it from the actual people implementing it right; what has the department been doing to improve on well repairs and things like that?

CHR. LOPEZ: Any other questions or comments on this item? All right, thank you for that discussion. Very informative.

F. DEPARTMENT OF WATER SUPPLY COLLECTION AND DELINQUENCY POLICIES:

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda item.

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

MR. OKAMOTO: I glanced over at Candace, and we don't have any further update.

CHR. LOPEZ: Okay, thank you.

G. MONTHLY PROGRESS REPORT:

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda 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: Again, I'll defer to Kurt on any updates for our CIP projects.

MR. INABA: Just wanted to really report, Puakō, the waterline installation and putting the service laterals have been completed. They completed the pressure testing and are currently awaiting the results of the disinfection. They chlorinated the waterlines, and once they get, well so long that the test passes, then we'll set up the connection to the new line, but it will still be a while. The existing line and the new line, they need to remain in service until all the meters are transferred from the old line to this new line, there are a couple of connections, but there are quite a bit of individual meters, now that they have to put into the new meter box, and then reconnect the customer line to that new meter. It's not that simple. A lot of not-too-good-condition customer lines too, so I'm not too sure. After a few, we'll kind of get an idea about how much we can do in a day. It will take a little bit to get that done. Once all the meters are transferred, then we basically disconnect the existing line from the new line. So just have that new line, and then all the other components will be live at that point.

MR. NEY: I was just going to make a comment about the Puakō column. Opening up the access through the back, kind of to Mauna Lani, with a lot has disruptive to the community than I thought it would. The contractor, I think they did a decent job of it. And then also too, one thing to note, at the entrance there's a big sign that said, "This project was funded by the Biden infrastructure bill." I was just curious, was this department funding federally, quite a bit?

MR. INABA: Yeah, that is through the Department of Health. It gets funneled through basically Department of Health, so our funding is coming is coming from the State, department of—SRF program, so we were able to use some of that funding through the SRF program for this project. Part of the requirements is signage, regardless of how—we got some of that funding—

MR. NEY: (Inaudible) Infrastructure Act, I was like, "Whoa really, they gave us all that."

MR. INABA: The good part of it is a lot of that additional funding is called "principal forgiveness," kind of like a grant.

MR. NEY: Okay, so it kind of trickled down.

MR. INABA: Yes.

MR. NEY: Okay, got it.

MR. OKAMOTO: Any other updates on any other projects?

MR. INABA: I also wanted to mention, probably be coming up at the County Council meeting, possibly next week is Iki Place. That one is doing the resolution to actually create that Improvement District, so what it does is it basically sets the boundaries to identify the benefitting parcels that would be responsible for in a sense paying back that project. So, it's an Improvement District process there. That's for that one there.

CHR. LOPEZ: Is that one on this list?

MR. INABA: Yes, it's on the second page.

MR. OKAMOTO: And that's in Kona, yeah?

CHR. LOPEZ: And there's still no movement on the project?

MR. INABA: Yeah, we're kind of waiting for that.

CHR. LOPEZ: It's been like that for years.

MR. INABA: And last one, maybe really quick, is the Lead and Copper rule revision, so just kind of update on that. They're in the Ka'u district right now as we speak, so we shifted gears. We were intending to go Hāmākua, but we went to Puna. We started in Hilo, and we shifted to help, I would say alleviate, but to kind of coordinate with our manpower that's available in the district to help assist with this project. So we're in Ka'u, we're going to make our way into Kona, likely around mid-June anyway, then to Waimea, Hāmākua, and Kohala district.

CHR. LOPEZ: Okay, this question is off topic from your presentation on PFAS. Is there anything happening? Not just preparing water delivery but also on contaminated soil.

MR. INABA: We are negotiating right now with the consultant to assist us with some initial assessments for that.

CHR. LOPEZ: So that's coming up. Thank you very much.

MR. INABA: Kind of commonly known as forever chemicals.

MR. OKAMOTO: Yeah, it's been in the media quite a lot lately. So we have tested some locations, under UCMR-5, which is the Unregulated Contaminant Monitoring Rule. The Feds have no shortage of rules, I'll tell you that. They get rules for you to maybe sample and test for in case they want to make it a real rule. So PFAS (polyfluoroalkyl substances) is one of those, and it's a forever chemical. It's in firefighting foam. It's in Teflon. It's in Gore-tex, you know that water repellency that everybody gets on raingear and things like that. It's everywhere and supposedly doesn't break down, and that's why they call it a forever chemical. It's showing up more and more in various water systems. Fortunately for us it's been non-detected wherever we've tested for it, but I think at this point, it's probably a matter of time. If it lasts forever—I think we've just been fortunate with our density on our island and the fact that we have 23 separate water systems, but it will probably show up on this report somewhere at some point or so, as we proceed.

CHR. LOPEZ: They found traces of soil contamination, going back to Roman times. It's been around a long time. All right, anything else.

MR. INABA: That's all. If you have any questions, you can see

H. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Chair Lopez asked if there was any testimony for this item. There being none, he continued with the agenda 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, Candace Gray gave an overview of the Monthly Financial Statements – April 2024 report. A hardcopy of the report is made part of the record and is available for public viewing at the Department of Water Supply's office.)

CHR. LOPEZ: Question, when you talk about percentage, and I realize that's the point in time, are these percentages tracking to 100% by the end of the fiscal year?

MS. GRAY: Yes.

CHR. LOPEZ: So we're in good shape.

MS. GRAY: Yes.

CHR. LOPEZ: The comment that we talked about the auditors, regarding that adjustment, that's not reflected in here, right?

MS. GRAY: That's not for this report.

CHR. LOPEZ: But you'll point that out when it comes up.

MS. GRAY: Most likely next report.

CHR. LOPEZ: That's okay, but when it happens.

MS. GRAY: Yes.

CHR. LOPEZ: All right, thank you.

MR. OKAMOTO: Are they going to come and do a presentation to the Board, the auditors?

MS. GRAY: They are not.

MR. OKAMOTO: Oh, interesting.

MS. GRAY: This new auditor, I'm not sure why, but it was not—I did ask them to attend the Board meeting, but they said they'd schedule a brief discussion. I think they already had the discussion.

CHR. LOPEZ: Okay. So now it's just turn in a report, it comes to us and that's it. Did we not have enough money to pay their travel costs? They can charge us for it. They just don't want to do it.

MS. GRAY: I'm really not sure what happened. I mean we don't do the contract. That goes through the Legislative Auditor's office.

CHR. LOPEZ: Okay, thank you. Thank you very much. Is that it?

MR. OKAMOTO: Any questions for Candace?

CHR. LOPEZ: Thank you, Candace.

I. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells
2. Department of Water Supply Energy Report
3. AWWA ACE24 – June 10-14, 2024
4. 2024 Keiki Water Conservation poster contest results
5. Retirees of the Department of Water Supply - Marvin R. Rivera and Carl T. Nishimura

MR. OKAMOTO: So for No. 1, Kawika will provide an update.

MR. UYEHARA: Okay, so for North Kona Wells status, again we have 14 sources in our North Kona system, 11 of them are available to use, operational. So the three that our offline again are Honokōhau, Wai'aha, and Mākālei. Honokōhau status, we're still waiting for a schedule from the contractor for the fishing tool that's needed to remove that extra shroud that is in the hole. Other materials for the eventual repair are on hand. Wai'aha, we talked about it today, so that's also the contractors—and the manufacturer that's making the pumping assembly, and we're reviewing submittals for the discharge maintenance shroud.

CHR. LOPEZ: Is that the 40-day extension?

MR. UYEHARA: No, the 40-day was Kalaoa. Mākālei, which is the developer's contractor. The developer has a contractor, they're working on that. They did additional cleaning of the well. Well, they're going to do additional cleaning based on the last video that they did on the well, and then we'll receive and install a pump and motor, and then chlorination of the well and fishing line because that well is uphill all the time, so that is (inaudible).

CHR. LOPEZ: That fishing for Honokōhau, was that the shroud? Is that something that fell in?

MR. UYEHARA: Part of the shroud. I believe on extraction, it broke off, so now the contractor has to get a specialized tool, because previously when they tried, it didn't work, or it wasn't—they weren't going to try.

CHR. LOPEZ: Okay, I just wondered. Thank you. Next, No. 2 Department of Water Supply Energy Report.

(Note: At this time, Warren Ching gave an overview of the Department of Water Supply Quarterly Energy Report. A hardcopy of the report is made part of the record and is available for public viewing at the Department of Water Supply's office.)

MR. OKAMOTO: Yes, so really quickly, where we've located our backup generators, has been to this point based on criteria for our critical customers, you know as an example, hospitals. The other factor is that we've located generators for those systems that might have only one source, no backup. But now with Hawaiian Electric's proposal for wildfire mitigation, they are looking at implementing what they call a Public Safety Power Shut-off, which is essentially a proactive shut off of the power grid if there is a potential—I think right now they're utilizing red flag events, which I guess increase the possibility of wildfire. So I think they're working on identifying their potential shut-off areas based on potential hazards. I'm guessing some place like Waikōloa, things like that. So that might affect our decisions on

where to locate our back-up power besides just our critical customers and our single-source systems. We'll probably ask Warren to get more generators, moving forward. Fortunately, we've been using mitigation funding opportunities with the Federal Government, such as the prior agenda item.

MR. CHING: Yes, and this was all in response to the Maui wildfires. Hawaiian Electric is now changing a lot of their procedures and policies, so in turn we have to look at that and update our backup power program.

MR. NEY: Thank you for your efforts in getting us that 90/10 funding on the transfer switches. Question regarding the cost in the future. I don't know if this is an appropriate thing, Keith, to opine on with where rates might go, because right now there are a lot of things happening in the Legislature, that HELCO wants the ratepayers to (inaudible) up their finances, I don't agree with it. They want indemnification against lawsuits and all these things. Do we have a position being the largest customer of HELCO to express our point of view to the Legislature, our dogs on that, because this is going to be a consequence of rates, bills going up drastically perhaps. Is it prudent to say anything or are we going to take a position maybe against that, just curious. Especially, you know, with delinquencies. We take that hit; when people don't pay for water and those write-offs, HELCO (inaudible) that, but those energy costs aren't completely cancelled out. We've always been negative on that. I don't know if that's something you guys are going to draft up a response, maybe to—if there are changes coming that are going to drive up cost. Are we going to have to prepare a report for that?

MR. OKAMOTO: So far, we haven't, but it's something we could definitely consider if it's things that the Leg.—I guess from my perspective, I'll probably need some of Warren's assistance. Some of those Leg. bills, it's really speculative at this point what the actual impact is going to be on us as a customer of the Power Utility.

MS. MELLON-LACEY: I think (inaudible) also be addressed by the PUC.

MR. OKAMOTO: Yes, the PUC also—they have to listen to the consumer advocate, which basically he's supposed to speak for all us customers of that regulated utility. So yeah, we can always I think provide testimony either at the PUC level or at the Leg. level.

MR. NEY: Yeah, just some representation of our thoughts on it. Again, it's pretty early to say what might happen. I don't see it even leading into a very positive direction, and I can see our rates just one step going up over the next few years, if things do happen that the ratepayers are expected to pay a lot of this, which we shouldn't.

MR. CHING: Yeah, we'll try to—at least for me, I'll try to keep in contact with Hawaiian Electric and at least our account manager to make sure we're kept abreast of any potential things out there that maybe we can give some testimony where it's appropriate, whatever, however it affects us, at least keep track of what's going on; and when it's appropriate we can maybe put something together.

MR. OKAMOTO: And you guys still meet regularly at the staff level with Hawaiian Electric folks?

MR. CHING: Yes, we have a Standing Quarterly meeting with Hawaiian Electric, more on the operational level, but that's the time we can at least have everyone in the room and bring up any concerns, and them giving us updates to us, too. We'll have it.

CHR. LOPEZ: Thank you for your report. Any other questions the Board have on the report here? Are you done?

MR. CHING: Yes, pretty much so. Just the last page has some ongoing projects you guys can look through, but other than that, that's it.

CHR. LOPEZ: Thanks very much.

MR. OKAMOTO: Okay, No. 3, AWWA ACE24. Just a reminder for those that are attending, that is coming up pretty quick, June 10th to 14th. You folks should have had your arrangements already taken care of if you're attending. If not, let us know; or if you have any questions, let us know. We'll be continuing to forward you event details as they come up, and that's all I have for No. 3.

No. 4, 2024 Keiki Water Conservation Poster Contest. Kawika Uyehara provided the results of the 6th Annual Keiki Water Conservation Contest.

No. 5, Retirees of the Department of Water Supply – Alvin Inouye and staff expressed appreciation to retirees Marvin R. Rivera and Carl T. Nishimura for their many years of service to the department.

J. CHAIRPERSON'S REPORT

1) Chairperson to report on matters of interest to the Board.

CHR. LOPEZ: All right, one of the things that I'm going to bring up, and I did this kind of work in my previous life, the Disaster Recovery Plan. Particularly in the news media today, recently, there are bad actors in the world, and they're blaming the Russians. Whether that's true or not but blaming the Russians primarily for attacking small water companies throughout the United States, disrupting flow, and shutting down processes. I guess maybe they're the most vulnerable, but it does strike a cord in me. I will be asking the department, maybe a review or something, of what are their disaster recovery plans. What happens if a disaster—how does water continue to be delivered? Part of our fiduciary responsibility I think is to ask these questions. So that's coming up.

This meeting—I appreciate those that go by Zoom, and very legitimate, nothing wrong with it. But one of the things that I noticed is that you either can't be heard or we're not getting your responses to the voting in a timely manner, so we're out here kind of waiting. So if you develop more sense into that. I know you've got to hit a button. When a motion comes up for a vote, maybe you should hit the button. Okay, just an idea.

MR. BELL: The last time I said there was a delay. I hit the button and said "Hi" and then I heard myself on the other end. There's a lag.

CHR. LOPEZ: Anyway, just something for—okay, thank you all for coming. Thank you to all those who are there in Hilo. Thank you for attending. We need to have you for a quorum.

10) ANNOUNCEMENTS:

- Next Meeting – June 25, 2024, 10:00 a.m., Hilo Operations, 889 Leilani Street, Hilo, Hawai'i

11) ADJOURNMENT:

CHR. LOPEZ: Do I have a motion to adjourn?

ACTION: Mr. Lee moved to adjourn the meeting; seconded by Mr. Bell and carried unanimously by voice vote (Ayes: 8 – Ms. Taaroa; Messrs. Bell, Brown, Kekela, Lee, Ney, Unger, and Chairperson Lopez).

CHR. LOPEZ: We're adjourned. Thank you.

(Meeting adjourned at 11:52 a.m.)

Recording Secretary

APPROVED BY WATER BOARD
(JUNE 25, 2024)