

MINUTES

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

March 25, 2025

West Hawaii Civic Center, Bldg. G, 74-5044 Ane Keohokālole Hwy, Kailua-Kona, Hawai'i

- MEMBERS PRESENT: Mr. Stephen Kawena Lopez, Chairperson, Dist. 8
Mr. Michael Pono Kekela, Vice-Chairperson, Dist. 4
Mr. Philip Aiona, Water Board Member, Dist. 9
Mr. James Lee, Water Board Member, Dist. 2
Ms. Emily Taaroa, Water Board Member, Dist. 5
Mr. Keith Unger, Water Board Member, Dist. 6
Mr. Keith K. Okamoto, Manager-Chief Engineer,
Department of Water Supply (ex-officio member)
- ABSENT: Mr. Michael Bell, Water Board Member, Dist. 7
Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)
- OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel
Dr. Jeff Zimpfer, guest, NPS

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. Alvin Inouye, Water Operations Superintendent
Mr. Eric Takamoto, Mechanical Engineer III
Mr. Warren Ching, Energy Management Analyst
Ms. Nora Avenue, Recording Secretary

- 1) **CALL TO ORDER** – Chair Lopez called the meeting to order at 10:00 a.m. Board Members were present: Messrs. Aiona, Kekela, Lee, Taaroa, 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. Kekela moved for approval of the Minutes of the February 25, 2025, Water Board meeting; seconded by Ms. Taaroa and carried unanimously by voice vote (Ayes: 6 – Board Members Aiona, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

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

5) SOUTH KOHALA:

A. JOB NO. 2023-1230, PARKER #4 DEEPWELL REPAIR:

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

This project generally consists of furnishing all labor, materials, tools and equipment necessary to remove the existing pump, motor and column assembly; install a Department supplied submersible pump and motor, and Contractor supplied column assembly, sounding tube, and all appurtenant materials; well rehabilitation; borehole alignment survey; daily clean-up of the job site at the conclusion of each work day; chlorinate the well and pumping assembly; complete an efficiency test; electrical work; and perform all incidental work necessary to complete repair in accordance with the specifications.

Bids for this project were opened on March 13, 2025, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick's Well Drilling & Pump Services, LLC	\$1,216,611.00
Hawai'i Drilling & Pump Service, LLC	Non-Responsive

Project Costs:

1) Low Bidder (Derrick's Well Drilling and Pump Services, LLC)	\$1,216,611.00
2) Contingencies (~10%)	\$ 121,389.00
Total Cost:	<u>\$1,338,000.00</u>

Funding for this project will be from DWS's CIP Budget under Repair and Agreement. The contractor will have 120 calendar days to complete the well repair with the Department's furnished equipment. The Engineering estimate for this project was \$766,700.00.

Well History:

Parker #4 Deepwell:

Original Installation: April 2009

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO.2023-1230, PARKER #4 DEEPWELL REPAIR, to the lowest responsible bidder, Derrick's Well Drilling & Pump Services, LLC, for their bid amount of \$1,216,611.00, plus \$121,389.00 for contingencies, for a total contract amount of \$1,338,000.00. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

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

CHR. LOPEZ: Discussion?

MR. LEE: Yeah, how come the estimate was almost half of what—?

MS. TAAROA: Yeah, that was my question, too.

MR. OKAMOTO: That was the question we anticipated. Correct me if I'm wrong, I think it was based on a similar scope to this three years ago, so that's basically the price escalation since then. Staff did do a fair and reasonable evaluation, and it passed the evaluation, which is why we're bringing it here today.

If you notice, attached or within your packet are the bid tabs for this project, and if you look across almost every line item, the bid amount was higher than the estimate, with maybe a few exceptions. Correct me if I'm wrong, Eric, the biggest one was Part D. If you look at Part D, which is on the back page, the refurbishment work of the pump assembly was significantly higher than our estimate and that estimate was based on similar work done on Parker 3, which is right there, similar type well, similar type pump equipment, and that's what that engineer's estimate was based on.

So of course we asked the staff, just to make sure there was a reasonableness check, one, does this make sense, should we rebid it? We asked that and had that discussion internally, and staff's evaluation was that if we had to rebid it, we'd likely see an even higher cost, so this is why we're bringing it to the Board and recommending that we still proceed with the award even though the bid amount came in quite a bit higher than the estimate.

MS. TAAROA: Is there an explanation for it? Is it for the kind of materials that much more?

MR. OKAMOTO: Apparently, yes.

MR. KEKELA: Just for my understanding, this is refurbishment of the pump that they're taking out and replacing with the department's requirements.

MR. TAKAMOTO: Yes, the well repair will be proceeding with spare equipment that we're repairing, and Part D is to refurbish the equipment that they're pulling out.

MR. KEKELA: Is that all with the alignment with department goals. I know we've talked about slim-line pumps and trying to kind of standardize. Pumps with this refurbishing at this cost are interchangeable in DWS's system.

MR. TAKAMOTO: This equipment is actually unique, and the fact that this equipment is all what is traditional equipment, but this specific brand is Byron Jackson, which is one of the premium brands, so that is also a contributor to why the cost is so high because they're like one of the top brands for traditional equipment; but because their premium, it tends to last longer. As you can tell, it was 2009 when they were originally contracted. These are one of the few traditional brands that really last, so we want to try to keep as much Byron Jackson equipment that we have out there.

CHR. LOPEZ: Can you anticipate what that additional longevity is?

MR. OKAMOTO: As soon as we say 25, it will come back less than that.

CHR. LOPEZ: Are they suggesting? There's a reason why there's a premium for a better motor, and what is it, what makes it? It's like buying an Apple phone, you're only paying for the name. Is that akin to something like this, or is it really a better product?

MR. TAKAMOTO: They had some unique engineering designs that made them—that set them apart; one of them was a particular design of seal, but they had since had to move away from that just because of health concerns, because it was a mercury type seal which never failed, but because it's mercury, they didn't want anything in water, so they had to redesign that. But that was one of them that made the product last very long. There was a thrust bearing, but subsequently when they've been refurbished, a lot of manufacturers are using substitute bearings instead of the genuine product, so it degrades the life expectancy of the product.

CHR. LOPEZ: So from your engineering assessment, is investment worth the cost?

MR. TAKAMOTO: Yes.

CHR. LOPEZ: Well No. 3, when I see this about pulling out, and I'm thinking about the one that the shroud fell into the—or the pump fell into the well because the cable broke, and wasn't that the same company?

MR. OKAMOTO: The contractor?

CHR. LOPEZ: Yeah, the contractor.

MR. OKAMOTO: The same contractor.

CHR. LOPEZ: So this not that well?

MR. OKAMOTO: The one good thing about this, well there's more than one good thing, we saw that we did get a bid from a different contractor this time, Hawai'i Drilling and Pump Service, so we're hopeful they'll continue to bid and keep things more competitive. It's just that they failed to provide all the required components that they needed to provide a responsive bid, so we couldn't even really acknowledge their bid. But moving forward, hopefully they'll continue to bid on our projects, because as you've seen there's only a limited amount of people available to do this type of work.

CHR. LOPEZ: Questions?

MS. TAAROA: How many is a limited amount, like how many typically bid on—?

MR. OKAMOTO: Either Derrick's or—

MR. TAKAMOTO: Hawai'i Drilling and Pump Services.

MR. UNGER: Actually, the question was, and I don't know what the protocol is, but when you have only have one bidder and a non-bidder, is it okay to go back to the non-bidder? Certainly they hit all the points, I mean can you go back to them and encourage them to come back on and give another bid, especially in this case, there was such a discrepancy.

MR. OKAMOTO: I'm not sure. Do we have that?

MS. MELLON-LACEY: I think if you only have one bidder, you can do that. Like if you only have one bidder and there are deficiencies; and the department has the right to waive deficiencies that are not material. I don't know what the deficiencies were. But you're kind of threading a path there because the party that submitted a complete package can protest, and then you can get caught up in lengthy, lengthy delays. I mean sometimes when somebody doesn't get it or something is wrong with their bid, they will

ask for a debriefing from you, and I don't know if this other company did. It's kind of like, "Hey, what did we do wrong," or what would be more competitive?

MR. OKAMOTO: They probably know whatever mistake they made to deem them unresponsive. I guess that was my question too, Diana. I know if we didn't have the two that supplied bids, that would be considered a unique situation because we only have one bidder, then I think we have options available.

MS. MELLON-LACEY: Then you could go back and kind of negotiate, clarify, et cetera, but you had two and apparently one that did bid properly, and so if you think there's something wrong with their bid, and you don't know what the other people (inaudible), and you can't really favor somebody that doesn't do it right.

MR. GOODALE: Just to interject, my experience with these is that typically the cleanest path forward is to cancel the bid and rebid, but one of the concerns that we had in our own internal discussions was that prices are escalating very quickly, given the state of all the things that are going on. Material costs were already going up, and as Eric already stated, we're concerned that we're going to end up getting a bid that was much higher from both bidders. So even if we got the second bidder to participate, our suspicion is that they're going to be a much higher bid because some of these metal manufacturers are only taking quotes on some of these things, very short distance out, and that was kind of reminiscent of what happened back in the early 2000s. There were some of these companies that were only keeping their bids good for 30 days, and that's hard for us because typically County it's 90 days.

MR. OKAMOTO: The challenge with this on a rebid as well, if it's a regular civil project where you might have a handful of contractors that can do the work, showing this hand may be as not as critical, but if there's only two that typically provide bids, now they kind of know what's out there and that may alter what they bid, depending on their workload. Good questions though, and I think we brought it up internally, as well.

CHR. LOPEZ: Any other questions?

MR. KEKELA: Last question. So there's this 120-day timeframe for completion, does that include the refurbishment?

MR. TAKAMOTO: It does.

MR. KEKELA: So they're supposed to be completed with the repair and the refurbishment in 120 days?

MR. TAKAMOTO: Yes.

CHR. LOPEZ: Any other questions? Any discussion, comments? Okay, hearing none. All in favor of accepting the motion to approve say aye.

ACTION: Motion was carried unanimously by voice vote (Ayes: 6 – Board Members Aiona, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

6) NORTH KONA:

A. JOB NO. 2016-1056, WAI'AHA DEEPWELL REPAIR – 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 change order for the additional work for design modifications for the motor shroud assembly. The request for these design changes were made to address design weaknesses of the original design. The description of the additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Design modification for the motor shroud hanger.	\$ 4,776.00
TOTAL		\$ 4,476.00

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
3rd Additional Funds Request:	\$ 4,476.00
Total Revised Contract Amount:	\$ 1,100,687.39

The Contractor is also requesting a contract time extension of 122 calendar days, due to the design change for the motor shroud assembly. This delay was beyond the control of the Contractor. Staff reviewed the request for additional funds and time extension and found that the \$4,476.00 and 122 calendar days can be considered justified.

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$4,476.00 to Derrick's Well Drilling & Pump Services, LLC, for a total project cost of \$1,100,687.39, and approve a contract time extension of 122 calendar days for JOB NO. 2016-1056, WAI'AHA DEEPWELL REPAIR. If approved, the contract completion date will be revised from February 28, 2025 to June 30, 2025.

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

MR. OKAMOTO: First of all, my apologies, for some reason we put the wrong number in. So wherever you see \$4,476, that should actually be \$4,776.

CHR. LOPEZ: Oh, I see the two different amounts.

MR. OKAMOTO: So you see it on the table and then in that list, contract amounts, and additional funds requested, as well as within the recommendation. So making that change, the total revised contract amount should actually be \$1,100,987.39, first off that. Second, I'll let Eric explain the scope of this work and the time extension.

MR. TAKAMOTO: So basically this is for a designated modification for the motor shroud, so specifically the shroud hanger portion of the motor shaft. I'm not sure if you recall what the motor shroud is, but basically a sleeve or a metal, if you can think of like a metal tube, and then the top part is a what is called a hanger, so that is what supports the sleeve and attaches to the column assembly so it covers the pump and motor so the water can flow pass the motor into the pump and cool the motor in the meantime.

During one of the recent failures of a well, where the equipment dropped and was subsequently fished out and recovered, the failure wasn't the shroud itself but on the pump itself, but in the process of that failure, it was noticed that when we recovered the shroud there was a potential for the shroud to fail in a particular way when they took it out. So in looking at those design issues, we improved the design and submitted it to the manufacturer to modify the design prior to them fabricating it, and in the process this is the cost they came up with in the difference in material cost from the previous design to this improved design,

MR. OKAMOTO: I see some confused looks.

MS. TAAROA: No, these are two in a row, right, that have gone way over budget. Going way, way up, just in general, any type of repair.

MR. OKAMOTO: Totally get it. Just to refresh, this is probably for Ippy's information and background. We've had issues with this well. This is the one that the cable broke, dropping the assembly down the hole.

So if you look at that big first additional fund request, we ended up going into mediation to resolve it, and that's what ended up through the mediation as the resolution. Since then, there's been other incremental but much smaller additional amounts requested, and this latest one was, you know, I think prudent on our staff because they saw that there was a weakness in the design that went into this from pulling up a recent well repair, so of course we wouldn't want to repeat that mistake if we had the chance not to. So basically, we decided to redesign it to prevent that potential failure from happening at this stage. That was a good question.

MS. TAAROA: I didn't like that first initial one. Thank you for explaining.

MR. LEE: So is this the first time extension on this well for this project?

MR. OKAMOTO: No, this well was supposed to have been a long time ago. Just as a basis, what you can use as kind as just for your information, Ippy, is if you look at our Job Number, that kind of indicates the year we started the effort.

CHR. LOPEZ: Okay, any other discussion, questions? All in favor of accepting the recommendation say aye.

ACTION: Motion was carried unanimously by voice vote (Ayes: 6 – Board Members Aiona, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

CHR. LOPEZ: I'm going to sidestep a minute and do some housekeeping and apologize. I want to welcome our new District 9 commissioner, Ippy Aiona.

MR. OKAMOTO: Do you want to say anything, Ippy?

MR. AIONA: No, just grateful to be here.

CHR. LOPEZ: He did attend last month's meeting, so he kind got an earful of what's going on. Welcome. And also welcome our guest, Dr. Zimpfer, from National Park Services, thank you for coming.

B. MEMORANDUM OF AGREEMENT BY AND BETWEEN DEPARTMENT OF WATER SUPPLY AND DEPARTMENT OF HAWAIIAN HOME LANDS:

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 Memorandum of Agreement with the Department of Hawaiian Home Lands (DHHL) to provide an advance of 200 water units to support DHHL's housing development in the Villages of La'i'Opua generally located within Tax Map Key 7-4-021. Prior to granting the water units, DHHL will provide to DWS, equipment as specified by DWS that will strengthen DWS' operational resiliency in the North Kona water system.

RECOMMENDATION: It is recommended that the Board approve the Memorandum of Agreement subject to the approval of the Corporation Counsel, and that either the Chairperson or the Vice-Chairperson be authorized to sign the document.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: Okay, this one is unique. We've had discussions with Hawaiian Homes and we understand their challenge and their desire to really get people on Hawaiian Home lands, and we get that. So right now, the Villages of La'i'Opua they're kind of maxed out on their water credits or their allocation, and so they're already in the process of trying to get new wells for their ongoing phases; but as we have seen, that process takes some time. Through discussions, it came up that, "Hey, maybe we can figure out a win-win solution that's a little bit different than how we used to do things.

So what this Memorandum of Agreement basically will do is provide funding for spare equipment that we can use in the region should a well go down. As you know, we've tried to improve the standardization of our pump and motor equipment, and so staff Eric and Kurt worked together to come up almost like a shopping list of what would be good equipment to have on hand should a well need to be repaired because this type of equipment is long lead items. You can't just order them and have them delivered as we've seen. So to have this on standby and improve our resiliency should a well fail, we could then provide Hawaiian Homes with advanced units so they can continue their development of housing for their, I guess, the people on their list, the waiting list, in advance of them. They still need to finish two new wells, Kurt, to really secure what's needed for the rest of their development, but this is kind of like giving them a headstart in the meantime, if that makes sense.

CHR. LOPEZ: We're going to give up 200 water units in exchange for up to \$1.5 million in equipment.

MR. OKAMOTO: Yes.

CHR. LOPEZ: We can use freely, not necessarily on that project?

MR. OKAMOTO: Yes, it would be for this region.

CHR. LOPEZ: For the region, okay. So how is that 200 unit impacted when they finally get their wells put in?

MR. OKAMOTO: It will come out of the capacity from those two wells.

CHR. LOPEZ: Okay, so we'll get back those water wells?

MR. OKAMOTO: Yes.

CHR. LOPEZ: We don't have to give up the equipment?

MR. OKAMOTO: No. It will probably be used by them, I'm guessing.

MR. KEKELA: I probably missed it, but was DWS working with their contractors to design those wells?

MR. OKAMOTO: Yes. We've been in communication with them for years actually, so we've known about the two wells that they needed. They're going through their process. I think they're doing the Environmental Kapa'akai Requirements, things like that, but that's still for first phase.

MR. INABA: For that one that the Environmental came out, yeah, they still need to drill that well.

MR. OKAMOTO: And they coordinated with Kamehameha Schools for a second well?

MR. INABA: They're coordinating it with Kamehameha Schools for a second well. That well exists, the hole exists, but it would still have to go through the Environmental and everything for outfitting to do the pumping on that one.

MR. OKAMOTO: So those two wells are still some years away, and that's just for outfitting the wells, there's still other infrastructure requirements to actually put it into the system. Again, like you said, Mr. Chair, it's kind of bartering, but it's a win-win I think to allow them to proceed and to provide the department and the Board equipment to continue to do our job in providing water to the communities.

CHR. LOPEZ: So the State Water Commission has already approved the drilling of those wells?

MR. OKAMOTO: Not yet. So there's one on a private piece of property that I think they've recently acquired?

MR. INABA: Yep.

CHR. LOPEZ: One what?

MR. OKAMOTO: A proposed well for Hawaiian Homes.

CHR. LOPEZ: A proposed well, okay.

MR. OKAMOTO: And then the other one, like Kurt said, is on Kamehameha Schools land that's already been drilled, but it's just basically a hole in the ground that's cased, and they'll need still put in a pump motor, all the piping, the control building, tank, transmission lines to get water from that hole in the ground into the system.

CHR. LOPEZ: Sorry, I'm not keeping up. So there's one hole in the ground and it need to be?

MR. OKAMOTO: Outfitted.

CHR. LOPEZ: Outfitted, so the State Water Commission, whatever it is, has already approved that well, tapping into that aquifer.

MR. INABA: So, there are two phases to it. They approved the drilling, but they still need to go back for a second permit, and they would have to approve the actual withdrawal of the pumping of water from there.

CHR. LOPEZ: That's a lengthy process. Then there's a second, which has not gone to that extent yet, so that's even a longer time.

MR. OKAMOTO: Yes.

CHR. LOPEZ: We talked about it, 10 years?

MR. OKAMOTO: Possibly.

CHR. LOPEZ: Okay, all right. So that's why you said we would have used equipment like that, okay. I see where it's a win-win particularly in providing housing, in a reasonable timeframe what it takes to get water. Is there any risk that those wells may not be approved, if they find the aquifer is not efficient for whatever their plan is?

MR. OKAMOTO: Yes, so there's always that risk. For example, the one that's already drilled, there's a lower risk. It's drilled, they know they hit water, what they still need to do is probably test pump it to see what its full capacity is. So like Kurt said, the first phase of a well permit is the well construction phase, that's to drill it, case it. They probably did test pump it, but they should test pump it again. And then the second phase is typically what they call a Pump Installation Permit, then CWRM (Commission on Water Resource Management) knows what capacity pump and motor you're putting down that hole, and you're anticipating to withdraw at what rate from the aquifer, so that's the Pump Installation Permit; but because it's now a Hawaiian Homes project, they'll have to go through the environmental process for even that phase.

The one on the private side, which there's no hole in the ground yet, which like you said, Mr. Chair, will probably take longer because they haven't drilled yet. They don't know what kind of geology they have to go through. They might hit water and test pump it, but if it's a tight geologic formation they may not get the water yield or the capacity that they want, and if that's the case they'll need to find another suitable location to continue with La'i'opua development, so they're not off the hook just by drilling that well.

CHR. LOPEZ: Following that question, are they on the hook for two wells?

MR. OKAMOTO: Yeah, they need two wells.

CHR. LOPEZ: I guess what I'm asking, the bottom-line question I'm asking, is it conceivable that we give them these 200 water units and then for whatever reason, is it regulatory or volume or pump here, drill here, not getting enough water, that it could never come to fruition within the constraints of the land they've got?

MR. OKAMOTO: I guess there is always that risk, but we think that risk is fairly low. If there were no other wells drilled in the area and you're just drilling in the blind, there's a higher risk, you don't know what you're getting; but because we have enough wells in that high level, that elevation up there, that risk is minimized because there's enough history of holes in the ground that have provided yield.

MR. KEKELA: Have you had operational wells in a similar area, geology as the one that they haven't drilled yet?

MR. OKAMOTO: And that's where through the discussions with our staff, I think we helped point them in that direction, one for that elevation. They kind of had to figure out what land they wanted to go look at to buy. But we told them that region because one, there are proven wells in that area; two, the water quality is top-notch; and our commitment to move forward is to actually utilize wells that tap that aquifer rather than the basal lens, which is that fresh water floating on sea water.

MR. LEE: If they finish the first well, are we able start collecting on the units on that, or do you have to wait till both wells are done?

MR. INABA: From the first Agreement.

MR. OKAMOTO: So what will typically happen once they get to that point, we'll bring a Well Development Agreement to the Board for your vetting, approval, and then execution, and that will kind of lay out what the water units go to Hawaiian Homes and how much would come to the department.

MR. UNGER: What is the value of 200 water units?

CHR. LOPEZ: And meters?

MR. OKAMOTO: If you're a private developer, you would have to secure those water units via a water commitment deposit, which is \$150 per water unit which is good for three years; but then on top of that, there's typically a facilities charge that is \$6,000, roughly per unit.

MR. UNGER: So, roughly \$6,150 per unit.

MR. OKAMOTO: If a private developer were to do it, but if a developer is drilling a well, providing other infrastructure, we have it in our Rules and Regulations to provide facilities charge credits for the facilities that the developer puts in, so it would be likely less than that for Hawaiian Homes because they would put in a well, tank, transmission.

MR. INABA: So they basically would—it adds us. It's in our Rules, a table already established, the credit they would get against the facilities charge. So they'd get basically, with all those improvements, 87% credit. But in this case for the 200 units if they get an advance, they pay the facilities charge.

CHR. LOPEZ: Say that again.

MR. INABA: They still pay the facilities charge.

MR. OKAMOTO: The full facilities charge?

MR. INABA: The full facilities charge. Even in the Agreements, it's pretty clear that they get their facilities charge credit after the improvements are complete, and that's taking it, again, straight from the Rules, we're not deviating from our Rules.

MR. OKAMOTO: So I don't know if that answers your question.

MR. INABA: There's a value to it, but at the same time they're still paying for it. And there's that other value of just being able to get those 200 units. I don't know how to put a dollar or what kind of value on that.

CHR. LOPEZ: Recognizing this to happen, how soon can they get started on laying the unit (inaudible) the infrastructure?

MR. OKAMOTO: So that's going to be a coordination on their part, as far as the timing, but we won't give them any units until we get the funds. I'm sure they could give us the money much faster than they could probably start completing the infrastructure needed to get homes on the land.

CHR. LOPEZ: But they are putting in the pipes.

MR. OKAMOTO: Yep.

CHR. LOPEZ: And somehow they have to tap into what source?

MR. OKAMOTO: A portion of the subdivision is already developed.

CHR. LOPEZ: Okay, so tap into that?

MR. OKAMOTO: Yep, continue on.

CHR. LOPEZ: (inaudible) timeframe is on their end.

MR. INABA: Typically, once we execute the MOA, the Memorandum of Agreement, they will utilize that to begin their planning process of their infrastructure, to say, "Hey, now we have these 200 units, we can start developing our stuff." In the meantime, they're going to let us know the funds are available. Once we take the payment, then they pay, you know, provide the funding for it. It's only after the equipment is received and the money is received that we actually can grant them the 200 units to be utilized.

CHR. LOPEZ: Very good. Any other questions?

MR. UNGER: Is there a timeframe on when they're thinking this money is going to be secured to give the Department of Water Supply to go out and—?

MR. INABA: Well, we're asking to make sure in the Memorandum that they need to confirm that they have the funding available first.

MR. UNGER: When they sign the Agreement?

MR. INABA: No, no, before we'll even start the procurement of the equipment. It's on them to verify the funding is available.

MR. UNGER: Right. So when you add up the units per meter and you come out with what, like \$1.2 million, but now we're talking \$1.5 million worth of equipment that they'll reimburse you. Why don't we just go to the Department of Hawaiian Home Lands and say why don't you buy these units or

come up with the price, and you can take that money and buy go buy whatever you want with it, I mean you get rid of a lot of that gray barter area, and then when they put in their infrastructure and they get their facility reimbursed or whatever, you guys work out a reimbursement type situation.

MR. OKAMOTO: I think our concern with that type of approach may be a slippery slope because now you're setting a different precedence, almost like putting a value on water credits, which is something that we really want to stay away from commodifying. We really base our fees on the fact that we, as a utility, have to do all these efforts to distribute the water. We don't want to get into a place where people start where DHHL offered you \$1.5 million for 200 units, hey, I'm willing to give you \$2 million for the same 200 units in this region, and then we start selling units to the highest bidder, if that makes sense. That's something we really want to avoid. I know that's not your intent, Keith, but that's where we—

MR. UNGER: I understand.

MS. TAAROA: How many units do each well produce, or do you know that number, for a new well? When a new well gets installed, do you have that number?

MR. INABA: Roughly 1600 units, one million gallons per day.

MS. MELLON-LACEY: Is there also something you can say regarding the relationship and support the Water Department would be the thing to DHHL, or how they support their efforts? Because I think that's another—

MR. OKAMOTO: Thanks for that reminder, Diana. Because we know what their mission is and we want to support them as much as feasible without adversely impacting our finances. We'd like to treat DHHL different than a private developer that might have different motives, right, financial, which is why I think we were willing to kind of think outside the box and come up with a solution like this for Hawaiian Homes. I don't think we would be so inclined to do this for somebody who is just out there to make a buck kind of thing. I don't know if that's what you're getting at.

MS. MELLON-LACEY: I mean I think it's submission that they have, and also I think sometimes these kind of shared arrangements (inaudible) relationship somehow than just straight across finances.

MR. UNGER: Yeah, understood, but I'm a developer and I want 200 units and I want the same deal, and I go to the Water Department and you say, "No, that's for the Department," from a legal standpoint you might be extending yourself into some liability.

MR. OKAMOTO: That's what I'm willing to accept and take the heat for. I'll basically say, "Okay, what is your mission with your development?" because we understand and are in line with what Hawaiian Homes is for, and it's based on that. We try to be fair, but at the same time, where we can support people or agencies with that type of mission, we try.

MR. UNGER: In your opinion, is there legal liability here?

MS. MELLON-LACEY: Well, I think that based on the values, I don't think there is. I don't think we're doing something (inaudible). I haven't seen other people come forward. So what if this opens the door to something, I can't really say with assurance, but I think this is a different kind of arrangement than a private developer. I don't see that we're devaluing ourselves.

MR. INABA: I think this is something that even if it came to that, there may be additional assurances we may want to put in on a different developer, but it came to a point like that, this is something that could

be considered. Their mission might have to be maybe affordable housing, with family administration, you know, support or something. The Agreement I think in itself is something that helps the department continue to provide water because you think about just one source being 1600 units, so we'll minimize the downtime, so if it does fail, we'll be able to put it up. The equipment is here; you can correct me if I'm wrong, you know, but probably less than a month get that well back up online versus—

MR. OKAMOTO: Six to nine months.

MR. INABA: Not having the equipment and having to have the contractor order it.

MS. MELLON-LACEY: So that will benefit you.

MR. INABA: For 200 units, I think really strengthens our position as long as we have the equipment.

MR. OKAMOTO: I think I get your concern, Keith, does it open us or expose us to the private side saying, "Hey, that's not fair." That's why we're transparent, we bring it to the Board for this discussion. They can make that claim. It's really based on the difference between Hawaiian Homes or affordable housing; 100% affordable housing, we may lean and allow this also, but if it's something else where somebody is just out there to make a buck—anyway.

MS. MELLON-LACEY: I think its also the issue of the benefit it gives the community, clearly having this equipment on hand benefits our water user community, so the community is getting something of value that, you know, just the money exchanged.

MR. OKAMOTO: The units for Hawaiian Homes is also benefiting the community. That's why we see it as a win-win because the benefit really is to the community, not somebody's pocketbook.

CHR. LOPEZ: Correct me if I'm wrong, but I think I heard Diana open up the conversation in regards to expressing the mission between the two parties. I've heard a lot about the mission and how it benefits the community, but there's nothing in here do I read illustrates that and doesn't state for purposes of benefit to the community.

MR. OKAMOTO: That language is not captured in the Agreement.

CHR. LOPEZ: Or was it prudent to do that?

MS. MELLON-LACEY: I guess I think that DHHL's mission is well-documented in other places as is the Department's mission, I mean it could be added as a "WHEREAS" if the Board wants that. I can't imagine the Department would've (inaudible).

CHR. LOPEZ: But it does say "mutually beneficial agreement," that's pretty vague.

MS. MELLON-LACEY: But it does also say that they "will support the progression of DHHL's residential housing developments in North Kona. I think DHHL's residential development as their mission is well-documented in State statutes. But we could add a paragraph like that, I don't think it would be problematic to anyone.

CHR. LOPEZ: I appreciate Mr. Unger's input and concern, and his comment about slippery slope. I would feel better if there was something that meshed or made mention that why this is beneficial to the community, to their mission, to our mission, to kind of constrain it so that somebody can't just come in and say, "We also have progression of residential housing," or "We also have community interest in

mind.” Because for the screaming for housing, any developer would say, “We’re here to satisfy the community issues.”

MR. OKAMOTO: Right.

CHR. LOPEZ: I guess I’m looking for, again, would be to have some language that kind of helps constrain that open doors.

MR. OKAMOTO: That’s not a problem from our side, and I think that’s worthwhile. So basically, what we should probably do then is defer this item, and maybe Diana could draft up such language. I think we understand what language you’re requesting, it’s another “WHEREAS” basically, and it’s to outline mutually beneficial, and the ultimate recipient of the benefits is the community, from both our mission and Hawaiian Homes’ mission.

CHR. LOPEZ: Yeah, tie the missions together so that somebody can’t just come in arbitrary (inaudible).

MR. OKAMOTO: Sounds good, we’ll defer this. We’ll work on that language. Hopefully, that will kind of lower the exposure from—

CHR. LOPEZ: No action, let’s table it.

MR. OKAMOTO: Defer. Yeah, that was just discussion on just a number that they’d like to proceed with.

MR. LEE: These 200 units going last how long?

MR. INABA: I think that covers, at least a portion I know of one unit that they’re trying to finish up as well as another unit they want to (inaudible).

CHR. LOPEZ: Okay, ready to move on. Any discussion on this item? This item is deferred.

7) MISCELLANEOUS:

A. DISCUSSION OF EFFECTIVE UTILITY MANAGEMENT ROADMAP:

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

CHR. LOPEZ: The Effective Utility Management Roadmap really came from a document that was sent out to all of you two months ago, the 80-pager. Last month we agreed that it was way too much in that, too much detail, and we dissected enough, and so last month we agreed to come this month, pick out your items for what you want to do and also look at the presented list of ten and see if there’s anything in there you would support. So this meeting is to go through and vote. Ultimately, just my thinking, is that we come up with maybe six items, give it to the department to have them comment on the liability of these, timeframe on these, and what can they do realistically, for argument point if you will, where we can come to align that; when we get to the end of the year, we have measures and goals and say, “You accomplished this, you didn’t accomplish that,” and understand why they didn’t. So, that’s what the whole purpose was. And so everybody I know did their homework. You’ve had two months to work on this. Any discussion before I go into trying to decipher this better? (none)

I did hear back from three people. Thank you, Keith, for your responses. Michael Bell sent his in; and Emily contacted me; we had a discussion on that one. Moving right along. You all have in your packet my letter of March 3rd.

MR. OKAMOTO: There should be probably three of them, Mr. Chair, all with Nora Avenue on the top.

CHR. LOPEZ: Yes, thank you. I won't belabor you with the inputs from Mr. Unger because he made comments on things which you should have read it. If we try to dissect this too much, we're going to be here till dinnertime, particularly because you haven't done your homework. Mr. Bell, he reprioritized them. So they weren't all presented to you as a priority list, they were just presented to you as 10 items thrown out there. Our purpose here is to prioritize. So, we won't go in to their specific responses, other than Mr. Unger presented one. The only new one I got was for Establishment for a Ag Water Program.

So what I did was I put each of the topics, and again they're not—you should already be versed on what these are, and which ones would you vote for to come up with the top six, and anything else that's not on the list, it's okay, just drop it off this exercise. I hope that from January goes through this process again, the ensuing year. In the meantime, the department is coming up with a long-term Strategic Business Plan, which will add to that process. And then the Department, if you have something you want to add to this list, feel free, please. So let's see if we can make some sense here.

Of the 10 items, let's start with that list first, I have some corrections. Of the 10 items, No. 2, delinquent accounts write-off read over \$9 million current delinquencies, is corrected to be \$900,000. And then under my item No. 5, I used the term water rights, and more commonly should be water commitments. Did everybody understand water commitments? That's it.

Kona Wells, we go over this every month. It's delays, or there are reasons, and not arguing whether they're good or not, just a matter we have 10 down for quite a while of 14.

MR. KEKELA: Four down; 10 in operations.

CHR. LOPEZ: At least in this exercise, it's not for us to discuss why they've been down or why they've not been down, or what strategy is in place, all it is the Board saying, "We'd like to see an improvement in this," instead of hearing every month that we're down.

(Note: Below are votes received for importance by the Members of the Water Board.)

VOTES	Item	Measure & Goal
5	1)	Of the 14 Kona wells, 4 have been substantially out of service for a long time. The goal is to have 12 fully operational by November 30, 2025
5	2)	The delinquent accounts write-off has been substantial. Of the over \$900K current delinquencies, the goal is to reduce this balance 15% by November 30, 2025
7	4)	The department has committed to secure consulting resources to complete a current business and strategic plan. The goal is to complete this plan by November 30, 2025
2	3)	The last year report on a systems (IT) Disaster Recovery Plan reported several areas that were either in process or were a hole in the recovery plan. The goal is to complete this critical document my November 30, 2025
7	5)	It remains very unclear what water commitments already assigned but unfulfilled. The goal is to provide a document including the process for granting water commitments as a transparent communication of existing and/or planned water commitments by November 30, 2025

3	6)	The department to setup collaboration with other water related departments focusing on a “one water” consortium with regular meetings. Suggested to participate is Mayors office, Public Works, Planning, Environmental Management, and others that could be considered as stake holders in working together to address such things as water reclamation, sewage treatment, water delivery/storage, sea level rise, wet lands, land development (recycling, storm and ground water runoff, septic waste = one water). Honolulu is currently doing such and could be considered a model to follow. There are also several consulting firms with talent to lead such an effort. he goal is to have a working body to address a common need by November 30, 2025
5	7)	The department to setup and sponsor an intern program for DWS with selections from high schools and university to perhaps stimulate civics classes, would be engineers, accountants, others interested in sustainable water issues. The goal is to have the process setup by September 30, 2025 for 2nd semester of class participation.
4	8)	Establish a DWS web presence to communicate directly with the BI customers on DWS issues, opportunities, plans, successes, water quality, salt water intrusion as few examples. Provide a way for the BI public to offer input, ask questions, engage in water resource & sustainability topics. The goal is to have this ready to go by November 30, 2025 with a public communication plan to announce and how to use this forum.
2	9	Establish a department wide suggestion box easily accessible so that every employee feels empowered to suggest work improvements, ideas for various improvements or better way to do things. The suggestion needs to be promptly reviewed, either accepted or not, and must be communicated to the submitter in a reasonable time frame. Offer awards as a way to solicit suggestions. The goal is to have this process in-place and communicated department wide by November 30, 2025.
5	10)	Establish an internal newsletter to communicate to DWS employees what is happening in DWS such as retirements, awards, grants success, improvement/issues across the entire spectrum of DWS and anything that shares pertinent items in DWS. The goal is to have such a in-house communication vehicle by November 30, 2025
6	11)	Long term Ag Dedicated Water Program completed by November 30, 2025

CHR. LOPEZ: So we have 7 (see below) recommended to the Department for comment.

VOTES	Item	Measure & Goal
5	1)	Of the 14 Kona wells, 4 have been substantially out of service for a long time. The goal is to have 12 fully operational by November 30, 2025
5	2)	The delinquent accounts write-off has been substantial. Of the over \$900K current delinquencies, the goal is to reduce this balance 15% by November 30, 2025
7	4)	The department has committed to secure consulting resources to complete a current business and strategic plan. The goal is to complete this plan by November 30, 2025
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5	7)	The department to setup and sponsor an intern program for DWS with selections from high schools and university to perhaps stimulate civics classes, would be engineers, accountants, others interested in sustainable water issues. The goal is to have the process setup by September 30, 2025 for 2nd semester of class participation.
5	10)	Establish an internal newsletter to communicate to DWS employees what is happening in DWS such as retirements, awards, grants success, improvement/issues

		across the entire spectrum of DWS and anything that shares pertinent items in DWS. The goal is to have such a in-house communication vehicle by November 30, 2025
6	11)	Long term Ag Dedicated Water Program completed by November 30, 2025

Thank you. That becomes our list, and I'll deliver that in writing to the Department, through Nora, and you'll get a copy of it, and the next step is, I don't know if this can be done as soon as next month because it's already April, have them comment, "We totally think this is all crappy and throw it all out, or they're going to say, "We think we can accomplish these by the end of the year."

MS. TAAROA: Even if there's progress made.

CHR. LOPEZ: Well, that's the part of the evaluation.

MR. OKAMOTO: We can provide responses by next month to the seven.

CHR. LOPEZ: Then next month, with that, my ambition is for us to agree these are the goals for the performance evaluation in December, that's what I'm shooting for, good? Great. All right, thank you.

I think we need to change the title. It's not really discussion of the roadmap anymore. It's discussion of goals and accomplishments for Calendar Year 2025.

MR. OKAMOTO: Yes, so noted, Mr. Chair, and I appreciate that. We'll change next month's agenda item title.

CHR. LOPEZ: All right, thank you. Thank you very much.

B. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (C.I.P.) BUDGETS FOR FISCAL YEAR 2026:

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 2026 Operating Budget, totaling \$77,597,000.00, and 5-Year C.I.P. Budget for Fiscal Year 2026-2030, totaling \$235,500,000.00 have been distributed for the Board's review. A public hearing was held prior to this meeting 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 Fiscal Year 2026 Operating and C.I.P. Budgets on this first of two readings.

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

CHR. LOPEZ: Discussion.

MR. OKAMOTO: Based on the significant public testimony we had this morning, we think we have a good budget to move forward with. I want to thank Candace and Kurt, and everybody for participating and creating this budget. We feel confident bringing it to the Board for approval for next Fiscal Year.

MR. UNGER: Is any of this dependent on Federal type of funds? Is that something we're looking at?

MR. OKAMOTO: Great question. Not directly. So this is our budget based on our anticipated revenues from our water bills. So what will happen though, if we do have significant funding impacts from the Federal side, we may have to change what C.I.P. projects and the timing of those more than our operational. Federal funding would affect us more on the project level rather than the operational.

CHR. LOPEZ: Candace, I see under rental income there's a \$6,000 negative change, so that must be something you're aware of. Rental income, we lose something?

MS. GRAY: Yes. So that change, the department terminated the rental agreement for our cottage at our Hilo Baseyard, so that's the reason for the change.

CHR. LOPEZ: So we just won't rent it out anymore?

MR. OKAMOTO: Correct.

MS. GRAY: Correct.

CHR. LOPEZ: Okay, fine. Thank you.

MS. TAAROA: For the C.I.P.s 5-Year is that set in stone? How does that work when you make adjustments? Is it like 5 years until you revisit it again?

MR. OKAMOTO: Great question, Emily. So what we've taken, this approach, it's almost like a laundry list, and instead of having a specific list of projects just for one fiscal year, we're asking the Board to approve this 5-Year C.I.P., and what that has allowed us to do is to shift things around if priorities change without having to bring it back to the Board every time. We want to move one project from one year to the other, so that's what's helping us accomplish that, and as you know. So this time again next year, we'll come back to the Board with another 5-Year C.I.P. for that same intent. We ran into that challenge when we approved the specific list for one year, and then priorities changed, so we had to come back to the Board, so that affected the ability to proceed with the project.

CHR. LOPEZ: Any other discussion, questions?

MR. LEE: 2024, what's the percentage difference from the previous year?

MR. OKAMOTO: It's on the first paragraph, under Subject.

MR. LEE: Oh, yeah. I see it. 9-1/2 increase?

MR. OKAMOTO: The Operating Budget proposed for Fiscal Year 2026, \$77,597, 12.2%.

MS. GRAY: 12.2% overall.

MR. LEE: 2024?

MR. OKAMOTO: From Fiscal Year 2025. So we're currently in Fiscal Year 2025.

MR. LEE: What was the increase in 2024?

MR. OKAMOTO: That part, I'm not sure. We can actually get back to you on that.

MR. LEE: Thank you.

CHR. LOPEZ: Another way to find it, we instituted a web search for minutes of all previous meetings, so you can go on the website and do a search on this specific Fiscal Year 2024 budget.

MS. TAAROA: I have a question. When you make these improvements of service lines, do you anticipate adding new customers at that time when the lines are improved as part of the plan?

MR. OKAMOTO: As part of the overall goal?

MS. TAAROA: Yeah.

MR. OKAMOTO: Normally what we do, our replacements are typically to bring—it's typically undersized infrastructure or substandard infrastructure, and along with that it typically, you know, if it's like a two-inch galvanized, we don't have that as a standard anymore, so we'll probably increase that to a six-inch. So inherent with that, there's typically added capacity, but that doesn't necessarily mean that we'll allow more customers on because that's one component of the distribution system. If the tank is still not big enough or the well is still not big enough, that doesn't mean that the availability may improve. I don't know if that answers your question.

MS. TAAROA: You know, the system and size where you could add—

MR. OKAMOTO: Yeah, where that pipeline size was the limiting factor—

MS. TAAROA: Right. But not the well capacity.

MR. OKAMOTO: Yeah, so it depends on what was the limiting factor in that area.

MS. TAAROA: Okay, that set number of units coming out of it and then maybe limited by pipe and other things.

MR. OKAMOTO: Oftentimes, especially in rural areas, we have a lot of substandard pipes, two-inch galvanized, things like that, and that tends to be the limiting factor on adding additional customers onto that segment, that's typical. So if we upsize it a six-inch, then it would be likely, not always, it will be likely that we could allow new customers onto that line now.

MS. TAAROA: But it's a little bit of a concern, I guess it's just underserved.

CHR. LOPEZ: Any other discussion, comments? Hearing none, vote to approve the first reading of the Budget and C.I.P., all in favor say aye.

ACTION: Motion was carried unanimously by voice vote (Ayes: 6 – Board Members Aiona, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

C. **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. INABA: For Iki Place, that's the Improvement District up here in North Kona, that project is out to bid, and bids will open on April 10th, so we should be bringing the bid results to the next Board meeting.

CHR. LOPEZ: I'm sorry, I'm also having trouble hearing, what was that item?

MR. INABA: Iki Place, sorry, Water System.

MR. OKAMOTO: Yeah, Mr. Chair, that's actually in your district. It's on page 2.

CHR. LOPEZ: Iki Place?

MR. INABA: Yes.

CHR. LOPEZ: Okay, thank you.

MR. INABA: That one, again, out to bid. Bids will open April 10th, and we'll bring that next month to the Board. It is an Improvement District project, so it will kind of be like recommending approval of it because we still got to go through other processes for that project.

MR. OKAMOTO: It's a County Council Improvement District process.

MR. INABA: And kind of just maybe bring to your attention, I know we mentioned Pohoiki probably would have gotten started. The contract is executed, however the Notice to Proceed is still being determined. We're still working with some landowners to potentially avoid some issues there too. Mainly the main updates, I wanted to let you folks know.

MR. OKAMOTO: Thanks, Kurt. Again, if you come across something you want an update on, just feel free to shoot us an email, give us a call, and we can provide an update at any time, actually.

CHR. LOPEZ: Where is it?

MR. INABA: It's just south of Hualālai Vistas Subdivision. It's makai of Māmalahoa Highway.

CHR. LOPEZ: Oh, Hualālai Vistas. I know where it is.

MR. INABA: Yeah, Church of God Road. Just on the south-end of that there's a—I guess it's also known as Church of God Road.

CHR. LOPEZ: I've seen that.

MR. INABA: Yeah, so if you go down there, first left going down that side.

CHR. LOPEZ: I got the general idea, thank you.

MR. INABA: There are 18 lots. Their meters are up on the highway.

D. 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 Finance Controller Candace Gray provided a brief overview of the Financial Statements for February 2025, FY 2024-2025 to the members of the Board. New explanations that were added for this month are in bold font style. A hard copy of the Financial Statements is available for viewing in the Department of Water Supply office.)

CHR. LOPEZ: These interest rates you're getting, do you see those continuing in the short-term, are these maybe you have five-year CDs?

MS. GRAY: As far the CDs, so the term ranges from, let's say—I guess the last investment was like three-month term, but majority is going from one year to five years. The five-year terms, we're looking about four percent, but we do see the rates decreasing, it's going down in the three percent range.

CHR. LOPEZ: So the longer you tie it up, the better the rates are.

MS. GRAY: I guess the gap between the terms may not be that significant. We also kind of look at the, I guess, cash requirements as far as far as how long to invest.

CHR. LOPEZ: Anybody else?

E. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells:

MR. UYEHARA: For this month, Kona Wells, same as last month, 10 of the 14 operational. We have our goal now set for November of this year. Same four are down: Mākālei, Wai'aha, Honokōhau, Hōlualoa, Mākālei, we're still waiting for a part on the line side of our variable frequency drive, hopefully to get that in. The contractors are hoping to get that at the end of this month, early April, so guesstimating mid-April now for that one to be online.

CHR. LOPEZ: To be operational?

MR. UYEHARA: To be operational. The next one, Wai'aha. We just went through a Board agenda item for that, so that time extension is until end of June, but we're going to say July. We're still waiting for the shroud and the service plate for that repair.

Honokōhau, looking at July of this year. The contractor is waiting for the shroud for that repair.

Hōlualoa is the one we started to put out to bid and go through that procurement process. For that one, we're estimating about November of this year.

CHR. LOPEZ: It's going to be 100% by the end of the year.

MR. UYEHARA: That's the goal.

MR. OKAMOTO: That's the goal.

MR. UYEHARA: Knock on wood and everything. But again, staff and the contractors are working diligently on pushing the contractor or contractors as much as possible on their projects.

CHR. LOPEZ: I got an email from one of our customers regarding Mākālei was down, they were without water for three hours I guess, and that was two weeks ago, is that, right? I didn't know why, but I just know it's one of the ones that were (inaudible). Can you comment on what that was about? It has any relationship to this?

MR. UYEHARA: I don't think it has any relationship to this well repair, though.

MR. INOUE: Not the well repair. It was an issue with the tank control. It didn't open up, so the tank didn't fill.

MR. UYEHARA: So the communication between Makalei tank and the tank feeding Mākālei tank.

CHR. LOPEZ: Is that electronic communication?

MR. OKAMOTO: Oh, the float.

CHR. LOPEZ: Oh, it's a float. Okay, so it just didn't trigger.

2. AWWA's 2025 Annual Conference and Expo (June 8-11, 2025 – Denver, CO):

MR. OKAMOTO: If you can please let us know if you're interested in attending the Annual Water Works Conference in Denver, from June 8th through 11th. We have budgeted for slots for the Water Board, and we just found out there's a promotion; if we commit five attendees, they'll provide free registration for the six. It's sizeable, it's \$1,000 registration fee. Please consider attending. If you want to attend, email Nora.

CHR. LOPEZ: How many spots do you have for the department's staff?

MR. UYEHARA: Six total.

CHR. LOPEZ: So, potentially we can hit the five, registration.

MR. OKAMOTO: That's our goal.

CHR. LOPEZ: Do we have a cut-off time because people tend to—

MR. OKAMOTO: Yes, I think that promotion is only good through the first week of April, so please let us know quickly, otherwise we'll fill your spot with staff.

F. CHAIRPERSON'S REPORT:

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

CHR. LOPEZ: With some trepidation, early comment, because it gets—as the Chair, trying to lead, trying to get this body going, you get discouraged when I don’t hear from you guys, or you don’t read the materials, when you don’t respond, like in this exercise here. I mean we made it through there, but to me these are very important metrics by which Keith and his department, we will measure them at the end of the year. Last year was the seat of the pants. I didn’t really like the way it was done, but that’s all we had to work with, so I am trying to improve the process to get some measures. In this regard, I really need your cooperation, all of you to either—phone is fine; okay, thank you, I got an email. At least express to me that we’re trying to do something good. I don’t like to do is bring it up after the meeting. I need your help. That’s all.

MS. TAAROA: Thank you, Kawena, taking notice especially with that. Since I’m new, I think it would take a little while to even just (inaudible) on how it all works.

CHR. LOPEZ: One thing I have to be really be careful about is that you’re all volunteers. You all have other jobs, businesses. You all got commitments. I think I’m the only one on this Board that’s retired, but that doesn’t mean I have more time. So, I have to take that into account too. I respect your time. I’m just making mention that some time within the last two months it would be nice to here from somebody because when we get into these sessions it takes longer to work through it. Anyway, that’s all.

8) ANNOUNCEMENTS:

- Next Meeting – April 22, 2025, 10:00 a.m., Department of Water Supply, Hilo Operations, 889 Leilani Street, Hilo, Hawai‘i

9) ADJOURNMENT:

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

ACTION: Ms. Taaroa moved to adjourn the meeting; seconded by Mr. Kekela and carried unanimously by voice vote (Ayes: 6 – Board Members Aiona, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

(Meeting adjourned at 11:37 a.m.)

Recording Secretary

APPROVED BY WATER BOARD
(April 22, 2025)