

MINUTES

DEPARTMENT OF WATER SUPPLY COUNTY OF HAWAII WATER BOARD MEETING

August 26, 2025

Department of Water Supply, Hilo Operations Baseyard, 889 Leilani Street, Hilo, 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 (via videoconference)
Mr. Michael Bell, Water Board Member, Dist. 7 (via videoconference)
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: Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel
Ms. Kim Miyoshi, Accuity, LLP, Auditor
Mr. Lance Chee, Accuity, LLP, Auditor
Mr. Chad Arima, guest
Mr. Shigie Gong, guest
Mr. Matson Davis, guest

DEPARTMENT OF WATER SUPPLY STAFF:

Mr. Kawika Uyehara, Deputy
Ms. Shari Uyeno, Acting Engineering Division Head
Ms. Candace Gray, Waterworks Controller
Mr. Gregory Goodale, Chief of Operations
Mr. Alvin Inouye, Water Operations Superintendent
Mr. Ryan Quitariano, Acting Assistant Engineering Division Head
Mr. Warren Ching, Civil Engineer IV
Mr. Eric Takamoto, Mechanical Engineer III
Ms. Nora Avenue, Recording Secretary
Ms. Maraea Keamo, Senior Clerk Stenographer

- 1) **CALL TO ORDER** – Chair Lopez called the meeting to order at 10:00 a.m. Board Members who were present: Messrs. Aiona, Bell, Kekela, Lee, Unger, Ms. Taaroa, 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.

CHR. LOPEZ: We have two guests with us today that would like to testify. I don't know if they're testifying. Chad Arima, you're testifying on what?

MR. ARIMA: No testifying, I'm just here to introduce myself. Water Resources International.

CHR. LOPEZ: And for the record, we have Board Member Kimo Lee attending.

MR. ARIMA: Okay, I just wanted to introduce myself. My name is Chad Arima. I'm with Water Resources International. We've got about 50 years of drilling and pump experience, so I just want to let you guys all know that we are in business. We are entertaining RFPs (Request for Proposals), and we are qualified. Any questions? You know, please reach out. We know that there's a lot of work out there, both pumps and wells. We are on Kapulehu. We've just come from Moloka'i. We are on Maui. We are on Kaua'i and O'ahu. We deal with the Board on all islands.

CHR. LOPEZ: If I may ask a question?

MR. ARIMA: Yes.

CHR. LOPEZ: What's your experience on the Big Island—

MR. ARIMA: On the Big Island?

CHR. LOPEZ: —and our level of the salt that we have here?

MR. ARIMA: We have a huge resume here on the Big Island. We are getting on to PGV this week. We've been there 15 years ago. We've drilled a few wells there. We do both federal and private, along with the Board. We do more large wells, deep wells, versus residential. So, that's where we're at.

We do big stuff, 2,000-foot wells is okay. We can do it. We can do it. All different various size pumps, whatever you guys need, we can source them.

CHR. LOPEZ: Well, thank you for that awareness. You can leave that material here.

MR. ARIMA: I've got a few, if I can leave it here.

CHR. LOPEZ: Probably with the department would be most suitable for the—

MR. OKAMOTO: We'll set up a meeting with Chad.

CHR. LOPEZ: Well, thank you for introducing yourself, and your services. Our next guest is Bill Gong. Go ahead and have a seat there.

MR. GONG: I prepared like a printout, and if I may just hand it to the Board Members, if I may?

MR. OKAMOTO: So it's not something they can really review and discuss at the meeting, but you can present it to our secretary and maybe one for the Chair, for now. But yeah, it's not really anything that the Board can take up for discussion.

MR. GONG: Only for five minutes because I have photos and all that.

MS. MELLON-LACEY: That will have to be done through another process.

MR. OKAMOTO: Yes, sorry.

MR. GONG: No problem. I'll leave the rest here, but maybe I'll just do like a two-minute—

CHR. LOPEZ: That would be fine. Two minutes, why you're here, and what your subject is.

MR. GONG: I live in Kona, and here today just to attend this meeting. Maybe as kind of a backstory, I don't know how many times you'll have seen big water bills; if you've ever seen like a \$500 bill, or \$1,000 bill, or \$2,000 bill for a residential 5-bedroom house. When my wife and I woke up July 28th, we found a \$15,000 water bill. My wife is like, "The Water Department must be sending is a car," because it sounded like we won the lottery, and that is just only two months.

We realized immediately there was going to be a leak, and then if we were to add in August and September, where we fix the leak, this bill will likely be \$25,000, and just to put it in perspective, that's about two years of tuition at HPA, like one of the finer institutions on the island, about six years of tuition at Kamehameha. These are all going to eat into our children's funds and plans. We've done a little digging, so what we did immediately was call the plumber the next day, who came with the detection services. After four, five, six (inaudible) and borrowing kind of laundry and toilet from our nice neighbors, we were able to fix the issue immediately, as of August 5th, which is about three weeks ago, and seven days after we found the big bill, and then the leak.

The plumber and the detection from Kona Labs believes it's because of a sharp movement in lava rocks that caused a rupture in the main line of our building. We're not anticipating anything like that, and they said it might be due to an earthquake, so we looked up the records if there have been any earthquakes in the Kona region in the past couple of months. I think we've found four and five starting in March that were sized and four or above. You know, if we read the news from Big Island Now, people felt the quakes in the Kona region. So, it is very likely due to an earthquake that's causing the lava rocks to move and rupture the main line.

That's the story I wanted to present. We've been working with the Kona side, Darleen. Krystle has been very helpful to our cause, and understand we don't want ourselves and our children to be in debt the rest of our lives, and they told us we can come and speak with you, your Board, Honorable Chair, and present our case. So, that's going to be my three-minute testimony. Please let me know if you have any questions.

CHR. LOPEZ: So you have been working with the Water Company on a leak adjustment for that whole subject matter?

MR. GONG: Yes.

CHR. LOPEZ: I will let them explain to you what the process is to come to the Board for any further review.

MR. GONG: Yes.

CHR. LOPEZ: That will be a separate session. Got to get it on the agenda and do due diligence.

MR. GONG: Sounds good. I would love to go through the process for additional relief, because as I understand, the standard process is 50% of the water bill, which would mean we'd be liable for another \$12 (thousand) to \$15,000 after we take in the August and September bills, and that is still going to be, you know, taking out from the tuition funds we're preparing for our children, so we'd love to pursue that after today's meeting.

CHR. LOPEZ: Understood. Thank you very much for your time and for your materials, and I'll leave you to work with the department to continue to pursue.

MR. GONG: Thank you, all.

3) APPROVAL OF MINUTES:

Minutes of July 22, 2025, Water Board Meeting:

ACTION: Mr. Unger-moved for approval of the Minutes of the July 22, 2025, Water Board meeting; seconded by Mr. Kekela and carried unanimously by voice vote (Ayes: 7 – Board Members Aiona, Bell, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

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

5) PRESENTATION OF FISCAL YEAR 2023-2024 AUDIT REPORT BY ACCUITY LLP:

Chair: Is there any testimony for this item?

Copies of the Department's Audited Financial Statements for the fiscal year ended June 30, 2024, have been distributed to Board Members. Representatives of Accuity LLP, the Department's independent auditors, will be present to answer any questions the Board may have regarding the report.

(Note: At this time, Auditors Kim Miyoshi and Lance Chee joined the meeting remotely, via Zoom, and provided a PowerPoint presentation to the members of the Board. A hard copy of the Audit Report presentation is available for viewing in the Department of Water Supply office.)

Discussion:

MS. MIYOSHI: At this time, I did want to open it up for any questions that the Board may have.

CHR. LOPEZ: Yes, I have one, and it's only to refresh my memory and perhaps for the rest of the Board, under Revenue, water deposits. I know that was changed during the fiscal year. Can you just briefly inform us what that is?

MS. MIYOSHI: Yes, I don't know if Lance wants to take that question. It was corrected in FY24, so we didn't identify any issues, but it had to deal with the timing and reporting of when the deposits are recognized.

MR. CHEE: Yes, so in 2023, the previous auditors, Plante Moran, identified that issue, and there were certain deposits that weren't being reported as revenue and in a timely manner in accordance with the appropriate recognition of revenue regarding those deposits, so there was a restatement, I believe, of roughly \$2 million because of that, and then with that restatement, we included that as a significant risk and performed some additional testing to ensure that in FY24 those composites were accounted for correctly.

CHR. LOPEZ: So it was just a matter of how we reported the deposits?

MR. LEE: Correct, when those deposits should be recognized as revenue in the Financial Statements.

CHR. LOPEZ: I recall. Thank you. Any other questions? I was looking for risk exposure regarding the Temporary Hazard Pay settlement. What exposures are there, or potential?

MS. MIYOSHI: So that's disclosed in Note 10. It's an estimate. The Temporary Hazard Pay settlement was based on an estimate of what the department expected to pay. So potentially, right, it could be more because it was just an estimate. The County had determined based on—because I think at the time it was reported, only one union had—they actually settled or had a formal Settlement Agreement at that time. It was just based on sort of what those requirements or payouts were going to be expected to be. The department had estimated, based on that, they estimated an accrual to report of about I think it was \$3 million of payouts for the Temporary Hazard Pay. So potentially it could have been when the final payments were made or settlement payments were made, it potentially could have been higher based on the final Settlement Agreement. So, that's just the potential exposure.

CHR. LOPEZ: I'm sorry, I'm not keeping up with you. Is this potential exposure for the future, or you're just reporting something that was in effect at that time? Is that a closed situation at this point in the County?

MS. MIYOSHI: Maybe if Candace can speak to if the payouts have been made. I know for the County, some of the payments have been made to the employees, but I don't know if, at this point, all payments have been made.

CHR. LOPEZ: So my question for Candace is, are we still expecting further exposure to that settlement, up or down, or whatever?

MS. MIYOSHI: No, so as long as the Settlement Agreement has been entered into and finalized, then that is the maximum exposure. So, there shouldn't be.

MR. CHEE: Not significant, yeah, unless—but at the time that it be issued, they didn't have the finalized settlements for all the unions, and this time it was kind of based on what the expected pay-offs are going to be.

CHR. LOPEZ: So at that point and time, you're making your determination?

MR. CHEE/MS. MIYOSHI: Yes.

CHR. LOPEZ: The Settlements agreed, and we know where we are. It's a “non-issue” is what I'm trying to get to, going forward.

MR. OKAMOTO: I'll chime in a few comments because this is actually a higher level than even Candace or Accuity. So SHOPO was the one that I think they talked about that had a signed Agreement while this audit was being processed.

In the end of July, there was an Agreement executed with HGEA, so that one established all the terms, so we could actually do a calculation of the Temporary Hazard Pay. That is what staff is working on now, and we anticipate putting that out in our September 15th payroll. There's still UPW outstanding, so we don't have a timeframe on that. Right now, all we have is an estimate of what that amount will be. I'm guessing if that's the exposure, whether that differs from our estimate—

CHR. LOPEZ: Thank you, that helped really cleared up in my mind. So at a point and time the audit was done, it was just an estimate, and it says came July there are some other things happening, and we should have a report in September to tell us where we are relative to that potential exposure statement.

MR. OKAMOTO: I think so, yes.

CHR. LOPEZ: That clears it up for me, thank you. Anybody else? Thank you, Accuity.

MR. OKAMOTO: Thank you, guys.

MS. MIYOSHI: Thanks, Keith. Any other questions?

MR. OKAMOTO: I don't know if Candace wanted to summarize or provide some comments. Stay on for a little bit, Kim, I think Candace just wanted to also share with the Board some information that I think is relevant to this agenda item.

MS. MIYOSHI: Sure.

MS. GRAY: I did want to just address the FY23-24 material weakness or finding that was provided in Accuity's report for FY23-24, regarding the timely Financial Statement reporting, which they identified as a material weakness. We have responded to that. Some of the cause that they've identified regarding this material weakness: not receiving timely scheduled request items; numerous audit and client adjustments proposed after receipt of the initial trial balance; responses to follow-up questions weren't provided timely; numerous versions to the Financial Statements, including statement of cash flows; and insufficient appropriate resources devoted to the timely closing process.

For one thing, I want to just say that with every auditor we go through, let's say during exploration, each auditor seems to do or handle the audit a little bit differently. Initially, the first year they do take some time to try and understand our processes as well as us understanding how they handle their audit. They provide us with deadlines on what we need to provide to them by. Throughout that process, and in the past, we might present schedules that might be an initial draft. And then as time goes by, because of the timing—we have such a short window of time, from the fiscal year closing process to the end of the audit. During that period, we may have additional adjustments as a result of further review, as the time allows us. We may have adjustments throughout that process. We would submit drafts and maybe a follow-up later. So, I think that has contributed to the Finding of FY23-24 audit, which led to this Finding. We are in the process of addressing those causes or concerns that they brought up.

For FY24-25, we are actually much further along than we were in the previous years. We do take this very seriously. It's a reflection on myself, Finance, as well as the department, so we will actively make sure that we address and hopefully resolve this Finding, like we've done for the 2023 audit.

We did provide a response to Accuity, and I won't read through what we submitted, but it included accelerating the fiscal year and closing process, by increasing the frequency of our reconciliations. Previously, it was just at the end of the year when it's being closed, now we're working on our adjustments. Now we've accelerated that and are moving towards monthly. It is not something that we can turn over in one month as far as the change in the timing, and it's not only myself involved, I have a staff of accountants, that everybody has their part, as far the closing process.

The other points for ways for us to hopefully resolve this Finding is for us to implement a proactive approach to provide schedules to the auditors. Except for new implementations, every fiscal year, we are faced with new, let's say, GASB (Governmental Accounting Standards Board) implementations that we need to review, and see how we can implement them into our processes and ensure that we are compliant by the deadline that they provided in the GASB. Except for those new implementations, a lot of the schedules that they request are routine, so we feel that we are able to provide it on a more timely schedule.

Initially, I did propose that we could do it by this month, when we present the Financial Statements or the second version of the June Financial Statements, which I provided in the August Board meeting. However, going through that process, I would like to actually revise that timeline to be September, and be in compliance with the schedule proposed, ~~but~~ that's included in Accuity's contract. They have a schedule there for each fiscal year for when each phase of the audit should be completed, as well as when our Financial Statements should be completed and presented. I'm hoping that would be acceptable; like I said, I guess provide us that additional month, but still being compliant with the schedules included in their contract, but just know that we are actively trying our best to address this Finding, and hopefully resolve it this year and for the future.

MR. OKAMOTO: Can I sum it up, Mr. Chair? Thanks, Candace. I know Candace just wanted to share from the department's perspective. I want to thank Accuity for all the hard work, but I also want for the record to share that the timeliness wasn't due to lack of effort, Candace and her team put hours and hours of overtime on weekends and whatnot to do what was needed for the audit, so I want to make sure that is out there so that it doesn't seem like it was late because they were slacking off. That was not the case.

Just to maybe clarify a little bit what Candace is asking for, so in our response letter, I think we referred to the third week of August, as far as getting some stuff ready, and that's still well in advance of the auditor's expectations is my understanding, but some of that relies on external information that we need from the State, you know, like the retirement information.

MS. GRAY: Yes.

MR. OKAMOTO: We can't really wrap up our stuff until we get that information, so that's part of that request. Anyway, I wanted to take the time to commend Candace and her team also for this effort, as well as Accuity. It's a lot of work, a lot of work. That's all I have to say, Mr. Chair.

CHR. LOPEZ: My observation of the fact that you made that explanation expressed to me that you're very sincere and you took this very seriously, so thank you for that. Thank you, Candace. I'm very happy with your response and what you're trying to do.

When an auditor engages, do they give you a list, this is what we're going to need by these timeframes, so that you can prepare ahead of time before they walk in the door? Or are they'll walk in the door and the auditor says, "Well, I also want this and I want that." How is that done?

MS. GRAY: In the normal process before an audit starts, we have an entrance conference or meeting with the auditors, and that normally should happen for every audit, every fiscal year, and then after that, we're provided the schedules with the initial list of request items that they'll need by certain dates. Depending on where we are in the closing process, now we may receive it and we haven't even closed yet, so those deadlines may not be met, just depending on the closing process.

In the past, we've actually taken it all the way out through August, September, possibly. We have made a very conscious effort to close it as much as we can with all of the information that we have at that point and time. There are some significant adjustments that still need to be made, which we need to obtain from the State, because we have a Memorandum of Understanding with the State that they need to contract. Or they contracted with the consultant, and they provide the GASB 67, 68, and 75 reports, and those are related to our pension plans as well as the EUTF (Employer-Union Health Benefits Trust Fund). OPEB (Other Post Employment Benefits), and those adjustments are in the millions. So until we get those, we can't make, let's say, very informed adjustments for those estimates.

CHR. LOPEZ: I'm just stating, why would you do an audit before you complete a close, because that seems like you're doing this. Is that a statutory requirement? Is it contractual? Is it an agreement with auditing? Why would you create a situation like that?

MS. GRAY: I believe part of it is contractual. As far as statutory, I couldn't say for sure as far as when—I believe I'm not involved in the contract process, but I believe the contract is when the timelines are set up in accordance with the requirements, I would say.

CHR. LOPEZ: And who determines those?

MS. GRAY: The contract is executed through the Legislative Auditor.

CHR. LOPEZ: Oh, so it's way up here. Thank you. I understand the dilemma, I just—it's set up to make it difficult, the way I had observed. It's too bad you can't find a way to fix that. That's independent of what you can do in your process. Okay, thank you.

MS. GRAY: We do our best.

MR. OKAMOTO: Did you want to offer anything, Kim?

MS. MIYOSHI: Oh, no. I just wanted to chime in. Yes, the deadline are set by the County auditor, but it's also in conjunction with the County of Hawai'i Financial Statements and the timing. Since the Water Supply financials need to roll up into the County of Hawai'i's Financial Statements, it's also driven by their timing as well. So, just wanted to chime in that, that's all.

CHR. LOPEZ: Anybody have any comments, questions? All right, if nothing else, do we move on?

MR. OKAMOTO: Yes. Thank you, guys, Thanks, Candace.

MS. MIYOSHI: Thank you.

MR. CHEE: Thank you.

6) POWER COST CHARGE:

Chair: Is there any testimony for this item?

Departmental power costs from all power sources increased since the last Power Cost Charge rate was determined. The Department proposes to the Power Cost Charge from \$2.08 to \$2.98 per thousand gallons as a result of this increase. Power cost charges over the past year were as follows:

<u>Effective</u>	<u>PCC</u>
June 1, 2025	\$2.08
February 1, 2025	\$2.32
September 1, 2024	\$3.04
May 1, 2024	\$2.37

Before the Power Cost Charge is changed, a Public Hearing shall be scheduled to accept public testimony.

RECOMMENDATION: It is recommended that the Board approve holding a Public Hearing on September 23, 2025, at 9:45 a.m., to receive testimony on increasing the Power Cost Charge from \$2.08 to \$2.98, effective October 1, 2025.

ACTION: Mr. Kekela moved to approve the recommendation; seconded by Ms. Taaroa, and was carried unanimously by voice vote (Ayes: 7 – Board Members Aiona, Bell, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

7) **SOUTH KOHALA:**

A. **SERVICE BID NO. 2025-09, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL:**

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 and dispose of settled sludge from the Waimea Water Treatment Plant 2.7 MG reservoir, 8.5 MG reservoir and drying beds, for a period not to exceed one year.

Bids for this project were opened on August 14, 2025, at 2:00 p.m., and the following are the bid results:

	2B Environmental	DWS Engineering Evaluation
Item #1. Sludge Removal from 2.7MG Reservoir with Disposal Off-Site	No Bid	\$ 0.48
Per Gallon Cost		
Item #2. Sludge Removal from 2.7MG Reservoir with Disposal at Waikoloa #1	\$ 0.48	\$ 0.48
Per Gallon Cost		
Item #3. Sludge Removal from 8.5MG Reservoir with Disposal Off-Site	No Bid	\$ 0.49
Per Gallon Cost		
Item #4. Sludge Removal from 8.5MG Reservoir with Disposal at Waikoloa #1	\$ 0.49	\$ 0.49
Per Gallon Cost		
Item #5. Sludge Removal from Drying Beds with Disposal Off-Site	No Bid	\$ 0.51
Per Gallon Cost		
Item #6. Sludge Removal from Drying Beds with Disposal at Waikoloa #1	\$ 0.51	\$ 0.51
Per Gallon Cost		

RECOMMENDATION: It is recommended that the Board award the contract for WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL, JOB NO. 2025-09 to the lowest responsible bidder, 2B Environmental, Inc., for a unit price of \$0.48 per gallon for Item #2, \$0.49 per gallon for

Item #4, and \$0.51 per gallon for Item #6, on an as-needed basis, and 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. The sludge removal contract shall be from the date of Notice to Proceed, to June 30, 2026.

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

CHR. LOPEZ: Any discussion?

MR. UNGER: I have a question. So when we have no bid, what is the process then?

MR. OKAMOTO: We have guidance from the State Procurement Office. If we have no bids on a competitive sealed bids, we have what's called an Alternate Procurement. So, there are various potential solutions included in Alternate Procurement. It ranges from negotiating with a bidder to doing another request for quotes, which we typically do so we can kind of keep it competitive. If nobody wants to bid, then we'll need to consider what options may be available to us after that. Anything else, Greg?

MR. GOODALE: No, not really.

MR. KEKELA: I got a question, real quick. Do these "no-bid" items affect our operations in any capacity for the year?

MR. GOODALE: Those are probably the two lowest impact items on us, so in reality—the two primary is the ability to remove out of the primary lagoon, and take them up to the disposal location. When we develop the bid, we try to kind of capture anything and everything, which is what's represented here. The fact that we got no bid for those two items isn't going to be significant for us, but if we need to, as Keith said, we can go through the Alternate Procurement if we find ourselves in a position where we might need those services in the future, yeah, we may choose to go in that process, of the Alternate Procurement. Those are probably our two lowest impact items, so having no bid on that really isn't going to cause us a whole lot of problems.

MR. KEKELA: Thank you.

CHR. LOPEZ: Questions? Any other questions? Hearing none, all in favor say aye.

ACTION: Motion was carried unanimously by voice vote (Ayes: 7 – Board Members Aiona, Bell, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

8) **MISCELLANEOUS:**

A. **MATERIAL BID NO. 2025-05, FURNISHING AND DELIVERING SPARE PUMP AND MOTOR SETS, AND PAD-MOUNTED TRANSFORMER FOR THE DEPARTMENT OF WATER SUPPLY:**

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

This project consists of furnishing and delivering two (2) portable 500kW generator sets, including sound attenuating container, exhaust system, sub-base fuel tank, trailer, supports, accessories and incidentals; in accordance with the specifications.

Bids were received and opened on August 12, 2025, at 1:30 p.m., and the following are the bid results:

BIDDER	SECTION 1 – SADDLE ROAD #1 DEEPWELL A	SECTION 2 – H.O.V.E. #1 DEEPWELL A	SECTION 3 – GROUP #2	SECTION 4 – PAD-MOUNTED TRANSFORMER
Derrick's Well Drilling & Pump Services, LLC	\$942,527.48	\$258,010.45	\$372,373.91	No Bid
Hawaii Drilling & Pump Service, LLC	\$1,325,000.00	\$456,000.00	\$310,000.00	No Bid
Water Resources International, Inc.	\$1,147,038.00	No Bid	No Bid	No Bid
ECB Solutions, LLC	No Bid	No Bid	No Bid	\$398,073.00* \$318,000.00
Wesco Distribution, Inc.	No Bid	No Bid	No Bid	\$336,508.06* \$246,860.00
DWS Engineering Estimate	\$700,000.00	\$245,000.00	\$365,000.00	\$405,000.00

Note: *Amounts are for the evaluation and award of bid only.

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2025-05, FURNISHING AND DELIVERING SPARE PUMP AND MOTOR SETS, AND PAD-MOUNTED TRANSFORMER FOR THE DEPARTMENT OF WATER SUPPLY, by Sections to the following bidders 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.

Section 1 – Saddle Road #1 Deepwell A to Derrick's Well Drilling & Pump Services, LLC

Section 2 – H.O.V.E. #1 Deepwell A to Derrick's Well Drilling & Pump Services, LLC

Section 3 – Group #2 to Hawaii Drilling & Pump Service, LLC

Section 4 – Pad-Mounted Transformer to Wesco Distribution, Inc.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: Yes, real quickly, this is again the department's continuing efforts to improve our resiliency by maintaining spare equipment on hand. If there are any technical questions, Eric's available. Maybe, Eric, can you share what is meant by Section 3 – Group #2 for the Board?

MR. TAKAMOTO: That is our effort to standardize equipment, so basically one set can be used in multiple wells; so in this particular case, Group #2 can be used at our Keahuolū, Kalaoa, Palani, and Keauhou wells.

MR. OKAMOTO: All in Kona.

MR. TAKAMOTO: Oh yeah, all in Kona.

CHR. LOPEZ: Thank you. So the others are specific for that?

MR. TAKAMOTO: Yes.

CHR. LOPEZ: All right, any other questions, discussion? Hearing none, all in favor say aye.

ACTION: Motion was carried unanimously by voice vote (Ayes: 7 – Board Members Aiona, Bell, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

B. UPDATE ON COUNTY COUNCIL RESOLUTION 137-25 FOR AN ONLINE SYSTEM THAT DISPLAYS GENERAL WATER AVAILABILITY COUNTYWIDE:

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

CHR. LOPEZ: Keith, would you like to address this item?

MR. OKAMOTO: Yes. Thank goodness we were able to at least show it to the Board, this time first, before we take it to the Council. I'll turn it over to Kawika. We have an online tool that's kind of pretty much there, and we wanted to show you folks what kind of information it can show, and ask for your comments and feedback on it.

MR. UYEHARA: Just a brief refresher. A couple of months back, we talked about moving some of our water availability maps that are hardcopy now in our Engineering Division over to an online tool, Geographic Information System (GIS) based map to provide information. Staff has been working on this, with our Engineering and our GIS folks to provide this online tool, and we wanted to preview it with the Board, just to kind of present what has been worked on, and if you have any questions

At this time, I'll turn it over to Ryan Quitoriano. He's in charge of our Water Resources and Planning Branch in the Engineering Division. So Ryan is very instrumental in gathering all of this parcel information, water commitment information, water availability information, developer agreement information, and working with our GIS folks to create this tool. It's pretty cool, I think. So at this time, I'll turn it over to Ryan.

MR. QUITORIANO: First off, just getting to this tool, I'm trying to—I guess the question was, “Is water available to my property?” Even though we're making this available, this shouldn't be something that determines that for any individual. There's actually a Disclaimer, so in this Disclaimer we try to explain that this information is only used for just general information, not anything that you use to determine what's available for an individual property. So we're trying to make the individual call our section to make that determination.

MR. OKAMOTO: That might be confusing to somebody. You have the tool and cannot rely on the information, right? That would be my first question. What we're very cautious of, when you get down to your specific property and what the exact water units you can get from it, we want you to call because it might depend on the situation for that specific parcel. We don't want to get into this kind of potential exposure, “Hey, your tool online told me I could do a 10-lot subdivision, so that's why I bought it, and then now when I contact you, you tell me cannot.” So what we want to do, you know, maybe if people kind of looking around, and they say, “Hey, this area kind of looks good,” maybe pre-identifying several parcels, but contact us because some of them might have been created by a variance, then different rules apply, some of them might have units based on a development agreement, but the general water availability might say something else. So anyway, that's what I think Ryan was trying to say. So it's not this tool—in other words, we're not trying to say this tool is good for nothing.

CHR. LOPEZ: That message on the roll-out, that message is going to have to be clearly communicated.

(Note: At this time, Ryan Qutoriano, Acting Assistant Engineering Division Head, gave a preview and demonstrated the capabilities of the GIS-based map online tool.)

MR. QUITORIANO: We do point to our Water Use Development Plan update to give someone more details on what some of these things are. There's actually another set of instructions that's in this upper right-hand corner. This is the information that the parcel is on, so they can see the parcel, and the four layers are the link information that you can get to. Our instructions are more detailed. There's a link that you can click on, and it kind of explains in more detail how to use this mapping tool.

You can either search by an address or by a TMK number. For us in Engineering, TMKS is the more important information, but people don't know, so we included the ability to search by address. It's going to give you a result based on address.

MR. OKAMOTO: So that's why we want people to call because not every parcel is going to be allowed 50 additional units.

CHR. LOPEZ: What is a unit?

MR. QUITORIANO: A unit is basically—

CHR. LOPEZ: A meter?

MR. QUITORIANO: We standardize a unit to be a residential-size meter.

MR. QUITORIANO: 400 gallons a day.

CHR. LOPEZ: May I ask questions as we go?

MR. OKAMOTO: Yes.

CHR. LOPEZ: Going back to where he's entered the TMK. We are Big Island, so is there really a need to put the 3 because most people don't know the 3.

MR. QUITORIANO: Yes.

CHR. LOPEZ: There is a need to.

MR. QUITORIANO: Yes, that's how our information is stored with GIS.

CHR. LOPEZ: Okay, that's fine, no worries. Also, when the parcel came up, and maybe I just couldn't see it, how did you know that was the parcel because I saw two other little ones that had dark lines around it, how did you that was the one to look at?

What I'm looking for—this is the resolution, and I'd like to see if you're addressing—because that's what they're going to look for, the Council, the fourth WHEREAS, “number of water units available in a particular area, the number of active water commitments, and any existing developer agreements that may impact water allocation.” Are those three questions answered here, and is it idiot proof, for lack of a better term?

MR. QUITORIANO: It's not idiot proof.

CHR. LOPEZ: Is a Council Member or staff going to be able to learn this?

MR. QUITORIANO: No.

CHR. LOPEZ: Okay, so how does it transfer from what you've designed to the novice that wants to answer these questions?

MR. QUITORIANO: Number of water that's available for a particular system is really hard to get to, a specific number. Our water availability guideline in general, it's just a general number. It's not an accounting—it's what's the possible—availability is something that we possibly could make possible, but it's not a limited number. It's kind of hard to describe.

CHR. LOPEZ: I guess they're trying to—and they're—

MR. QUITORIANO: That's the hard part.

CHR. LOPEZ: “number of water units available in a particular area,” in this geographic area, what's available, so then I'm planning subdividing, or I'm planning growth, or I'm planning something, how much can I stuff in there? Can that question be answered?

MR. QUITORIANO: I guess kind of in a way, but not for the system. So like the water availability that I had out, so if you're looking at that area, that's the number possible for that area. That 50 units of water, that's what's possible in that area.

CHR. LOPEZ: But not there yet. There's no transmission line that's bringing water to the areas.

MR. QUITORIANO: No, there is.

CHR. LOPEZ: There is?

MR. QUITORIANO: Yes.

CHR. LOPEZ: But this undeveloped, yeah? There are no meters yet.

MR. QUITORIANO: Correct.

CHR. LOPEZ: Okay, so there are 50 units planned for that particular area?

MR. QUITORIANO: Yes.

CHR. LOPEZ: That would be a water commitment then because you've already got a transmission line.

MR. QUITORIANO: If they're eligible.

MR. OKAMOTO: Yeah, so water availability is kind of like what's possible in that region, up to 50 units per zoned parcel is possible; but if you have a 20-acre parcel that's zoned Ag-1, you can only get really 20 lots out of that. So you're not going to get 50 units on your 20-acre parcel. So there are all those complexities.

CHR. LOPEZ: I see. And the commitments haven't been made?

MR. OKAMOTO: No.

CHR. LOPEZ: Okay, so that's a distinction?

MR. OKAMOTO: Yes. A commitment is—I guess that's what it is, it's a commitment. But usually what we require is that whoever wants to start doing their due diligence and actually put in a land use application with the Department of Planning. Say for example, that 20-acre parcel somebody said, "Hey, it's zoned Ag-1, I want to make 20 lots out of it." Okay, do a subdivision application with Planning. Planning will send that application to us for our comments, and we'll tell them, "Okay, if you want 20 lots, it's available because you're in that area that's allowing 50, but to secure it with a water commitment, it will be \$150 per additional unit of water." So once that correspondence goes out, we receive the payment, that parcel is now committed, 20 units of water, and that's an actual water commitment at that point.

This is why we had that Disclaimer in the beginning too, where somebody—we don't want somebody come in and say, "Hey, that whole shaded area, and you said 50, and how come I cannot get my 50 in this parcel I just bought?"

MR. UNGER: So the availability is based on infrastructure in place right now?

MR. OKAMOTO: Yes.

MR. UNGER: And so that's going to be some confusion also. Number 1 and then Number 2, there's going to have to be, I guess, constantly updated; and as infrastructure grows as wells gets built.

MR. OKAMOTO: There's no perfect product, I think, that will give everybody what they want. We're hoping this is a good start, and I'm sure we'll receive a lot of comments.

CHR. LOPEZ: So this addresses the number of water units available in a particular area.

MR. OKAMOTO: Like parcel, yeah.

CHR. LOPEZ: Okay. Then the number of active water commitments.

MR. QUITORIANO: Yep, so that's what that other layer that I had, for that particular one. I had that information for a specific property, but if you were just to look at the map, what you see in blue here, these are water commitments that are being paid for.

CHR. LOPEZ: All those colored blue?

MR. QUITORIANO: Yes, all the blue areas are—

MR. OKAMOTO: But we cannot collectively, like sum them up, yeah?

MR. QUITORIANO: No, not with this.

CHR. LOPEZ: But you can zoom in on that and then find out, and you can do it yourself.

MR. OKAMOTO: Yes. So hopefully, that's a useful component.

CHR. LOPEZ: And the existing developer agreements, would that be in here?

MR. QUITORIANO: Yes, and what you see in green here is all developer—each one of these has a description or information: who the party is, how many units the party uses, what's remaining.

CHR. LOPEZ: So in my immediate observation, again understanding the audience, there are a lot of caveats. I think you're over confusing, not incorrectly, but you're over confusing it to them by giving all of these yes, noes, and maybes kind of thing. But if you answer the question, just say, "Okay, you wanted this," that's how you get to it. You wanted this, that's how get to it.

MR. OKAMOTO: Yes.

CHR. LOPEZ: And then maybe it's an explanation on the side, on what the caveats are.

MR. OKAMOTO: Okay.

CHR. LOPEZ: But if you try to explain ahead of time, they're going to shut down before you ever get to this.

MR. OKAMOTO: Thank you, that's a great suggestion. When we do the presentation, we'll kind of say, "This is what you're looking for, boom here it is, boom here it is."

CHR. LOPEZ: That's it. You give them too much, and you'll lose them before it even gets here.

MR. OKAMOTO: Yes, good point.

MR. AIONA: I think you guys did a great job.

MR. OKAMOTO: There's a lot of information in there.

CHR. LOPEZ: Oh yeah, this is a marvelous tool. The fact that you can answer the question that simply, to me, makes it very worthwhile.

MS. TAAROA: When is this going live?

MR. OKAMOTO: We're scheduled to present this to Council on September 2nd, I'm sure we'll get some feedback. We did receive some feedback already from Council Chair. We gave him a kind of preliminary look, so we incorporated what we could from those. I don't even know what committee we're agendized for. Their committees are the full Council anyway. I'm sure we'll get some suggestions, too. But I like that approach, that's going to really help us.

CHR. LOPEZ: The selling (inaudible).

MR. OKAMOTO: So what it can do, addressing the resolution before trying to explain the whole thing first.

CHR. LOPEZ: Because as soon as you got there, got it very easy.

MR. OKAMOTO: Yes, yes.

CHR. LOPEZ: If I don't have through many layers and menus to get it here.

MR. OKAMOTO: Yep.

CHR. LOPEZ: Okay. Anybody else?

MR. KEKELA: So playing devil's advocate. You guys did a great job, your team. It is actually overloaded with a lot of information. Prior to this, in this resolution, my understanding it's just a recommendation, right, it's not finding or—was all this information public knowledge prior to this project?

MR. OKAMOTO: Yes, but that was, you know, call us with the TMK and we'll tell you how much water is available. Even for our staff, it takes a lot of time. We're hoping that this covers most of it, but if you're really interested in a parcel, you still need to do it old school.

MR. KEKELA: Like the devil's advocate needs, this seems like a resolution preferential to developers. How likely would this give us a technology or its platform to help like say a single family household?

MR. OKAMOTO: This is just my personal opinion, probably not much. So like a regular person, what this might help them do, is show them where our water system is at least. If they're looking at a property, first time owner, they could go to this and say, "Wow, I'm not even in that area with water availability."

MR. KEKELA: Could they potentially use this tool to advocate for more water availability in there, say the District of Puna?

MR. OKAMOTO: Yeah, this could be used for a lot of different reasons.

MR. KEKELA: Is that something that the department would want to kind of face later on?

MR. OKAMOTO: Yeah, we can, as far as proactively sending out a message, what the—

MR. KEKELA: Just being able to handle the—maybe increase of interest in water infrastructure.

MR. OKAMOTO: Oh, yeah, yeah. Wherever there's no infrastructure, we do get inquiries on how come you don't have. Yeah, we're prepared to respond to those inquiries already, and what options are available.

MR. UNGER: Yeah, I see this being used a lot for research, for county, for future planning, general plans, for public awareness stuff like that, as far as the individual homeowner calling.

MR. AIONA: Is there going to be anywhere where we can tell them how often it's updated?

MR. QUITORIANO: We don't have anything on there now, but we could probably have it—

MR. AIONA: For example, if somebody goes on here and there is a developer agreement, and it hasn't been updated, right, just so they know that it's updated every 60 days, or 30 days, or anything like that.

MR. OKAMOTO: Yeah, we could put something. Right now, if that's what you see, that's what's current, I guess, basically.

MR. AIONA: Got it. So it updates on its own?

MR. OKAMOTO: Well, we'll update it as we get more information.

MR. AIONA: Got it.

MR. OKAMOTO: And those developer agreements, usually the term is very long, so they don't typically go away. Good question though, Ippy.

CHR. LOPEZ: I agree with you Keith, I don't see this being a tool for the individual home, say the case like Hilo. Would this be available to the public?

MR. OKAMOTO: Yes.

CHR. LOPEZ: Okay, on your website?

MR. OKAMOTO: Yes.

CHR. LOPEZ: Okay, so they would know it's there.

MR. OKAMOTO: That's where (inaudible).

CHR. LOPEZ: I'm suggesting that the underline purpose of this is to understand the viability of our aquifer, our water supply. Can we sustain growth in particular areas based on what we already know? We don't know the health of our aquifers other than what the State tells us.

MR. OKAMOTO: Right.

CHR. LOPEZ: We can't get that until we do the study. Of course, I'm preaching to the choir; there's a lot of demand for development, and it's shortened—it's stymied by the availability of water, and what—should help answer.

MR. OKAMOTO: So collectively, because of that effort, Ryan and his team have kind of put together all of what we know is committed out there on top of what we're currently distributing; so we know what we're distributing, you add on what's committed, and that tells us what our kind of future projection looks like, compared to the whole aquifer sustainability. We do have that information, but that is not quite able—we can't put that together on this tool. You know, can't circle an area and say, "How much water you have committed," and existing compared to sustainable yield. We don't have that quite there yet. In that region, that's a huge question.

CHR. LOPEZ: Any other questions? I think the comments, it's an excellent tool. It answers the question of the resolution, which is the primary goal, you're trying to satisfy the Council. There will be a lot of questions. Will shake some heads. It's all right. To me, you made it very simple in terms of the question, the clicking. If they want to know how much water (inaudible), just go to each parcel, add them up.

MR. LEE: It's a good start.

MR. OKAMOTO: Again, I want to give Ryan a lot of credit because there are a lot of parcels, and there's a lot of information. Luckily, GIS, you can pull an excel spreadsheets and stuff like that. Thank you.

CHR. LOPEZ: You did it, and in a short time. IT project.

MR. OKAMOTO: Yeah, we got a great GIS person, too. I want to acknowledge him.

CHR. LOPEZ: All right, thank you very much. Good presentation.

MR. OKAMOTO: Thank you, Ryan.

CHR. LOPEZ: Good success on September 2nd.

MR. OKAMOTO: Thank you, Chair.

C. MEMORANDUM OF AGREEMENT FOR THE HARDENING OF PARKER NO. 2, WAI'AHA AND LĀLĀMILO B WELLS – AMENDMENT NO. 2:

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 and the Hawai'i Emergency Management Agency would like to amend the Memorandum of Agreement (MOA) for the Hardening of Parker No. 2, Wai'aha and Lālāmilō B Wells (executed March 7, 2022), in accordance with the Amendment No. 2. This amendment extends the Period of Performance end date from February 10, 2024 to October 11, 2025.

RECOMMENDATION: It is recommended that the Board approve the Amendment No. 2 to the MOA with the Hawai'i Emergency Management Agency for the Hardening of Parker No. 2, Wai'aha and Lālāmilō B Wells, and that either the Chairperson or the Vice-Chairperson be authorized to sign the document, subject to review as to form and legality by Corporation Counsel.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: So basically, this is utilizing mitigation grant funding available from FEMA through HI-EMA, which is the State agency. This is mostly housekeeping for reimbursement of expenses. I'll let Warren share some of the details.

MR. CHING: This is, like Keith said, funding from Hazard Mitigation Grant, FEMA and HI-EMA. This MOA is between DWS and HI-EMA.

We requested an extension to this period of performance, and that got approved by FEMA, and so this is just us and HI-EMA making it official in this MOA document between us. This is mainly housekeeping to get reimbursed for the work that was done after the original period of performance (inaudible); so to get reimbursed for the work that was done after that, we need to amend this MOA with HI-EMA.

CHR. LOPEZ: You're sitting there, so is this coming under your new role as Civil Engineer and not the other Energy Management?

MR. CHING: I would say it can be either.

CHR. LOPEZ: What is Hardening?

MR. CHING: Okay, Hardening is just a term that folks like to use to basically say "protect against disaster or protect against natural disasters." It could be a number of things, but in this case, it's the installation of transfer switches to help harden it against a natural disaster causing a power outage.

CHR. LOPEZ: Any questions, discussion? All in favor say aye.

ACTION: Motion was carried unanimously by voice vote (Ayes: 7 – Board Members Aiona, Bell, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

D. 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 and past recommendations submitted that remain in consideration. Discussion will follow along with any recommendations that should be considered for future action. Discussion will include steps taken to meet the agreed Board & DWS performance measure metric #5 due 11/30/25 on this subject.

CHR. LOPEZ: At our last meeting, we talked about the status of it and without write-ups, and so I wanted Candace to come back and remind us of many of the recommendations that had been made previously that she's been considering, and so hopefully at this meeting we can come to some terms of how it's going to be accomplished. Candace, it's all yours. Thank you.

MS. GRAY: You should have all received the attachment that is titled "Possible Proposed Changes," and this lists the bullet points. It was provided, I believe, back in our April meeting, prior meeting.

CHR. LOPEZ: The attachment is in your packet, Water Board meeting agenda, August 26, 2025.

MS. GRAY: I just provided this list for this meeting because it was my understanding that this would be the focus, I guess, of the discussion. I don't have updates, as far as statistics for this meeting. This list was created just in terms of taking a look at our collection delinquency, the amounts that we report monthly, and in consideration of our current processes, what we already have in place, and the resources we have.

These proposed changes, especially the first two, to include or require I guess Board's approval, involvement at process. So I'll just kind of go over the bullet points.

Bullet Point No. 1: Revise Rules and Regulations: Increase credit deposit and/or possibly set amounts in accordance with consideration of other criteria such as meter size, average historical consumption, intended usage, credit rating (subject to change in Rules & Regulations and Board approval).

Currently, our credit deposit is \$150, and that is required to be paid by new customers who, I believe, have not established any historical credit history with the department.

CHR. LOPEZ: How long do you retain that deposit?

MS. GRAY: It was actually changed to retain it until the account is closed.

CHR. LOPEZ: Okay, so perpetual. You would keep it until—

MS. GRAY: Yes. Previously, it was returned after a year.

CHR. LOPEZ: So do you have a recommendation for this item?

MS. GRAY: I don't have a recommended amount at this meeting. I will say we did at least—so I do have—I started to organize, I guess, what would you call it, a task force or a team to assist with gathering all the information and help with implementation with the steps that we need to address, or implement these changes, if approved at this Board meeting.

CHR. LOPEZ: Well, we can't approve anything unless you don't have a recommendation.

MS. GRAY: I understand. I see this as, I guess, an introduction again to this proposed list, and then successive meetings, provide more information, as well as information that you'll need in order to make informed decisions.

CHR. LOPEZ: I'm going to be the devil's advocate, I'm sorry.

MS. GRAY: Okay.

CHR. LOPEZ: We've been banding this amount for years, and I'm looking for, personally, to try to close this issue. I'm looking for you, to come to the Board and say, "To help satisfy the problem we've got, this is our recommendation." Now, we can offer input to that, we obviously could. If we're going to continue to meet and continue to discuss this, it'll never get solved, we've been this road.

MS. GRAY: I understand.

CHR. LOPEZ: We've been down this road. So if I may, I'm asking—and you have a task force—you know, I sympathize with what you've been through with the audit, taken a lot of (inaudible), I hope that's

over. When can the Board entertain your recommendation for this item, the credit deposit, given what you've got to do to (inaudible)?

MS. GRAY: I would say October.

CHR. LOPEZ: So in the October meeting, we can expect to hear from you on what your recommendation is for changing the credit deposit?

MS. GRAY: Yes.

CHR. LOPEZ: Thank you.

MR. OKAMOTO: I'm hearing what you're saying, Mr. Chair, and I totally agree. We'll try to work with Candace. We'll look at this list and actually come up with specific recommendations that will bring to this body on how we'd like to proceed, to try and address that delinquency situation.

CHR. LOPEZ: You just said for the list.

MR. OKAMOTO: No, no, no.

CHR. LOPEZ: We haven't got there yet.

MR. OKAMOTO: Yeah, the specifics, like \$250 credit deposit.

CHR. LOPEZ: Oh, yeah, yeah, yeah. Thank you.

MR. OKAMOTO: Or a higher amount if it's a one-inch meter or larger, things like that. So that's what we intend to bring in October.

CHR. LOPEZ: Would that be at the October Board meeting?

MS. GRAY: Correct.

CHR. LOPEZ: Okay, thank you.

MS. MELLON-LACEY: Just to clarify, then. Once the Board decides on these things, you have to amend your Rules, and we have to hold public hearings on that, yeah input. You know, there's a process involved. Once you have this, you can't just implement (inaudible).

CHR. LOPEZ: Yeah, at least get something to vote on.

MR. OKAMOTO: Yeah, but at least get something to chew on and discuss.

CHR. LOPEZ: Thank you, you're on. Go ahead, No. 2.

MS. GRAY: Okay, for the next bullet point. Again, it requires the Board's approval.

Bullet Point No. 2: Revise Rules and Regulations: Possibly require additional credit deposit to reinstall meter and/or if delinquency balance is equal to or more than credit deposit **

CHR. LOPEZ: Would that be part of the same recommendation?

MS. GRAY: Yes.

CHR. LOPEZ: October, before the Board. Thank you.

MS. GRAY: The rest of the bullet points just involve internal review and resources. So updating the process and system, evaluating current process and system parameters, and possibly enforcing shut-off and closing account if the unpaid delinquency balance exceeds the credit deposit. A lot of those are included in the >90-day delinquency. The delinquency amount does exceed the credit deposit.

CHR. LOPEZ: Recommendation, when would you offer us a review of that?

MR. OKAMOTO: I think that one, if I can chime in?

CHR. LOPEZ: Surely, please.

MR. OKAMOTO: We're not going even tackle that until we figure out what we're going to do with No. 1, because no sense we implement a new process and start being a little bit harder. If it's only \$150, we're going to be sending a lot of shut-offs to a whole lot of people, and then we're going to change it. Yeah, so I say we hold off on No.3 until we have that Board discussion with 1 and 2.

CHR. LOPEZ: Okay, but can't you—understanding that you can't make a change, can you at least advise us and where you're going with this based on the fact that there will be a change? I'm not asking to make a change, I'm asking you to tell us, "For this factor, we're going to consider what the Board decides on the Rules of changes, and these are areas we (inaudible)," something to that nature.

MR. OKAMOTO: Yeah, possibly.

MS. MELLON-LACEY: (Inaudible) when you're going to do your Rule changes. You don't want to have to keep holding a public hearing and doing this incrementally. It's much better served with an overall plan, I think. To roll it out, where you want to go with this.

CHR. LOPEZ: That's what I was driving at.

MR. OKAMOTO: Yes, it will be part of that same process with 1 and 2.

CHR. LOPEZ: I'm not clear with what you're saying.

MR. OKAMOTO: The basis for No. 3 is enforcing shut-off or closing the account if the unpaid delinquency balance exceeds the credit deposit. Right now, the credit deposit is only \$150, regardless of what size meter you got. So, those are big meters. You delinquent one month, you have exceeded your credit deposit already. We're going to put shut-off notices on all of these accounts, I say "no." That doesn't make sense. But if we're going to start changing the credit deposit based on meter size or historical consumption, that might make more sense to incorporate that as part of the process at that point, not while it's \$150.

CHR. LOPEZ: Agree.

MR. OKAMOTO: Yeah, we're going to get Contested Case hearings every month.

CHR. LOPEZ: No, I agree. There's no argument of what you're saying. What I'm trying to drive to, and maybe this is misquoted, maybe misstated, update the process system. Maybe it's "recommend," recommend the process of the system.

MR. OKAMOTO: Yeah.

CHR. LOPEZ: Or just strike that, and say evaluate, and possibly enforcing. I'm looking for a recommendation, primarily for addressing the current process, where can you make a recommendation, based on changes to 1 and 2, so that we can do these things. That's all, it's not a decision. So that I, or we as a Board, can say, "Yeah, we like this. We're not in agreement with that one," and then, as Corp. Counsel pointed out, once we have all this, then we have a plan to drive to.

MS. MELLON-LACEY: There's a little bit of overlap. Some of these things would involve noticing the public and making rule changes, but some others are being more in the nature of internal procedures that couldn't require that, and that would be like increasing Human Resources, adding more people to your staff to do certain things. You don't need a rule change for that. You don't need a rule change to increase public communication. It's just a few of them, I think maybe that the Board would really need to—

MR. OKAMOTO: What I foresee in—basically this was a shotgun approach.

CHR. LOPEZ: Is the (inaudible) in yet, input?

MR. OKAMOTO: No, that was pretty much all internal. So this was shotgun.

CHR. LOPEZ: Sure.

MR. OKAMOTO: So I think in October, what we've got to do is consolidate all of these bullets into what we propose to the Board as far as our path moving forward to address.

CHR. LOPEZ: That would be great if you had a plan. Ticks, bing, bing, bing, bing, this is how we're going to get there.

MR. OKAMOTO: It's going to be more fleshed out than this. This is just shot-gun. What about this? What about that?

MR. LEE: Kind of like an update.

MR. OKAMOTO: We'll come up with something more tangible that you guys can actually review and discuss, "I don't like \$250, I prefer \$500." Whether the process will be revamped to increase the frequency of monitoring the delinquency, or adding staff to collections or accounting. I know Candace is already working with Diana to try and kind of firm up processes for even payment plans because right now there's nothing really, a guideline.

MS. MELLON-LACEY: You would want to make something that's more binding, so if it's violated, then it's something that could be used to prosecute people if we decide to go—

MR. OKAMOTO: So that's what I foresee coming in October.

CHR. LOPEZ: Okay, so we're not going by these individually.

MR. OKAMOTO: Yes.

CHR. LOPEZ: These are your thoughts. In October, you'll bring back a complete package that the Board can evaluate and not continue to do nothing.

MR. OKAMOTO: Yes.

CHR. LOPEZ: That works for me. Anybody else? Even if you didn't make your deliverables by the end of November, if you had an agreed plan and a process, we're going to do this, and we're going to do this, and we're going to do this, and this is the rollout period based on the public hearing.

MR. OKAMOTO: A schedule of implementation, hopefully. We'll help you with going through that.

CHR. LOPEZ: Okay, very good.

MS. TAAROA: Or even like the Human Resource element, to justify if those increase positions overtime with—be justified, or what he would project—

MR. OKAMOTO: And that's why me and Kawika, we have to help Candace.

MS. TAAROA: Yeah, at least to make sense or not. Yeah, I guess we need more information.

CHR. LOPEZ: And there's no need to, though (inaudible). Is that right?

MS. GRAY: Yes.

CHR. LOPEZ: Because they've got it fully out of control, and they'll come back in October.

MR. OKAMOTO: We owe you a better detailed proposal in October.

CHR. LOPEZ: Something that the Board can act on.

MR. OKAMOTO: Yes.

CHR. LOPEZ: Thank you.

MR. UNGER: I have a suggestion. Would it be a good idea possibly to put this on the agenda for September and get a status report from you, and some ideas you're talking about, or you want to just wait till October?

MR. OKAMOTO: We can put it on September. I kind of see that as a motivation for us to not drop the ball.

MR. UNGER: Maybe an update from you and some points back from the Board, some feedback on some details you're getting into.

MR. OKAMOTO: Okay.

MR. UNGER: Because I had some questions on detail, but I don't want to go there right now because it's so general. So I would like to make that recommendation, and it's not a hard—okay, we're moving it up to September. It's like here's what we did from today till the next meeting, and we just have some questions we're going to ask the Board and get some initial feedback, I kind of like that.

MR. OKAMOTO: Okay. Yeah, for sure. We'll put it as an update.

MR. UNGER: Yeah, as what you guys have been discussing. Because as you're discussing, you might say, "Hey, I wonder what the Board would think about this. I wonder what they would think about this."

MR. OKAMOTO: Right. And then we'll put it for discussion and feedback from the Water Board.

MR. UNGER: Yeah, and guidance.

MR. OKAMOTO: Yeah, okay.

MS. TAAROA: Also, like No. 5 in here isn't really Candace's area. Because you said most of these (inaudible), like the gentleman that was in here earlier. Maybe just a discussion of another way to prevent those kind of issues, (inaudible) notification. I don't know, that could be like maybe a different item, like having the average customer deal with that type of situation that the gentleman presented. You know, faster notification or something like that. I don't know if there's any way to prevent, to get ahead before it even hit the delinquent account to prevent the leak, the leak in the first place. I'm throwing questions to you. It's not the time to ask them now. But, you know, how often are they reading meter? You know, is there any other way he could have known before that bill came in? It seems like the root of a lot of these issues to begin with, right?

MR. OKAMOTO: So what I foresee, Mr. Chair and the Board, for October and we'll start fleshing it out in September, but maybe an actual revised rule language that you guys can kind of chew on. And then as well as that, strategies with either processes, communication, and other things. Strategies, you know, outside of a rule change that the department is also considering. I think implementation of technology could be one, you know, smart meters, things like that, that we can share with you folks and get your feedback on. The proposed rule change with some hard numbers. At least that, you can kind of chew on and provide your thoughts before we go to the required process for a rule change. We'll provide other strategies after consultation with HR, you know, personnel that we may want to add and things like that. If you guys are cool with that, we'll start the process with that.

CHR. LOPEZ: We'll recover enough in delinquencies, we can pay for the position.

MR. OKAMOTO: Right, something like that. Or justification, because if—yeah, that's what it would be, if we think we can recoup \$100 grand a year, that justifies another position right there, right?

MS. MELLON-LACEY: I'm not a member of the Board, but I just feel compelled to think that life is hard and getting harder for a lot of people, and we can't forget that some people learn through delinquency, their problems. They don't fall through their own—and we also, I think, need to see the other side of the coin. Identifying other kinds of programs out there, or some kind of way to address the public (inaudible). We don't want to become to support families.

MR. OKAMOTO: And I think that kind of discussion can happen once we present you with some numbers.

CHR. LOPEZ: Any other discussion?

MR. UNGER: Just one final thing, every family is incurring this problem, too. I would recommend, if you haven't already reached out to Maui, Kaua'i, and O'ahu, seeing how they did it. What are their (inaudible) and what have they done that they've been successful?

MR. OKAMOTO: We had that same discussion just yesterday, I think. Good suggestions, thank you.

CHR. LOPEZ: So we wrap this up? September update, then the October decision. Thank you.

MR. OKAMOTO: Thank you, Candace.

E. 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.

MS. UYENO: Puna, we have our (inaudible) inundation, waterline (inaudible). There's one portion, from Kapoho to Pohoiki, that one they're installing waterline starting this week. We just had a fund meeting for the upper and lower Pohoiki section, the water leak going up the other side. So they're going to start shortly, and that one there—because of the way the waterline is, projected to be installed, that project will come and start the waterline earlier than this first project. So those projects are coming (inaudible) for our inspectors, so we'll be out there more often.

For our Lālāmilo 10 MG, our contractor, Isemoto Contracting, pretty much finishing up their site work, so we plan to have the tanks contractor coming on (inaudible). They'll pretty much be the contractor on site for a year or so.

MR. OKAMOTO: Any questions?

CHR. LOPEZ: The whole issue of the Lālāmilo is the solar—

MR. OKAMOTO: Windmills.

CHR. LOPEZ: The windmills, and something about dismantling them, and lawsuits and disagreements, is that—?

MR. OKAMOTO: It's not pau. What we're trying to do is we're trying to resolve it without going through litigation with the windmill contractor. I think we've made progress because I think in past Board meetings we've agreed to, I think, increasing the—

MS. MELLON-LACEY: You have a Settlement Agreement. I mean, four months to discuss the terms for that, I'm not prepared to do it today, but we could do it in Executive Session.

MR. OKAMOTO: Okay. I think long story short, I think we're good. So we just need to close out—Yeah, I think there's still obligations probably on both sides. Still got to do something.

MS. MELLON-LACEY: Work-in-progress.

MR. OKAMOTO: Yeah.

CHR. LOPEZ: Okay, thank you.

MR. OKAMOTO: Any other questions?

F. 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 June and July 2025, FY 2024-2025, to the members of the Board. New explanations that were added are in bold font style.)

Discussion:

MS. GRAY: Any questions?

CHR. LOPEZ: You have not yet fully closed FY24?

MS. GRAY: Fiscal 25.

CHR. LOPEZ: 25, there are still some remaining things to close.

MS. GRAY: There are still some things that we need to.

CHR. LOPEZ: Yeah, I know about deciding the pay from the Pension Fund, does that decrease the amount of earnings if those funds are withheld by investing in the department account? Am I making sense?

MS. GRAY: Does that decrease our investments, is that—?

CHR. LOPEZ: Well, you have monies in our budget that you invest, and it draws interest?

MS. GRAY: Yes.

CHR. LOPEZ: And that's income to us?

MS. GRAY: Yes.

CHR. LOPEZ: Okay, so by paying the Pension Fund a year earlier, are you decreasing the amount of potential earnings to the department?

MS. GRAY: I will say the amount that's contributed to this fund, it's not taken from any funds that are already invested, so that it doesn't decrease the amount of the investments, it does come from our General Fund.

CHR. LOPEZ: Which you wouldn't invest in.

MS. GRAY: Correct.

CHR. LOPEZ: Thank you. Any other questions, discussion? (none) All right, thank you very much.

MR. OKAMOTO: Thanks, Candace. You had a busy day today.

G. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells

MR. UYEHARA: Okay, so for this month, our North Kona well situation, unfortunately we have 10 online out of the 14. I think last month, we reported 11. Early August, Honokōhau well actually went down. So, we have 10 up and running. Operations is doing its part to keep the system and customers with water. We're in the process now, for Honokōhau, to work with the contractor to figure out what's going on. We already had some replacement equipment on order, ready for that well, just to have a spare, so that's in the works. Hopefully, early part of next year we'll be able to get that one back up and running.

CHR. LOPEZ: Early part of next year?

MR. UYEHARA: Right, early next year.

CHR. LOPEZ: Early part of next year. So, Honokōhau's down?

MR. UYEHARA: Correct. The other three are Mākālei, Hōlualoa well, and Wai'aha. So Mākālei. So Mākālei, it's able to run. The pump and motor work. We are still resolving some water quality testing, and also, when we do pump up the water, we have to make sure we treat the water correctly, so we're still working on that.

Hōlualoa well still needs to be put out to bid, and that one actually is out to bid. Hopefully, mid-part of next year, 2026.

The fourth one offline is Wai'aha. That one is still in the repair process, and we'll get the Board a little better picture. That one, the contractor that is working on that also helped us with some other emergency

work recently. So we're getting that contract with that company. We hope to get a better date. So again, 10 out of the 14 are up and running right now.

CHR. LOPEZ: I think it was last month we had a good picture; we had like 12 of 14. Everybody knocked on wood. We slipped because of breakdowns.

MR. OKAMOTO: That breakdown was only a couple of months after we put it into service, for Honokōhau, so we're investigating that one as a warranty issue.

CHR. LOPEZ: And Hōlualoa, same thing, repair?

MR. UYEHARA: Hōlualoa, we still have to get that one out to bid. We're putting that out to bid.

CHR. LOPEZ: Oh, but that's always been the case. It's not a breakdown?

MR. UYEHARA: Right. Well, it's offline.

CHR. LOPEZ: Wai'aha, has that been down for a while, as well? And Mākālei, we're dealing with water issues.

MR. UYEHARA: Mākālei pump and motor can operate. We're working on water quality sampling and testing, and then the treatment equipment.

CHR. LOPEZ: So that's (inaudible)?

MR. UYEHARA: Soon, forthcoming.

MS. UYENO: We're trying.

CHR. LOPEZ: Thank you.

MR. OKAMOTO: All right. Thanks, Kawika. So Kawika kind of touched upon that emergency that we had to get assistance from the contractor, which caused them to kind of pause a little bit on the Wai'aha repair.

2. North Kohala Water System Update

MR. OKAMOTO: I have a little presentation that I wanted to share with the Board. I've been asked by Council Member James Hustace to provide an update to Council on this matter. It was in our North Kohala area, what we call our Hāwī Water System. Because of the failure of Hāwī Well No. 2, we only had one operational well in that system. There were customers that actually experienced water outages, which for us is big. That's huge for us.

So again, I want to commend Greg and his staff. They were out there every day addressing it as best as they could. There were multiple factors again.

(Note: At this time, Manager-Chief Engineer Keith Okamoto provided a slide presentation, titled "North Kohala Water Incident August 2025," to the members of the Board. A hard copy of the presentation is available for viewing in the Department of Water Supply office.)

Slide #1: Map of DWS Hāwī Water System

MR. OKAMOTO: So, here we are (referring to the map), this is the system. North is to the top of the page, so that's our Hāwī Water System. From the west, it's Puakea Ranch area. That line across, kind of in the middle, is Akoni Pule Hwy, and then towards the east, the eastern extend of our system, just pass Hala'ula, pass Hala'ula School. We have up mauka, what we call the Kahulu'u area, and then down makai, it goes down Hō'ea Road, kind of in the vicinity of 'Upolu Airport. So anyway, that's the extent of the system.

I don't know if you can see, but there are three little triangles, and that's the sources that we have in our system. Upper most triangle is Hāwī No.1, that was the one that remained operational. The one just below that is Hāwī No. 2, which is the one that failed on August 1st; and this one is Hala'ula Well, which is the one that we most recently finished construction of, and that one too, was of those failed shortly after we put it into service, and we're exploring warranty provisions on that one, as well.

Slide #2: What Happened and What was Done

MR. OKAMOTO: This is basically what happened: Hāwī Well No. 2 went down August 1st; Hala'ula Well went down shortly after being activated; Hāwī No. 1 was the only one we had operational. Due to some heating concerns, we actually had that well throttled down, as far as capacity. So that one is being operated by a variable frequency drive. It's almost like a dimmer switch, like you see there on the wall, but for wells, where you can kind of throttle it down so that it's not working so hard, basically. Because of all those factors, including an untimely power outage by Hawaiian Electric.

We have a small tank at the most mauka end of our system. It's smaller than Emily's tank, I think. It drained really quickly, so we had customers go without water because of all of that. So to help resolve that, we immediately incorporated emergency procurement for various things to repair Hāwī No. 2, of course; to procure water hauling services. We used water hauling trucks we could get our hands on. We deployed two water buffalos, that's the 400-gallon water tanks for community use.

Immediately issued a conservation notice right off the bat, so I believe Saturday we issued the conservation notice. As people were going without water, we had to up that to a restriction which is a 25% mandatory cutback. We still weren't keeping up, so we issued another Notice, basically a plea for customers to use water for essential needs only.

Even with all of that in place, we were still challenged. People were still experiencing either low pressure or no water, so we actually had to resort to putting floor restrictors on certain users that were really using way too much water.

Long story short, we were able to kind of get people back water sometime during that week, prior to Hāwī Well No. 2, actually being returned to service on August 12th. All the pump and motor equipment went downhole, but we can't put water into the system until we confirm that it's bacteria-free, and that takes at least 24 hours. That's what happened, timeline of the events. Again, feel free to ask questions during this presentation.

CHR. LOPEZ: I personally appreciated the constant information, and I assume that the public is keeping very well-informed. What was the pulse of the public perception during this time? Were they with you, cooperative, understanding?

MR. OKAMOTO: The part is we don't hear from the cooperating and understanding ones. We hear from the ones that are without water, and understandably so. If I never had water for couple of days, I'd be upset too. So we got emails, I personally responded to a handful, just to first apologize and try to explain the situation. I thought we'd get more, actually.

We've conducted an after-action review of the situation, and I think we've come up with some good ideas. One of them already is being, you know, the spare equipment that we try to maintain, so that's why we could turn it around so quickly. I want to say the contractor got that stuff out of the hole in one day; that's over 800 feet of column pipe, pump and motor, in one day.

Slides 3 and 4: Hāwī Well No. 2 Repair

MR. OKAMOTO: So, that's the set-up, and that's basically to show that they weren't just working during daylight hours.

CHR. LOPEZ: Sure, it was an emergency, and they cooperated. They were pulled off another project.

MR. OKAMOTO: Did they come off another project?

MR. INOUE: No.

MR. OKAMOTO: Okay, but their crew was.

MR. INOUE: There were two crews.

MR. OKAMOTO: Oh, okay. Because had two crews doing this?

MR. INOUE: Yes.

MR. OKAMOTO: Okay.

CHR. LOPEZ: Going back to the other question I had, the water restriction.

MR. OKAMOTO: First the conservation, then the 25% restriction.

CHR. LOPEZ: No, but then there was—you put these water flow—

MR. OKAMOTO: Oh, water flow restrictors.

CHR. LOPEZ: Okay, are those permanent or are those just temporary?

MR. OKAMOTO: We're going to leave them in for a little while, because some of these guys are using more than ten times what the meter supposed to—capacity supposed to be for. Again, we try not to cut people off, and they're paying their bill, right, so of course they're going to—you know, from their side it's like, "We pay our bill."

We do have in our Rules, we do have that right to take measures when necessary, and in this situation, it was necessary for us to put those restrictors on certain accounts.

CHR. LOPEZ: But your plan is still to take them out.

MR. OKAMOTO: Yeah, we're going to continue to evaluate. I think we have, with the help of Engineering, a list of high-use accounts, so we'll need to see how to address those.

CHR. LOPEZ: It would be interesting to see what their feedback to you is when they're not paying their water bill.

MR. OKAMOTO: They call either their elected official at the Legislature, or their elected official at the County, or the mayor, or all, then I get the phone call or text, and then I'll look into it, and basically my response is, hey, we have a dire situation. Everybody's got to play their part.

CHR. LOPEZ: So they're noticing that there's a decrease in their water flow.

MR. OKAMOTO: I think when we put out the Notice, is when they—so what we do is, our District supervisor tries to give them a heads-up, “Hey, we're going to cut your flow,” but I think maybe what they kind of took that as, is we're going to shut them off, but which we did not. We put flow restrictors, and we have yet to determine how effective those were because we read only every two months. Again, that's part of our after-action review, that's part of it, on how we'll deal with that.

Slide #5: What is Planned for Future Events and to Prevent Reoccurrence

MR. OKAMOTO: Part of what I want to mention to folks, and I put that title on the slide because that's what everybody wants, right: what happened, how long am I going to be affected, what you guys going do to make sure we don't have this happen again? Unfortunately, what I'm going to have to share is, our wells are going to break down again, but what we can do better is to hopefully minimize any outages or low-pressure situations. A lot of the concerns, and I think what we heard from the emails, was “I never know what was going on.” So, we're trying to figure out ways we can communicate with the public better. Over there is no more radio from our local radio stations. They get Maui radio. So, PSA is not as effective as in Hilo, Waimea, Kona side. I think Kawika had set up a meeting with Civil Defense. They've upgraded their Everbridge System.

I don't know if you guys know, but if you guys subscribe to their notices—you get all this from the Police Department too, yeah: road closure, missing person, things like that, so we're trying to see if we can utilize that service for our water notifications. I think that it really helps with our communication. Once we got these e-mails, we added them to our e-mail distribution list. There are certain people in the community who have their own little networks, right? So, we added them to our e-mail blast for the daily update, and I think that helped, at least people were informed; and I think even if you're not happy, as long as you're informed, you're less mad or aggravated maybe, so that really helped, I think. We got positive feedback after that.

We'll continue to maintain our spare equipment inventory. For this system, we actually have two spares that can be both be used at Hāwī No. 1 and Hāwī #2.

We need to get Hala'ula well back online. We're working diligently with the contractor on moving forward with that. And then we're also looking at—with Warren's help, because it's a still a high-bred new role, old role back-up generators, and Hardening equipment for our booster sites, as well, not just the wells. That's about it. Any questions?

Again, I really want to give kudos to the crew. They were out there—because what was happening, even with the water hauling, they were driving around seeing which tanks were low, diverting hauling to different tanks as needed. I don't know what else they were doing, Greg, Alvin.

MS. UYENO: (inaudible) ‘Upolu Point.

MR. OKAMOTO: Because of that overheating concern at Hāwī No. 1, why we had it throttled down. We ramped it up. It’s an old site, super small. It’s not the modern-day control buildings that we got. We had the doors open. We had fans blowing on the control equipment. We can’t leave that kind open, unattended, right? That’s a liability, electrical stuff. Our guys were there, making sure it stayed cool because we could not lose Hāwī No. 1. They were out there steady for a long time.

CHR. LOPEZ: Those last comments you made, is that something you would share with Council?

MR. OKAMOTO: Oh, yes.

CHR. LOPEZ: Good. And particularly Kona side, is maintaining spare equipment inventory and back-up generators because of the issue several years ago, we couldn’t interchange. You drove that in pretty—made mention of that, so they value that you actually have resolved the potential (inaudible).

MR. UNGER: Did I hear you say HELCO had played a role?

MR. OKAMOTO: Not in our well failure. They did have an outage, boosters weren’t operating to push the water up to the mauka tanks, and that can happen anytime, regardless of our wells operational or not.

MR. UNGER: Which is usually bad timing.

MR. OKAMOTO: Yeah, bad timing. I do want to take this opportunity to mahalo Council Member James Hustace, though. I think he’s providing us that opportunity to share at the Council Committee meeting, you know, our story, so we’re very appreciative of that. Any other questions?

3. 2025 HWWA Conference – October 15-17, 2025, O’ahu, registration deadline is September 8, 2025 (Chr. Lopez, Vice Chr. Kekela, and Board Member Taaroa committed to attend.)

MR. OKAMOTO: We have a budget for one more if anybody else wants to attend. I know Mr. Chair has advocated for attendance. I know Vice Chair Pono has attended, and I know Board Member Emily has attended as well. This will be another good one. Thanks for the Board members attendance because I think it is beneficial for your roles. Board Members, you get a better understanding, you get to network with other counterparts from different utilities, and a lot of good information.

4. Department of Water Supply Quarterly Energy Report

(Note: At this time, Deputy Kawika Uyehara provided a brief overview of DWS’s Quarterly Energy Report to the members of the Board. A hard copy of the report is available for viewing in the Department of Water Supply office.)

H. EXECUTIVE SESSION REGARDING OPEN LITIGATION FOR HAWAI'I CONFERENCE OF THE UNITED CHURCH OF CHRIST (HCUCC) v. WATER BOARD OF THE COUNTY OF HAWAI'I, 3CC181000111:

The Board anticipates convening an executive meeting for the purposes of discussing the legal rights, duties and liabilities of the Board concerning the above referenced open litigation against the Board. The Board requests to have its attorney present, in order to consult with the Board's attorney on its questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities pursuant to Hawai'i Revised Statutes ("HRS") §92-5(a)(4). A two-thirds vote of the members present, pursuant to HRS §92-4 is necessary to hold an executive meeting, provided the affirmative vote constitutes a majority of the members to which the board is entitled.

ACTION: Mr. Kekela moved that the Board enter into Executive Session; seconded by Ms. Taaroa and carried unanimously by the following roll call vote (Ayes: 7 – Board Members Aiona, Bell, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

(The Board entered into Executive Session at 12:27 p.m., and returned at 12:46 p.m.)

MR. UNGER: Can you help, Diana, I think the agenda consensus is—can you help me with the motion?

MS. MELLON-LACEY: Yeah, you would want to move for Mr. Doug Codiga to work with HCUCC.

MR. UNGER: So that's the motion.

CHR. LOPEZ: Second?

MS. TAAROA: I'll second.

CHR. LOPEZ: Any discussion? (none) All in favor say aye.

ACTION: Mr. Unger moved that the Board give consent for Mr. Codiga of the Schlack Ito firm to represent HCUCC in 3CC181000111 for a non-litigatory resolution. Seconded by Ms. Taaroa and carried unanimously by the following voice vote: Ayes: 7 – Board Members Aiona, Bell, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

I. CHAIRPERSON'S REPORT:

1. Chairperson to report on matters of interest to the Board
2. AWWA ACE25 – Report by Board Members Kekela, Lee, and Taaroa

CHR. LOPEZ: I will not be at the September meeting; I'm taking my annual one-month away. That meeting will be in Kona. Okay, so I'll see you in October. Actually, before the October meeting, I'll see you two in O'ahu.

The Mayor's office sent out, just fyi, he wants to hold a session with the Chair and Vice Chair of all commissions. I think it's October 18th at 10:00 a.m. I offered Zoom. It's to review—he wants to press on us the (inaudible) for Roberts Rules of Order, how to conduct a meeting. It's an fyi; it's a Saturday afternoon. With that, I have nothing else.

9) ANNOUNCEMENTS:

- Next Meeting – September 23, 2025, 10:00 a.m., West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokālole Hwy., Kailua-Kona, Hawai'i.

10) ADJOURNMENT:

CHR. LOPEZ: Motion to adjourn?

ACTION: Mr. Kekela moved to adjourn the meeting; seconded by Ms. Taaroa and carried unanimously by voice vote (Ayes: 7 – Board Members Aiona, Bell, Kekela, Lee, Taaroa, Unger, and Chairperson Lopez).

CHR. LOPEZ: We're done.

(Meeting adjourned at 12:49 p.m.)

Recording Secretary