

## MINUTES

### DEPARTMENT OF WATER SUPPLY COUNTY OF HAWAII WATER BOARD MEETING

November 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. James Lee, Water Board Member, Dist. 2  
Mr. Guy Alameda, Water Board Member, Dist. 3  
Ms. Emily Taaroa, Water Board Member, Dist. 5 (via videoconference)  
Mr. Michael Bell, Water Board Member, Dist. 7  
Mr. Philip Aiona, Water Board Member, Dist. 9 (via videoconference)  
Mr. Keith K. Okamoto, Manager-Chief Engineer,  
Department of Water Supply (ex-officio member)

ABSENT: Mr. Keith Unger, Water Board Member, Dist. 6  
Director, Planning Department (ex-officio member)  
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel  
Mr. Sinclair Salas-Ferguson, Deputy Corporation Counsel  
Ms. Ann Hajnosz, Harris & Associates (via videoconference)  
Mr. Dean Nakano, Brown and Caldwell, Technical Advisor  
Ms. Lauren Armstrong, Brown and Caldwell, Project Manager  
Ms. Jennifer Meyers, Brown and Caldwell, Technical Advisor (via videoconference)  
Ms. Audrey Cabrera, Brown and Caldwell, Technical Lead  
Ms. Mary Economy, Brown and Caldwell, Project Engineer  
Ms. Stephanie Chin, Brown and Caldwell, Deputy PM  
Mr. Shijie Gong, guest (via videoconference)  
Dr. Jeff Zimpfer, NPS, guest  
Mr. Mattson Davis, guest

#### DEPARTMENT OF WATER SUPPLY STAFF:

Mr. Kawika Uyehara, Deputy  
Ms. Candace Gray, Waterworks Controller  
Mr. Gregory Goodale, Chief of Operations  
Mr. Alvin Inouye, Water Operations Superintendent  
Ms. Shari Uyeno, Acting Engineering Division Head  
Mr. Warren Ching, Civil Engineer IV  
Mr. Eric Takamoto, Mechanical Engineer III  
Ms. Ka‘iulani Matsumoto, Private Secretary  
Ms. Maraea Keamo, Senior Clerk Stenographer  
Mr. Damien Joaquin, Information Systems Manager

- 1) CALL TO ORDER – Chair Lopez called the meeting to order at 10:00 a.m. Board Members who were present: Ms. Taaroa and Messrs. Lee, Alameda, Kekela, Bell, Aiona, 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: I would like to have introductions, please. If you can start, go ahead.

(Dr. Jeff Zimpfer and Mr. Mattson Davis introduce themselves, followed by Mr. Dean Nakano and Mss. Lauren Armstrong, Mary Economy, Stephanie Chin, and Audrey Cabrera of Brown and Caldwell).

CHR. LOPEZ: Let's move right along; we have a lot to cover today.

- 3) APPROVAL OF MINUTES:

Minutes of November 25, 2025, Water Board Meeting:

**ACTION**: Mr. Kekela moved for approval of the Minutes of the November 25, 2025, Water Board meeting; seconded by Mr. Lee and carried unanimously by voice vote (Ayes: 7 – Board Members Lee, Alameda, Kekela, Taaroa, Bell, Aiona, and Chairperson Lopez).

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

- 5) CONTESTED CASE HEARING:

**Water Service Account No. 93477860-14**

The above Contested Case Hearing is to take place in accordance with Chapter 91 of the Hawai'i Revised Statutes and Rule 2-5 of the Rules and Regulations of the Department of Water Supply.

The issues involved in the above-referenced hearing will be Shijie Gong's appeal of the proposed Shut-off Notice for Account No. 93477860-14 and the Department's Findings of Fact, Conclusions of Law, and Decision after the Administrative Hearing held on October 7, 2025.

This hearing is being set pursuant to Mr. Gong's request on October 14, 2025, for the hearing to be held at the November 25, 2025, Water Board Meeting in Kailua-Kona.

CHR. LOPEZ: Is Mr. Gong present?

MR. GONG: Yes, I'm on Zoom.

CHR. LOPEZ: Okay, thank you very much.

MR. SALAS-FERGUSON: Chair, before we begin, Deputy Corporation Counsel Sinclair Salas-Ferguson for the Department; can I address a few housekeeping issues?

CHR. LOPEZ: Please.

MR. SALAS-FERGUSON: I have some exhibits and witness lists I'd like to pass out to the Board members so that they can have them throughout the hearing. Can I do that?

CHR. LOPEZ: Yes, please do, and you'll have to speak up a little bit.

MR. SALAS-FERGUSON: Sure.

There are five Board Members in the room, is that right? If you can just pass this down the line, these are the exhibits for the hearing. There's an extra one for Diana. This is the witness list, the County's witness list.

So, those are the exhibits that the Department is submitting, and they have been forwarded electronically to the appellant and also to—I believe there are two Board members here remotely?

MS. MATSUMOTO: Yes. I just sent it to Emily. I'm trying to get Ippy's email to get it to Ippy right now.

MR. SALAS-FERGUSON: So, they can access those remotely. It's also been sent to the appellant.

The first thing I'd like to ask is whether the appellant would agree to stipulate these exhibits into evidence.

MS. MELLON-LACEY: So, I think we haven't really started yet—

MR. SALAS-FERGUSON: Oh, you haven't started?

MS. MELLON-LACEY: ...and there is a little delivery for the chair to make.

MR. SALAS-FERGUSON: There's a what?

CHR. LOPEZ: I have to open the session.

MR. SALAS-FERGUSON: I thought we were starting. Okay, let me know when we're starting.

MS. MELLON-LACEY: He'll call the case, and then there's a section where he'll go for housekeeping.

CHR. LOPEZ: Let's proceed with our hearing. Thank you very much.

Shijie Gong's appeal of the proposed shut-off notice for account number 93477860-14. Appeal of the Department's Findings of Fact, Conclusions of Law, and Decision following the Administrative Hearing held on October 7, 2025.

Can I get the names and appearances of the parties for this matter, starting with the Appellant and their counsel, if any, please?

MR. GONG: Just me, representing myself. I'm Shijie. I don't have a counsel.

CHR. LOPEZ: Okay, thank you. For the Department of Water Supply?

MR. SALAS-FERGUSON: Deputy Corporation Counsel, Sinclair Salas-Ferguson.

CHR. LOPEZ: Are there any housekeeping items? We just covered that.

MS. MELLON-LACEY: But, he has more.

CHR. LOPEZ: You have more?

MR. SALAS-FERGUSON: Yes, I have more.

I'd like to ask the Appellant to stipulate to these exhibits being admitted into evidence for this hearing. They are records from the Department of Water Supply that are produced in their regularly conducted activities.

MR. GONG: Sounds good to me.

MR. SALAS-FERGUSON: So, he's agreeing to that.

CHR. LOPEZ: So, the exhibits are then admitted into evidence.

MR. SALAS-FERGUSON: Thank you.

Then, the other thing I'd ask is if we can just make a very brief opening statement to let the Board know what we're here to decide.

CHR. LOPEZ: Very good, please. No more than five minutes.

MR. SALAS-FERGUSON: I'd ask that the Appellant go first.

CHR. LOPEZ: Mr. Gong, would you go ahead, please?

MR. GONG: Yes, sure. Dear Chairperson, are the five minutes strictly for the two sides, or is it just for me to deliver the opening remark?

CHR. LOPEZ: Opening statement for yourself.

MR. GONG: Got it, okay.

Thank you, Dear Chairperson, Dear Board, for the opportunity. I appeared before this board on August 26 of this year to kind of lay out a history of what occurred at our family home. There's been a gigantic leak described by our experts as about, you know, we're leaking about two football fields of water every two weeks, which is very unusual for a residential home unit. We did get a precautionary note from the Department in May when our water bill jumped from a hundred, a hundred-fifty dollars to about five hundred dollars for the month of May. But because we did inspect the entire house and we found there was no substantial—there was nothing inside the house or outside the house, around the sprinklers—anything we could observe with the naked eye. There was nothing to indicate any moisture, any water damage, or any leakage. We did our best, and we were surprised to find on the weekend of July 28<sup>th</sup>, when we woke up, and we got another bill of \$13,347.17, which was shocking and very much unexpected from the prior bills. We've been paying since, I believe, 2021, about a hundred to a hundred-fifty dollars per billing period, which is every two months.

Just as a recap of events, we took that event very seriously. We had a leak detection expert come, because we found no signs of leakage or moisture, and inspect the house. When they actually started pumping helium gas into our concrete pavements, they were able to locate a leak, a mainline break, underneath the main driveway. So, we then called PNS plumbing, who came out to our site and was able to fix the leak after we were able to detect it August 1<sup>st</sup>. We fixed the leak on August 5<sup>th</sup>, with photos that we submitted on August 26<sup>th</sup>, which I can resubmit to the Board and the public hearing committee during this event.

The question I'd like to bring up to the Board and the public is that we received a water shut-off notice on September 8<sup>th</sup>, and before then, on August 26<sup>th</sup>. We were advised by different members of the Department to submit leak adjustments from the forms of a special leak adjustment to the forms of a regular leak adjustment. I'd like to ask the Board and the committee to consider that we decide on the leak adjustment before considering or proceeding with the water shut off. It seems like a procedural fluke that we're punishing the resident while we don't know exactly what the bill will be after we go ahead and assess the facts and determine what is a right water adjustment, or bill adjustment, necessary for our occasion. We did apply for two adjustments, for billing periods from May to September, and that's the first issue I'd like the Board to consider. And two, we'd like the Board and the Department to look into the past precedents as to if we have enough testimony from my experts including the plumbers, the seismic and leak detection expert, Andrew DeVerse, both of whom couldn't be here to testify today but they've all provided me with written

testimony, sworn testimony, that this is a natural cause likely by seismic movement. If there are any precedents as to how a leak adjustment should be determined, that is something that I was not able to fully comprehend during this process because we were narrowly focused on the shut-off, which I think is putting the cart before the horse. We don't know what bill to pay without understanding what the adjustment could and should be; therefore, I don't think a water shut-off is appropriate at the moment. At least until when this committee decides on the adjustment.

I believe that my time is up. I will yield my mic back to the Chair.

CHR. LOPEZ: Thank you very much, Mr. Gong.

For the Department?

MR. SALAS-FERGUSON: Yes, Sinclair Salas-Ferguson.

So, this appeal is strictly about whether or not the Department has the authority to shut off Mr. Gong's water under the facts of this case. The Board today is basically going to decide whether or not the Department has the authority to shut off his water, Mr. Gong's water.

In the bill dated May 29, 2025, Mr. Gong received his water bill. The water bill, as you know, is for two months. On that water bill was a notice, and it said specifically, in red, that your water usage is abnormally high, it was about triple his normal water usage, and that it's probably due to a leak or a break, and that he should investigate that. He paid that bill, and then two months later, he got a bill dated July 28, 2025, for \$13,437.11. He fixed his leak shortly thereafter, but he didn't pay that July bill. He applied for an adjustment, and the Department has the discretion to give an adjustment for a leak for two bills, and they can adjust it by 50%. My understanding is that they have actually done that, so he's received a leakage adjustment for 50%. Mr. Gong is trying to get the Department and the Board to consider a higher leak adjustment, but the Board's rules don't allow for that; they allow for a 50% leak adjustment. If there was a disaster declared by the County, State, or Federal Government that resulted in a leakage, then he could apply and get up to a 90% adjustment, but there has been no disaster declaration that resulted in Mr. Gong's leakage. So, the Department is stuck on that.

The Department's Rules say that for a water shut-off, the customer can have an administrative hearing, which he did. He had an administrative hearing in front of Ms. Candace Gray. The evidence was presented, and it was very clear that he did not pay his July bill on time, which subjects you to disconnection. He received a letter, a notice from the Department saying Hey, you didn't pay your bill on time. If you don't pay it by September 24<sup>th</sup>, we're going to shut off your water. He appealed, and that's the decision he's appealing today, that water shut-off notice from the Department of Water Supply. He went through the hearing, it was clear that he didn't pay it, and now he's here appealing that decision. That's what you guys have to decide today, whether or not he paid his water bill on time, the July water bill.

I don't think the Rules provide the Water Board or the Department with the discretion to give more than a 50% leak adjustment, and the Rules allow Mr. Gong to have this hearing for the water shut off, but the Rules don't allow Mr. Gong to petition the Board to give him more than that 50% adjustment. That's kind of a red herring. I don't think that's for you guys to be deciding today. The question is whether or not the Department has the authority or not to shut off his water. I have one witness here today from the Department of Water Supply, Candace Gray, and we're just going to go really quickly through the exhibits and get the testimony that the bill wasn't paid, and that if you don't pay your bill within 30 days, per the Rules, the Department has the authority to shut off your water. They have to give you notice, which was done, and then they obviously have the right to contest that decision, which is why we're here today.

That's the Department's position, and I'll present that evidence through testimony and exhibits. Thank you.

CHR. LOPEZ: We are ready to proceed. Mr. Gong, please call your first witness.

MR. GONG: I would like to first thank you, Chairperson Stephen. I would like to actually jump in and kind of clarify the two points, honorable party Sinclair, you have mentioned. One is the grant of a 50% water adjustment. On what day was that given?

CHR. LOPEZ: Mr. Gong, this is not the point to discuss the details of the case at the moment. We're at the witness stage. Do you have a witness to present?

MR. GONG: I don't, but I do have testimonial letters if that works.

CHR. LOPEZ: They're not entered here, so we can't accept them.

MR. GONG: I see.

MS. MELLON-LACEY: We don't have them.

CHR. LOPEZ: We don't have them, so I guess for purposes of this present discussion, we cannot hear your testimony if it's not presented to the Board beforehand. Am I correct in that?

MS. MELLON-LACEY: Well, if he didn't present them or he doesn't have them, I guess we could give him an option to continue the hearing; that's the only thing we can offer him.

CHR. LOPEZ: We could, if you have testimony that you feel you want to insert, then we could postpone this session to give you time to present that documentation.

MR. GONG: I would actually prefer that because I was never solicited any documentation, so, if it's allowed, but I know everybody made their time to travel to the Civic Center today. I do have evidence, but I was never informed that I should submit it to the Board. Actually, I just got the Zoom invite yesterday, so maybe there's just a gap on how I should be proceeding about presenting evidence.

CHR. LOPEZ: One moment, please.

MS. MELLON-LACEY: He doesn't have witnesses here; he says he has documentation. So, he'd have to continue the hearing to allow him to submit the documentation prior to the next—

MR. SALAS-FERGUSON: Chair, can I say something?

CHR. LOPEZ: Please.

MR. SALAS-FERGUSON: Can we get an offer of proof of what this evidence is? It may not be relevant to the shut-off, and maybe he can just testify because he can be his own witness, he can say what his own—

MR. GONG: I think I disagree; the shut-off shouldn't happen without an adjustment or some sort of final decision on the adjustment.

CHR. LOPEZ: We're simply talking about the documentation you have that we don't have, your evidence. Does it address a point that Mr. Salas just made regarding whether there's a shut-off issue or not? Does your documentation speak to that?

MR. GONG: I believe it does, but Attorney Sinclair may disagree because I believe the shut-off cannot happen without the adjustment being adjudicated. It sounds like, to me, that if you don't know what bill to pay that there shouldn't be a shut-off until we get a final bill. The evidence I have pertains to the repair and what the cause of the leakage was and what the billing adjustment should be.

MR. SALAS-FERGUSON: Chair, that evidence is not relevant to today's hearing.

CHR. LOPEZ: That's my understanding from what he just said.

So, you have no evidence, at least in summary, I'm going to suggest you have no evidence to submit that this Body needs to consider regarding the shut-off, just the fact that the Department may or may not shut off the water?

MR. GONG: Can I ask the Board one question? I think I'm thoroughly confused; it could be just me. I asked the Board yesterday and last week to include the topic of should we postpone the shut-off until the adjustment of the bill is done? What's the rationale for why that is not part of the discussion today? I don't agree with Attorney Sinclair. We're not challenging the authority of the Water Department to make any decision; we're challenging due process. Due process is not found when we get a threat to shut off our water before our bill is even determined. We have no response about what the water leakage adjustment should be after filing it since August, that's been three months.

Attorney Sinclair, I'd like to also ask you, what time was—what day was the 50% adjustment granted? We've never received it. Can you tell me what date, by whom, and via what message?

I don't believe these two issues are separate, and I'd like to ask the Board and Sinclair why they are separate.

CHR. LOPEZ: We're trying to seek any witnesses or whatever evidence you may have for this case, this hearing. Not having any to present to us on the matter of the right to shut off the water, then we'll proceed to Mr. Sinclair for the Department's case, regarding his first witness.

MR. GONG: It sounds like, Chairperson Stephen, I think you were saying what we're talking about today is the right to shut off; we're not even challenging that. Yes, the Board has the right to shut off, so we don't have any evidence against that. It's written by the Water Department's Rules and Regulations, supported by statutes, so I don't even know why we're challenging the authority. That's where we're confused. You have the full authority to shut off the water.

CHR. LOPEZ: But you're contesting that, the actual shut off.

MR. GONG: Yes, I'm contesting the actual shut off, not the authority.

CHR. LOPEZ: Alright. So again, you don't have evidence to submit in place of a witness to support your position. Having said that, we'll move on to the witness for the County.

MR. GONG: Sure, let's proceed.

CHR. LOPEZ: Mr. Salas?

MR. SALAS-FERGUSON: Just to very briefly address what Mr. Gong is concerned about. The leakage adjustment was issued by the Department, Mr. Gong—

MR. GONG: What date?

CHR. LOPEZ: No questions, please. Just let him speak.

MR. SALAS-FERGUSON: Candace, what day was his leakage adjustment issued?

MS. MELLON-LACEY: If we're going to take testimony, we need to swear in witnesses.

MR. SALAS-FERGUSON: So also, for the record, I'd like to ask the Board to be very clear that Mr. Gong doesn't want to present testimony on his own behalf regarding the shut-off itself. I just want that to be clear for the record.

MR. LEE: He wanted to present, but he doesn't have it now, right?

MR. SALAS-FERGUSON: He doesn't want to say anything on his own behalf.

CHR. LOPEZ: Okay, so let's swear in a witness. Ms. Candace Gray, do you swear to tell the truth to the Board on the testimony you are about to give?

MS. GRAY: I do.

CHR. LOPEZ: Thank you.

MR. SALAS-FERGUSON: Ms. Gray, can you state your name again for the record, please?

MS. GRAY: Candace Gray.

MR. SALAS-FERGUSON: What's your job title at the Department of Water Supply?

MS. GRAY: Waterworks Controller.

MR. SALAS-FERGUSON: Are you familiar with Mr. Gong's—customer Gong's bills from May, July, and September?

MS. GRAY: Yes, I am.

MR. SALAS-FERGUSON: If you take a look at Exhibit 2, this is a bill dated May 29, 2025. Is that right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: And that's for water usage for about two months?

MS. GRAY: Correct.

MR. SALAS-FERGUSON: The Water Supply bills their customers on a bi-monthly basis. Is that right?

MS. GRAY: That is correct.

MR. SALAS-FERGUSON: So, in this bill, if we look at the consumption history, for the March 2025 bill, which is about 56 days, there was that 25. Is that 25,000 gallons?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: So that bill, the preceding two months, he used about 25,000 gallons.

The next bill, in May, was 73,000 gallons. Is that right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: That's almost a triple, it's almost three times an increase in the water usage. Is that right?

MS. GRAY: Yes.



MR. SALAS-FERGUSON: And then, does the Department provide notice to people who have abnormally high usage?

MS. GRAY: Yes, we do.

MR. SALAS-FERGUSON: And was it done in this bill right here?

MS. GRAY: Yes. It was done on the bill dated May 29, 2025.

MR. SALAS-FERGUSON: It says, "ABNORMAL READING WARNING: Consumption for this billing period seems high. This is either due to increased use, leak(s), or break(s) in your water line." That's what the bill says, right there, right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: And on the actual bill that Mr. Gong received, it was in bolded red? That little box right there with the abnormal reading warning?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: And the Department is responsible for leaks up to the water meter, is that right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: Beyond the water meter, onto the customer's property, if a pipe leaks, that's their responsibility to fix that. Is that right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: As a courtesy, you provide a notice when somebody has an abnormally high bill?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: Okay, so May he got a notice. Did he pay that May bill?

MS. GRAY: Yes, he did.

MR. SALAS-FERGUSON: The next bill he got is Exhibit 3, July 28, 2025. Again, it says "ABNORMAL READING", the same language as the May bill. Is that right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: And that, again, is bolded in red?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: And this bill was showing 145,000 gallons? Is that what that is?

MS. GRAY: One million, four hundred fifty thousand.

MR. SALAS-FERGUSON: One million, four hundred fifty thousand gallons of usage resulting in a bill of \$13,437.11?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: Did Mr. Gong pay that bill?

MS. GRAY: No, he did not.

MR. SALAS-FERGUSON: So, that bill was due August 29, 2025?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: He didn't pay it by the due date?

MS. GRAY: No, he did not.

MR. SALAS-FERGUSON: What happens when somebody doesn't pay their bill by the due date?

MS. GRAY: They receive a late penalty charge, which is 1%.

MR. SALAS-FERGUSON: That's per the Rules, correct?

MS. GRAY: That is correct. Then, if we don't receive payment within ten days after the due date, they receive a shut-off notice.

MR. SALAS-FERGUSON: That shut-off notice is Exhibit 5, is that right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: In that letter dated September 8, 2025, it's a letter addressed to Shijie Gong. Is that right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: At 73-1300 Awakea Street. Is that right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: And it's informing Mr. Gong that if he doesn't pay his late bill of \$13,571.48 by September 24<sup>th</sup>, then the Department is going to shut off his water. Is that correct?

MS. GRAY: That is correct.

MR. SALAS-FERGUSON: Did Mr. Gong pay by September 24<sup>th</sup>?

MS. GRAY: No, he did not.

MR. SALAS-FERGUSON: Did he appeal this shut-off letter?

MS. GRAY: Yes, he did.

MR. SALAS-FERGUSON: Did he have a hearing before you?

MS. GRAY: Yes, he did.

MR. SALAS-FERGUSON: Did he present evidence and testimony on his behalf?

MS. GRAY: Yes, he did.

MR. SALAS-FERGUSON: Did you issue a decision in that matter?

MS. GRAY: Yes, I did.

MR. SALAS-FERGUSON: And that decision is that Exhibit 1?

MS. GRAY: Yes, it is.

MR. SALAS-FERGUSON: What was your decision, in a nutshell?

MS. GRAY: The decision was that we will proceed with the shut-off based on the Findings of Fact and Conclusions of Law; the reconsideration of the proposed shut-off notice was denied.

MR. SALAS-FERGUSON: Essentially, he didn't pay his bill on time, so we're going to shut your water off. Is that right?

MS. GRAY: That is correct.

MR. SALAS-FERGUSON: He's appealing that today, to this body. So, as of this day, he still hasn't paid that July 28<sup>th</sup> bill, is that right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: And under the Rules, if you don't pay your bill within 30 days, the Department can shut off your water. Is that correct?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: No further questions.

CHR. LOPEZ: Do you have any other witnesses?

MR. SALAS-FERGUSON: No further witnesses.

CHR. LOPEZ: So, each party, are there any final arguments by the parties? You can make final closing arguments if you wish. Again, I would limit this to five minutes. Mr. Gong, do you have any final arguments that you would like to present?

MR. GONG: Could I ask Controller Gray two or three quick questions just to clarify her testimony?

CHR. LOPEZ: Please, go ahead.

MR. GONG: Controller Gray, thank you for your time. Can you remind me what the bill was for the May to July period that remained unpaid?

MS. GRAY: For the period of May—

MR. GONG: That's leading to the shut-off.

MS. GRAY: Your bill date July 28, 2025, that bill amount. The total due was \$13,437.11.

MR. GONG: That remains unpaid, right?

MS. GRAY: Yes.

MR. GONG: I believe Sinclair just mentioned that there was a 50% adjustment. So, what is the bill, and when is the 50% adjustment applied? If you're saying the bill is \$13,000, and there's an adjustment, what is the bill? It sounds a little contradictory, no?

MS. GRAY: Mr. Gong—

MR. GONG: Attorney Sinclair, you said there was a 50% adjustment applied?

MR. SALAS-FERGUSON: I'm going to object to that question; it's ambiguous. I'm not sure what the question is.

MR. GONG: I'm repeating what you said, Sinclair. You said a 50% adjustment was made to the bill. So, what is the bill after the 50% adjustment? Or are you saying, Controller Gray, that the bill is still \$13,437.00 after the 50% adjustment? Merely repeating, Sinclair, your statement earlier that a 50% adjustment was applied. That's where I get confused about the contradiction. What is the bill, Sinclair?

MR. SALAS-FERGUSON: The bill that you didn't pay was the \$13,000. Maybe I'll clarify—

MR. GONG: But you said the 50% was applied.

MR. SALAS-FERGUSON: Yesterday.

MR. GONG: What am I supposed to pay?

MR. SALAS-FERGUSON: The 50%.

How it works in the Department is you get a bill; you pay that bill by the due date, otherwise they're going to shut your water off. The leak adjustment is a separate issue. It doesn't track parallel. You got the bill for \$13,000, you applied for the leak adjustment, and you didn't respond to the Department. Finally, you responded yesterday, and they processed your leak adjustment yesterday before the hearing. You got your 50% leak adjustment, so if you would just pay that bill, we could all move on. That bill is still not paid, so if you could ask a question of the witness, you can go ahead.

MR. GONG: I mean, this is what I'm trying to say, Dear Board, I have no idea what the bill is for the past three months. I don't believe there is any reason for the Department to threaten the livelihoods of our family, our children, our 'ohana, and hānai brothers and sisters because we don't even know what bill to pay.

I have not responded to the Department's comments or communication is false, according to the Exhibit that Sinclair has brought up. I have sent emails every three to four weeks to the Department asking what's going on with my—

CHR. LOPEZ: The question that he asked, I believe, is he's asking how much is the 50% bill that is due. Can you tell him that?

MS. GRAY: I just received the calculation of the adjustment. Mr. Gong just submitted his completed leak adjustment application yesterday.

MR. GONG: That's also false, but go ahead, please, I'll let you finish that question. What is my final bill?

CHR. LOPEZ: Do we have that? So, it just happened yesterday. Do we have that number yet?

MS. GRAY: It just happened yesterday. I was just provided the number while I was here.

CHR. LOPEZ: Can you, for the record, to answer his question, can you answer that?

MS. GRAY: Yes. The total amount of his leakage adjustment is \$8,206.26.

CHR. LOPEZ: Alright.

MR. SALAS-FERGUSON: Candace, that's what was minused from his bill, right? Or is that what he owes?

MS. GRAY: Yes. So, his total due after applying that leak adjustment is \$8,899.70.

CHR. LOPEZ: So, to answer his question, he has a balance due of \$8,899.70, after the leak adjustment?

MS. GRAY: Correct.

CHR. LOPEZ: Thank you. Question answered, Mr. Gong.

MR. GONG: Thank you.

CHR. LOPEZ: Do you have any more questions of the witness or the attorney?

MR. GONG: No more questions. I'd like to point out, though, that the leak adjustment was applied for in August and not yesterday, but I'm fine with whenever the Department can come back with an adjusted number, which seems like it was yesterday.

One last thing I really strongly want to bring up to the committee or the Board is that we should not proceed with the shut-off before we figure out the adjusted bill. As we have just shown, even the Controller got the numbers recently updated as of yesterday, so we would have been paying \$8,000.00 or more in extra if we paid the initial bill.

CHR. LOPEZ: Thank you for that.

I do pose a question to Ms. Gray, this is for the Board in the decision-making process. Mr. Gong does not agree that his leak adjustment was submitted yesterday. Is that the right language?

MR. GONG: That's the right language.

CHR. LOPEZ: Can you address that?

MS. GRAY: Yes. Mr. Gong did submit his leak adjustment application; he actually submitted two. But he did not complete the whole application until yesterday, which we received through his email.

CHR. LOPEZ: Okay, so did everybody hear that? Alright. Board Members, anybody have any questions?

MR. GONG: Could I just quickly clarify, maybe adding more color to the sequence of events?

CHR. LOPEZ: Sure.

MR. GONG: I submitted the special leak adjustment on August 26, right after I went to the August 25<sup>th</sup> Board meeting in Hilo. That's all documented, all part of public records. That hasn't been decided for over two months, until it was September 25<sup>th</sup> or so, that Controller Gray sent me a new regular leak adjustment form saying that it might be more advisable, without conclusion on the special leak adjustment, to fill out this regular adjustment form as well. So, I took following her advice, as well as the advice of the billing collection department, Mr. David Mellom. I've been in contact with the whole Department trying to figure this out. So, I submitted the regular adjustment form. The portion that was not complete was the box for initials, where if I initialed in the box, it says I would agree to whatever 50% adjustment is passed down to me on the regular adjustment form. Because I had two adjustments ongoing, I thought it would conflict with the first application on August 26<sup>th</sup>. That's why I did not initial until last week, it was not yesterday. It was last week that I sent it back to Darlene, who sits in the Kona branch.

So, yes. To Controller Gray's point, there were two leak adjustment forms; the only part that I did not complete was to initial the second form because I do not believe the special leak adjustment was concluded before the shut-off notice.

MR. SALAS-FERGUSON: Chair, can I ask for a quick redirect?

CHR. LOPEZ: Go ahead, please.

MR. SALAS-FERGUSON: Ms. Gray, is the Department going to give Mr. Gong some time to pay the adjusted bill before they shut off his water?

MS. GRAY: Mr. Gong has the opportunity to contact our credit and collection clerk to either work out a payment arrangement if he needs to or pay the bill in full.

CHR. LOPEZ: The water has not yet been shut off?

MS. GRAY: No.

MR. SALAS-FERGUSON: Ms. Gray, are you going to give him 30 days, 21 days? Is there a standard for this type of situation? Is that something that you guys would need to discuss?

MS. GRAY: We would need to discuss. There is no specific timeframe.

MR. SALAS-FERGUSON: So, the Department has the authority to shut off, and has discretion when to shut off the water under the Rules?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: So, you guys are going to give him the opportunity to pay this bill before you actually shut off his water. Is that right?

MS. GRAY: Yes.

MR. SALAS-FERGUSON: No further questions.

CHR. LOPEZ: Do any Board Members have any questions for this witness? *(no response)*

Mr. Salas, do you have any other witnesses?

MR. SALAS-FERGUSON: I don't, thank you for asking.

CHR. LOPEZ: Without bantering back and forth with questions, we're at the point where there are final arguments, so, stating a position before the Board deliberates. Mr. Gong, you go first, please. You have a limit of five minutes to present your final argument of your position.

MR. GONG: Am I allowed to share my screen? I know that I'm more in a disadvantaged spot because I have to visit family on the mainland, but I'd like to show at least one piece of evidence that I collected as my final argument.

MR. JOAQUIN: We have the capability, I believe. It's up to you guys if you want to allow it or not.

CHR. LOPEZ: We can allow it, sure.

MR. GONG: I think the administrator of the Zoom will have to give me permission to share my screen.

CHR. LOPEZ: One moment, we're checking that out.

MR. GONG: Thank you.

MR. JOAQUIN: Sorry, we don't have that ability.

CHR. LOPEZ: We're unable to have that capability here. Sorry, we can't do it.

MR. GONG: No problem, I'll try to describe what I have in hand.

I have two letters, one from PNS Plumbing's office, signed and dated as of last week. The other letter is from Kona Labs from Andrew DeVerse, who is the owner and administrator of leak detection. If you've ever had a leak in your home, you probably know who to call. Their letters are expert letters of opinion based on 30 years of experience is the final point I'd like to bring up to the Board. I think we have agreed that the adjustment happened yesterday; it was a long path, but we took a 50% adjustment. I appreciate the Department for doing so. I'd like to bring up to the Board that my case merits being considered for the disaster relief adjustment, which can go up to 90% solely up to the discretion of the Department, and the reason being is as follows: Both PNS plumbing and Kona Labs detection have provided expert opinion letters to me that there was a major shift in the main land of the water pipe that is out of sight, it's right underneath the concrete driveway. There is no other cause for this. No species live down there. We've never had any human activity down here. There is no other cause except for moment of rocks, and in Kona, we would know that movement of rocks typically comes from one source, earthquakes, or earthquakes as a result of hurricanes, and there was precisely one on July 29<sup>th</sup>. A disaster was declared by the County of Hawai'i. Now, there is multiple smaller quakes in advance of that event that led up to kind of building up of the leak, but I do believe that the July 29<sup>th</sup> quake, which, a disaster declared by the County qualifies us for consideration of the 90% adjustment.

And just to be clear, the adjustment period that we applied for is from May to September. Controller Gray gave us a denial letter on October 14<sup>th</sup>. The reason is the disaster was declared after July 24<sup>th</sup>, which is the first billing period. But, just to clarify for the record and for the public, the adjustment period we applied for is from May to September. I do believe, according to the Water Department's Rules and Regulations, that we qualify for a special disaster-driven adjustment, and I would like the Board, the Water Department to reconsider the 50% adjustment as a result of the hearings today. We qualify, and we can show, based on expert opinion from multiple sources with 30 years of plumbing experience and leak detection expertise, that our leak was caused not by human error but by volcanic rock movements. We will submit the testimonies from the expert letters to the Board or to the Department after this call, and I'd like to invite the Board and the Department to consider our special leak adjustment, which again was filed back on August 26<sup>th</sup>, but I do not believe it was considered until this point and time, and I rest my case there.

CHR. LOPEZ: Thank you. Now opportunity for the County attorney.

MR. SALAS-FERGUSON: So, under the Department's Rules 3-8.1, if you don't pay your bill within 30 days, the Department can shut your water off. Under Rules 3-10, any customer can apply for a leak adjustment, and they can get a 50% reduction in their bill. You can also apply for a leak adjustment where a disaster is declared by the County, State, and/or Federal government. Those are powers that the Department has. There is no rule that says that they can appeal the decision of the Department regarding a leak adjustment, but you can appeal the decision of the Department to discontinue your water service for non-payment of a bill after you've received a written notice. That's what happened here. He didn't pay that bill; he got a notice from the Department. Hey, if you don't pay that bill, we're going to shut your water off. He had an administrative hearing before Candace Gray. There is no evidence presented that he did pay his bill, so he appealed that to this Board.

It's very clear that the Department has the authority to shut off his water for not paying the bill. The leak adjustment is a side issue that the Board is not addressing, but it came up anyway. When someone has a bill for say ten grand, they would pay that bill by the deadline, and then they could still apply for that leak adjustment. They could still get that leak adjustment. They could've applied for the leak adjustment before the bill was due if they knew they had a leakage. In this case, Mr. Gong applied for the leakage adjustment but didn't really pursue that. He was more so pursuing trying to get the Department, through Candace Gray,

and then the Board, to give him that 90% leakage adjustment, but the Board and the Department don't have that authority. There wasn't a disaster declared by the State, County, or Federal government that resulted in his leakage.

We'd ask that the Board affirm the decision granting the Department the authority to discontinue the water service of Mr. Gong for failure to pay the July 28, 2025, bill. Nothing further, thank you.

CHR. LOPEZ: Thank you very much. We'll go into deliberation at this point. Can I get a motion in this case from a Board Member?

MR. LEE: What would the motion be for?

CHR. LOPEZ: I'd say, I move to affirm the Department's decision from the Administrative Hearing of October 7, 2025, or to reverse. Affirm or reverse. The issue is the shut-off. We need a motion before we get into discussion.

MR. LEE: I move to affirm.

CHR. LOPEZ: Do I hear a second?

MR. ALAMEDA: Second.

CHR. LOPEZ: Discussion? Please, ask anything.

MR. LEE: If I understood this right, the Rules require him to make a payment and then contest the amount, right? Is that the process?

CHR. LOPEZ: He's contesting a lot of things, but the issue is the shut-off.

MR. LEE: If I were a homeowner and I got a bill for that much, I would be in his shoes. You get a bill for \$13,000.00, I mean, wow. I think the best thing for Mr. Gong to do would be, and thank you for your patience, but he needs to pay the bill and then contest it secondly, right?

CHR. LOPEZ: That's your advice?

MR. LEE: That's the way I see things.

CHR. LOPEZ: That's the way you see things, okay.

MR. KEKELA: I have a question.

CHR. LOPEZ: Yes, please.

MR. KEKELA: I don't know if this is relevant, but we are revisiting Rules for delinquencies, and I believe that if we were able to revisit Rules to kind of run leak adjustments parallel, set a threshold, maybe over \$5,000.00, to run parallel with the shut-off notices or the process. I think it would be beneficial to the Department, so we wouldn't run into a lot of delinquencies where they reach a threshold of \$10,000.00, and after a period of a few years, we tend to write it off. I think that would be a better process in visiting situations like this, where they accumulate a tremendous amount of leak cost in their bill.

CHR. LOPEZ: Anybody else?

MR. BELL: I have a question. On the bill, it says, "repairs must be completed within 30 days to apply for a possible adjustment to your bill." Were repairs made in 30 days?



MS. GRAY: Yes.

MR. GONG: Yes, within five days.

MR. ALAMEDA: It seems like the Rules are not the question; the Rules are being understood. But, with the new adjustment, or the adjustment coming out yesterday or something, the talk of that, and the \$8,000.00 amount, which is now pointed out, in answer to his question, now, is the 30 days starting from yesterday to pay that \$8,000.00? Or are we still looking from July? Is there a new 30-day limit since \$8,000.00 was just adjusted to that point from yesterday? And if it is starting from yesterday, per se, 30 days, to pay that \$8,000.00—although there was an adjustment, can he work out a plan to pay that \$8,000.00? Still receiving the months following regular payment of probably \$100.00 now that it's repaired? So, he pays \$100.00 next month, but he still has that \$8,000.00 bill that you are paying around that \$100.00 to solve that situation, and not getting cut off.

So, I guess my question is, is there a new 30-day limit since the adjustment was made that will save the customer from his water being cut off from when it started? Is there a new 30-day limit? Can he go through November or all the way to December? Or will he get cut off tomorrow?

MS. GRAY: He will not get cut off tomorrow. There is nothing that says we allow 30 days after the decision. According to the decision, Findings of Fact, he has the opportunity to contact our credit collections section to work out a payment plan. He will not get shut off tomorrow.

CHR. LOPEZ: Thank you.

MR. LEE: Is this a kind of common thing? You get a \$10,000.00, \$13,000.00 amount? It's kind of unusual, right? Or does it happen often?

MS. GRAY: You mean the amount of the bill?

MR. LEE: Yes.

MS. GRAY: It's not common, but it does happen.

MR. LEE: Then what normally happens? They pay the bill, then they work out a—

MS. GRAY: People do that, yes, a payment plan.

MR. GONG: I'd like to interject if I may. We were contesting two periods; the total bill is going to be \$18,000.00 for two periods, even as we repair the leak within five business days. Then we also, out of our own pocket, spent money to leak detect, spent money to dig up the pavement, repair the water immediately, repair the mainline, and actually add an extra layer of protection around the mainline to prevent future rock movements from slicing. I'll show the pictures after. We have a special layer of cushion. So, we spent another eight to nine, almost \$10,000.00 just to repair, put the concrete back in, dig the concrete out, then the extra precaution, so we do not waste water, which is the public's most precious resource.

CHR. LOPEZ: Thank you, Mr. Gong. While your points are fine, I understand what you're trying to say, but that's not the issue at hand. It really has nothing to do with the case we're trying to hear, and that is, does the Department have the latitude to shut off the water based on non-payment of bill? So, does anybody else have any questions? Alright, I have some summary because I'm trying to listen to this, and I'm also a victim of water leakage.

MR. LEE: Me too.

CHR. LOPEZ: But, I'm also the beneficiary of the 50% write-off.

As soon as a customer gets the notice in big bold red letters that there is a situation that needs their attention regarding high usage, it's incumbent on the customer to address it in whatever way they decide. The first thing would be to call the Water Company, I would think. So, time has gone on, the leak adjustment was applied for, and the bill continues to be outstanding. The fact that the bill wasn't paid indicates to me that there was really no sense of urgency to try and find out: can I pay \$100.00, can I pay \$50.00, can I pay \$1,000.00 to try and mitigate the continued problem?

There being no evidence of a declared disaster, then our Rules are that the water leakage beyond the meter is the responsibility of the homeowner, the lot owner. I fail to see that there was any sense of urgency; not to do the repair, but to try and resolve the issue of the outstanding amount. Whether the petition for consideration of the leak adjustment got hung up because things weren't filled out correctly or there were two in process, or whatever it may be, I failed to see a lack of urgency to try and correct that issue and get this done and behind; and there was no communication with the Department, that I understand, on how much can I pay to avoid a water shut off, and how is that process done?

So, I think the consideration, for me, is that there wasn't enough done to try and mitigate the issue that we've got, and the fact that Mr. Gong is not able to attend—which that's understood—but to have information that may have been helpful to him in this situation, was not turned in in time, or it was not requested to postpone or delay the hearing until a time when he could be present.

So, all these things tell me that we have Rules, they apply to everybody. The fact that we're looking at other situations really is immaterial to what we have on the books today, and that's all I have to say.

Any more discussion?

MR. AIONA: I have a question. How does that process work for him to try and get some financial help with the Department of Water? Because \$18,000.00 is—does he have to reach out to the Water Supply to get a payment plan?

CHR. LOPEZ: That's all it takes, a phone call. And the amount of money is \$8,000.00; we've already met him halfway, absorbing 50% of his liability. So, it's picking up the phone, talking to someone at the Department, just asking for what you're trying to accomplish, and there it is.

MR. GONG: Can I add one quick note, Chairperson?

CHR. LOPEZ: No, we're in deliberation with the Board now. You've had a lot of time, thank you.

Anybody else from the Board? *(no response)*

We need a role call vote, and the vote is to affirm the decision of the Department. That's the motion on the floor. Please speak up so we can recognize you because we're going to do it by roll call, and we need to hear you. Please roll call vote, aye to accept and affirm the decision of the Department, or nay to not affirm. Go ahead.

MS. KEAMO: Mr. Lee?

MR. LEE: I make a motion, and apologies to the appellant because it's Thanksgiving and—

CHR. LOPEZ: Your vote, please, just the vote.

MR. LEE: Aye.

MS. KEAMO: Mr. Alameda?

MR. ALAMEDA: Aye.

MS. KEAMO: Mr. Kekela?

MR. KEKELA: Aye.

MS. KEAMO: Ms. Taaroa?

MS. TAAROA: Aye.

MS. KEAMO: Mr. Bell?

MR. BELL: Aye.

MS. KEAMO: Chairperson Lopez?

CHR. LOPEZ: Aye.

MS. KEAMO: Mr. Aiona?

MR. AIONA: Nay.

CHR. LOPEZ: By a vote of six ayes and one nay, the motion passes. Thank you.

There will be a draft prepared of the Findings of Fact and Conclusions of Law for review by the parties. The parties can also prepare their own versions for the Board to consider and approve. I propose a 14-day deadline for submission, so there is time for the Board to consider it at the December Board meeting. Motion approved.

Mr. Gong, before you leave, I would strongly encourage you to make that phone call today to the Department and work out a payment plan, so we don't have to shut off your water.

MR. GONG: Thank you, Dear Chairman. I've made the phone call many times. Yes, I'll do so again, that's the point I wanted to clarify.

CHR. LOPEZ: Thank you.

Let's take a break here. Because we have a lot to cover, can we get back within ten minutes? As soon as everyone is back, we'll start. No more than ten minutes, please.

(A recess was declared by Chairperson Lopez at 11:09 a.m. The Board reconvened at 11:18 a.m.)

CHR. LOPEZ: Thank you all, we will now reconvene our meeting. We are not at number six.

6) PRESENTATION ON EFFECTIVE UTILITY MANAGEMENT (EUM) ATTRIBUTES AND LIVE SURVEY BY BROWN AND CALDWELL:

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

CHR. LOPEZ: Hearing none, please, Keith.

MR. OKAMOTO: I will now turn it over to Ms. Lauren Armstrong with Brown and Caldwell. I believe everybody has a presentation as part of their—got it.

MS. ARMSTRONG: Good morning, everyone. Lauren Armstrong with Brown and Caldwell, and in addition to our staff here in the room, I wanted to welcome Jennifer Meyers from Brown and Caldwell, who is on Zoom, as well as Ann Hajnosz from Harris & Associates. They are also on our Strategic Business Plans update team. We're here to support DWS with some of the initial steps toward updating the Strategic Plan, and we've got some exciting things on the agenda today, so thanks for having us.

So, we'll go to the second slide. The purpose of our presentation today is to share a brief overview of the project. We'll then walk through the ten effective utility management attributes to prepare you all for the survey activity that we're going to do at the end. What we'll be doing is asking each of you to rank the ten attributes from high to low importance, and we'll use your feedback to help guide the Department as they start looking at updating the Strategic and Business Plans.

Let's go to the next slide, Project Overview. We just want to recap the project objectives and the expected roles of different team members. We did a little bit more in-depth last month, but we just want to quickly touch on it. The objectives of this project are to update and build upon the 2004 Strategic Plan. We want to leverage the Effective Utility Management roadmap, which has been successfully used across the country, to help utilities assess their current state and find how to move toward their goals. We want to use input from you, the Board members, and also from Department of Water Supply leadership, to develop a framework for future work on the Strategic and Business Plans.

Next, to support the Strategic Business Plan process, we have expected roles for the core team and for the Board. The core team is the Department leadership plus consultant support, and from you, as Board Members, we're looking for guidance on which attributes are most important to focus on. So, we just need commitment to be involved in the working sessions moving forward, and thank you for your attention today.

At this point, I want to introduce Jennifer Meyers from Brown and Caldwell. She's our national technical and innovation lead for utility performance. She's a civil engineer with nearly 30 years of experience in asset management, employee development, and organizational and operational optimization. So, Jen has great experience; she's worked with utilities around the country, helping them to meet customers' needs while managing resources following sustainable practices and principles. Jen, can you hear us okay?

MS. MEYERS: I can hear you just fine, thank you. Can you hear me?

MS. ARMSTRONG: You're loud and clear as well. Go ahead.

MS. MEYERS: Fantastic. Thank you, Lauren. I appreciate everybody's time. I'll be pretty quick about it. I don't want to keep anybody from lunch, definitely.

So, I wanted to talk a little bit today about Effective Utility Management and how it fits into the strategic planning process for the Department. For those of you who don't know, Effective Utility Management has been around for about 20 years now, and it was developed in collaboration with different utilities, some peer agencies, organizations in the water sector, and the EPA. They really wanted to create a framework and guidance materials to help utilities describe what they do, provide materials to help them prove that there are services and offerings, and provide performance measures so you can track how you're doing and benchmark yourself. Either benchmark against yourself, your progress over time, or benchmark against your peer agencies across different utilities in the country. So, it's been established for about 20 years now, and when it first started, it was just the inner ring, the elements in green, and those are the ten attributes to effective utility management. Over the years, it's morphed a little bit. They continue to revisit this as a framework every so often, every couple of years, and tweak it where appropriate just to make sure it stays relevant. A few of the words have changed over time, but the framework is roughly the same. About ten years ago, they added in the outer circle, which is the blue area, which we'll talk about in a second. It's the five keys to management

success, and those are really to help support everything else that you do. So, it's often used to help you find your north star, as far as what you want to improve upon.

The framework is out there; it's on the EPA's website, everybody's welcome to look at the details if you would like. I'll talk a little bit about each area, but again, it was established to help utilities understand their—have a common language in each of the ten areas, be able to track their performance over time in each one of these areas, and materials to support that growth in each of those areas.

So, the activity that Lauren talked about, we're going to have you rank the inner circle, the area in green, to see what's most important to you, and we'll talk about that in just a second. But it's been used very successfully, again, to focus on what matters most to you as an organization, as a utility, what matters most, what areas are in need of most improvement, and then really develop a strategic plan or a business plan around those areas that are most important to you and areas that you need to improve, or want to improve the most. So, it's really useful as a repeatable tool to help you guide your strategic plan and then track your progress. Next slide, please.

So, as I said, the outer ring, those five keys to management success, those go across a utility or across any organization, really. It's about management and leadership, about measuring your performance and then improving over time. So, those are kind of the fundamental building blocks of how you do what you do. I'm not going to ask you to necessarily rank those right now because those are tools to help us improve in the ten attributes. Just know that they're there, and they're supporting materials and performance measures, and tools to help you improve in all of these five areas, in addition to the attributes that we're going to ask you to rank. Next slide.

So, the heart of it is these ten attributes, and again, these describe kind of any utility and every utility, and that's why they were established those twenty or so years ago. You may or may not do every single one of these yourselves; maybe you have vendors helping with some of it, or it's a different part of your organization or your government, but still, these kind of describe all of the key services that your utility does and we'll talk through each one of these in a second just to make sure they're clear. But again, they're useful to help track your performance over time, and that's really the heart of what we want to use it for, as part of the strategic business planning process. Focus on the areas that matter most to you, improve up to the amount that you want to improve. You don't have to be best in class in every single one of these areas; that would be too much. But you can pick the areas that mean the most to you and then work to improve in those areas, and that's really what this is a good tool to help with. I've used it with different utilities over the years, where they have tracked their performance for over a decade or so, and they can see improvement in some areas. In other areas, maybe they want to focus on it again. So, it's useful to build into that strategic planning process, revisit it periodically, track your performance, and get comfortable with it so you can talk to each other within the organization or to your peers. Just to have lessons learned in conversations or see what others are doing to improve their own performance. That's what the heart of this is about. These ten attributes, how are you doing and what matters most to you. Next slide.

So, as I just said, all of these attributes are extremely important and matter to an organization. They're part of what you do. You're a high-functioning organization already; you just want to improve. Having said that, they're all important. A couple are a little bit more important than others if you want to think about it in a certain way. Regulatory and Reliability Performance is one of the attributes, but it is the heart of what you do. You are required, and it is your core service to provide clean and safe water, so this is absolutely something that you cannot, not do. It is a service that you must provide in order to be a strong, outstanding part of the community and a safe drinking water supplier. So, Regulatory and Reliability Performance—it's paramount to you being you as a utility.

Financial Viability kind of goes hand in hand with that. Just to reflect for a second on the previous conversation, making sure that you are serving your customers with rates that meet their needs, meeting the

community expectations for those rate levels, you are a part of that, and you have to enforce it, as we saw earlier today. But, making sure that the revenue that you're generating is paying for all the services that you provide across the community. Those two really go hand in hand to help describe you as a utility. Without those, you just wouldn't be the same. The rest of the attributes also support core services that you provide, and they may or may not be as important to you; we'll find that out as we ask you to rank them as a matter of importance to you.

We're just going to walk through the rest of these. You are welcome to stop me at any point in time if you have a question on any one of these attributes, or you just want to hear more, but I'll just march through them a little bit so we can get to the interactive survey portion of the day. Next slide.

Customer Experience and Satisfaction, Stakeholder Understanding and Support; those two also go hand in hand. Customer Experience and Satisfaction—that's really geared around your specific rate-paying customers. Do you understand what their expectations are of you and vice versa? Are you gathering feedback from what they expect of you and what you are expecting of them? Stakeholder Understanding and Support, that goes beyond your rate-paying customers. This includes regulatory agencies and the community at large. Do they understand what you are doing, the services that you're providing? Are you promoting all the *(connection cuts out)* clear understanding of customer expectations, and the other is you promoting awareness to all of your stakeholders about the services that you provide. Next one.

Workforce Development, this is about your staff having all the tools and training they need in order to grow and flourish as members of the Department. Making sure that they have a healthy and safe working environment, that they have the institutional knowledge that they need in order to progress in their careers, and that you're giving them the professional development they need in order to meet the operational needs today and in the future. So, that's on the workforce side.

Community Sustainability is about helping to promote your place within the community as a whole. You are a big impact on your local area, and to make sure you are doing that in a considerate and practical way to ensure the health and safety of everyone that you serve. Next slide.

Operational Optimization, the keyword is operational. How you operate your facilities, how you operate your entire utility—this is on the operation side. You want to make sure you're minimizing waste as much as possible, whether that's energy waste or chemical waste, water loss, so operating effectively.

Water Resource Sustainability; it could be any resource, but it happens to be water for your guys. Resource sustainability, to say, do you have all the resources you need? Do you have a plan for them in the short and the long term, and do you understand how you can meet those needs sustainably? Those are a couple complementary sections or elements.

Last two, and I know I'm just throwing a lot of attributes out here, we're going to bring it back together in just a second.

Infrastructure Strategy and Performance—this is a bit more on the maintenance side. How do you maintain all of your assets? How do you do that at a low cost and meet all your service levels, and minimize disruptions wherever possible?

The last one is Enterprise Resiliency. This is taking into account all the risks that you may face at a utility, minimizing those. Establishing mitigation plans and minimizing those. Having good emergency response plans, doing all the assessments that are required of you, vulnerability assessments, cybersecurity assessments, to make sure that you're operating in a resilient fashion as you can for the long haul.

Again, those are the ten attributes to just kind of hit on it. The idea is using EUM to help guide your actions in the areas that are of most concern, of greatest importance to you both as a Board and as a Department.

Bringing your ideas together to help influence and inform what the Strategic Plan should ultimately look like. Your input is really critical to say what matters to you, what matters to your community, you're representing your community, what matters to you as Board members? Of all of these ten attributes that I just showed, and we'll flash them up again, what matters most to you to rank highest that you will want to focus on and have the Department focus on as part of their Strategic Plan and effort? This is really the first point of input, but there will be others. To say these types of actions and whatever attribute you rank highest matter to us, and we really want the Department to look further into improving performance over time in those areas. That's what this ranking is about. That's what those ten attributes are about. What matters to you? What do you want to see? It can be small improvements; it doesn't have to be large-scale improvements, necessarily. It can be small improvements to really help you become a better utility in whatever areas get selected. That's what the Strategic Plan is about. It's giving a little more attention to the areas that you want to improve on.

So, this list here is just thinking about these as you scroll through the ranking exercise. Are there outside challenges that you know are coming that might influence what the utility should focus on? Are there shorter- or longer-term needs that you are thinking about that you know you want the utility to focus on this area because it will be of high importance over the coming three to five plus years? Are there other community priorities that you know about? Think about those things as you're going through the ranking exercise with the different attributes.

MS. ARMSTRONG: Thank you, Jennifer. Any questions before we move into the survey? *(no response)*

We're going to use our smartphones; we've got a practice survey before the real one. I'm going to ask Mary to hand out this sheet of paper, it's got a QR code so you can use the phone or the camera on your smartphone to scan the QR code. That's going to take you to Mentimeter. For the Board members who are online, you should have received a link by email to log in to Mentimeter. We'll just take a few minutes for everyone to kind of get logged in on your phone, and just to clarify, this is only for the Board members to participate. So, if you're not a Board member, please don't try to take the survey.

MR. UYEHARA: Ippy and Emily, if you didn't get the email, I can resend it.

MS. TAAROA: I've got it, I'm just trying to make it work.

MR. AIONA: It just says "waiting for the presenter".

MS. ARMSTRONG: In the interest of time, we'll just go straight to the rankings. We'll take the next five minutes for the Board members to individually complete the ranking exercise. If you need help, just raise a hand, and we've got our lovely assistants and Dean to help. Let's take a couple of minutes to complete the exercise, and then we'll be able to see the results together on the screen.

MR. AIONA: It's still telling me "waiting for presenter".

MS. MEYERS: Is there a way we can troubleshoot? He's still getting a "waiting for presenter".

MS. TAAROA: It kind of keeps cycling me, I think it is working. So, we are to rank every one of these, right? In order?

MS. MEYERS: Yes. One most important than the rest, and just trail off. You can always put it in the chat; we'll get you one way or another.

Real quick, I'll also say for just consideration, all of these ten attributes are incredibly important to you being you as a utility. Even if it's ranked towards the bottom, it doesn't mean you stop doing it; it doesn't mean you're not doing an awesome job. It's just what do you want to give a little more focus to, what's really

pushing you? That's what rises to the top, what's most important. You're not going to stop doing any of these things; they're all part and parcel of you being you as a utility.

MR. OKAMOTO: Thanks, Jen, that was great to reemphasize that.

MS. MEYERS: Yeah, you don't get to pick and choose which you do; you have to do them all.

MR. OKAMOTO: Thanks for clarifying.

MS. ARMSTRONG: Even if something is ranked high, it could be that the utility that you folks are already doing a good job at that thing, so it's not to say that they're correlated, but it is interesting to see some of the initial results here. We've got six out of our eight surveys in, there may be one issue online but let's give in another one minute to wrap up.

MS. MEYERS: As part of the EUM full assessment process, this is kind of the light version. So, you're just ranking what's important to you. Then, as Lauren said, it gets married up with how are you doing in each of these areas, and the idea is to focus on the things that are most important to you, but maybe you aren't doing as well as you would like to be or you know there's room for improvement. So, this gets married up with how well you're doing, and then each one of these ten things also has sub steps or subtopics underneath it, so you can drill in closer to find out what the real issue is and focus on that, too. But, this does help set that general direction of what you're feeling is important to the Board and to the community.

MS. ARMSTRONG: Our number one attribute, according to today's survey, is water resource sustainability. The second most important is infrastructure strategy and performance. The third, regulatory and reliability performance. Fourth, operational optimization. Number five, workforce development. Number six, community sustainability. Seven, customer experience and satisfaction. Eight, financial viability. Nine, stakeholder understanding and support, and ten, enterprise resiliency. Thank you for your input.

Just to talk about next steps a little bit, as we've said, your input today will go into the larger effort of understanding how the Department is doing on these various attributes and putting that information together, we will be back in February. Can we switch back to the slides again?

So, in December, we're going to be working with Keith, Kawika, and some key staff members to go through a survey activity to get input from staff. They'll be ranking the attributes just like you did, plus assessing how well is the Department performing in each of the attributes. We'll be putting together those results for next February, we'll be back at a Board meeting, and will be putting together the framework that sets the foundation for updating the Strategic and Business Plan. Any questions or observations about the attributes or the ranking today?

MS. MEYERS: I was just going to say, for Ippy, if you couldn't get yours to go through, please do submit. You can just write on anything or submit it in some fashion. For the other Board members, if there are others that couldn't make it or fill it out, we would still love to receive your feedback on that ranking so it's not too late and we'll include that in the understanding.

MS. ARMSTRONG: Any way you want to get the results to us, we'll incorporate it in the feedback. Thank you.

MR. OKAMOTO: Thank you, guys, for your input that's going to help guide the Department.



7) NORTH KONA:

A. AMENDMENT TO RIGHT-OF-ENTRY AGREEMENT FOR KALOKO TANK NO. 2 (TAX MAP KEY 7-3-009:030) FOR SURVEYING AND SUBSEQUENT CONSTRUCTION OF A DEEP MONITOR WELL:

The State of Hawai‘i, Department of Land and Natural Resources (DLNR) is requesting to amend an existing temporary Right-of-Entry Agreement (ROE), to extend it from December 31, 2025, to December 31, 2030. DLNR is requesting this amendment in order to complete their work conducting a topographic survey and installing a deep monitor well on the DWS Kaloko Tank No. 2 site, to continue to increase monitoring efforts, and to better understand the groundwater resources in North Kona. DLNR will be responsible for all costs associated with their work within the property.

RECOMMENDATION: It is recommended that the Board approve this Amendment to the ROE Agreement 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.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: This is our attempt to partner with DLNR, in particular CWRM, to allow them to install a deep monitor well on our property and hopefully get information that can assist in decision-making down the road. If any details are needed or any questions, we have Shari Uyeno, our acting Engineering Division Head, to respond.

CHR. LOPEZ: Where is this? 7-3 has got to be that one.

MR. OKAMOTO: Yes. It’s about halfway up Hinalani. We have a water tank site below the new affordable housing.

CHR. LOPEZ: This is to drill a deep monitor well on our property?

MR. OKAMOTO: Yes.

CHR. LOPEZ: How deep is that well? How deep are they planning?

MR. OKAMOTO: I’m not sure, it’s kind of up to them.

CHR. LOPEZ: But we’re paying for it?

MR. OKAMOTO: No, we’re just allowing them access to do it on our property.

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

B. JOB NO. 2016-1056, WAI‘AHA DEEPWELL REPAIR – REQUEST FOR ADDITIONAL FUNDS AND TIME EXTENSION:

The Department is requesting a contract change order for the additional work for replacement column pipe used for the emergency repair of Hawi #2 Deepwell. The description of the additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Replacement of (5) column pipe, reappropriated for emergency repair of Hawi #2 Deepwell.	\$ 13,098.00
	<b>TOTAL</b>	<b>\$ 13,098.00</b>

Original Contract Amount:	\$ 650,000.00
Original Contingency Amount:	\$ 65,000.00
1 <sup>st</sup> Additional Funds Request:	\$ 380,080.50
2 <sup>nd</sup> Additional Funds Request:	\$ 1,130.89
3 <sup>rd</sup> Additional Funds Request:	\$ 4,476.00
4 <sup>th</sup> Additional Funds Request:	\$ 13,098.00
<b>Total Revised Contract Amount:</b>	<b>\$ 1,113,785.39</b>

The Contractor, Derrick’s Well Drilling and Pump Services, LLC., is also requesting a contract time extension of 143 calendar days, due to delays with the fabrication of the surface plate assembly, motor shroud assembly and check valve, and the delivery of replacement column pipe required for pieces reappropriated for the emergency repair of Hawi #2 Deepwell. These delays were beyond the control of the Contractor.

Staff reviewed the request for the additional funds, time extension, and the accompanying supporting documentation and found that the \$13,098.00 and 143 calendar days to be justified. *Note: There are no additional costs associated with this time extension.*

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	7/31/2017	9/15/2024	2,603	Project completion date was revised as a part of Change Order #2.
2	9/15/2024	12/19/2024	95	Manufacturer delays for submittals for surface plate and motor shroud assemblies, and pump and motor testing.
3	12/19/24	2/28/2025	71	Manufacturer delays for submittals for surface plate and motor shroud assemblies, and check valve.
4	2/28/2025	6/30/2025	122	Design modification for the motor shroud hanger.
5	6/30/2025	11/30/2025	143	Fabrication of surface plate assembly and replacement column pipe.
Total Days (including this request)			3,034	

**RECOMMENDATION:** It is recommended that the Board approve an increase in contingency of \$13,098.00 to Derrick's Well Drilling & Pump Services, LLC, for a total project cost of \$1,113,785.39, and approve a contract time extension of 143 calendar days for JOB NO. 2016-1056, WAI'AHA DEEPWELL REPAIR. If approved, the contract completion date will be revised from June 30, 2025, to November 30, 2025.

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

**CHR. LOPEZ:** Discussion?

**MR. OKAMOTO:** As the write-up describes, there are two elements to this request. One is the additional funds, and the second is the time extension. If there are any questions, Eric has the technical details to explain both.

**CHR. LOPEZ:** This has been going on for quite some time, I see because of the job number, 2016. Delay, delay, delay, design modification. So, from your perspective, nine years so far, is this a reasonable expectation?

**MR. OKAMOTO:** As a refresher for the Water Board, this is the one that went into litigation, and we had to mediate out of it. That contributed to the long time. A nine-year time frame to repair a well is not normal, and a lot of the additional funding requests came out of that as well. Now that we are able to mediate, came out of that, we're actually getting the job done. These more recent fund requests and time extension is because now the contractor is out there doing the work. Things have happened, so as you see the additional cost was because we had to utilize for an emergency repair up in Kohala, some of the pipe columns that came from this well so to finish up this job we needed to buy five additional pipe columns. In addition to that, there's some additional work that needed to be done, hence the request for the additional days which was for fabrication of the surface plate assembly as well as time to acquire that column pipe.

**CHR. LOPEZ:** Is this the one where the cable broke and the part fell down?

**MR. OKAMOTO:** That's the one.

**MR. KEKELA:** In your expert opinion, would this be the final? To have it operational again?

**MR. OKAMOTO:** No, that's a great question. You'll hear from Kawika's summary on the Manager's report for the Kona Wells status on when we anticipate this one to be operational. I anticipate an additional time extension request coming in at the Board meeting or soon thereafter.

**CHR. LOPEZ:** Any other questions? *(no response)*

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

8) **MISCELLANEOUS:**

A. **ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2026:**

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

Board to elect Chairperson and Vice-Chairperson for the 2026 term.

For discussion and possible action.

CHR. LOPEZ: Nominations are open.

MR. LEE: I nominate Pono for Chair and Keith for Vice-Chair.

CHR. LOPEZ: Do you accept the nomination for Chair?

MR. KEKELA: Do I have to? Or do I have to wait for all the nominations?

CHR. LOPEZ: Are there any other nominations for Chair or Vice-Chair? (*no response*)

Do you accept the nomination for Chair?

MR. KEKELA: I accept.

CHR. LOPEZ: I have a text from Keith saying that he would accept a nomination for Vice-Chair so we're good to go.

**MOTION**: Mr. Lee moved to recommend confirmation of Michael Pono Kekela as Chairperson and Keith Unger as Vice-Chairperson to the Water Board Commission. Seconded by Mr. Bell.

CHR. LOPEZ: All in favor of accepting nominations of Pono for Chair and Keith Unger for Vice-Chair, say aye.

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

B. 2026 WATER BOARD SCHEDULE:

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

For discussion and possible action.

MR. OKAMOTO: It's pretty much the same as this year, alternating.

CHR. LOPEZ: Yes, but there has been a change to the plan that was submitted last month. It was the June 23<sup>rd</sup> meeting; it's now June 16<sup>th</sup>. That's because several Board Members will be at the Washington, D.C., National Conference. At least four Board Members, right?

MR. OKAMOTO: Yes.

CHR. LOPEZ: The next one is the Christmas schedule, the December schedule, which is normally moved up from the last Tuesday of the month, it's now December 15. Does everybody have this? Do I hear a motion to accept the modification of schedule?

**MOTION**: Mr. Kekela moved to accept the modifications to the 2026 Water Board Meeting Schedule; seconded by Mr. Alameda.

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

C. DEPARTMENT OF WATER SUPPLY COLLECTION AND DELINQUENCY POLICIES:

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

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

MR. OKAMOTO: Candace has some great news to share.

MS. GRAY: Yes, great news. You should have two handouts, one with a bunch of numbers and one that says Hawai'i Relief Program. I just want to report that we believe we tried our best to meet the goal of reducing the delinquencies by 15%. There was a very hard collective effort with our customer service and accounting collection staff, let's say a total of about 14 people, and what they've started to do was make calls to customers that are on our delinquency list, letting them know that they are on the list. They want to, first of all, let them know ahead of time, and you should be receiving a letter, and hopefully we can help you avoid shut off. That effort began recently. Prior to that, there was a lot of reviewing of our processes and deadlines and so forth and I'd like to report that through that effort, you'll see on the back of the page of the handout with all the numbers, through the calling by our staff, they've collected \$140,278.15 within the span of two weeks.

CHR. LOPEZ: That's not the entire list, is it?

MS. GRAY: It's not. It's just the beginning, and something that we call the new normal that we intend to pursue. The purpose is to help the customer as well as the Department.

The other handout is a flyer that we received from Catholic Charities. They have a program, or they're administering the Hawai'i Relief Program, where they can offer assistance for water bill payments along with other utility payments if the customer qualifies. We are communicating that to our customers and letting them know.

CHR. LOPEZ: How are you communicating?

MS. GRAY: We have this flyer that we hand out at customer service. It's also posted on our website, and when we call.

CHR. LOPEZ: I'll give you an example. I'm not a social media person, and I was in IT too long to know the pitfalls of that stuff, so I don't do it. A lot of people don't have access or don't do the web. A lot of people, if you make a phone call, they think you're selling something, and it goes in one ear and out the other. So, my recommendation on this is that if you're going to provide this, you highlight this. That really is what you want to draw their attention to, a yellow highlight or bold or something. Is this something that can be put in a mailer with the bill? Is that possible? Practical?

MR. OKAMOTO: Mmhmm.

CHR. LOPEZ: Very good, what else have you got?

MR. OKAMOTO: That's about it.

MS. GRAY: That's about it.

CHR. LOPEZ: That's about it? That's an awful lot! Round of applause!

From the contested case hearing, you are now notifying potential water shut off after 30 days delinquency. Is that across the board?

MS. GRAY: That's across the board.

CHR. LOPEZ: What is, at the close of October, what is our delinquency number? Or as close as you can approximate?

MS. GRAY: \$645,000.00

MR. OKAMOTO: Down from nine hundred something.

CHR. LOPEZ: That really is outstanding.

MS. GRAY: I will say though, this \$145,000.00 was a result of direct efforts by our staff. It may not—the calls were made to anyone that's delinquent or hasn't paid their bill by the 30-day due date. So, the aging category would span from 31 days to over 90. The number that I do report every month is just the greater than 90 day category, so it may not directly reduce the number by \$145,000.00 at this point, but what I'd like to say is that we're stopping the bleeding.

CHR. LOPEZ: Of the balance you just gave of the six hundred something thousand, how much of that was write-off? Because the 15% was exclusive of write-off.

MS. GRAY: Yes. The \$900,000.00 to the \$600,000.00, well, a little more than \$600,000.00, we had a little over two hundred something in write-offs. But, this effort, the \$145,000.00—because if you take 15% of your \$600,000.00, you'll get, let's say, \$90,000.00. So, we actually collected, I would say, more than 15% within the span of two weeks.

CHR. LOPEZ: That's excellent, don't get me wrong. I'm just trying to recall.

How much burden has this put on your existing staff? Did you add staff to do this stuff?

MS. GRAY: We have not. Part of my role is to monitor the effects on the staff, keep my finger on the pulse, and make sure people were not getting too overwhelmed. The feedback I got was that people are excited. Everybody is encouraged and very accepting.

CHR. LOPEZ: This is something that will be a continuing practice?

MS. GRAY: Yes.

CHR. LOPEZ: And you're also putting the screws to the collection agents?

MS. GRAY: Yes.

CHR. LOPEZ: Very, very good.

MR. OKAMOTO: Like Candace said, I went around and thanked the employees who were participating in this effort, and just to reconfirm, they were very positive and excited that they're part of the process to avoid these delinquencies, and they shared stories. There were some that were from 2011, guys were carrying delinquencies from that long ago, and they were able to resolve those long-term, ongoing situations.

Overall, I want to thank Candace and her team for this great effort. What I foresee is that we won't have to depend on the collection agency so much with this type of effort.

MS. GRAY: That's the goal.

MR. ALAMEDA: I'd like to add congratulations to you and your staff because you can tell that you, the person that you are, and how you are addressing the touchy situation, is not something that you want to do, force it onto people, but you are graciously approaching it to get a resolution without bleeding anymore. It's a tough job for you, I can tell. Thank you for how you're approaching it and how you are continuing to improve the process. That is, customers first, and your team is following your lead. Thank you very much.

D. 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: We are actively now putting water line, starting from Kapoho to Pohoiki. Fortunately, we found that the temperature of lava for the upper and lower Pohoiki section is a lot lower than we anticipated, so now we're trying to redesign part of the water line back under the roadway, so we don't have so much exposed open trench pipeline, which costs more to install. That is ongoing now.

The next big update is the Lālāmilo ten-million-gallon reservoir. We are now with DN tanks on-site and they are framing the floor pad of the reservoir. We anticipate pouring the first quadrant, the first quarter of that floor in the early part of December, around December 10<sup>th</sup>. Just so you understand the scale of the project, for a quarter of that floor we are anticipating 300 cubic yards of concrete. Our supplier is really trying to help us out because what is happening is that for the floor pour, we will probably start at around 2:00 a.m. because we are looking at over 30 truckloads. Right now, DN tanks, our reservoir contractor, is on-site. We will keep giving you updates on this project.

MR. OKAMOTO: What we'll try to do as the project progresses—it'll get more interesting as things start to go vertical and you start to see columns and walls going up. We'll try to schedule a site visit for the Board.

CHR. LOPEZ: Very good.

E. 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.

MS. GRAY: For this month, you have the Financial Statements for October 2025, the first month of our second quarter for fiscal 25-26. This month on our balance sheet, I don't have new explanations or items in bold. You've seen a lot of those explanations before.

For our Income Statement on page two, the new items we've added is that our Transmission and Distribution expenses increased 33% or \$968,765.00 from the prior year, which is due to our salaries increasing from the Temporary Hazard payout that occurred for our employees in the UPW union. Our

Maintenance and Repairs expense also increased 35% from the prior year, again, due to the salaries increasing from the Temporary Hazard payout.

I'll jump to our Status of the Budget report on page six. As of October, our target percent is 33%. Our overall receipts or revenues we're at 32%, and our expenditures are under, overall at 28%. As far as overall position, we're still on a good path. Any questions?

MR. OKAMOTO: Thanks, Candace.

F. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells
2. Alternative Procurement Report
3. Department of Water Supply Quarterly Energy Report

MR. OKAMOTO: This will actually be the Deputy's report; he'll cover all three items. So, with that, I'll turn it over to Kawika.

MR. UYEHARA: This month for North Kona, our well update. So again, in North Kona's water system, we have 14 sources, 11 of them are operational or available to use. The three that are offline are Wai'aha, Honokōhau, and Hōlualoa. So, the update on each—so, Wai'aha, the contractor did complete installation on the new pump and assembly, but, there's still some electrical work that their electrician needs to take care of. Once that's done, we mentioned that this one has been offline for several years, and we still need to get water quality samples and approvals to put it back on the system. So, this one we're looking at end of February 2026 to bring it back online, possibly sooner, we'll keep the Board update on that.

The next one, Honokōhau, we're waiting for our spare equipment. Once that's in, we're looking to return that one to service end of February 2026.

For Hōlualoa Well, we're looking to put it out to bid by next month and hopefully have that one return to service by July of 2026. With anything, as we progress and there's updates we'll keep the Board apprised on their status. Questions on that one?

CHR. LOPEZ: No, but I want to compliment you because I see the blurbs about water shortage and there's a put down or water out—you're dealing with a lot of water service issues, but they seem to be turning around. Greg and his staff?

MR. UYEHARA: Yes, operations and their staff.

CHR. LOPEZ: You hearing me, Greg?

MR. GOODALE: Of course!

CHR. LOPEZ: It comes in, and it goes out. Thank you for the notices. I appreciate knowing that stuff.

The measures we've dealt with earlier, I think we wanted 12 of 14 done by the end of November? Well, you're at 11, and in my mind, they've dealt mostly with the sluggishness of getting the contractors to work. I don't know whose fault, I don't care about fault, it's just a matter of on and on and on, waiting for them to do something, and you've pretty well cleared the table except for Wai'aha, but we know what that one is. I think you've done a great job.



MR. UYEHARA: Our staff, kudos to them, they work well with the available contractors, the ones that are licensed and can do this type of work. As you folks know, as the Board knows, when other emergencies arise, those emergencies will take precedence over these ongoing repairs, and I think that's what happened in this situation with Wai'aha and Honokōhau, we had been working on the North Kohala Well repairs, and then we came back to the Kona ones.

CHR. LOPEZ: And to be targeted in three months, get them back online. We always knock on wood, but that's an excellent situation and much improved from over a year ago. Thank you for that.

MR. UYEHARA: Next on the list, our alternative procurement report. We just wanted to provide the Board with an update; it's on legal size in your packet. Periodically, throughout the year, you'll see in our Board meetings that sometimes we have to proceed to alternative procurement because there are no bids on certain projects. This is just a summary update of where we stand with those alternate procurements. I won't go through it line by line, but if you have any questions, feel free to reach out to me and we can provide information on that.

The next one is the Quarterly Energy Report. Thank you, Mr. Warren Ching, who prepared this Quarterly Energy Report. This is for November, and it reflects through the third quarter of 2025. So, just real quickly, the power cost that the Department uses for all of our operations, the water consumption in coordination with total energy use. The second page just summarizes Hawaiian Electric charges for use rates and demand charges. The final chart shows our power cost charge over time.

Like with other previous reports, Warren provides updates of other energy savings projects that the Department does throughout the year. If there are any questions, feel free to ask now or send me an email.

CHR. LOPEZ: I have a question. I'm never without questions. I recall, I think one of Warren's last reports he delivered was where we were looking over a broad—a larger period of time to have improvements in different areas, and it depended on financing, efficiency of need at the time; I don't want that to die. Where is that? Do you know what I'm talking about?

MR. UYEHARA: Yes. Warren did this year, do an update to our previous energy report, which I believe was 2015. So, just FYI to the Board, Warren is our previous Energy Management Analyst. He's now in the Engineering Division as an Engineer IV, but yes, you're right, Mr. Chair, he did prepare and finalize an updated Energy Report for the Department. We are still proceeding with that as we recruit for the Energy Management Analyst position, we'll also include that in that position's responsibilities.

MR. CHING: And I want to say, I believe that the report was set up to where we would start to try and implement some of those things, the next fiscal year. Since the report came out this fiscal year, I think we were looking at the next fiscal year.

CHR. LOPEZ: In the absence of a replacement, would the Board get periodic updates? I assume you're not going to wait for your replacement to do some of those, or do any of it?

MR. CHING: No.

CHR. LOPEZ: It would be good to just keep abreast of it.

MR. UYEHARA: A lot of those recommendations will be in coordination with our Operations division, so we'll keep those moving.

G. EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2025:

The Board anticipates convening an executive meeting to consider the evaluations of the Manager-Chief Engineer and Deputy for its annual performance review, as authorized by Hawai'i County Charter Section 7-4.6(d) and Hawai'i Revised Statutes ("HRS"), Sections 92-4 and 92-5(a)(2). The Board wishes to have its attorney present, in order to consult with the Board's attorney on its questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities pursuant to HRS Section 92-5(a)(4). A two-thirds vote of the members present, pursuant to HRS Section 92-4, is necessary to hold an executive meeting, provided that the affirmative vote constitutes a majority of the board.

CHR. LOPEZ: Before we take that action, it's my recollection that we actually did this process in December of last year, actually had the executive session to review the performance. So, if nobody objects, and we do have that as the case, then I don't believe we need to go into executive session but I do want to provide you with the information that we'll need for that December process. We tried this last year, and more than half of you came unprepared. To put it very bluntly, that's why the meetings go so long sometimes, because you don't come prepared. You all have the envelope that says confidential? Open it up. We aren't going to go over it in detail, but I just wanted to go over what the expectation is for the December meeting.

Remember that the Department agreed to seven performance metrics, by which the Department, or Keith in this case, will be measured, because we were in the absence of a Strategic Plan. That's this one that says "Memo to File". Bring this to the December meeting because that's where we're going to hash it out. An evaluation of zero to five, and you've heard the reports, you've had several of them throughout the year. How well do you believe the Department responded to each of these seven performance measures? And if you have comments, for your recollection for the meeting, please write them. So, bring this with you, completed.

Then, the next one is the one that we have been using for several years, and that's the performance definitions. It has the one, two, three, four, five categories that we're familiar with. Rate those on a zero to five. The instructions for that are here, and it says, "for 2025 only, substitute the words Strategic and Business Plan in the text with 2025 Performance Measures", which are these. So, you've got your homework to do. Please don't let us down. I hope we have a quorum.

Keith also submitted, I think everybody got it, his self-review for the calendar year 2025. The 2025 one is in red. But really, when you're evaluating for 2025, everything else really doesn't matter, except there's a point of reference for when he refers to things in process.

The same with the Deputy. The subject about the Deputy, it's my understanding that because we've done it the four years I've been here, is we recommend salary for the Manager and also for the Deputy; but we don't evaluate the Deputy. His boss evaluates him. With what Keith provides us, that's the Deputy's evaluation, helps us determine, is he within some range we want to award. The other thing is that, if you recall, three years ago, I think I believe it was, we had a modification to how we think about salary adjustments, and it'll be all brought up in the next meeting after we do the evaluation, then we'll go through the process of salary recommendations for both these gentleman. That's the plan for December 16<sup>th</sup>. Please help us and come prepared. Thank you.

MR. LEE: How come we set the salary for the Deputy? Is that from the County Code and the HRS?

CHR. LOPEZ: That's a good question.

MR. OKAMOTO: Yes, it's part of the—I know it's in our Rules, that the Board has the authority to set the salary for both the Manager and the Deputy.

MR. LEE: The Chair brought up that he reports to you, so you would be the best judge of that.

MS. MELLON-LACEY: It's a recommendation.

CHR. LOPEZ: We'll use his review to recommend a salary. It kind of overlaps, but that's the way it is. Any other questions?

So, I have one more meeting and that will be my exodus, swan song, whatever you want to call it.

MR. LEE: As Chair, you'll still be on the Board though, right?

CHR. LOPEZ: Yes, I'll still be on the Board. My term ends in December of next year along with Pono. This year December, Michael Bell exits. Who else?

MR. OKAMOTO: I think just Michael.

CHR. LOPEZ: So, we'll have two openings, District One and District Seven. Any other comments on that? Let's move on.

H. MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2025:

CHR. LOPEZ: We just discussed that.

I. CHAIRPERSON'S REPORT:

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

CHR. LOPEZ: A blessed Thanksgiving to everybody, and I'll see you in December. We do have a new Chair and Vice-Chair that will take office on January 1, and I'll be part of the audience. It's been a hoot.

9) ANNOUNCEMENTS:

- **Next Meeting** – December 16, 2025, 10:00 a.m., Department of Water Supply, Hilo Operations, 889 Leilani Street, Hilo, Hawai'i

10) ADJOURNMENT:

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

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

(Meeting adjourned at 12:36 p.m.)

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Recording Secretary