

MINUTES

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

December 16, 2025

Department of Water Supply, Hilo Operations Base Yard, 889 Leilani Street, Hilo, 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 (arrived at 10:20 a.m.)
Mr. Guy Alameda, Water Board Member, Dist. 3
Ms. Emily Taaroa, Water Board Member, Dist. 5
Mr. Keith Unger, Water Board Member, Dist. 6
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: Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel
Onaona Thoene, Esq., Carlsmith Ball LLP
Micah Kāne, Parker Ranch Chief Executive Officer and President
Katherine Luga, Parker Ranch Vice President, Land Development
and Asset Management
William Moore, Parker Ranch Planning Consultant
Dr. Jeff Zimpfer, NPS, 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
Ms. Ka'iulani Matsumoto, Private Secretary
Ms. Nora Avenue, Water Board Secretary

- 1) **CALL TO ORDER** – Chair Lopez called the meeting to order at 10:00 a.m. Board Members who were present: Messrs. Kekela, Alameda, Unger, Bell, Aiona, Ms. Taaroa, and Chair Lopez.
- 2) **STATEMENTS FROM THE PUBLIC** – Pursuant to HRS §92-3, oral testimony may be provided entirely at the beginning of the meeting or immediately preceding the agenda item. There were no statements from the public at this time.

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

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(Note: Roll Call Required)

5) SOUTH KOHALA:

A. MATERIAL BID NO. 2025-20, FURNISHING AND DELIVERING WAIMEA WATER TREATMENT PLANT RAW WATER VALVE:

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

This project generally consists of furnishing all labor, materials, tools, taxes, and equipment necessary to furnish and deliver a butterfly valve, electric actuator and corresponding adapter piece as specified within the Special Provisions, to the Department of Water Supply's Waimea Baseyard at 65-1234 Opelo Rd., Kamuela, Hawai'i.

Bids for this project were opened on December 4, 2025, at 1:00 p.m., and the following are the bid results:

	CAASI Flow Control	Hawaii Engineering Services, LLC	DWS Engineering Estimate
Item 1 - (1 Ea.) DeZurik BHP-6-L1-S2-TC-S2-S10B-FT-TT High Performance Butterfly Valve, or equal by approval, 6-inch Class 150# lugged style, 316 stainless steel body, PTFE V-Flex packing, 316 stainless steel disc, 17-4PH stainless steel shaft, PTFE fabric bearing and seat seal with surface freight included.	Non- Responsive	Non- Responsive	\$27,090.79
Item 2 - (Lump Sum) Rotork IQT Electric Battery Failsafe Type actuator 115-230 VAC, with adapter and appurtenant components to mate with corresponding butterfly valve included, with surface freight included.	Non- Responsive	Non- Responsive	\$5,146.86

RECOMMENDATION: No responsive bids were received for MATERIAL BID NO. 2025-20, WAIMEA WATER TREATMENT PLANT RAW WATER VALVE, staff will resolicit this bid per HAR § 3-122-35.

ACTION: Mr. Unger moved for approval of the recommendation; seconded by Mr. Kekela, and was carried unanimously by voice vote (Ayes: 7 – Board Members Alameda, Kekela, Taaroa, Unger, Bell, Aiona, and Chairperson Lopez).

B. **PROPOSED SECOND AMENDMENT TO THE AGREEMENT BETWEEN THE WATER BOARD OF THE COUNTY OF HAWAI‘I AND THE PARKER LAND TRUST:**

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

Parker Land Trust is proposing the Second Amendment to the Agreement between the Water Board of the County of Hawai‘i and the Parker Land Trust. The required Parker Ranch Well No. 1 and transmission improvements were completed and dedicated to the Water Board in February 2003. Due to reasons stated in the First Amendment to the Agreement, Parker Land Trust was not able to proceed with the full implementation of the Rezoning Ordinance No. 02-25 by February 2023, and the Water Board approved a three-year extension. The proposed second amendment initially assigns the remaining water to specific parcels within the development area. Parker Land Trust desires to have the ability to reassign water within the same development.

Staff reviewed the proposed Second Amendment to the Agreement and finds that assigning the remaining balance of water from Parker Ranch Well No. 1 to the Parker Land Trust development area is acceptable.

RECOMMENDATION: It is recommended that the Water Board approve the Second Amendment to the Agreement between the Water Board and Parker Land Trust and authorize the Chairperson or Vice-Chairperson to execute the document, subject to the review and approval of the Corporation Counsel.

CHR.LOPEZ: Do I hear a motion to approve?

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

CHR.LOPEZ: Discussion.

MR. OKAMOTO: Yeah, so real quick, what you have before you is the Second Amendment, which is basically really locking in the entitlements from Parker Ranch’s completion of the well and other infrastructure improvements, and allowing them just to utilize those units, what they call the lands. It’s pre-identified like a development area, similar to other Water Development Agreements that we have executed. Part of the original Agreement was that they had a timeline for when they needed to assign, which was a little bit unusual. Normally, we have timelines for when infrastructure or whatnot should be completed.

But anyway, here we are today to pretty much, I guess, wrap it up, assign the units to certain properties as well as acknowledge the entitlements from their financial commitments, and install the infrastructure at Parker Ranch well, and a few other off-site improvements. I think that sums it up, but if you have any technical questions, we have Shari, our Acting Engineering Division Head, or Vice President Kat Luga there, or CEO Micah Kāne is also available to address you folks. Yes, Mr. Chair?

CHR.LOPEZ: Had we already approved the First Amendment?

MR. OKAMOTO: Yes, back three years ago.

CHR.LOPEZ: Okay.

MS. UYENO: Correct.

CHR.LOPEZ: In the language here, on the agenda, it says, “was not able to proceed with the full implementation of the Rezoning Ordinance No. 02-25 by February 2023,” but my understanding when I read these things, that was February of—not February, it was Ordinance No. 2, and is that the year ’25?

MS. UYENO: So 02 is 2002, and then Planning assign, just numerically, yeah.

CHR.LOPEZ: Oh, it’s the first two digits are the year.

MR. OKAMOTO: Yes.

CHR.LOPEZ: All right, thank you. Any more discussion?

MR. KEKELA: Chair, do we issue water commitments specifically, or is it more like a general, in terms of the contract? Just give them a general amount, and then is it their purview to split it how they—

MR. OKAMOTO: Basically, yes. So as long as they use it within the development area, the Agreement says they can move it around, you know, as long it stays within that—

MR. KEKELA: Does that require anymore Board action after that?

MR. OKAMOTO: Not to move it around. Now, if they want to move outside of that development area, then it will require a Board action; and it’s typical with Water Development Agreements, because we work with the developer or the third party, along with our Engineering Division, to kind of run an evaluation, what the system can handle based on whatever improvements were done by that particular developer. It’s usually within a—that evaluation is done within that development area. So now if it goes outside, of course that evaluation didn’t happen, so that’s when we have to relook at things and then come to the Board for recommendation after that. So long answer to a short question, but yeah, as long as it stays within that development area.

CHR.LOPEZ: So in Agreement 1, were those commitments assigned, and now because of this rezoning Ordinance, there’s got to be—I’m not clear what we’re doing.

MR. OKAMOTO: Correct me if I’m wrong, so for whatever reason, the old Agreement—usually nowadays when we do an Agreement, the developer’s commitments are outlined, where those units are assigned to or put in that original Agreement. This one gave a timeframe to assign the water units to parcels. That really didn’t formally happen, so that’s what we’re trying to wrap up here. The First Amendment extended that deadline to February 2026, which is coming in a couple of months, and which is why we’re here today to be ahead of that deadline. This is to assign it to the lands, as kind of described in the Agreement, which is shown graphically in Exhibit C. There should be a colored map that shows Parker Ranch lands, that they’re going to use the water units. So as long as they use it within these identified areas, we don’t need further Board action.

MR. KĀNE: Chair, would it be appropriate to say something?

CHR. LOPEZ: Please, yes.

MR. KĀNE: I want to just first acknowledge Director Okamoto and his team on helping us through this; they've been very helpful. But over and above that, we've been engaged in quite a bit of conversations with his team on more regional infrastructure improvements, and have participated in a bunch of meetings that we've been trying to catalyze together. Keith's presence there has been really, really important.

At a high level, I know everyone knows about, probably Parker Ranch, but just kind of to remind us our sole is to elevate the well-being and the people and place of Waimea. Mr. Smart chose to identify four beneficiaries: Parker School, Hawai'i Prep Academy, North Community Hospital, and Hawai'i Community Foundation, which is where I formerly came from, so that was my lens into this opportunity. That's one part, right, to generate income to support those organization, but I think what we're seeing, especially with Bill's help coming back on and helping us to understand kind of a direction of where we're going and the infrastructure that we need to look at, that we can really leverage our presence to really help our neighbors, and to really look at ways where we can elevate, just not those that are being benefited from our direct beneficiaries, but the surrounding community, albeit DHHL, the ag community or others. So, I hope what you see in our organization going forward is really a partner that wants to help the community at large, and I think Keith's leadership, just in the first few months of my tenure there, and his presence have been really, really helpful. Keeps guys at the table, gets them to believe we're credible and that we're serious, and we just look forward to that.

The final thing I would say is, having worked at DHHL and then with Kamehameha Schools and with statewide organizations, I see a very unique kind of culture that hasn't been established here, and I think to a large extent it's happened because of this continuity of leadership from Mr. Pavao, and then to Quirino (Mr. Antonio), and then to Mr. Okamoto. That passing of knowledge is just not something that you're seeing happening in Honolulu County, Kaua'i County, or Maui County, having been there. You guys got something real special here, so congratulations on that. Thank you.

CHR. LOPEZ: Thank you for those words, Mr. Kāne. Any other questions or comments?

MR. UNGER: So essentially, this amendment is going to change from the last amendment, and the main difference is that it's not specific to a parcel, it's to an area?

MR. OKAMOTO: Well, the prior agreement was that we needed to have this identified to an area.

MR. UNGER: Oh, to an area?

MR. OKAMOTO: Yes.

MR. UNGER: Oh, okay.

MR. OKAMOTO: So, this is just locking it in formally, finally.

MR. UNGER: To the area, okay. So we probably shouldn't have to go through this again if it gets approved and locked into?

MR. OKAMOTO: Yes.

MR. UNGER: Because this looks like a long-term deal.

MR. OKAMOTO: Thanks, Micah. I was equally pleased when I heard that Micah was coming onboard at Parker Ranch because I've seen how he's operated in his other leadership roles, and I anticipate there's going to be some beneficial opportunities for our community now that he's taking the helm over there at Parker Ranch. So, anticipate some good things happening in the region.

CHR.LOPEZ: Excuse me, I got a little more confused. Based on your response, Keith, I'm not clear. Wasn't this area already identified in the First Amendment, and all you're looking for is three more years to rezone something?

MR. MOORE: If I can?

CHR.LOPEZ: Please.

MR. MOORE: Bill Moore, I've been working with Parker Ranch off and on as a consultant since 1995 or 1996. I've been involved in the original Water Agreement and then in the First Amendment, so I've been, I don't know, the historian, but been around for a while. I'm the old guy.

The original Agreement had a specific area assigned within which the water units could be assigned, but it was not assigned to a specific parcel; and what this Agreement says is that when we assign these water units to a specific parcel, we've met the obligations and that we'll now go forward and reassigned because a lot of these are going to be for development areas where the final plans have not been set yet. So if we change either from reducing density or increasing density, then we can move the units around within this area. We've also expanded the area, so there are some areas—but all of which are owned by Parker Ranch.

So again, if we want to take some water to the industrial area out by the airport, we can do that without having to come back to the Board because that was part of the original rezoning. What this does is it assigns these water units to specific parcels, so there's that actual assignment, on Exhibit C, and that locks everything in. Once we do that, then we can reassigned them within the area.

CHR.LOPEZ: So the initial Agreement was for—units for large mass the area?

MR. MOORE: Yes.

CHR.LOPEZ: Now you're subdividing.

MR. MOORE: We're assigning to specific lots within that.

CHR.LOPEZ: Thank you very much. I understand.

MR. OKAMOTO: I think that's what's outlined in Exhibit D.

MR. MOORE: Exhibit D. I'm sorry, yes.

MR. OKAMOTO: It might have been more generally described previously, but now it's got it assigned to particular TMKs.

CHR.LOPEZ: Very good. Anymore discussion? Questions?

MR. OKAMOTO: Thank you.

CHR.LOPEZ: All in favor say aye.

ACTION: Motion was carried unanimously by voice vote (Ayes: 8 – Board Members Lee, Alameda, Kekela, Taaroa, Unger, Bell, Aiona, and Chairperson Lopez).

CHR.LOPEZ: Let the record show that Board Member Kimo Lee arrived, and we also have Ippy Aiona on Zoom.

MR. KĀNE: Chair, with your permission, I think we're going to be leaving.

CHR.LOPEZ: Okay. Thank you, Kāne.

MR. KĀNE: Thank you all very much. I really appreciate your support on this.

MR. OKAMOTO: Happy holidays.

MR. KĀNE: The Board and staff, thank you. Thank you, Chair. We appreciate everybody; this really helps.

6) MISCELLANEOUS:

A. 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: So just an update on our waterline that's being replaced down the Kapoho site, well, that's where we start, Kapoho towards Pohoiki. We're about 40% complete now. We are adding in some more laterals that we did not put on the plans, but there are more existing services already with the department, but all those are being (inaudible) contract.

We're finalizing also the realignment of upper and lower Pohoiki Road, so more of our waterline will now be under the roadway instead of on the side, in an open trench. We're basically final on that design, and we're asking the contractor to reprice on that waterline work. That's where we're at on that.

MR. KEKELA: For the added lateral, do we have to approve the contract first?

MS. UYENO: No, we have a contingency amount that is—because this is federally funded, we're trying to use up as much money as we can in the contract.

MR. KEKELA: Thank you.

MS. UYENO: Any other questions regarding this? My last one is our Lālāmilo 10MG Reservoir. We did pour our first quadrant of the slab on December 10th, and that was about 250 cubic yards. I think the last time I reported could be about 300, but it was 250 cubic yards. They started at 3:30 in the morning in the morning, and completed it about 9:30 a.m., and that was with running two back batch

plants, one in Waimea and one in Kona, and having those trucks constantly cycle through. Each truck was about 10 yards. So it's about 25 trucks a day.

The next pour cannot be tonight, but tomorrow morning at 3:30, and that will be the last time for this year, and then they'll finish the last two quadrants in 2026, when we come back from the holidays, but that's where we're at.

CHR.LOPEZ: That's being done in the a.m. tomorrow. Is that part of that, 25 trucks you were identifying?

MS. UYENO: It's part of—I believe it started as a request of our supplier because they do supply other individuals, but to supply that amount of concrete and to dedicate their trucks to us, they requested to start earlier.

CHR.LOPEZ: Oh, no—

MS. UYENO: Oh, sorry.

CHR.LOPEZ: The question was, those trucks that are coming tomorrow morning, are those part of the 25 truckloads you were identifying, in that total?

MS. UYENO: Oh, the 25 was last pour.

CHR.LOPEZ: Okay.

MS. UYENO: Because it's a quadrant, so it will be about the same amount.

CHR.LOPEZ: Same amount again.

MS. UYENO: Yes.

MR. KEKELA: This is the final quadrant.

MS. UYENO: We're going to do it four times.

CHR.LOPEZ: Same amount?

MS. UYENO: Yeah, four times.

CHR.LOPEZ: Okay.

MS. UYENO: So it will be about 250 yards again tomorrow morning.

CHR.LOPEZ: Really impresses the order of magnitude, and that's just the foundation.

MS. UYENO: Right.

CHR.LOPEZ: All right, thank you.

MR. OKAMOTO: Thanks, Shari.

MS. TAAROA: I know that the price of concrete has exponentially increased. Has that affected this project significantly? Making almost by a third less than—

MR. OKAMOTO: So we ate up all our contingency. We speak about contingencies, which is preapproved, well not preapproved, it's part of the approval on the award.

MS. TAAROA: Right, seems like it might go—is it going to go over?

MR. OKAMOTO: We ate it all up. Just a big chunk of that is based on concrete prices.

MS. UYENO: Just a forewarning, we are planning to come back to the Board in January. They're still repricing because there are other things that escalated during the pandemic, especially. Just to get the tank going, we approved that Change Order to pay this escalation. Yeah, we're looking at roughly another \$2 million, just from all these delays that we incurred earlier, and the pandemic, just the prices, everything went up.

CHR.LOPEZ: Anything else? Comments, questions? That was the report. Any more?

MR. OKAMOTO: Nope.

CHR.LOPEZ: So we move on to Financials?

MR. OKAMOTO: Yes.

CHR.LOPEZ: Thank you.

B. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

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

Submission of financial statements and information relating to the financial status of the Department. Department personnel will be available to respond to questions by the Board relating to the financial status of the Department.

(Note: At this time, Waterworks Controller Candace Gray provided a brief overview of the Financial Statements for November 2025 to the members of the Board. New explanations that were added for this month are in bold font style. A hard copy of the Financial Statements is available for viewing in the Department of Water Supply office.)

Discussion:

CHR.LOPEZ: My best recollection, I've never heard you say that our expenses exceeded income. Well, I think I just heard you say—

MS. GRAY: Did I say that? Our expenses—

CHR.LOPEZ: By 1%, I think it was.

MR. OKAMOTO: Oh, yeah.

MS. GRAY: Our revenues?

MR. OKAMOTO: Yes.

MS. GRAY: So our revenues are at 41% in total, but our target at this point and time is 42%, so we're just—

CHR.LOPEZ: Oh, below target?

MS. GRAY: Yes.

CHR.LOPEZ: Yeah, that's the word. Thank you very much.

MS. GRAY: And our expenses are at 34%.

CHR.LOPEZ: On the Balance Sheet on the first page, the last sentence. It's the "and an increase in cash receipts for water bill payments," is that because of the work your staff did to recover delinquencies?

MS. GRAY: I'm sorry?

CHR.LOPEZ: The first paragraph of the Balance Sheet, in bold.

MS. GRAY: The Cash Investments? Oh, "an increase in cash receipts for water bill payments," I would say it's a combination of that, as well as—

CHR.LOPEZ: For normal water bill payments?

MS. GRAY: Yes.

CHR.LOPEZ: Thank you. Question?

MR. UNGER: Yes, I had a question on the accrued compensation of vacation increased. So 83% is still a pretty darn big number, so I was thinking that part of that is due to this new accounting system you had to adhere to?

MS. GRAY: Yes.

MR. UNGER: Would you say in general, aside from that, in layman's terms, are we increasing 5% or 6% without this accrual, without this accounting new special—is there a number we can look at? I'm assuming that it did go up something.

MS. GRAY: Hopefully, I can answer your question directly.

MR. UNGER: Yeah, I don't need a number.

MS. GRAY: Until now, we haven't recorded this liability in our books. Because of this new requirement, it increased our liabilities by \$5.5 million.

MR. UNGER: Okay.

MS. GRAY: I guess all in all—

MS. UYENO: Correct if I'm wrong, but it's already owed to the employees, that's why it's just that it wouldn't show, right, until now?

MS. GRAY: Yes, so employees earn sick leave, let's say 14 hours a month, and they accumulate that all the way up until they retire.

MR. UNGER: Correct.

MS. GRAY: We keep track of those sick leave credits, but there is no, I guess, liability. It's not reflected in our County.

MR. UNGER: Oh, got it.

MS. GRAY: So now with this new requirement—

MR. UNGER: Okay, so there's going to be a number ongoing then for now?

MS. GRAY: Yes.

MR. UNGER: A new account and category?

MS. GRAY: Yes.

MR. OKAMOTO: Yeah, Keith, I don't know, were you asking about—I believe we do have the information on what we—like for compensation—

MR. UNGER: Pay raises, annual pay raises, annual—

MR. OKAMOTO: Yes, aside from this.

MR. UNGER: Aside from that.

MR. OKAMOTO: New GASB.

MR. UNGER: So, that's a different category.

MS. GRAY: Yes, that we already report as a liability.

MR. UNGER: And report to the Board pay raises, increases, and compensation?

MS. GRAY: Yes.

MR. UNGER: Just accounts for the sick leave that has not been taken, but is a liability that could be taken.

MS. GRAY: Yes.

MR. UNGER: It's a big number.

CHR.LOPEZ: Anybody else? Anything? I have the last question. Where are we in our total of delinquent accounts?

MS. GRAY: When you say “total,” you mean?

CHR.LOPEZ: How much is outstanding in receivables and delinquencies?

MS. GRAY: We’re still in the \$600,000 range.

CHR.LOPEZ: Range?

MS. GRAY: Yes.

CHR.LOPEZ: That’s after the effort to collect and after the write-off.

MS. GRAY: Yes.

CHR.LOPEZ: And those are over 90 days? Or is that the total, all of it?

MS. GRAY: The \$600,000 is over 90 days.

CHR.LOPEZ: Okay.

MS. GRAY: In total, let’s just say from 31 to over 90, it’s more than that. Our efforts are focused on reducing that, but like I’ve mentioned before, you’re not going to see a total, I guess, a significant decrease in the number that I report within a month

CHR.LOPEZ: Month to month, sure.

MS. GRAY: It will take time because it is part of a process as well that we’re focusing on.

CHR.LOPEZ: Okay, thank you, I understand.

MR. LEE: Candace, this is kind of off the wheel, but percentage-wise, how much is that \$600,000 represent of the total collected? It’s like less than 1%, right?

MS. GRAY: Yes, its’ s very small amount.

MR. LEE: Yes, it’s a very small amount. Good job.

CHR.LOPEZ: Okay, thank you. Anybody else? So, I’m moving right along.

MR. OKAMOTO: Thanks, Candace.

C. ADOPTION OF PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER FOR NOVEMBER 25, 2025 CONTESTED CASE HEARING REGARDING WATER SERVICE ACCOUNT NO. 93477860-14 (IN THE MATTER OF THE APPEAL OF SHIJIE GONG):

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

The above Contested Case Hearing took place on November 25, 2025, 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. For review and adoption by the Board of the Findings of Fact, Conclusions of Law, and Decision and Order.

MS. MELLON-LACEY: For this item, I can address this one. Are we looking for a motion? Not yet? Well, what we’re going to do—yes, we will need a motion.

CHR.LOPEZ: We’re coming to it.

MS. MELLON-LACEY: Yes. We’re coming to it.

CHR.LOPEZ: Good ahead.

MS. MELLON-LACEY: So, just by way of introduction for this matter, would be two versions of the Findings of Fact, Conclusions of Law, which were sent to the Board—I emailed them to you on December 9th. One was prepared by Sinclair Salas-Ferguson, who represented the Department at the hearing, and then I prepared one on behalf of the Board, adding a little bit more procedural detail. I didn’t really change the facts as presented by Sinclair because, as I thought, they were proper. but I thought a little bit more procedural information is helpful, because at the end of the day if Mr. Gong decided to appeal this to Circuit Court, which he could do, then it would help to have a little bit more procedural background.

Actually, both of these were sent to Mr. Gong. He had the opportunity to be present today, although I don’t believe he is. He also had the opportunity to present his own Findings of Fact and Conclusions of Law. So, what we want to do today is consider these two versions since they’re all that we have. Board member could also have submitted their own Findings of Fact and Conclusions of Law, or could request to amend or revise either one of these.

So, that’s what we’re looking for today. The statute calls for us to have the Board vote on and confirm the Findings of Fact, Conclusions of Law, and Decision and Order so that they could be disseminated to all parties, and then, where there is a desire to appeal, that’s what would allow the department to—

CHR.LOPEZ: Question. I read through both of those, and without having a mark-up, and after reading what we would be doing, I didn’t really internalize what the difference were. Can you just highlight? I’m more interested, personally, in what you added.

MS. MELLON-LACEY: Okay, so what I added was just providing a bit more background. I think Sinclair’s opening was just a one sort of sentence that “The County of Hawai‘i’s Water Board, having considered the pleadings, evidence, oral arguments of the parties, and having been duly advised of the record and files pertaining to this case, herein finds as follows,” and he went into the Findings of Fact. I added a bit more and said, “The County of Hawai‘i’s Water Board, having reviewed the files and records on this matter, including DWS’ Exhibits 1 through 5, entered into evidence at the hearing, and having considered the pleadings, evidence, oral arguments of the parties, and having been duly advised that the records and files pertaining to this case, makes the following Findings of Fact, Conclusions of Law, and Decision and Order.”

I also added the sentence saying, “To the extent that any of the following Findings of Fact shall be determined to be a Conclusion of Law, they shall be deemed as such.” This is kind of a boilerplate statement, but sometimes that does happen on appeal, and sometimes it’s a little bit of a gray area to determine when a Finding of Fact can also be considered a Conclusion of Law, so that’s just—

CHR.LOPEZ: That was it? Do you have more?

MS. MELLON-LACEY: No, I'm just verifying. No, that's really (inaudible) I did.

CHR.LOPEZ: So essentially, the Department attorney took a higher broad-brush into the statement leading into what the Board did. You went to define it a little closer, much closer.

MS. MELLON-LACEY: I also wanted to make sure that those exhibits were incorporated into the Decision and Order to indicate that those had been considered.

CHR.LOPEZ: Any questions?

MR. UNGER: Yes. It sounds like you added just a little bit more detail to Sinclair's version. Did you send your version to Sinclair?

MS. MELLON-LACEY: Yes, I did. We discussed it.

MR. UNGER: And he was okay with all the changes?

MS. MELLON-LACEY: Yes, he was fine with it when we discussed it.

MR. UNGER: Okay, good.

CHR.LOPEZ: Any other questions about the differences? So at this point, I want to entertain a motion which version to accept. Discussion on the selection of that version? (none) All in favor of approving the motion to accept the version that's been delivered by our Corp. Counsel, Diana Mellon-Lacey?

ACTION: Mr. Kekela moved to accept the Findings of Fact, Conclusions of Law, and Decision and Order, prepared by Deputy Corporation Counsel, Diana Mellon-Lacy; seconded by Mr. Lee and carried unanimously by voice vote (Ayes: 8 – Board Members Lee, Alameda, Kekela, Taaroa, Unger, Bell, Aiona, and Chairperson Lopez).

D. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells

MR. UYEHARA: Okay, for North Kona this month, similar to last month, 11 of the 14 sources in North Kona are operational or available to use.

The ones that are offline, Wai‘aha Deepwell, so we're doing some electrical work and looking return to service February of 2026.

Honokōhau Well, that one we have a spare pump and motor being manufactured, estimated to receive that in March 2026. Contractor has already completed the well extraction of the equipment that was in the well. Anticipated to get that one back online in April 2026.

Hōlualoa Well is the third one that is offline. That one, we got to put it out to bid, open an award, hopefully by February of next year, and then have that one return to service, anticipating around August of 2026. Questions?

CHR.LOPEZ: With Honokōhau, you said we have a spare pump.

MR. UYEHARA: We're waiting to receive one. We approved the Change Order last month or the month before.

CHR.LOPEZ: Any more questions? (none)

2. Retiree: Nora Avenue - Water Board Secretary – 5/1/23 to 12/31/25

(At this time, Ms. Avenue expressed her appreciation to the Board and the department's staff for the opportunity of working with the Department of Water Supply.)

E. 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.

ACTION: Mr. Bell moved that the Board enter into Executive Session; seconded by Mr. Kekela and carried unanimously by roll call vote: (Ayes: 7 – Board Members Lee, Kekela, Taaroa, Unger, Bell, Aiona, and Chairperson Lopez; Recuse: 1 - Board Member Alameda.)

(The Board entered into Executive Session at 10:43 a.m. and returned at 12:02 p.m.)

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

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

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

CHR.LOPEZ: Is there a Motion from the Board on how to proceed with the evaluation.

ACTION: Mr. Kekela moved that the compensation for Calendar Year 2026, January 1 to December 31, upon discussion and evaluation primarily based on evaluation, that the Board recommend approval for the Manager-Chief Engineer of a salary of \$16,105.00 per month and the Deputy of a salary of \$15,299.00 per month; seconded by Ms. Taaroa and carried by the following voice vote: (Ayes: 4 – Board Members Kekela, Taaroa, Bell, and Chairperson Lopez; Noes: 3 – Lee, Unger, and Aiona; and Recuse: 1 - Alameda).

CHR.LOPEZ: We pass all our notes to Nora. Kimo still has to submit his. It’s important to us that you see what the comments were.

MR. OKAMOTO: Yes.

CHR.LOPEZ: Really, this group did a good job in commenting and providing feedback.

MR. OKAMOTO: Awesome. Thank you.

CHR.LOPEZ: So I think that you'll find that very valuable.

MR. OKAMOTO: Yes, thank you. Thank you, guys.

G. CHAIRPERSON'S REPORT:

1. Term ends on December 31, 2025, for Board Member Michael Bell

CHR.LOPEZ: We have one that's leaving us. Michael Bell's, District 7, term ends December 31st, and until there's a new District 7 representative appointed and vetted by the Council, Mike can serve up to 90 days, so we'll know as we go month-to-month. To the best of my knowledge, there's nobody recommended. Nobody has been appointed by the Mayor at the moment.

MR. OKAMOTO: This is on behalf of the Mayor, commendation. Beyond that, I want to just say thank you for serving.

MR. BELL: It's been more than five years.

MR. OKAMOTO: Yes, it was like a transition period. Appreciate it, for real. Thank you again, sir. (Applause)

CHR.LOPEZ: When you take this assignment, it says five years. It's been a pleasure, thank you very much. Thank you for your service.

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

CHR.LOPEZ: I want to thank you for appointing me to be your Chairperson for two years. After one year, I wanted to look at things, and I wouldn't mind doing it again, and the reason I did that was that you get to one year, and if you really want to see things happen, then you're set in motion. You'd like to see them through, so that's why I'm here.

Some good things were done in the last two years, and not just because of me, but because we worked together to accomplish those things, and none of them was just the Board, it was teamwork with the department. This is the third or fourth Board I've been on, and this is the best one of all of them. It has been a real pleasure. I'm still going to be here another year, and still ask questions all of the time. I felt that as Chair, I did need to be present for each one of these. Thank you very much. It's been a great experience. I really enjoyed it. I'll be here to support Pono. Thank you very much.

7) ANNOUNCEMENTS:

- **Next Meeting** – January 27, 2026, 10:00 a.m. (HST), West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokālole Highway, Kailua-Kona, Hawai'i

8) **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: 8 – Board Members Lee, Alameda, Kekela, Taaroa, Unger, Bell, Aiona, and Chairperson Lopez).

(Meeting adjourned at 12:11 p.m.)

Recording Secretary

APPROVED BY WATER BOARD
JANUARY 27, 2026