

MINUTES

DEPARTMENT OF WATER SUPPLY COUNTY OF HAWAII WATER BOARD MEETING

February 24, 2026

Department of Water Supply, Hilo Operations Base Yard, 889 Leilani Street, Hilo, Hawaii

MEMBERS PRESENT: Mr. Michael Kekela Jr., Chairperson, Dist. 4
Mr. Keith Unger, Vice-Chairperson, Dist. 6
Mr. Colin Miura, Water Board Member, Dist. 1
Mr. James Lee, Water Board Member, Dist. 2 (arrived at 10:03 a.m.)
Mr. Guy Alameda, Water Board Member, Dist. 3
Ms. Emily Taaroa, Water Board Member, Dist. 5
Mr. Stephen Lopez, Water Board Member, Dist. 8 (via videoconference)
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
Dr. Jeff Zimpfer, NPS, guest
Ms. Ann Hajnosz, Harris & Associates (via videoconference)
Mr. Dean Nakano, Brown & Caldwell (via videoconference)
Ms. Jennifer Meyers, Brown & Caldwell (via videoconference)
Ms. Lauren Armstrong, Brown & Caldwell
Ms. Mary Economy, Brown & Caldwell

DEPARTMENT OF WATER SUPPLY STAFF:

Mr. Kawika Uyehara, Deputy
Mr. Gregory Goodale, Chief of Operations
Mr. Alvin Inouye, Water Operations Superintendent
Mr. Allan Simeon, Engineering Division Head
Ms. Shari Uyeno, Assistant Engineering Division Head
Ms. Sharilynn Olivar, Assistant Waterworks Controller
Ms. Maraea Keamo, Senior Clerk Stenographer
Ms. Lindsey Tabandera, Information Systems Analyst IV

- 1) CALL TO ORDER – Chair Kekela called the meeting to order at 10:00 a.m. Board Members who were present: Ms. Taaroa and Messrs. Miura, Alameda, Unger, Lopez, Aiona, and Chair Kekela.
- 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 January 27, 2026, Water Board Meeting:

ACTION: Ms. Taaroa moved for approval of the Minutes of the January 27, 2026, Water Board meeting; seconded by Mr. Unger and carried unanimously by voice vote (Ayes: 7 – Board Members Miura, Alameda, Taaroa, Unger, Lopez, Aiona, and Chairperson Kekela).

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

5) POWER COST CHARGE:

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

Departmental power costs from all power sources decreased since the last Power Cost Charge rate was determined. The Department proposes to decrease the Power Cost Charge from \$2.98 to \$2.84 per thousand gallons as a result of this decrease. Power cost charges over the past year were as follows:

<u>Effective</u>	<u>PCC</u>
November 1, 2025	\$2.98
June 1, 2025	\$2.08
February 1, 2025	\$2.32
September 1, 2024	\$3.04
May 1, 2024	\$2.37

A Public Hearing will be held prior to the Board meeting to accept public testimony on this change.

RECOMMENDATION: It is recommended that the Board approve the decrease of the Power Cost Charge from \$2.98 to \$2.84, effective March 1, 2026.

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

(Board Member Lee joined the meeting at 10:03 a.m.)

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

6) PRESENTATION ON STRATEGIC AND BUSINESS PLANS UPDATE – PRIORITIZATION AND FRAMEWORK BY BROWN AND CALDWELL:

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

MS. ARMSTRONG: Good morning, everyone. Thank you for having us back again today to give an update on the Strategic and Business Plans Framework. We last met with you in November to do a survey about the priority attributes, so I'd like to share back the results of that and also our key staff survey that we did on the Effective Utility Management. We'll start with a quick project overview just to recenter on where we're at in this process. We'll share the survey results and then let you know about some next steps.

Phase One of this project includes alignment and assessment using the Effective Utility Management tools. Today, we're going to present the Board and staff survey results, and we're going to use that input to create a framework for updating the Strategic and Business Plans that guide the Department. You can see we're pretty

far along in our current process. We'll be coming back in April with the Framework presentation, kind of how we distilled the results and where we're planning to go next in more detail.

Now, a reminder about the survey. Effective Utility Management, as you recall, is a national framework that water utilities use to assess the current performance of the utility, set goals, and track progress. So, we're using this as a tool to initiate the plan update. The EUM survey consisted of two parts. Part One, the Board and key staff ranked the priority of the ten attributes. What's the most important, what's less important? Part Two of the survey was an online with key DWS staff to rate the current achievement status of the ten attributes, so how are we doing? Today, we're going to look at the results for each part separately, then combine them to see what that tells us about key areas that the Department might want to focus on in the Strategic Plan update. Thanks again for giving your input, and let's see where we landed.

Part One results, ranking the EUM attributes, this graph represents the combined attribute ranking results from the Board and the key staff. You can see here the top-ranked attributes are Regulatory and Reliability Performance, followed by Water Resource Sustainability, Financial Viability, and Operational Optimization. When we look at the Board responses alongside the staff responses, we can see that their priorities are aligned around Regulatory and Water Resource Sustainability. Where there's a little bit of difference is in the Community Sustainability and Financial Viability; those are actually kind of reversed for the Board and the staff. I just want to note here that all of the attributes are important to the utility, and they are all going to be addressed in some way through the planning process, but really putting these results together is giving the management some clear direction on where to focus, like where are the real priority attributes to dial in? All of this is helpful information as we take a deeper dive into each of the attributes going forward.

MR. LOPEZ: I think, at least for me, can you give me a brief definition of Water Resource Sustainability versus Community Sustainability?

MS. ARMSTRONG: Sure, good question. Water Resource Sustainability relates to the utility's role in managing and planning supply and the sustainable management of resources, so it includes things like reliability, watershed health, resource recovery, and partnerships. Community Sustainability relates to the utility's role in social, economic, and environmental impacts to the community, so things like economic development, community resilience, support for disadvantaged households, and overall community livability. To me, it's a little more on the social and economic impacts of that water supply.

MR. MIURA: Would you mind explaining Enterprise Resiliency also?

MS. ARMSTRONG: Sure. I actually printed out a little cheat sheet because I thought maybe not everyone has committed to memory what these attributes mean.

MR. MIURA: Sorry, this is my second meeting.

MS. ARMSTRONG: So, Enterprise Resiliency deals with risk assessment, safety and security measures, all hazards, disaster planning, emergency response and recovery, cybersecurity, business risk planning, and continuity of operations.

MR. OKAMOTO: Good question, Colin. Basically, that's overall to make sure that the Department can function even after natural or cyber-attacks or threats. Water utilities really need to maintain resilience throughout various events.

CHR. KEKELA: Twenty-five participants—what would you say is the percentage that represents the Department? Would you say that's an effective percentage as far as to poll effectiveness of the Department?

MS. ARMSTRONG: I think the idea is to engage staff in different ways as we go throughout the process. So, for this initial high-level direction setting, I think we kind of discussed with the administration that this would be a good representation of the Department, the different functions within the Department.

MR. OKAMOTO: Basically, it was a discussion between management and our consultant. This initial phase was really to establish where we are with the ten attributes as far as prioritizing. I think as we get more in the weeds and more of the details of some specific outcomes from this initial phase, we'll probably include more staff, the guys who will actually be doing the work. This phase was a dozen and a half of our internal leadership.

MS. ARMSTRONG: As we dig in deeper on the attributes and what strategies do we want, I think we envision engaging with more staff.

MR. LOPEZ: Of the seventeen participants in staff, is that all leadership, or is there a scattering of individual contributors? What makes up those seventeen participants?

MR. OKAMOTO: Basically, leadership. Those like our division heads, those who supervise supervisors, essentially. Our high-level supervisors. They're the ones that kind of have a better understanding of higher-level—these ten attributes and what they mean and how we're doing as a Department. As we get further down into our organization, a lot of our staff really don't have that level of understanding of where the whole Department is in regard to these ten attributes. Again, as we get into the weeds and details of our implementation, where it will actually impact our staff, that's when we intend to get them more involved.

MS. ARMSTRONG: Let's go to the next slide. To compare from the 2004 Strategic Plan priorities compared to what we heard in our 2025 survey, there were many of the same priorities coming up, so Staffing and Workforce Development, very strong; Operations, Finances, Infrastructure, Regulations, and Sustainability into the future. So, although the specific wording and the order of things may have shifted a bit, I think it shows that there is this continuity of areas to focus on. I think that having the EUM tools will help bring that structure and clarity to some of it in this national context.

CHR. KEKELA: Looks like it kind of flipped 180, right?

MR. ARMSTRONG: I should caveat. I'm not sure that the 2004 priorities list is actually in rank order, or those were just the things that came out.

MR. OKAMOTO: Believe me, there were more than five.

MS. ARMSTRONG: Yes. These were kind of how they summarized the key focus areas at that time.

MS. TAAROA: Looks like you were more in survival mode back in 2004. Is that true? Just looking at this is like the basic necessities of, you know, just comparing it, and now we're more of a higher-level management, like planning ahead. Is that true, or is that just how it looks from the surface?

MR. OKAMOTO: I think it's partly both. I think a lot of times we're still in that triage-type mode. Sometimes, in some of our operations, really handling the real high-priority stuff first, but a lot of times we're putting out fires as they come up. We're hoping the Strategic and Business Plan will bring us to a point where we are more in fire prevention mode. We weren't too bad in '04, but I think we're in a better place now, and we'd like to be in an even better place in five years from now.

MS. ARMSTRONG: Let's move on to Part Two. How was the current achievement status rated by the key staff? The options that people could select here were: Not Started, meaning there's no system or process; Initial, which means occasionally address it when the need arises; Defined, means there are partial systems in place with moderate achievement but room for improvement; Managed, means workable systems in place

and mostly achievable goals; Optimizing, the best one, means there's an effective, systematic approach and implementation and that DWS is consistently achieving goals. Again, this is a starting place for the attribute achievements and strategies. I think when we were doing the survey, we reassured staff that these are anonymous; it's not an individual performance evaluation, but more just trying to get a sense of what their opinion or understanding is on how the Department is doing in these different areas.

The next slide shows the range of achievement levels that each of the attributes received. As you can see, we're just showing for reference, reading from left to right, are the more important to less important from the previous part of the survey. But really, the meat of this is to understand the achievement status which was assigned based on the level that had the most votes. It wasn't an exact science; there was a little bit of judgment on a couple of them. For example, some of these had more consensus, like Regulatory and Reliability Performance; you can see that 14 of the survey takers rated this as Managed. So, there are clear systems in place. That's easy to assign the rating of two for Managed. If you look at the next one over, the Water Resource Sustainability, it was more mixed. You've got six Initial, six Defined, and because there were even more, you know, five others that said Managed, we chose Defined as the rating for that one. So, that's just an example of some of the nuance here. I wanted to note that Workforce Development was assigned Initial, meaning that methods could probably be further defined in that case. We will be validating the ratings and going into more of the nuances of what goes into each attribute at the staff level as we proceed with the plan update. But this is important because it feeds into our next, kind of, combining the parts of one and two. So, what's most important, and what is the lowest achieving?

If we go to the next slide, this is sort of our EUM assessment tool. This is the one. The dark orange area in the upper left shows the most important and lowest achieving attributes. You can actually see that none of them fell in this dark orange area based on the results. What we did is the EUM framework has this light orange area, and so the attributes that fell into there, those are both still relatively important and relatively lower achieving compared to the other attributes. These would be typically selected as the highest priority attribute areas for moving forward and developing specific improvement actions. These ones are Water Resource Sustainability, Operational Optimization, and Infrastructure Strategy and Performance.

Then we've kind of added the yellow band for discussion purposes. You can see there are a couple of other attributes that are falling just outside that core for a couple of reasons. Workforce Development is interesting; it was a little bit lower achieving than the other attributes and still fairly important, like middle importance. That's one that we might consider including in our strategic focus areas. Regulatory/Reliability, Financial Viability; those in the lower left area are both important and high achieving, so we might want to focus on them to continue to build on the success or learn from what's working well in those areas that could be applied to other attributes.

MR. LOPEZ: On the previous slide, I was expecting, after seeing this slide, that there might be one for the Board or one that's combined, but was there no value in this range of achievement levels from the Board survey responses? And why are they not here?

MS. ARMSTRONG: The Board survey was related to which attributes are most important, and then the staff weighed in on the achievement status of each of the attributes. So, that's where the data is coming from.

MS. TAAROA: We didn't get that?

MS. ARMSTRONG: No. We didn't expect the Board Members to have awareness of specific achievement status in all of these areas.

MR. LOPEZ: Well, certainly not all of these areas, but we're on this Board for five years, we get a lot of detail, and I think we would have, as a group, some responses to these things. But that's just my personal opinion.

MS. ARMSTONG: Thank you. We can go to the next slide. Just a couple more feedback that was provided on the survey. There was an option at the end for staff to just add in other comments, so you can see these, support workforce development as a priority attribute, since they are kind of focused on developing operations workforce, manpower, collaboration and modernization, and institutional knowledge.

Finally, to kind of summarize what we heard from the survey and how we might use this moving forward, the priority attributes will be the key focus areas for the Strategic Plan, so areas where we'll work with you all to develop strategies and tactics that will move the needle on specific goals. These are Water Resource Sustainability, Operational Optimization, Infrastructure Strategy and Performance, and we might consider Workforce Development as well. You can see there is also the idea of building on the strengths of the high-performing and highly important attributes, that's also part of the mix. Again, all of the attributes are important to a utility, so I think there may be elements of Enterprise Resiliency or Community Sustainability that can be woven into the strategies as well.

MR. LOPEZ: This might be better answered by Keith, I'm not sure, but what I've learned being on this Board is that the Department doesn't seem to have much governance or ability for water resource sustainability because it's all governed by CWRM, so it's kind of like our hands are tied until they act or do something. So, maybe we could address that observation if it's even correct.

MR. OKAMOTO: Your understanding of that part of it is pretty right on, Kawena. But, I think moving forward, if there are opportunities for the Department to contribute in some ways to that, because ultimately the Department is one of the major stakeholders or the major beneficiary, I guess, of a healthy water resource. Hopefully, we can find ways where the Department can contribute to making sure that that's sustainable for generations.

MS. ARMSTRONG: For example, the water use and development plans. Those are local that feeds into the state planning framework, and that's kind of connecting the land use planning to the water resource sustainability.

MR. OKAMOTO: So, we're doing some of it, but I think there are probably some places that we can move the needle even more.

MR. LOPEZ: So the priority is to find ways to bind yourself closer to CWRM with some of these decision-making things; there's not a real action plan that the Department can take independent of direction from CWRM. That's the priority, right?

MR. OKAMOTO: Yes. I think we can prioritize what it is we do have control over that potentially impacts the appropriate agencies at the state level. Like Lauren said, one of them is the water use and development plan.

MS. TAAROA: Is that a statewide—

MR. OKAMOTO: It's a statewide requirement; every county has to do one.

MS. TAAROA: How often?

MR. OKAMOTO: There's no real timetable, and they're all kind of tied together under the state water code.

MR. LOPEZ: Is it not true, what I heard at the conference is that a lot of these reporting requirements aren't being met, and CWRM is not enforcing the reporting of these at a statewide level?

MR. OKAMOTO: I think they have some challenges with everyone's reporting. We definitely report our required information every month.

MR. LOPEZ: Thank you. My summary of that was that we really, as a Department, have very little influence on this unless you find ways to partner with CWRM and have them embrace your inputs. Other than that, it's up in the clouds somewhere, but that's just my observation.

MR. UNGER: What is CWRM?

MS. ARMSTRONG: Commission on Water Resource Management.

MR. UNGER: Is that an acronym?

MR. OKAMOTO: Yes.

MR. UNGER: Is that a state water commission?

MR. OKAMOTO: Yes. Basically, that's the state water commission.

MS. ARMSTRONG: They designate the sustainable aquifer yields, and then in areas that have the water management area, they have to allocate the water resources.

MR. NAKANO: Lauren, can I weigh in from the perspective of having worked at the Commission as well as the Water Department?

MS. ARMSTRONG: Yes, please.

MR. NAKANO: To answer Kawena's question, one of the things, I think, in respect to resource sustainability is that do as much of the things that you can to avoid further designation of Water Management areas on the Big Island because you are going to then even make your ability to move with flexibility even harder because then if designation kicks in via the commission, you're ability to develop (inaudible) in fulfilling your water supply demands are going to be even more challenging. So, I think through the appropriate kind of planning, looking at watershed health, and doing everything that's presently available, without having to go through the commission, would be a possible goal to always consider because I think that will help the Department move forward in a more flexible manner, in which to not only protect the watershed loss but also provide water supply for the future.

MR. LOPEZ: Thank you, Dean.

MS. MEYERS: Just real quick to add to that, I think what you were both saying is spot on, that this is just what has risen to the top through this quick survey. Next comes the hard work to dive in and say what really needs to be done and what's within your control. So, we'll ask that for each one of these elements just to make sure it's not trying to address something that's not within your ultimate control, so that'll be true for all the priorities.

MS. TAAROA: Lauren, the Board had Community Sustainability as their second rank, but it didn't make the priorities or the build on strengths. Just curious where that ended up.

MS. ARMSTRONG: You're right, in the EUM framework, it didn't fall into the upper left important and low achieving. I think elements of each of these attributes can find their way into the plan, and it might be that you see the Water Resource Sustainability, Community Sustainability; there might be some interconnection there. That's a good observation, and that's kind of part of doing this as a group is that different priorities can come to light, and this was one of the ways to bring the groupthink up to the top.

MR. NAKANO: Lauren, when you go back to earlier results where there seems to be opposite scorings from staff versus the Board, actually, that's a powerful thing that there because what happens is that when you put the two together, you see that your respective element is being managed collectively by the Board as well as

staff so for myself, when I was at the Board, I found this to be extra strength because you have people watching different things that collectively makes a whole because if they all feel the same way across the Board and the staff, there is benefit in that; however, there will be areas that may be overlooked because there is nobody overseeing to make sure that those elements get addressed in some fashion. So, it's kind of like yin and yang, that when you put the two together, it becomes a powerful tool—just my two cents and observation on that.

MR. OKAMOTO: Just to reassure the Board, it's not that we're going to ignore any of the ten attributes. All ten attributes are important. This exercise was really to see what floated to the top, where we have to allocate our resources, prioritize both our manpower and funding, because we are limited, right? We only have so much of each. Not that we're going to zero out any resources from any of the attributes, we're doing all ten. It's not being ignored or neglected, for sure.

MS. ARMSTRONG: Next steps are to use the survey results to guide our framework development, and then in Phase Two, the later phase of this work, take a deeper dive on priority attributes and come up with an action plan with tactics and timing so that you can have actionable items.

MR. OKAMOTO: Just for the Board's awareness, we don't have them contracted yet for Phase Two. We wanted to see what it was first that floated to the top before we moved on to the next phase. So, don't expect any Phase Two results yet; we'll get to it soon.

(A recess was declared by Chairperson Kekela at 10:38 a.m. The Board reconvened at 10:42 a.m.)

7) SOUTH HILO:

A. JOB NO. 2023-1234 (REBID), PANA'EWA WELLS A & B REPAIR:

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

This project generally consists of furnishing all labor, materials, tools and equipment necessary to remove the existing line shaft pumps, vertical hollow shaft motors, and column assemblies; refurbish one (1) vertical hollow shaft motor; install the Contractor furnished line shaft pumps, and vertical hollow shaft motor; install one (1) refurbished vertical hollow shaft motor, existing column assemblies, and all appurtenant materials; chlorinate the wells and pumping assemblies; daily clean-up of the job site at the conclusion of each work day; complete efficiency tests; and perform all incidental work necessary to complete repairs in accordance with the specifications.

Bids for this project were opened on February 13, 2026, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Alpha, Inc.	\$ 1,543,732.00
Derrick's Well Drilling and Pump Services, LLC	\$ 728,225.00

Project Costs:

1) Low Bidder (Derrick's Well Drilling & Pump Services, LLC)	\$ 728,225.00
2) Contingencies (10.0%)	\$ 71,775.00
Total Cost:	<u>\$ 800,000.00</u>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 120 calendar days to complete this project. The Engineering estimate for this project

was \$536,500.00, however the repair of Pana'ewa Wells B & C in 2018 had an original contract amount of \$813,030.00.

Well History:

Pana'ewa Well A:

Original Installation: March 10, 1964
Repaired: September 28, 1999
Repaired: September 9, 2016 – Final Contract Amount \$145,000.00
Repaired: November 5, 2019 – Final Contract Amount \$115,803.05
Last Repaired: August 17, 2021 – Final Contract Amount \$104,401.40

Pana'ewa Well B:

Original Installation: December 4, 1968
Repaired: April 22, 1977
Repaired: February 28, 1986
Repaired: November 22, 2002
Repaired: March 10, 2011 – Final Contract Amount \$74,298.96
Repaired: September 26, 2012 – Final Contract Amount \$55,555.00
Last Repaired: July 15, 2020 – Final Contract Amount \$885,950.15

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2023-1234 (REBID), PANA'EWA WELLS A & B REPAIR, to the lowest responsible bidder, Derrick's Well Drilling and Pump Services, LLC, for their bid amount of \$728,225.00, plus \$71,775.00 for contingencies, for a total contract amount of \$800,000.00. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

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

MR. ALAMEDA: It says here, "complete efficiency tests". Is that daily, and what does the efficiency test consist of?

MR. OKAMOTO: Good question. Maybe I'll let Greg explain.

MR. GOODALE: That's typically at the end, after they got everything hooked up. Basically, what the efficiency test tells us is, is the pump and motor running at the efficiency level it should be. So essentially, for every type of manufacturer's equipment, they're going to have an optimal range. What we want to know is, is the equipment running as efficiently as it should be. Essentially, that's what that efficiency test tells us.

MR. ALAMEDA: It's done at the end?

MR. GOODALE: It's done at the end, correct. After everything is all hooked up.

MR. ALAMEDA: Prior to coming online?

MR. GOODALE: Well, prior to us even accepting it. If it doesn't meet the efficiency range, we may or may not choose to accept that particular equipment if it's not running in the range that it's expected to.

MS. TAAROA: Keith, is this Alpha, Inc. a new Hawai'i company? I feel like I haven't seen their name.

MR. OKAMOTO: They've been around, but they don't bid on all our jobs, as you've seen. Again, we'd like more competition.

MS. TAAROA: Yes, it's nice to see a new name.

MR. OKAMOTO: Hopefully, they can continue to bid, continue to learn, and hopefully, maybe tighten up some of their cost.

MS. MELLON-LACEY: I think one of the issues with Alpha is that they're a Maui-based company, so it's probably harder for them to compete. I know that they've had some other successful bids with other departments in the county.

MR. LEE: What did Alpha have that would double the price?

MR. OKAMOTO: The bid tabs were provided in your packet; you can see. The mob and demob were quite large, and that makes sense if they have to bring everything over from another island. Maybe they'll get a job with somebody else here and they'll have equipment on island and they can be more competitive down the road. At least they put in something, so hopefully that's a good start.

CHR. KEKELA: For our estimate, is there anything we're missing? Not missing, so to say, but is there a reason we're clocking in at \$550,000.00 as opposed to the \$800,000.00?

MR. GOODALE: When we had done work on that, some of that was using numbers that probably were somewhat outdated, that were lower than what the actual cost—that's probably where some of the detachment between our engineer's estimate and what the actual bid price is.

CHR. KEKELA: Is that something that you folks can update?

MR. GOODALE: Yes, and we do. Anytime we see, or if it looks like we're somewhat detached from what the bidders are putting forward, we'll go back to double-check to see from our estimating purposes if we're accurate or not, but yes, in this case, obviously, our engineer's estimate was lower than the actual bid. One thing I do want to point out is that this is a rebid. In October's meeting we had this, and we actually advocated to deny award of that contract, so bid prices did come down significantly from that first bid that was put out.

MR. UNGER: What was that bid?

MR. GOODALE: The bid that we rejected was at \$1,208,000.00.

MR. UNGER: So they came down considerably.

MR. GOODALE: Yes, from that last one, just wanted to point that out.

MS. TAAROA: For the same scope?

MR. GOODALE: For the same scope, correct.

MR. UNGER: What do you mean by "the engineering estimate for this project was \$536,500.00; however, the repair of Pana'ewa Wells B & C in 2018 had an original contract amount of \$813,030.00"? Why is that in there? Why is that applicable?

MR. GOODALE: I think it's just basically showing that prices are still within—I mean, the range that the most recent bid, the one that we're recommending award for, are fairly similar. I mean, a lot of passage of time, but again, the kinds of things that we're seeing increasing the most are obviously materials cost.

MR. UNGER: And that's comparable work to what's happening?

MR. GOODALE: Fairly, I would say very similar.

MR. LEE: How are these wells—when do you decide to maintain them?

MR. OKAMOTO: When they break.

MR. LEE: So it looks like it breaks once every ten years.

MR. OKAMOTO: Yes, that's another part of the Strategic Business Plan. Again, we want to get to a point where we're not having to put out fires. We want to get into the realm of fire prevention and preventive maintenance, that's where we'd like to get. There are cases where we actually do repair things prior to them actually failing. Sometimes these pumps and motors give us indications like either vibrations or reduced output, and then we'll go ahead and do a repair contract before the thing completely fails.

CHR. KEKELA: Are these wells down right now?

MR. GOODALE: Yes, both wells are down. We actually have one well operating at our Pana'ewa system right now.

CHR. KEKELA: That's C?

MR. GOODALE: Correct.

MR. OKAMOTO: We'll look at why that engineer's estimate was so low when there was a somewhat more recent repair that yielded an 800-something thousand—

CHR. KEKELA: I know standardizing has been big in Kona. Is that something that you're going to implement with these wells?

MR. OKAMOTO: As much as can, especially if they're all in the same well field. In the past, maybe we weren't as forward-thinking as we should have been. Even sometimes, on-site equipment you cannot interchange. We'd like to move into that, better redundancy in all of our 23 water systems.

CHR. KEKELA: This might be getting into the weeds, but it seems like the last repair was in 2021 for A, and 2020 for B; were they offline since then?

MR. GOODALE: No, they've been operational.

MS. TAAROA: How recently did they go down?

MR. GOODALE: I don't think that B ever completely failed; it was just really leaking badly around the seal, which is a good key indicator for us to know that it needs to be replaced. Then, we were also seeing some efficiency decline, so basically, we'll see the effectiveness of the pumping may start reducing the amount of gallons per minute may start going down, which are good key indicators for us that it may be time to replace the pumping equipment.

MS. TAAROA: I see. And this happened pretty recently?

MR. GOODALE: Well, yes. In terms of just those declines, yes.

MR. ALAMEDA: With all of these numbers that we're talking about with this project, but yet it is recommended that the Board approve the decrease of the Power Cost Charge. Wow, decrease. But then we're talking big numbers over here. What I'm getting at is, alright! There's a decrease still for the

people, but we are still moving along in our work to support. We're not asking for more. Thank you very much, keep up the good work in all areas.

MR. OKAMOTO: Mahalo, Mr. Alameda. Thank you for recognizing that. You know, Hawaiian Electric is the same thing, right? When the prices go up and down, they pass it on to the customers, too.

MR. ALAMEDA: I don't know if they go down.

MR. OKAMOTO: They must've gone down because that's why our Power Cost Charge went down.

MR. ALAMEDA: The only way it goes down is if we make it go down ourselves. But, over here, you guys did make a decrease, so thank you very much. Keep up the good work. Takes a lot of man and woman hours to make that happen.

MR. OKAMOTO: But sometimes it goes up too. Thank you for that, though.

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

8) MISCELLANEOUS:

A. DEDICATION OF WATER SYSTEMS:

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

The Department received the following documents for action by the Water Board. The water systems have been constructed in accordance with the Department's standards and are in acceptable condition for dedication.

1. Grant of Easement and Bill of Sale

Park View Subdivision

SUB-08-000758

Grantors: Frederick A. and Lani L. Nitta

Tax Map Key (3) 1-7-003:017, Road Lot

Keaau, Puna, Island of Hawai'i, Hawai'i

Facilities Charge: \$31,794.00 Date Paid: 9/16/2025

Final Inspection Date: 8/4/2025

Water System Cost: \$123,389.00

2. Indemnification Agreement

Park View Subdivision

SUB-08-000758

Grantors: Frederick A. and Lani L. Nitta

Tax Map Key (3) 1-7-003:017, Road Lot

Keaau, Puna, Island of Hawai'i, Hawai'i

RECOMMENDATION: It is recommended that the Water Board accept these dedications, subject to the approval of the Corporation Counsel, and that either the Chairman or the Vice-Chairman be authorized to sign the document.

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

MR. OKAMOTO: It's been a while since we've had one of these come before the Board, but this is standard when a development puts in the infrastructure, then wants to dedicate it over to the Water Board so that the Water Department will now operate and maintain it from then on. Apologize but I think we just handed out the two documents to you this morning.

MS. MELLON-LACEY: One is the grant of easement, and the other is the indemnification agreement.

CHR. KEKELA: Can you guys give a brief—what's the difference between these two?

MR. SIMEON: Can you please thumb through this map here for the Parkview Subdivision. Basically, right in the middle, you can see the intersection of Volcano Road and Huina, and below that is the County Parks and Rec, Kurtistown Park. Below that is basically the six-lot private subdivision. The improvements that were done for this subdivision were approximately 450 feet of six- and four-inch waterline connecting to an existing waterline along Volcano Road. In addition to that, they had put in a fire hydrant and meter boxes. Basically, that is what we inspected and approved on installation. We are asking for a grant of easement because again, it's going to be a private subdivision, but we'll need to get in there whenever we need to install or maintain the line. Also, the indemnification agreement is necessary because the subdivider intends to put a gate in the private subdivision, but we'll still need to get in there as necessary to maintain our waterline.

MS. TAAROA: I have a little bit of special interest because there are a lot of these subdivisions coming up. I live up Huina, and there's a lot of six-lot subdivisions, so how does that work exactly? I know there's supposedly not much capacity in our area, and there are a lot of lots that don't have water existing, so how is that going to prove different? How does that work?

MR. SIMEON: Where our systems are existing, there's some work that's done to find out exactly how much water that we can commit to a property. There is what we call a PELOR, pre-existing lot of record, that is a base benchmark because those properties that can have or can commit to at least one water service. One water service is equivalent to about 400 gallons per day and is assigned to meet the needs for a residential dwelling. If areas are not within the system, we cannot provide water. If the availability of water in that area or water system can afford to give more than one, so when developers want to change zone or additional dwellings, they put the request into engineering, and then we will determine whether we can afford or they can have additional service.

MR. OKAMOTO: In addition to that, just because we may service an area, it may not mean we actually have infrastructure fronting all the side roads and whatnot in the area. As you can see, this one comes off the highway.

MS. TAAROA: It's probably a bigger line.

MR. OKAMOTO: Yes.

MS. TAAROA: The developer in this case had to install all of those lines themselves? Just the laterals and the meters?

MR. OKAMOTO: Yes. I think it's a 12-inch waterline that he tied into on the highway, then he had to put a 6-inch waterline into his subdivision and laterals to each of the proposed lots.

MS. TAAROA: There are a lot of six-lot subdivisions on Huina right now. The county guys were saying something about how anything over six lots requires a lot more.

MR. OKAMOTO: That might be a Planning Department requirement. For us, as long as we can, we'll try to accommodate those, but at the same time, we're not opposed to those happening without water if Planning thinks that's appropriate. We're not making that call.

MS. TAAROA: Who makes that call? Planning? I'm just curious who it is. For example, the lot that I'm farming on was a 30-acre lot, and they approved a subdivision of just a 5-acre and a 25-acre lot. Then, somebody decided there wasn't enough water for both, and so sometimes some lots don't get water. Who makes those decisions? I'm just curious.

MR. OKAMOTO: Planning is the one who determines whether a subdivision gets approved or not, and they'll ask for our input on the water availability. What we'll do typically on something like that is we'll comment, say, we have enough for two lots of the subdivision with whatever improvements are required, but if they want to do six, we don't have enough for six for various reasons. It could be the pipeline was too small or whatnot.

MS. TAAROA: Got it. So, planning consults with you guys?

MS. MELLON-LACEY: Just to add, it's not the Planning Department unilaterally; there are planning commissions. We have two Planning Commissions, the Windward and the Leeward Planning Commissions, and the subdivisions. So, if you're interested in something specifically, you might want to check their agendas.

MR. OKAMOTO: We can talk stories more offline if you want to get more details.

MS. TAAROA: Yes, I'm just curious how it works because I see so much development coming up in this area, and there's not much capacity in the waterlines, so it's interesting.

MR. OKAMOTO: They could be happening by variance. So, the subdivision code says they have to put in infrastructure that meets our standards; that's the subdivision code. If, for whatever reason Planning Commission and Planning Department say it still can happen, but that can only happen with a variance from that code, then they'll proceed with that process.

MS. TAAROA: Thank you.

MR. ALAMEDA: So, if there isn't sufficient water for the additional properties coming online, what do we do to ensure that we have sufficient supply?

MR. OKAMOTO: Great question. We don't have the financial means to upgrade every place that we serve; that's why part of our Strategic Plan and our Water Master Plan is to prioritize which pipelines or infrastructure we need to either repair, replace, or upsize to meet current standards. Typically, if we're going to replace a waterline, we're not going to put back the same size. Usually, we're going to increase the size for whatever reason, for appropriate fire flow protection or the proposed demands on that run. As far as extending systems, we don't do that because we don't have, as you guys probably see, our water rates are to cover our O&M costs with a little bit extra to put aside for reserves and things like that. We don't have the funds, really, to expand water systems into areas we don't have service, and the customers we'll probably get off of that. We're not going to recoup the CIP costs. Again, that question is huge, and we'll get into it more as we progress with both our Strategic and Business Plan, and probably subsequent to that will be our Water Use and Development Plan that we'll inform you of in Kona; we'll touch on some of that stuff, too. I don't want to get Diana too nervous in deviating from the agenda item cause we can really go down some rabbit holes.

MS. MELLON-LACEY: Good question, though.

MR. LOPEZ: Regarding the comment about the Planning Commissions, maybe it helps Emily; you can sign up to receive the notice of the meeting with the agenda of those two Planning Commissions. What I do is I peruse that, and if there's something of particular interest to me, then I know I can submit testimony or attend the meeting by Zoom. You can get pre-advanced knowledge of what comes before them.

CHR. KEKELA: Thank you for that.

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

B. MONTHLY PROGRESS REPORT:

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

Submission of Progress Report of Projects by the Department. Department personnel will be available to respond to questions by the Board regarding the status/progress of any project.

MR. SIMEON: We are glad to report that for our 10MG Lālāmilo Reservoir project, we did finish the slab and foundation construction last month, and they were able to construct at least one of the walls. We hit a snag a bit between the first and second week of this month because we had the unfavorable wind conditions, but checking with our boots on the ground, they are pouring the number five wall today. So, they are actually doing a great job.

CHR. KEKELA: We have five walls up?

MR. SIMEON: Today is the fifth.

CHR. KEKELA: Fifth wall?

MR. OKAMOTO: Yes. There are going to be 15 wall segments, total.

MR. SIMEON: That's for the Lālāmilo project. Back to our side of the island, for the lava inundated project, Highway 137 in Kapoho, we added another 1,000 feet of waterline installed, so we are now at 16,000. As far as Pohoiki Road, we are still doing preliminary preparatory work for the waterline installation.

CHR. KEKELA: What is the total amount of line footage for that project?

MR. SIMEON: For Highway 137, it's about 19,000.

CHR. KEKELA: So we're close?

MR. SIMEON: Yes, we're close. But bear in mind, we also have to do the water meter connections and laterals.

CHR. KEKELA: But that's just replacing existing meters that got inundated or new ones?

MR. SIMEON: We're looking at that.

MS. TAAROA: What's the timeline for the HPP, Pahoia, and Post Office Road? Looks like it's still in the planning stage. When do they project to start that work?

MS. UYENO: We're still in design, we're working with the consultant.

MR. OKAMOTO: I think we still have to do planning for those; we're not quite in design yet. Unfortunately, what happened, there was a shake-up in FEMA. So, for 137 Pohoiki Road, FEMA actually kind of assisted with doing the planning work, they stopped. So now we have to contract and have our consultant take more money from the overall project to do planning work now, and it has to be FEMA-approved type environmental assessments, typically NEPA, which is the National Environment Policy Act requirements. We still have to do that. We have a preliminary concept of what we want to do so they can do the planning, but as you know, that's going to take some time. After that, we clear that, then we can do final design.

CHR. KEKELA: Any other questions?

MR. MIURA: The 10MG reservoir in Lālāmilo, out of curiosity, where is the water coming from?

MR. OKAMOTO: That one is coming from eight wells we have in the area, Lālāmilo Wells A through D, and Parker Wells one through four. They are about four miles up from the Puakō/Queen Ka'ahumanu Highway intersection. Since you asked that question, I'm going to expand a little bit more. As some of you know, we have that wind farm in that area where we did an RFP, and we have a power purchase agreement to buy wind farm-generated energy. As you know, besides energy production, it would be good to have energy storage because you're not going to just use electricity when the wind blows; you want to use it when you have to fill your tanks. A larger tank gives us that buffer to utilize wind energy when the wind is blowing. It's a big water battery basically. Besides being an actual electric battery, we can use the water in our system. Although it seems like a huge tank, the actual demand in the system is over 5MG a day, so it's not even two days' worth of storage for that system. We have other tanks; a couple of 2MG, several smaller tanks, also storing water for the area, but that's the side benefit of that big tank.

MS. TAAROA: How much are you saving on electric by using that agreement?

MR. OKAMOTO: Good question.

CHR. KEKELA: If we can get an update on that for a different meeting, the next energy report.

MR. ALAMEDA: That's a good point you're bringing up on having (inaudible) power to operate much needed in-house source and getting it from the wind, outside from electric. That's a good point.

MR. OKAMOTO: That's our efforts for Enterprise Resiliency, one of the ten attributes for Effective Utility Management.

C. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Chair Kekela 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.

MR. OKAMOTO: I want to take this opportunity to introduce everyone to our Assistant Waterworks Controller, the person behind the scenes, Candace's right-hand person, Shari Olivar. Candace, unfortunately, is away due to some personal circumstances, but we'll have Kawika briefly cover the financial report, and then Shari can touch on any technical questions that may arise.

MR. UYEHARA: This month, this is our financial statements for January 2026. You have the handout in your packet. As Candace normally goes through, the first couple of pages are summaries of any changes, \$10,000.00, and 20% more from the prior fiscal year. She summarized the balance sheet and income statement changes; there were a couple. Normally, we also like to highlight on page two, towards the bottom, delinquency receivables in the > 90-day category. That amount has decreased during the month of January 2026. We also like to highlight, if you go to page six, which is the status of the budget report. This gives us a snapshot. We've completed seven months of the fiscal year, through the end of January 2026. Total receipts, actual to date is \$45,313,145.00, which is 58%. Total expenditures for the same period, actual to date is \$35,166,431.00, which is 45%. So again, showing that receipts at the end of January are greater than the total expenditures as of the end of January. That's the highlights of the financial statements through the end of January 2026, and if you have any detailed questions, I can try to answer them. If not, Shari is also here to help.

CHR. KEKELA: This is the first time I think we are seeing this "loss on disposal". Can you explain what that is about?

MR. UYEHARA: That's on page two, "Loss on disposal of property increased \$156,934 or 100% from prior year, due to the retirement of N. Kona Kalaoa #1 Deepwell Emergency Repair". That might be the cost associated with a repair project; the well is still being used.

MS. OLIVAR: It was a retirement for the disposal. So, it's due to the retirement of the North Kona Kalaoa #1 Deepwell emergency repair. It's part of the cost; it was a disposal, a loss of disposal of property.

MR. OKAMOTO: We keep track of all of our assets, especially the big ones. So, if you add one, it becomes a gain, but if you get rid of them, you also have to take it out of your system

MS. MELLON-LACEY: Also, it's fully depreciated.

MR. OKAMOTO: Depending on the anticipated life of the asset, it's going to be different for a pump and motor than it's going to be for a pipeline or a tank. Just as a reminder, too, this is a snapshot look from January 2026 to where we were in January 2025. As things get disposed of in a month, it'll be reflected, so it might look like "what happened?", but it's actually compared to the same time last year.

D. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells

MR. UYEHARA: For the North Kona update for this month, 11 of our 14 wells are operational or available to use. The same three are offline: Wai'aha, Honokōhau, and Hōlualoa Well. Wai'aha, we still need to finish up some electrical work and some programming, anticipating return to service, end of April 2026. Honokōhau, we're expecting the replacement pump and motor to arrive in early May of this year, so that expected return to service date is end of June 2026. Hōlualoa, we'll be putting that out to bid soon, so we're anticipating that return to service to be about October of this year. That's the summary update for this month.

2. Department of Water Supply Quarterly Energy Report

MR. UYEHARA: In your packet, there was our quarterly energy report handout. It was summarized by Warren Ching, who is now in our engineering division, but he has graciously prepared this report for us. A couple of things we wanted to highlight. Going through it again, I don't want to gloss over it too much,

but for our new Board Members, this is a summary of our total power cost for the Department, as shown in figure one. Figure two graphically shows customer water consumption and total energy use historically over the quarters and compared to the previous years. On the second page, it's a summary of our accounts that we have islandwide, and we broke it down into energy rate and also demand rate, which in our HELCO bills, there are those two major differences, or components in our electrical bills is the usage charges and the demand charges. On the third page, it's a summary of our power cost charge that we just talked about this morning and had the hearing for. Over time, you'll see that over the history it goes up and down according to our HELCO bills and also our consumption within all of our systems. Page four, we wanted to highlight one of the energy savings projects that Warren worked on. It was not only a project on energy savings or energy efficiency improvements, but also to replace aging infrastructure. It was a booster pump repair, and the table at the top summarizes what we're hopeful and anticipating for on a return estimated payback period of about 12 years. That's based on the HELCO rates as of this time. As the HELCO rates fluctuate, the payback period will probably fluctuate or change a little bit, too.

MR. OKAMOTO: Real quick, Mr. Alameda, if you see that table at the top towards the right, there's the efficiency. You asked that question earlier about the efficiency. The old booster was only operating at 55% efficiency. So if you put in 100 kilowatt hours of input, you might only be getting 55 kilowatt hours of output equivalent. That's not efficient enough for us. Overall efficiency combines both the motor efficiency and the pump efficiency to get the overall—to get that water in the ground to outside of the pump. The new booster is operating at over 16 points higher efficiency than the old one. That's what we're gaining, those energy savings, and compared to the project cost, that's how we can figure out—

MS. TAAROA: And you're expecting that to last over 12 years?

MR. UYEHARA: Yes.

MR. OKAMOTO: A booster can.

MR. UYEHARA: At least 30 years. The previous booster equipment lasted about 37 years.

MR. OKAMOTO: Not all boosters last 30 years. Greg was getting nervous, don't think that's the normal for everything.

MS. TAAROA: A hope and a dream.

MR. OKAMOTO: Some do.

MR. GOODALE: We would really like that.

MR. ALAMEDA: Thank you for that explanation, because efficiency equals effectiveness. If it is not effective, it is not efficient. Thank you very much.

MR. UNGER: Back to page five on the financial statement, I'm thinking that explains the power charges decrease from January 2025 to January 2026, it went down almost three million dollars. Was that the culmination of just HELCO rates going down, or also efficiency? That's a big number.

MR. UYEHARA: Correct me if I'm wrong, but power changes under operating revenue is HELCO bills and also volume consumed. Last year, if we can look at—maybe consumption went down a little at that time.

MR. UNGER: That would be a direct impact on power cost? Consumption?

MR. OKAMOTO: Likely, it's more due to the fluctuations in HELCO prices because I don't anticipate our overall consumption went down that order of magnitude. If you look at three million down compared

to 15 mill, is that 20%? I don't think our consumption went down 20%. Sometimes, it's also affected by the timing. We bill every two months; it could be the timing of the collective amount of billing. The real way to look at it is on an annual basis, and tracking on this energy report, it kind of shows on page one, customer total consumption and total energy use on that second graphic. You can see how the consumption is; we didn't go down 20%.

MR. UNGER: And this is a yearly report on page five?

MS. TAAROA: Now that Keith brought us back to the financial report, why did our transmission and distribution expenses go up so much? And also the G&A?

MR. GOODALE: Could that be because of the Pohoiki project? Because we added a lot of transmission line during that project.

MR. OKAMOTO: We might have to follow up on that one. Overall, operating income is down. Do you know some of the background on that, Shari?

MS. OLIVAR: Sometimes it depends on the books that were read in that month, so it's timing.

MS. TAAROA: Maybe a timing thing then?

MS. OLIVAR: Yes. Even with the HELCO bills, it depends on when we receive it.

MR. OKAMOTO: That's what is sometimes misleading about these financial statements, because we're comparing January this year, but we might have billed slightly differently when we closed the books this January versus last January.

MS. TAAROA: As long as the annuals don't look this far off.

MR. OKAMOTO: It shouldn't.

CHR. KEKELA: One more question for the energy report. Is there more opportunity for projects like this Keonepoko booster that we're planning?

MR. UYEHARA: There's more in the queue that Warren had identified previously. We also keep in touch with Hawaii Energy, they're the one that helps provide rebates when applicable. I think the thought behind some of the projects we put on the energy CIP list is not just energy efficiency-type projects, but also to help replace aging infrastructure.

MS. TAAROA: Doing it all at once is even better.

MR. OKAMOTO: Or even to assist us with resiliency. So it's not only to save money on power cost, it's to make sure that the stuff we have can continue to run during long term power outages. I think we've also used this type of funding for back-up generators and whatnot. Again, Enterprise Resiliency, things like that, although it may not have appeared as one of the top priorities we're going to focus on, we still continue to try to make accomplishments in all ten attributes.

MR. LOPEZ: I met some people at the conference that are with Hawaii Energy. By the way, Warren has a really good reputation among the energy people statewide. You can tell him that he was missed. Hawaii Energy said to me that they have money to give to award for water-related energy projects. Are you familiar, I'm sure you are, with Hawaii Energy and what the conditions of that money is?

MR. OKAMOTO: Short answer, Kawena, yes. That's who we work with a lot to get the leak-detecting logger devices; that's where we get a lot of the funding. We continually try to see if there's other opportunities that we can partner with them.

3. AWWA Annual Conference & Expo, June 21-24, 2026, Washington, D.C.

MR. OKAMOTO: Thank you for showing interest. This one is coming up in June. We have budgeted for four Board members to attend, but I understand there might be five that showed interest. How we normally do it, unless there's opposition, is we go by seniority. The Board members with the most seniority on the Board typically will be allowed to go, and we cannot allow more than four because—

MS. MELLON-LACEY: Sunshine Law, we have to have less than a quorum, so four is the maximum.

MR. OKAMOTO: There's also one coming up in the October timeframe. If you wanted to go in June and you didn't get to go, you'll get first dibs for the October one, and that is supposed to be in Maui.

4. Employee of the Quarter Award

MR. UYEHARA: This is our quarter award for the fourth quarter of 2025, and I would like to introduce the Board to Ms. Amanda Quinn. Amanda started with our Department in August of 2020 as a contracts clerk, was there for about four years, and then at the end of 2024, she moved over to our human resources branch as an HR assistant. Through those years and that tenure, she's done excellent work. She's always very conscientious, very meticulous in all that she does, especially working in contracts; you have to be very detail-oriented. She was trained by Ka'iu Matsumoto, who is our Private Secretary, during that tenure, while she was in our contracts, she continued that and was very helpful. Even when she went to HR, we did fill the contract position for a little while, and she was able to help train that person there. When that contracts branch got empty, Amanda was able to help in addition to doing our human resources task, she was able to help us with our contracts. That was very vital to us. As you see in our board agendas, we're having contracts and bids going out throughout the year, non-stop, basically, and having to do with the contractual side of that, so we're very appreciative of that. Not only on the work side, but also in the extracurricular side, she's always willing to help the department. Our organization's events, like Magic of Season, which is a county-sponsored event, helping when we do our conference planning; she's always willing to assist us and help us out in all those other areas of work. At this time, I'd like to present Amanda with the Employee of the Quarter award.

MR. OKAMOTO: How she also got that done is she came in early every day, like six something every day, even though the normal starting time is 7:45.

E. CHAIRPERSON'S REPORT:

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

CHR. KEKELA: I know we talked about some agenda stuff for the next meeting, the AG rates, and we can include the savings from our purchase agreement with the wind farm on our next energy report.

MR. LOPEZ: In December, one candidate from District Seven got a rejection notice in favor of another candidate who had been selected to sit on this Board, and now we're at the end of February. Has anyone heard anything about that candidate for District Seven?

CHR. KEKELA: No updates on that, Kawena.

MR. LOPEZ: There's no knowledge of anybody in the queue for District Seven?

CHR. KEKELA: Not that I'm aware of.

MR. LOPEZ: Corp counsel? You would know.

MS. MELLON-LACEY: I have no update on that.

1. Pacific Water Conference – Report by Board Members who attended the event on February 10-12, 2026

MR. LOPEZ: At the water conference, there was not a lot on one of my favorite subjects, which is One Water; there was not a lot of presentation. I guess it's been beaten to death, but there is implementations going on, and it seems like probably one of the obstacles, which is true of any interagency corroboration, is just getting the various stakeholders together to try to work out what the issues are, so I switched gears. There was a lot of presentations on cesspools because of the legislation to convert all cesspools by the year 2050, and that's coming up, so it's high on everybody's mind. Everybody that I talked to, and was in the presentation, agreed that it's not doable by 2050 to convert 80,000, 40,000 of them on Hawai'i island, just on account of the amount of money it takes, and the legislative fathers made this legislation without any thought to funding. It's advertised at about \$26,000.00 to \$36,000.00 per, but there is an alternative called aerobic treatment units but has not been approved by the Department of Health yet. They're running about under \$20,000.00, so there's some hope out there for all of these people that are obligated to convert. One of the costs is, particularly for us, is that you can't turn a stake in the ground here until you hit rock, and so there's a lot of difference between us, as they indicated, and cesspool conversions on the mainland who are well touted as having been done and not nearly as expensive. But in Tennessee, Kentucky, and Canada, they have determined that certainly gravity-feed is much more advantageous than pump and grinder; the costs are astronomically different.

My takeaway from all these conversations was that nobody out there really knows how this is going to go, how it's going to get funded, what's going to be done, and there's a lot of unknowns. The Department of Health is kind of the linchpin in coming up with alternatives, and that hasn't been done yet. We're already at 2026, and there was even talk about if we haven't converted by 2030 that they would start, perhaps fining those cesspool owners if they didn't begin the conversion process, or even not allow the sale of property without having converted. There's a lot of things in the air. It's a mishmash to me, typical legislative exercise. Who knows what's going to happen?

I did understand about alternative water regarding desalinization. Israel is 86% desalinization, but they admittedly don't have a lot of the environmental restrictions that we have to get through that process. There's an effort in Hawai'i called Pure Water Hawai'i that is looking at implementing potable reuse of water. There's a lot of things going on and a lot of attention being done around the subject of One Water, and more recently, the conversion of cesspools, which is going to come crashing down on everybody relatively soon. That was the just of my takeaways from the conference, besides meeting with people I knew and establishing new relationships. I was intrigued with this Hawai'i Energy group that wants to give money.

Last but not least, Kawika was honored with some award. I have to admit that with the audio system in the conference room and the amount of talk there was, I really didn't understand what the award was for, but he was covered with leis from knee to over his head. He did get a nice award, and I would ask Kawika if he would explain what the award was for.

MR. UYEHARA: Thank you, Kawena, for informing the Board about that. I was surprised and shocked, and I have to give thanks to the Department and all the staff who day in and day out do the work for the Department and for the community, ultimately. That's our mission, that's our purpose. It was an AWWA award called the Fuller Award. Honestly, I don't know a lot of the background on it, but I think they award it to a water industry person on an annual basis. I think that each of the AWWA sections

nationwide nominates and selects someone for their section. I'm just thankful, fortunate, and humbled to be awarded with that award.

MR. LOPEZ: There were a lot of pictures taken from staff around him. It's really interesting and heartwarming in some sense to be associated with this team because in O'ahu, Ka'iulani got an award. So, we got two in a row within a relatively short period of time, awards at these conferences. It's nice for me to be on that side of the team.

CHR. KEKELA: Thank you, Kawena. I have to agree with him. I was the only other Board Member who went on the trip, so I'll wrap it up. There was a huge push for wastewater. It seems like it was outweighed like water systems. I'll just say that some highlights for me was actually getting to talk to other operators and workers from Maui County or Kaua'i County to try to see what the similarities are between our department and their department, but also learn a lot of differences. Especially when it comes to water sources and some of the engineering behind the systems that were put in place long before modernization. That was kind of cool. Always a highlight for me is getting to connect with our Hawai'i County staff and our operators here. It's kind of crazy, they hold us in high regard as Board Members, and it's hard to reciprocate that kind of admiration when we're trying to tell them that they make our jobs easier by the work that they put in. I really appreciate getting to spend time with those guys; that's always a highlight of my trips during conferences.

9) ANNOUNCEMENTS:

- **Next Meeting** – March 24, 2026, 10:00 a.m., West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokālole Highway, Kailua-Kona, Hawai'i, followed by a site visit to the Kahalu'u Shaft.

MR. OKAMOTO: Real quick, before we adjourn, we forgot to mention that, besides, sorry Keith, we may not get the AG rates ready because what we're trying to do is consolidate other rule changes. We don't want to do one rule change here and another rule change there. Anyhow, next month, Kawika or Greg, you might want to share what our plan is for our site visit.

MR. UYEHARA: Next month, March's meeting, we're planning after the board meeting to do a Kahalu'u shaft site visit. The plan is to have a full in-person meeting next month because of the restrictions that would be involved if we had to try and figure out Zoom during the meeting, and then afterwards, as we go on the site visit. We've talked to corp counsel and one option is to make everything in-person, which we've done before. I believe the last one was a trip to the treatment plant in Waimea. So, that's just a heads-up for the Board. It'll be the 10:00 a.m. board meeting at the West Hawai'i Civic Center, then we'll plan to go to the Kahalu'u Shaft after for a site visit at the Kahalu'u Shaft.

MR. OKAMOTO: Which will be an extension of the board meeting.

MS. TAAROA: That'll be next month?

MR. UYEHARA: Yes, March 24.

MR. GOODALE: We'll also be doing lunch right there at the shaft as well. Also, real quick, just to mention, please make sure everyone is wearing closed-toe shoes and long pants, and we'll have hardhats for everyone going down.

10) ADJOURNMENT:

CHR. KEKELA: Can I get a motion to adjourn?

ACTION: Ms. Taaroa moved to adjourn the meeting; seconded by Mr. Unger and carried unanimously by voice vote (Ayes: 8 – Board Members Miura, Lee, Alameda, Taaroa, Unger, Lopez, Aiona, and Chairperson Kekela).

(Meeting adjourned at 11:58 a.m.)

Recording Secretary

APPROVED BY WATER BOARD
(March 24, 2026)