

MINUTES

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

March 24, 2026

West Hawaii Civic Center, Bldg. G, 74-5044 Ane Keohokālole Hwy., Kailua-Kona, Hawai'i
Site Visit: Kahalu'u Shaft

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
Mr. Guy Alameda, Water Board Member, Dist. 3
Mr. Stephen Lopez, Water Board Member, Dist. 8
Mr. Philip Aiona, Water Board Member, Dist. 9
Mr. Keith K. Okamoto, Manager-Chief Engineer,
Department of Water Supply (ex-officio member)

ABSENT: Ms. Emily Taaroa, Water Board Member, Dist. 5
Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Jean Campbell, Deputy Corporation Counsel
Dr. Jeff Zimpfer, NPS, guest
Mr. Jeff Bray, 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
Mr. Allan Simeon, Engineering Division Head
Ms. Shari Uyeno, Assistant Engineering Division Head
Mr. Warren Ching, Civil Engineer IV
Ms. Ka'iulani Matsumoto, Private Secretary
Ms. Maraea Keamo, Senior Clerk Stenographer

- 1) CALL TO ORDER – Chair Kekela called the meeting to order at 10:00 a.m. Board Members who were present: Messrs. Miura, Lee, 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 February 24, 2026, Public Hearing for Power Cost Charge:

ACTION: Mr. Lopez moved for approval of the Minutes of the February 24, 2026, Public Hearing for Power Cost Charge; seconded by Mr. Unger and carried unanimously by voice vote (Ayes: 7 – Board Members Miura, Lee, Alameda, Unger, Lopez, Aiona, and Chairperson Kekela).

Minutes of February 24, 2026, Water Board Meeting:

ACTION: Mr. Unger moved for approval of the Minutes of the February 24, 2026, Water Board meeting; seconded by Mr. Miura and carried unanimously by voice vote (Ayes: 7 – Board Members Miura, Lee, Alameda, Unger, Lopez, Aiona, and Chairperson Kekela).

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

5) SOUTH KOHALA:

A. JOB NO. 2025-1263, LĀLĀMILO A DEEPWELL MOTOR REPAIR – REQUEST FOR ADDITIONAL FUNDS:

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

The Department is requesting approval of a contract change order to cover the purchase of additional motor oil. The associated costs are outlined below, with a detailed breakdown provided in the attached invoice:

ITEM	DESCRIPTION	AMOUNT
1.	5 gallon Mobil SHC 629 Synthetic (three containers)	\$1,112.40
2.	Overnight airfreight charges	\$201.60
	TOTAL	\$1,314.00

Original Contract Amount: \$ 92,443.00
Original Contingency amount: \$ 9,057.00
1st Additional Contingency request: \$ 2,443.00
2nd Additional Contingency request: \$ 1,314.00
Total Revised Contract Amount: \$ 105,257.00

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$1,314.00 to Derrick’s Well Drilling and Pump Services, LLC, for JOB NO. 2025-1263, LĀLĀMILO A DEEPWELL MOTOR REPAIR. If approved, the total revised contract amount shall be \$105,257.00.

MOTION: Mr. Lopez moved for approval of the recommendation, seconded by Mr. Aiona.

MR. OKAMOTO: This one is part of our repair efforts to get this well back online. It’s one of those that we call a line shaft pump, so the motor is above ground. It requires oil to return it back to service. The contractor was a bit short, so we had to order three more five-gallon containers, and we needed to get that well back in service because we had some other wells that gave us issues around the same time. Hence, the airfreight charges as well. If there are any technical questions, we have Greg here available.

MR. LOPEZ: Keith explained it pretty well. The contractor just ran out of oil, or didn’t foresee the need for oil? What made this a last-minute, quick, quick, quick thing?

MR. GOODALE: This was a situation where we were down to two wells in that system, so we needed to get the third back online as soon as possible. This was one where we just needed to do the motor repair, but the motor needed the oil. We didn't have it, the contractor didn't have it, and we knew we needed to get it in as quickly as possible to get that well back up online. That's why we were also willing to pay the air freight charges to expedite the repairs.

MR. LOPEZ: So, it was a repair need that caused the urgency?

MR. GOODALE: Correct.

MR. LOPEZ: Thank you.

CHR. KEKELA: It's online, right?

MR. GOODALE: Actually, since then, we've had a couple of other issues. One is offline again, but we're working to get it back online. It went back into service after this was done and remained in service for several weeks, but we have some other electrical issues that we're looking into for that one. Since then, we've been able to get another well back online in that Lālāmilo System, so we're okay as far as servicing the consumption for the resorts down there.

CHR. KEKELA: Typically, how often is the oil changed?

MR. GOODALE: In this case, they just brought the motor back from motor refurbishing, so it had to be completely filled. I don't know what the exact capacity is of the motor, and they obviously brought extra just to be on the safe side.

MR. UNGER: Just a general comment. I don't know how this works, but for example, number 7A, and I'm not jumping ahead, I'm just making a comment. I simply see coming to the Board with a 25-million-dollar loan discussion; I question coming to the Board with a 13-hundred-dollar discussion. I don't know where the micromanagement stops or ends or begins, but at some point, I have faith in you guys to make a decision up to let's say 15-hundred-dollars. I'm just saying I don't know if there's a cut-off point, or we can have a discussion, or there are bylaws that say if there's a change in an order, it has to come before the Board. I mean, really, I don't know. I digress.

MR. OKAMOTO: That comment is really appreciated and very valid. In the past, what we have done, and Jean, please chime in at any time; you're our governing body, we establish a contract amount through actual Board action, and that pretty much sets the limit of what we can do administratively. So, that is typically the base contract amount, and that's why we add contingencies, so with that contingency, we can administratively process change orders if it falls within that contingency. Anything outside of that becomes a revised contract amount.

MR. UNGER: Understood.

MR. OKAMOTO: But we have, in the past, had Board action on creating resolutions. Certain things don't come to you because a prior Board had brought up the same thing for small purchases, like under 25-grand; we have the discretion to do that. Emergency procurement is the same thing. It's something that we could agendize for further discussion if the Board wants to consider a resolution. Jean, would that work?

MS. CAMPBELL: Yes.

MR. UNGER: Differentiating between getting our approval versus just coming to the meeting and saying, hey, by the way, this happened, it's good that we know about it, but as far as going through this process, maybe we can expedite it a little and help everybody.

MR. OKAMOTO: Thank you for that. I appreciate it.

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

6) NORTH KONA:

A. MATERIAL BID NO. 2023-20 (ALT-2), FURNISHING AND DELIVERING KAHALU'U SHAFT DISCHARGE PIPING MATERIALS – PHASE 1 – REQUEST FOR ADDITIONAL FUNDS:

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

The vendor, Perkinson Co, LLC, is requesting a contract change order for additional costs in association with new federal tariffs. The description of additional costs are as follows:

Department of Homeland Security, U.S. Customs Tariff Fee	\$ 10,452.00
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Original Contract Amount: \$ 157,828.00
Original Contingency Amount: \$ 0.00
1st Additional Contingency Request: \$ 10,452.00
Total Revised Contract Amount: \$ 168,280.00

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$10,452.00 to Perkinson Co, LLC, for MATERIAL BID NO. 2023-20 (ALT-2), FURNISHING AND DELIVERING KAHALU'U SHAFT DISCHARGE PIPING MATERIALS – PHASE 1. If approved, the total revised contract amount shall be \$168,280.00.

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

MR. OKAMOTO: As you can see, there was no contingency on this one. It's a material bid, so it's a piece of material. Typically, there's no contingency. You order something, and you get what you ordered. We're asking for additional funds because of the tariffs, which were not unexpected. If there are any further questions, Greg is available.

MR. LOPEZ: This particular tariff assessment, in the bigger picture, where does this lie in the Supreme Court of the United States, disapproving certain classes of tariffs? Does anybody know about that? Are we checking into it?

MR. GOODALE: The purchase was made predetermination by the court, so effectively from our end, we're going to be waiting to see how the process works its way through. Fortunately for us, we haven't seen many of the tariffs that have applied to purchases that we've made, but we'll be tracking that to see what happens as the process works its way through, because, as anybody knows, it could be years before we know the ultimate resolution of what happens with these tariffs. At this point, from our end, we needed the materials, then the tariff came about prior to us receiving it, so the vendor had no choice but to add that tariff amount on. In terms of the ultimate resolution for us, we'll be tracking what occurs so that when the appropriate time comes, we'll hopefully get a reimbursement, but that process may take a while.

MR. LOPEZ: Do we have the product already?

MR. GOODALE: No, we're still waiting for delivery. It's very large. When you get to the shaft, you'll see the size of the piping coming up out of the shaft. This is for some pretty large diameter pipe, 24-inch. It takes a while not only to get it manufactured or smelted, but then to get it to us from the mainland.

MR. LOPEZ: From my perspective, we have no recourse but to pay the tariff because it's assessed to us, not knowing if we'll get reimbursed or who's going to get reimbursed, whether it's the manufacturer or the user, us in this case.

MR. GOODALE: From our perspective, ultimately, we would pursue getting what we believe to be what we would be due. Again, patience is a virtue.

MR. LOPEZ: That's just too bad because there are lawsuits to try to reseek tariff-assessed reimbursements. We'll see how that goes. It's outside the scope of your ability, but the fact that you're monitoring it is enough for me at this point.

MR. UNGER: What country was this manufactured in?

MR. OKAMOTO: Germany.

MR. AIONA: Because it's in Phase One, is there going to be more material needed after this, or is that something where we're just going to have to wait and see?

MR. GOODALE: Yes, for Phase Two, but that's a little ways down the road. For us, we're just going to have to deal with the economic situation as it occurs. We don't put our bids out because of or for lack of or any of those things; we put our bids out because we need the work to be done.

CHR. KEKELA: For a material bid like this, would this material be considered something that would have to fall under BABA requirements? Is that a way to circumvent the tariff situation?

MR. GOODALE: If it were BABA, it probably wouldn't have had any tariffs applied, but in this case, we weren't seeking funds coming back from the state. You know, if it's federal passthrough money that might have that BABA requirement, but in this case, we weren't pursuing that through the funding for this project. BABA didn't apply.

CHR. KEKELA: Basically, it wasn't any state or federal funding?

MR. GOODALE: Just Department funds, correct.

CHR. KEKELA: Then, just to touch on what the Vice-Chair was saying, this is probably something that would be included in the resolution, right? Fall under the threshold of if it's needed—

MR. OKAMOTO: I guess that's part of what part of the discussion could be if we agendize it for further Board discussion and possible action. It could be a dollar amount, or it could be a percentage.

MR. LOPEZ: Or purpose.

MR. OKAMOTO: Or purpose, yes.

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

7) MISCELLANEOUS:

A. RESOLUTION NO. 2026-01, APPROVING THE RECEIPT AND EXPENDITURE OF MONIES FOR DEPARTMENT OF WATER SUPPLY CAPITAL IMPROVEMENT PROJECTS FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AND AUTHORIZING THE MANAGER-CHIEF ENGINEER OR DEPUTY TO REDUCE, REPLACE, AND ALLOCATE UP TO \$25,000,000.00 IN MONIES FOR SAID PROJECTS, IN THE FORM OF A LOAN AGREEMENT OR GRANT BETWEEN THE STATE OF HAWAI‘I AND DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAI‘I:

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

DWS is submitting a loan application to fund Capital Improvement Projects with the Drinking Water State Revolving Funds (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution authorizes the Manager-Chief Engineer or the Deputy to execute loans and/or grants with the State Department of Health for up to \$25,000,000.00.

RECOMMENDATION: It is recommended that the Water Board adopt DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2026-01, subject to the approval of Corporation Counsel.

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

MR. OKAMOTO: Fairly straightforward, and like Vice-Chair mentioned, this is such a thing, a resolution. Through this funding program, this is required by the State, who is our lender, and we typically use these funds for most of our C.I.P. projects. This resolution does improve efficiency and flexibility allowed for our Department to utilize this \$25 million for a list of projects instead of assigning it to one project, then if we decide to change priorities and do another project instead, come up with another resolution that we have to bring forward to the Board. This is a fully transparent process. What we have to do is list what projects we want in this program, and it's published by the State Department of Health, Safe Drinking Water Branch, under the intended use plan that's readily available online. That's what this is for, to allow us to proceed with the C.I.P. projects.

CHR. KEKELA: Do the projects need to be outlined prior to this passing?

MR. OKAMOTO: Yes. I think this program is called the programmatic financing program that the Safe Drinking Water Branch at the Department of Health has, then under that programmatic financing, there's a whole table of our projects. It should be available on their website. I was trying to look right now to give you an example of what projects we have on there. If you go to the Department of Health Safe Drinking Water Branch page, under Drinking Water State Revolving Fund, they have their final IUP, for example, and it should be listed in there.

MR. LOPEZ: As I was quickly scanning the verbiage, is this monies that—I know the Department is setting money aside to do these things, but is it part of a loan or grant where we'll get money back in expenditure for some of these things?

MR. OKAMOTO: We don't get money back; we're actually borrowing. They're the lender, and we pay back at a low interest rate over a term of typically 20 years. It's a really good program. Very little headache. We work well with them, and I think the interest rates have been very good historically.

MS. GRAY: I think the current is up to 2.65%.

MR. UNGER: Is this an annual loan that the Department taps into, or is it every five years, or every ten years?

MR. OKAMOTO: It's periodic. I think we've done this in the past, then when we go through that funding amount, we go through another set to obtain another batch of funds that we can continue to utilize that program. I don't know if there's really a set timeframe involved. Say we got this \$25 million, and we draw from it, before we use it up, we'll have to come back to the Board for another resolution for additional funding, because they can only fund us up until this amount. So, as our projects tap into the fund and we decrease the amount of the resolution, then we'll have to come back to the Board at that point.

MR. UNGER: What is the total amount out there for capital improvements? Have we paid off the last loan?

MR. OKAMOTO: The last programmatic finance resolution, I think, was about the same amount.

MR. UNGER: How long ago was that taken? What is the balance on that?

MR. OKAMOTO: Maybe Candace can expand on this. It's not that we borrow \$25 million and we have to pay back the loan in full. It's almost a pay-as-you-go. We take funds out, then get onto a repayment schedule with the Department of Health. We don't borrow the whole \$25 million at one time.

MR. UNGER: It's like a line of credit.

MR. OKAMOTO: Yes, kind of like that.

MR. UNGER: So, it's not building up other than what you're using? You're not taking out a lump sum of \$25 million.

MR. OKAMOTO: The last resolution was back in 2023.

MR. UNGER: How much was that for?

MR. OKAMOTO: \$25 million.

MR. UNGER: Was that all used up?

MR. OKAMOTO: We must be getting close. I don't know the exact number. Nowadays, two projects can use that up.

MR. UNGER: This is all worked into our budget as far as the repayment?

MR. OKAMOTO: Yes.

MR. UNGER: I just got a little nervous when I saw a 25-million-dollar loan.

MR. AIONA: Who approves the projects? Do you need to go to someone to get that?

MR. OKAMOTO: It's somewhat approved by you guys. All the projects that we submit are a part of that 5-year C.I.P. that we bring forward to you, which you'll see in an agenda item coming up. Ultimately, the state approves whether or not that project qualifies for the program because not everything that we need to do qualifies for that funding. For the most part, all of our C.I.P. projects have qualified. If we have to buy material or things like that, that wouldn't qualify. We can't use that funding for our big material bids and whatnot. Good questions.

CHR. KEKELA: We need to take a roll call. Maraea, when you are ready.

MS. KEAMO: Mr. Miura?

MR. MIURA: Aye.

MS. KEAMO: Mr. Lee?

MR. LEE: Aye.

MS. KEAMO: Mr. Alameda?

MR. ALAMEDA: Yes.

MS. KEAMO: Ms. Taaroa? (Absent) Mr. Unger?

MR. UNGER: Yes.

MS. KEAMO: Mr. Lopez?

MR. LOPEZ: Aye.

MS. KEAMO: Mr. Aiona?

MR. AIONA: Aye.

MS. KEAMO: Chairperson Kekela?

CHR. KEKELA: Aye.

MS. KEAMO: You have seven ayes.

CHR. KEKELA: Motion is approved.

B. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (C.I.P.) BUDGETS FOR FISCAL YEAR 2027:

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

The Department's Fiscal Year 2027 Operating Budget, totaling \$83,525,795.00, and 5-Year C.I.P. Budget for Fiscal Year 2027-2031, totaling \$261,500,000.00, have been distributed for the Board's review.

RECOMMENDATION: It is recommended that the Board approve a public hearing to be held on Tuesday, April 28, 2026, at 9:30 a.m., prior to the Water Board's regular meeting, to accept public testimony regarding the Department's Fiscal Year 2027 Operating and C.I.P. Budgets.

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

MR. OKAMOTO: We're at that time of year where we're establishing our annual budgets for both our operating as well as our proposed 5-year C.I.P. If there are any questions, we have Candace back with us for the budget, and Allan and Shari on our engineering team, and Greg as well, for the proposed listing of C.I.P. projects.

MR. UNGER: How does it line up? We have a C.I.P. budget 2027-2031, over five years, of \$261,500,000.00, and we were just talking about the resolution to borrow \$25 million. Where is the balance coming from, or how do those numbers work together?

MR. OKAMOTO: Our 5-year C.I.P. can be kind of viewed as a wish list. We won't do all of these projects in one year, realistically speaking. This is to show the Board and the public all the projects that we need to get done. We do it by five years because this was established some years back with the Board. We used to do an annual C.I.P. list, as you know, sometimes priorities change. We need to bump up another C.I.P. project to a higher priority, but if it wasn't listed on that annual C.I.P. list that was approved by the Board, we'd have to come back to the Board and ask for your okay again. This was a method that we've worked with the Board to allow the Department some flexibility. So, if this whole 5-year C.I.P. is approved, if priorities change and we need to move a project up sooner, say from fiscal year '28, at least this whole thing was budgeted, so now we can kind of seamlessly proceed with that project without waiting a month for another Board meeting to happen. We'd like to get all of these projects done, but we just don't have the resources to do them. \$25 million will probably show a bunch of these projects on that intended use plan, but as you can see, we have a lot more projects than what 25-million-dollars will cover. Right now, this is our best attempt to show you, the Board, which projects are prioritized. We'd like to get the ones listed under fiscal year '27 taken care of first, then move on to the subsequent fiscal year projects.

MR. UYEHARA: Some of the projects in FY '27, the funding sources are not going to be from this SRF. Some are going to be DWS funds, some are congressionally directed spending, and some are from our C.I.P. reserve, which we use as funding sources.

MR. AIONA: So you do have a C.I.P. reserve?

MR. OKAMOTO: Yes, and that was thanks to Board action and approving our water rates to allow us to build up both reserves, emergency day reserves as well as C.I.P. reserves, so that hopefully even though the interest rates are good, cash is always king, right? So, when you have dire situations external to our department, hopefully, we can ride out those storms if we have proper reserves. Fiscal health and responsibility.

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

C. 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: In spite of the bad weather, Kona Low that we've been experiencing, our Lālāmilo 10MG project is progressing well. I'd like to report that they are working on the tenth wall of the 15 total. Also, there are 38 columns of the 88 columns, so they are at half for the walls and closing to half of the columns. After that will be the construction of the roof, that will be something to see. They are doing well. We cannot help that when they have bad weather they need to shut down, but overall, they are progressing very well.

Our project on the east side, as far as lava repair, they're continuing to prepare for the installation of more waterlines for Highway 137, Kapoho Road. As far as Pohoiki, they are still doing preliminary work.

D. 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.

MS. GRAY: This month, we have the February 2026 financial statements. We are about two-thirds of the way through fiscal '26. Regarding any new items added for this month, I'll just go over to our income statements in the memo, page two, we highlighted our other non-operating revenues have decreased 23% or \$132,538.00, primarily due to a decrease in installation income for service lateral and meter installations.

For February 2026, we have a slight decrease in our receivables in the >90-day category.

I'll jump over to our status of the budget report, page five, which we are primarily on target or just under target at 67%. Our receipts are 66%, versus our 67% target. Our expenditures are at 50%, well under our target of 67%.

MR. UNGER: I was looking for the C.I.P. line to see how we're doing with that. Maybe you can guide me to that? Is it not part of this report?

MS. GRAY: No. Our C.I.P. reserve funds, if you look at the balance sheet on page three, that is all included in the cash and investments.

MR. UNGER: Okay. So, it's included in the cash and investments?

MS. GRAY: Yes.

MR. UNGER: And you don't know what percentage the C.I.P. is?

MS. GRAY: Percentage, I can calculate a percentage. As far as the amount for the C.I.P. reserve fund for February 2026, we have \$17.4 million.

MR. UNGER: So it's a small percentage of that \$91 million.

MS. GRAY: We do have other funds designated for projects. We have our facilities charge fund, which is \$22.6 million.

MR. UNGER: So, Keith, we can tap into that as needed to reach our goals of trying to maximize C.I.P. projects?

MR. OKAMOTO: If we need to, yes. I believe right now we haven't tapped into any of those cash-type accounts. I don't know if I'm using the right financial terms. I think because the interest rates are so good with the revolving fund loan program, we've been primarily utilizing that, and trying to build up our cash reserve for C.I.P. in case something happens to that source of funding, which we kind of have seen with the change in the federal administration. So, this fund's seed money comes through the EPA. Various administrations shift their priorities, and I think currently they have a lower priority for EPA and funding. So, we don't want to solely rely on that source of funding moving forward, which is why we're trying to build up our rainy-day funds and our cash reserves. Unless I'm misspeaking, we haven't really tapped into our C.I.P. reserves to fund projects yet.

MS. GRAY: We do utilize our C.I.P. reserve for smaller projects; well repairs, operational projects, for the most part. But we have a variety of funding sources.

MR. OKAMOTO: The bigger projects, we still utilize the revolving loan fund?

MS. GRAY: Yes, but I think in the long-term we may be moving towards using it a little bit more.

MR. OKAMOTO: Yes, if we build it up to a comfortable level. Again, I think cash is better than even low percentage loans.

MS. GRAY: But 2.65%, that's a really good rate.

MR. OKAMOTO: It was even lower before.

MR. UNGER: Yes, that's a really good rate. I agree 100%, don't tap into the reserves if you have that interest rate.

MS. GRAY: And they also have loan forgiveness on certain—

MR. OKAMOTO: Every now and then, and it's really not up to us or even them. That's some of the seed money they're getting from the EPA that qualifies for that principal forgiveness, and then that's the part that we don't have to pay back. So it's like a grant, they don't want us to call it a grant. Whenever there are those opportunities, we try to take advantage. Why we work really well with them, too, we're a small state, and all of us and the other water utilities, we all play well together in the sandbox. That includes the Safe Drinking Water Branch. They don't dump everything to the big fish in the aquarium. They proportion it out to the different utilities, so we want to try and take advantage of that and not lose that relationship either. That always factors into some of that. We don't want to make like we don't need their money kind of thing.

MR. AIONA: I have a question just for my own knowledge; does part of our income go to our C.I.P. fund?

MR. OKAMOTO: Yes, that's the C.I.P. reserves.

MR. LOPEZ: Just something that I don't want to lose sight of, because we've spent so much time with it, is delinquencies. I know you're on a program that we wholeheartedly support to reduce the delinquencies; can you give us an update on where you are on all of that? Have there been any recent write-offs?

MS. GRAY: I'm sorry, I'm not prepared for that in this meeting. I've been out of the office.

MR. LOPEZ: Just a request, it may not be a bad idea to build that into your financial report, again, because it's been such a long, drawn-out process, and I don't want to lose sight of it. Thank you.

E. 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 well report for this month, 11 of the 14 are online. The three that are offline are the same: Wai'aha, Honokōhau, and Hōlualoa. Pretty much the same schedule as reported last month. Wai'aha is the first one we're hoping to get back online by the end of April of this year. Honokōhau would be the next, hopefully back online by the end of June of this year. Then, Hōlualoa would be October of this year.

MR. LOPEZ: That's actually very good. We're in a good position.

MR. OKAMOTO: Again, it was part of the Board that put this on because it was necessary for monthly, ongoing updates, and it forced us to be better at operating our systems.

2. Kona Low briefing

MR. OKAMOTO: It was happening until this past weekend. A few of us were steady regulars at the EOC, but the real credit is due to our guys out in the field; although the actual impacts to our systems and our customers, I think, were relatively small. If you ran out of water, you probably didn't think so. We did have pockets that went without water, Kalaoa, Kaloko area, due to the extended power outages. That's one site that we don't have a backup genset at. It's both a well site and a key booster station for us. At the EOC, Hawaiian Electric is right here, and I'm sitting here, so we're always talking; and our liaison with Hawaiian Electric is texting constantly, status of their circuits. So, they go by their circuits, but they know which of our assets are on which circuits. There was one situation, there were two circuits that were out of commission up Kona side, affecting several of our assets. They coordinated with our guys; they were stretched thin, Hawaiian Electric. If we have to pick one, which one do you guys want back online first? So, we worked with them to get the Kalaoa Well back online first. All of that is going on, and our guys are running from station to station checking tank levels. As the power goes off, it trips off our wells and boosters, and we don't have the ability yet to do remote checks and restarts and whatnot. Kudos to Alvin and his crew; there were some guys steadily working in Kohala, Ka'u, and some portions of Puna. Essentially, all of our districts were out there; not this past weekend, but more so the weekend prior. Then, doing recovery work and assessments last week. Chime in, anyone, I know I'm missing things.

We had a water main that was damaged because of flowing water. Fortunately, that was on the side of a culvert, so it was an easier fix than a typical main break where the main is buried. Because it was exposed, our guys could get to it. They had to wait until the flood waters slowed down; we don't want to put our guys in danger.

Then, there was a washout by the Greenwell Historic Society by Konawaena. Water came across the road and took out, maybe, three meters and meter boxes. Another fortunate part, that washout also allowed us access to the main, so we could shut off the valves right at the main. Overall, we fared very well compared to other portions of the island as well as the state. A large credit to our guys who are constantly out there.

MR. UYEHARA: There were some of our water systems, Hāwī side, Pāhoa, South Kona, Haleki'i area, where HELCO may have lost power for an extended duration, and we had to turn on our backup generators. For those systems, we were still able to provide water to the customers without local power during those outages because those systems were identified as systems that needed backup power. Our staff still had to go out there and turn them on, but they could ride through the local outages. That's going to be an ongoing strategy for our resilience for our customers. You'll see these on the agenda, where we will put these things on, transfer switches, generators, stuff like that.

MR. OKAMOTO: Thanks for that, Kawika. For those, we're trying to get other sources of funding, thanks to Warren and his efforts in prior years. So, FEMA and HIEMA have a hazard mitigation pot of funding, and we've tapped into that for backup generators and transfer switches. Just because you have a generator doesn't mean you can plug it into the control buildings that we have; you need to do some significant amount of work to install transfer switches so that you can plug in the generator. You need to disable that power from going back into the utility side of things, so you don't zap them if they're out there trying to restore power. Ongoing effort.

MR. ALAMEDA: I think I speak for the team here, thank you all for what you do on a daily basis, and during times like we just had, two weeks in a row, trouble (inaudible). Even more, thank you because

during that time, during a storm, everybody, from the least ranked person to the highest, everyone is going to learn how to do their job if they didn't know it already, because we have no time to teach you what we taught you. Hopefully, you remember, and you can help us as we need you during this time. Being someone who has been out there for years during the same kind of trouble, respect for you guys. As customers, we may expect more, but in the heat of the moment, we cannot expect more than what we are already getting, and we have to appreciate what we have and be fortunate that others are being taken care of before us. With that said, when you were asked by Hawaiian Electric which one you'd want to come on out of the two, what decision did you go by? Was it the amount of customers on that pump or the efficiency of the pump itself, or what was the determination? How did you go about making the decision on the one you wanted to come up?

MR. OKAMOTO: That's exactly what's going on through our brains at the time. We're reaching out to our guys, like Alvin, because they have that intimate knowledge of the service size. Usually, we go by critical customers; if it's servicing a hospital, that's key, number one. Then after that, it's typically other critical facilities or amount of customers that we're going to maintain service to. That's how we're going to make that decision. That's why we made the call to prioritize that one circuit over the other. I want to thank Kawika, too, because after this, we're going through some hot washes with our team on lessons learned and where we can do better and things like that. We did our first one, then the second Kona Low came, so we have another one scheduled this following week. Fortunately for us, the second Kona Low really didn't have too much impact. Yesterday's one was worse; whatever that was, they don't even have a name for yesterday's one.

MR. LOPEZ: When you said the third one, is that a third Kona Low? Or a third meeting?

MR. OKAMOTO: A second meeting for the hot wash after action internal discussion, but yesterday there was some weather as well, but I don't know if they had a name for it yet. It did do some stuff. Lightning affects our facilities, also, so we're very conscious of lightning events as well. Hawaiian Electric was busy yesterday, too.

MR. AIONA: Are all our generators fixed to each pump? I feel like months ago we got more generators.

MR. OKAMOTO: Where we can, we have them portable. A couple of them are "portable", but they're pretty much hardwired into a couple of sites. I think Honokōhau is like that, and Haleki'i is like that, too. But moving forward, I think with Warren's help, we are continuing to learn as we go. A lot of our well sites—so these 1-megawatt gensets are like 40-foot containers, they're huge. In the past, when we did wells, especially on the Kona side, the terrain is steep. We only got the land needed for the well, the tank, and the perimeter road, so it's kind of tight to try and fit a 40-foot container on the side of some of those. What Warren found is that we could pair two 500's, which are smaller, take up less footprint, but still run a 1-megawatt generator. Moving forward, we're going to strategize. We'll still pick up the big ones, but I think we have some funding for the twin 500's in play.

MR. CHING: Yes. We have a contract right now, and so we're waiting on the delivery of two 500's, which can parallel together to combine and make a thousand, if needed.

MR. OKAMOTO: Now, if they could make diesel last longer, that would be good. We cannot store too much diesel, as you guys know. You have to use it; that's always going to be the challenge. Again, that's why the EOC is great, because we can partner with, say, Public Works, and help identify roads that need to be cleared if we need access to get our customers online and whatnot.

MR. AIONA: So in Kaloko, is that what happened? Was it space or not being able to get the generator through?

MR. OKAMOTO: Duration. For one, that site is not prepped yet to accept generator power.

MR. INOUE: For most of them, the transfer switches haven't been installed yet, but we need the gensets delivered.

MR. OKAMOTO: The idea is to move them around because we have close to about 70 well sites, and right now we only have about 12 portable generators and three permanently installed generators. We're always trying to build up that generator inventory. The idea is to be able to move them, because to get 70, it would be hard in the short term.

MR. UNGER: Do you have any updates on the ag water rates? Where are we now?

MR. OKAMOTO: That's going to require a rule change. We're planning to schedule that next month. That way, we can move forward with following up on what we discussed and being consistent with the County.

MR. UNGER: Good, thanks.

F. CHAIRPERSON'S REPORT:

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

MR. LOPEZ: Again, we're at the end of March, and we still don't have any notice of a replacement for District 7. The candidate who was on board was rejected because Micah Alameda wrote a letter saying that they have somebody, and we still don't have anyone. My request is, perhaps, that the Chairman contact Micah Alameda and ask him what's happening.

CHR. KEKELA: Can I do that?

MS. CAMPBELL: Yes. As you all know, the Mayor's office is tasked with identifying board and commission members, and then it goes through the process that you've all been through. The fact that you're only missing one, I will let you know, you're in really good shape. Many of our other boards and commissions are struggling to maintain quorum because they don't have enough members. But yes, it would be entirely appropriate for the Chair to reach out to Micah and urge him to—

MR. LOPEZ: Particularly since we had a candidate submit who was rejected in favor of another. It's not like—I mean, your argument is correct. It's just a courtesy. I'd hate to see a district go unrepresented, in Water, particularly.

MR. UNGER: I just want to revisit the C.I.P. quickly, and I didn't want to expand this discussion during the fiscal report. I'm just looking at the numbers here, and there's such a disparity between the five-year, 261-million-dollar need and want, and I appreciate this list and understand you do throw everything at it, and it's another (inaudible), but between the five-year revolving fund of \$25 million and whatever is reserved at the Department of Water Supply now; just looking at those numbers it seems totally inadequate.

MR. OKAMOTO: Yes. Thank you.

MR. UNGER: So, as a Board and Department of Water Supply, I think we need to address that somehow. Just as a customer, when I pay my water bill, the C.I.P. I don't think it's even a dollar. I think it's 60 cents, 45 cents. Is there a line item on the bill?

MR. OKAMOTO: No. The line item you might be thinking about, we do have a separate item for the energy C.I.P., which is energy project specific.

MR. UNGER: Along those same lines, at some point, does the Department of Water Supply and the Board need to look at additional funding for C.I.P. projects?

MR. OKAMOTO: We could do that. I think what may help is that we can take your comments and concerns and fold them into the next phase of our Strategic Business Plan. What I think that can help us with is identifying the gap between the needs and the resources available.

MR. UNGER: And you're right, that's exactly what the Strategic Plan and discussion are for, but that's a glaring—

MR. OKAMOTO: I totally agree with you. The needs are all of these projects, two hundred and something million worth of projects; where's your staffing at, where's your funding at to get these things done?

MR. UNGER: Noted.

8) ANNOUNCEMENTS:

1. Next Meeting: April 28, 2026, 10:00 a.m., Department of Water Supply, Hilo Operations, 889 Leilani Street, Hilo, Hawai'i; Public Hearing at 9:30 a.m.
2. Site Visit Today: Site visit to the Kahalu'u Shaft, 78-6793 Kamehameha III Road, Kailua-Kona, Hawai'i, to view and discuss its operations. **Directions:** From the West Hawai'i Civic Center, travel south on Ane Keohokālole Highway, then onto Henry Street. Turn left (south) on Highway 11 and travel approximately 4.5 miles to the Kamehameha III Road junction in Keauhou, and turn right (west) onto Kamehameha III Road. Travel downhill on Kamehameha III Road approximately 0.4 miles and look for DWS on the left-hand side of the road. Meeting will reconvene and take place at the Kahalu'u Shaft site.

RECESS: The Board recessed at 11:02 a.m.

SITE VISIT:

RECONVENE: The Board reconvened the meeting at 12:20 a.m. at the Kahalu'u Shaft. Board Members who were present: Messrs. Miura, Lee, Alameda, Aiona, and Chair Kekela.

MR. UYEHARA: This is our Kahalu'u Shaft, one of the main groundwater sources for our North Kona Water System. You might have noticed on the outside, the year 1977. Basically, this was a source built by the State for the Department of Water Supply. It was built for the State Department of Water and Land Division, turned over to the Department, and we've been operating and maintaining it since. Originally designed for about 10-million gallons a day of pumpage, now we pump about five to six million gallons a day. We have four pumps down here, and to your left and in the back is what we call our galleries. Basically, this is a basal source, so it's the fresh water floating on the salt water, and we pump the basal lens. Over the years, because it is a basal lens and the pumpage, the chlorides have increased. This is one of the sources that we're trying to use less of, lessen our reliance on this source. When we talk about developing the high-level sources, the

more mauka sources, the chlorides are a lot lower. That's the goal, to get off of this basal source and replace it with the mauka sources.

CHR. KEKELA: Can you guys monitor how the water replenishes on the basal lens?

MR. UYEHARA: I don't think we have any active water level gauges. We do monthly chloride checks as we pump the water up into the system. We're about 600 feet below ground elevation. It's pretty much sea-level right here. This is the fresh water that's floating on sea-level so sea-level is not much deeper than this.

MS. CAMPBELL: So, the pumps are actually pulling water from the cavity underneath here?

MR. UYEHARA: There are cans underneath these pumps, and they just fill in from the sides. How deep are the cans under here?

MR. INOUE: About ten feet.

MR. UYEHARA: So, about ten feet below where we are is where we are sucking in from.

MR. INOUE: There's a column too, the fresh water flows through a funnel. That's how we avoid sucking up the salt water. The two galleries are separate and combined under here.

MR. UYEHARA: Because the rock under here is porous, right?

MR. INOUE: The water tastes different on both ends, and different chlorides.

MR. UYEHARA: Some of these chlorides go up to like 300 parts per million. It's that layer between the fresh and salt water. Naturally, as you pump, you're going to pull up some from deeper down.

MR. BRAY: Does the water level we're seeing right now go up and down as the tide goes up and down?

MR. UYEHARA: I think it does, yes.

MR. BRAY: But it doesn't change dramatically between when you have one pump running or four?

MR. UYEHARA: No. This aquifer is basically that side of Hualālai Mountain flowing from mauka to makai.

MS. CAMPBELL: A lot more water than the pumps can really effect.

MR. UYEHARA: Any other questions? (None)

9) ADJOURNMENT:

The meeting was adjourned by Chairperson Kekela at 12:27 p.m.

Recording Secretary

APPROVED BY WATER BOARD
APRIL 28, 2026