

## MINUTES

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

April 28, 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 (via videoconference)  
Mr. Colin Miura, Water Board Member, Dist. 1  
Mr. James Lee, Water Board Member, Dist. 2  
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 Myers, Brown & Caldwell (via videoconference)  
Ms. Audrey Cabrera, Brown & Caldwell (via videoconference)  
Ms. Mary Economy, Brown & Caldwell (via videoconference)  
Ms. Lauren Armstrong, Brown & Caldwell  
Ms. Michelle Sorensen, Brown & Caldwell  
Ms. Beverly Medeiros

#### DEPARTMENT OF WATER SUPPLY STAFF:

Mr. Kawika Uyehara, Deputy  
Mr. Gregory Goodale, Chief of Operations  
Mr. Alvin Inouye, Water Operations Superintendent  
Mr. Eric Takamoto, Mechanical Engineer III  
Ms. Shari Uyeno, Assistant Engineering Division Head  
Ms. Candace Gray, Waterworks Controller  
Mr. Warren Ching, Civil Engineer IV  
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, 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 March 24, 2026, Water Board Meeting:

**ACTION:** Mr. Lee moved for approval of the Minutes of the March 24, 2026, Water Board meeting; seconded by Ms. Taaroa and carried unanimously by voice vote (Ayes: 8 – Board Members Miura, Lee, Alameda, Taaroa, Unger, Lopez, Aiona, and Chairperson Kekela).

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

5) STRATEGIC AND BUSINESS PLAN UPDATE 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:** Thank you for having us back today to give an update on the Strategic and Business Plans. We are approaching the end of the first phase of work, which is setting the framework with Effective Utility Management, so using that toolkit as our guiding principles. What we want to do today, if we can go to the agenda slide, is take a quick minute to review some of the key takeaways from the EUM assessment that the Board and staff have participated in since October of last year.

I want to also share some high-level themes from interviews that were conducted in April with our leadership team. We used those interviews to really refine the EUM assessment from the survey. Then I want to talk about the next steps that are outlined in our framework for the Strategic and Business Plan update.

Just as a project overview, in this first phase, we've been focused on assessing where the Department stands relative to the EUM framework. We've also gotten strategic direction from you at the Board, and we've been refining a path forward for the plan update. Last fall, last November, the Board participated in a survey to rank the ten EUM attributes from most to least important, and then staff were also surveyed on the importance of the attributes as well as how the Department is achieving in each of them. The survey results were combined, analyzed, and presented to the Board in February, and that helps us identify priority areas to focus on, where we want to really move the needle for the Department. Since then, we've been working with leaders and staff to discuss the results and get additional input to inform our direction and activities in Phases Two and Three, which are coming up for actually creating the Strategic and Business Plans.

Just to recap from February, some takeaways from the Board and staff Effective Utility Management surveys, again, all of the attributes are important and will be addressed in some manner through the plan, but this colored chart, this is one of the EUM tools, this helps us prioritize which attributes to focus on. The orange area includes the important and lower-achieving attributes. These were Water Resource Sustainability, Operational Optimization, Infrastructure Strategy and Performance, and I want to note that Workforce Development also came up as a priority for strategy development, so these four came up to the top. You'll see that there are others, Regulatory and Reliability Performance, Financial Viability, that are already performing well, and that we can really build on success in those areas.

How we're using the EUM survey results to guide the update, we've grouped the attributes into buckets. The Priority Attributes will be the key focus areas for strategies and specific goals. Build on Strengths, those are the areas I mentioned where the Department is already performing well, that we can kind of leverage to move forward. The column for Align Expectations, this is a chance to build our internal understanding around what

success looks like in areas like Enterprise Resiliency, Stakeholder Support, and Community Sustainability. So, like I said, we are going to explore all of these attributes through the plan, but these are the lenses we're suggesting.

Next, I want to share some of the leadership team interview results. The purpose of the interviews was to take a deeper dive into the assessment and really talk with the leadership team members about values, vision, strengths, and challenges for each division, as well as the Department as a whole. These were really valuable, I think, just getting a sense of where different people are focused and their priorities right now, and thinking about how we can effectively come together in the Strategic Plan. Some of the key themes that I'm going to share today are guiding the framework for how we put the plan together.

First, I want to share some thoughts around vision and mission. So, the vision and mission still resonate and are used daily within the Department. It's used for onboarding; several people had it posted on their wall for clear reference, and in talking with different staff, they're all rooted in shared values to serve the community with safe drinking water. Feels like that's a very strong sense of purpose for staff here. It does seem like there's an opportunity to further discuss in a group setting to refine the vision and mission and draw out little catch phrases, ways that it can be even more present in daily work for staff.

To highlight some of the strengths, across the divisions, many people noted the semi-autonomous structure as a major plus for strong and continuous leadership, and generally good alignment between the Board and the Department to be able to efficiently carry out its functions and serve the community. Many people also mentioned teamwork and camaraderie among staff and unity around a shared purpose. Another strength of the Department is its responsiveness and ability to maintain continuity of service, so responding quickly to incidents. Fiscal responsibility is also a pillar of Department culture that has contributed to its success. There are probably many other strengths, but those were kind of the ones that rose to the top.

Next, I want to talk about some of the challenges that were discussed. They're not just challenges, they're opportunities. We know around workforce development and staffing, recruiting, hiring, and training, staff, keeping them motivated, especially through changes in what they are expected to do in their job, it requires effort, and it's not a bad thing; it's a natural part of an organization. There was general acknowledgement that yes, this is something that we need to work on together. Then, succession planning, with the number of key folks nearing retirement, succession planning is critical, and I know it's on people's minds. Technology adoption for modern workflows is, I think, for many agencies a continual challenge. Also looking at changing regulatory requirements and uncertainty around external funding, that could impact the Department's focus and needs moving forward. So, keeping an eye on those areas.

Next, I want to talk about opportunities. So, on the flip side of the challenge of technology adoption, it's worth it because when you do these upgrades to cloud-based applications, potentially new finance software, it's really an opportunity to optimize operations, and that was one of the top attributes, the priorities for the Department, so, really supporting new workflows. Communication came up as an important topic that could be expanded to reach more people in new ways. Asset management is evolving to try to centralize the infrastructure data, do real-time condition tracking, and really inform a proactive maintenance schedule. I think planning for water use and development, long-term capital needs, all of that can be accomplished with the Board and the community. Another opportunity I wanted to highlight is continuing the coordination across divisions, so this idea of updating the financial system as a kind of a catalyst and organizing principle for other upgrades throughout the Department, that's something that we can explore with the leadership team and with the Board. An interesting note that came up was the opportunity to coordinate with county departments, like environmental management and public works, on projects involving varied infrastructure, maybe identifying opportunities for shared work and avoiding redundancy. Lots of great opportunities for the Department.

The next piece I wanted to share are some insights on the survey results themselves. Many folks commented that all of the attributes are important; it's tough to rank one over the other. Water Resource Sustainability does deserve attention; it's important to protect the water resources that the Department relies on. Workforce Development is certainly important; it's fundamental to achieving the other aspects of the work. Operational Optimization and Infrastructure Performance also felt like good priorities when looking at the survey results.

One of the last questions in the interviews was how can the Strategic Plan help you? We want to make this effort relevant to people working in various functions in the Department. Folks felt like the plan can be helpful to really define common goals. What are the priorities and direction for the Department? How do we incorporate these into our everyday actions and make it relevant to staff? Along those lines, we thought it would be good to include staff input from throughout the organization and think about ways to build and sustain their engagement in creating and implementing the plan. The plan can also help support those leadership transitions with succession planning. Then, finally, people felt that the Strategic Plan and the Business Plans are a great way to track progress. So, how are we doing on our progress towards reaching the goals and really being able to communicate the results to the Board and the public, and make adjustments as needed. Any questions on the interview results or the topics there?

MR. LOPEZ: Did I hear you say that the strategic vision and the mission statement are going to deserve some further tuning? Did I hear that?

MS. ARMSTRONG: Yes, I think they do merit a little further discussion in a group setting to see if there are certain elements that we could draw out as sort of shorter catchphrases that the Department can use in different settings or if there are any elements of the mission that could be refined further.

MR. LOPEZ: Just to draw a stake in the ground for myself, the strategic vision, and this is just for a note, it doesn't need a discussion now, on the last phrase "satisfy the water needs of the County of Hawai'i", I don't see that we're doing—I know we'd like to do that, but there are a lot of instances where water needs are not being met for very good reasons, financial, there's a lot of constraints, but I think that phrase needs to be looked at in a better light. That's all, I just wanted to comment before we got too far.

MS. ARMSTRONG: Thank you. Now, I'll just wrap up by talking about some next steps for the plan development. This graphic here talks about the steps to create the Strategic and Business Plans. We are currently in the framework step, those first two in the beginning. We're getting grounded in the vision, the priority attributes, and core issues for the Department. Next, to develop the Strategic Plan, we'll work through strengths, weaknesses, opportunities, and challenges in more detail and define goals, objectives, and actions. I want to note on the time horizon, the first five years of the plan will focus on priority actions, but will also document long-term strategies for more of a 20-year-plus horizon. Finally, the Business Plan will identify who, how, and when the actions will be initiated and measured for tracking progress. So, throughout this whole process, change management and communication are very important, so we will be continually working with staff and the Board to maintain alignment as we go through the process.

MS. MEDEIROS: I'm Beverly Medeiros, owner of JB Water Hauling. My question is, under this developed Strategic Plan, you have these opportunities and challenges, your focus groups, is it only within the Department that you're asking, or are you asking the community?

MR. OKAMOTO: Good question. For now, the Department, but there will be opportunities, I think, for community engagement throughout this process as well. One of the ten attributes is Community Sustainability, and although it hasn't floated to the top as one of our priorities that we're going to focus on this effort, but as you know, this is a public forum, and the community is welcome to participate every month at our Water Board meetings. Any time we do a rule change, adjustment to rates, or any charges that the Department and the Board implement are opportunities for community engagement also. At any time, Beverly, you know us, you have a concern, send it in, and we'll definitely take it because we've worked with

you for I don't know how long already. You're a well-established customer of ours, well respected, and you don't have to wait for an official—look at Mr. Zimpfr, he participates at almost every Board meeting. We welcome that at any time.

MS. MEDEIROS: Thank you.

MR. LEE: Before we move on, under Develop Business Plan, you have reevaluate. So, that allows—because this allows some evolution of the plan, like, for new Board members too, because by 5/27 we're going to have new Board members, so they're going to be allowed to make their input into this document? I know we need a milestone and 5/27 is the milestone, but—

MS. ARMSTRONG: I think the idea with this continual improvement is that a part of it is the Business Plan is annual, so that's a chance to give input on what should be the specific priorities for that year, but it's guided by the broader strategic vision, which you might revisit on a five to ten-year basis.

MR. OKAMOTO: Good question.

MS. ARMSTRONG: So, just a draft schedule for continuing this work, I just wanted to note that the schedule and outputs from the Strategic and Business Plans will tie into financial planning for the Department. We'll be drawing on key findings to inform the budget priorities and potential rates. That portion of the planning will be wrapped up by calendar year '26, but we'll continue the Business Plan in 2027 to really dial in those specific roles and responsibilities implementation. The Board will be engaged at various points in the process, including presentations on the Strategic Plan and the Business Plan, so you can see those key milestones, the steps that I talked about to get us to the Strategic and Business Plans. We are excited to continue this work.

I just have one last note on engagement methods. We have planned to do surveys, focus group sessions, workshops, and Board meetings as a continued venue for discussion around the Strategic Plan. I'm happy to take any questions, but I know you have a lot to cover. Thank you for having me.

6) 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 recovered had increased since the last Power Cost Charge rate was determined. The Department proposes to decrease the Power Cost Charge from \$2.84 to \$2.53 per thousand gallons as a result of this increase. Power cost charges over the past year were as follows:

<u>Effective</u>	<u>PCC</u>
March 1, 2026	\$2.84
November 1, 2025	\$2.98
June 1, 2025	\$2.08
February 1, 2025	\$2.32

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

RECOMMENDATION: It is recommended that the Board approve holding a Public Hearing on May 26, 2026, at 9:45 a.m., to receive testimony on decreasing the Power Cost Charge from \$2.84 to \$2.53, effective June 1, 2026.

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

MS. TAAROA: I'm curious, are you guys planning for some major power increases with the cost of gas, or not too sure?

MR. OKAMOTO: Yes, we're anticipating.

MS. TAAROA: There's a delay, though?

MR. OKAMOTO: Yes. It's a delayed evaluation on prior, how many months?

MR. UYEHARA: Four.

MR. OKAMOTO: Four. So, we'll see what happens after the next evaluation.

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

7) HĀMĀKUA:

A. JOB NO. 2023-1219, HAINA BOOSTERS A, B & C 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 booster assemblies; install Contractor furnished multistage inline booster pumps, motors with motor stands, and all appurtenant materials; seal off the existing suction can and install pump mounting stand, inclusive of concrete work; complete an efficiency and vibration test; daily clean-up of the job site at the conclusion of each work day; and perform all incidental work necessary to complete repair in accordance with the specifications.

Bids for this project were opened on April 9, 2026, at 2:30 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
Alpha Inc.	\$585,690.00
Derrick's Well Drilling & Pump Services	\$370,866.00
Hawaii Drilling & Pump Service, LLC	\$348,600.00
Jas W. Glover	NO BID RECEIVED

Project Costs:

1) Low Bidder (Hawaii Drilling & Pump Service, LLC)	\$ 348,600.00
2) Contingencies (10.0%)	\$ 34,860.00
<b>Total Cost:</b>	<b><u>\$ 383,460.00</u></b>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 180 calendar days to complete this project. The Engineering estimate for this project was \$260,000.00.

Booster History:

Haina Booster A:  
Original Installation: Pre-1980

Haina Booster B:  
Original Installation: Pre-1980

Haina Booster C:  
Original Installation: August, 1983

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2023-1219, HAINA BOOSTERS A, B & C REPAIR, to the lowest responsible bidder, Hawaii Drilling & Pump Service, LLC, for their bid amount of \$348,600.00, plus \$34,860.00 for contingencies, for a total contract amount of \$383,460.00. 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. Miura.

MR. OKAMOTO: As you can see from the booster history, they've lasted quite a while. We don't anticipate that kind of life span nowadays, but it's very impressive. If you have any technical questions, Mr. Takamoto is available.

MS. TAAROA: I'm pleased to see three bidders; you don't usually see that. It gives a better picture.

MR. LEE: Derrick's is usually closer, but they came in kind of high.

MR. OKAMOTO: It was close. Alpha was a little high, but we were encouraged by their participation.

MS. TAAROA: That's the one from Maui?

MR. OKAMOTO: Yes.

CHR. KEKELA: Can you explain the difference between the Department's engineering estimate and what was bid?

MR. OKAMOTO: I will try, and Eric or Greg can chime in. I think we did have some challenges trying to anticipate the cost. Again, still with the fluctuating prices that we've been seeing recently, and the fact that these boosters were almost as old as I am. Other than that, I think now we'll have better numbers to refine future estimates.

MR. TAKAMOTO: It also involved something that we normally don't do, which is converting from an in-can booster to an above-the-ground booster, which we don't have good numbers for. Normally, we have a booster that's called in the can. Think of it as a pipe that's blocked off on the bottom that's in the ground; the pump sits inside of that. What we are going to do is convert it, block off the can, and the new pump is going to be sitting above the ground now.

MR. OKAMOTO: The old layout was vertical; the pump is standing upright, the pump bowls, and then the motor on the top, but it goes through the can.

MR. TAKAMOTO: Yes. Water comes in, it goes through the can, gets sucked up the pump, then goes out the other side of the booster. Now, the pump is going to be above ground, so it's just going to go straight across, no can.

CHR. KEKELA: Is there a reason for changing the technology?

MR. TAKAMOTO: Yes. The boosters are more easily accessible, and they are more off-the-shelf type of equipment. The booster station is not used as often, so that type of equipment is more suitable for that application.

CHR. KEKELA: I know boosters and well motors are different, but is this an attempt to standardize booster technology for the Department?

MR. TAKAMOTO: This particular booster is more standard and more off-the-shelf, so we'll be able to do repairs more quickly.

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

8) NORTH KONA:

A. MAINTENANCE BID NO. 2026-11, REPAIR & MAINTENANCE OF KAHALU‘U SHAFT INCLINED LIFT:

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

This project consists of furnishing all transportation, labor, equipment, tools, and consumable materials necessary to provide quarterly maintenance and repair services to the inclined lift system and its related appurtenances at the Department of Water Supply’s Kahalu‘u Shaft facility for a period beginning July 1, 2026, through June 30, 2030.

Bids for this project were opened on April 16, 2026, at 1:30 p.m., and no bids were received.

	<b>NO BIDS RECEIVED</b>	<b>DWS Engineering Estimate</b>
Item 1 – (16 Qtr.) The rate of performance for this contract shall be per quarter (every 3 months). Such rate shall include all applicable taxes, per diem expenses, transportation expenses, and all other related expenses that are necessary in the execution of the full performance of the services as specified in this specifications, complete and operable. Based on this quarterly rate, the full 48-month contract amount shall be equal to (Quarterly Rate x 16 Qtrs).	<b>NO BIDS</b>	<b>\$40,000.00</b>
Item 2 – (500 Hr., As-Needed Basis) Emergency call-out repair service with response on-site within thirty (30) hours of the service call at the request of the Department of Water Supply for services beyond the quarterly scheduled services performed per hour (minimum crew) which shall include all applicable taxes, per diem expenses, transportation expenses, and all other related expenses that are necessary in the execution of the full performance of the emergency service call. Materials and machining services necessary shall be paid separately from materials and machining allowance below. It shall be understood that should there be any overtime work, only the mechanics hourly rate shall be multiplied by one and one-half (1½) times and applicable taxes to the new overtime rate.	<b>NO BIDS</b>	<b>\$270,000.00</b>
Item 3 – (Lump Sum) Materials and machining allowance for parts expenses associated with Item #2 above, upon review and approval by the Project	<b>NO BIDS</b>	<b>\$100,000.00</b>

<p>Engineer. Allowance shall be set at \$100,000.00. Payment shall be conducted by force account.</p>		
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RECOMMENDATION: It is recommended that this bid go out for Alternate Procurement pursuant to HAR 3-122-35, as no responsive bids were received, and it would not be advantageous to the Department to issue a new solicitation.

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

MR. OKAMOTO: This does require maintenance on a regular basis, and it has been maintained. The current contract is with a company, Kone. This is an unusual one. I think we encountered no bids on the last one as well.

MR. TAKAMOTO: Yes.

MR. OKAMOTO: I think we'll go through the alternate procurement process. I just want to assure the Board that we are confident that we'll have a contractor that we can work with to do the work; it's just that, for whatever reason, we didn't receive an official bid from anyone.

MR. MIURA: Can you tell me more about what an alternate procurement is?

MR. OKAMOTO: I'll try, and maybe Diana can fill in any gaps. We're governed by state law on how we purchase goods, materials, and labor. There are different forms of procurement that we employ, competitive sealed bidding, which is when we put out something like this, then we get sealed bids, open them at a certain time, and award it to the lowest bidder at a Board meeting. There are also requests for proposals where the scope is a little harder to figure out; that's a different process, and it's more of a qualitative process, where it's not just the lowest bid gets awarded, you have different criteria. Cost is always one of the factors. Then there's small purchase, sole source, professional services, all governed by state statute. When we go through a bid process that's authorized, like this one was a competitive sealed bid and nobody bids, but we still have to get the work done, at least the law allows us to proceed by giving us an option of alternate procurement, which I believe comes in several forms. We can do direct negotiation, or we can do an informal negotiation by reaching out to vendors we know can do that work and seeing if they are willing to abide by the terms of the contract. We still have a contract that they'll sign off on, it's just—

MS. MELLON-LACEY: I think in the normal course, the Department isn't allowed to reach out to specific vendors because then, that can lead to people picking their favorites or their friends, and also the idea is to try and make it as broad as possible so that anybody that does this kind of work has the chance to bid and get a chance to do it. So, this really changes the game, as it lets the Department reach out directly. Sometimes there are people who don't bid on stuff like this; they don't have the capacity to maybe deal with paperwork, or it's just not something they do, but they're capable of providing the service. It still has to be procured at what's considered a fair and reasonable price, so the Department still has to do its due diligence to make sure it's not overpaying, it's not favoring some particular person, but it just kind of opens the door and lets the Department take a more proactive stance than they are normally allowed to do.

MR. OKAMOTO: Just like Diana said, I think a lot of these procurement laws came about because maybe there was some fishy stuff happening prior, where people would just give government contracts to people they may have known. I believe the laws and regulations came out to make sure it's fair, equitable, and no favoritism, but we still have to get the work done, so at least they were wise enough to allow this alternative should conditions like this come up.

MS. MELLON-LACEY: You also have to have good documentation on why you did it. In this case, we have a procurement file to show that we put this thing out and how we tried to get people, but couldn't. We can't just say we're going to do alternate procurement.

MR. LEE: If you increased the budget amount, would that make a difference? It's based on your engineering cost, right, the budget?

MR. OKAMOTO: Our estimate is based on the work that we need to get done; it's our best guess. I think for this type of work, I think Diana might have mentioned, some companies aren't used to looking for these advertisements for bids, so they may have missed the deadline. That's just a guess. Some of them are just busy doing what they are doing already, but they are willing to do this work if we reach out to them.

MR. MIURA: Your engineering scope of work, or estimate, that's mostly internal?

MR. OKAMOTO: Yes.

MR. MIURA: It's not open, where they can see what your estimate is?

MR. OKAMOTO: No, we reveal what our engineering estimate is. What we really try to do is lay out the scope as best as we can so that they know what they're bidding on. With this one, we're fairly confident in the estimate because we have an existing contract with the company that is doing the work already, unless they decide to really change some of their prices. Hopefully, we're fairly close on this one.

MR. ALAMEDA: Aside from what you're talking about now, I just want to say that I had a great experience there, at the Shaft. Thank you guys very much for planning all of that and ensuring that we were safe in the area and using the incline to get down there and come back up. For the Department as a whole, from my point of view, what I saw there with the workforce and you guys, and going back to the Strategic and Business Plan update prioritization and framework, a point to teamwork, good morale amongst the workers. Also, leadership, the whole experience aside from the Shaft itself and everything we saw down there, the pump, the well, and everything, it was a good tour for me. I was amazed, impressed; thank you very much for that. Continue the good work relationship and teamwork.

MR. OKAMOTO: Thank you for that, Guy. I think part of keeping our workers willing and able to do it happily is making sure everything works properly. As you probably know, it's frustrating when there are things to do, and the equipment isn't working like it's supposed to. You've seen how big the pumps and motors down there are; a human can't bring that down. A credit to the staff for continuing to stay on top of these kinds of maintenance requirements.

CHR. KEKELA: How often would you see a call for maintenance throughout the four years? I'm assuming the last contract was for four years.

MR. TAKAMOTO: Yes. We're doing it by quarters, so 16.

MR. OKAMOTO: This is scheduled maintenance, but if something goes down, we have provisions for that too.

MR. TAKAMOTO: We have it for emergency services and allowance for any parts that may be required.

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

9) 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**

PL-SUB-2023-000143

Grantor/Seller: Clinton Hinchcliff Jr.

Tax Map Key (3) 7-3-024:008

Kaloko, North Kona, Island of Hawai'i, Hawai'i

Facilities Charge: \$36,570.00 Date Paid: 7/31/2025

Final Inspection Date: 7/7/2025

Water System Cost: \$216,000.00

**2. Grant of Easement and Bill of Sale**

PL-SUB-2023-000139

"Hikina Lani Subdivision"

Grantor/Seller: RJL LLC

Tax Map Key (3) 2-4-039:057, 058, 087, and 093

Waiākea, South Hilo, Island of Hawai'i, Hawai'i

Facilities Charge: \$292,560.00 Date Paid: 6/3/2025

Final Inspection Date: 12-23-2025

Water System Cost: \$296,996.04

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

**MR. OKAMOTO:** Real quick, I'll cover generally why we go through this process, and then if there are any specific questions, we have Shari available to answer. Basically, when a developer develops a subdivision or whatnot, part of the requirements is to put in infrastructure. They put it in, they pay for it, they install it to our standards, then we go and inspect it and make sure it was installed correctly using the right material. After it's done and they finish the construction, they have to dedicate it to the Water Board so that now it's under our operational and maintenance and whatnot. If it's in a public road right-of-way, we don't need a grant of easement. If it's a private road or maybe it's prior to the official dedication of the road to the county, we'll need a grant of easement so we can legally go and do work on the infrastructure if we need to, including dropping meters and whatnot. That's what this action is for. The construction is done, and they are ready to dedicate it to the Water Board so that the Department can now operate and maintain the infrastructure to provide the water service to this new development.

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

**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. A public hearing was held prior to this meeting to accept testimony. The Board may change either Budget or adopt them as presented over two readings.

**RECOMMENDATION:** It is recommended that the Board approve the Department’s Fiscal Year 2027 Operating and C.I.P. Budgets on this first of two readings.

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

**MR. OKAMOTO:** Essentially, for the C.I.P. Budget, it’s our best guess for the total amount of projects that we need to do over the next number of years. It’s an estimate.

**MS. MEDEIROS:** Is there anything in this 5-year project for water haulers, for stand pipes, spigot usage, anything? Everyone knows there are just two locations for all the water haulers on the island.

**MS. MELLON-LACEY:** Excuse me, Mr. Chair, this is really off topic. We’ve had the opportunity for this to be presented to take comments, and it’s now being considered for approval. I think that’s not an appropriate question to entertain, given where we are in the agenda.

**MS. MEDEIROS:** Okay, sorry.

**MR. OKAMOTO:** It’s alright, we can talk story later.

**CHR. KEKELA:** These projects are Department priorities, but something like that, please reach out to Keith or Kawika, and they can work with you.

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

**C. RENEWAL OF CONTRACT FOR MAINTENANCE AGREEMENT – SOUTH KOHALA, HĀMĀKUA, AND LAUPĀHOEHOE SITES (BRANTLEY CENTER, INC.):**

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

Brantley Center, Inc., presently has a Maintenance Agreement for site maintenance for the Department’s South Kohala, Hāmākua, and Laupāhoehoe tank and pump sites. We are requesting to renew this Agreement from July 1, 2026, to June 30, 2027. The rates would be as follows:

South Kohala	-	\$4,475.68/month x 12 months (23 sites)	=	\$53,708.16
Hāmākua	-	\$2,944.16/month x 12 months (15 sites)	=	\$35,329.92
Laupāhoehoe	-	\$738.48/month x 12 months (3 sites)	=	\$8,861.76
		Total:		\$97,899.84

The Department has the right to award the contract to Brantley Center, Inc., without advertising or calling for bids, according to Subsection 103D-1010 of the Hawai‘i Public Procurement Code. Brantley Center, Inc., has submitted the necessary documents to meet the requirements as a qualified rehabilitation

facility. There is no increase from their proposal for Fiscal Year 2021-2022. Brantley Center’s performance has been satisfactory, and the costs are reasonable. A total of 41 sites are covered by this agreement.

**RECOMMENDATION:** It is recommended that the Board award the contract for the RENEWAL OF CONTRACT FOR MAINTENANCE AGREEMENT – SOUTH KOHALA, HĀMĀKUA, AND LAUPĀHOEHOE SITES, to Brantley Center, Inc., for a period from July 1, 2026, to June 30, 2027, at a total cost of \$97,899.84, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval by Corporation Counsel.

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

**MR. GOODALE:** The last increase we had was actually in 2023, and they’ve been pretty consistent. They haven’t had big jumps or fluctuations in any of their pricing.

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

D. MEMORANDUM OF AGREEMENT (MOA) FOR THE EMERGENCY STANDBY GENERATOR AT KEAHUOLŪ WELL:

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

The Department of Water Supply (DWS) is proposing to enter into a MOA with the Hawai‘i Emergency Management Agency to facilitate the allocation of FEMA Hazard Mitigation Grant Program funds to DWS’ Emergency Standby Generator at Keahuolū Well project. This project involves the design and installation of a generator and supporting infrastructure at Keahuolū Well in North Kona. The federal share will be 75% of the total project cost, not to exceed \$825,000.00. DWS share will be a 25% match. DWS will be responsible for the procurement of the professional services and construction.

Federal Share (75%): \$ 825,000  
DWS Share (25%): \$ 275,000  
Total Est. Project Cost: \$1,100,000

**RECOMMENDATION:** It is recommended that the Board approve the MOA with the Hawai‘i Emergency Management Agency for the Emergency Standby Generator at Keahuolū Well, and that either the Chairperson or the Vice-Chairperson be authorized to sign the MOA, subject to review as to form and legality by Corporation Counsel.

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

**MR. OKAMOTO:** I want to give credit to Warren for really going after this funding. It’s our ongoing effort to provide backup power sources for our critical facilities. As you can see, there’s a program, FEMA Hazard Mitigation Grant Program, that provides funding for projects like this, and the great deal is that we get it at 75% off. This MOA is needed for us to access the funds.

**MS. TAAROA:** So, you’ve already got it approved?

**MR. OKAMOTO:** Through HIEMA and FEMA.

MR. MIURA: Earlier, you had mentioned portable standby generators. Does FEMA have any funding for that?

MR. OKAMOTO: They could. This particular example will not be one of those.

MR. CHING: This generator will be stationary since this was identified as a key site for us.

MR. OKAMOTO: They would provide funding for portable-type generators, too, if it qualified for their program.

MR. MIURA: Hopefully, we can look into that.

MR. OKAMOTO: Yes. Warren is already looking into the two 500kW ones.

MR. CHING: It wasn't through this program, but we have gotten portable generators from FEMA in the past.

MR. OKAMOTO: I believe Warren has also solicited and was successful at getting transfer switches with external funding. Was it this same funding?

MR. CHING: Yes. We've gotten transfer switches through this Hazard Mitigation Grant Fund, and for us, this was a good place to start because that's needed to operate the generator and power up our site.

MR. OKAMOTO: This one will include the work to procure, place the generator, as well as outfit the control building so that we can plug the generator into the—

MR. CHING: Yes. So this scope will be to place the generator on a pad and electrically connect it to our building so it's ready to go when we need it.

MR. OKAMOTO: Great program.

CHR. KEKELA: Was this site determined because it was a hotspot for outages?

MR. OKAMOTO: It's a key well that has a large service area. It can go north and south, as well as feed a sizable service area makai. It's one of our key wells in north Kona.

CHR. KEKELA: What region in Kona?

MR. OKAMOTO: You know Palani Junction at the top of Palani Road, where it meets Māmalahoa Highway up at the top? Near that junction, maybe just south, about 1,700-foot elevation, just south of that junction, all the way to town. It can adjust, but that's the general area.

CHR. KEKELA: Are funding opportunities like this limited to one site?

MR. OKAMOTO: No. I think Warren mentioned the transfer switch project was for several sites.

MR. CHING: Yes, and we do currently still have an application that's being considered under the same program, for transfer switches at multiple sites.

MR. OKAMOTO: HIEMA is Hawai'i Emergency Management Agency, that's the State Civil Defense folks over on O'ahu. They are the liaison between us and FEMA, the federal agency. It's great that they have this Hazard Mitigation Funding Program. It covers other stuff too, not just backup generators or transfer switches, but that's what we found success in accessing these funds for our purposes. We're also trying to see if we can utilize that funding for some work to rehabilitate and bring one of our reservoirs above Waimea town to current dam safety standards.

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

E. **JOB NO. 2022-1188, IDENTIFY AND APPLY FOR FEDERAL FUNDING OPPORTUNITIES – 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 to add an additional \$75,000.00 to the consultant’s current contract for the work needed to identify and apply for various federal funding opportunities.

Original Contract Amount:	\$	75,000.00 (not to exceed)
<u>Additional funding request:</u>	\$	<u>75,000.00 (not to exceed)</u>
<b>Total Revised Contract Amount:</b>	<b>\$</b>	<b>150,000.00</b>

**RECOMMENDATION:** It is recommended that the Board approve an increase in the contract amount to SR Partners, LLC, for JOB NO. 2022-1188, IDENTIFY AND APPLY FOR FEDERAL FUNDING OPPORTUNITIES. If approved, the total revised contract amount shall be \$150,000.00.

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

**MR. OKAMOTO:** If there are any questions, Kawika can address some of the detailed questions, but they’ve helped us strategize and acquire several million in federal funding over the past several years. I think bang for the buck, several million for \$75,000.00 is a good deal, and we’d like to continue that effort for future opportunities. Kawika, if you want to add anything.

**MR. UYEHARA:** It’s been a contract we’ve had with a professional service provider who has experience from Capitol Hill in the past over the last couple of years, and as Keith mentioned, they’ve helped us strategize and apply for particularly congressionally-directed spending “earmarks” that have been coming back the last several years. Fortunately, through their efforts and working with our Department staff, we’ve been fortunate in securing some of the earmarks. It’s roughly four million dollars so far from different federal agencies, whether they’re from EPA or NOAA. We would like them to continue to assist our Department in that, and thus, the request for additional funds. As mentioned, it would be on an as-needed basis. We have regular meetings with them, and as they’re directed to help the Department apply for these funds, then we’ll use this additional funding for that.

**MS. TAAROA:** How does the payment to them work? Are they getting this contract amount no matter what, or is it what they produce?

**MR. UYEHARA:** It’s based on time and materials. This is a not-to-exceed amount.

**MR. LOPEZ:** Is this a new contract? Is this an extension to an existing? Why is there the additional funding? Aside from the part where these guys are doing a great job and we’re getting a lot of benefits, but we’re paying them for it. Why is there an additional funding request? What’s justifying that?

**MR. UYEHARA:** It’s an existing contract, and the original contract is for \$75,000.00, and we’re approaching expending all the funds in the original contract. The request is to add on to the original contract that we have now.

**MR. LOPEZ:** Does the contract have an end date when we should expect a new contract?

**MR. UYEHARA:** There’s no firm—

MR. LOPEZ: Is it just ongoing, and we just keep putting money in the bucket? I'm not clear.

MR. UYEHARA: It's a professional service contract, and there is no established deadline on the contract. I'd have to double-check that. It is for the Department to help us; we need to apply for these funds.

MR. LOPEZ: I understand that part. Where I have the disconnect is you retain a company under a PSA to provide a certain amount of work for you at a price. So, if it doesn't have an end date, have we done this before? Is this not the first time that we've done a funding request? Is it just perpetual? I'm not clear if this is fixed for a certain amount of time, or hourly, or the number of successes they have. I'm not clear what the funding is compensating for.

MR. OKAMOTO: Maybe I can assist with that. Technically, in a contract, there probably is a completion date. I don't know what the specified date is on this one. If this is approved, we will process a contract change order to add to an existing contract. As Kawika mentioned, the original contract was not to exceed \$75,000.00, and how they bill us is basically time and material. Their hourly rate for whatever task they worked with us to apply for these funds. After they perform that effort, they'll send us an invoice for the work they've performed. So, it's a not-to-exceed amount, it's only as-needed.

MR. LOPEZ: I think I'm putting it together. You do have a contract for \$75,000.00. Because it's on an as-needed basis, you have nearly exhausted that allocation. Now you're looking for an additional amount of money to the existing contract to ask for more work, but you don't know when that contract comes up for renewal.

MR. OKAMOTO: We'll probably put an end date because, legally, we don't like to have open-ended contracts with no end date. It's not continual; we won't be doing this again for this particular effort. If anything, if we do need additional funds down the road, it would be more prudent to do a new procurement, a professional service procurement.

MS. TAAROA: How long did it take to go through that first \$75,000.00?

MR. UYEHARA: I think about three years.

MR. UNGER: In line with all these other questions, why do you need a contract with these people? They sound like consultants. When you need them, you call them, they do the job, they invoice you, and you pay them. So, what is the purpose of a contract?

MR. OKAMOTO: They actually help us apply for the funds and strategize what funding fits with what federal program. We don't have the resources and the technical personnel resources to strategize like that. We know what projects need to get done, but these folks help us figure out which pockets of funding would be the best fit strategically because this funding is not competitive. There are federal funds available all the time through a competitive process, but you're competing against every other potential applicant in the nation. These leverage funds that are available to our congressional delegation, the four people that represent us at Congress, actually, for us on the Big Island, there's only three, and they have access to certain funding amounts. It's really helpful to know who to ask and where to seek the funding. We really benefit way out of proportion to what we pay.

MR. UNGER: No question, and it sounds like a very beneficial relationship. I was just wondering why are they requiring a contract to hire them? I'm just wondering why the contract structure. Why don't you just call them up and say we have another job we want you to search for federal grants, log your time, and we'll pay you when the job is done?

MR. OKAMOTO: That's basically what we're doing, but we require a contract, and that requires a procurement per state and law requirements, which is a professional services type procurement.

MR. UNGER: So we have to do that in order to hire a consultant such as this? We have to go into a contract agreement?

MR. OKAMOTO: Yes.

MR. LOPEZ: I think we're continuing to get mired down in the benefits that they offer, which there is no question about that. But, when you have an agreement, whether it's a contract or a PSA for a fixed amount, \$75,000.00, it must be tied to some—we'll provide you with 100 hours, \$750 an hour, maybe, and when you exhaust that, we need more. What are the details of that agreement, in terms of how we pay for this?

MR. OKAMOTO: Yes, it's on an hourly basis. They provide their hourly rates to us, and when they invoice us, they have to substantiate how many hours they worked on a particular effort that we requested.

MR. UYEHARA: It's on their monthly invoices.

MR. LOPEZ: So you do have a measure of the \$75,000.00 over whatever period of time you may choose to exercise it?

MR. OKAMOTO: Yes.

MR. LOPEZ: And we've exhausted that, or near exhausted, and need to put more money into the pot? And again, based on their effort, the labor, and whatever rate we've agreed to with them, that's where this money is, and you have a record of that? You're able to track that?

MR. OKAMOTO: Yes.

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

F. SUBCONTRACT SUB-2026-10058 FOR THE ENERGY TECHNOLOGY INNOVATION PARTNERSHIP PROJECT (ETIPP) – ETIPP COHORT 5 TECHNICAL DEEP DIVE TRACK COMMUNITY SUPPORT:

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

The Department of Water Supply (DWS) is proposing to enter a subcontract with the Alliance for Energy Innovation, LLC, manager and operator of the National Laboratory of the Rockies (NLR) (U.S. Department of Energy's primary national laboratory for energy systems), to develop a DWS energy resilience plan with technical assistance from NLR through the ETIPP program. As part of this agreement, DWS will receive \$50,000.00 for services rendered to support this project.

**RECOMMENDATION**: It is recommended that the Board approve the subcontract SUB-2026-10058 with Alliance for Energy Innovation, LLC for ETIPP Cohort 5 Technical Deep Dive Track Community Support, and that either the Chairperson or the Vice-Chairperson be authorized to sign the subcontract, 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. OKAMOTO: I am going to ask Kawika and/or Warren to explain this one.

MR. UYEHARA: We put in an application to the County Research & Development Department. It was a Department of Energy Grant Program. Once the funding opportunity was published, the Department, along with County R & D, submitted an application. Fortunately, we were approved to be a part of the fifth cohort for the Department of Energy. So, that's the Federal Agency Department of Energy, and we're also working with the State's Hawai'i Energy Office kind of like the prime for contract. And also other research laboratories in the Rockies, and Berkeley Lab. Basically, it was an opportunity we got to get technical assistance from the Berkeley Lab and the National Lab of the Rockies to help us develop an energy resilience plan. For more of the specifics of that, we can ask Warren. We have had some scoping meetings with these groups, and there are benefits that the technical assistance we are anticipating getting is going to help the Department plan for the future energy-wise, particularly when we look at our wells and our booster stations, where we need to prioritize getting backup generators in addition to what we already have.

MR. CHING: The national labs we're going to work with—the idea is that they are going to evaluate some of our sites, most of our sites—to see which ones we should look at prioritizing, as far as what projects to do first, based on their planning to help kind of quantify some of the benefits versus what the costs are going to be, and come up with a priority list of sites that we should start looking at backup power for. And that's all in terms of the Strategic Energy Plan. They are going to be providing us with some technical assistance on that, and also giving us some funding to help support that effort.

MR. UNGER: Do we have a resilience plan now?

MR. CHING: Specific for energy? Not right now, no official document. We have more general resilience planning, but not specific for energy.

MR. UYEHARA: I think that was one of the exercises when we talked with the groups that are going to be helping us. Our staff, we have a lot of it just in our heads on how to back up certain areas, but this is going to be a formal exercise to document that all. What Warren has worked on in the past about putting generators at strategic locations, this is even going beyond that, to look at areas that would be nice to have backup to continue water service during an extended power outage. These exercises are anticipated to help us with that evaluation.

MR. UNGER: At the beginning of the agenda, we talked about earlier, that was part of a resiliency-type plan, just having that emergency standby generator, but this sounds like more of a formal plan where you're looking at all of your data and prioritizing and being more formal in your approach, which is great. I think that it fits with the Strategic Plan also, which we previously just discussed.

MR. CHING: The idea is to have a sort of master plan when it comes to backup power. This document would also help us when we go for grant funding, that's how we're hoping to pose this report, to help us with some of the grant funding and to be able to show the benefits of certain projects.

MR. UYEHARA: It will help us to justify future funding applications to implement this resilience plan.

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

G. **BID NO. 2026-03, FURNISHING LIQUID CHLORINE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY:**

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

This project consists of furnishing all materials, labor, transportation, tools, taxes, machinery, and equipment necessary for the furnishing and delivery of liquid chlorine in accordance with the specifications. The bidder will provide services on an as-needed basis, for a period not to exceed two years.

Bids for this project were opened on April 9, 2026, at 1:00 p.m., and the following are the bid results:

	<b>JCI Jones Chemicals, Inc.</b>	<b>DWS Engineering Estimate</b>
Item 1 – 150 lb. Cylinder	\$575.00	\$600.00

Estimated contract use:

150 lb. Cylinder: \$575.00/cylinder x 585 cylinder/year x 2 years = **\$672,750.00**  
 Total: **\$672,750.00**

**RECOMMENDATION:** It is recommended the Board award the contract for BID NO. 2026-03, FURNISHING LIQUID CHLORINE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY, to the lowest responsible bidder, JCI Jones Chemicals, Inc. for the unit prices listed above, for the period from July 1, 2026, through June 30, 2028, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

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

H. SERVICE BID NO. 2026-04, HAUL & DELIVER CHLORINE CYLINDERS TO VARIOUS LOCATIONS ISLANDWIDE (ON AN AS-NEEDED BASIS):

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

This project consists of furnishing all materials, labor, transportation, tools, taxes, machinery, and equipment necessary to collect 20-ft. containers from harbor; offload chlorine gas cylinders from the container; and deliver chlorine gas cylinders to various locations in accordance with the specifications. The bidder will provide services on an as-needed basis.

Bids for this project were opened on April 9, 2026, at 2:00 p.m., and the following are the bid results.

		<b>NO BIDS RECEIVED</b>	<b>DWS Engineering Estimate</b>
Part I – Pick Up From Harbor & Delivery Preparation	Item 1a – Hilo Harbor (14 Ea.)	<b>NO BIDS</b>	<b>\$8,500.00</b>
	Item 1b – Kawaihae Harbor (4 Ea.)	<b>NO BIDS</b>	<b>\$3,500.00</b>
Part II – Hourly Rate to Haul & Deliver	Item 2a – Islandwide (350 Ea.)	<b>NO BIDS</b>	<b>\$46,000.00</b>
	Item 3a – Hilo Harbor (14 Ea.)	<b>NO BIDS</b>	<b>\$8,500.00</b>

Part III – Delivery, Preparation & Shipment of Empty Cylinders	Item 3b – Kawaihae Harbor (4 Ea.)	<b>NO BIDS</b>	<b>\$3,500.00</b>
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**RECOMMENDATION:** No bids were received. Staff will seek alternative procurement pursuant to HAR 3-122-35 to procure the required services.

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

**MR. OKAMOTO:** This is related to the prior agenda item, but this is to actually deliver those cylinders to where they need to go. Similar to the one with the Kahalu‘u Shaft maintenance, we didn’t receive bids, so we are going to utilize the alternate procurement method to obtain these services. Again, we do have services currently in effect.

**MS. TAAROA:** This is just trucking?

**MR. OKAMOTO:** Yes.

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

**I. UPDATE OF DEPARTMENT OF WATER SUPPLY’S AGRICULTURAL USE RATES:**

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

For information and discussion purposes.

**MR. OKAMOTO:** We emailed you both the proposed rule change as well as a copy of our application for agricultural use rates. This effort, we apologize, this took us a little while. Board Members Lopez and Unger participated in a meeting we had with Real Property Tax last year, in an effort to standardize and be more in line with what County Real Property Tax is doing with their Agricultural Exemption on the tax side of things. Here is where we are at now, and we’re open to the Board for further discussion and input on this process.

**MR. MIURA:** Can you fill me in on the purpose of this change? Or how is this supposed to work?

**MR. OKAMOTO:** We had our own rules regarding agricultural use water rates. I don’t know when they were established or what the actual genesis was at that time. I believe it was to support the AG industry. Basically, our AG rates are a subsidized rate; it’s lower than the typical other use rates that our customers pay. Back over 30 years ago, the Board decided that it was worthwhile to have such a rate. Recently, there was a question brought up because our requirement was for applicants to renew annually, whereas Real Property Tax has a different timeframe. The other challenge we had internally was actually vetting the applicants. We had our own method, but then in the meantime, I know the County Real Property Tax had gone through a significant effort to refine how they vet on their end on what qualifies for property tax exemptions or qualifications. I think it was time. I think Board Member Unger initiated that question on the annual renewal request, so it just makes sense to be in line with what the County Real Property Tax is doing because, I think, the end result is similar. Basically, a reduced rate for an activity that the County wants to support.

**MR. UNGER:** That’s a good summary, and again, I think the impetus originally was what Keith was saying, farmers and ranchers who qualified for this AG rate had to reapply every year. I think that was the start. It’s like, hey, if we qualify, Real Property Tax has a 3-to-5-year dedication, can farmers and

ranchers jump onto that, because, I mean, it's a lot of admin every year, both for the farmer/rancher and for the Water Department. So, that was the beginning of the project, and that's how we started, but as you can see, it's kind of morphed into a larger project, which is fine. I think what's happening is that the project, to a certain extent, is being overhauled. It's been the same and probably not been paid too much attention to by the Water Department, so now I think it's kind of two-fold. It's number one, trying to get a longer dedication process while at the same time maybe updating or upgrading it, reevaluating it, and as Keith said, it was timely because Real Property Tax, as we know, as real property tax owners, they just went through a huge upgrade, I guess, or modification to their system. When we met, Board members with the Water Department, our whole thing was, hey, let's not reinvent the wheel, maybe we can draft behind Real Property Tax, and they're doing vetting for us. It seems like they've done a very good job in detailing who's in AG and who is not. So that's the idea, to dedicate to a longer three to 10-year project and then work with Real Property Tax. If you qualify for a Real Property Tax Exemption, then you would also qualify for a Water AG Exemption, and that's the road we're heading down.

MR. MIURA: I have another question. Is the goal to try to offer the person using water the lowest rate? If the AG rate is lower, or if they have a home and they get the homeowner rate, do they have the option to choose? Or if they're doing AG on the property, but their homeowner exemption rate is lower, would they qualify for that? Or if they're growing something, would they have to sign up for the AG rate?

MR. OKAMOTO: That's a good question, and I think that's one we kind of anticipate possibly falling through the cracks. And again, it's really a Board decision. What should be subsidized? What kind of activity? Then once we figure out what that is, then we'll need to figure out the mechanism to vet that activity. As a reminder, this is a subsidized rate, so what is the big picture? We want to support AG, but we want to support AG at what level? Is it the guy who's just self-sustaining and growing his own food? Or is it AG where he's actually selling to the public? That's the Board's decision, not a Department of Water Supply decision. I think once we figure that out, then we'll have to figure out the process to vet that that does not currently qualify or is revealed via the Real Property Tax process, if that's the question I'm hearing.

MR. MIURA: I think the Real Property Tax Department has tried to get after those that are, pardon my example, but maybe having a couple of cows on their property compared to actually doing farming. They might be a small farmer. I guess whether they are a small farmer or small rancher, I just want to be sure that this doesn't hurt them and make them feel like down the road they might not want to farm, or they might want to get out of it because now it's a higher rate that they don't qualify for anymore. I understand it's not going to be a system that is going to help everyone, but also, I'm sure in Emily's area, too, and the area that I'm representing, there's a lot of small farmers that—they're not major like some of the farmers in Lālamilo, but at the same time, they have a couple acres that they are living on and growing whatever it is or ranching whatever it is and producing and selling.

MR. OKAMOTO: Our current rules require that they provide documentation to show that they're actually selling their product, and Candace jump in at any time, so we can continue that for those that maybe fall through the cracks. My recommendation is those guys, I think, we're going to have to make them annually.

MS. TAAROA: An alternate application process.

MR. OKAMOTO: Right now, if we're relying on Real Property Tax Exemption, they can share with us GIS data, they can share with us which parcels are getting dedicated AG, and I think we're still working on the timeframe. I don't know if they have that information.

MS. TAAROA: I was going to ask that. I don't see a timeframe anywhere on this.

MR. OKAMOTO: We'll need to figure that out, but we think that's a workable solution. I get what you're saying, but that's the thing, too, I don't think we should provide subsidized AG water rates for those guys who have one cow on their property. They aren't really producing. There are others that are like B & B's or short-term rentals that provide opportunities to pick fruit on their property as part of their guests, but that's not really benefiting the overall community. I wouldn't support AG water rates for those types of activities either.

MS. TAAROA: I would say I agree with this change, especially because I believe how it used to be is you put this in and you submit a GE tax license. Honestly, I could have a GE tax license for my little store in Hilo, but a GE tax number doesn't necessarily mean you're a farmer. You're engaged in some type of business activity, but just because you have a GE tax license does not make you a farmer, so there really was no verification there. At least the Real Property Tax is going a little further in actually verifying the agricultural activity, which I agree with, as I am somebody who is in agriculture.

MR. OKAMOTO: I think Colin was mentioning that there are probably some situations out there where either they, by choice, have not opted for the Real Property Ag Tax Exemption because the Homeowner Exemption came out more economical for them, but they're actually really doing real farming. So, how do we address that? I think that might be the question before us, and I think there are other things out there like Kamehameha Schools, a lot of land, a lot of people leasing the land.

MS. TAAROA: Actually, I can pipe up a little bit; you could require a Schedule F or something like that. As opposed to a GE tax number, farmers have to fill out a Schedule F, and that means you're a bona fide farmer. So if we wanted a better method, I would recommend that.

MR. OKAMOTO: That's something that is pretty consistent?

MS. TAAROA: If they are selling, they're probably doing that.

MR. OKAMOTO: We could add that to the rule. So if they're getting the Real Property Tax Exemption, do they have to provide that Schedule F also?

MS. TAAROA: I don't think so, but it's a way where you wouldn't have to physically go out to the property and verify, because Real Property Tax, they probably are. I'm not sure if they actually physically go.

MS. MELLON-LACEY: There's a whole list of things in Section 19-60 in the Real Property Tax Code, which I have a copy of if anyone wants to make a copy, but it's also available online; there's a whole bunch of things that can meet it, like a farm plan is one thing. Section 19 is all about Real Property Tax, 19-60 is specifically for long-term AG, and there's 19-61 for shorter term. That gives you all the things that RPT looks at, and it's varied. It's not just one thing; it's from a list.

MR. OKAMOTO: We put this on the agenda because it's been a long time coming. We wanted to provide the Board with at least a draft set of rules so that you guys can review it. We're not saying that you need to make a decision today; that's why today's agenda item was for discussion purposes only. What we'd like to do is, if anybody has any ideas, like that Schedule F, is that an IRS form?

MS. TAAROA: Yes, it's when you file your federal taxes. A lot of different programs use that as a qualification for grants and whatnot, just to prove you're a bona fide farmer.

MR. OKAMOTO: If everybody can take a look at what we have, both as the proposed rule revision and the application for agricultural use rates, and you can submit your comments to Maraea. We can agendaize this at a subsequent Board meeting, maybe two or three months from now, for further discussion. Then, at that time, I foresee us, through a Board discussion, actually settling on some draft rules. Once we do

that, we'll have to have a public hearing to adopt those rules, and the public will have an opportunity to come and weigh in and provide their comments before the rules are finalized. If that sounds good, we can proceed accordingly.

MR. LOPEZ: I like your proposal; I'm onboard with that. My question is, I'm hearing the word subsidize, subsidy, and I'm not clear how that fits into what the genesis of this effort was. Is it still true, and is there in your rules or what you're thinking, is there any possible change that the AG rate doesn't kick in until over 10,000 gallons a month?

MR. OKAMOTO: 15,000 gallons.

MR. LOPEZ: So anything below that is not what we're talking about?

MR. OKAMOTO: Correct.

MR. LOPEZ: Just as a FYI, I'm in the community sustainability agricultural program, and I have an AG meter allocated, but nowhere am I using 15,000 gallons a month. So, it really becomes a non-issue for me with respect to the water that I pay for, and that's not in any of this discussion, that structure, right?

MR. UNGER: Yes, from what I understand, the existing rate is the existing rate. It's my understanding that we're not even talking about adjusting any of the rates.

MR. LOPEZ: When I hear the word subsidize, that's where I'm getting the rate issue from. What are we subsidizing?

MS. TAAROA: It might be helpful if you provided, like before we have the next discussion, how it currently works and what the rates look like, what the structure looks like. Just a little cheat sheet of how it currently works.

MR. OKAMOTO: We'll try to provide an executive summary of the rates, and Kawena is 100% correct, the first two blocks, really not a subsidy, but that's not where the larger scale farmers are benefiting. On the regular use rates, the third block is where we start kicking in, actually higher than the cost of service rates, as more of a disincentive to overuse water. Whereas the AG water users have the opposite of that, more incentivized to use more water.

MS. TAAROA: If you're using less water, you're actually better off on the homeowners' rate, is that correct? Say if you apply for AG, that's your rate no matter what you use, right? If you're using the lower end of that, say less than 5,000 gallons a month, you're probably paying more than the homeowner using 5,000 a month, is that right?

MR. OKAMOTO: It's the same.

MS. TAAROA: The AG rate only kicks in at that level?

MR. OKAMOTO: Yes.

MR. UNGER: If you think about it, that's almost a way of vetting; it's the larger AG guys that are using more than 15,000 gallons, and the smaller mom and pop, one-horse in a five-acre pasture doesn't quite hit that threshold. Again, it's a form of vetting that's built into our existing AG rate right now. As far as the terminology, Kawena, I think it's a little misleading. It's not subsidizing to a certain extent, whatever Real Property Tax does to large ranchers and farmers to give them a tax rate to encourage them to stay in agriculture. So, whatever you want to call that, incentive, or I guess you can call it a subsidy, and who's being subsidized? The farmer or rancher. By who? The general community that's not in ranching and farming. So, as a rancher, I've always been really appreciative of this, and the same with Real Property

Tax, I'm out there saying thank you to the general community. You always hear verbiage from our politicians about how they support AG. Let me tell you, there's not a lot of support out there. I will promise you that. Except for Real Property Tax County of Hawai'i and Water Supply, that's where the rubber hits the road, and that's where we are all very appreciative of that.

MR. OKAMOTO: I didn't want to say subsidy like it's a bad word, it's just below cost of service.

MR. LOPEZ: Yes, that's a good word.

MR. OKAMOTO: I think Mr. Unger is correct. When we came up with the agricultural water use rate, I think the intent was to help distinguish the larger-scale activities from those potential one-cow on the property type situations.

MR. MIURA: If I understand you correctly, then anything under that 15,000 per month would still be under the homeowner exemption rate?

MR. OKAMOTO: Not homeowners' exemption for water rate, just the general use rate.

MS. TAAROA: We only have two rate categories, right? There's general, and then there's AG rate, right?

MR. MIURA: Another question, and I don't know if this really applies, but what about the ones that are exempt? For example, if you're going to use RPT's guide, how would DHHL and some of the other areas that are exempt on RPT apply to your standard?

MS. GRAY: Real Property Tax, they issue a notice of tax assessment every year, and on there would include the land use classification and any exemptions that the homeowners would qualify for, so we would actually look at that.

MR. MIURA: So that one would be a case-by-case?

MR. OKAMOTO: I think we worked with their GIS folks to get those who got the Agricultural Use Exemption. We're not applying it for other exemptions; I don't know how many exemptions there are. DHHL gets?

MR. MIURA: Yes.

MR. OKAMOTO: But it's not the same as the agricultural exemption?

MR. MIURA: That might be a Lisa question.

MR. OKAMOTO: We'll check that also. Basically, again, the intent was not to reinvent the wheel because I think that Real Property did a terrific job of trying to figure out how to vet what is legitimate or not. That's our basis, that's our starting point.

MR. MIURA: Don't get me wrong, I'm not against this. I'm just trying to make sure that if we do come up with something, we don't find an issue down the road.

MR. OKAMOTO: What we'll try to do is a more proactive outreach when we get to this rule change for the public hearing. Hopefully, if there are some concerns that the public has with our proposed rule change, we'll hear about it, and we can use that discussion to plug in any holes we may have at that time.

MR. MIURA: It may not hurt to reach out to RPT prior to that just to make sure—

MR. OKAMOTO: Yes, 100%. We'll notify them of our draft rule change and even our application, too.

J. 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.

MS. UYENO: I'll start off with the Lālāmilo 10MG reservoir. This project is our largest concrete reservoir that we're constructing. Right now, we're approximately halfway through. We're putting up walls and columns at the same time, and right now we're attempting to pour a quarter of the roof slab, which is scheduled for Thursday, April 30<sup>th</sup>. Just for background, our reservoir is so big that we cannot enclose everything without installing portions first, which is why it's going up in portions. We're doing columns, walls, and now the concrete ceiling, the roof pour. That's progressing ahead, like I said, we're about halfway through with the construction of the concrete reservoir.

Moving on to page two, we have Iki Place Water System Improvements. That is an improvement district project that is working in conjunction with our County of Hawai'i Finance Division. We were on pause for a while, so now we're getting back on track. We have to do a loan closing with USDA, and that is scheduled for May 7<sup>th</sup>. Once that closes, we'll go ahead and issue the contract for the construction project.

On page three, just an update on our FEMA project, which is the Pohoiki waterline replacement and roadway. First off, we worked on the lower portion, 137A, which is Kapoho towards Pohoiki boat ramp. We're approximately 17,700 linear feet completed out of the 19,000, so we're about 74% complete there as far as waterline work. I just got word yesterday that the upper and lower Pohoiki portion, which is a separate contractor, is finally going to start the waterline work in May, so next week. For that one, we'll be installing about 25,000-plus feet of waterline, which will connect down towards the other portion that we're installing now. So, water will not be available until the upper and lower Pohoiki Road is constructed.

K. 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: For this month, you're looking at the March 2026 Financial Statements, the end of our third quarter for Fiscal 2025-26. We have any new explanations on our cover memo. I have on the balance sheet, which is on page four, our accounts and construction contracts payable, including retainages, increased \$683,014.00 from the prior year. Again, that's due to an increase in pending payments to be processed in comparison to the prior fiscal year. Based on previous requests at the last Board meeting, I moved the delinquency section to a separate, one-page report in addition to the financial statements. Prior to this, in this section, I reported the amount in our greater than 90-day category for our aging receivables. In this new report, I include all of the aging categories to show the status as well as the performance in relation to our efforts and improvements in our processes, and so forth. In November, we implemented a new strategy, and it involved a collective effort between all of our customer service, collections, and accounting staff to help communicate to customers regarding their delinquency and assist

in avoiding shut-offs, and hopefully prevent their delinquency from going further into the greater than 90-day category. As you can see, the numbers regarding our overall delinquency from October 2025, total delinquency was \$1,047,000.00. As of March 2026, I'm reporting \$880,317.00, so we're looking at an overall 16% reduction. Any questions?

MS. TAAROA: Do we know what the industry standard is for the percent of total AR delinquencies in Water or utilities in general? Just curious. I'm sure it's higher than normal because of necessity.

MS. GRAY: We are in the median. Of course, over time and with improved efforts, we are adjusting to different processes, so I believe over time we will reduce it further.

MS. TAAROA: Well, you're doing a good job, thank you.

MR. LOPEZ: Thank you for this report. You're separating the topic from your financial report in a very distinctive reporting method, so thank you for doing this. I noticed the column called total, is that the total AR bill?

MS. GRAY: That's the total outstanding for that month.

MR. LOPEZ: Since July 2025, you've decreased the total outstanding by something like a million and five, and then the total delinquent you've reduced from a million ninety-nine to \$880,000.00; that's outstanding. Great job in addressing that. A lot of this, majority of it, came about by your staff being more aggressive in making direct contact. Is that still happening?

MS. GRAY: Yes, it is.

MR. LOPEZ: It's showing here. Again, thank you very much. I've been living with this for at least three years, if not more. Thank you. Good job.

L. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells

MR. UYEHARA: Of the 14 sources in Kona, we have 11 online or available to use. The three that are offline are the same as last month: Wai'aha, Honokōhau, and Hōlualoa Well. Good news with Wai'aha, pump and spare equipment were installed, and we had a successful start-up of the well, but since the well has been offline for several years now, we have to get it recertified by the Department of Health for water quality purposes before we can put it into our system. The samples were collected and shipped off to our mainland lab. We are anticipating that, hopefully, by the end of May, we can have that well back up and online. Honokōhau Well, we're still waiting for spare equipment to arrive at the end of May or early June. Once that equipment is on the island, we can install it. That one we are looking at for return to service at the end of July. For Hōlualoa Well, we still need to put out the bid. Once that contract is awarded, hopefully, we'll get that one back online by November.

CHR. KEKELA: For the testing, is that something that the Department can do? Like a preliminary?

MR. UYEHARA: We do in-house bacterial microbiological sampling, but this new source test, it has a whole gamut of chemicals and other things we need to test for and analyze, so we had to ship it out to our mainland laboratory.

CHR. KEKELA: So, you guys can't anticipate whether they're going to approve it?

MR. OKAMOTO: We have no reason to expect that they won't, it's just that part of the requirement, and again, the obvious is we can't grab a sample until the pump is working.

CHR. KEKELA: How long would an assessment like that take?

MR. UYEHARA: About two months?

MR. OKAMOTO: Hopefully sooner. It's a full gamut, it's a thorough test. It's like if we drilled a brand new well, similar type testing. We don't know the reasoning behind some of DOH's requirements.

CHR. KEKELA: How long ago was it now?

MR. UYEHARA: 2016?

MR. OKAMOTO: For our staff, it's not difficult; it's just that if you see it, it's a bunch of different bottles for different compounds, and they have different hold times. They can grab it all in a short period of time, then we ship it off to the mainland for them to do all the lab testing.

M. CHAIRPERSON'S REPORT:

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

CHR. KEKELA: I know there's one thing that was pertinent from our last meeting. I did reach out to the county to get an update on a member for District Seven for the Water Board. I was told the prospective applicant withdrew his application because of some family stuff. That was closer to our meeting last time; I haven't followed up prior to this week. Hopefully, they are eyeballing another applicant. I was told they are going to fill the position by the end of the year.

10) ANNOUNCEMENTS:

- **Next Meeting** – May 26, 2026, 10:00 a.m., West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokālole Highway, Kailua-Kona, Hawai'i.

11) ADJOURNMENT:

The meeting was adjourned by Chairperson Kekela at 12:07 p.m.

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Recording Secretary

APPROVED BY WATER BOARD  
(May 26, 2026)