

MINUTES

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

May 26, 2026

West Hawaii Civic Center, Bldg. G, 74-5044 Ane Keohokālole Hwy., Kailua-Kona, Hawai‘i

MEMBERS PRESENT: Mr. Michael Kekela Jr., Chairperson, Dist. 4
Mr. Keith Unger, Vice-Chairperson, Dist. 6
Mr. Colin Miura, Water Board Member, Dist. 1 (via videoconference)
Mr. James Lee, Water Board Member, Dist. 2
Ms. Emily Taaroa, Water Board Member, Dist. 5 (via videoconference)
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: Mr. Guy Alameda, Water Board Member, Dist. 3
Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel
Mr. Justin Lee, Deputy Corporation Counsel
Dr. Jeff Zimpfer, NPS, guest
Mr. Jeff Bray, guest
Ms. Laura Dierenfield, guest

DEPARTMENT OF WATER SUPPLY STAFF:

Mr. Kawika Uyehara, Deputy
Ms. Candace Gray, Waterworks Controller
Mr. Gregory Goodale, Chief of Operations
Mr. Allan Simeon, Engineering Division Head
Ms. Shari Uyeno, Assistant Engineering Division Head
Mr. Warren Ching, Civil Engineer IV
Mr. Eric Takamoto, Mechanical Engineer III
Ms. Maraea Keamo, Senior Clerk Stenographer
Ms. Lindsey Tabandera, Information Systems Analyst IV
Ms. Kayla Okazaki, Information Systems Analyst I
Mr. Barry Kobayashi, Information Systems Support Technician II

- 1) CALL TO ORDER – Chair Kekela called the meeting to order at 10:00 a.m. Board Members who were present: Messrs. Miura, Lee, Taaroa, 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 April 28, 2026, Public Hearing on the Fiscal Year 2027 Operating and CIP Budgets:

ACTION: Mr. Unger moved for approval of the Minutes of the April 28, 2026, Public Hearing on the Fiscal Year 2027 Operating and CIP Budgets; seconded by Mr. Lopez and carried unanimously by voice vote (Ayes: 7 – Board Members Miura, Lee, Taaroa, Unger, Lopez, Aiona, and Chairperson Kekela).

Minutes of April 28, 2026, Water Board Meeting:

ACTION: Mr. Unger moved for approval of the Minutes of the April 28, 2026, Water Board meeting; seconded by Mr. Lopez and carried unanimously by voice vote (Ayes: 7 – Board Members Miura, Lee, Taaroa, Unger, Lopez, Aiona, and Chairperson Kekela).

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

Change order of Business: As directed by the Chair and with no objection from the members of the Board, the following item was taken out of order.

7) MISCELLANEOUS:

L. EXECUTIVE SESSION REGARDING SETTLEMENT OF PERSONAL INJURY CLAIM:

The Board anticipates convening an executive session pursuant to Hawai‘i Revised Statutes (“HRS”) §92-5(a)(4) to consult with the Board’s attorney on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities, in relation to settlement. A two-thirds vote of the members present, pursuant to HRS §92-4, is necessary to hold an executive session, provided the affirmative vote constitutes a majority of the members to which the Board is entitled.

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

(The Board entered into Executive Session at 10:08 a.m. and reconvened in regular session at 10:45 a.m.)

CHR. KEKELA: Can I get a motion to approve the recommendation from the Corporation Counsel?

ACTION: Mr. Lopez moved to approve the recommendation by Corporation Counsel; seconded by Mr. Unger and carried unanimously by the following roll call vote (Ayes: 7 – Board Members Miura, Lee, Taaroa, Unger, Lopez, Aiona, and Chairperson Kekela).

5) POWER COST CHARGE:

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

Departmental power costs 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

A Public Hearing was held prior to this Board Meeting to accept public testimony on this change.

RECOMMENDATION: It is recommended that the Board approve the decrease of the Power Cost Charge from \$2.84 to \$2.53, effective June 1, 2026.

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

CHR. KEKELA: Is there any discussion?

MR. LOPEZ: Just a question. I understand how we arrive at these power cost charges and the history, but with the cost of fuel now, is there quite a big delta between when this was set and what it is now? I'm just surprised that we are lowering the power cost charge.

MS. GRAY: I'm just going to speak to the formula as far as how we calculate the power cost charge. We look at the total electricity cost for the period, it's a four-month period. This is from November through February, and we take that total and include the difference between the amount of power cost recovered versus our electricity cost, and that is added to the formula, and we divide it by our consumption for that period, and that's how we arrive at the rate.

MR. LOPEZ: You actually answered my question in the opening statement because it was the period before we started our war.

MS. GRAY: Yes, there is a lag.

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

6) **SOUTH KOHALA:**

A. **SERVICE BID NO. 2026-02, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL:**

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 and dispose of settled sludge from the Waimea Water Treatment Plant 2.7 MG reservoir, 8.5 MG reservoir, and drying beds as needed, for a period starting from the date of the Notice to Proceed and ending June 30, 2028.

Bids for this project were opened on May 14, 2026, at 1:00 p.m., and the following are the bid results:

	2B Environmental, Inc.	DWS Engineering Estimate
Section 1: Sludge Removal from 2.7MG Reservoir with Disposal On-Site	\$ 0.38	\$ 0.48
Per Gallon Cost		

Section 2: Sludge Removal from 2.7MG Reservoir with Disposal Off-Site	No Bid	\$ 0.53
Per Gallon Cost		
Section 3: Sludge Removal from 8.5MG Reservoir with Disposal On-Site	\$ 0.37	\$ 0.49
Per Gallon Cost		
Section 4: Sludge Removal from 8.5MG Reservoir with Disposal Off-Site	No Bid	\$ 0.54
Per Gallon Cost		
Section 5: Sludge Removal from Drying Beds with Disposal On-Site	\$ 0.40	\$ 0.51
Per Gallon Cost		
Section 6: Sludge Removal from Drying Beds with Disposal Off-Site	No Bid	\$ 0.56
Per Gallon Cost		

RECOMMENDATION: It is recommended that the Board award the contract for SERVICE BID NO. 2026-02, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL, to the lowest responsible bidder, 2B Environmental, Inc., for a unit price of \$0.38 per gallon for Section 1, \$0.37 per gallon for Section 3, and \$0.40 per gallon for Section 5, on an as-needed basis, 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. The sludge removal contract shall be from the date of Notice to Proceed to June 30, 2028.

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

MR. OKAMOTO: This is for a service that we already have in place. It was a resolicitation for another two-year period.

MR. UNGER: I have a general question. Can you translate 37 cents per gallon of removal? Last year, what was the annual cost?

MR. GOODALE: It was just a little less than this bid, so the bid price didn't go up significantly. We did end up utilizing most of the funds that we allocated to this contract.

MR. UNGER: Price-wise, do you remember what the cost was? Are we talking \$200,000?

MR. GOODALE: I'd say it was a couple of cents difference.

MR. OKAMOTO: The total, what did we pay?

MR. GOODALE: I think we ended up paying around \$300,000 for the year.

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

B. WATER TREATMENT PROPOSAL NO. 2026-05, FURNISHING AND DELIVERING COAGULANTS TO THE WAIMEA WATER TREATMENT PLANT:

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 deliver coagulants to the Waimea Water Treatment Plant, for a period not to exceed two years.

Bids for this project were opened on May 7, 2026, at 1:00 p.m., and the following are the bid results:

Description	Pural Water Specialty Co., Inc.	Malama Solutions & Supplies, LLC	DWS Engineering Estimate
Estimated Coagulant Cost for the 24-Month Contract Period (dry basis)	\$152,545.94	\$174,134.70*	\$165,600.00

*Bidder's amount was corrected for an arithmetic error.

<u>Bidder</u>	<u>Amount</u>
1) Pural Water Specialty Co., Inc.	\$152,545.94
2) Contingency	\$ 47,454.06
TOTAL CONTRACT PRICE	\$200,000.00

The reason for the high contingency is that as the source water's turbidity increases during the year due to unstable weather conditions, more coagulants are used to meet the water quality requirements of the State of Hawai'i, Department of Health.

RECOMMENDATION: It is recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2026-05, FURNISHING AND DELIVERING COAGULANTS TO THE WAIMEA WATER TREATMENT PLANT, to Pural Water Specialty Co., Inc. for the bid price of \$152,545.94, plus \$47,454.06 in contingency, for a total contract price of \$200,000.00 for the period from July 1, 2026, to June 30, 2028, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contracts, subject to review as to form and legality by Corporation Counsel.

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

MR. OKAMOTO: This is a product that we use regularly at the Waimea Treatment Plant. We have an existing contract, and it's time to get another one for a two-year period. As written in the agenda item, the reason for the larger contingency over the typical 10% is that how much coagulant we use is really dependent on the raw water quality. The water comes from two stream sources. If there is heavy rain, there is more stuff coming into the stream, so the water has more stuff in it, and you need more coagulant to settle that out.

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

- C. WATER TREATMENT PROPOSAL NO. 2026-06, FURNISHING AND DELIVERING OF VARIOUS TREATMENT CHEMICALS (LIQUID AMMONIA, 50% LIQUID CAUSTIC SODA, C-9 POLYPHOSPHATE, 38% SODIUM BISULFITE, 50% SULFURIC ACID, 12.5% SODIUM HYPOCHLORITE, 50% SODIUM HYDROXIDE, ACCU-TAB TABLETS, SODA ASH, AND CITRIC ACID) TO THE WAIMEA WATER TREATMENT PLANT (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 bid generally consists of furnishing all labor, materials, tools, and equipment necessary to deliver various treatment chemicals to the Waimea Water Treatment Plant, for a period not to exceed two years.

Bids were opened on May 7, 2026, at 1:30 p.m., and the following are the bid results:

	Malama Solutions & Supplies, LLC	Phoenix V LLC dba BEI Hawaii	South Pacific Gold Combine LLC DBA Chemstation Hawaii	Estimated Cost Based on Mat. Bid 2024-06
Part A – Liquid Ammonia , delivery once per month, (90 cylinders per year) Cost per 100 pound cylinders	No Bid	No Bid	No Bid	\$679.28
Part B – 50% Liquid Caustic Soda (4 dry tons per 5 weeks) Cost per dry ton	No Bid	\$2,626.63	No Bid	\$2,307.42
Part C – C-9 Polyphosphate (7 drums per month) Cost per 30 gallon drum	\$1,500.00	\$1,311.91	\$1,389.00	\$1,127.27
Part D – 38% Sodium Bisulfite (Delivery once per 3 weeks) Cost per 50 gallon drum	\$1,375.00	\$600.88	\$738.00	\$404.47
Part E – 50% Sulfuric Acid (Delivery once per 3 weeks) Cost per 750 pound drum	No Bid	\$749.36	\$875.00	\$425.17
Part F – 12.5% Sodium Hypochlorite (3 drums per month) Cost per 53 gallon drum	No Bid	\$404.06	\$625.00	\$389.50
Part G – 50% Sodium Hydroxide (Delivery once per month) Cost per 650 pound drum	No Bid	\$511.01	\$698.00	\$450.37
Part H – Accu-Tabs SI Tablets (14 buckets per month) Cost per 60 pound bucket	No Bid	No Bid	No Bid	\$187.99

Part I - Soda Ash (62 bags per 3 weeks) Cost per 50-lb. bag	\$32.85	\$33.76	\$53.00	\$31.85
Part J - Citric Acid (6 drums at a time) Cost per 55-gallon drum	\$875.00	No Bid	\$1,088.00	\$1,905.76

RECOMMENDATION: It is recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2026-06 FURNISHING AND DELIVERING VARIOUS TREATMENT CHEMICALS TO WAIMEA WATER TREATMENT PLANT by Parts to the following for the amounts shown above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The price agreement shall be from July 1, 2026, to June 30, 2028.

Parts B, C, D, E, F, and G to Phoenix V LLC dba BEI Hawaii.

Parts I and J to Malama Solutions & Supplies, LLC.

For Parts A and H, no bids were received. Staff will seek alternative procurement pursuant to HAR 3-122-35 to secure pricing in the best interest of the Department.

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

D. SERVICE BID NO. 2026-07, REPAIR AND MAINTENANCE OF WAIMEA WATER TREATMENT PLANT HACH EQUIPMENT:

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 transportation, labor, equipment, tools, and consumable materials necessary to provide maintenance and repair services to various Hach equipment at the Department of Water Supply’s Waimea Water Treatment Plant facility for a period beginning from the Notice to Proceed, through June 30, 2027.

Bids for this project were opened on May 14, 2026, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount	DWS Engineering Estimate
Hach Company	Non-Responsive	\$ 76,290.00

RECOMMENDATION: It is recommended that the Board not award the contract for SERVICE BID NO. 2026-07, REPAIR AND MAINTENANCE OF WAIMEA WATER TREATMENT PLANT HACH EQUIPMENT, due to the sole bid received was determined to be non-responsive. Staff will re-evaluate the scope of work and resolicit this bid per HAR §3-122-35 to procure the required services in the best interest of the Department.

MS. MELLON-LACEY: For clarity, it indicates here that the bid was non-responsive. Is that correct?

MR. OKAMOTO: Yes.

MS. MELLON-LACEY: We wouldn't be able to accept a non-responsive bid, so I don't see that there is anything for the Board to vote on.

MR. OKAMOTO: Yes, you are right.

MS. MELLON-LACEY: Unless you want them to vote on staff reevaluating, but that seems internal.

MR. GOODALE: I thought the Board had to approve alternate procurement.

MR. OKAMOTO: It's not alternate procurement; we're going to rebid, I guess.

MS. MELLON-LACEY: It says they are going to reevaluate the scope.

MR. OKAMOTO: Thank you, Diana. Normally, we would've thought we'd go with alternative procurement for this one, but it sounds like we're going to reevaluate it and rebid it. After that, we'll bring it back to the Board.

E. MAINTENANCE BID NO. 2026-13, REPAIR AND MAINTENANCE OF WAIMEA WATER TREATMENT PLANT BLOWER AND COMPRESSOR:

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, materials, tools, and equipment necessary to provide routine maintenance and selected repair services for the Department of Water Supply Waimea Water Treatment Plant's Blower and Compressor, for a period beginning July 1, 2026, through June 30, 2027.

Bids for this project were opened on May 7, 2026, at 2:30 p.m., and no bids were received.

		DWS Engineering Estimate
Maintenance services for two (2) Continental centrifugal blowers. Furnish only, filter element as specified in SPECIAL PROVISIONS. Repair service allowance for all equipment on an as-needed basis beyond the scheduled quarterly services, inclusive of labor, parts, taxes and transportation. Maintenance service for one (1) Atlas Copco rotary air compressor.	NO BIDS	\$28,600.00

RECOMMENDATION: No bids were submitted. Staff will seek alternative procurement pursuant to HAR 3-122-35 to procure the required services.

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

MR. UNGER: Is this item for information only?

MS. MELLON-LACEY: Yes. There is no alternative; that is all they can do.

MR. OKAMOTO: We don't need the Board approval?

MS. MELLON-LACEY: To go with alternative procurement? Well, we don't really have a choice unless you think there is some way you could repackage the bid to get a response.

CHR. KEKELA: They aren't soliciting a bid again, right?

MR. AIONA: No. I think they're going a different route, right?

MR. OKAMOTO: Yes. We still try to keep it competitive, so we try to get quotes from at least three vendors who we think could provide these types of services, and then award it to the lowest one.

MS. MELLON-LACEY: I think what I've seen in the past, Keith, is that when you do pick one, you still bring that contract back to the Board to be approved, correct?

MR. OKAMOTO: No, I think that's why we've been putting it on here. I think what we do toward this time period is we're supposed to report to the Board all those that we've procured by alternative procurement, so you see what we did via this method, and you see the amount of the contract. Because we got it approved at this stage, that summary is for informational purposes only.

MS. MELLON-LACEY: If you feel better having them vote on alternative procurement, you can.

MR. AIONA: But basically, it's us giving you guys the right to go and procure on your own without having to come back to the Board.

MR. OKAMOTO: Yes, and at least you guys have the information on what we're doing, and you can also see that sometimes we don't get bids, or we can explain things that you may have questions on.

MR. UNGER: I would recommend to the Board that once you do finally get a solid bid that you're going to accept through this alternate method, that you come back to the Board and just report that this contract was secured for this amount. I think it will be interesting information for us because it could trigger some additional discussion.

MR. OKAMOTO: We will definitely do that. As you know, we've gone through several Board meetings, and we've had several agenda items that have resulted in this—

MR. UNGER: Right, and once we approve it, we don't know if it doubled, tripled, or if you were able to negotiate under; so I think that would be good information for us to know.

MR. OKAMOTO: Yes, we will provide that to the Board. I think it would make sense to do it after the fiscal year, and it will be a summary of all those contracts that we awarded through alternative procurement, what the actual award amount was versus what the estimate was.

MR. UNGER: Right. That would be very helpful.

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

7) MISCELLANEOUS:

- A. MATERIAL BID NO. 2026-01, FURNISHING AND DELIVERING PIPES, FITTINGS, WATER METERS, FIRE HYDRANTS, BRASS GOODS, VALVES, ELECTRICAL SUPPLIES, ELECTRICAL

EQUIPMENT, SCADA, WATER QUALITY EQUIPMENT, CHLORINATORS, MOTORS, AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK:

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

Bids were opened on May 6, 2026, at 1:30 p.m., and the following are the bid results:

Part No.	Description	Bidder	Amount	Estimated Cost
1	DUCTILE IRON PIPE, PUSH-ON TYPE JOINT	Core & Main LP dba Pacific Pipe Company	\$105,500.00	\$100,000.00
2	DUCTILE IRON FITTINGS	Core & Main LP dba Pacific Pipe Company	\$247,530.00	\$205,936.00
3	DUCTILE IRON FITTINGS – CORROSIVE SERVICE	No Bids		\$12,705.00
4	DUCTILE IRON SOLID BODY SLEEVES	ABR Ventures, LLC dba Honua Waterworks	\$90,596.80	\$72,330.00
5	FLANGE GASKETS	No Bids		\$19,204.56
6	NUTS, BOLTS, AND THREADED RODS	No Bids		\$74,562.12
7	COPPER TUBING	Core & Main LP dba Pacific Pipe Company	\$270,875.00	\$232,600.00
8	GALVANIZED PIPES T&C (THREADED & COUPLED)	Ferguson Enterprises, LLC	\$24,486.50	\$23,432.10
9	METER BOXES	M&H Investment Corp. dba ICO Supply	\$47,643.00	\$45,500.00
10	METER COVERS	Core & Main LP dba Pacific Pipe Company	\$9,250.00	\$9,250.00
11	AUTOMATIC METER READING UNIT	Ferguson Enterprises, LLC	\$114,000.00	\$110,400.00
12	SMART WATER METERS	No Bids		\$302,716.00
13	5/8" WATER METERS	Non-Responsive		\$74,223.00
14	NEPTUNE METER PARTS	Ferguson Enterprises, LLC	\$471,318.70*	\$417,422.80
15	BADGER RECORDALL SERIES METER PARTS	No Bids		\$843,968.70
16	MUELLER/HERSEY METER PARTS	No Award		\$394,413.00

Part No.	Description	Bidder	Amount	Estimated Cost
17	1"- 2" WATER METERS	Non-Responsive		\$14,466.20
18	COMPOUND WATER METERS	No Bids		\$15,291.32
19	TURBINE METERS	No Bids		\$26,987.47
20	DETECTOR CHECK METERS	Core & Main LP dba Pacific Pipe Company	\$12,400.00	\$11,900.00
21	FIRE SERVICE METERS	No Bids		\$83,218.55
22	FIRE HYDRANTS	ABR Ventures, LLC dba Honua Waterworks	\$174,788.15	\$247,000.00
23	TAMPER-RESISTANT FIRE HYDRANTS	No Bids		\$201,420.00
24	MUELLER FIRE HYDRANT PARTS	Core & Main LP dba Pacific Pipe Company	\$43,459.00	\$39,274.00
25	M&H VALVE FIRE HYDRANT PARTS	Core & Main LP dba Pacific Pipe Company	\$43,731.00	\$35,713.00
26	AMERICAN DARLING FIRE HYDRANT PARTS	Core & Main LP dba Pacific Pipe Company	\$35,483.00	\$29,624.00
27	BALL METER VALVES	Core & Main LP dba Pacific Pipe Company	\$103,250.00	\$91,750.00
28	BALL VALVE, PACK JOINT X METER COUPLING / FIP	Core & Main LP dba Pacific Pipe Company	\$74,975.00	\$67,210.00
29	CORPORATION AND CURB STOPS – BALL TYPE	Core & Main LP dba Pacific Pipe Company	\$171,925.00	\$147,525.00
30	COMPRESSION JOINT COUPLING	Core & Main LP dba Pacific Pipe Company	\$10,600.00	\$9,800.00
31	METER FLANGE COUPLING	Core & Main LP dba Pacific Pipe Company	\$7,200.00	\$6,275.00
32	PACK JOINT COUPLING	Core & Main LP dba Pacific Pipe Company	\$72,240.00	\$61,500.00
33	HOSE BIBBS	No Award		\$5,260.00
34	AIR RELIEF VALVES	ABR Ventures, LLC dba Honua Waterworks	\$25,214.51	\$26,925.00
35	SLOW CLOSING AIR/VACUUM VALVES	No Bids		\$124,568.10

Part No.	Description	Bidder	Amount	Estimated Cost
36	NOZZLE CHECK VALVES	No Bids		\$248,600.00
37	DUCKBILL CHECK VALVES	Core & Main LP dba Pacific Pipe Company	\$135,035.00	\$130,635.00
38	GATE VALVES – 3” AND LARGER, 125# CLASS	ABR Ventures, LLC dba Honua Waterworks	\$92,446.75	\$91,040.00
39	GATE VALVES – 3” AND LARGER, 250# CLASS	Core & Main LP dba Pacific Pipe Company	\$101,600.00	\$81,714.39
40	BUTTERFLY VALVES – 3” AND LARGER, 125# CLASS	ABR Ventures, LLC dba Honua Waterworks	\$14,035.92	\$18,680.00
41	AUTOMATIC CONTROL VALVES	Core & Main LP dba Pacific Pipe Company	\$2,930,014.00	\$2,758,332.72
42	AXIAL FLOW CONTROL VALVES AND ACTUATION	No Bids		\$817,250.00
43	RESERVOIR LEVEL INDICATOR	No Bids		\$14,109.20
44	INVERTED MARKING PAINT	No Bids		\$19,686.00
45	HATCH FRAMES AND COVERS	No Bids		\$41,900.00
46	EMERGENCY EYEWASH/SHOWER STATIONS	Ferguson Enterprises	\$22,404.34	\$17,619.34
47	PERSONAL PROTECTIVE EQUIPMENT (PPE)	No Bids		\$8,777.68
48	ELECTRICAL GLOVES	No Bids		\$2,605.00
49	PORTABLE POWER CABLE & FITTINGS	No Bids		\$49,390.00
50	INDUSTRIAL MOTOR LEAD CABLE	No Bids		\$154,860.00
51	VFD CABLE	No Bids		\$935,620.00
52	INDUSTRIAL CONTROL WIRING	No Bids		\$13,185.00
53	ELECTRICAL FITTINGS	No Bids		\$34,537.81
54	SINGLE METER SOCKET	No Bids		\$22,834.18

Part No.	Description	Bidder	Amount	Estimated Cost
55	COMBINATION METER MAIN	No Bids		\$219,668.60
56	CT ENCLOSURE	No Bids		\$25,970.57
57	ENCLOSURES	No Bids		\$7,831.28
58	MOLDED CASE CIRCUIT BREAKER – SERVICE ENTRANCE	No Bids		\$77,410.00
59	TRANSFER SWITCH	No Bids		\$758,258.97
60	HEAVY-DUTY SAFETY & TRANSFER SWITCHES	No Bids		\$393,472.19
61	REDUCED VOLTAGE SOFT STARTER	No Bids		\$904,435.00
62	ULH VARIABLE FREQUENCY DRIVES	No Bids		\$2,956,747.00
63	POWER QUALITY EQUIPMENT	No Bids		\$381,265.00
64	LIQUID-FILLED MEDIUM VOLTAGE PAD-MOUNTED TRANSFORMERS	No Bids		\$1,369,300.00
65	SURGE PROTECTION DEVICES	No Bids		\$90,766.18
66	ELECTRONIC & TELEMETRY TROUBLESHOOTING SERVICES	No Bids		\$51,250.00
67	PROGRAMMING SERVICES	No Bids		\$51,250.00
68	SCADA PROGRAMMIN & CONFIGURATION SERVICES	No Bids		\$51,250.00
69	PRESSURE TRANSDUCER – WELL LEVEL	No Bids		\$37,105.40
70	PRESSURE TRANSDUCER – RESERVOIR LEVEL	No Bids		\$4,971.45
71	PRESSURE TRANSMITTER	No Bids		\$3,800.00
72	FLOW SWITCH	No Bids		\$2,648.66
73	ELECTROMAGNETIC FLOW METER – WELL & BOOSTER	No Bids		\$192,855.60

Part No.	Description	Bidder	Amount	Estimated Cost
74	ELECTROMAGNETIC FLOW METER – RESERVOIR & PRV	No Bids		\$755,471.70
75	REAGENTLESS CHLORINE RESIDUAL ANALYZERS	No Bids		\$49,501.05
76	WATER QUALITY EQUIPMENT	No Bids		\$73,032.34
77	REAGENTS AND STANDARDS	No Bids		\$7,584.78
78	MULTISTAGE BOOSTER PUMPS	No Bids		\$436,145.00
79	ASME HYDROPNEUMATIC TANKS	No Bids		\$616,060.00
80	DIGITAL CHLORINE CYLINDER SCALE	No Bids		\$118,875.00
81	CHLORINE GAS FEEDER	No Bids		\$20,921.21
82	MECHANICAL SEALS	No Bids		\$149,455.00
83	MOTORS	No Bids		\$1,722,170.00
84	INDUSTRIAL LUBRICANTS	No Bids		\$290,943.10
85	LEAK NOISE DATA LOGGER & PARTS	Wong’s Equipment & Service, LLC	\$8,635.00	\$69,480.00

*Item(s) in this Part for Material Bid 2026-01 may have been different, or additional items were added to this Part from Material Bid 2025-01.

The contract period for all Parts is one year, from July 1, 2026, to June 30, 2027. All Parts are established price agreements for materials on an “As-Needed Basis.”

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2026-01, FURNISHING AND DELIVERING PIPES, FITTINGS, WATER METERS, FIRE HYDRANTS, BRASS GOODS, VALVES, ELECTRICAL SUPPLIES, ELECTRICAL EQUIPMENT, SCADA, WATER QUALITY EQUIPMENT, CHLORINATORS, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK by Parts to the following for the amounts shown above, on an as-needed basis, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period shall be from July 1, 2026, to June 30, 2027.

Parts 1, 2, 7, 10, 20, 24, 25, 26, 27, 28, 29, 30, 31, 32, 37, 39, and 41 to Core & Main LP dba Pacific Pipe Co., Inc.

Parts 4, 22, 34, 38, and 40 to ABR Ventures, LLC dba Honua Waterworks

Parts 8, 11, 14, and 46 to Ferguson Enterprises, LLC

Part 9 to M & H Investment Corp. dba ICO Supply

Part 85 to Wong's Equipment & Services, LLC

It is recommended that Parts 16 and 33 not be awarded to ABR Ventures, LLC dba Honua Waterworks, as it has been determined that the proposed bid amounts cannot be considered fair and reasonable.

For the Parts that were non-responsive or where no bids were received, staff shall seek alternative procurement pursuant to HAR 3-122-35 to procure the required materials in the best interests of the Department.

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

MR. LOPEZ: Just an observation. I'm happy to see that when we see something that's way out of line than what your expectation is, given what your sources are, you deny it. You did that in a couple of places here with the same bidder. I'm happy to see that, personally.

CHR. KEKELA: And for those, it will be alternate procurement?

MR. OKAMOTO: Yes.

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

B. MATERIAL BID NO. 20026-08, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, AND NO. 3F ROCK TO 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.

Bids were opened on May 14, 2026, at 1:30 p.m., and the following are the bid results:

		Puna Rock Company Limited	Jas. W. Glover, Ltd.	Grace Pacific, LLC	Hawaii Crushed Rock & Aggregate, LLC	Hawaii Paving, LLC	Edwin DeLuz Trucking & Gravel LLC	Est. Cost Based on Mat. Bid 2025-02
	DISTRICT I:							
1A	3/4-Inch Base Course (Cost per ton)	\$22.50	\$24.00	No Bid	No Bid	No Bid	Non-Responsive	\$20.80
1B	1½-Inch Base Course (Cost per ton)	\$21.50	\$19.00	No Bid	No Bid	No Bid	Non-Responsive	\$19.75
1C	No. 3F Rock (Cost per ton)	\$28.25	No Bid	No Bid	No Bid	No Bid	Non-Responsive	\$24.35
1D	#4 Sand (Cost per ton)	\$45.00	\$50.00	No Bid	No Bid	No Bid	Non-Responsive	\$43.95
1E	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	\$80.00	No Bid	No Bid	No Bid	Non-Responsive	\$67.00

		Puna Rock Company Limited	Jas. W. Glover, Ltd.	Grace Pacific, LLC	Hawaii Crushed Rock & Aggregate, LLC	Hawaii Paving, LLC	Edwin DeLuz Trucking & Gravel LLC	Est. Cost Based on Mat. Bid 2025-02
1F	Cold Mix - ASTM D4215-87 (Cost per ton)	No Bid	No Bid	\$226.00	No Bid	No Bid	Non-Responsive	\$200.00
1G	Blended Material 60% #4 Sand and 40% No. 3F Rock (Cost per ton)	\$31.00	No Bid	No Bid	No Bid	No Bid	Non-Responsive	\$26.95
1H	Hot Mix - County Mix IV (Cost per ton)	No Bid	\$210.00	\$262.20	No Bid	No Bid	Non-Responsive	\$225.00
DISTRICT II:								
2A	3/4-Inch Base Course (Cost per ton)	No Bid	No Bid	No Bid	\$25.50	No Bid	Non-Responsive	\$25.00
2B	1½-Inch Base Course (Cost per ton)	No Bid	No Bid	No Bid	\$24.50	No Bid	Non-Responsive	\$24.99
2C	No. 3F Rock (Cost per ton)	No Bid	No Bid	No Bid	\$35.00	No Bid	Non-Responsive	\$35.00
2D	#4 Sand (Cost per ton)	No Bid	No Bid	No Bid	\$40.00	No Bid	Non-Responsive	\$40.00
2E	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	No Bid	No Bid	\$68.00	No Bid	Non-Responsive	\$75.00
2F	Cold Mix - ASTM D4215-87 (Cost per ton)	No Bid	No Bid	\$226.00	No Bid	\$199.50	Non-Responsive	\$200.00
2G	Blended Material 60% #4 Sand and 40% No. 3F Rock (Cost per ton)	No Bid	No Bid	No Bid	\$43.00	No Bid	Non-Responsive	\$47.00
DISTRICT III:								
3A	3/4-Inch Base Course (Cost per ton)	No Bid	No Bid	No Bid	\$23.00	No Bid	Non-Responsive	\$25.00
3B	1½-Inch Base Course (Cost per ton)	No Bid	No Bid	No Bid	\$22.00	No Bid	Non-Responsive	\$25.00
3C	No. 3F Rock (Cost per ton)	No Bid	No Bid	No Bid	\$36.00	No Bid	Non-Responsive	\$35.00
3D	#4 Sand (Cost per ton)	No Bid	No Bid	No Bid	\$40.00	No Bid	Non-Responsive	\$40.00
3E	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	No Bid	No Bid	\$68.00	No Bid	Non-Responsive	\$75.00
3F	Cold Mix - ASTM D4215-87 (Cost per ton)	No Bid	No Bid	\$229.00	No Bid	\$199.50	Non-Responsive	\$200.00

		Puna Rock Company Limited	Jas. W. Glover, Ltd.	Grace Pacific, LLC	Hawaii Crushed Rock & Aggregate, LLC	Hawaii Paving, LLC	Edwin DeLuz Trucking & Gravel LLC	Est. Cost Based on Mat. Bid 2025-02
3G	Hot Mix - County Mix IV (Cost per ton)	No Bid	\$210.00	\$263.50	No Bid	\$149.50	Non-Responsive	\$190.00

RECOMMENDATION: It is recommended that the Board approve the contract for MATERIAL BID NO. 2026-08, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY by Parts to the following for the amounts shown above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The price agreement shall be from July 1, 2026, to June 30, 2027.

- District I - Parts 1A, 1C, 1D, and 1G to Puna Rock Company, Limited
Parts 1B, 1E, and 1H to Jas. W. Glover, Ltd.
Part 1F to Grace Pacific, LLC
- District II - Parts 2A, 2B, 2C, 2D, 2E, and 2G to Hawaii Crushed Rock & Aggregate, LLC
Part 2F to Hawaii Paving, LLC
- District III - Parts 3A, 3B, 3C, 3D, and 3E to Hawaii Crushed Rock & Aggregate, LLC
Parts 3F and 3G to Hawaii Paving, LLC

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

MR. UNGER: What is the material for?

MR. TAKAMOTO: Various repair work. When we do water main repairs, we need to backfill.

MR. UNGER: Is it just to stockpile for the future?

MR. TAKAMOTO: Yes.

MR. UNGER: It's not a Capital Improvement Project?

MR. OKAMOTO: No.

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

C. SERVICE BID NO. 2026-09, RENTAL AND MAINTENANCE SERVICES FOR PORTABLE RESTROOMS AT MULTIPLE LOCATIONS:

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

Bids were opened on May 14, 2026, at 2:30 p.m., and the following are the bid results:

		NO BIDS RECEIVED	Engineering Estimate
	PART "A" (SOUTH HILO)		
1.	Hakalau #4 Well – TMK: 2-9-002:005	No Bids	\$6,000.00

	PART “B” (HAMAKUA)		
1.	Honoka’a #1 Deepwell, Reservoir & Boosters – TMK: 4-5-019:020	No Bids	\$3,600.00
	PART “C” (NORTH KOHALA)		
1.	Hāwī #1 Well – TMK: 5-5-002-089	No Bids	\$2,400.00
	PART “D” (SOUTH KOHALA)		
1.	Lālāmilo B Deepwell & Reservoirs – TMK: 6-6-001:066	No Bids	\$7,000.00
	PART “E” (NORTH KONA)		
1.	Kaloko #1 Station Reservoir & Boosters – TMK: 7-3-008:128	No Bids	\$2,900.00
	PART “F” (SOUTH KONA)		
1.	Ke’ei D Deepwell & Reservoir – TMK: 8-3-011:051	No Bids	\$3,500.00

RECOMMENDATION: No bids were received. Staff will seek alternative procurement pursuant to HAR §3-122-35 to secure pricing in the best interest of the Department.

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

MR. UNGER: I’m surprised you can’t get a bid for a porta-potty.

MR. OKAMOTO: How we have to do this, per state statute, is put it out there globally via an electronic procurement system. We just think these guys don’t check. We have the services already.

MR. UNGER: You have the protocol that you have to follow; the lua guys aren’t necessarily keeping their eyes out on the procurement sites.

MR. OKAMOTO: Yes. That’s my guess, anyway.

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

D. SERVICE BID NO. 2026-10, REPAIR AND MAINTENANCE OF EMERGENCY STANDBY GENERATOR SETS:

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

This service contract generally consists of furnishing all labor, materials, tools, and equipment necessary to inspect, service, maintain, repair, and test seventeen (17) DWS emergency standby generator sets, including all incidental and appurtenant work, all in accordance with the specifications; for a two-year term, starting July 1, 2026, to June 30, 2028.

This contract includes as-needed allowances for call-out repairs:

- Material allowance: \$70,000
- Labor allowance: 64 regular hours, 32 emergency hours, and 32 overtime hours, at the Contractor's hourly rate provided in its bid.

Bids for this project were opened on May 7, 2026, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount (including Allowance)
Generator & Power Systems, LLC	\$492,387.75
Generators Hawaii Corp.	\$1,256,544.00

Power Generation Services, Inc.	\$314,298.56
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Project Costs:

1) Low Bidder (Power Generation Services, Inc.) \$314,298.56

The Engineering estimate for this project was \$287,000.00.

Funding for this contract will be from DWS's Operations Budget.

RECOMMENDATION: It is recommended that the Board award the contract for SERVICE BID NO. 2026-10, REPAIR AND MAINTENANCE OF EMERGENCY STANDBY GENERATOR SETS, to the lowest responsible bidder, Power Generation Services, Inc., for a total contract amount of \$314,298.56. 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: Mr. Lopez moved for approval of the recommendation; seconded by Mr. Unger.

MR. LOPEZ: I see that Generators Hawai'i is about four times the lowest bid. I mean, they can do whatever they want, but have we dealt with Generators Hawai'i before?

MR. TAKAMOTO: No.

MR. LOPEZ: It just stood out, like what happened here?

MR. UNGER: I have another action item recommendation that I think would be helpful for the Board. We've gone through and a lot of what we've discussed and had motions with this meeting are a lot of annual and biannual and semiannual, it would be helpful for the Board, I believe, is what that contract was last year and who go it so we can kind of see if it's increased or decreased and by how much and how consistent the contractor's are and why did we switch. I think that would be helpful for us.

MR. OKAMOTO: It sounds like what we can do is add another column to the table.

MR. UNGER: Yes, that would really help us focus on the process.

MR. LOPEZ: If there are less hours worked than what we're allowing, this number would change?

MR. OKAMOTO: Yes. We have to get a contract amount so that the controller can certify, so this is our best guess as to what the effort will be. If it goes above this, we'll have to come back to you and ask for more funds, so our expectation is that it'll be less. I think our existing contract is with Power Generation. One guess as to why the disparity in the bid amounts is that they've been doing the work, they know what's involved, they know all our sites, and they probably have equipment and manpower mobilized to deal with it. Maybe that's why they are more efficient with their bid amount. We'll usually incorporate the labor hours only if they have to fix something.

MR. UNGER: I'm guessing also that the engineering estimate for this project is probably based on the last contract with your best guess as to increases or decreases, but it would be nice, again, to see what that was.

MR. AIONA: What are emergency hours compared to overtime hours? Is that on certain days?

MR. TAKAMOTO: That is basically a generator is down; we absolutely need to get it out there, and they drop everything and come out and do the service for our generators.

MR. OKAMOTO: Like an off-hours type.

MR. AIONA: Do we only call them if something is wrong, or does the 64 hours include maintenance?

MR. GOODALE: Some of it is planned maintenance. So if you have a planned maintenance situation, and it's usually structured that way, you can say if it's within this amount of time, you're at the normal rate. If it's unplanned, or as we call it here, emergency, then basically they have an obligation to show up quickly. Whereas, at the lower rate, that would be more at the planned rate.

MR. OKAMOTO: Say, through the regular maintenance, something is wrong with the generator. Well, we don't need the generator right now, so they can schedule the repair of that generator during normal business hours. Say, for whatever reason, that even though they've been doing the maintenance, we need the generator now, and we try to activate it, and it doesn't work, so we need to call these guys out. That would be at that emergency rate.

MR. GOODALE: Yes. Like when we had our recent power outages up in North Kohala. If it went down in the midst of us using it, and we are on the phone telling them we need you up here right now, the expectation is that they are going to drop everything and head there, but they are going to get paid that higher rate.

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

E. SERVICE BID NO. 2026-12, TRANSFORMER MAINTENANCE AND UPGRADE:

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

This procurement generally consists of furnishing all labor, materials, tools, and equipment necessary to service and perform selected maintenance and upgrades for the Department of Water Supply transformers, for a contract period starting from the date of the Notice to Proceed and ending June 30, 2027.

Bids for this project were opened on May 14, 2026, at 3:00 p.m., and the following are the bid results:

Bidder	Bid Amount
Transfluid Services Inc.	\$673,495.00

The Engineering estimate for this project was \$271,300.00.

Funding for this project will be from DWS's CIP Budget under Agreements, Repair and Maintenance.

RECOMMENDATION: It is recommended that the Board award the contract for SERVICE BID NO. 2026-12, TRANSFORMER MAINTENANCE AND UPGRADE, to the lowest responsible bidder (Transfluid Services Inc.) for their bid amount of \$673,495.00. 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: Mr. Aiona moved for approval of the recommendation; seconded by Mr. Unger.

MR. OKAMOTO: We'll have to defer this because, as of right now, the potential awardee is not compliant with the Hawai'i Compliance Express, so we cannot legally award it to them.

MR. LOPEZ: How do we rationalize the two-and-a-half times difference between the Department's estimate and the bid?

MR. OKAMOTO: That was the same question we had internally; that's why I have Eric sitting next to me.

MR. TAKAMOTO: The engineering estimate was an error on the operations part; it shouldn't have been presented at that amount. We did a reevaluation, and the new amount was around \$608,000.00, so based on that, the actual bid amount is within a reasonable amount.

MR. LOPEZ: Was that done too late to put this in here?

MR. OKAMOTO: Yes. Like I told Eric, we make mistakes, and we just own up to them. Basically, we did the evaluation incorrectly to come up with that estimate, but after reviewing it and looking at the scope as it really was, it was way closer. We figured someone would have a question on that. It is being deferred, so no vote is required.

F. 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 second of two readings.

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

G. WATERSHED PROTECTION AND RECHARGE PROJECT – SUBAWARD AGREEMENT BETWEEN STATE OF HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES, DIVISION OF FORESTRY AND WILDLIFE, AND THE WATER BOARD:

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) was awarded a grant in the amount of \$1,000,000.00 from the National Oceanic and Atmospheric Administration (NOAA) for a Watershed Protection and Recharge Project.

The project is to utilize existing expertise in the field of watershed protection and/or restoration, including private/public partnerships and major stakeholders dealing with large landowners via a request for proposals (RFP) that would provide the DWS with the best results given the budget and timeframe allowed through this grant opportunity.

The State of Hawai'i Department of Land and Natural Resources (DLNR), Division of Forestry and Wildlife (DOFAW) is the lead state agency responsible for managing over one million acres of state land and overseeing the Watershed Partnerships Program. Given their expertise, DWS has determined to work directly with DOFAW and award the funds towards watershed protection project(s) within the priority watershed areas.

RECOMMENDATION: It is recommended that the Board approve the Subaward Agreement to award the funds to DOFAW for use in watershed protection projects on Hawai‘i Island, subject to review as to form and legality of the agreement by Corporation Counsel.

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

MR. OKAMOTO: Real quick, and then I’ll turn it over to Allen, I want to first off thank our congressional delegation in D.C., because this is one of those congressionally directed funds that our senators and our representatives have their discretion on how much to award and whatnot. We asked, we applied, and we got an award for a million dollars worth of funds for watershed protection, so first, I wanted to give kudos to our delegation for that. This has been a process that we have been working on for a while. We’ve also worked with UHERO and DOFAW in the past to identify priority watersheds for us because there are watersheds for the whole island, but our systems aren’t everywhere. So, if we’re going to invest in watershed protection, we wanted to make sure we know which watersheds would benefit our water systems. There are three that were identified on the island: Kohala, because of our Waimea water treatment plant, Kona, and Ka‘ū because we have a couple of spring sources in Ka‘ū that really would benefit from improved watershed protection and management. So with that, if there are any questions about this particular agreement, we have Allen available.

MR. UNGER: That’s awesome to apply for this and get this amount of money; that’s a lot of money. Is this an annual thing? Did we do it last year or the year before?

MR. OKAMOTO: Every year we try to ask for funds from these congressionally directed funding sources, these discretionary funds available to our senators and representatives. We don’t ask for watershed protection funds every year; we try to get it for our CIP projects and whatnot.

MR. UNGER: So we did get money last year?

MR. OKAMOTO: We got funds for our Kona well, large meter replacement, conversion from gaseous chlorine to liquid chlorine, and this year we put in three projects, and we made it to the appropriations list for three of them on the rep side, and two on the senate side. Those totaled—do you remember what they totaled, Kawika?

MR. UYEHARA: Over ten million.

MR. OKAMOTO: It was sizable. Do you remember the projects that we put in for this year?

MR. UYEHARA: There was Waikoloa reservoir, Kona SCADA, and there was Keaukaha waterline.

MR. UNGER: This is the first grant approved for watershed protection?

MR. OKAMOTO: Yes.

MR. UNGER: What was the discussion within the Department of Water Supply to award it to Department of Land and Natural Resources versus any other group?

MR. OKAMOTO: We were thinking about ways that we could distribute these funds, and at first we were thinking that if we were to manage it, we would probably have to request for proposals and award it based on some criteria, but we don’t have that expertise to know if fencing is better, or if reforestation is better? What group can do it better than the other? So actually, it was more efficient for us to enter into an agreement with DOFAW, who does that work already with other organizations, and let them manage it, and we’ll oversee to make sure that the funds are properly dispersed.

MR. UNGER: Was there ever any discussion to split up the funds and give some to DOFAW and some to other organizations? I understand what you're saying, but my only concern is DOFAW is a huge agency, big organization. Is there going to be any oversight or any record or any feedback, or just cut a check to the Department of Land and Natural Resources and not have any report back as to what improvements they made?

MR. OKAMOTO: We had some similar concerns. Allen, do you want to address what is included in the subaward agreement to hopefully cover some concerns?

MR. SIMEON: Whatever contract we have with NOAA, DOFAW will be responsible to conform, so there will be checks, and there will be benchmarks, even with spending.

MR. UNGER: So there are stipulations in the award?

MR. OKAMOTO: Yes. DOFAW is supposed to provide us reports, I think, at least a couple times per year, and what they are spending it on. Part of it too is we have the three priority watershed areas, we are giving them the million dollars, and it needs to be spent in those three areas.

MR. UNGER: Could I request that the Board see those reports?

MR. OKAMOTO: Yes. 100%.

MS. MELLON-LACEY: I think with the subrecipient in any federal grant, the awardee, which is the Department, can take all of the stipulations that feds give us flow down to a subrecipient, and a subrecipient is somebody that's actually helping you implement, so they're on the hook.

MR. OKAMOTO: And I think part of it, correct me if I'm wrong, Allen, is we're not just giving them the million dollars, right? They have to bill us after they do the work, and then we get to review the invoice to ensure it's in compliance with whatever the conditions are. We aren't giving them the full amount off the bat, to my understanding.

MR. UNGER: Are you involved in the project proposals? For example, they're going to build a fence in Kona. Do they send you a project thing and you get a chance to review it, or that's going to be completely them, and they send you an invoice?

MR. OKAMOTO: That's a good question.

MR. UNGER: Again, that's more oversight on your part. I know that's not your area of expertise.

MS. MELLON-LACEY: Whatever they are going to do has to meet the qualifications.

MR. OKAMOTO: Yes.

MR. SIMEON: I just want to share that the agreement is necessary to be able to transfer the funds to DOFAW. It has been reviewed by Corporation Counsel and authorized by NOAA and executed by DOFAW.

MR. UNGER: Okay.

MR. OKAMOTO: Those are all good questions, though.

MR. UNGER: I just have a lot of experience working with DLNR.

MR. OKAMOTO: But I noticed, maybe some of those questions came in because we didn't include the attachments with your packet. There are supposed to be attachments A through D; we can get you those too. Those should outline a little bit more of what the scope should be and where to use them.

MR. UNGER: In general, also a million dollars for watershed conservation is phenomenal.

MR. OKAMOTO: I hear you. We still have to do our part and oversee that it's being spent properly because we can't just wash our hands and say we just gave it to them. We'll definitely fulfill your request with periodic reports on how it's going.

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

H. UPDATE ON EPA DOCKET NO. PWS-AO-2026-120:

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 wanted to bring this to the Board's attention because this is a significant matter. The EPA came in December of last year to inspect our systems and our compliance with one of their regulations. I believe it's associated with AWIA (America's Water Infrastructure Act), and part of that act requires that a water utility with certain criteria, typically size of system, needs to have a risk and resiliency assessment done, as well as an emergency response plan associated with that. They reviewed that and determined that we were deficient in some components, and because of that, they issued this administrative order. I'll stick my neck out; I was a little disappointed. If you look at the administrative order, they have it itemized; if you look at section three, which is the violations and associated numbers 18-20, it doesn't really specify where we were deficient or what the specific deficiencies were. Long story short, that's why we have Warren here; he's our project lead in addressing this matter with EPA, and he's had a couple of discussions with the EPA inspector, so I think we do have some clarity on what we're deficient in.

MR. CHING: They specifically outlined one element that was deficient in the ERP (Emergency Response Plan), which was strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the system. Currently, we're working with the consultant, Brown and Caldwell, who originally helped us with the two documents, the risk and resilience assessment and the ERP, to try and address some of those deficiencies that were outlined when we met with the EPA inspector.

MR. OKAMOTO: It's a work in progress. We're fairly confident that we'll be able to address their concerns, but there's an associated timeframe with this.

MR. CHING: There is a timeframe, 90 days from when they issued the order, which comes out to June 28th.

MR. LOPEZ: Is that for a response or is that for corrective action?

MR. CHING: The order is for us to make the proper changes to the ERP. These documents are actually considered confidential, so what we'll do is we'll videoconference with EPA and show them the changes that were made and the improvements to the emergency response plan, and that will dictate whether we satisfy the order or not.

CHR. KEKELA: What are the ramifications of the order?

MR. OKAMOTO: I think it's item 24 on the administrative order, failure to comply, civil penalty up to \$49,848, or a judicial civil penalty of up to \$71,545 per day; that's why this is significant. The potential consequences are huge fiscal penalties, which again, if you're going to threaten us with this kind of penalty, specify what the issues are, right? Sorry, my little soapbox moment.

MS. MELLON-LACEY: Warren, you're clear what the issues are?

MR. CHING: Yes, we got some clarity. Of course, this is an ERP of our operations, so the inspector from the EPA can't necessarily tell us what operations of ours to put in, but gave some guidance into the areas that need improvement.

MR. OKAMOTO: I want to caveat that just because this is a record of our discussion. He might've gotten clarity, further clarity. I would never say that we are 100% clear on what the EPA wants and expects, so I want to make that very clear for the record. We got clarity; we'll resolve it to our best understanding of what they've expressed verbally, not via any written document, of what they feel our deficiency in the emergency response plan is. We'll work our best to address our understanding of what they've told us. Nothing in writing, right?

MR. CHING: Right.

MR. OKAMOTO: I want to make that very clear for the record because again, the consequences are huge fiscally on the consequences of us not meeting their expectations, but at the same time I want to make sure that it's on the record that we did not receive, in writing, specific items of deficiency.

MR. CHING: The only thing that was in writing via email was the specific element that was outlined as far as what we were deficient in, but that's one element that could encompass a lot of things. We got clarity, and we're working hard with the consultant to address what was communicated to us verbally, and our plan is to meet with EPA once those corrections are made to get some kind of response.

MR. OKAMOTO: And that element you're talking about is that strategy regarding malevolent acts, the one you mentioned earlier?

MR. CHING: Yes. It's item 12 in the order; there are four elements there, and 12D is what was presented to us as needing improvement.

MR. AIONA: How often is this inspection?

MR. OKAMOTO: Out of the blue, first in our state, not sure why they picked us for this particular one.

CHR. KEKELA: Is it all of our sites?

MR. OKAMOTO: Just the ones that qualify that are required to have an RRA and an ERP based on population served. Out of our 23 water systems, we have seven water systems that meet that criteria. Again, what Warren said is they identified which element that we have a deficiency in, which is 12D, "Strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the system", but that was identified via email, not by this administrative order. And how to do that, I guess, is upon us to provide what we feel will address that deficiency, and that's where Warren is going to have that interchange with EPA prior to June 28th.

MR. CHING: I'll do my best.

MR. OKAMOTO: We wanted to bring it to the Board's attention and make you aware of what's happening just so you're not blindsided by anything. It's within their requirement to also notify the Mayor, so a letter went to the Mayor's office as well.

CHR. KEKELA: Do we anticipate any necessary funding for this resolution?

MR. OKAMOTO: They provide funding through the State Revolving Fund Loan Program that we could possibly utilize for efforts like this. Is that what we used to fund the first go-around?

MR. CHING: I know it is possible, and I would imagine that we utilized that Safe Drinking Water.

MS. MELLON-LACEY: With the contract that we have with the consultant, that's an already existing contract that was already approved by the Board?

MR. OKAMOTO: Yes, and it's due for an update by June 30th of this year.

MR. CHING: Yes. The risk and resilience is due June 30th of this year, and the emergency response plan, the updated version, is due December 30th of this year. So we'll be updating it and taking some of what came out of this order and incorporating it into the updated version.

I. 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: First, I want to thank Shari for the comprehensive summary on the projects. For the Lālāmilo 10 MG reservoir, we're about 50% complete to date, and I'm happy to share that they are working on the 14th of 15 walls, and three-fourths or 66 of the 88 columns have been completed, and they are moving on to the third quadrant of the roof.

CHR. KEKELA: It's almost a full tank.

MR. OKAMOTO: There's still quite a bit of work to do, actually. Even if there are 14 of the 15 wall segments up, they're not doing the last wall segment because they still have to pour columns inside, so they need access into the tank. There's also still half of the roof left to pour. If you've seen the scaffolding it takes to hold up the roof form, then, after the roof is poured, there's only a small hatch to take all of that scaffolding out, so that's going to take some time. Then there's a machine, if you guys have the opportunity when the machine is out there, which is doing the wire wrap, which is a component of that prestressed design; it's quite interesting.

CHR. KEKELA: Do we have any other tanks designed like that?

MR. OKAMOTO: We've had smaller tanks, like 3 MG, with that type of design, but this I think is the largest potable tank in the state.

MR. SIMEON: Moving on to our lava projects in Puna. The 19,000 linear feet for Hwy 137 (Kapoho) has been installed; they're working on the fire hydrants and laterals. In addition to that, for Pohoiki Road, they have completed about one-fifth of the 25,000 linear feet of waterline.

MR. OKAMOTO: Wow, that's quite a bit. Thank you, Allen.

J. 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, we have the financial statements for April 2026, the beginning of our fourth quarter for fiscal '26. The new explanations that were added include an explanation for a balance sheet, which is on page four; our trade receivables were decreased by 2.1 million, or 22%, from the prior year because of a technical issue and schedule conflict during our monthly billing process. We are, as part of our efforts to evaluate our process and improve collections, we are also making sure that the schedule for our overdue interest or late bills is scheduled on a systematic, timely basis, but for April the date for the overdue interest on our monthly bill conflicted with the date of our next bill, so we had to charge to overdue first and push the billing for April one day after. That's the reason you see a difference, but we should see the opposite effect in May to recover that. If it was the end of the fiscal year, we would have to do an adjustment; you probably won't notice. In this case, it's in the middle of the fiscal year, so we'll just let the system flow as it is.

The other new item is in regard to our budget status report; an explanation is provided where our actual to date activity exceeds our annual budget by \$10,000 or more. Our budget status report is on page six. Our interest income totaling almost \$1.6 million actual to date exceeds our budget of \$1.5 million by \$89,488, or 6%, due to the interest that we earned on our checking, more so on our savings account and investments. I also included at the end the delinquent and collection accounts report, and I added a column at the far right of that table: the percent decrease or increase in delinquency from October 2025 in comparison to when we started making these changes. We have gone through three billing cycles since we began these efforts, and it reflects an 18% reduction between October 2025 through April 2026.

K. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells

MR. UYEHARA: We have 14 sources in Kona; 11 are online or in use or available to use, and three are offline. The three that are offline, again, are the same as last month: Wai'aha, Honokōhau, and Hōlualoa Wells. Wai'aha Well, we reported last, the well repair has been completed, start-up was successful, and we're waiting on water quality analysis. I just got an email this morning that we got those results, and it looks good. There is no change in water quality compared to when we used it back in 2017. We're in the process of submitting a reactivation letter to the State Department of Health, Safe Drinking Water Branch. Once we get their okay, most likely we'll be able to put it back in the system. Hopefully that will be within the next month, in June. Honokōhau Well, we're waiting for spare equipment to install, and that is still estimated to return to service at the end of July of this year. For Hōlualoa Well, we still need to put that out to bid, and we're planning to get that one bank online and return to service in November of this year.

2. Department of Water Supply Quarterly Energy Report

MR. UYEHARA: Again, thank you, Warren, for preparing this quarterly energy report. I'll quickly run through a couple of the first paragraphs in this section. Total power cost of all our sources was down

about 2.7% compared to the previous quarter. Total energy use was lower than the previous quarter, down about 6.6%. Page two is where we show the power cost for energy. Compared to the previous quarter, the kilowatt per hour cost was up about 0.9%. Figure four at the bottom, compared to the previous quarter, that's the demand charge. It was up about 0.9%. One thing of note that I wanted to mention is we are reliant on Hawaiian Electric's grid power for all of our sources, but we had the opportunity last week to go to an emergency preparedness fair that Hawaiian Electric put on for their employees and their families so when natural disasters do happen, they are able to respond with their line crews, their plants, their power generator crew and it was good because I got to go to their Kona base yard here and meet some of the foreman and line people that actually worked during the recent Kona Low to help maintain the power grid during high wind and adverse weather conditions. It was good to put faces to names that we hear about when we're in the emergency operation center at Civil Defense. Going back to page three, going back to the power cost charge, that's just the summary over the last four years or so of how our power cost charge has fluctuated.

On page four, Warren added a summary on Lālāmilo Wind Farm, which was a previous request of the Board. We have a power purchase agreement (PPA) with Lālāmilo Wind Company, and that's until December 31, 2037. This wind farm's five turbines provide wind-generated electricity to our Lālāmilo water system, which has eight Deepwell sources in that system. The agreement is that we are paying about 11% less than Hawaiian Electric's going rate. We tried to summarize this over the past eight years in Table 2 of what we've taken from the wind farm, which is about 4,616,022 kWh, which is equivalent to about 2,700 barrels of oil, with an average annual cost savings of about \$83,659.

On the next page, we also wanted to note, I think we do this annually, the energy redundancy. We spoke about maintenance of our emergency generators. These are the 17 that we have around the island. Three of them are permanent; 14 of them are on trailers, which are pretty much permanent because we have them set at sites that we deemed as critical well water sources that feed other critical facilities, like a hospital. The contract that we just talked about previously in the agenda was to maintain and repair, as needed, these generators across the island. Warren noted on the bottom, and we talked about this in previous Board meetings; we continue to work on resiliency, so that includes the power transfer switches, which we've been fortunate in getting Hazard Mitigation Grants for, and also additional generators that we're in the process of procuring for the Kona side of our water systems.

On the last page, we continue to work with Hawai'i Energy in our Water Leak Detection program, so it involves these leak detection loggers that we put on infrastructure to help us to identify potential leaks in the system.

MR. LOPEZ: Where did you say these are installed? On what?

MR. UYEHARA: These loggers are typically installed on a valve, the nut of the valve; a magnet to the steel listens for the potential leak in the system.

MR. LOPEZ: These are not residential valves? These are system-wide?

MR. UYEHARA: Yes.

MR. GOODALE: They are located in areas where we know we may have leaks, and we're trying to be proactive in getting out and repairing those leaks.

M. CHAIRPERSON'S REPORT:

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

CHR. KEKELA: The only report I have is that we're moving next month's meeting due to the ACE Conference in Washington D.C.

8) ANNOUNCEMENTS:

- **Next Meeting** – June 16, 2026, 10:00 a.m., Department of Water Supply, Hilo Operations, 889 Leilani Street, Hilo, Hawai'i

9) ADJOURNMENT:

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

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

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

Recording Secretary

APPROVED BY WATER BOARD
JUNE 16, 2026