

MINUTES

DEPARTMENT OF WATER SUPPLY COUNTY OF HAWAII WATER BOARD MEETING

August 25, 2026

Department of Water Supply, Hilo Operations Base Yard, 889 Leilani Street, Hilo, Hawai'i

MEMBERS PRESENT: Mr. Michael Kekela Jr., Chairperson, Dist. 4
Mr. Keith Unger, Vice-Chairperson, Dist. 6 (via videoconference)
Mr. James Lee, Water Board Member, Dist. 2 (joined at 10:02 a.m.)
Mr. Guy Alameda, Water Board Member, Dist. 3
Ms. Emily Taaroa, Water Board Member, Dist. 5
Mr. Nicholas Riznyk, Water Board Member, Dist. 7 (via videoconference)
Mr. Stephen Lopez, Water Board Member, Dist. 8 (via videoconference)
Mr. Philip Aiona, Water Board Member, Dist. 9
Mr. Keith K. Okamoto, Manager-Chief Engineer,
Department of Water Supply (ex-officio member)

ABSENT: Mr. Colin Miura, Water Board Member, Dist. 1
Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel
Mr. Kevin Dayton, Civil Beat, guest

DEPARTMENT OF WATER SUPPLY STAFF:

Mr. Kawika Uyehara, Deputy
Mr. Eric Takamoto, Mechanical Engineer III
Ms. Shari Uyeno, Assistant Engineering Division Head
Ms. Candace Gray, Waterworks Controller
Ms. Maraea Keamo, Senior Clerk Stenographer
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: Ms. Taaroa and Messrs. Alameda, Unger, Riznyk, 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 July 28, 2026, Water Board Meeting:

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

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

(Board Member Lee joined the meeting at 10:02 a.m.)

5) **POWER COST CHARGE:**

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

The actual power costs paid by the Department exceeded the power costs recovered during the review period of March 2026-June 2026, which resulted in a loss during this 4-month period. Therefore, the Department proposes to increase the Power Cost Charge from \$2.53 to \$3.04 per thousand gallons. Power cost charges over the past year were as follows:

<u>Effective</u>	<u>PCC</u>
June 1, 2026	\$2.53
March 1, 2026	\$2.84
November 1, 2025	\$2.98
June 1, 2025	\$2.08

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 September 22, 2026, at 9:45 a.m., to receive testimony on increasing the Power Cost Charge from \$2.53 to \$3.04, effective October 1, 2026.

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

MR. OKAMOTO: Real briefly, primarily for new Board Member Riznyk, I'd like to share some background. Some years back, the Board decided to separate our rates and separate out this Power Cost Charge because we had a situation where, at one time, we didn't have that capacity, and the Department lost millions just in one calendar year because we couldn't adjust our rates while the electric rates climbed significantly. So we made this change, and there have been several iterations since then, but at this point right now we are doing evaluations every four months to see what it is that the power costs are currently charging versus the power costs that we incur as we pay the power utility. As we know, those charges go up and down, commonly attached to fuel prices, so we were kind of anticipating this based on what we've seen happening with the fuel. If you have any questions, we can talk off-line, Board Member Riznyk. If there are any other questions, I'd be happy to respond.

MR. LOPEZ: Although we don't get a whole lot of testimony at these public hearings or attendance, the question may come up, because I'm asking, there's a 57-cent per kilowatt-hour increase; can we explain what the exceeded power cost is that incurred this—could we say that it went from 50 cents to a dollar-fifty as an example? Not the power cost charge, but the power cost paid by the Department exceeded. Can we support that just by being able to answer what the exceed was?

MR. OKAMOTO: Yes, that's all a part of the calculation.

MR. LOPEZ: I understand. I think somebody would just be looking for an amount—it went up by fifty thousand dollars, for instance; could we say that? Or whatever it is?

MS. GRAY: I don't have that detailed information with me today, but I could definitely provide that.

MR. OKAMOTO: Definitely, we can provide that; we don't have that number offhand.

MR. LOPEZ: That's okay; just so we're prepared at the public hearing.

MR. OKAMOTO: Got it.

MR. RIZNYK: Thank you, Keith, for that explanation. I appreciate that. I assume that's exactly how it is, knowing how business is and operations that are truly dependent on fuel prices.

MR. OKAMOTO: Yes, I'm sure you feel it too.

CHR. KEKELA: You said you were going to reassess; does that mean you are no longer abiding by the four-month period?

MR. OKAMOTO: Every four months we reassess.

CHR. KEKELA: But this would be the third month we are asking for it, a power cost charge adjustment.

MR. OKAMOTO: The evaluation period was March, April, May, and June of this year. After that evaluation, we bring it to the Board, which is why it is before you today.

CHR. KEKELA: So, it's not immediately after the four months?

MS. MELLON-LACEY: I don't think so.

CHR. KEKELA: Okay.

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

6) **MISCELLANEOUS**:

A. **DEDICATION OF WATER SYSTEM**:

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 document 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. Bill of Sale
Seller: Sure Foundation
Tax Map Key (3) 2-3-036:022
Ponahawai, South Hilo, Island of Hawai'i, Hawai'i
Final Inspection Date: 8/10/2026
Water System Cost: \$61,000.00

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

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

MR. OKAMOTO: This map was provided by Shari and engineering folks just to provide information on where it is. Basically, it's a waterline extension down Ponahawai Street so that this development could get their meter installed and fire protection.

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

B. **SERVICE BID NO. 2026-17, FURNISHING CALL CENTER SERVICES (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 paying for all labor, telephony infrastructure, communication software, secure data systems, and applicable taxes necessary to provide comprehensive inbound call answering and message relay services to the Department of Water Supply, County of Hawai'i for a period beginning September 1, 2026, through June 30, 2029.

Bids for this project were opened on August 6, 2026, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount
Direct Interactions, Inc.	\$112,912.00
Hopson Connect Corp.	\$275,300.00
McGhee and Associates, LLC	\$59,500.00

The Engineering estimate for these services was \$75,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for SERVICE BID NO. 2026-17, FURNISHING CALL CENTER SERVICES (ON AN AS-NEEDED BASIS), to the lowest responsible bidder, McGhee and Associates, LLC, for their bid amount of \$59,500.00. 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. Alameda moved for approval of the recommendation; seconded by Ms. Taaroa.

MR. OKAMOTO: Our apologies, but we will have to revise our recommendation. What happened was that the lowest bidder and the second-lowest bidder are not compliant with the requirements of the State Procurement Laws. So we would like to change our recommendation to seek alternate procurement for this service. I'm not sure what procedurally we need to do, Diana. Do we need to retract the motion and second and have someone make a new motion?

MS. MELLON-LACEY: I think the motion would need to be revised, so I guess you would need to withdraw the initial motion and then make a new motion in accordance with the new recommendation, which is an approval to seek alternate procurement.

MR. OKAMOTO: Guy, because you made the motion, you can say that you retract your motion on the original staff recommendation.

CHR. KEKELA: Can I ask a question?

MR. OKAMOTO: Sure.

CHR. KEKELA: Or do I have to wait for the new motion to ask a question?

MR. OKAMOTO: Technically, yes, if it's a question on the first motion, you can ask that now.

MS. MELLON-LACEY: It's okay; it's all related.

CHR. KEKELA: Is this just to allow these guys to become compliant, or are you actually seeking alternate procurement?

MR. OKAMOTO: That's a good question because sometimes we have the luxury to wait until they become compliant, then we would defer. In this situation, we cannot wait because if we don't have a number for people to call if they have water issues, they're kind of stuck. This is for after-hours phone service; we need this right away, and that's why we are revising our recommendation to seek alternate procurement instead of deferral.

MR. ALAMEDA: I'd like to retract my original motion and make a new motion based on the revised recommendation to seek alternate procurement.

MS. TAAROA: Second.

MR. LOPEZ: Who is our current provider?

MR. TAKAMOTO: Procom LLC.

MR. LOPEZ: Not on here. Did they choose not to bid, or was it just way out of line?

MR. TAKAMOTO: They had challenges registering for public purchase, so they weren't able to participate.

MR. LOPEZ: The motion is to seek alternative vendors for this; is that right?

MR. OKAMOTO: Yes.

MR. LOPEZ: Alternate procurement?

MR. OKAMOTO: Alternate procurement, correct.

MR. LOPEZ: What becomes of the Direct Interactions and Hopson Connect Corp.? Because we know about those, they've already submitted a bid. Are they out of it, totally?

MR. OKAMOTO: They could be, and one reason for that is if they far exceed our estimate for the service.

MS. MELLON-LACEY: So if they exceed the budgeted amount, then they don't have to be considered.

MR. LOPEZ: We don't have to; that's the key word.

MS. MELLON-LACEY: You can.

MR. LOPEZ: I'm just trying to understand; are we throwing all this out for this motion, and you're going to go do something different?

MR. OKAMOTO: Yes.

MR. LOPEZ: These are no longer a consideration? Okay.

MS. MELLON-LACEY: What you can do when you only have one bidder is you can go back and negotiate with them, so that's where you can start the process; you can go back and say you're way over budget, would you consider doing it for x or whatever.

MR. LOPEZ: But we don't have one bidder; we have three.

MS. MELLON-LACEY: But the others aren't compliant.

MR. LOPEZ: We have two.

MS. MELLON-LACEY: No, you have one.

CHR. KEKELA: In this case, Hopson is the only one in compliance, so there's only one.

MR. LOPEZ: Hopson is the only one in compliance?

CHR. KEKELA: Yes.

MR. LOPEZ: Oh, that changes the whole color. Thank you, now I understand.

MS. TAAROA: Is \$75,000.00 about how much we were paying with our last contract?

MR. TAKAMOTO: On an annual basis? Yes, we were about the same.

CHR. KEKELA: In alternate procurement, we aren't going beyond that, right? Are we going to try to stay close to that?

MR. OKAMOTO: Yes.

MR. LEE: Were the non-compliant people all mainland or local providers?

MR. TAKAMOTO: All mainland providers.

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

C. MATERIAL BID NO. 2026-16, FURNISHING AND DELIVERING SPARE PUMP AND MOTOR SETS AND PAD-MOUNTED TRANSFORMERS:

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

Bids were received and opened on August 13, 2026, at 1:00 p.m., and the following are the bid results:

BIDDER	Derrick's Well Drilling & Pump Services, LLC	CribProcure, Inc.	DWS Engineering Estimate
Section 1 – Group #2	\$679,755.00	No Bid	\$580,000.00
Section 2 – Group #3	No Bid	No Bid	\$815,000.00
Section 3 – Pad-Mounted Transformer	No Bid	Non-Responsive	\$245,000.00

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2026-16, FURNISHING AND DELIVERING SPARE PUMP AND MOTOR SETS, AND PAD-MOUNTED TRANSFORMERS, by Sections to the following bidders 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.

Section 1 – Group #2 to Derrick’s Well Drilling & Pump Services, LLC

For the Sections where no bids were received, staff shall seek alternative procurement pursuant to HAR 3-122-35 to procure the required materials in the best interest of the Department.

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

MR. OKAMOTO: This is our ongoing effort to maintain inventory of spare pump and motor equipment. Group #2 is a set that could work at four of our wells in Kona: Palani, Kalaoa, Keahuolū, and Keōpū; basically, those high wells in Kona where we may have had some challenges in the past. Section 2, Group #3 is another group that we try to maintain inventory in, and we’ve actually used this group several times in recent history; it is for Waimea, Honokōhau. Unfortunately, that one didn’t get any bids, so we’re going to seek alternate procurement for that one as well as Section 3, which is a pad-mounted transformer. How do we utilize that?

MR. TAKAMOTO: Basically, the utility brings in power at 480 volts, and we step it up to either 2,300 or 4,160; whichever the equipment requires.

MR. OKAMOTO: People don’t realize that sometimes it goes even beyond the pump and motor equipment; we have to convert the power coming in from Hawaiian Electric to our pump and motor needs, and my understanding is that these are all long lead items.

MR. TAKAMOTO: Yes.

MR. OKAMOTO: Any questions?

CHR. KEKELA: When you say long lead, does that mean that any of the systems are at risk?

MR. OKAMOTO: I wouldn’t say so. As you know, we cannot predict when they go down, so we try to get them back into inventory in advance. I believe the pump and motor sets would take about how long?

MR. TAKAMOTO: Just under a year. For Group #2, we actually have a spare set at our Pana’ewa warehouse.

CHR. KEKELA: How many spare sets would Group #2 afford us? Could you just do one more extra motor?

MR. TAKAMOTO: With this procurement, it will give us two more sets, so we’d have three in total.

MR. OKAMOTO: Good question. The transformer is another one that could take a year.

MR. TAKAMOTO: Yes.

CHR. KEKELA: This is just backup, right? Not like it’s necessary for a well at the moment?

MR. OKAMOTO: Correct.

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

D. **PROPOSED REVISION TO DEPARTMENT OF WATER SUPPLY RULES AND REGULATIONS SECTION 3-29, RELATED TO AGRICULTURAL USE RATES:**

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

Agricultural Use Rates as adopted by the Board shall be provided to a consumer who is engaged in commercial agricultural activities. The Department of Water Supply proposes changes to section 3-29 of the Department of Water Supply Rules and Regulations to modify the department's Agricultural Use Rate application requirements to align with the qualification and terms of the County of Hawai'i Real Property Tax agricultural programs.

Before the Rules and Regulations of the Department of Water Supply can be changed, a Public Hearing shall be scheduled to accept public testimony.

RECOMMENDATION: It is recommended that the Board approve holding a Public Hearing on October 27, 2026, at 9:45 a.m., to receive testimony on the proposed changes to section 3-29 in the Rules and Regulations of the Department of Water Supply, County of Hawai'i.

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

MR. LOPEZ: Again, for new members, this was something that came out two years ago when the Board put up some requests of the Department of things that the Board felt were ways that we could judge the Department's response to needs, and this was one brought in by Keith Unger. I want to compliment him because it is an example to everybody that when you find something that you feel passionate about and want to present and put through, and Keith's been on this for probably two years and it's finally coming to fruition in a public hearing, so I just want to say my compliments to Keith and to the process as a good move, and anybody can do something like this. Thank you.

MS. TAAROA: How are they submitting their RPT approval? I just put in my application for my RPT agricultural use, and I didn't get an approval back yet, necessarily, not that I'm even on (inaudible), you know what I mean, that's how it's going to go. What document are you going to have them submit with this? Is there something from the RPT office? Do you guys know yet, or are you kind of waiting?

MR. OKAMOTO: Good question. Some of the thoughts are, and Candace, correct me if I'm wrong, hopefully we're going to make this as efficient as possible. I believe Real Property Tax has their GIS or their database on who is approved and who is currently on RPT's agriculture rate, so it should be fairly easy for our staff.

MS. TAAROA: You just verify them?

MR. OKAMOTO: Yes. We're just going to look at the TMK—

MS. TAAROA: It's not going to make too much extra work for you to verify them manually?

MR. OKAMOTO: Yes, because they did all that vetting already.

MS. TAAROA: That's smart. I like that.

MS. GRAY: And also providing the Real Property Tax Assessment Notice as well as any other kind of documentation.

MS. TAAROA: You're right because on the website you can look real quick at what their designation is if you look up their TMK.

MR. OKAMOTO: We understand that sometimes they may take time. They might have gotten approval, but it wasn't posted, so if there is other hard paperwork—

MS. TAAROA: Right, I see, as a backup. Good plan.

MR. UYEHARA: Also, to provide some background for Board Member Riznyk, and also for the Board as a reminder, why we started this process with Vice-Chair Unger's suggestion is the timeframe. Currently, our Rules say that a customer would need to reapply annually, whereas now we know that County Real Property Tax has a process that is greater than a year, so we are trying to revise our Rule so we can also take advantage of what County Real Property Tax's process is for vetting property owners on the real property side.

MR. UNGER: Kawika, to clarify then, there is no term limit here? We are going to change from annual to essentially—then, if a property is enrolled in an ag program with Real Property Tax, they will stay in the ag program with the Department of Water Supply?

MR. UYEHARA: That is correct.

MR. OKAMOTO: That's the plan.

MR. UNGER: Good, really good changes.

MR. OKAMOTO: Thank you, Vice-Chair. Is there anything else that you wanted to offer as background with this effort?

MR. UNGER: No, that was it. The main impetus for starting this whole thing was to keep applicants from applying every year. It turned out to be a win-win. The Department of Water Supply does not have to process thousands of applications or hundreds of applications, while at the same time applicants don't have to continue to apply, and now we've got that measuring block. We didn't have to reinvent the wheel; Real Property Tax already did it, and we just kind of rode with them. Good process, good deal. Looks like we are winding down to a final decision, so I'm happy.

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

E. **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: This will probably be quick. A lot of our projects are not showing actual movement, but they are out there working. For the 10MG reservoir, right now we do have our wrapping machine that will wrap the steel around the tank for the prestressing; they're setting that up now, so there isn't work shown, but they are preparing that. In the midst of all the storm-related breaks, we asked that they stop work.

Moving on, the Kilauea Eruption projects, again, I reported last time that between Kapoho and Pohoiki the waterline is installed, so that project there, they are just rebuilding the road now, and water will be restored once we bring the water from upper and lower Pohoiki to that connection point. As for the upper and lower Pohoiki, there is still about 50% of the waterline installed because they went back and are busy now installing more service laterals off of that section. As far as the length, we haven't progressed that much, but they are still working on waterline-related projects. I believe the Mayor has already announced that the plan is to have that road completed by the end of the year, so that's what we're shooting for.

CHR. KEKELA: Were these wells offline this whole time or just that system?

MS. UYENO: Just the water.

MR. OKAMOTO: That's just the water transmission and distribution lines that were inundated by the lava. Fortunately, our wells were not impacted by the lava; those were operational the whole time.

CHR. KEKELA: Where does that system—so, you guys were able to isolate that system?

MR. OKAMOTO: Yes.

CHR. KEKELA: Not like we'll have to wait for a well test or something?

MR. OKAMOTO: No.

F. 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: You should've received the financial statements, the final for June 2026 along with July 2026. These are the final June financial statements provided to you after we recorded our year-end adjustments to close the fiscal year. I'll just briefly identify the new items that were added to the cover memo. On page one of the June 2026 financial statements, on the balance sheet, we added a new account titled the Capital Account Payable, and this was just to separate the amount of accounts payable from capital expenses versus our operating expenses, and also to simplify our reporting of our audited financial statements.

On page two of the memo, under the income statement, our other non-operating revenues decreased \$634,000.00, or 27% in comparison to the prior year, and this is due to the decrease in the amount of reimbursement for our Lead and Copper Rule Revision Compliance project. For this project, it's funded by an SRF loan, which is 100% principal forgiveness, so sort of like a grant, and the amount we spent that also requested reimbursement has decreased compared to the prior period.

I also added our loss on disposal of property increased 22% or \$61,086.00 from the prior year, and that's just due to the increase in the amount of loss value realized for disposal of electric pumping equipment that was replaced for some deepwell repair projects.

Regarding our budget status, our Budget Status Report is on page six. New information that was provided on our Budget Status Report Analysis is on page seven. The transfer to CIP Reserve for this fiscal year 2025-2026, the total came out to \$15.1 million, which includes the amount that we budgeted for, which was \$7,830,113.00, but we've also added an additional transfer of \$7,362,902.00, and this is because of

the federal grant and SRF funds that we've received for our qualified reimbursable capital projects. That's all the new information that I have for June.

I'll move on to the July 2026 financial statements and provide information about the new items that are in bold on the cover memo. On page one, we've added that our deferred outflows increased \$2.6 million, or 42% from the prior year, due to our annual required contribution of \$2,088,000.00 to pre-fund our DWS OPEB, which is other post-employment benefits contributions for retirees. The Department prefunds those contributions now instead of paying monthly, and that's to take advantage of the investments earlier in the year.

On page two, the income statement, we've added a bunch of items here, and I'll just briefly say the water sales, power charges, and standby charges have increased. Beginning July, we do have an increase in our water rates, but we've also adjusted the posting schedule for our billing to ensure that we get the full month in. It's actually just moving it a day over to incorporate all the readings for that month. Our general and administrative expenses decreased \$1.9 million, or 7%, from the prior year, and this is just due to the timing of the adjustment for outflows for OPEB contributions.

Our interest revenues increased \$28,000.00, or 20%, due to the increase in our investments and the current rates that we realize. Our other non-operating expenses decreased \$6,950.00 due to reclassification of expenses for our Waiākea Office Plaza.

That's all the highlights I have; if there are any questions.

MR. LEE: Good job.

G. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells

MR. OKAMOTO: For the update on the North Kona Wells, I'll ask Kawika to provide the update.

MR. UYEHARA: For this month, like last month, we have 12 of the 14 sources operational or available to use. Honokōhau and Hōlualoa are the two that are still offline. Honokōhau, the contractor was working on some site work, and we're still on track for an end-of-September return to service. For that one, we had to put the contractor on pause during the storm conditions and have them stand down, so hopefully it will return to service at the end of September.

For Hōlualoa Well, it's the other one we talked about last month; we need to relook at specifications for what kind of motor we are going to be putting in that well, so that return to service is still to be determined.

2. Online Recordings of Water Board Meeting Videos

MR. OKAMOTO: Kawika, can you address this one too with Diana, if you can assist with this as well.

MR. UYEHARA: We added this agenda item for the Board's information. Moving forward, we are going to start—I believe there's a County Resolution—we're going to stay in line with the goal of having these hybrid-type of meetings, but also providing copies of the video from these meetings and having them available online for the public to access. We still do our minutes like you see every month; we bring it to the Board at a subsequent meeting to have the minutes approved by the Board, but this is another ability for the public and our customers to view past meetings.

MS. MELLON-LACEY: While it's not strictly a Sunshine Law requirement to maintain them, it's recommended to maintain them so that they are available to the public if the public wants to review meetings.

MR. UYEHARA: The exact platform on the internet, we're still trying to figure out internally how to do it. Some folks, the State, I believe, use YouTube. We haven't figured that part out.

MS. MELLON-LACEY: I think Planning does it all on YouTube, which is where they keep theirs available; although if you go too far back, you have to request it from them. You have to look up what a reasonable amount of bandwidth online is, usually more recently.

MR. OKAMOTO: That makes sense. For us, we also have this old repository of our minutes from all of our meetings, and if you look at our minutes, it's so good you really don't have to watch the video to capture what happened. I've seen other meetings where basically the minutes are "motion approved" or "not approved", but ours have a full recap. It's not verbatim, but it's as close to verbatim as you can get without being a true verbatim. I can see if we can have a repository for the videos for a period of time; I'm not sure what it takes to store them.

MS. MELLON-LACEY: I think there's a bandwidth thing about that, but I suppose Planning would be a resource to provide you with that information because they have so many commissions and they have to keep all of that stuff because a lot of their decisions can be appealed to court, so they have to produce detail.

MR. OKAMOTO: We will keep you posted on when that starts so that you know it's going to be out there.

CHR. KEKELA: Can we utilize the cloud system for some of the technology stuff that you guys do for the Department?

MR. UYEHARA: Yes, our other services.

CHR. KEKELA: Is that something that they could use?

MR. UYEHARA: That's what we're looking at internally, exactly which platform to use. The State and Planning uses YouTube. I mean, that's a viable vendor to use.

MR. OKAMOTO: I think we have to communicate with them too because I'm sure they didn't budget for us to be tagging along on their platform if it costs money. We'll navigate the details.

CHR. KEKELA: Not this meeting?

MR. OKAMOTO: Not this meeting. We just wanted to give you guys a heads-up of what's coming down the road.

3. Department of Water Supply Quarterly Energy Report

MR. OKAMOTO: Warren is busy with the recovery efforts, as you guys know, but we've included it in your packet, and if there are any questions, let us know; we'll inform Warren, and we'll get back to you. If you've already reviewed it and have questions, one of us will try our best and try to respond at this point.

4. Hurricane Lala briefing

MR. OKAMOTO: I wanted to provide a brief update to the Board, maybe chronologically. Some of us have been actively engaged from even before the storm onset with prep and whatnot. We really want to give kudos to our staff, from prep through response to now, where we are kind of in recovery, kind of hybrid between response and recovery still in Nā‘ālehu and Wai‘ōhinu areas.

As part of the prep, typically what we do when a storm system is coming is we try to top off reservoirs and make sure our gensets have fuel, and we have them staged. Where we can have them plugged in, we have them plugged in. I believe right now we have about 15 generators strategically placed around the island. We don't have enough resources to replicate Hawaiian Electric's whole system, so we put them where—several criteria, right? Where our critical customers are. If it's servicing a hospital or some other critical care facility, it's an important one that we try to maintain backup for. The other one is the size of the service area. Our priority and our mission is to provide safe drinking water to as many people as we can, even during and after an event. So, that's the second criterion.

The third is kind of system by system. One of them is Kohala, where we know the electrical grid is kind of like a dead end, and it doesn't even take a storm to knock out the whole area. We've had it in the past where that one feed line gets impacted, and all of North Kohala is out; so we have a generator stationed at the well there and two generators at booster stations. We've recently activated Hala'ula Well, so we don't have a backup genset there yet.

How we're acquiring gensets is we're trying to take advantage of—there are several hazard mitigation programs out there. One is through FEMA and HIEMA, so we acquire generators plus transfer switch funding for those. How a transfer switch works is you get the generator, but unless you—it takes a significant amount of effort, if you don't have transfer switches, to plug the generator into our control building. The cables we use are—I'm not sure what the gauge is, but they're pretty thick. A transfer switch is needed because, as Guy knows, if we don't have it properly set up and we get the system running on generator, HELCO will go work on their infrastructure side we're putting power into the system, they think no more power on their side, if you don't have the transfer switch the power is feeding back into the grid and it could cause a hazardous condition. I'm not sure if there is any more that you can offer from that perspective, but it is very important that it is wired correctly.

It's an ongoing effort. We are trying to take advantage of the hazard mitigation funds that are available to acquire more—

MS. TAAROA: During outages and whatnot, do you guys have to go out and physically turn on the generators? You have to send someone out, physically, to the site?

MR. OKAMOTO: Yes, typically they aren't auto-start.

MS. TAAROA: I wouldn't think at that size, okay.

MR. OKAMOTO: The 1-megawatt ones are like a 40-foot container, and the 500-kilowatt ones are maybe 20 feet, and we have smaller ones like 200kW that our dump trucks can pull, but it's still sizable.

MS. TAAROA: How much staff has to go to get them running?

MR. OKAMOTO: A handful. How it works, too, and this one was major because islandwide there were outages, so even though we had them pre-staged, we had them pretty much staged at the right places, but one that we didn't need was at one of our South Kona Well sites, so we were able to take that to Nā‘ālehu once the road was cleared. The other part about pre-staging things, with a hurricane, you can't predict where the thing will hit. As we've seen with Nā‘ālehu and Pāhala, if we have it staged there and you can't access it—Pāhala was another one—we had it for the Pāhala Well, but we didn't have it wired in. Then right after the storm, our guys couldn't get out there, but we had enough to do islandwide. That's

the deal with generators; it's a continual work in progress. So that's part of our prep for events as well as response. As we've seen, there are certain pockets that were not restored until fairly recent, and there are still pockets that have not yet been restored as far as power. We still have some customers that are in areas without power, but we're providing water through either continual use of generators or hauling, like to Peck Road, upper Mountain View, Glenwood area; we're hauling.

At Civil Defense, Water sits here, Hawaiian Electric sits here, Public Works sits here, State Highways sits here; we have that infrastructure table. We also have text messages going on between our liaison and Hawaiian Electric emails trying to help them help us prioritize restoration of power. They've been really great partners in getting our sites restored on a priority basis. Again, that's part of the prep, response, and recovery with our backup generators.

Now, for the most part, I think we have close to 97% of our customers with water; they shouldn't see any difference whether it's generator or hauled water. The big puka right now that we are working on is Nā'ālehua, Wai'ōhinu, which includes South Point and some out-of-bounds customers in Green Sands, and Discovery Harbor is our system as well. We've been able to reenergize a portion of Nā'ālehu from where our well is, just slightly mauka of town, you know, above Ace Hardware, Punalu'u Bakery, and whatnot, towards the Wai'ōhinu direction, and were able to restore water down towards the Hilo direction past Nā'ālehu School; it also feeds the Police Station down there. We got power back there yesterday, Nā'ālehu Well and our booster. We had already gotten a generator out to Nā'ālehu Booster, but power came back on, so we didn't have to activate that generator. But now what we need people to also understand is just because power comes back doesn't mean that water is going to come back because we have to boost the water now up to the higher tank, but as we're boosting, we're flushing because the pipe broke in so many places.

MS. TAAROA: That's what I was going to ask. Besides when the power comes back online, what's your infrastructure damage as far as pipes? Did you guys see significant damage?

MR. OKAMOTO: Yes. There are damaged pipes all over; maybe not mains, but laterals. As we're recharging the line, as we're pushing water through the system, we have to flush because stormwater probably got into the system, and then we also have to check if there are leaks as we're reenergizing systems and try to clamp down those leaks so we're not throwing water away. So, that's in progress now. To supplement that, we're hauling from Pāhala, which is 100% on generator; we're hauling because we can only use DOH-certified tankers to put water into our system. So we're hauling from one public water system, our Pāhala one, which is on generator power, to two tanks in Nā'ālehu, one at the Discovery Harbor Tank and one at the South Point Tank, to try and put water in the system by hauling.

MS. TAAROA: They just keep going back and forth and back and forth?

MR. OKAMOTO: Back and forth, back and forth. And there's only so many of those DOH-certified tankers, and there are only so many drivers; so we're doing as much as we can. We really feel for the guys that have been without water for however long it's been.

How it works too, there are still some guys down in Discovery Harbor that still had water even though some guys up mauka didn't have for days, just because if you're at the lowest end of the system you get whatever is left in the system, so that's what they had. You'll get sporadic "hey, I had water until a couple days ago, and now I don't have," but these guys didn't have water from day two of the storm because of that situation. That's why it seems to be conflicting, some of the information, but usually there's a valid explanation why.

What else? There is so much going on; things are changing daily. Kawika has been putting out daily updates on our social media and through our email blasts. The other challenge that we are getting is that there is a lot of nonsense happening out there right now.

MR. LEE: You're talking about social media?

MR. OKAMOTO: That's part of it. A lot of misinformation is going out through there; those are the ones that get blown up, the ones that sound so flamboyant, so I'm kind of glad we have Kevin here who is, I don't know what the term is, official media that does fact-checking and whatnot. So that's one of them. We also found out just today that there are people going to Kulani or wherever saying that they are with the water department and we need you to pay your unpaid bill or we're going to shut off your water. So there's all this kind—

MS. TAAROA: People are all on end, so they're taking advantage.

MR. OKAMOTO: Yeah, people taking advantage of the situation, so that's what makes it hard for government. Legitimate guys may want to come help. We're also getting requests from people who want to help haul water, but we have to say hold on because we have all of this stuff going on and we're hauling ourselves just to help reenergize our system. We would have to put some of these haulers on the back burner, the ones that are trying to feed catchment right now, because there is too much happening in Pāhala right now. Then we also don't know because if we open up for one guy that might be legitimate and want to help, but we open up for one, we have to be able to open up for all, and I guarantee you not all are going to be legitimate, and they might want to take advantage of the situation and do something that may not be constructive. We're being cautious because there is a lot of stuff moving, so if people get requests, we would encourage them to submit their requests through Civil Defense. Every day at Civil Defense, there are so many moving parts, so much coordination required. If that communication is bypassed and one resource is taken away from another effort or other efforts are duplicated, at some point you get to a point of diminishing returns or even negative returns.

Anyway, that's what I've got. Kawika, do you have anything?

MR. UYEHARA: Do you want to mention the inspection from Mountain House?

MR. OKAMOTO: Yes, but before I get to that—again, we're recharging Nā'ālehu, but we have an active boil water notice going on because we suspect stormwater entered the system. Until we can confirm, and if we're expanding the service zone, we may have gotten this portion clear with our water quality testing and results, but this other systems we haven't confirmed that, so for now we're going to keep that whole system on boil water because it's going to get confusing if I say the area by Ace Hardware from here to here you don't need to boil water, but outside of that you have to; we don't know. So, the whole thing is on boil water. We had Pāhala on boil water, but after several rounds of water quality testing, we confirmed that the water is good and we removed the boil water notice there.

I was able to fly up on Saturday with the Fire Department chopper to do an aerial assessment. Our primary source above Wai'ōhinu used to be Mountain House Tunnel; we counted at least 16 washouts on that stretch, and we could visibly see that a couple of washed-out areas closer to the source wiped out our waterline. Other places we saw waterlines exposed; we don't know if it was damaged and leaking, but some places had obvious water pipes washed down. We also took a spin up 'Alili; we're not really using that—that's above Pāhala Town, but that would be a good source of water maybe for non-potable needs: washing driveways, roadways, non-potable needs. Unfortunately, the intake to 'Alili Tunnel wiped out. We see all this water coming out of the spring into the stream, but the pipe that we had tapped into is gone, including a concrete pedestal that holds up a section of that pipe. And that's not including within

Nā'ālehu, Wai'ōhinu Town, where there's a lot of damage, so even though major infrastructure might be impacted, our mains may be okay, but the laterals and the customer sides might be broken.

MS. TAAROA: During natural disasters, obviously you're incurring a lot more expenses and whatnot. Do you guys have a specific emergency budget for that, or are you anticipating to get a lot of reimbursements from FEMA later?

MR. OKAMOTO: That's the expectation, but our first priority is health and safety.

MS. TAAROA: You just got to do what you got to do for now.

MR. OKAMOTO: We do what we got to do. It's not our first rodeo, so typically we set up a special account to account for all these disaster-related expenses. That's what we're going to submit to FEMA. Initial, real preliminary damage assessments went up to FEMA already so that they can request a presidential declaration and whatnot. But in the meantime, Candace's team will coordinate with County to set up a separate account where we can log all our expenses, then after we actually get some of the initial work done, I think that's part of it; FEMA has this category for during the response, then after it's done, you have to fix stuff, then it's public assistance for the permanent stuff.

MS. TAAROA: Just addressing this letter, and I'm kind of addressing what you just said; when you come back after the fact, and everybody is restored and whatnot, and you're coming in and fixing all these things, do you ever use that opportunity to take FEMA money to expand or improve the system as opposed to just putting back exactly what was there before?

MR. OKAMOTO: Cannot.

MS. TAAROA: But actually expand services or use that as an opportunity to increase service to areas? You don't, right?

MR. OKAMOTO: That's a great question, Emily. It's great for the minutes too, because, to clarify. FEMA can pay to restore what was there; they're not going to pay you to grow your system.

MS. TAAROA: They're not going to improve or make it more resilient or anything like that?

MR. OKAMOTO: That's part of it too.

MS. TAAROA: It is, right?

MR. OKAMOTO: If it's something that's obvious.

MS. TAAROA: Maybe bigger lines or things like that that are not necessarily laterals but larger capacity or more of a functional system at that point when you're replacing.

MR. OKAMOTO: For example, for earthquake-related natural disasters, we have these older tanks that weren't designed or constructed for the seismic zones that they're in. When we rebuild them, we have to make sure that we do it so that it is seismically designed and constructed; otherwise FEMA is going to say that they don't want to pay for that again. Another earthquake and that tank breaks, we're not going to pay for it twice.

MS. TAAROA: You don't use that to make it bigger at that point, too? We know we don't have the capacity to serve the island at this point, but I'm just curious.

MR. OKAMOTO: That may be a stretch for FEMA reimbursement.

MS. TAAROA: Or do they do a thing where they meet you up to that point, and then the Department can still make it bigger in addition to that budget?

MR. OKAMOTO: We haven't seen that; we can always ask.

MS. TAAROA: Just curious. It just seemed like an opportunity. You know, when you get big funding in to maybe plan for the future and add larger systems in these small areas.

MR. OKAMOTO: If can, maybe we can ask them, and we can have further discussions. FEMA has got some really specific criteria. We try to do that when we use our own money; if we're going to replace pipeline or tanks, we're going to build them bigger with our own money. If it's the Feds reimbursing, they usually don't allow that.

MR. LOPEZ: I got an email this morning that was submitted public testimony for reference. So, while we're talking about the Lala thing, which this is, you recall that testimony regarding the illegal and broken disaster?

MR. OKAMOTO: Yes.

MS. TAAROA: We have it.

MR. LOPEZ: Is it going to be addressed?

MR. OKAMOTO: We'll have to take a look at that engineering-wise, and again, that would be an expansion or extension beyond our existing system.

MR. LOPEZ: Yeah, oh yeah.

MR. OKAMOTO: The other thing, just looking at it because I haven't gone down there, and that's the quandary we have as a Department and the Board, it's something to think about, is we try to provide water to whoever we can which results in a lot of these spaghetti lines, but this is what can happen when you get a bunch of spaghetti lines, not to mention the leaks and the leak adjustments that we face when we have a mile of private line, right? I have to be honest, if it did that much damage to the spaghetti lines, and I think I saw Ka'alu'alu Road, even if we had a main down that road, our main probably would've been gone. It's something that we'll take a look at, Kawena; we'll run it past our engineers, but we have everybody right now trying to deal with trying to get our existing customers in the Nā'ālehu area water.

MR. LOPEZ: Understood, and I know you're slammed. My concern is only that we get so few testimony and somebody has submitted a letter; I'd just personally like to close the loop with them, you know, we have your letter, and we'll be looking into it. Something, anything.

MR. OKAMOTO: 100%. Anytime we get something in writing, we respond.

MR. LOPEZ: Well, it came to the Board, so I wanted to bring it up. Thank you.

MR. OKAMOTO: Got it. And I'm sure at the following meetings I'll provide another update and whatnot to inform you folks where we are, and you know, I'm pretty sure we'll be in a much better place than today.

MR. ALAMEDA: Thank you, guys, for the great job you guys are doing in informing the public of what's happening, and not to sound insulting, but I get chicken skin hearing about you guys going out there and doing what you guys have to do islandwide, prepping, what we're going to do recovering, what we're going to do after; it's what it's about when you're doing the construction work. You know, small scale, your house, you do your house painting, and you get all worked up for that, but you guys are on a

big scale. And you brought up the fact that when I was at Hawaiian Electric as a lineman, backfeeding is a dangerous thing for the line guys on the line, and to know that everybody within, like you said, everyone sitting at the table and understanding who is doing what, backfeeding is crucial. With everybody out there getting generators, they're hooking it up here, looking it up on YouTube and everything; that is so dangerous. With that said, it's good that everybody understands what they need to do to keep the workers safe. Even as a civilian, if you run a generator to your house, you want to cut off the power to HELCO so that way it doesn't backfeed there. And that is really important because, as the lineman that I was, we went on a trouble call that was nothing to Iselle and Lala. We were out there doing a trouble call one day in the dark, trying to give people back power, and here comes our foreman, who drove up the road and came back and is telling us to get off the line. Someone is running a generator over there, and we need to go inspect that and see what's going on to see if they are backfeeding it. That came to my mind when you hear generator. I had that experience.

Then, in the power plant, like you guys with the water, when everybody is cut off—your water service—now you have all this water going, but we have to shut off the pump because we're overloading the pump and we do not have any load on it. Same thing with the power plant; the power plant shut off the power because we have no customers on the line. Anyway, I appreciate what you guys are doing. I have chicken skin hearing it. I want to be out there again. People tell me, "Aren't you happy you aren't working because then you'd be out there?" I cannot tell them I'd rather be out there just for the time being; you're going to learn, you're going to get your hands dirty, and you're going to improve the system. Like she was saying, take advantage of the time to improve the system, but with the funding you can only go (inaudible) because when we had the lava flow down there, everybody wants to use the gravel road, well go pave it one time. Cannot do things like that, I don't think. But thank you guys, for everything you're doing.

One last question: where does the water come from in the Keaukaha area, because I was thinking about that.

MR. OKAMOTO: Keaukaha comes from Pi'ihonua, by Carvalho Gym. But we can feed from Pana'ewa, too.

The other thing I wanted to make mention of too, and I think, Guy—so how a utility works is we focus on the source first, where the water comes in to feed the system. If you don't have that, it doesn't matter if you have pipes or distribution. So you focus on the source first, and you get that taken care of, then you focus on transmission. It's like a tree, and then you focus on the branches, like the distribution. That's like if you had a tree, no sense worrying about the leaves if you don't have the trunk or the roots. So that's where our priorities go first, and once we get that squared away, then we can start branching out into the distribution. I know HELCO, or Hawaii Electric now, it's the same thing. They work on transmission first, then major customers and distribution setup.

The other thing I wanted to mention to you folks is that whenever you see our guys, mahalo them because we have some guys who don't have power, but they come to work. Some maybe don't have water; we don't have water at our base yard in Nā'ālehu, but they come to work. Anyway, mahalo for that.

H. CHAIRPERSON'S REPORT:

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

CHR. KEKELA: I basically want to echo what Guy said. I was in Nā'ālehu, in the impact zone, because I have some 'ohana out there, but it was cool because I saw Nathan with his team, and they were moving back and forth through Pāhala and Nā'ālehu, and by Wong-Yuen Store you guys have a base yard; this guy was helping clear the road with your machine that you guys got. One, I was proud to represent the

Water Board. Two, just to see those guys working tirelessly because you guys went from boil water, then not even a day and a half later it was back to service, so I was proud at that point. Just being able to understand from our viewpoint and also getting to interface with the staff is cool because they are regular people that work hard. Even though, like you said, there's a lot of noise and nonsense from the outside looking in, you guys have a good team and good staff, and I wouldn't want to support another department. That's all for my report.

7) ANNOUNCEMENTS:

- **Next Meeting** – September 22, 2026, 10:00 a.m., West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokālole Highway, Kailua-Kona, Hawai'i.

8) ADJOURNMENT:

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

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

(Meeting Adjourned at 11:14)

Recording Secretary

APPROVED BY WATER BOARD
SEPTEMBER 22, 2026