

MINUTES

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

November 26, 2024

West Hawai‘i Civic Center, Building G, 74-5044 Ane Keohokālole Highway, Kailua-Kona, Hawai‘i

- MEMBERS PRESENT: Mr. Stephen Kawena Lopez, Chairperson, Dist. 8
Mr. Michael Pono Kekela, Vice-Chairperson, Dist. 4
Mr. Michael Bell, Water Board Member, Dist. 7
Mr. James Kimo Lee, Water Board Member, Dist. 2
Mr. Benjamin Ney, Water Board Member, Dist. 9
Ms. Emily Taaroa, Water Board Member, Dist. 5
Mr. Keith K. Okamoto, Manager-Chief Engineer,
Department of Water Supply (ex-officio member)
- ABSENT: Mr. Thomas Brown, Water Board Member, Dist. 3
Ms. Kea Keolanui, Water Board Member, Dist. 1
Mr. Keith Unger, Water Board Member, Dist. 6
Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)
- OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel
Ms. Keyra Wong, Deputy Corporation Counsel
Ms. Michelle Ahn, Deputy Corporation Counsel
Mr. Jeff Bray, guest
Mr. Jeff Zimpfer, guest

DEPARTMENT OF WATER SUPPLY STAFF:

Mr. Kawika Uyehara, Deputy (via videoconference)
Mr. Kurt Inaba, Engineering Division Head
Ms. Candace Gray, Waterworks Controller
Mr. Gregory Goodale, Chief of Operations
Mr. Alvin Inouye, Water Operations Superintendent
Mr. Warren Ching, Energy Management Analyst
Ms. Janelle Pascual, Assistant Water Service Program Supervisor
(via videoconference)
Mr. Matthew Pakani, Waterworks Helper
Ms. Nora Avenue, Recording Secretary

- 1) **CALL TO ORDER** – Chair Lopez called the meeting to order at 10:00 a.m. Six Board Members were present: Ms. Taaora; and Messrs. Bell, Lee, Ney, Kekela, and Chair Lopez).
- 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.

(There were none.)

3) APPROVAL OF MINUTES:

ACTION: Mr. Kekela moved for approval of the Minutes of the October 22, 2024 Water Board meeting; seconded by Mr. Ney and carried unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

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

CHR. LOPEZ: I'd like to entertain a motion, if you would please, for Executive Session for a very quick meeting of the Board to detail how we need to operate a Contested Case Hearing and get everybody on board at the same time, "to consult with the Board's attorney on its questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities. So I'd like to entertain a motion to go into a very quick Executive Session.

ACTION: Mr. Ney moved that the Board enter into Executive Session; seconded by Mr. Kekela and carried unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

(The Board entered into Executive Session at 10:03 a.m. and returned at 10:07 a.m.)

CHR. LOPEZ: I'm calling the meeting of the Water Board back in session, thank you very much. We're having some connection problems, so we'll proceed with business until we can get rectified. So we'll go down to Number 6, Power Cost Charge.

Change Order of Business - As directed by the Chair and with no objection from the Board Members, the following items were taken out of order:

6) POWER COST CHARGE:

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

Departmental power costs from all power sources decreased since the last Power Cost Charge rate was determined. The Department proposes to decrease the Power Cost Charge from \$3.04 to \$2.32 per thousand gallons as a result of this decrease. Power cost charges over the past year were as follows:

<u>Effective</u>	<u>PCC</u>
September 1, 2024	\$3.04
May 1, 2024	\$2.77
February 1, 2024	\$2.37
September 1, 2023	\$2.64

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 December 17, 2024, at 9:45 a.m., to receive testimony on decreasing the Power Cost Charge from \$3.04 to \$2.32, effective January 1, 2025.

MR. OKAMOTO: Mr. Chair, before we move on to the actual agenda item, we discovered just recently that because our next meeting has been moved up because of the holiday season, it doesn't afford us the required 20-day advertising period. So I would like to amend the recommendation for the Public Hearing and revise it

from being held in December to the January 28, 2025 Water Board meeting, and for the effective date to be revised to February 1, 2025. Speaking with Corp. Counsel, we feel that this is appropriate to do it this way so that we don't have to go through the whole motion, and discussion, and then have the whole recommendation be revised anyway.

CHR. LOPEZ: All right. Certainly we can do that, but do we need the approval of the Board to amend the agenda item?

MR. OKAMOTO: No, I don't think so.

MS. MELLON-LACEY: I think it's just a correction.

CHR. LOPEZ: Just a correction, okay.

MR. OKAMOTO: Yes, a correction.

CHR. LOPEZ: Could you restate that again, correction to the recommendation on Item No. 6.

MR. OKAMOTO: Yes, so the recommendation will now read, "It is recommended that the Board approve holding a Public Hearing on January 28, 2025, at 9:45 a.m., to receive testimony on decreasing the Power Cost Charge from \$3.04 to \$2.32, effective February 1, 2025.

MOTION: Mr. Kekela moved to recommend the approval of holding a Public Hearing on January 28, 2025, at 9:45 a.m., to receive testimony on decreasing the Power Cost Charge from \$3.04 to \$2.32, effective February 1, 2025. Seconded by Mr. Ney.

CHR. LOPEZ: Well, I understand it didn't need a motion, just an amendment.

MR. OKAMOTO: Yes, so now you can go through the regular agenda process.

CHR. LOPEZ: So that action item is to approve is taken, everybody made note of that?

MR. OKAMOTO: Actually, Mr. Chair, we still would need—I heard a motion from Pono and a second from Ben on the revised recommendation, I think there still needs to be a discussion and a vote on that recommendation.

CHR. LOPEZ: Okay, I thought I heard at the opening that we didn't need a motion for this, just amend the agenda.

MR. OKAMOTO: We didn't need a motion to amend the recommendation, but for the recommendation to be approved, we still need the vote.

CHR. LOPEZ: It's been first and seconded that we amend the recommendation of Item 6, Power Cost Charge, to reiterate from December 17, 2024, to the Public Hearing to January 28, 2025, and the effective date from January 1, 2025 to February 1, 2025, all in favor?

ACTION: Motion was carried unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

7) MISCELLANEOUS:

A. MATERIAL BID NO. 2024-10, FURNISHING AND DELIVERING COMBINATION SHOWER AND EYE WASH STATIONS ISLANDWIDE:

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

This project generally consists of paying for all labor, materials, tools, taxes, and equipment necessary to furnish and deliver combination shower and eyewash stations as specified within the Special Provisions, to the Department of Water Supply’s Hilo Baseyard at 889 Leilani Street, Hilo, Hawai‘i.

Bids for this project were opened on November 14, 2024, at 2:30 p.m., and the following are the bid results:

	Fairnet Dynamic Services	Ferguson Enterprises LLC	GP Roadway Solutions Inc.	Safety Systems and Signs Hawaii, Inc.	DWS Engineering Evaluation
Item 1: (33 Ea.) Haws Model 8330 combination corrosion resistant (all stainless steel) emergency shower/eyewash stations, or equal by approval.	\$117,899.79	\$61,149.33	\$96,598.92	\$79,055.13	\$126,984.00

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2024-10, FURNISHING AND DELIVERING COMBINATION SHOWER AND EYEWASH STATIONS, to the lowest responsible bidder, Ferguson Enterprises LLC, for their bid amount of \$61,149.33. 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. Bell moved for approval of the recommendation; seconded by Mr. Ney.

CHR. LOPEZ: Any discussion?

MR. OKAMOTO: Basically, this is for, as described, the materials, combination of shower and eyewash station. If there are any questions, Mr. Goodale is here.

MR. NEY: I guess you guys are going to do the installation aspect of this.

MR. GOODALE: Yes.

MR. NEY: Okay. And then, was there a I guess a specification in terms of brand? I just wanted to know what the price spread was and why there was a price spread on this because the numbers, the range is quite wide.

MR. GOODALE: Yeah, and even on our engineer's estimate was a little bit high, again we're not privy to the discounts or pricing that the various vendors get from whatever their various distributors. You know, all these are subject to our specifications, which they all meet the specifications.

MR. OKAMOTO: The item description kind of specifies the model that we specified.

MR. NEY: Okay, or an equivalent.

MR. OKAMOTO: Typically, right.

MR. GOODALE: Yeah, which would then be reviewed by our engineer to make sure it meets the specifications that were called out.

MR. NEY: All right, thank you.

CHR. LOPEZ: Question, are these new units, or are these replacements for something you already have?

MR. GOODALE: They're new units, but they are replacements for some of the ones that are not operable.

CHR. LOPEZ: Okay. So we haven't had just a facility for that kind of replacement.

MR. GOODALE: Yes.

CHR. LOPEZ: Okay, thank you. Any other questions? All in favor of approving Material Bid No. 2024-10 say aye.

ACTION: Motion was carried unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

MR. OKAMOTO: Mr. Chair, it looks like the Appellant has appeared, so we can move back to Item No. 5.

Return to Order of Business: The Chair directed the Board to return to the order of Business.

CHR. LOPEZ: We're set to proceed. I apologize for the slight delay. Thank you all for being here.

CONTESTED CASE HEARING (NOTICED FOR 10:00 A.M.):

Water Service Account No. 0824400-11

The above Contested Case Hearing is to take place in accordance with Chapter 91 of the Hawai'i Revised Statutes and Rule 2-5 of the Rules and Regulations of the Department of Water Supply.

The issues involved in the above-referenced hearing will be Annette Lillian Klieforth's appeal of the proposed Notice for Account No. 08024400-11 and the Department's Findings of Fact, Conclusions of Law and Decision after the Administrative Hearing held on September 4, 2024.

This hearing is being set pursuant to Ms. Klieforth's request on October 4, 2024, for the hearing to be held at the November 26, 2024, Water Board Meeting in Kailua-Kona.

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

CHR. LOPEZ: Can I get the names and appearance of the parties for this matter, starting with the Appellant and their Counsel if any, please, and then from the Water Supply? Go ahead, Appellant, please introduce yourself.

MS. KLIEFORTH: Hi, my name is Annette Klieforth. My granddaughter has a class at the college, so she couldn't appear today.

CHR. LOPEZ: Okay, thank you. So, would it just be yourself today?

MS. KLIEFORTH: Yes.

CHR. LOPEZ: And from the Department of Water Supply?

MS. WONG: Good morning, Mr. Chair and Board members, Deputy Corporation Counsel Keyra Wong on behalf of the Department. I understand the Board Members and Ms. Klieforth have a copy of the Department's Exhibits and Witness List. We're ready to proceed today.

CHR. LOPEZ: Are there any housekeeping matters we discussed before, before we begin our hearing?

MS. WONG: Not from the Department.

CHR. LOPEZ: We're all set to go, Ms. Klieforth?

MS. KLIEFORTH: Yes.

CHR. LOPEZ: Do the parties wish to make a brief opening statement? Ms. Klieforth?

MS. KLIEFORTH: Okay. Yeah, my granddaughter and her friends were out in the yard picking fruits and stuff like that and they saw a huge jet of water gushing up into the air, probably like five to eight feet high, so they told me right away. I've called multiple times, I called the Water Department and got an answering machine and it said, "Leave a message." I kept calling and finally I got through to somebody, because no one calls back, and I told them this was urgent, it was an emergency because there was a lot of water gushing out, but from that point, it took them five, six hours just to get out here. They tried shutting the water valve off. She called her dad, and suggested WD40. They put that on there and let it sit. They couldn't shut it off. When the man came to try to shut it off—I'm not sure if he shut it off, they said he did, but when I went out there, it was really high. I mean there was nothing we could do.

As far as my understanding, I don't understand why the Water Department is not taking responsibility for their corroded and rusted valve. They didn't come out right away to shut it off. Meanwhile, the bill is accumulating to me. We couldn't shut the valve off; it was so old and corroded. A couple of the neighbors said they had theirs replaced, and they didn't go into detail, but obviously you would think you would want to check. It's a small neighborhood. You would want to check the other ones that have been for years and years and years.

CHR. LOPEZ: Ms. Klieforth, if I may interrupt you, we're interested presently, because you'll get a chance to explain it in your testimony, but this is just opening comments.

MS. KLIEFORTH: All right. Okay yeah, I'm not understanding why the Water Department is not taking responsibility for their shut-off valve and taking care of an emergency right away.

CHR. LOPEZ: Okay, thank you very much. The Department side?

MS. WONG: Thank you, Chair and Members of the Board. Again, Deputy Corporation Counsel Keyra Wong on behalf of the Department. Thank you for the opportunity to present our case this morning, and we're asking that the Board affirm the Department's decision to deny Ms. Klieforth's request for reconsideration of the Notice for her account.

Following the September 4, 2024 Administrative Hearing, the Department properly denied her challenge to the Shut Off Notice, finding that on March 8, 2024, DWS personnel went to her property to shut off the water valve after Ms. Klieforth called to report a leak on her property, on one of her above ground water line. The Department advised Ms. Klieforth that he would, excuse me, the DWS personnel advised Ms. Klieforth he would need to return the next day to change her water meter and fix her water valve, but that before leaving her property the water was actually shut off.

On March 9, the next day, the personnel went back to her property to change the water meter. Subsequently, Ms. Klieforth's April 19, 2024 water bill for the period between February 12, 2024 through April 18, 2024 totaled \$1,033.12. Ms. Klieforth applied for and received a leak adjustment in the amount of \$485.42. Ms. Klieforth is in arrears for the nonpayment of the balance of \$484.25.

Pursuant to Section 3-11(a)(2) of the DWS Rules and Regulations, on July 29, 2024, the Department sent Ms. Klieforth written notice of her payment delinquency, with a shut-off date of August 14, 2024, if the delinquency remains outstanding. As of today, Ms. Klieforth's customer account remains outstanding. The Department will present the testimony of Ms. Janelle Pascual, Mr. Matthew Pakani, and Mr. Gregory Goodale, as well as supporting documentary evidence to support its Decision of September 11, 2024, in which the Department denied Ms. Klieforth's request to appeal the Shut-Off Notice. Thank you.

CHR. LOPEZ: Thank you very much. Okay, let's proceed with our Hearing. If either side begins to present testimony or evidence that is not relevant to our Hearing today, you will be interrupted and stopped. There is one legal issue before this Board, whether the Department's decision and question should be reversed or affirmed. With that, let's begin. Ms. Klieforth, do you intend to call any witnesses?

MS. KLIEFORTH: Not at this time.

CHR. LOPEZ: Okay, thank you. Ms. Wong, you have submitted your witnesses, which consist of four witnesses, correct?

MS. WONG: Correct.

CHR. LOPEZ: Thank you. Okay, Ms. Klieforth, not having any witness, we'll ask you to testify, but I'll need to swear you in, please, for the record.

MS. KLIEFORTH: Okay.

CHR. LOPEZ: Ms. Klieforth, do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth but nothing but the truth?

MS. KLIEFORTH: Yes, I do.

CHR. LOPEZ: Thank you very much. You want to proceed with your testimony.

MS. KLIEFORTH: Okay yeah, as far as what I've been told prior is that the Water Department, it's their equipment, it's their responsibility for the shutoff valve and anything beyond that, you know, my responsibility. Yes, the pipe did break. It was underground. We dug it up. We could not stop it, and we couldn't shut off the valve or anything even though we tried to do this in a very timely manner, calling the Water Department, and them not calling back, not getting out to us right away. They didn't seem to think it was an emergency or urgent but yet they wanted to charge \$1,000 for this leak that would have gone maybe then, you know, a couple of hundred, maybe \$100 or \$200, if we were able to shut off the valve.

So, I'm not understanding why they made it my responsibility for the shut-off valve. We tried to do everything in our power that we could. They did replace it, so as of today we have no problem. They've gone out, they've shut it off, turned it on, and we don't have a problem with it now; but because it was just old and corroded, rusty, it was basically locked in, so they could not shut it off. I mean I'm just not understanding why it makes it my responsibility for the shut-off valve. We tried to do everything in our power that we could and tried to expedite it to save water.

CHR. LOPEZ: Very good. Is that it for you? Thank you for your testimony. The Department may cross-examine.

MS. WONG: Thank you, Mr. Chair. Ms. Klieforth, how long have you lived at the property located at 14-3279 Pualaa Road?

MS. KLIEFORTH: About a year.

MS. WONG: And you mentioned today your pipe broke underground, how do you know that it broke underground?

MS. KLIEFORTH: Because we saw the water shoot up, and we followed it down. They cleared the plants and dug it up. I mean it wasn't nine feet underground, but yeah.

MS. WONG: When did you realize that the pipe had broken underground?

MS. KLIEFORTH: Right away.

MS. WONG: Do you recall—

MS. KLIEFORTH: They were outside, and they saw like a fountain shooting up. It was very, very obvious too, when it happened.

MS. WONG: Do you recall what date that was?

MS. KLIEFORTH: No, I don't.

MS. WONG: Was it the same date that DWS personnel came out to service?

MS. KLIEFORTH: Yes, it was the very same day that I made all those calls, and that the personnel came out.

MS. WONG: Okay, so before March 8, 2024, did you have any other leaks in your line servicing your property?

MS. KLIEFORTH: No.

MS. WONG: You're not disputing that the water was leaking from the water line on your property, correct?

MS. KLIEFORTH: No, because it was obvious where the water was shooting out. You know, it was obviously broken there.

MS. WONG: Okay, thank you. What time did you initially call the Department to report your waterline leak on March 8th?

MS. KLIEFORTH: As soon as the girls told me, so right away.

MS. WONG: Was it in the morning, or afternoon?

MS. KLIEFORTH: It was in the morning.

MS. WONG: Is it possible that you could have had a leak prior to your call on March 8?:

MS. KLIEFORTH: No. I immediately—like you could feel the—I could hear water when anybody's running water or a leak. The water pressure drops, so it was obvious; but before that, there was no change in the bill, no water leaks anywhere. I mean that was a lot of water that was coming out, so it was like an explosion actually. I mean it was a fountain; it was big. I pointed that on the phone, you know saying, "Hey, we've got to get this shut off right away."

MS. WONG: Thank you. About how big is your property?

MS. KLIEFORTH: It's about an acre.

MS. WONG: And do you frequently walk around your property to inspect your waterline?

MS. KLIEFORTH: No, we don't walk around and inspect the waterline, but it's right parallel to the road, so we take the dogs for a walk. The girls are always out in the yard maintaining the fruit trees, picking fruits, and doing different things like that, so we're out there a lot. And then, we always take the dogs out, so if that happens like the day before, we would have noticed it first thing in the morning. They actually saw it.

MS. WONG: Thank you. On March 8th, why did you call the Department and not anyone else, like a plumber for example, to come shut off the water for you?

MS. KLIEFORTH: Well, the first step is to call the Water Department, after that I tried to calling a couple of plumbers and waited for them to call back.

MS. WONG: So, you were aware you could've called any other service provider to come shut off your water valve.

MS. KLIEFORTH: Not really, it's not their equipment. One guy told me that that belonged to the Water Department, but he would come and fix the pipe, but he can't do that until the water valve is shut off.

MS. WONG: Okay, I'm turning your attention now to the Water Notice. You appealed to the July 29, 2024 Water Notice, correct?

MS. KLIEFORTH: Yes. When the worker came out, he said, "Oh, how did you know to appeal it," I said, "Because like in Florida, I have done it, and they come out," and once you get it fixed, you know, they take it off, the whole amount of the bill. My mom had an issue, so I knew, and he said, "Okay, I'll turn that in." I don't know if he forgot, or he couldn't do it, or what was going on, but when I got the bill, I called the Water Department and they said, "Oh, you have to wait till you get a Notice." So when I got that, I called to try to appeal, and they said, "Okay, we'll set up a Board meeting."

MS. WONG: Thank you. And you appealed the Notice on or about August 5, 2024, via email, is that correct?

MS. KLIEFORTH: Yes, I followed the instructions they gave me.

MS. WONG: Okay. Please turn your attention to what's been marked as Exhibit B for identification purposes. Do you recognize Exhibit B?

MS. KLIEFORTH: I don't know, I don't have it in front of me.

MS. WONG: You received a copy of the Department's exhibits, correct?

MS. KLIEFORTH: Yeah, it's on my email but my computer is not working that well, but I could try to bring it up. I don't know, I got like three copies of exhibits.

CHR. LOPEZ: Ms. Klieforth, do you need a moment to look?

MS. KLIEFORTH: Oh no, I'm visually impaired. I'm legally blind. For me to go find that, it might take a little longer than you're willing to (inaudible).

CHR. LOPEZ: Okay, all right.

MS. KLIEFORTH: I could look through those papers, but it will be a while.

CHR. LOPEZ: Okay, thank you.

MS. WONG: So Ms. Klieforth, the Exhibit is a copy of your August 5, 2024 email that you sent to the Water Department, appealing the Decision. Would it be accurate to state that you were appealing because of the issue you've talked about today that you couldn't shut off the valve right away?

MS. KLIEFORTH: Yes.

MS. WONG: At this time, Mr. Chair—

MS. KLIEFORTH: And also, that the Water Department didn't tell how to help with that. The person who answered the phone went just like, "Okay, we'll send somebody out." Didn't suggest anything. I said, "Well, what can we do," so yeah.

MS. WONG: Thank you. Mr. Chair, at this time the Department moves to enter Exhibit B into evidence.

CHR. LOPEZ: Item B, okay. It's been received, thank you.

MS. WONG: Thank you. Ms. Klieforth, I'm not going to ask you about what's been identified as Exhibit B, which is a copy of what appears to be a Complaint that you had attached to your August 5, 2024 email. Do you recall that Complaint?

MS. KLIEFORTH: That Complaint that I made?

MS. WONG: Yes.

MS. KLIEFORTH: Yes.

MS. WONG: Okay. At this time, Mr. Chair, I move to enter Exhibit C as evidence.

CHR. LOPEZ: Exhibit C is received, thank you.

MS. WONG: Thank you. Ms. Klieforth, why did you use the PUC (Public Utilities Commission) Complaint Form?

MS. KLIEFORTH: Because I don't feel like I'm getting justice with this matter. I just feel like you're putting all the responsibility on me, when I was under the impression the shut-off valve was your responsibility.

MS. WONG: Did you submit this Complaint form to the PUC or was it only to the Water Board?

MS. KLIEFORTH: Probably both, I don't know. I set a couple of them.

MS. WONG: Was the Complaint form merely just to convey the fact that you had a Complaint about what happened?

MS. KLIEFORTH: No, I wasn't sure what to do; and they did call me back and said, "That is kind of concerning, but unfortunately it's out of their hands. They would like to help. But yeah, it's a different process with the County.

MS. WONG: And when you say "they," you mean a representative from the PUC called you back?

MS. KLIEFORTH: I just had one last question. You testified earlier that you believe that the water bill should have been on a couple hundred, maybe \$200 if you were able to shut off the valve, is that correct?

MS. KLIEFORTH: Yes.

MS. WONG: How did you come up with that dollar estimate?

MS. KLIEFORTH: I don't know. It's just a guess, by how much does that pressurized water was shooting up into the air, so it's just a guess. I really couldn't be accurate. But when they shut it off, you know, they tried to shut it off and said, "Oh, the meter is just spinning around." So that's why I kind of made it urgent and kept calling the Water Department back to see what we could do.

MS. WONG: Thank you, those are all the questions I have.

CHR. LOPEZ: Ms. Klieforth, do you need any clarification of the testimony given by the Department?

MS. KLIEFORTH: No.

CHR. LOPEZ: So at this point, the Board is open to asking questions of either party. Do you have a question, Ms. Klieforth?

MS. KLIEFORTH: Yes, I'm just curious because of your negligence of not maintaining your equipment; you know, why are they holding me fully responsible for that?

CHR. LOPEZ: Excuse me, these are questions for the Board.

MS. KLIEFORTH: Oh, okay.

CHR. LOPEZ: Okay, thank you. I apologize for that. I do have a question. One area where a little bit unclear, I heard a testimony that Water Supply came out from the first day and turned off the water, but then I also heard that he couldn't turn it off and had to go get some parts, so which of those is true?

MS. KLIEFORTH: I cannot honestly tell you because after he came out and looked at it, I didn't go down there. He came to the house (inaudible). I got the impression that he couldn't turn it off because he said, "Oh, it was pretty rough and corroded." So it might've been my misunderstanding of what he was saying, I don't know.

CHR. LOPEZ: So I'm trying to determine was the water turned off that evening or not.

MS. KLIEFORTH: Yes, it was turned off that evening. He came back later, and everything was shut off. I mean at that point I didn't go and look at it, and it was all shut off.

CHR. LOPEZ: So it wasn't shut off until he came back the second time?

MS. KLIEFORTH: I'm not sure. I can't honestly say because the first time he came to talk to me he said, "Oh, I'll be back." I didn't know I had to pay that much attention to it to be honest with you. It sounded like he was taking care of it. He just kind of—maybe it was my perception, I just thought that he was going to turn it off. Now that you're bringing that up, I can't tell you for sure. All I know is like after he came back, I did go down and look at it and it was all shut off.

CHR. LOPEZ: Say that last statement again, "After you came back,"

MS. KLIEFORTH: After the second time he came back, it was all shut off.

CHR. LOPEZ: It was shut off, okay.

MS. KLIEFORTH: But as far as that first time, I'm not sure.

CHR. LOPEZ: All right. So Ms. Klieforth, if you it off on that same day you reported it, whether it was later or what have you, you were without water until the next day, until the meter was replaced?

MS. KLIEFORTH: I think we had water that evening, no, actually it wasn't till the next day, yes. We didn't have water until the next day.

CHR. LOPEZ: After the meter was replaced. Okay, thank you. Does anybody have questions.

MR. LEE: Chair, I have a question.

CHR. LOPEZ: Okay, go ahead.

MR. LEE: Ms. Klieforth, the line is from the meter to the house, where the line was corrupted?

MS. KLIEFORTH: Correct.

MR. LEE: So where did you get your understanding that that's Water Supply's responsibility?

MS. KLIEFORTH: Not my waterline. But where the shut-off valve is, it's their responsibility.

MR. LEE: The break was from the—

MS. KLIEFORTH: In my waterline, yes. The worker that came out did explain that too. He said they're responsible for the shut-off valve, but the pipes are our responsibility, and I said, "Yeah, I know that." So I know the pipe was our responsibility to fix, but the shut-off valve was, as far as I've been told, it's the Water Department.

CHR. LOPEZ: Questions, Mr. Ney.

MR. NEY: Good day, Ms. Klieforth. I'm going to ask you a question for the sake of impartiality, I might ask the Department a question and have them answer. So the amount that you are disputing in the overage on your bill, now the Department would have a better idea, a length of time and gpm use of a meter to calculate perhaps what that loss was. Now you're contesting—I mean the fact that they gave you an adjustment, was that not satisfactory to you in terms of the loss that you're disputing? Okay, I'll let you respond to that one.

MS. KLIEFORTH: All right. Yeah, that is correct, because whether it's your fault or their fault, they typically—so like if it was the water break, we shut off the water valve, and the bill was that much. Every three years, and now this is my understanding, you know, I'm not their lawyer, but every three years they will adjust the bill for 50 percent of that bill, so that's just the typical procedure as far as I know that they just do that. You know, I appreciate that, but every three years is a long time. But if we wouldn't have been able to shut off that valve, it wouldn't have been a main issue like it is.

CHR. LOPEZ: Okay, any other questions? You have another?

MR. NEY: Yes. So just for a point of clarification, you were not happy with the Department giving 50 percent break on the overage, is that correct?

MS. KLIEFORTH: That's correct because that's just your typical thing that they do, and the water bill would have never been \$1,000 if we could have shut off that valve right away. If we were able to shut off that valve and they took off 50 percent, I would've been happy with that. That would have been fair.

MR. NEY: That concludes my questions.

CHR. LOPEZ: Thank you. Anybody else, questions? All right. Ms. Klieforth, do you have anything else to present at this time?

MS. KLIEFORTH: That's all I can think of.

CHR. LOPEZ: Okay.

MS. KLIEFORTH: I mean the plumber basically said he couldn't do anything, until the Water Department came and (inaudible) and the water valve, because it's not their equipment. But other than that, unless you have any more questions.

CHR. LOPEZ: All right, thank you. Let's move on to the Department, represented by Ms. Wong, to call her witnesses.

MS. WONG: Thank you, Mr. Chair. Being that this is an appeal from September 4, 2024 Administrative Hearing and the Findings of Fact, Conclusions of Law, and Decision of September 11, 2024, the Department moves to submit Exhibits D, E, and F into evidence at this time.

MS. MELLON-LACEY: Would you read the (inaudible) for the Board?

MS. WONG: Sure. Exhibit D is the Transcript from the September 4, 2024 Administrative Hearing, Exhibit E is the September 11, 2024 transmittal letter from Ms. Candace Gray to the Appellant, and Exhibit F is a copy of the September 11th, Fings of Fact, Conclusions of Law, and Decision.

CHR. LOPEZ: So your items D, E, and F are received. Thank you, Ms. Wong.

MS. WONG: At this time, the Department calls Ms. Janelle Pascual who is appearing by Zoom, as our first witness.

CHR. LOPEZ: Do you solemnly swear or affirm that the testimony you're about to give will be the truth, the whole truth, but nothing but the truth?

MS. PASCUAL: I do swear.

CHR. LOPEZ: Okay. You want to introduce yourself and begin, please.

MS. PASCUAL: My name is Janelle Pascual. I'm the Assistant Water Service Program Supervisor here in Customer Service, at the Department of Water Supply. My duties are to assist in the daily operations of Customer Service.

CHR. LOPEZ: Thank you, proceed.

MS. WONG: Thank you, Ms. Pascual. As a part of your duties as an Assistant Water Service Program Supervisor, you oversee the account records for Water consumers.

MS. PASCUAL: Yes, I do.

MS. WONG: And are these records considered business records of the Department?

MS. PASCUAL: Yes, they are.

MS. WONG: And do these business records include billing statements, applications for water leak adjustments, and fieldwork orders?

MS. PASCUAL: Yes, and they all have a retention period.

MS. WONG: Thank you. In your position have you become familiar with account records of Ms. Klieforth?

MS. PASCUAL: Yes.

MS. WONG: And how many water account does Ms. Klieforth have?

MS. PASCUAL: She has one active account.

MS. WONG: And the Account No. 08024400-11 belongs to Ms. Klieforth?

MS. PASCUAL: Yes.

MS. WONG: Is that the account attached to her address at 14-3279 Pualaa Road in Pāhoa?

MS. PASCUAL: Yes, it is.

MS. WONG: When did the Department of Water establish her account?

MS. PASCUAL: June 7, 2023.

MS. WONG: Thank you. I'm now going to turn your attention to what's been marked as Exhibit A for identification purposes. Do you recognize Exhibit A?

MS. PASCUAL: Yes, I do.

MS. WONG: What is Exhibit A?

MS. PASCUAL: This is a Shut-Off Notice.

MS. WONG: Was this record made as a part of the regular practice of the Department?

MS. PASCUAL: Yes, it is. It's sent out to customers 10 days after the due date of their bill if it's not paid by that due date.

MS. WONG: Thank you. And was this record kept in the course of a regularly conducted business activity of the department?

MS. PASCUAL: Yes, it is. It's connected to the customer's account in their letter history.

MS. WONG: Thank you. Does Exhibit A appear to be a fair and accurate copy of the July 29, 2024 Shut-Off Notice?

MS. PASCUAL: Yes, it is.

MS. WONG: Mr. Chair, at this time we move to enter Exhibit A into evidence.

CHR. LOPEZ: Exhibit is received.

MS. WONG: Thank you. Ms. Pascual, please turn your attention to what's been marked as Exhibit G and H for identification purposes. Do you recognize Exhibit G?

MS. PASCUAL: I do.

MS. WONG: And what is Exhibit G?

MS. PASCUAL: This is a Field Work Order that is created for the jobs that the Department has.

MS. WONG: And was this record made as part of the regular practice of the Department?

MS. PASCUAL: Yes, it was.

MS. WONG: Was Exhibit G kept in the course of regularly conducted business activity of the Department?

MS. PASCUAL: Yes, the document is contained within our Finance Division, and Operations scans it also.

MS. WONG: Thank you. Does Exhibit G appear to be a fair and accurate copy of the March 9, 2024 Field Work Order?

MS. PASCUAL: Yes, it is.

MS. WONG: Thank you. Now turning your attention to Exhibit H. Do you recognize Exhibit H?

MS. PASCUAL: Yes, I do.

MS. WONG: And what is it?

MS. PASCUAL: This is storekeeper report.

MS. WONG: Was this record made as part of regular practice of the Department?

MS. PASCUAL: Yes.

MS. WONG: Do you use them in the course of regularly conducted business activity in the Department?

MS. PASCUAL: Yes, it is. This shows what parts were used and taken from inventory.

MS. WONG: Thank you. Does Exhibit H appear to be a fair and accurate copy of the March 11, 2024 materials received?

MS. PASCUAL: Yes, it is.

MS. WONG: Thank you. At this time, Mr. Chair, move to enter Exhibit G and H into evidence.

CHR. LOPEZ: Exhibit G and H are received.

MS. WONG: Thank you. Ms. Pascual, going back to Exhibit G, the scope of work included changing the 5/8-inch meter & customer valve, is that correct?

MS. PASCUAL: That's correct.

MS. WONG: According to Exhibit G, how long did it take DWS personnel to complete this work order?

MS. PASCUAL: It shows +6 Hrs.

MS. WONG: So what does that mean?

MS. PASCUAL: So that means when they went there, it took them approximately 6 hours that charged for doing the job that they needed to do, as far as changing the meter and changing the customer valve.

MS. WONG: May I direct your attention to the top right-hand corner of Exhibit G, next to Date Ordered and Date Completed. There are two different times there. Can you read those times out for the Board?

MS. PASCUAL: So 3/9/24, it says 12:30 p.m.; and then it shows that the Date Completed was 3/9/24 also, at 3:30 p.m.

MS. WONG: Thank you. So how do you get the total 6 hours from a 3-hour period that's listed there?

MS. PASCUAL: I'm not sure if they're charging for hours from the day before, but on the bottom, on this Work Order, it says—I'm not sure if they're combining the two men that did the job, three hours for each of them. I don't normally cost out a work order; it's done in our Operations Division.

MS. WONG: Thank you. Now turning your attention to the changing of the old water meter. The older water meter number, if I direct you to the middle of the page, left-hand side, would the old water meter be 46049690?

MS. PASCUAL: Yes.

MS. WONG: And DWS personnel replaced that old water meter with the new Water Meter Number 221947505, is that correct?

MS. PASCUAL: That is correct, yes.

MS. WONG: Directing your attention to the old water meter number. In the column under reading, it says 1207, what does that number mean?

MS. PASCUAL: That's the current reading that the field personnel took off of that meter when they changed that meter.

MS. WONG: And is that an actual reading or an estimated reading?

MS. PASCUAL: It's an actual reading.

MS. WONG: Thank you. What was the total cost for the Department to change Ms. Klieforth's water meter and valve on March 9, 2024?

MS. PASCUAL: The total on the Work Order was \$506.12.

MS. WONG: Was that cost billed to Ms. Klieforth?

MS. PASCUAL: No.

MS. WONG: But that was at the Department cost?

MS. PASCUAL: Yes.

MS. WONG: Thank you. Now drawing your attention to Exhibit H, the total cost of \$53.27, is that the amount for the materials that DWS personnel needed to change out her old water meter?

MS. PASCUAL: Yes, it is.

MS. WONG: Now the total cost of \$53.27 is reflected in Exhibit G as the material cost, correct?

MS. PASCUAL: Yes, it is.

MS. WONG: Thank you. Now turning your attention to Exhibit I, what's been marked as Exhibit I for identification purposes, do you recognize Exhibit I?

MS. PASCUAL: Yes, I do.

MS. WONG: And what is it?

MS. PASCUAL: This is Ms. Klieforth's billing statement for April 2024.

MS. WONG: Does it appear to be a fair and accurate copy of the April 19, 2024 billing statement that she would have received?

MS. PASCUAL: Yes, it is.

MS. WONG: At this time, Mr. Chair, I move to enter Exhibit into evidence.

CHR. LOPEZ: Exhibit I received, thank you.

MS. WONG: Thank you. Ms. Pascual, please explain to the Board again briefly why there are two different meter numbers at the top left-hand corner of Exhibit I.

MS. PASCUAL: When our field crew goes out and has to do a job, especially if they're going to be changing a customer valve, sometimes they'll have to remove the meter. It's policy not to put the same meter in because it could have been contaminated, so they do change the meter. On her bill, it does show the old meter number at the top, indicated with an RE code, stands for removal; and then the new meter on the bottom, and it does indicate both readings at the time that the meter was removed.

MS. WONG: Thank you. And when an old meter is removed, what happens to the old meter?

MS. PASCUAL: That meter is sent down to our Operations Division, to our meter room. They bench-test the meter to make sure the meter is working, and they get the results as far as the different flows that they push through the meter to make sure it's working properly.

MS. WONG: And as far as you know for the old water meter, did it go through that bench-test process?

MS. PASCUAL: It did.

MS. WONG: And was the meter working?

MS. PASCUAL: It was.

MS. WONG: Thank you. So the water consumption on Exhibit I totals 133,000 gallons between February 12 through March 9, 2024, correct?

MS. PASCUAL: Yes.

MS. WONG: And again, this is an actual reading of the water consumed within that period, correct?

MS. PASCUAL: Yes.

MS. WONG: And does Exhibit I include a high notice of consumption?

MS. PASCUAL: It does. Towards the middle of the page in the box, if it is an abnormal consumption, it's notated on the customer's bill in red. It does explain to the customer that they did have an abnormal reading and it was either due to an increase in consumption or a leak. It also explains that if they did have a leak, they have 30 days to make repairs, and they can call us for a possible adjustment.

MS. WONG: Thank you. I'm now turning your attention to Exhibit J. Do you recognize Exhibit J?

MS. PASCUAL: I do, yes.

MS. WONG: What is it?

MS. PASCUAL: This is our Application and Agreement for leakage adjustment.

MS. WONG: Was this made part of the regular practice of the Department?

MS. PASCUAL: Yes, it was.

MS. WONG: Used in a regularly conducted business activity of the Department?

MS. PASCUAL: Yes.

MS. WONG: And does Exhibit J appear to be a fair and accurate copy of Ms. Klieforth's Application for Water Leakage Adjustment?

MS. PASCUAL: Yes, it is.

MS. WONG: At this time, Mr. Chair, moved to enter Exhibit J into evidence.

CHR. LOPEZ: Exhibit J received.

MS. WONG: Thank you. Ms. Pascual, what's the process for processing a leak adjustment?

MS. PASCUAL: When a customer has an abnormal consumption, we do first check the customer's account to see if they're eligible for a leak adjustment, because per our Rules and Regulations a customer is eligible for a leak adjustment once every three years, so it was determined that Ms. Klieforth was eligible.

They have to make repairs. Once the repairs have been made, they can apply for the leak adjustment. Once the leak adjustment is received by the Department, we do send our meter readers out to the property to do a recheck reading on the meter. At the time that they do that recheck reading, we're looking for a no dial movement reading, and what that means is that if there's no dial movement, there shouldn't be any water going through that meter, so that means the line is not leaking anymore. Should there be dial movement at the time that the meter goes there, we do call the customer to make sure they're not using water so that we can get a true reading on the meter and make sure that dial movement is just water being used by the customer. Once we have that no dial movement reading, we submit the leak adjustment for processing with our Finance Division for the leak adjustment credit.

MS. WONG: Thank you. So it's fair to assume that the Water Leakage Application was approved, it had already gone through that process, where somebody went out to double-check. Is that correct?

MS. PASCUAL: Correct. Our personnel did go out. According to Exhibit J, it looks like May 10th, I think it looks like.

MS. WONG: Thank you. Please explain to the Board the formula for coming up with the adjusted amount for water leakage adjustment.

MS. PASCUAL: Based on the Rules and Regulations, we credit 50 percent of the overage, which is the portion above the consumer's normal usage. We take their last three bills to determine their average, subtract that average from that big bill, and then we divide it by two. The dividing by two is a portion that the Department is responsible for and the customer. Once that 50 percent of the overage is determined, the Power Cost Charge and Energy CIP Charge is determined by the formula that they have for processing this, and then that is subtracted from the 50 percent total; and the remaining balance is the water consumption, and that would be the area under adjustment to the far right of that leakage adjustment, where it has the calculation.

MS. WONG: Thank you. So at the bottom of Exhibit J, the formula to come up with the amount prior to any additional adjustments is at the bottom of the page on Exhibit J in red, is that correct?

MS. PASCUAL: Correct.

MS. WONG: So for the amount that she was approved to be adjusted, how much was adjusted, total?

MS. PASCUAL: \$485.42.

MS. WONG: And then what amount remained outstanding and owed to DWS?

MS. PASCUAL: At that time, for the April bill it was \$549.29.

MS. WONG: And how did you come up with that number, \$549.29?

MS. PASCUAL: It was the remaining balance of the leak and the bills that were applied to the account after that. So during the time of the leak adjustment, a customer does not receive late payment penalties or delinquent notices. Those resume after the leak adjustment credit is applied on that next bill. So the balance forward on Exhibit K was \$482.70. There was a regular bill for June that totaled \$66.55, and that total was \$549.25.

MS. WONG: Thank you. Let's go ahead and go to Exhibit K. Do you recognize Exhibit K?

MS. PASCUAL: Yes.

MS. WONG: And what is it?

MS. PASCUAL: This is Ms. Klieforth's June 2024 bill.

MS. WONG: Would it appear to be a very accurate copy of the June 17, 2024 billing statement that Ms. Klieforth would have received?

MS. PASCUAL: Yes, it is.

MS. WONG: At this time, Mr. Chair, move to enter Exhibit K as evidence.

CHR. LOPEZ: Exhibit K received, thank you.

MS. WONG: Thank you. Ms. Pascual, does Exhibit K reflect the leak adjusted amount applied to her account?

MS. PASCUAL: Yes, it does.

MS. WONG: And that's at the top right-hand of Exhibit K, where it says, "Leak Adjustment"?

MS. PASCUAL: It is. It's noted as Leak Adjustment.

MS. WONG: I will move on to now Exhibit L, please. Do you recognize Exhibit L?

MS. PASCUAL: Yes.

MS. WONG: And what is it?

MS. PASCUAL: This is the balance history for Ms. Klieforth's account.

MS. WONG: And would this appear to be a fair and accurate copy of Ms. Klieforth's balance history as of October 16, 2024?

MS. PASCUAL: Yes, it is.

MS. WONG: At this time, Mr. Chair, move to enter Exhibit L into evidence.

CHR. LOPEZ: Exhibit L received, thank you.

MS. WONG: Thank you. Ms. Pascual, under the Source column on Exhibit L, can you explain to the Board, can you explain to the Board what each of the Source codes means?

MS. PASCUAL: The Source is what we call our journal codes. These are codes for the different entries on the balance history screen. BJ stands for Billing Journal, that's when a customer is receiving a bill. CR is a credit, that's their payment. EC stands for Extra Charge Journal, it's a charge to the Department. This one is for the leak adjustment because we have to take that charge from a different GL and apply it to the customer's account for that credit. The LP stands for Late Payment.

MS. WONG: Thank you. So Ms. Klieforth was not charged for a late payment penalty until September 24, 2024, correct?

MS. PASCUAL: That's correct.

MS. WONG: Can you explain briefly to the Board how we arrived at the remaining balance of \$484.25 off of the April 19, 2024 water bill?

MS. PASCUAL: So after the credit adjustment was applied on July 4, 2024, left a remaining balance of \$482.70. A regular bill came through on June 17th when we read that area in the amount of \$66.55, bringing the balance to \$549.25. The customer made a partial payment of \$65 towards the \$66.55 bill, leaving a remaining balance of \$484.25.

MS. WONG: Thank you. As of today's date, what is the outstanding balance on her account?

MS. PASCUAL: Right now balance on the account is \$521.92.

MS. WONG: And that amount includes the delinquency of \$484.25?

MS. PASCUAL: Yes, that's correct.

MS. WONG: Ms. Pascual, is there anything else about Ms. Klieforth's account or circumstances that you want the Board to know today?

MS. PASCUAL: Yes, I'd like to touch on the size of the meter. The size of the meter at the property is a 5/8-inch meter and can push 25 gallons per minute through that meter. There are 24 hours in a day, so 1,440 minutes in that day times 25 gallons is 36,000 gallons in 24 hours. So in 6 hours, if that were the time that field crew worked on this meter, it would have pushed 36,000 gallons within that six hours. The meter can't push more during that time, so it had to have been leaking prior to that.

Within the parameters of the Department of Water Supply's Rules and Regulation, the customer was credited with the leakage adjustment. When we explained how the process of the leak adjustment worked, we explained to the customer how they were responsible for 50 percent of that overage. We also explained to them that during the time that the leak adjustment is being processed, as long as they make their regular payment plus a little bit more, they're taking down their responsibility of that leakage. The credit is applied to the account. The customer is responsible to make the balance of the payment by the due date of their next bill. If they're not able to pay that full amount, they're able to enter into a payment plan with our Collection Specialist, and we can offer that to the customer.

MS. WONG: Thank you, Ms. Pascual. Did everything you testified to today take place within the County and State of Hawai'i?

MS. PASCUAL: Yes, it did.

MS. WONG: Thank you. Mr. Chair, I have no other questions for this witness.

CHR. LOPEZ: Thank you, Ms. Pascual. Ms. Klieforth, do you have any questions for this witness?

MS. KLIEFORTH: Yes, I have a couple of things. First of all, nobody ever offered the payment plan until that lawyer called. Nobody explained any of this to me. You know, I was making what I thought was the right overpayment.

CHR. LOPEZ: Okay, excuse me. But rather than testify, are you asking a question of the testifier?

MS. KLIEFORTH: But on the bill, you said that they were charging for six hours, but as far as I saw they weren't up here for the six hours, so I don't know if they count for the driving. I only saw the one guy. But yeah, I can't confirm or deny six hours because I certainly didn't see him out there for six hours. Did you personally contact me and offer any of this information? Other than that, I was not told this information.

CHR. LOPEZ: Okay, thank you. That completes your questioning of this witness. Now it's open to the Board to ask questions of this witness please, from the Department.

MR. NEY: I got a question. So you did present that the—so you did explain to Ms. Klieforth that there is no possibility given her timeframe of the leak and the gpm flow rate through the meter that that number couldn't represent the usage reflected on her bill, is that correct?

MS. PASCUAL: I'm sorry, I don't understand your question.

MR. NEY: You did inform the customer that there was no possible way given the gpm flow rate through the meter over the timeframe that she said she had a leak, that you could have arrived at that number that she's disputing, is that correct?

MS. PASCUAL: I didn't explain this to Ms. Klieforth in regards to her leakage during this time, sir. I'm explaining the possible max consumption based on gallons per minute for that 5/8-inch meter.

MR. NEY: Just so she was informed that, you know, we can calculate how many gallons over time that water can flow through a meter, just to simply. If that was explained to her, so she got an understanding that the amount that's reflected on that total for the billing period, there's no possibility that could account for that timeframe of when she had a leak, adding up to that number. That was explained to her?

MS. PASCUAL: No, I didn't explain that to her at all. I didn't speak with her during this process, sir. I'm explaining as far as that meter size for this explanation.

MR. NEY: Okay. The reason I asked that question was just so the customer—

MS. MELLON-LACEY: (inaudible) ask the question.

MR. NEY: Oh, okay. I'm sorry, got it. Got it. I guess for now that concludes my questions.

CHR. LOPEZ: Any other questions from the Board?

MR. LEE: Yes, just for clarification. There's no possible way that amount could come out, or water could come out during the time period Ms. Klieforth is stating, is that correct?

MS. PASCUAL: That's correct. Within that amount of time, no.

MS. KLIEFORTH: So you're showing that my last bill was—

CHR. LOPEZ: Okay, you can't. Sorry.

MS. KLIEFORTH: I'm sorry.

CHR. LOPEZ: Thank you.

MR. NEY: I have one more question, Mr. Chair.

CHR. LOPEZ: Yes, Mr. Ney.

MR. NEY: And I just want to, if you could just reiterate what you said earlier, none of this billing for meter change was billed to the customer. That was absorbed by the Department, correct?

MS. PASCUAL: That's correct.

MR. NEY: Okay.

CHR. LOPEZ: Any other questions from the Board? Okay, hearing none. We're going to move on to the next witness.

MS. WONG: Thank you, Mr. Chair. At this time, the Department calls Mr. Matthew Pakani.

CHR. LOPEZ: Thank you. Do you solemnly swear or affirm that the testimony you are about to give will be the whole truth but nothing but the truth?

MR. PAKANI: Yes, sir.

CHR. LOPEZ: All right, you may proceed.

MS. WONG: Thank you, Mr. Chair. Good morning, Mr. Pakani. Please state your name and occupation for the Department.

MR. PAKANI: Hi, my name is Matthew Pakani. I work for Department of Water Supply in Hilo, and my job is to do repair and maintenance on water mains, water services, anything tied into our water system: hydrants, pumps, tank sites.

MS. WONG: Thank you. And on March 8, 2024, what was your assigned duty at work that day?

MR. PAKANI: March 8th, in the afternoon I was on stand-by, on-call during the hours of 3:30 p.m. and 12:00 a.m., March 8th. I was given two Work Orders to—

MS. KLIEFORTH: Stop, I'll ask the questions.

MS. WONG: Oh, I'm sorry. Can you explain to the Board what does stand-by, or on-call duty means?

MR. PAKANI: On-call or stand-by means the Water Department offers repairs and services throughout the night, and so there is at least one if not two people for the Hilo District to answer calls between 3:30 p.m. and 7:00 a.m. the next morning to respond to water trouble calls, if there's (inaudible) in the system or loss of water.

MS. WONG: Thank you. And at some point, on March 8th, were you given orders to go to Ms. Klieforth's property?

MR. PAKANI: Yes.

MS. WONG: What was your understanding of the service you needed to provide at the property.

MR. PAKANI: To my understanding—to my knowledge before I got there, I knew there was a leak and I knew the customer had trouble turning off the water; so before I got there, what I thought I needed to do was be able to shut their water off and then assess the situation from there.

MS. WONG: Thank you. And do you recall about what time you arrived at Ms. Klieforth's property on March 8?

MR. PAKANI: I'd say probably the most accurate will be about 5:50 p.m., March 8.

MS. WONG: And when you arrived, what did you initially observe?

MR. PAKANI: If I remember correctly, when I got there Ms. Klieforth's, I guess, granddaughter was there with a friend attempting to shut the water. As she explained, there was a pretty decent size leak coming from her service line, that she did explain, was roughly about five or six feet in the air shooting, and a pretty decent geyser, not a pinhole or nothing.

MS. WONG: And when you observed this geyser, where was the geyser with respect to the property? Was it on their property?

MR. PAKANI: I would say it was roughly 10 feet into the property line, between the road and her house, and about roughly 10 feet away from the meter. The meter was facing the house. The line turned at a 90-degree angle, about 10 feet before going straight to the house. So along the road 10 feet in this way, and also this way, yeah.

MS. WONG: So it was beyond the water meter.

MR. PAKANI: Yes. Yes, yes.

MS. WONG: And when you arrived did you speak with Ms. Klieforth?

MR. PAKANI: I did, yes.

MS. WONG: And what if anything did she tell you?

MR. PAKANI: I honestly cannot remember specifics other than how much trouble they were having trying to shut off the water. I do remember explaining that the valve that was on the customer side was very hard to turn off. They're very—you know, you do need wrenches and support and leverage just to be able to turn it, and I discussed that with her. I guess she tried, yeah.

MS. WONG: Thank you. Were you able to turn off her water valve?

MR. PAKANI: Yes.

MS. WONG: And before you left her property, you're sure the water valve was shut off completely?

MR. PAKANI: Yes.

MS. WONG: How do you know that it was shut off?

MR. PAKANI: The geyser had stopped shooting up into the air and it was basically depleted.

MS. WONG: Thank you. Do you recall about what time you left the property on March 8?

MR. PAKANI: I would say just after 6:00 (p.m.), no later than 10 after 6 (6:10 p.m.).

MS. WONG: It was already dark.

MR. PAKANI: Yes.

MS. WONG: And at some point, on March 9th, you returned to her property?

MR. PAKANI: Yes, I did.

MS. WONG: Do you recall about what time you got there?

MR. PAKANI: I recall maybe late morning, early afternoon, so roughly about lunchtime, I'm assuming.

MS. WONG: And what work did you do there on March 9?

MR. PAKANI: I attempted to change her customer valve. It actually took probably a good 20 minutes to a half-hour (.05 hr.) worth of digging. The ground surrounding the box was pretty tough, so it took about 20 minutes, a half-hour, for me to remove the box, clear around the meter and the valves comfortably enough to where I could replace the valve, situate the meter accordingly and not cause any more strain on her line.

MS. WONG: So you were able to complete the replacement on the old valve?

MR. PAKANI: Yes.

MS. WONG: And about what time do you think you finished up on her property on the 9th?

MR. PAKANI: Maybe 2:30, 3:00, roughly.

MS. WONG: And on the 9th did you speak with Ms. Klieforth?

MS. WONG: The Saturday—

MR. PAKANI: Yeah, I believe I did, but again I don't remember specifics exactly. I was just happy that I was able to complete the work that she needed without having an emergency call to take me away from it. I made sure everything was operable, and I'm pretty sure I made sure she knew everything was okay from that point. Just told her to call if anything else should come up.

MS. WONG: Okay, and then so when you left the property, you're sure the water meter and the valve were in working condition?

MR. PAKANI: Yes.

MS. WONG: Did you receive any other calls from Ms. Klieforth on the 9th saying that her infrastructure wasn't working?

MR. PAKANI: No.

MS. WONG: Did you receive any calls that she didn't have water on the 9th?

MR. PAKANI: No.

MS. WONG: Is there anything else you want the Board to know about what you had to do on March 8th or 9th?

MR. PAKANI: No.

MS. WONG: Is everything you testified to today, did it take place within the County and State of Hawai'i?

MR. PAKANI: Yes.

MS. WONG: Thank you. That's all the questions I have for this witness.

CHR. LOPEZ: Ms. Klieforth, do you have any questions of this witness?

MS. KLIEFORTH: Yes, I do. Okay, on your request to come out, you said you started work at 3:00 or 3:30, but did you see anything that said emergency or urgent on that request?

MR. PAKANI: No, I did not.

MS. KLIEFORTH: Even though I had contacted more than one—you know it was urgent emergency, but okay. But yeah, and then the previous lady reported like it was from 3:00 o'clock, so I'm not sure where she's getting her hours from because we contacted the Water Department in the morning.

CHR. LOPEZ: Okay, do you have a question of this one?

MS. KLIEFORTH: Oh, okay. But that's when you got the request. Do you know if anybody else got a request before you?

MR. PAKANI: I honestly do not. No, I don't.

MS. KLIEFORTH: Well, I appreciated your help. You were very nice and helpful but thank you very much.

MR. PAKANI: Yeah, thank you.

MS. KLIEFORTH: That's all I have.

CHR. LOPEZ: Okay.

MS. WONG: Mr. Chair, I actually have a follow-up question for the witness based on Ms. Klieforth's (inaudible).

CHR. LOPEZ: Your witness

MS. WONG: Yes.

CHR. LOPEZ: Yes, go ahead, please.

MS. KLIEFORTH: Thank you. Mr. Pakani, would it be normal when you receive your orders for bill to Work Order, would it be normal for the order to say emergency, urgent, must do now?

MR. PAKANI: To my knowledge, no.

MS. WONG: Thank you. That's all the questions I have for this witness.

MS. KLIEFORTH: I have one more question. But yet you stated you didn't receive any emergency calls while you were replacing mine, so—

MR. PAKANI: Yes, that's right.

MS. KLIEFORTH: Apparently, you do get emergency calls for a request.

MR. PAKANI: Yes, we do. Yes.

MS. KLIEFORTH: Thank you.

CHR. LOPEZ: Thank you. Now the Board please, to request of this witness, to hear— yeah, Mr. Lee.

MR. LEE: In your experience, what would cause that pressure or geyser?

MR. PAKANI: Well, of course the ground surrounding it. It wasn't surrounded; it was on the surface. The customer line itself wasn't solid. I think if I remember correctly what was leaking was a connection of two different pipes. There was a clamp that was there connecting two pipes. I would say, if I remember correctly, I'm assuming that's where it failed, whether the part itself wasn't designed for one side of the pipe with the other, I'm sure it was connecting two different types of materials. Maybe one was PVC, the other was copper or galvanize. So there was a connection that basically failed on our property, that's where the leak came from, but I guess over time, like I said the ground that surrounds, we dig up all the time. The pipe has rocks up against it, and erosion and everything just compacts against the pipe, and it will start a pinhole, that pinhole will eventually just bore itself out with the water pressure, and that's how the leak will get bigger.

MR. LEE: When you say gusher or geyser, how high was the—?

MR. PAKANI: When I got there, it was about six feet. I wouldn't say the amount of water was coming out as if it was open spigot just blasting. I would say at least 15 gallons a minute might have been coming out; because I'd like to say it wasn't an open spigot, but it was a good amount of water coming out. I didn't read the meter to determine the gpm at the time, though.

MR. LEE: And when you turn the meter off, the meter wasn't spinning?

MR. PAKANI: No, stopped. Stopped, yeah.

MR. LEE: Thanks for making the (inaudible).

MR. PAKANI: Yeah, thank you.

MR. LEE: Thank you.

MR. NEY: I got a question, was any of the billing for your time given to Ms. Klieforth to pay?

MR. PAKANI: No.

MR. NEY: Another question, is it customary that we have to give the customer an accounting of our time and expenses to do a repair?

MR. PAKANI: No.

MR. NEY: Third question, is it the Department's responsibility to provide 24-hour monitoring service to someone's line, service line passes the meter?

MR. PAKANI: No.

MR. NEY: Okay, that concludes my questions.

CHR. LOPEZ: I have a question.

MR. PAKANI: Yes?

CHR. LOPEZ: Terminology, probably. But I heard you say, "The customer valve."

MR. PAKANI: Yes.

CHR. LOPEZ: That you helped her close.

MR. PAKANI: Yes.

CHR. LOPEZ: So is that on her line? What (inaudible) that valve that couldn't be closed, where it got confusing.

MR. PAKANI: It was on her side of the meter, so we have our service valve right before the meter, and then the customer's valve that is right after the meter. She's arguing with the fact that the customer valve, like I say, you needed about 60, 70 pounds of pressure just to turn it off. And so yeah, technically it was on her side; technically on that side of the meter, on the customer side of the meter.

CHR. LOPEZ: So again for clarification, in my mind—is it correct that the Department of Water Supply's responsibility is to the point of the meter?

MR. PAKANI: To the meter itself, yes.

CHR. LOPEZ: Beyond the meter is the customer side?

MR. PAKANI: Yes.

CHR. LOPEZ: Beyond the meter, that this valve was stuck and not of DWS required concern.

MR. PAKANI: That is correct.

CHR. LOPEZ: So the fact that the Water Company came out, you were not servicing the Department of Supply line?

MR. PAKANI: That's correct.

CHR. LOPEZ: Thank you.

MS. KLIEFORTH: Yeah, I have a question. I've been told that the shut-off valve, so you guys are responsible for your shut-off valve and the meter? And then we have a valve on our side, is that what I'm understanding?

MR. PAKANI: Yes.

MS. KLIEFORTH: Okay. So on your shut-off valve, were you able to shut that off or was that replaced, too?

MR. PAKANI: That was not replaced. Our service shut-off valve was not replaced, only the meter and your customer valve.

CHR. LOPEZ: Any other questions? Mr. Ney.

MR. NEY: Just for a point of clarity, there's always a valve before the meter, and there's the customer valve passing the meter. Second question, in the meantime, if the customer were to go out there and notice their valve might not be operable, the customer valve, has it been your experience that it's been easy for them to put a request with the Department to say I'd like to have a new valve put in?

MR. PAKANI: Yes.

MR. NEY: As being proactive.

MR. PAKANI: Yes.

MR. NEY: Thank you.

MS. KLIEFORTH: So why weren't they able to turn their shut-off valve on your side. I know they put WD40 on it, but when I called Customer Service, you know, nobody explained anything, what our options are, or what we're able to do. All I got was the plumber, and he wouldn't touch it till—because they didn't want to damage your equipment or your material.

CHR. LOPEZ: Okay, did you have a question for the witness?

MS. KLIEFORTH: So why weren't they able to turn the shut-off valve on your side?

MR. PAKANI: I actually was able to shut it off on our side. When I got there that night, it was just your valve that needed to be shut off; and when I replaced the customer valve on Saturday, I was able to shut our service valve off, so I could remove the meter and replace the valve.

MS. KLIEFORTH: Okay. But yeah, what I was asking is why weren't the girls—I mean she's pretty strong, but why wasn't she able to shut your shut-off valve, the Water Department's water valve?

MR. PAKANI: So, not the customer valve. You guys tried shutting the service valve?

MS. KLIEFORTH: Yeah.

MR. PAKANI: That is also just as old, sometimes if not as old as the customer valve. We always ask the plumbers never to touch that valve and to call us because those valves are a lot of times frozen, stuck, and need special attention to turn off.

MS. KLIEFORTH: Right, okay. So if they had applied WD40 and you came hours later, that would've given more time for the WD40 to work on your shut-off valve?

MR. PAKANI: WD, honestly, probably wouldn't have done nothing to seep into where it needed to be able to turn the valve. There's a retaining nut that needs to be loosened in order for us to even turn our valve.

CHR. LOPEZ: So I have a follow-up question. Obviously, I shouldn't say obviously, when a call comes in to the dispatcher, they just know there's a leak, big leak, the customer would be upset or whatever?

MR. PAKANI: Yes.

CHR. LOPEZ: And they dispatch a Work Order to get somebody from the Water Supply to come out. You come out and you determine that it's not Department of Water Supply line, it is the customer's line that's the problem.

MR. PAKANI: Yes.

CHR. LOPEZ: Okay. So then whatever you do at that point is gratuitous to the customer because by definition or by ownership, you could just say, "I'm sorry ma'am I can't touch it, this is your property."

MR. PAKANI: Yes.

CHR. LOPEZ: And you did do that, you went ahead and helped her valve.

MR. PAKANI: Yes.

CHR. LOPEZ: Okay, thank you. Any other questions? Hearing none. Next witness.

MS. WONG: Thank you. The Department calls Mr. Greg Goodale.

CHR. LOPEZ: Mr. Goodale, do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth but nothing but the truth?

MR. GOODALE: I do.

CHR. LOPEZ: Thank you. Proceed.

MS. WONG: Thank you. Mr. Goodale, can you please state your name, occupation, and some of the duties you do at the Department?

MR. GOODALE: Yes. My name is Greg Goodale. I am the Chief of Operations for the Department of Water Supply. I ensure that our daily operations are accomplished, which would include things like our Field Work Orders, any and all repairs that would occur within our Department.

MS. WONG: Thank you. So as Chief of Operations, are you familiar with your water meter and valve infrastructure?

MR. GOODALE: Correct, yes.

MS. WONG: And who owns the infrastructure, the water meter and the service valve?

MR. GOODALE: The Department owns that infrastructure.

MS. WONG: And then beyond the Department's infrastructure, whose responsibility is it to maintain any waterline, pipes, or fixtures?

MR. GOODALE: That would be the customer's responsibility.

MS. WONG: And whose responsibility is it to report malfunctioning at any of the Department's infrastructure?

MR. GOODALE: If the customer knew of something that was malfunctioning, it would be their responsibility to notify the Department. Most of the operating parts and pieces don't require any monitoring or regular maintenance.

MS. WONG: And in this case, as far as you know, for Ms. Klieforth's infrastructure at her property that the property owns, are you aware of any calls from her that the water meter or the service valve was not working?

MR. GOODALE: Prior to her—?

MS. WONG: Prior to her March 8th call.

MR. GOODALE: No, I'm not.

MS. WONG: Thank you. Whose responsibility is it to report water leaks?

MR. GOODALE: It would be the customer's responsibility.

MS. WONG: And you oversee the work of DWS Water Works Helpers?

MR. GOODALE: Yes, I do.

MS. WONG: And that would include overseeing the work of Mr. Pakani?

MR. GOODALE: Correct.

MS. KLIEFORTH: And in preparing for this hearing, did you have your staff research the events that occurred on March 8th and 9th, with respect to Ms. Klieforth's property?

MR. GOODALE: I did.

MS. WONG: And as far as you can remember, on March 8th, can you tell the Board about what time Ms. Klieforth called to report that she had an issue?

MR. GOODALE: From what I understand, the call came in sometime just prior to 3:00 p.m.

MS. WONG: P.M.?

MR. GOODALE: P.M., correct.

MS. WONG: Thank you.

MR. GOODALE: And it's your understanding that Mr. Pakani was assigned to assist Ms. Klieforth via Field Work Order.

MR. GOODALE: That's correct.

MS. WONG: Are the calls handled in the order that they come when someone calls for help?

MR. GOODALE: Yes, they are.

MS. WONG: So are you aware of any other calls prior to Ms. Klieforth's on March 8th that needed to be attended to by Mr. Pakani?

MR. GOODALE: When I reviewed the order, I know Mr. Pakani had been working for a different customer on the Hāmākua Coast, just north of Hilo, and then he was dispatched to Ms. Klieforth's property in Puna after that.

MS. WONG: So he took the calls in the order that it came in?

MR. GOODALE: Correct.

MS. WONG: In your opinion with the information that you know with respect to Ms. Klieforth's property, how many gallons of water could have been delivered to her property during the time that the water valve remained open after she had called for help?

MR. GOODALE: I believe what was estimated was somewhere around 6,000 gallons was what was determined.

MS. WONG: During the time period before someone could arrive at her property?

MR. GOODALE: Correct, correct.

MS. WONG: In your opinion, as Chief of Operations, is it possible she could have had a water leak before March 8th?

MR. GOODALE: I think it's very likely.

MS. WONG: And why do you think it's very likely?

MR. GOODALE: Based on the total amount that was billed, that represented a much greater amount than what could have passed through that meter in that short period of time that she was waiting for our personnel to show up.

MS. WONG: Thank you. Is there anything else you want to tell the Board about Ms. Klieforth's circumstances today in this Appeal?

MR. GOODALE: No, I do not.

MS. WONG: And everything you testified to today occurred within the County and State of Hawai'i?

MR. GOODALE: Yes, it is.

MS. WONG: Thank you. Those are all the questions I have.

CHR. LOPEZ: Thank you very much. Do you have any other witnesses?

MS. WONG: No other witness.

CHR. LOPEZ: Oh, excuse me. Ms. Klieforth.

MS. KLIEFORTH: Yeah, you're stating like how I reported around 3:00, but yet I called in the morning, left several messages, and I kept call until I finally got ahold of somebody, so why aren't we showing a record of people leaving messages, and why aren't you calling them back? I had to keep calling to get ahold of somebody. So, something is not showing on your end. I don't know if you just showing people who call in or just when they talk to somebody.

MR. GOODALE: What I do know is that we make note of when our calls come in to our Dispatch Center in Hilo, and what I show is that initial call came in to our Dispatch Center just prior to 3:00 p.m.

MS. KLIEFORTH: So you're only showing when it actually got ahold of somebody to talk to.

CHR. LOPEZ: Was that a question?

MS. KLIEFORTH: Yeah, that was the call that I actually talked to Customer Representative, but prior to that I didn't talk to anybody, it was just calling and leaving a message. That's when you show I actually talked to somebody at that point.

CHR. LOPEZ: What is your question of the witness, please?

MS. KLIEFORTH: Well, he's not showing the previous calls to where I would call and leave a message, only when I contacted him is what he's saying.

CHR. LOPEZ: Are you asking him if he knew that?

MS. KLIEFORTH: Yes, he's saying he only recorded when I talked to the Customer Service, so I'm asking him why can't you leave a message or keep calling, doesn't report that you tried to call.

CHR. LOPEZ: She's answered that question.

MR. NEY: These are statements not questions.

CHR. LOPEZ: Correct. They have questions with answers.

MR. NEY: Mr. Chair, she's answered that question.

MR. GOODALE: I mean, I'll just respond again that the only thing I'm aware of is what came into our Dispatch Center which occurred just prior to 3:00 p.m. that day.

CHR. LOPEZ: Thank you. Ms. Klieforth, do you have any other question?

MS. KLIEFORTH: Okay, so that's the only call he's showing that came in, correct? Is that only call you show that I made?

MR. GOODALE: That's the only call I have any record showing your call coming into our Dispatch Center.

MS. KLIEFORTH: So it did not record my previous attempts, okay. Thank you.

CHR. LOPEZ: Okay, thank you. Questions from the Board?

MR BELL: I have a question.

CHR. LOPEZ: Mr. Bell.

MR. BELL: How many hours would that well need to be opened to get the amount of gallons that (inaudible)?

MR. GOODALE: I'll need to spend a little more time with the bill and the overall duration. I mean, to try and come back kind of on a forensic side of things, that would take some time to estimate how much that would account for, in terms of water loss.

MR. NEY: Question.

CHR. LOPEZ: Question, Mr. Ney.

MR. NEY: Given the I guess the intensity or district you're in, response times can differ, is that correct?

MR. GOODALE: That's correct, yes. Hilo District is a large district.

MR. NEY: And then I'll ask again, is it normal policy for us to have to justify our work, our expenditure to the customer?

MR. GOODALE: I guess I don't understand the question.

MR. NEY: Has it been our policy that we have to explain our time and expense repairing our own infrastructure to the customer?

MR. GOODALE: Our Pipe Fitters and Water Works Helpers wouldn't typically discuss those things with the customer. They might explain to them what work they perform. I mean the work that the customer would typically get billed for would be sent out via their bill, that was incorporated into these exhibits.

MR. NEY: Next question. In your opinion, does every leak that you come across usually appear, or are there leaks that you've seen that might not appear depending on the severity of the leak or break?

MR. GOODALE: Well again, I mean there are obviously going to be leaks that may not be visible at all because the pipe is buried, so there may be a void next to the leak and may not actually manifest itself visibly. But people will typically find out the high consumption level based on the billing.

MR. NEY: One last question. So in your opinion, a leak could be something where you don't visually see, depending on the depth of the pipe for us (inaudible) the ground, that could be ongoing without having any visual indicator above ground?

MR. GOODALE: Correct.

MR. NEY: That's correct. Thank you.

CHR. LOPEZ: Any other questions from the Board? All right, hearing none. Are there any further witnesses?

MS. WONG: No further witnesses for the Department.

CHR. LOPEZ: Okay. Are there any final arguments by the parties? If you have something you want to say, we're going to limit it to five minutes. Go, ahead. Ms. Klieforth, do you have a final argument?

MS. KLIEFORTH: There seems to be a discrepancy between their timeframe and my timeframe, just become (inaudible) recorded it during certain times, and the billing. Also, they had no evidence that there was a leak, and neither did I, but it seems like the time that the gush was happening was a lot longer than what they are stating because they're only recording it from the 3:00 call.

The other issue is when you call Customer Service, they have no recommendations, they're not very helpful. I mean, yeah, they did make a call, they have somebody come out and point it out; and also, as the worker stated, sometimes their own shut-off valve is harder to shut off because they have to adjust the (inaudible) and things like that.

In regards to their response time, very slow, with just trying to call to get ahold of them, there's no like—as far as I know, they need—but I didn't see an emergency phone number for the Water Department to help with this issue; and as the worker stated about plumbers are not allowed to touch their equipment. You know, I wasn't asking them to adjust the whole bill, just some of it because of their lack of responsibility and malfunctions there.

CHR. LOPEZ: All right, thank you. Counsel?

MS. WONG: Thank you, Mr. Chair. Pursuant to HRS 91-10, Section 5, of the party initiating the proceeding today, Ms. Klieforth had the burden of proof, including the burden of producing evidence as well as the burden of persuasion. The degree or quantum of proof shall be a preponderance of the evidence. That is in order for Ms. Klieforth to prevail, the Board must find that her position and explanation of the event that took place are more likely to be true than that of the Department of Water Supply.

Here are the reasons why the Board should deny Ms. Klieforth's appeal and instead affirm the underlying September 11, 2024 Decision that is found again in the Department's Exhibit F. Ms. Klieforth admits that

the water leak occurred on her property. She testified that her water line sustained a leak on her property, which was beyond the water valve, excuse me, which was beyond the DWS water meter and valve. That was verified by Mr. Pakani, who testified that he observed the leak to be on her side of the property beyond the water meter. Ms. Klieforth does not dispute or at least she did not put on any evidence of the water meter that she had prior to it being replaced. It was in working condition. She does not dispute that the water meter readings were not accurate.

Ms. Klieforth and DWS, as Exhibit J, also applied for and received a leak adjustment to her April 19, 2024 water bill. In applying for the leak adjustment, she testified, excuse me, Ms. Pascual testified that in order for a customer to receive a leak adjustment, any leaks must be repaired, which leaks were repaired on or about March 10, 2024.

Mr. Pakani testified, and Exhibit G and H show that the DWS water meter and—the water meter was changed, and he fixed the valve servicing Ms. Klieforth’s property.

Exhibit K shows that after the water meter was changed and the valve fixed, Ms. Klieforth’s water consumption decreased to a normal water usage rate of consumption. The only thing therefore that Ms. Klieforth disputes is the fact that she must pay the delinquent of \$484.25 after the leak adjustment was applied to her account.

From reading of the DWS Rules and Regulations and applying them to this case, resulting a Finding of the Board in favor of the Department for the following reasons:

Pursuant to Rule 3, Section 3-2, Conservation Measures and Interruption of Water Supply, paragraph 1, it reads in pertinent part, “While the Department shall exercise reasonable diligence and care to deliver an adequate supply under reasonable pressure of potable water, the Department, the Board, and its Manager and employees, shall not be financially liable for any direct or consequential damages resulting from leakage on the customer’s premises.

Pursuant to Rule 3, Section 3-8, Payment of Bills, paragraph 11, it reads in pertinent part, “All bills shall be due and payable within 21 days from the bill date. If any bill is not paid within thirty (30) days from the bill date, it shall be considered delinquent and water service shall be subject to discontinuance.

Pursuant to Rule 3, Section 3-10, Meter Tests and Adjustments of Bill, paragraph 3, it reads in pertinent part, “The consumer has sole control of the water delivered beyond the Department’s meter and the Department is not responsible for the maintenance and repairs to pipes and fixtures beyond the meter.

Pursuant to Rule 3, Section 3-11, paragraph 2(a), Water service may be discontinued for nonpayment of the bill after written notice is given to the consumer and as provided by the Rules and Regulations.

The outstanding amount of \$484.25 represents charges for actual water consumed. Ms. Klieforth is therefore responsible for the outstanding amount due to the Department. It is the Department’s position today that she failed to show the Board by the preponderance of the evidence why the Department’s underlying September 11, 2024 Decision should be overturned. The Department therefore respectfully ask the Water Board today to find in favor of the Department, deny Ms. Klieforth’s appeal, and affirm the September 11, 2024 Findings of Fact, Conclusion of Law, and Decision. Thank you for your time.

CHR. LOPEZ: Thank you very much.

MS. KLIEFORTH: I have one more thing. I’ve been paying the typical water bill. Sometimes the mail out here is not very good so it gets lost, so I was a dollar and something short on that one month, so I did

pay what my typical bill is, which is usually somewhere around \$65, or \$63. But yeah, and they said there would be no late payments if I was making the regular monthly bill. But I just feel like the Water Department is not taking any responsibility for their own equipment for their Service Department, and that's why I feel like they are responsible for making an adjustment to the balance of the bill. Thank you.

CHR. LOPEZ: Okay, thank you very much. With that, we're at the point where I'd like to entertain a motion from the Board either stating to accept or deny the Decision of the Department.

MR. NEY: I'll make a motion to accept the Water Department's position not to honor any further adjustment to this matter.

CHR. LOPEZ: We have a first. Do I have a second?

MR. LEE: Second.

CHR. LOPEZ: Second by Mr. Lee. Okay, discussion? Go ahead.

MR. NEY: Mr. Chair, we are taking responsibility by giving a cut somewhere, an adjustment, in the first place. I'm a little conflicted when a customer says, "Oh, you're not doing anything for me." We are already adjusting 50 percent of the overage, and that's quite generous for the Water Department to do that because I've seen bills much more higher than \$1,000, and that's been our policy. But to say that we didn't come and provide any relief to the customer, it's just false.

MS. KLIEFORTH: Yeah, that's what I'm saying. I never said anything—

CHR. LOPEZ: Okay, that's not a rebuttal. Thank you. We're in discussion of the Board, the motion on the table. So any other Board members, discussion? Okay, I do, thank you. I did take the time beforehand, and this was received last week, to go over the materials. Quite honestly, I was very conflicted, back and forth, back and forth. I hear the testimony, I read the testimony. But this hearing really opened up for me the idea that terminology, my terminology, how I apply my knowledge where the property owner's requirements begin, where the Department's responsibilities end, and I've come to the conclusion, in my thinking, that this leak has been going on for some time based on the volume.

I've had leaks myself, so for something to spurt all of a sudden five feet high, it's not a quick break unless somebody ran into it, maybe an earthquake that caused a substantial crack all of a sudden, so it's been leaking for some time. The fact that the customer could not turn off their valve speaks to the fact that this clearly was a customer responsibility on the water delivery after the meter. The meter was taken out. It was replaced, and found not to be faulty. The valve on the Water Department side, it is difficult to turn. I've seen these guys. There's a collar that needs to be released of where you can turn it, but that's not something a customer should be involved in, that's why you call the Water Department.

My best guesstimation, I would support the Motion to Deny.

MS. KLIEFORTH: Well they never mentioned that we had a valve on our side. I never knew that.

CHR. LOPEZ: Okay, yes, but it was pointed out to you and it's very clear by just looking at it. Any other questions, any other discussion?

MR. NEY: I concur with what you're saying. I just concur with his statement. I would recommend you as a customer, at any time you can go down to your water meter, there's a flow indicator, under (inaudible) conditions, you can see if you have a water leak.

Going forward in the future, I would recommend you take those steps, so you don't have a recurrence of this issue, I wish you well. But given all the evidence and the amount of usage, there's just no possibility that the water bill, the aggregated amount of water consumed could have been done in that timeframe. There's just no way.

MS. KLIEFORTH: Well, let the worker point it out.

CHR. LOPEZ: Is there any other discussion from the Board? Okay, there hearing none, I ask of the Board Secretary to take a roll call vote, and this is on the Motion to Deny the request of the appellant.

MS. AVENUE: Mr. Bell?

MR. BELL: Aye.

MS. AVENUE: Mr. Brown (absent). Mr. Kekela?

MR. KEKELA: Aye.

MS. AVENUE: Ms. Keolanui (absent). Mr. Lee?

MR. LEE: Aye.

MS. AVENUE: Mr. Ney?

MR. NEY: Aye.

MS. AVENUE: Ms. Taaroa?

MS. TAAROA: Aye.

MS. AVENUE: Mr. Unger (absent). Chair Lopez?

CHR. LOPEZ: Aye.

MS. AVENUE: Chair, you have six "ayes."

CHR. LOPEZ: The motion to accept it to deny the Appellant's petition and further action, so the matter is closed. Thank you.

MS. WONG: Mr. Chair, would you like me to prepare the Findings of Fact from today's hearing?

CHR. LOPEZ: Pleased do so. Can you get that before December 17?

MS. WONG: Yes, I can.

CHR. LOPEZ: All right, thank you.

MS. WONG: And I'll make sure to provide a copy to Ms. Klieforth.

CHR. LOPEZ: Yes, thank you. I thank everybody who is on-line who participated. Ms. Klieforth, thank you for coming and stating your position. With that, the matter is closed. Counsel says you'll get your copy, and it will be released within—so you'll get a copy of the report, certainly in time to review it and provide written before the Board meets again on December 17. Thank you very much, everyone.

RECESS: At 12:00 p.m., the Chair called for a short recess.

RECONVENE: The meeting reconvened at 12:10 p.m.

CHR. LOPEZ: So let's reconvene our meeting, thank you. We are on Item 7-B.

7) MISCELLANEOUS: (cont'd.)

B. JOB NO. 2024-1250, RELOCATION OF WAIMEA DEEPWELL HECO TRANSFORMER:

Chair Lopez 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 for the relocation and installation of the HECO transformer and performance of all incidental work necessary to complete the project in accordance with the specifications.

Bids for this project were opened on November 14, 2024, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount	DWS Engineering Estimate
No Bids Received	n/a	\$140,000.00

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

CHR. LOPEZ: So no action is needed on this.

C. DISCUSSION ON PERMITTED ACTION GROUP (PIG) FINAL REPORT:

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

CHR. LOPEZ: I want to open the discussion here. You have all received the Final Report of the Committee. It was submitted in September, so we're right in line. I wanted to reiterate what the motion of the Board was, I believe it was the April meeting, the formation of the Permitted Action Group. Does anybody have that? No. But nonetheless, I'll just defer and let it go back to ask the Chairman to introduce his report.

MR. NEY: Yes, I submitted this report, should I read it? I'll make it quick.

(Note: At this time, PIG Chairman Benjamin Ney read the Final Report on Permitted Action

Group to the members of the Water Board. For viewing of the subject report, a copy of the report of the report is available for viewing in the Department of Water Supply office.)

CHR. LOPEZ: I did want to go back and get everybody on the same page, this was the Board meeting minutes of April 23, 2024, the Scope of the Permitted Action Group is to investigate matters related to the goal of reducing delinquent payments and/or unpaid debts to the Department of Water Supply with consideration of cause and effect and to provide recommendation to the Water Board for actions. The members were District 1 Kea Keolanui, District 4 Michael Pono Kekela, and District 6 Keith Unger. District 9 Ben Ney will serve as the Chair from Permitted Action Group. So the report was submitted, in answer to the Charter. With that, I'll open discussion.

MR. NEY: Yeah, just to reinforce my position as to why I drafted this. We kicked around strategies that are just ineffectual in terms of solving this problem, and there should be no circumstance where we ever collect a million dollars or the debt that we write off. It's not fair to the customers; it's not fair to our organization. This really intends to plug the hole that we can plug once and for all, and I think this is the only way you're going to have collections run smoothly, is to enforce this.

MS. TAAROA: I guess my question for Ben is, are a large proportion of our delinquent accounts due to renters? Do we know what percentage of the issue is coming from renters not paying their bills as opposed to owners?

CHR. LOPEZ: If you could answer that since it's directed to you, but Candace may be better.

MR. NEY: Just to respond to, we had accounts that not many account owners look at the total accounts that had a mass, humungous bills, and just basically shunned us for not paying them. We had no corrective action to get those bills paid to us. If time lapses to such a point that it was too far back in history to really do anything about that—this sat on our balance sheet for quite some time. It was obvious that we weren't ever going to see this money, so to clean up our balance sheet, we ended up writing that off. It didn't sit well with me writing a million bucks give or take, that should have been money that came back, reinvested into the organization.

Some ideas flew around on how to improve it, but the bottom line is I guarantee you every bill is going to be paid if it falls back on the owner of the property. The tenants have known since they have to pay the bill. You know, they can leave the island. We don't come after them, you know, report them to the credit collection. So, there's no real accountability at the end of the day. That's where the problem stands.

CHR. LOPEZ: Does that answer your question?

MS. TAAROA: I mean to a certain extent, yeah. I guess (inaudible) property owners would have better credit and care more about their credit and pay their bills. I'm just wondering if that was an assumption or if there were numbers to back that up, how many accounts were actually renters.

CHR. LOPEZ: Candace, our Controller, has some input on that. Go ahead, Candace.

MS. GRAY: To answer your question, if we have an idea of how many are owners and tenants, in regards to this delinquency, we did review all of the accounts that are greater than 90-day delinquent, and we did find that the percentage is about let's say 50 percent tenants, 49 percent owners that are delinquent.

MR. OKAMOTO: It's about 50/50.

CHR. LOPEZ: Okay, yeah.

MR. NEY: I want to emphasize the tenant has no long-term impact if they don't pay their bill and they take off. The TMK owner does if he has a locked meter, and he can't use it. We'll see those bills paid if someone's meter is locked and go, "Pay your bill, and we'll unlock your meter." It's just simple as that. Like we've talked of other things, but why shoot for a strategy that might be 20 percent effective when we can try to put in a strategy where I think we can have almost 100 percent effective and have the bills paid?

CHR. LOPEZ: Okay, anything else? I do have a couple of questions. I see the steps—first of all, I recognize the Committee. There are four people who have served on the Committee and gave up their personal time taking care of this. I was looking for as the action was, the cause and effect and the recommendations to the Water Board for action. I'm having trouble reading that in here to help me. Oh, the specific recommendation.

MR. NEY: The actionable things would be the steps involved.

CHR. LOPEZ: And what is the recommendation for the steps?

MR. NEY: That we adopt this policy of the lot owners having to make payment if their tenants don't make payment.

CHR. LOPEZ: Okay, so it's right here, kind of like halfway down through your discussion. So your recommendation is to have the Department seek delinquencies through the TMK owner.

MR. NEY: Yeah, give co-signing for the County, essentially.

CHR. LOPEZ: So then to enact that, you follow these steps.

MR. NEY: Yeah, I think the steps are logical sequence to go through to implement it. And I think there should be a review to see like did these things correct the issue, and if that's the case then keep it in place forevermore.

CHR. LOPEZ: If this is out of order, please let me know. Is there any comment from the financial side of the Department regarding this recommendation? Is it how easy it is, or this cannot be done, because this was supposed to be a collaborative effort. Do you have any comments?

MS. GRAY: I do actually. I don't believe this was something that was—I mean I don't believe that this is a new recommendation or resolution for addressing our delinquencies. I believe it's been looked at in the past extensively with our Corporation Counsel as well as previous Board members from the information that I gathered from previous minutes. There was work that was involved in order to try and resolve this issue.

CHR. LOPEZ: So the upshot of having it discussed previously was that it would be a high mountain to climb to do something like this.

MS. GRAY: Throughout the effort, at the meeting what it came down to was the Board took into consideration what the Department recommended, I guess to increase security deposits.

CHR. LOPEZ: All the steps stated in this report are right here.

MS. GRAY: Yes.

CHR. LOPEZ: Any other questions on this? Understanding the charge, understanding it was delivered. Will we go to a motion?

MR. NEY: Well, just one last statement, I guess.

CHR. LOPEZ: Go ahead, Ben.

MR. NEY: I mean to make changes require work and require effort. You know, I'm off the Board at the end of the year so I probably won't see this come to fruition. But if you look at historically, there's been an ongoing issue. We looked at the flow sheets of how the collection process works, and it doesn't work. I think this would definitely have a benefit of return over time. I mean it's going to be a little bit of work to get in place, but I think in the long run, it's going to fix the underlying issue with collections. I strongly believe that.

MR. KEKELA: I don't know who this should be addressed to, but in order to kind implement these steps, to refining a solution or process, would it take any formal changes or amendments in order for it to explore this?

MR. OKAMOTO: Yes, it would. Just because it takes work, I don't want—I know Candace didn't intend this as part of her response, but we're not not doing anything because it's going to take work, right, so I just want to clarify that. But what we can do, again laws change, things change, but what we can do is again revisit what—we can explain to the Board, maybe what would need to be done if the recommendation were to be implemented, or what it would take for that type of recommendation to be implemented, just so you have an idea. But it would take a real change, yes.

MS. MELLON-LACEY: If I may, I think the report is being reported. This goes towards this. I would recommend directing the Department to do the research and report back because I think there are a number of steps that would have to be involved (inaudible). But just saying do it might not be where you want to go (inaudible). I know it sounds like an attractive resolution, but what I heard Candace say is that it's kind of evenly split between renters and the property owners as to being outstanding obligations. Is that right, the debtors are 50 percent, pretty much renters are 50 percent, pretty much property owners.

MS. GRAY: Correct.

CHR. LOPEZ: My concern is it would be negligent for me to vote for this and in fact saying, "Do it," before we know the full impact. We could take a vote for pending more knowledge—

MR. KEKELA: No, it says that we accept the report.

CHR. LOPEZ: Oh, we accept the report. It is written, yeah. But we don't have to act, is that correct.

MS. MELLON-LACEY: You don't have—because it's recommendations from the PIG. You can accept the report. It doesn't require you to do anything, or the Board could direct that it's some kind of study, you have to report back what it—

CHR. LOPEZ: On the p).

MS. MELLON-LACEY: Yeah, on the part of the (inaudible).

MR. NEY: I concur with that.

CHR. LOPEZ: Did that answer your question?

MR. LEE: No. Well, Ben's going to be leaving soon. Up to you guys.

MR. NEY: It doesn't have to be a spontaneous thing. I don't think making rash decisions without doing your research.

MR. LEE: We have a lot of work, and if we have a question, we're not going to be able to—

CHR. LOPEZ: The questions wouldn't be asked if Ben knows, it would be the Department handling it.

MR. NEY: This is just a suggestion. I've been on the Board for five years, and part of it is just wanting to improve things and the optics of having the public look at it. But I really think, you know, when you look at how we've massed debt and non-collected bills, that's not fair to the customers, I mean, maybe the customers aren't aware of, but that was a lot of money that we've (inaudible). Unless you make fundamental changes, you're just kind of going to repeat the situation. I hope you guys see it through. Whether you guys do or not, that won't be for me to say. I'll see how (inaudible).

CHR. LOPEZ: Certainly I had my position, but I'm only one of nine. What I do like is we have a report with a specific course of action and the work done on this, and to me it is a viable path, whether how much it is, can we legally do this or legally do that? There are still a lot of remaining unanswered questions. I would suggest the report, the recommendation of the Committee, but not go so far as to dictate to the department to do this pending further analysis, due diligence on the part of the department to help us understand how big is this change that we're trying to deal with. Always working towards reducing delinquency.

So with that, we have another motion. Anybody cares to make a motion one way or the other, how they'd like to proceed? Hearing none. Well, we accept the report as written, and just leave it on the table. The Department is continually on the agenda to come up with aspects of improving the process, and the Board will continually seek towards solving the problems along these lines, and how long it takes, well it's up to you guys. There's no motion to proceed or not. I would like to have a motion to accept the report, as written.

MOTION: Mr. Kekela moved to accept the Final Report on Permitted Action Group. Seconded by Mr. Lee.

CHR. LOPEZ: Any further discussion on that motion, we're going to accept the report?

MR. OKAMOTO: Just from our side, yes, we do respect that this did take effort. We're not just going to brush aside; and even if there is no specific direction from the Board for us to follow through and do some due diligence and summarize maybe the effort that it would take to implement something like this, I'm going to ask our staff that we come up with something to bring back to this body on what efforts we see to implement this report.

CHR. LOPEZ: The first one seems the start, Step 1, what are our latitudes? So as I understand it, the Motion is to approve the recommendation of the Board without taking further action and left with the Department to guide us on the implementation of this recommendation.

MS. MELLON-LACEY: So I think the Motion was just to accept the report, and that was going to lead to second. Are you looking for someone to amend those?

CHR. LOPEZ: No, I don't know. Just accept the report.

MS. MELLON-LACEY: Right.

CHR. LOPEZ: But in discussion and with the commitment of the Department, it was able to continue to—

CHR. LOPEZ: Okay, all done. All in favor of accepting the recommendation of the Permitted Interaction Group on delinquency recovery say "aye."

ACTION: Motion was carried unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

D. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2025:

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

CHR. LOPEZ: The Board is to elect the Chairperson and Vice-Chairperson for the calendar year 2025 to begin January 1. So open for nomination, I suppose. So nomination for the Chair.

MR. KEKELA: Re-election?

CHR. LOPEZ: Yes.

MR. KEKELA: Yeah, nominate Kawena.

CHR. LOPEZ: So, it's a motion.

MR. OKAMOTO: I heard one nomination.

CHR. LOPEZ: So it's a Motion.

MR. NEY: Second.

MOTION: Mr. Kekela moved to recommend confirmation of the appointment of Stephen Lopez as Chairperson and Michael Pono Kekela as Vice-Chairperson to the Water Board Commission. Seconded by Mr. Ney.

CHR. LOPEZ: So re-election is just the officers.

MR. NEY: Well I think, Kawena, you've done a good job, and this requires time, which anyone who wants to take the position has to kind of think about their allowable time to do it, and I think you've done an excellent job. I'm terrible, people send me emails, I don't respond. I'm getting Nora calling me every week. But you've done a great job keeping up on it.

MS. MELLON-LACEY: There's a first. Where's the second?

MS. TAAROA: Yeah, and I agree.

CHR. LOPEZ: Anybody can run. You can nominate yourself.

MS. MELLON-LACEY: You're doing the nomination for Chairperson.

CHR. LOPEZ: Chairperson.

MS. MELLON-LACEY: Your additional nomination for Vice-Chairperson.

MS. TAAROA: I agree. You guys are doing a great job, thank you.

CHR. LOPEZ: Any additional nomination, we said we wrapped it up in two in one. The motion was to reinstate the existing officers. So any other discussion? All in favor?

ACTION: Motion was carried unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

E. 2025 WATER BOARD SCHEDULE:

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

CHR. LOPEZ: The Water Board schedule that was distributed in your packet is to meet alternately in Kona and Hilo. The whole motivation behind it is to give equal opportunity to be present and state your views to the Water Board from both sides of the island without having to travel. Let's have a motion, may I have a motion to entertain this Board schedule?

MR. KEKELA: Pono, to the schedule.

CHR. LOPEZ: Pono, first.

MR. NEY: I'll second.

CHR. LOPEZ: Second. All right, discussion. This calls for beginning in January, Kona, and then alternately Hilo. So the last meeting would be on December 16, in Hilo.

MR. LEE: Do you want to include Kohala or Ka'ū, in future events, for meetings? One or two?

CHR. LOPEZ: Do we want to? That's certainly an item for discussion, for the future.

MS. MELLON-LACEY: In the past, I think you did meet sometimes—

CHR. LOPEZ: When we have site meetings.

MR. OKAMOTO: Yes, that is a possibility. I think Diana has mentioned, like for example, say we want to plan as part of the Board meeting a site visit to Waimea, then it would make sense, it would be more prudent to schedule the actual Board meeting in that area, and then the site visit would be a continuation of the meeting. As long as we advertise and notice in advance, per requirements, we can do that.

CHR. LOPEZ: And that's a very reasonable expectation.

MR. KEKELA: That's 20-day notice or 30 days?

MR. OKAMOTO: Twenty (20), I don't know. Whatever it is we would have to comply with the requirements.

MS. MELLON-LACEY: But if we have to post in six days, it would be something different.

MR. OKAMOTO: Yeah, I don't think it's that long.

CHR. LOPEZ: All right, we're moving right along. Is there any other discussion? All in favor say "aye."

ACTION: Motion was carried unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

CHR. LOPEZ: Passed, thank you, that's our schedule (2025 Water Board Meeting Schedule).

F. DEPARTMENT OF WATER SUPPLY COLLECTION AND DELINQUENCY POLICIES:

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

CHR. LOPEZ: This is the ongoing monthly standing report. Anything you'd like to say on this subject, Department?

MR. OKAMOTO: Yes, so Candace did provide this write-up, and if you have any questions, and I think it shows on the last table on page 2, the breakdown. So maybe, Candace, can you touch upon that, and what the FM, M, FO, O, FT, and T stands for?

MS. GRAY: Okay, looking at page 2, on this report regarding the delinquencies greater than 90 days, there are two tables on page 2. I just want to say that the information in this table does include the entire population, the greater than 90-day delinquency.

The second table, at the bottom, shows the breakdown between monthly accounts, owner accounts, and tenant accounts. You'll see in the category column, Code **FM** means Final Monthly or accounts that are being closed at the time this report was done; **M**, means active Monthly accounts; **FO** is Final Owner accounts at the time this report, the accounts were being closed; and **O** is for Owner, active accounts; **FT** is Final Tenant accounts, and **T** is active Tenant accounts.

As I mentioned earlier, in the percentage column, the percentage of the total dollar amount, less than .19 percent is attributed to monthly accounts, let's say about 48.7 percent of the delinquencies attributed to Owner accounts, and just about 50 percent is attributed to Tenants account, so that's new information provided in this report.

MR. OKAMOTO: Real quick, I don't want to steal Candace's thunder, but on the back page there's what I guess our Finance folks kind of came up from side as possible—

MR. BELL: Can I ask a certain question? Regarding the lady we heard from this morning, what would stop her from just not paying for that, and then her granddaughter opening a new water account?

MR. OKAMOTO: That's a valid question, but we don't have rules disallowing that, I'll leave it at that.

CHR. LOPEZ: I have a question. During the hearing, I heard that if somebody doesn't pay their bill within 20 days, 10 days, their Shut-Off Notice is sent out. Do you recall what that was?

MS. GRAY: Initially, they have 30 days.

MR. NEY: They have a net, 30?

MS. GRAY: Yes.

CHR. LOPEZ: Okay, and that was the other question I had. I saw my bill, and I think the meter reading was November 16th, and the payment wasn't due until December 20th, and that's a long time. Could that in any way, shape—contributing the delinquencies? I know for me, I set it aside, and I've got a system to go back and find that bill. Just something to think about. I don't know. But I thought it was very gracious. Anything else to report? Thank you for your hard work, especially the new chart. Anything on the collections/delinquencies? No.

G. MONTHLY PROGRESS REPORT:

Chair Lopez 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. OKAMOTO: There actually is testimony for this item, and it was provided to you. It came via email from Mr. Scott Nagata. It's basically requesting of the Department information on our Waikōloa Reservoir No. 1 Project in Waimea. So typically with this type of email request, although they reference an agenda item, which is an update for our CIP projects, staff will respond to this, to provide an update on the project. Since it's been brought up, in addition to what you intended to provide, updates to the Board, you can also provide a brief summary of what's happening with Waikōloa No. 1.

MR. INABA: For the regular CIP projects, it's pretty much the same as last month. Mainly the ongoing project is our Lālāmilo 10mg Reservoir. I think at the point we're now; they're completing the subgrade and getting ready to install pipe material. We kind of expected Kapoho to be under construction, but I think they're still doing construction stake-out. It's a little tougher with not being able to access and using LiDAR to get their control. Anyway, that's for those.

For the Waikōloa Reservoir No. 1 Project, I just maybe give an update, currently in discussion with DLNR. We'll need to kind of take our approved plans and get them resubmitted and re-approved, so we're in the process of that process there. Anyway, that's about it.

MR. OKAMOTO: And again, if there's any specific questions on any particular projects that you have interest in, you can shoot us an email. You don't have to wait for this meeting to get any updates on any particular projects, as long as we're not violating Sunshine Law requirements and we're not having discussions with multiple Board members, feel free to individually inquire.

CHR. LOPEZ: Thank you. In this letter, I'd like to invite Board members, especially ones over in our district, to come to their South Kohala meeting. I believe that it would be out of order if any Board member to attend the meeting, as that would indicate representation of the Board. As gracious and we'd like to, we can't.

MS. MELLON-LACEY: But a person could attend if they're (inaudible) an individual, they're interested in attending.

MR. OKAMOTO: And if I'm not mistaken, Board capacity would require action by this body to authorize somebody to attend.

CHR. LOPEZ: Okay, thank you.

MR. NEY: I do find it interesting, he says, "I'm okay with higher rates, just keep the improvement going." I guess people can appreciate that things are getting fixed.

H. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Chair Lopez 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.

(Note: At this time Finance Controller Candace Gray provided a brief overview of the Financial Statements for October 2024, FY 2024-2025 to the members of the Board. A hard copy of the Financial Statements is available for viewing in the Department of Water Supply office.)

CHR. LOPEZ: I'd like to digress for a moment and jump the agenda and go over to the Lālāmilo Wind because our attorney has limited time.

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

J. EXECUTIVE SESSION REGARDING OPEN LITIGATION FOR CIVIL NO. 3CCV-20-0000007, LĀLĀMILO WIND COMPANY, LLC:

The Board anticipates convening an executive meeting for the purposes of discussing the legal rights, duties and liabilities of the Board concerning open litigation against the Board, as authorized by Hawai'i County Charter Section 8-2 and Hawai'i Revised Statutes ("HRS"), Sections 92-4 and 92-5(a)(4). The Board wishes to have its attorney present, in order to consult with the Board's attorney on its questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities pursuant to HRS Section 92-5(a)(4). A two-thirds vote of the members present, pursuant to HRS Section 92-4, is necessary to hold an executive meeting, provided that the affirmative vote constitutes a majority of the Board.

ACTION: Mr. Ney moved that the Board enter into Executive Session: seconded by Mr. Bell and unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

(The Board entered into Executive Session at 12:47 p.m., and returned at 1:12 p.m.)

CHR. LOPEZ: We are on Item J and following the Executive Session I'd like to entertain a motion to approve the proposed settlement. I hear a Motion?

MR. NEY: Motion to approve the proposed settlement

CHR. LOPEZ: Second?

MR. BELL: Michael, second.

CHR. LOPEZ: Mr. Bell second.

MR. NEY: For LWC (Lālāmilo Wind Company).

CHR. LOPEZ: All in favor of the Motion to approve say "aye." All oppose? (none)

ACTION: Mr. Ney moved that the Board enter into Executive Session: seconded by Mr. Bell and unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

Return to Order of Business: The Chair directed the Board to return back to the order of Business.

L. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells:

MR. OKAMOTO: So for the update on the Kona wells, Kawika.

MR. UYEHARA: So for this month, North Kona, again we have 10 of the 14 wells operating. Mākālei they're still working on repairs. The first of next year, hopefully back on-line. Holualoa, putting together bid documents so we can advertise it for repair bids. Wai'aha, that one was scheduled for December, but probably going to have to get pushed to early part of next year. We'll have more information on that at December's meeting. Honokōhau, again that's on pause because we're repairing Waimea well first. Honokōhau is looking to the first half of next year maybe to be back on-line. We had to purchase replacement parts for that. But again, we continue to provide service to our customers in North Kona, with Operations' good work. Any questions on that?

CHR. LOPEZ: How many do we have active of the 14?

MR. UYEHARA: We have 10 out of the 14.

CHR. LOPEZ: So we're still not fully operational.

MR. OKAMOTO: Thanks, Kawika. Any questions for Kawika?

2. Department of Water Supply Quarterly Energy Report

(Note: At this time, Energy Management Analyst Warren Ching provided a brief overview of DWS's Quarterly Energy Report to the members of the Board. A hard copy of the report is available for viewing in the Department of Water Supply office.)

MR. CHING: The main thing I wanted to highlight in this report is page 4, it's going over our Leak Detection Program. DWS makes investments to actively pursue underground leaks in our water system and we do that using leak detection loggers. A lot of times they don't come to the surface, so we have to use these leak detection noise loggers to actively try and pursue them; and just in 2023, through this Leak Detection Program, we've saved 150 million gallons of water from being lost and avoided an estimated \$265,000 in energy cost. One of the main reasons I wanted to highlight this is just mahalo our staff for going out and finding these leaks, not only that, but after that you need to repair them which does take a lot of effort at times, so I wanted to highlight them.

Also, our relationship with Hawai'i Energy, I wanted to mahalo them because they've been a really important partner for us in this program. They've been rebating us 50 percent of the cost to procure these leak detection loggers and battery kits, so huge mahalo to them. Other than that, that's the main thing I wanted to highlight in this Energy Report.

CHR. LOPEZ: Where are these loggers located? I mean not specifically geographically, I mean like certain strategic areas, at the main pumps?

MR. CHING: They're located around the island, on all 23 of our water systems. We have a criteria that we typically like to follow, one is the age of the pipe. Those are more prone to leaks and breaks. Another is, well I guess to determine how many loggers are in each system, the size of the system, and then also what's the cost to produce water in certain areas. So based on a few of those criteria, we place them in high-cost areas, which is cost to produce water, and also how likely it is to find a leak, which is age.

CHR. LOPEZ: Would this have helped Ms. Klieforth?

MR. CHING: Probably would have notified them. These noise loggers particularly are more effective in metal pipes. It depends what type of material the pipe is, but yeah.

CHR. LOPEZ: But it wouldn't be on the customer side?

MR. CHING: No, this is on our side.

MR. OKAMOTO: All right. Thanks, Warren. Any other questions for Warren? Keep up the good work. Thanks, Warren. Appreciate it.

MR. CHING: Thank you.

MR. OKAMOTO: That's all for my report, Mr. Report.

K. EXECUTIVE SESSION: MANAGER CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2024:

The Board anticipates convening an executive meeting to consider the evaluations of the Manager-Chief Engineer and Deputy for its annual performance review, as authorized by Hawai'i County Charter Section 7-4.6(d) and Hawai'i Revised Statutes ("HRS"), Sections 92-4 and 92-5(a)(2). The Board wishes to have its attorney present, in order to consult with the Board's attorney on its questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities pursuant to HRS Section 92-5(a)(4). A two-thirds vote of the members present, pursuant to HRS Section 92-4, is necessary to hold an executive meeting, provided that the affirmative vote constitutes a majority of the board.

ACTION: Mr. Kekela moved that the Board enter into Executive Session; seconded by Mr. Ney and carried unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

(The Board entered into Executive Session at 1:20 p.m., and returned at 1:27 p.m.)

ACTION: Mr. Kekela moved that the Board get out of Executive Session; seconded by Mr. Ney and carried unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

L. MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2024:

(Note: Item L was discussed during Executive Session for Item K.)

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

M. CHAIRPERSON'S REPORT:

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

CHR. LOPEZ: In my year as a Chairperson, I was looking forward actually perhaps continuing because one year is awfully quick, you're just getting your feet on the ground, and as Ben pointed out, there are a lot of other hours that go into this, which I gratefully accept and not complaining. So it's one thing to be cognizant about, but I would encourage other people to step up next year because I'm not going to do a third year, and you probably won't want me. But in expectation, perhaps Pono will be the Chair next year. We are on the same clock. And somebody needs to be the Vice Chair. One of the reasons I nominated Pono for Vice Chair last year was because I felt that we needed to have a body on the east side and the west side, and it's worked out extremely well, particularly Nora with these signature requirements. Just as long as Pono's getting compensated for his travel, we're good. It's worked out well, and I thank you all.

One of the things that I had did learn and I felt it before, I've been on other boards, commissions, redistricting, that's something, but this is a very solid team, and it begins in the department. You can see it; you can feel it. People have been involved, people will come to hear the meetings, people who made an appeal, and it extends into the meetings you go to for the Hawai'i Water Association and any other meetings you go to. It's a very close-knit, and I'm very honored and privileged to have felt and seen the teamwork that you all love. Even the agendas, this meeting, I mean I couldn't have done this job without all the support. There's a strong team everywhere, thank you very much for that.

We have been talking about site visits. Do we have anything pending? Anything close to discussion?

MR. OKAMOTO: I think we have some ideas. It's just a matter of scheduling the Treatment Plant again and the Kahalu'u Shaft again, and possibly something down in Ka'u.

CHR. LOPEZ: Would that plan, maybe in the first quarter, have one of them?

MR. OKAMOTO: Possibly, treatment plant. Treatment plant or the shaft, first quarter.

CHR. LOPEZ: Okay. We're going to have two new Board members coming up. I don't know how long it will sit on this. He has 90 days.

MR. NEY: I think District 9 is pretty active with people.

CHR. LOPEZ: And Kea's term is also up. So December will be their swan song. Now, the last thing, the members who attended the Hawai'i Water Works Association Conference. That was me, Pono, and Ben. Ben, do you want to give your report first?

MR. NEY: Yeah, that was really good. Kaua'i did a great job putting on the event. We had a good group number-wise that went over. Definitely, the sessions I got a lot out of that. I would encourage the Board members who haven't attended any of these events to at least do a few of them. I think it's very beneficial, just kind of getting familiar with the industry as a whole. Anyway, great trip.

MR. KEKELA: Yeah, it was a great opportunity. Because actually you kind of meet some of the other arms of the department that actually keep the wheels turning, micro labs, meter readers. Spent time a little bit to kind of see the internal workings of the department. I think Hawai'i Island as being a tight-knit, close community. The hotels were good, and an opportunity for us to meet.

CHR. LOPEZ: I have gone to a few of these. Ben's point was well-taken; some of you who have not been to any of these, you really should try to at least go to one because it will open your eyes. This one was State, so it's all counties in the State of Hawai'i. So it opens your eyes just to tell the people what you're doing, what the challenges are, topics of interest. When you go to the more regional or national ones and will multiply the number of topics presented. You meet a lot of interesting people, a lot of different topics. I've learned so much about water that I didn't know, and I gained a real appreciation for what it takes to punch a hole in the ground and get it to my faucet. You have no idea. It's quite an accomplishment in terms of the information delivered, and also what brings to you has a value in being part of these discussions, and the background you go through and what you go through to understand some of its topics.

One thing, Kaua'i was very present in the presentation. They've got a system that tells them where their weaknesses are in the system; and in ahead of time, they could project resources or projects to work on. They may be heavily influenced by consultants, but by the size of the effort, they easily got some money. Very impressed with the performance of Kaua'i.

I had a chance to actually sit down with a consultant from Brown and Caldwell, and she is a pro at external funding. One of the things I came away with was that you don't necessarily go after this funding, you go after fundings along the way to help get you there in that process, so it's building blocks, so don't wait till the last minute to submit the big one because you may have lost an opportunity, you may have lost an opportunity to stage yourself, and I'm sure you're well aware of that. But that was impressive to me.

The last thing, talking about teamwork, I was very impressed that I was able to sit with one of our meter readers, somebody from the Finance Department, three young ladies, and Kai, Kai was there, and it was

interesting to exchange with them where they are in the organization and what they contribute. My background, Corporate America, you never saw a line person come to a conference. So, that was very impressive. They're going to get a lot out of it. I got something out of it, and I'm sure they did too. So, kudos to spreading it around. Thank you. That's my comment.

MS. MELLON-LACEY: Just one of my quick questions. I'm looking at this big drop of water back here—

MR. OKAMOTO: Yes, thanks Diana. It's not on the agenda, but really quick, just this past week a Hawai'i Rural Water Association Conference at the King Kamehameha Hotel, and that's more for the operators and things like that. But we submitted a water sample for a taste test competition, and we won. Actually, I got to give kudos too Alvin because he picked which source and had his guys go out and grab it. It was a Kona water source. Which source was Alvin?

MR. INOUE: QLT.

MR. OKAMOTO: That high level water is awesome. There's a stigma with Kona primarily because of the shaft and the basal sources; that there's elevated chlorides and things like. That's why we're trying to get off of that and transition and rely more on the mauka wells, but that's the super high-quality water. We didn't know this, but now we've got to take a water sample to national for the National Rural Water Association Conference in February to represent the State.

CHR. LOPEZ: Excellent recognition for us, thank you.

8) ANNOUNCEMENTS:

- **Next Meeting** December 17, 2024, 10:00 a.m., Department of Water Supply, Hilo Operations, 889 Leilani Street, Hilo, Hawai'i.

9) ADJOURNMENT:

ACTION: Mr. Kekela moved to adjourn the meeting; seconded by Mr. Ney and carried unanimously by voice vote (Ayes: 6 - Ms. Taaora; and Messrs. Bell, Kekela, Lee, Ney, and Chair Lopez).

(Meeting adjourned at 1:50 a.m.)

Recording Secretary

APPROVED BY WATER BOARD
(December 17, 2024)