

**MINUTES**

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

December 17, 2024

Department of Water Supply, Hilo Operations Baseyard, 889 Leilani Street, Hilo, 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 (via videoconference)  
Mr. Thomas Brown, Water Board Member, Dist. 3  
Mr. James Kimo Lee, Water Board Member, Dist. 2  
Mr. Benjamin Ney, Water Board Member, Dist. 9  
Mr. Keith Unger, Water Board Member, Dist. 6  
Mr. Keith K. Okamoto, Manager-Chief Engineer,  
Department of Water Supply (ex-officio member)

ABSENT: Ms. Kea Keolanui, Water Board Member, Dist. 1  
Ms. Emily Taaroa, Water Board Member, Dist. 5  
Director, Planning Department (ex-officio member)  
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel  
Ms. Keyra Wong, Deputy Corporation Counsel

DEPARTMENT OF WATER SUPPLY STAFF:

Mr. Kawika Uyehara, Deputy  
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. Nora Avenue, Recording Secretary

- 1) **CALL TO ORDER** – Chair Lopez called the meeting to order at 10:00 a.m. Seven Board Members were present: Messrs. Bell, Brown, Kekela, Lee, Ney, Unger, 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. Unger moved for approval of the Minutes of the November 26, 2024, Water Board meeting; seconded by Mr. Ney and carried unanimously by voice vote (Ayes: 7 - Bell, Brown, Kekela, Lee, Ney, Unger, and Chair Lopez).

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

**Change Order of Business** - As directed by the Chair and with no objection from the Board Members, agenda Item No. 7-E, under the Miscellaneous category, was taken out of order:

7) MISCELLANEOUS:

E. ADOPTION OF PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER FOR NOVEMBER 26, 2024, CONTESTED CASE HEARING REGARDING WATER SERVICE ACCOUNT NO. 0824400-11 (IN THE MATTER OF THE APPEAL OF ANNETTE LILLIAN KLIEFORTH):

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

The above Contested Case Hearing took place on November 26, 2024, 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. For review and adoption by the Board of the Findings of Fact, Conclusions of Law, and Decision and Order for the November 26, 2024, Contested Case Hearing.

CHR. LOPEZ: Open it to the attorney, Keyra Wong.

MS. WONG: Good morning, Mr. Chair and Board Members. Deputy Corporation Counsel Keyra Wong appearing on behalf of the Department of Water Supply. Before you, you have our Proposed Findings of Fact, Conclusions of Law, and Decision and Order for November 26, 2024, Contested Case Hearing. I'm available to answer any questions the Board members may have, otherwise, the Department requests that you adopt these Findings and Conclusions of Law, and Decision and Order. Thank you.

CHR. LOPEZ: Thank you. Keyra, could you give us a review of this document, please?

MS. WONG: Sure. So I went through and went back and listened to some of the hearings, took my notes, and also referenced all of the Exhibits that were adopted or were received by the Board, so those were all of the Exhibits that I offered at the Hearing as well as some of the testimony that was provided by the Department witnesses. So you'll see the Findings of Fact where there's a fact dated, there's a reference to where that finding is found, either in testimony or in an exhibit, or both, and then basically, the legal arguments in the Conclusions of Law, applying the facts to the relevant rules that apply to the Contested Case Hearing, the burden of persuasion on the customer, and our position that she did not meet that burden to persuade the Board, otherwise that the Department's underlying decision was incorrect. Then you'll see in the Conclusions of Law those specific sections that I have referenced, and then some of the conclusions based on the application of the facts.

Lastly, you'll have the Decision and Order, which the Department is requesting—actually, the Board found in favor of the Department at the underlying hearing, and so that's the Conclusion that the underlying Decision is affirmed.

Just so that the Board is aware, my understanding is that the customer did reach out to our Collections Section, at the Department of Water Supply, and is currently in the process of executing a payment plan for the delinquency. My understanding is the Department is working with the customer to achieve a payment plan agreement.

CHR. LOPEZ: At this point, to get into a discussion, I ask for a motion to approve the Order, as submitted.

**MOTION**: Mr. Kekela moved to approve the Proposed Findings and Conclusions of Law, and Decision and Order; seconded by Mr. Ney.

CHR. LOPEZ: All right, any discussion? I do request a correction, please. My name, on page 11, Steven. On my signature line, on page 11.

MS. WONG: Got it. S-t-e-p-h-e-n, I can make that correction.

CHR. LOPEZ: Very good. Discussion open, anybody? Okay, hearing none and after review of the documents, all in favor say "aye."

**ACTION**: Motion was carried unanimously by voice vote (Ayes: 7 – Messrs. Bell, Brown, Kekela, Lee, Ney, Unger, and Chair Lopez).

MS. WONG: Thank you, Mr. Chair. So what I'll do is I'll make that correction to your name, and then I'll email the final copy to Nora, and then hopefully before you leave today at the Board meeting, you'll be able to sign it.

CHR. LOPEZ: All right, thank you very much.

MS. WONG: Thank you.

(Ms. Keyra Wong left the meeting at 10:06 a.m.)

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

5) SOUTH KOHALA:

A. JOB NO. 2024-12, F&D WAIMEA WATER TREATMENT PLANT CHEMICAL INJECTORS:

*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, taxes, and equipment necessary to furnish and deliver chemical injection quills and PVC piping as specified within the Special Provisions, to the Department of Water Supply's Waimea Baseyard at 65-1234 Opelo Rd., Kamuela, Hawai'i.

Bids for this project were opened on November 7, 2024, at 1:30 p.m., and the following are the bid results:

	Engineered Systems, Inc.	DWS Engineering Evaluation
Item 1 - (3 Ea.) Saf-T-Flo HC-100-A-A-4-0-E high corrosion resistance retractable chemical injection quill with 1" valve x 1/2" tube and integrated check valve rated for 250 psi, for use with caustic soda, phosphate and ammonia solution with FHA-CLR-050-P-E flexible hose assembly. Flexible hose assembly shall include a true union ball valve, polypropylene hose barbs, braid reinforced vinyl hose, stainless steel hose clamps and FNPT outlet or equal by approval.	\$20,874.33	\$24,360.98
Item 2 - (2 Ea.) 1/2" MNPT x 1" MNPT Sch. 80 PVC adapters.	\$0.00	\$314.89
Item 3 - (1 Ea.) 1/2" MNPT x 3/4" MNPT Sch. 80 PVC adapter.	\$0.00	\$9.37
Item 4 - (4 Ea.) 1" FNPT x FNPT Spears 2729T-010BL PVC true union diaphragm valves or equal by approval.	\$0.00	\$2,695.82
Item 5 - (2 Ea.) 3/4" FNPT x FNPT Spears 2729T-007BL PVC true union diaphragm valve or equal by approval.	\$0.00	\$1,153.24
Item 6 - (6 Ea.) 1" Sch. 80 PVC MNPT close nipples.	\$0.00	\$13.08
Item 7 - (3 Ea.) 3/4" Sch. 80 PVC MNPT close nipples.	\$0.00	\$22.07
Item 8 - (2 Ea.) 1" FNPT x FNPT Spears 4529-010BL PVC true union ball check valves or equal by approval.	\$0.00	\$787.55
Item 9 - (1 Ea.) 3/4" FNPT x FNPT Spears 4529-007BL PVC true union ball check valve or equal by approval.	\$0.00	\$343.85
Item 10 - (2 Ea.) 1" 10-150psi Griffco back pressure valves, product code BPG100P or equal by approval.	\$1,403.14	\$962.01
Item 11 - (1 Ea.) 3/4" 10-150psi Griffco back pressure valve, product code BPG075P or equal by approval.	\$564.40	\$362.48
Item 12 - (2 Ea.) 1" MNPT x Socket Sch. 80 PVC adapters.	\$0.00	\$10.06
Item 13 - (1 Ea.) 1" Socket x 3/4" MNPT Sch. 80 reducing adapter.	\$0.00	\$13.06

**RECOMMENDATION:** It is recommended that the Board award the contract for F&D WAIMEA WATER TREATMENT PLANT CHEMICAL INJECTORS, JOB NO. 2024-12 (MAT) by Items to the following for the amounts shown above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

Items 1, 10, and 11 to Engineered Systems, Inc.

For Items 2, 3, 4, 5, 6, 7, 8, 9, 12, and 13, no bids were received. Staff will seek alternative procurement pursuant to HAR 3-122-35 to secure pricing in the best interest of the Department.

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

**CHR. LOPEZ:** Any discussion?

**MR. OKAMOTO:** Yes, Mr. Chair and Members of the Board, just for your awareness, F&D means Furnish and Deliver, and MAT is a Material Bid, basically. It's basically to provide us with these materials, and this is so we can improve our treatment processes in our Waimea water system and allow for more resilience and use of a backup well source. But if there are any other detailed questions, Mr. Goodale is here.

**CHR. LOPEZ:** I have a question. Just on observation, why is it—what rationale might be that only two bidders of 13 items submit a bid?

**MR. GOODALE:** Again, we don't know why they would or wouldn't, but the gut suspect is that these are materials that that vendor has easy access to, you know, at least in terms of—

**CHR. LOPEZ:** In going out to bid with these things, is it a broadcast bid, do we have a list of selected vendors that we go to and that's where the bids come from, or is it a preferred vendor list?

**MR. GOODALE:** Yeah, we try to get our procurement folks a list of vendors that we know would probably be able to provide some of these things. Whether they do or they don't, we don't know why they look at some and not at others.

**CHR. LOPEZ:** And following that, you'll have like an approved list, this is the list where we accept bids?

**MR. GOODALE:** The bidders that would be on that list are all bidders that would have to qualify themselves to be part of the public purchase system, but usually it comes from us, like reaching out to—you know, the ones that already know the system and participate, not a problem, but for those that maybe have never participated in the process, we may have to kind of approach them and say, "Okay, here's the process to get yourself into public purchase," so that they would be able to participate in future procurements.

**CHR. LOPEZ:** Thank you. That is very clear; I understand.

**MR. OKAMOTO:** Typically, a price list of how we develop ours is that big material bid that we bring to the Board annually, typically before the Fiscal Year-End, May, June timeframe. So then we will get a list for the following fiscal year of our typical material bid items. This one was a bit unique, so it went out separately, but it was advertised out there for everybody who could submit a bid. That's how this one was managed.

**CHR. LOPEZ:** Thank you for that.

**MR. UNGER:** Yeah, we used the website base, electronic (inaudible) system, so broadcast to basically everywhere outside.

**CHR. LOPEZ:** So when the vendor sees the bid, do they see what the department's engineering evaluation is?

MR. UYEHARA: I don't believe so.

MR. GOODALE: Yeah, typically that wouldn't be something that we would—

CHR. LOPEZ: I wouldn't think. The big one came in at over \$24,000.

MR. GOODALE: The only time I've seen anything like that would be like say in a construction project, and that might be because of a limitation on the funds that were available for the project.

CHR. LOPEZ: That makes sense. Thank you again.

MR. NEY: On Item No. 2, is that a mistake, Engineering cost at \$314.89 (2 Ea.) 1/2" MNPT x 1" MNPT Sch. 80 PVC adapters for \$314.89; where you have on Item 3, which is 1/2" x 3/4", same thing it looks like for \$9.37?

MR. OKAMOTO: I would say "yeah."

MR. NEY: Okay, that seems a little outrageous. I'm looking at the part breakdown for Item 1, I'm having a hard time on how we arrive \$24,360.98. I guess what I'm trying to get at is I think like this is—I mean I'm going to look this up when I get a chance because I have price matrix (inaudible) our supply houses to see, if I were to procure this, what it would cost me. It just seems high, and it could be something I'm missing. Is there any wiggle room with the procurement if it's a certain dollar threshold, or if you guys are going to need paper towels, and you can go to the store—you know, where does the threshold where you have to go through proper procurement?

MR. OKAMOTO: That's all outlined in the State Procurement Code, and we definitely comply with that. It's more threshold on what type of procurement method you can use based on the estimated cost of whatever it is. Goods, services, and construction are the three major categories.

MR. NEY: Because it seems like a lot of these things we could get at quite a discount from what is stated, or a lot less. I mean I understand like a whole quarter of materials, yeah, it's going to go out to bid on supply by a third party; but some of this stuff, it seems crazy, we can't just procure in-house.

MR. OKAMOTO: But that's what we're trying to do, yes.

MR. GOODALE: One of the issues that comes up with kind of what you're talking about is when we look at a project, we look at it as a whole, so there's something they call "parceling," which means you can't just put out individual pieces even though you know that individual piece might be below the threshold. If you're doing the project, you've got to kind of put the project out as one project; so if the lump sum total is going to exceed that threshold, then your kind of in that position, you kind of got to put it out for formal bid, which was done in this case. You may have been able to buy the one component say for less, but because it's part of the bigger project, then that's seen as what they call parceling. So in this case, you kind of have to put it out like this with all the components combined, you know, for this project that we're doing.

MR. NEY: Got it. Yeah, okay. Yeah, just any way we can save some money.

CHR. LOPEZ: Any further discussion on this? On the motion to approve? All in favor say "aye."

**ACTION:** Motion was carried unanimously by voice vote (Ayes: 7 - Bell, Brown, Kekela, Lee, Ney, Unger, and Chair Lopez).

6) NORTH KONA:

A. JOB NO. 2016-1056, WAI'AHA DEEPWELL REPAIR – REQUEST FOR EXTENSION:

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

The Contractor, Derrick's Well Drilling and Pump Services, LLC., is requesting a contract time extension of 71 calendar days, due to delays with submittals for the fabrication of the surface plate assembly, motor shroud assembly and check valve. These delays were beyond the control of the Contractor.

Staff reviewed the request for the time extension and the accompanying supporting documentation and found 71 calendar days to be justified. *Note: There are no additional costs associated with this time extension.*

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	7/31/2017	9/15/2024	2,603	Project completion date was revised as a part of Change Order #2.
2	9/15/2024	12/19/2024	95	Manufacturer delays for submittals for surface plate and motor shroud assemblies, and pump and motor testing.
3	12/19/24	2/28/2025	71	Manufacturer delays for submittals for surface plate and motor shroud assemblies, and check valve.
Total Days (including this request)			2,769	

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension of 71 calendar days to Derrick's Well Drilling and Pump Services, LLC., for JOB NO. 2016-1056, WAI'AHA DEEPWELL REPAIR. If approved, the contract completion date will be revised from December 19, 2024, to February 28, 2025.

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

**CHR. LOPEZ:** Discussion?

**MR. OKAMOTO:** This one is continued efforts by our contractor to again acquire the materials they need to do their work, so essentially it's out of their control. They provided their documentation, showing that they've been trying to work with the supplier to get the materials that are needed to complete the work. If there are any detailed questions, we've got Mr. Takamoto here.

**CHR. LOPEZ:** Anything else, discussion, questions?

MR. UNGER: I was hoping after seven years they would wrap it up by the end of this year, just a comment.

MR. OKAMOTO: Again some background just for everybody's awareness, part of that seven years was some of the legal matters that we were navigating through.

MR. UNGER: I understand.

MR. OKAMOTO: Eric, you can shed some light on the details of this last bid and what it requires a manufacturer to provide.

MR. TAKAMOTO: The contractor is basically having challenges getting the product submittals from the manufacturer for the surface plate assembly which is the top part, on the top of the well, which everything hangs upon is suspended from; and a motor shroud, which encloses the pumping assembly and keeps the motor from overheating. The contractor had been following up with the manufacturer to get us timely submittals, but they've met delays from the manufacturer getting a product submittals, and once submittals were given, a lot of the things did not meet the bid specification, so now it had to go back and do more revisions to the submittals.

MR. OKAMOTO: Just for the Board's awareness, this is common in our industry. Before we okay or sign off that material, especially if it's a significant component in the project, we ask the contractor to have his supplier provide a submittal. That submittal is basically a shop drawing with all the details (dimensions, materials) of what it is that they're providing, so then we have our project managers, our staff, review that submittal to make sure it's basically what we called for in the plans, and if it doesn't, we reject it because we don't want that component to come over here and it's wrong. We don't want it to be even manufactured in the first place. But as you can see, because of that, if they don't send the proper submittal, we're not going to say "okay." Anyway, that's what a submittal is and why we review that before we give the contractor the green light to get it and ship it over to be ultimately installed.

CHR. LOPEZ: So the submittal goes from the Department to the vendor, to the manufacturer?

MR. OKAMOTO: No, we bid it out with plans and specifications. The winning bidder gets the job, but before they actually provide the product we ask for submittals for certain items. If it's typical off-the-shelf stuff, we don't need submittals for that, but if it's significant like in this case, correct me if I'm wrong, but the surface plate is a significant component on a well repairs because that not only suspends and holds up the whole column assembly, it also has this dimension where now it's got to line up with all the piping that's above ground, which is existing. A half-inch deviation on that is significant, it's not going to line up with the pipe anymore. They can put everything all down the hole, put that surface plate with the discharged head, and then find out it doesn't match, so all of that is important. Even the flange thickness, the bolt holes, the bolt spacing, the bolt spacing diameters all come into play because if that is incorrect, it's not even going to line up with the holes for us to mount it on. Anyway, things like that may seem like small details but do have significant consequences.

CHR. LOPEZ: Yeah, that's critical. I understand what the department is doing, I understand what the vendor is doing to validate the spec, I suppose, and you review that. Then it goes to the manufacturer; if I heard correctly, it was the manufacturer who made an error not following the spec. Who caught that? You did? Your department did?

MR. TAKAMOTO: Yes. We did.

CHR. LOPEZ: So it comes back to the department.



**MR. NEY:** Just to kind of follow up on his question, is that a communication issue with the contractor not maybe sitting down with the manufacturer? Because I understand what you're saying, these are rigid materials, there's not room for tolerance. But is that something that could have been resolved if the contractor maybe had sat down, a little more time with the manufacturer, and just go "Let me double-check what you're sending me to see if this is correct, yes it's correct."

**MR. OKAMOTO:** Sometimes we just kind of scratch our head because typically when we bid the stuff out, it has all of that information on it. They just got to duplicate it and confirm that what they're building meets our drawing. Really, the communication at that point is, did the contractor provide the bid documents to the manufacturer? I don't know if that's the case with this one.

**MR. TAKAMOTO:** Yes, the contractor, as soon as they get the executed contract, they share it with the manufacturer, so primarily it's solely delayed on the manufacturer's part for this case.

**CHR. LOPEZ:** Any other questions, discussion? To the motion to approve, all in favor say "aye."

**ACTION:** Motion was carried unanimously by voice vote (Ayes: 6 - Bell, Brown, Lee, Ney, Unger, and Chair Lopez; Oppose: 1 - Kekela).

**B. JOB NO. 2021-1181, KEAHOU BOOSTER A REPAIR – REQUEST FOR EXTENSION:**

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

The Contractor, Beylik/Energetic A JV, is requesting a contract time extension of 233 calendar days, due to delays by the pump manufacturer in providing submittals; fabrication error of the discharge head; scheduling conflicts with the Department; and a logistical error in shipment of materials. Some of these setbacks were beyond the control of the Contractor.

Staff reviewed the request for the time extension and the accompanying supporting documentation and found only 163 calendar days to be justified. *Note: There are no additional costs associated with this time extension.*

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	3/31/2023	6/13/2023	74	Manufacturer delays in providing submittals.
2	6/13/2023	9/19/2023	98	Manufacturer delays in providing submittals.
3	9/19/2023	2/29/24	163	Manufacturer delays in providing submittals and scheduling conflict with the Department.
Total Days (including this request)			335	

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension of 163 calendar days to Beylik/Energetic A JV, for JOB NO. 2021-1181, KEAUHOU BOOSTER A

REPAIR. If approved, the contract completion date will be revised from September 19, 2023, to February 29, 2024.

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

CHR. LOPEZ: Discussion?

MR. OKAMOTO: For this one, I do want to share with the Board actually two matters. One, the actual request and justification for the extension has been provided. They asked for 233, and I think the staff reviewed it and found that only 163 of that 233 is justified. If there are questions on that, I'm sure Eric can respond. The second matter that I wanted to bring up for the Board's awareness is, if you noticed, its proposed completion date is back in February of this year. This one, I've got to say, is more on the contractor's side because staff were trying to get their justification for the time extension for quite a while. Part of it is our fault too because it did come in in August, but we dropped the ball and didn't bring it to the Board until this meeting. My understanding is the project has been completed as of July 19, 2024, so if you do the math, if approved, we'll give them to the end of February, but if they completed it in July, they are still subject to liquidated damages for that time difference.

MR. LEE: So did they have liquidated damages?

MR. OKAMOTO: Yes. And for a contract of this amount, liquidated damages are on the order of \$100 per calendar day. Staff calculation is that July 19<sup>th</sup> is 142 calendar days beyond February 29<sup>th</sup>, so basically \$14,200 in liquidated damages. Any other questions?

MR. NEY: If you interpret it over a time period and the total cost of the job, it might be just, for them, insignificant to just pay it, you know, drag it if the bid amount is not enough.

MR. OKAMOTO: Of course, I asked them the same questions, the job cost \$72,950.

MR. NEY: Okay, so that's in there (inaudible). But if it was like \$1 million, it would be like—

CHR. LOPEZ: The reason this is coming up is not to the Board for action but these dates, it came to our attention some time ago that there's a delay and what we are doing about it.

MR. OKAMOTO: Most of that, we were waiting for the contractor to supply us with the information to request the extension, so we were waiting on them, and then beyond that, after we got it back in August, our side, we dropped the ball. We should have brought it to the Board in September.

CHR. LOPEZ: So all that remains is the payment of liquid damages?

MR. OKAMOTO: They prefer not to have liquidated damages. I don't know if they will be okay with it.

CHR. LOPEZ: That's the only outstanding item regarding this project.

MR. OKAMOTO: Per our contract, all of this is required elements of the contract.

CHR. LOPEZ: So what's our plan of action to enforce the liquidated damages

MR. OKAMOTO: How we normally manage it is through the progress payments, and we hold a retainage typically on a project. Another option for us is if we've held back the final payment, if there's

enough left, and hopefully we've managed it in that way so that that final payment will be adjusted accordingly to take out from what they billed the liquidated damages amount.

CHR. LOPEZ: You don't have that information today?

MR. TAKAMOTO: No. That's exactly what we did, we are currently withholding one of their payments to ensure that we have enough to cover any liquidated damages.

CHR. LOPEZ: Okay, so is the remaining payment in excess of \$14,000?

MR. TAKAMOTO: Yes.

CHR. LOPEZ: Okay.

MR. NEY: One last question. In terms of them contesting it or appealing the decision, have you guys run into that, or do they come back to want a second plan, you know, the decision the Board made or contesting the amount that you guys came up with, has that ever arisen?

MR. OKAMOTO: No, but this would be their opportunity here, to bring it to the Board. But as far as I'm aware, it's a contractual issue, it's a legal binding document. They entered into that agreement with us knowing what all the conditions are.

MS. MELLON-LACEY: That's correct, they've signed the contract. The liquidated damage amounts and the dates when things are due are in there, so it's kind of strict.

MR. UNGER: I'm glad to see that there are some kind of stopgap measures to enforce some of these. It seems like we extend, extend, extend with really no ramifications to the contract; but of course, as we know you run a fine line, and there's only a fine amount of contractors, and you start upsetting them then they don't bid the next time. But you know what, at some point it's good to draw the line. I would support this.

MR. NEY: The only other thing, and I'm not mentioning anyone's name or contractor's name, but in the event that they contest the clarity of the contract or the stipulations in the contract, the next step is they go get an attorney and then we're in a litigation type of deal, which we've been on a number of instances. Is there a process if they contest it that we would be more willing to take a second glance and let it go to that next step of possible litigation or arbitration because that's a time-consuming expense?

MS. MELLON-LACEY: That's all covered in the State Procurement Code, so their initial appeal would really be to ask the Chief Procurement Officer to review and make a final decision, and then when that's done and the final decision is made, that's when they go to court. They can't do that without asking—

MR. NEY: Yeah, (inaudible) latitude to negotiate that out .

MR. OKAMOTO: There's definitely HRS and HAR statutes that I have to abide by as Chief Procurement Officer. Even though procedures allow for something like that, then of course we'd involve Corporation Counsel, and whatever point where it's deemed necessary, it would come up before this body.

CHR. LOPEZ: Any other discussion?

**ACTION:** Motion was carried unanimously by voice vote (Ayes: 7 - Bell, Brown, Kekela, Lee, Ney, Unger, and Chair Lopez).

7) **MISCELLANEOUS:** (cont'd.)

A. **DEDICATION OF WATER SYSTEMS:**

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

The Department received the following document for action by the Water Board. The water system has been constructed in accordance with the Department's standards and is in acceptable condition for dedication.

1. Grant of Easement and Bill of Sale  
Takamine, East Kahaopea Street Subdivision  
Grantors: Steven H. Masumoto and Yvonne N. Estrada, Trustees of the  
Masumoto Family Irrevocable Trust dated July 1, 2022  
Tax Map Key (3) 2-2-044:029  
Waiakea, South Hilo, Island of Hawai'i, Hawai'i  
Facilities Charge: \$91,425.00 Date Paid: 9/11/2024  
Final Inspection Date: 12/4/2024  
Water System Cost: \$156,000.00

**RECOMMENDATION:** It is recommended that the Water Board accept these documents subject to the approval of the Corporation Counsel, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents.

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

**MR. OKAMOTO:** Kurt has provided a graphic. It's a pretty standard subdivision. We're getting a Grant of Easement, I'm guessing because this is not a County dedicable street.

**MR. INABA:** Well even if it is prior to dedicating it to the County, they do a Grant of Easement. It becomes a right-of-way just proceed the easement.

**MR. OKAMOTO:** Okay. Thanks, Kurt. I forget how many lots.

**MR. INABA:** Sixteen.

**MR. OKAMOTO:** Sixteen lot subdivision.

**CHR. LOPEZ:** Any other questions? All in favor of approving the motion say "aye."

**ACTION:** Motion was carried unanimously by voice vote (Ayes: 7 - Bell, Brown, Kekela, Lee, Ney, Unger, and Chair Lopez).

B. **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.*

Information will be provided to the Board on status updates on collection efforts due to delinquent balances for water service charges with information on current policies and procedures in place for collection and water shut-offs. Discussion will follow along with any recommendations that should be considered for future action.

CHR. LOPEZ: It's the ongoing information, if the department has any and would like to share with the Board.

MR. OKAMOTO: Actually, we don't have anything to report at this time, Mr. Chair.

C. 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. INABA: I just want to update the Board that the bid opening for Pohoiki has been postponed for a week, so it's actually going to be Thursday this week.

CHR. LOPEZ: The bid opening for?

MR. INABA: The Pohoiki waterline, that's the lava inundated, that one there. I just wanted to mention that the generator did get delivered to the site for that FEMA Recovery Project, also. It's at Ola'a #6, our well site. Warren, that was his project.

MR. OKAMOTO: And if there are any questions on any particular project, let us know.

D. 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: Would you attribute the positive revenue to more income or less expense, or some other reason?

MS. GRAY: The revenue?

CHR. LOPEZ: Yes, you said the revenue is—

MS. GRAY: That's increasing our income because of our, I would say, rate increases.

CHR. LOPEZ: Rate increase. Not necessarily a reduction on expenses, although that went down too.

MS. GRAY: Yes. I guess the net between our revenues and expenses would of course increase our net income.

CHR. LOPEZ: I'm just asking which most contributed to the increase in income, but it could be maybe equal.

MS. GRAY: Revenues and expenses, they are two separates. Revenues are attributed to our collections or water bills.

CHR. LOPEZ: So we're doing better then?

MS. GRAY: Yes.

CHR. LOPEZ: And on the expense side, is that due to just the way we manage our expenses, to not be able to get products?

MS. GRAY: I would say a combination.

CHR. LOPEZ: Okay, thank you.

MR. OKAMOTO: I do want to expand on that. That's a valid question, Mr. Chair. We have various controls in place, and I think all of our leaders are all aware that financial health is a significant component of our department. They keep a frugal eye on their expenses I guess I'll put it that way. Not that we're trying to deprive any of our staff of the things that they need. Every significant expense goes through a review process.

CHR. LOPEZ: Thank you.

- E. ADOPTION OF PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND DECISION AND ORDER FOR NOVEMBER 16, 2024, CONTESTED CASE HEARING REGARDING WATER SERVICE ACCOUNT NO. 0824400-11 (IN THE MATTER OF THE APPEAL OF ANNETTE LILLIAN KLIEFORTH)

“This item was taken up previously, out of order.”

- F. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells
2. Retiree of the Department of Water Supply - David G. Faisca, Building Maintenance Supervisor
3. Pacific Water Conference, Hawai'i Convention Center, February 4 – 6, 2025

MR. OKAMOTO: For the Kona wells update, I'll turn it over to Kawika.

MR. UYEHARA: Okay for this month again, we have 10 of the 14 well sources operating or we have used. The same four our offline, so Makālei Well, the contractor is procuring an air conditioning unit for the control building to help with the climate control for the variable frequency drive in that unit, in the building, so we're expecting the early part of 2025 to hopefully bring that back up on-line.

Wai'aha, we just discussed, looking at the first quarter of 2025.

Honokōhau, right now we're estimating the first quarter of 2025, however delay on that because still have to procure a replacement equipment for that repair.

Hōlualoa, we're working on the bid documents. We need to finalize those and advertise those to bid. Again, 10 of the 14 are operating and are providing water for all our customers.

CHR. LOPEZ: Hōlualoa, you've been waiting to identify what you need?

MR. UYEHARA: Well, I think we might have gotten to that point where we drafted the bid documents, and then we need to get it ready to advertise for bids.

CHR. LOPEZ: What is the problem for Hōlualoa ?

MR. UYEHARA: What was the problem at Hōlualoa? Burnt motor.

MR. OKAMOTO: Submersible?

MR. UYEHARA: Submersible.

CHR. LOPEZ: So when did that well go down?

MR. UYEHARA: Several months? I think it's summertime this year.

CHR. LOPEZ: Oh, this year?

MR. UYEHARA: Yes.

CHR. LOPEZ: Obviously it takes time to understand the problem. Thank you very much for that.

MR. NEY: Excuse me, what was the cause—you guys attribute the burnt motor, what was the cause of that?

MR. OKAMOTO: I don't know if we've identified the cause, and that's always been a challenge with burnt motors. I think there's various things that can burn a motor, right, because if you get resistance—

MR. NEY: Current overload or whatever.

MR. OKAMOTO: Yeah, it's three-phase power, so one of the legs could have been out of balance, although we have equipment now to help clean that up. Sometimes it could be an unexpected load, like a water hammer. I don't know, do you have any suspicions on that one?

MR. TAKAMOTO: No, not until the equipment comes out can we actually do it—

MR. OKAMOTO: Tear it down.

MR. NEY: I know we had like a constant recurrence of a similar issue. I'm trying to bring up the event—like were having multiple failures that were hard to pin down the cause, but it was causing a

recurring issue where until we identify it, it was like how do we approach the permanent fix on this situation.

MR. OKAMOTO: The Board created a PIG (Permitted Interaction Group), and we came up with a strategy to move forward, and we've implemented pretty much everything plus some additional things to resolve some of those past reoccurring causes.

CHR. LOPEZ: Follow-up, I'm going to ask from each one of you, when did you lose the Honokōhau well, and each of that, for Mākālei and—

MR. UYEHARA: Let me go look that up, unless Eric has it.

CHR. LOPEZ: I'm trying to understand how long Honokōhau.

MR. UYEHARA: Honokōhau, it looks like went offline in August of 2023. Mākālei's been a couple years.

MR. INABA: Yes, maybe about two years.

CHR. LOPEZ: Sometime in 2022?

MR. UYEHARA: Around there, yes.

CHR. LOPEZ: You don't have to be precise.

MR. INABA: That one is under warranty. It failed with the developer, so it's a developer repair now, it's not a Water Supply repair at this point.

MR. OKAMOTO: I think that one, the delay on that Mākālei one, there was a pause. The developer was Palamanui, right?

MR. INABA: Yes. Changed the ownership.

MR. OKAMOTO: Changed the ownership a couple of years back, and that's kind of when the repair got going again.

MR. INABA: Started, yes. It's actually a whole different system, so they're redoing from the well—the motor is smaller, the pump is smaller, and we had to change the control equipment in the control building.

CHR. LOPEZ: So as a department, and I don't have the right terminology, was it dedicated to us, and then now failed and it's a warranty issue, the developer has taken over a couple of years.

MR. OKAMOTO: It's one of those, like in timing, so if it was—typically, these are dedicated to us, after the thing is fully constructed and operational. Hopefully, it will last longer than the warranty period. So if it goes beyond the warranty period and then it breaks, then it's on us to repair. This one got dedicated to us, but whatever that warranty period was didn't pan out, so now it's still the developer's responsibility, which is kind of better for us basically.

CHR. LOPEZ: But does it affect the developer that the well is not producing water?



MR. INABA: Yes, and this one because it's a developer putting in a well, there's actually an agreement also tied to it. That's all going to be revised also. They weren't getting any additional water. They weren't asking for any additional water to provide for their development this whole time.

CHR. LOPEZ: I guess what I'm trying to go down the path, is there any incentive for the developer to get this repaired done and get it online?

MR. INABA: If he wants to develop on the land and get water to the property, then yes that has to all be done.

CHR. LOPEZ: Any new development?

MR. INABA: New development, yes.

MR. OKAMOTO: That upper part is different, so this is more for below that Mākālei Estates.

CHR. LOPEZ: Yeah, going towards the college.

MR. OKAMOTO: Yes, from the college and up until below—

MR. INABA: Actually that whole piece, from the bottom of Mākālei Estates all the way down to Queen Ka'ahumanu Highway.

CHR. LOPEZ: Okay, they don't have water for that.

MR. OKAMOTO: They got some for college.

MR. INABA: Yeah.

CHR. LOPEZ: Okay.

MR. INABA: This well will satisfy a portion of their needs.

CHR. LOPEZ: So until they intend to build or want to apply for permits or whatever they need to do, that's really not an issue for them.

MR. INABA: I mean that's why they're doing it because they're trying to start their development.

CHR. LOPEZ: Okay, so the development's start hinges on having water available.

MR. INABA: Yeah.

CHR. LOPEZ: And they don't.

MR. INABA: Yes, not until this is repaired.

CHR. LOPEZ: Okay. All right, thank you for that.

MR. NEY: Kind of hinting at what he was getting at, like his dedication to us was conditional that they take care of getting it fixed, is that correct?

MR. OKAMOTO: No, well dedication is for an operational well, which it was at the time, but then it failed within the warranty period, so we have the developer manage the repair under the warranty provisions.

MR. NEY: Okay, so we can't go back on the dedication and going, "Hey, this thing might have issues that we (inaudible) second guess taking this on," especially if there's going to be modifications with like gpm and different pump, because that's something they have to kind come to us and go, "Hey, we're going to tweak this a little bit," are you guys okay with that?

MR. OKAMOTO: Yeah.

MR. NEY: We're getting what we kind of were promised when they dedicated it to us.

MR. OKAMOTO: Yeah, and all that I think is identified in that Water Well Development Agreement.

MR. NEY: Just so we're not given a bum deal.

CHR. LOPEZ: Okay, any other discussion on the North Kona wells?

MR. OKAMOTO: Okay, the next one is kind of a happy but sad matter for us. Happy for our retiree, but sad for our department. We fully appreciate all the efforts that he's put in, but I don't want to steal Greg's or David's thunder, so retiree for the Department of Water Supply for 2024, Mr. David Faisca.

MR. GOODALE: As Keith said, yes kind of happy for David but not happy for us. David came to our department in 1982 and went from being a Building Maintenance Helper in one year's time, then moved up to Building Maintenance Repair, then in 1986 he went up to Lead Building Maintenance Repair. In 1994, went up to Building Maintenance Supervisor I, and in 2003 he was promoted to Building Maintenance Supervisor II. David, out of any of the employees I can point out, knows where more things within our system are located and how they're put together. I think one of the reasons why our guys take so much pride in what they do is because of a guy like David. He's a great teacher and a great supervisor. He's made sure that the group here, especially in Hilo District, but his job spans much more than just this district because he's the technical supervisor for all the other districts, so any of the Building Maintenance groups within any other baseyards, they look to David for their guidance and leadership. A lot of them get to the point where they can run, you know what they have got to do, but that's because of what David has done early.

Again, David, appreciate everything you've done for the Department of Water Supply over the years, but we also wish you a great retirement. I know you're going to have time to get out there, and go just check out the country, and just stop in and visit us every so often. David, thank you so much.

MR. FAISCA: Forty years has been a long road; 42 years has been a long road. I saw plenty of changes throughout the year, throughout the years I should say, from old school to new school. It was an adventure.

CHR. LOPEZ: Congratulations.

MR. FAISCA: Thank you.

CHR. LOPEZ: I have a question following that. Because I know about your staffing issues, do we have somebody stepping up? Do we have anybody? Do we have to go through a recruitment process?

MR. OKAMOTO: Yes, you have to go through a recruitment process.

CHR. LOPEZ: You can't do it until he's out of the job?

MR. OKAMOTO: Yes, we cannot fill the puka until the puka is made, but we have what we call a temporary assignment provision. Like Greg was mentioning, David has a solid crew here in Hilo that, I believe, my understanding is if somebody will be temporarily assigned to the supervisor position, but then he's going to leave a gap, so we're going to have to fill. It's just a domino effect, but that's just what we have to do.

Next No. 3, Pacific Water Conference, just a reminder, I think we sent an email out. I think we got a couple responses; I think we have two Board Members that responded that they would like to attend. We're coming up on that early registration deadline. After we pass that deadline, the cost for registration goes up. We have it put out there again; if you would like to attend, please email Nora and we'll register you folks. We have two additional slots remaining for Board members to attend.

I want to mahalo our Corporation Counsel, Diana Mellon-Lacey. I'm not sure what's happening next, moving forward, but I did want to really thank Diana for all her assistance, and hard work with us over I forget how many years she's been our Corporation Counsel. With the new administration, sometimes there's changes in Corp. Counsel, so we're not sure what's happening and who will represent us down the road. Diana, did you want to say anything?

MS. MELLON-LACEY: I guess I would say I really enjoyed working with everybody here, it's a great department. I would hope to keep working with you, but as Keith said, we don't know exactly what's happening next. There is a nominee, and the person has to get confirmed, and then of course they may choose to restructure assignments and each doing what and even change who's on staff. It's uppity, but it's great to work with this department. Thank you.

MR. OKAMOTO: Thanks, Diana.

CHR. LOPEZ: Thank you. I know I said last month, I couldn't do my job as much as anybody else. Is there a perspective change at the top? Do we know that?

MS. MELLON-LACEY: For the Corporation Counsel? Yes.

CHR. LOPEZ: And the Deputy?

MS. MELLON-LACEY: There's (inaudible) Corporation Counsel that's been nominated, and it's Renee Schoen. For that position, they have to be confirmed by the Council before they can take office. It's like the other Department Heads get appointed, they still have to be confirmed but they can start, but Corp. Counsel actually has to be confirmed by the Council before they can start.

CHR. LOPEZ: How about the Deputy, is that true, or is it appointed by the Corp. Counsel?

MS. MELLON-LACEY: The Corp. Counsel would select.

CHR. LOPEZ: Okay, thank you. At this point, we'll call for an Executive Session for the purposes of the Engineer and Deputy evaluation this year.

G. EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION AND COMPENSATION FOR CALENDAR YEAR 2024:

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 the affirmative vote constitutes a majority of the Board.

**ACTION:** Mr. Ney moved that the Board enter into Executive Session; seconded by Mr. Kekela and carried unanimously by the following roll call vote (Ayes: 7 - Bell, Brown, Kekela, Lee, Ney, Unger, and Chair Lopez).

(The Board entered into Executive Session at 11:15 a.m. and returned at 12:05 p.m.)

**CHR. LOPEZ:** I want to reconvene the meeting of the Department of Water Supply, Water Board.

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

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

**MOTION:** Mr. Brown moved that the compensation for Calendar Year 2025, January 1, 2025 to December 31, 2025, upon discussion and evaluation primarily based on evaluation, that the Board recommend approval for the Manager-Engineer of a salary of \$15,455 per month and the Deputy of a salary of \$14,682 per month; seconded by Mr. Unger and carried unanimously by voice vote (Ayes: 7 - Bell, Brown, Kekela, Lee, Ney, Unger, and Chair Lopez).

**CHR. LOPEZ:** It's been moved and seconded. Any discussion?

**MR. OKAMOTO:** Thank you. I don't know how the evaluation went, hopefully it was okay, but I'm always open to suggestions or critiques on areas to improve or other priorities that the Board would like us to focus on.

**CHR. LOPEZ:** Our intention is that you get those documents because you should know.

**MR. OKAMOTO:** Okay, with the feedback?

**MR. NEY:** Not only the discussion but a comment. I do appreciate us getting into a good financial position. I've been the longest serving Board member, hopping off this year, I've got to see the improvement here with Keith and Kawika. I feel like we've got a great team because—we get a lot of comments outside of our organization, and everyone always comes up to me and goes, "Man you guys are really organized. You guys get like a well-polished thing," and I go, "Well, that's a very nice compliment" but it reflects, people see it. I can appreciate seeing improvement year on year. I wish continuity of that, and you guys well into the future.

**MR. OKAMOTO:** Thank you.

CHR. LOPEZ: Any other discussion?

MS. GRAY: When does that start?

CHR. LOPEZ: January 1<sup>st</sup>, and to answer part of your question, the review was very favorable to both of you gentlemen. We appreciate your effort, and your great job.

MR. OKAMOTO: Thank you.

CHR. LOPEZ: Okay, motion on the table is the increases that were, I'm not going to recite them, whatever they are for the Minutes, all in favor say "aye."

**ACTION**: Motion was carried unanimously by voice vote (Ayes: 7 - Bell, Brown, Kekela, Lee, Ney, Unger, and Chair Lopez).

BOARD MEMBERS: Congratulations.

MR. OKAMOTO: Thanks, you guys.

I. CHAIRPERSON'S REPORT:

1. Board Members Kea Keolanui and Benjamin Ney terms are ending December 31, 2024
2. Chairperson to report on matters of interest to the Board

CHR. LOPEZ: We have two Board members that have termed out December 31<sup>st</sup>, it is Kea Keolanui, and she couldn't be here for this meeting, which she'll just term out normally, and Benjamin Ney. They're going to be missed. Kea, when she was attending regularly, before she had her baby and the car accident later this year, has been an extremely strong contributor. I'm going to miss our knowledgeable plumber here because he asks a lot of questions that some of us wouldn't have thought of asking questions, so we're going to miss him. He may be around for a month or two. I don't know, depending on when he gets replaced.

One of the real accomplishments that I think for any Board Member has been in five years had perfect attendance. So I made up this certificate to Benjamin Ney: The matter of regular attendance and contributions to the County of Hawaii Water Board is critical to our mission. You excelled at both and will be missed as you complete your term and go on to further contributions in the community. Mahalo for your 5 years of commitment and a perfect meeting attendance, a feat unmatched.

MR. OKAMOTO: Mr. Chair, I don't know if this is the opportunity, but I think that's one of the main reasons that Micah is here, is to present certificates to our outgoing Board members, from the Mayor's Office.

MR. ALAMEDA: I'm here on behalf of Mayor Alameda and the Alameda administration, mahalo for having us. First and foremost, Kimo Lee, Keith Unger, Pono Kekela, Ben Ney, Tom Brown, mahalo for your service. It's not easy.

MR. UNGER: Michael Bell is online.

MR. ALAMEDA: You have to put your everything forward to do this volunteer work. You have to disclose your finances, you've got to show up, you've got to engage where that's where we expect of our commissioners and Board members, so mahalo for your service. Ben, who was appointed or

nominated in 2019 by Mayor Kim, and then served through COVID. Served through an entire new Mayor's term, and now he's ending in a new Mayor's terms, so he served through different Mayors, right here at the Board of Water Supply, who helps provide clean drinking water to our entire island. It's a huge kuleana, and that all of you, and that Ben has carried for five years. Just talking with him a little bit outside, you can tell this is a kuleana that he takes seriously, and for that we're so grateful, Ben.

MR. NEY: I appreciate that.

MR. ALAMEDA: You know we really are. He mentioned that he's open to serving on other boards or commissions. I think that's the best thing that we can ask of those who are willing to serve is, will you continue to serve? You may see Ben serving in another capacity or in another board or commission. I think you're the perfect man for the job, Ben. I wish all the commissioners had the same type of style as you, right, who comes to this with your best foot forward, yeah. Basically what this does is just mahalo. Yeah, mahalo for showing up, mahalo for being present, and mahalo for making Hawai'i Island a safer place to raise our families and for us to live.

MR. NEY: Thank you for the warm remarks, and tell Kimo hi.

MR. ALAMEDA: Of course, yes.

MR. NEY: Just want to say a couple of words. It's been an honor to serve on this Board. A lot of different people with the stagger nature of appointments that I've served over the five years. I've got to say, everyone comes on to these things and gives up their time, but I feel like everyone I've met has been very well-intentioned to come in here with a purpose, to refine, and improve.

Hopefully, after departing we will intersect each other sometime in the future because friendships are made. I look forward to continuing and serving in some other capacity, and hopefully we bump in somewhere along the way. I appreciate all of you, and it's been a joy and pleasure to get to know all of you.

CHR. LOPEZ: Finally, Chairperson to report on matters of interest to the Board, I really don't have anything. This is the end of my first year, and thanks to you I was re-elected to Chairman again. I look forward to another great year, and we'll see how we work together, with Keith, with the department, and improve the whole water distribution systems. Thank you very much. Are there any other items? Announcements.

MR. UNGER: Yes, briefly. Just a heads up, I'm going to work with Kawena on the agenda item for next the next meeting. I got a call from a kama'aina rancher and it had to do with the dedicated water ag rate. Just briefly, he missed the deadline, so he's got to go through the process all over again. He mentioned real property tax didn't change in regards to dedicated real property tax. Long-term ten-year ag dedications, if the Water Department could look at something like that, where the long-term kama'aina ranchers has been in business 30 years, and another 30 years, where he doesn't have to go through this process every year.

MR. OKAMOTO: Okay.

MR. UNGER: So this is just a heads-up announcement. I'll work with you, Kawena, on getting this on the agenda for the next meeting.

MR. OKAMOTO: Okay, sounds good.

CHR. LOPEZ: And two other items we're going to put on the agenda. I'll send that information to Nora as well, we would like to review the performance evaluation process, with goals and requirements, and also review the Business Strategic Plan.

MR. OKAMOTO: Okay, perfect.

CHR. LOPEZ: So that will be agenda items for the next meeting. Anything else?

8) ANNOUNCEMENTS:

- **Next Meeting** – January 28, 2025, 10:00 a.m., West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokālole Highway, Kailua-Kona, Hawai'i.

CHR. LOPEZ: That begins our new format, where we have every other month for one location in Hilo, one location in Kona, unless we have a site visit or some reason why.

MR. OKAMOTO: Yes, and we're working on that.

CHR. LOPEZ: We have a site visit—was it February?

MR. OKAMOTO: We're trying to pin that down, but that's what we're shooting for, probably the Waimea Treatment Plant.


CHR. LOPEZ: That's fine. Okay, very good.

9) ADJOURNMENT:

CHR. LOPEZ: Motion to adjourn?

**ACTION**: Mr. Kekela moved to adjourn the meeting; seconded by Mr. Ney and carried unanimously by voice vote (Ayes: 7 - Bell, Brown, Kekela, Lee, Ney, Unger, and Chair Lopez).

(Meeting adjourned at 12:25 p.m.)

  
Recording Secretary

APPROVED BY WATER BOARD  
(January 28, 2025)