



NELHA BOARD BOOK
March 17, 2026



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism



BOARD OF DIRECTORS MEETING AGENDA*
Natural Energy Laboratory of Hawaii Authority
March 17, 2026
1:00 p.m.

**An Hybrid Interactive Conference Technology Meeting will be held
via Zoom and one location.**

**Board Directors and members of the public may attend the meeting
at the location listed below or via Zoom using this link:**

<https://us06web.zoom.us/j/86382384263?pwd=eUWQImDt8RfcgC6lBewVxIDro36cLs.1>

Meeting ID: 863 8238 4263
Passcode: 437465

Members of the public can also join via the toll-free telephone numbers listed below:

+12532158782,,86382384263#

or

+13462487799,,86382384263#

NELHA OceanView Conference Room 208
Hale Iako Building
73-970 Makako Bay Drive
Kailua-Kona, HI 96740

1. Call to Order.
2. Approval of NELHA Board of Directors' November 18, 2025, Executive Meeting Minutes.
3. Approval of NELHA Board of Directors' January 20, 2026, Meeting Minutes.
4. Approval of NELHA Board of Directors' January 20, 2026, Executive Meeting Minutes.
5. Public Testimony.

6. Old Business.

- a. Update and discussion regarding the Amended Complaint Filed by Keahole Point Hatcheries LLC on October 28, 2025.*
- b. Report from Special Investigative Committee regarding the annual performance evaluation of the NELHA Executive Director for the period February 2025 through January 2026.**

7. New Business.

- a. Discussion and Decision-Making regarding the Request by Governor Green to rename HOST Park in honor of Governor George R. Ariyoshi.
- b. Discussion and Decision-Making regarding proposed NELHA Seawater Flush and Utility Maintenance Plan for 2026.

8. Financial Report: Approval and Decision Making.

9. Executive Director's Informational Status Report on ongoing projects including: 2026 Legislative session, research campus leases, new leases under discussion; water quality and seawater system maintenance; offshore deep seawater pipe removal planning and design; new potable water supply update; aquaculture accelerator and investment fund initiative; grant applications; new Mauka Research Campus; renewable distributed energy resources initiative for microgrid; and, solar desalination; contracts and agreements including master plan and EIS update.*

10. Announcements.

- a. Date of next regularly scheduled NELHA Board of Directors meeting is Tuesday, May 19, 2026, at 1:00 pm.

11. Adjournment.

- * On any of the above items the Board may convene in Executive Session pursuant to section 92-5(a), HRS, to consult with the Board's attorney on issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities pursuant to section 92-5(a)(4), HRS, to discuss business trade secrets of confidential or proprietary commercial or financial information of tenants or prospective tenants pursuant to section 227D-3.5, (HRS), or to receive information that is proprietary to a particular enterprise pursuant to HRS 227D-6.

- ** The Board may enter Executive Session pursuant to section 92-5(a)(2), HRS to consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held.

In the event a location loses its audiovisual connection, the meeting will be automatically recessed to restore communications as described in section 92-3.7(c), HRS.

Members of the public may submit written testimony on this agenda via e-mail no later than 2:30 p.m. on Friday, March 13, 2026, addressed to: laurence.sombardier@hawaii.gov Alternatively, members of the public may mail written testimony on this agenda to Laurence Sombardier, Natural Energy Laboratory of Hawaii Authority, 73-4460 Queen Kaahumanu Hwy., #101, Kailua-Kona, Hawaii USA 96740-2637.

Internet Access:

To view the meeting and provide live oral testimony during the meeting, please use the link shown on page 1 of this agenda. You will be asked to enter your name in order to access the meeting as an attendee. We request that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous. You will also be asked for an email address. You may fill in this field with any entry in an email format, e.g., *****@***mail.com.

As an attendee, your microphone will be automatically muted during the meeting unless you are providing testimony. For each agenda item you wish to testify on, please click the "Raise Hand" button found on your Zoom screen. Board staff will individually enable each testifier to unmute their microphone. When recognized by the Board Chair, please unmute your microphone before speaking and mute your microphone after you finish speaking in order to prevent audio feedback. When testifying, you will be asked to identify yourself and the organization, if any, that you represent.

Telephone Access:

If you cannot get internet access, you may get audio-only access by calling the Zoom telephone number listed on page 1 of this agenda.

Upon dialing the number, you will be prompted to enter the Meeting ID which is also listed on page 1 of this agenda. After entering the Meeting ID, you will be asked to either enter your panelist number or wait to be admitted into the meeting. You will not have a panelist number, so please wait until you are admitted into the meeting.

When the Board Chair asks for public testimony, you may indicate you want to testify by entering "*" and then "9" on your telephone's keypad. After entering "*" and then "9", a

voice prompt will let you know that the host of the meeting has been notified. When recognized by the Board Chair, you may unmute yourself by pressing “*” and then “6” on your telephone. A voice prompt will let you know that you are unmuted. Once you are finished speaking, please enter “*” and then “6” again to mute yourself.

If you need an auxiliary aid/service or other accommodation due to a disability, contact Ms. Faustine Edge at 808-327-9585 or faustine.x.edge@hawaii.gov as soon as possible, preferably three (3) working days prior to the meeting so arrangements can be made. If a response is received three (3) working days or less before the meeting, we will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

The next NELHA Board of Directors meeting is currently scheduled for Tuesday May 19, 2026.

Issued Wednesday, March 11, 2026, in compliance with Sunshine Laws

Item 3.

Approval of NELHA Board of Directors'
January 20, 2026 Meeting Minutes.



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism



BOARD OF DIRECTORS MEETING MINUTES

DRAFT

January 20, 2026
1:00 p.m.

**An Interactive Conference Technology Meeting was held at
NELHA OceanView Conference Room
Hale Iako Building
73-970 Makako Bay Drive
Kailua-Kona, HI 96740
and via Zoom Video Conferencing Software.**

Members/Designees in Attendance

Noelani Kalipi (Gov. Appointee/Chair)
Cyd Miyashiro (Gov. Appointee/Vice Chair)
Gordon Bruce (Gov. Appointee)
Alan Hilton (RAC Chair)
Dennis Lin (County of Hawaii)
Dave Molinaro (DBEDT Director Office)
Neil Sims (Tenant Representative)
Nathan Tsao (Tenant Representative)
Manu Tupper (DLNR)
Dr. Chad Walton (University of Hawaii)
Dr. John Wiltshire (RAC Secretary)

Board Members Not Attending and Excused

Jaelyn Kaina (HTDC)

Guests/Staff Present

Laurence Sombardier (NELHA)
Keith Olson (NELHA)
Alexander Leonard (NELHA)
Bryan Babbitt (NELHA)
Faustine Edge (NELHA)
Pam Madden (NELHA)
Rae Nguyen (NELHA)
Jennifer Rasmussen (NELHA)
John Cole (AG)
Brian Williams (Infrasound Laboratory, University of Hawaii)
Sandra Gibson (Kona Salt Farm)
Jen Johnson (Cyanotech)
Ben Martin (Global OTEC)
Jaime Matsukawa (Shrimp Improvement Systems)
Jeff Zimpher (National Park Services)

Full Board meeting recording available at:

Part A <https://youtu.be/si9UWT9nVfE> Part B <https://youtu.be/pLPuNQqfZ6E>

73-4460 Queen Kaahumanu Hwy., #101, Kailua-Kona, Hawai'i USA 96740-2637
Phone: (808) 327-9585 Email: nelha@nelha.org Website:
<http://www.nelha.hawaii.gov>

- **Item 1. (1:03 p.m.) Call to Order.**

The meeting was called to order by Vice Chair Cyd Miyashiro (Vice Chair Miyashiro) at 1:03 p.m. Vice Chair Miyashiro asked Deputy Director Laurence Sombardier (DD Sombardier) for a roll call of Board members and NELHA staff. Reference to Act 220. Eleven members present and two excused.

Chair Kalipi joined the meeting at 1:05 p.m.

- **Item 2. (1:09 p.m. video run time - Part A 0:00:04) Approval of NELHA Board Directors' November 18, 2025 Meeting Minutes.**

Vice Chair Miyashiro opened this item for discussion. Director Sims moved to approve the November 18, 2025 Meeting Minutes, and the motion was seconded by Director Tsao (1:09 p.m. video run time 0:00:04). The minutes were approved. (11-0) (1:10 p.m. video run time 0:00:27).

- **Item 3. (1:10 p.m. video run time - Part A 0:00:35) Public Testimony.**

Chair Kalipi opened the floor to any Public Testimony or any open items not on the agenda. No one came forward.

- **Item 4a. Old Business (1:11 p.m. video run time - Part A 0:06:01). Update and discussion regarding the Amended Complaint Filed by Keahole Point Hatcheries LLC on October 28, 2025*.**

Chair Kalipi stated they will be discussing this item in Executive Session to consult with the Board's Deputy Attorney General (AG) Cole on issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities pursuant to HRS § 92-5, subsection (a)(4). Director Sims made the motion to move to Executive Session, Director Tsao seconded the motion (1:11 p.m. Video Part A run time 0:01:48). The motion passed (11-0) and Directors went into Executive Session at 1:11 p.m. (video run time, Part A 0:01:56).

The Board Directors returned from Executive Session at 1:21 p.m. (video run time - Part B, 00:00:09). Deputy Attorney General John Cole (AG Cole) summarized the session discussion (video run time – Part B, 00:00:23).

- **Item 5. New Business.**

- a. Discussion and Decision-Making regarding the Request by State of Hawaii School

Facilities for Approval in Concept for Early Learning Center. 1:21 p.m. (video run time – Part B 0:01:11).

State of Hawaii School Facilities requested this item be removed from our agenda after NELHA published it by requirement of Sunshine Laws.

- b. Create a Special Investigative Committee for the purpose of preparing and delivering to the Board the performance evaluation of the NELHA Executive Director.** (1:21 p.m. video run time – Part B 0:1:22).

Chair Kalipi opened this agenda item and asked for volunteers to the Special Investigative Committee (SIC). Chair Kalipi, Vice Chair Miyashiro and Director Walton volunteered to serve on the committee. Director Sims motioned to approve the SIC for the purpose of preparing and delivering to the Board the performance evaluation for the NELHA Executive Director. SIC members are Chair Kalipi, Vice Chair Miyashiro and Director Walton. Director Lin seconded the motion (1:23 p.m., video run time-Part B 0:05:16). The motion carried 11-0 (1:27 p.m., video run time – Part B 0:05:32).

- **Item 6a. Financial Report. (1:27 p.m. video run time – Part B 0:05:44) Approval and Decision Making.**

DD Sombardier presented the Finance Report. Board Directors and the Public were given the opportunity to ask questions and discuss.

- **Item 7. Executive Director’s Informational Status Report on ongoing projects including: 2026 Legislative session, FY26 budget planning, research campus leases, new leases under discussion; water quality and seawater system maintenance; offshore deep seawater pipe removal planning and design; regional seawater air conditioning planning and design; new potable water supply update; aquaculture accelerator and investment fund initiative; grant applications; new Mauka Research Campus; renewable distributed energy resources initiative for microgrid; and, solar desalination; contracts and agreements including master plan and EIS update.* (1:32 p.m. video run time – Part B 0:09:48).**

DD Sombardier gave the Board and Public the Status Report on ongoing projects. Board Directors and the Public were given the opportunity to ask questions and discuss.

- **Item 8. (1:57 p.m. video run time – Part B 0:36:03) Announcements**

- a. Date of the next regularly scheduled meeting is Tuesday, March 17, 2026 at 1:00 p.m.

- **Item 9. (1:58 p.m. video run time – Part B 0:36:12) Adjournment.**

Chair Kalipi adjourned the meeting at 1:58 p.m. (video runtime 0:36:12).

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Item 6.
Old Business

- a. Update and discussion regarding the Amended Complaint Filed by Keahole Point Hatcheries LLC on October 28, 2025.*

No Handout

Item 6.
Old Business

- b. Report from Special Investigative Committee regarding the annual performance evaluation of the NELHA Executive Director for the period February 2025 through January 2026.**

No Handout

Item 7.
New Business

- a. Discussion and Decision-making regarding the Request by Governor Green to rename HOST Park in honor of Governor George R. Ariyoshi.

Jean Ariyoshi

Former First Lady of the State of Hawaii

February 24, 2026

To the Board of the Natural Energy Laboratory of Hawaii Authority,

On behalf of Governor George R. Ariyoshi, we respectfully request that the Hawaii Ocean Science and Technology Park be named the Governor George R. Ariyoshi Hawaii Ocean Science and Technology Park as he reaches his 100th year on March 12, 2026.

As a family, we have been reflecting on the years George devoted to serving the people of Hawaii. The Natural Energy Lab is always something that piques his interest with deep gratitude. Not only for all that it has done for Hawaii, but for all the possibilities that still exist.

George believed deeply in Hawaii's ability to look to its own natural resources and ingenuity to help secure its future. Supporting the development of the Natural Energy Laboratory reflected his faith in Hawaii's leadership in the Pacific and the world, its resilience, and long-term health and strength as an island state. Knowing that this work continues today gives him a sense of pride and confidence that stewardship and innovation will carry forward for generations to come.

When asked what this naming opportunity would mean to him if accepted, his expression of gratitude spoke more than words could.

We offer this request with sincere respect and appreciation.

Warmest Aloha,



Jean Ariyoshi
Former First Lady of the State of Hawaii



Donn Ariyoshi
Son of Governor George R. Ariyoshi

Item 7.
New Business

- b. Discussion and Decision-making regarding proposed NELHA Seawater Flush and Utility Maintenance Plan 2026.

Agenda Item 7.b.
Discussion and Approval of NELHA Seawater Flush and Utility Maintenance Plan for 2026

DATE: March 17, 2026

SUBJECT: Discussion and approval of NELHA Seawater Flush and Utility Maintenance Plan for upcoming year (Q2, Q3 and Q4 2026 and Q1 of 2027).

A. BACKGROUND AND DISCUSSION

NELHA has completed four of the six priority recommendations identified in September 2024 following the Jim Wyban water quality report. Completed actions include evaluating the feasibility of utilizing groundwater well water in the research campus, establishing regular communication with the KPLG (“larval group”), conducting third-party toxicity testing, conducting third-party chemical testing, and implementing high-volume flushing. A fifth priority—internal pipeline inspection—remains in the planning stage, although limited inspection has occurred during routine maintenance. Three additional recommendations were assessed as high-cost, difficult to implement quickly, and with uncertain chance of success: development of a pigging system, use of novel technologies such as nanobubbles, and installation of intake screens.

Between September 2024 and February 2026, NELHA conducted six high-volume flushes using a range of methodologies. Initial concerns from some larval group members centered on the potential disruption of a stable bio-community within the pipelines. However, larval mortality improved for several tenants after the first flush in December 2024, and the severe mortality events that preceded the Wyban report have not recurred. While improvements cannot be attributed solely to flushing—tenants have also installed ozone systems, enhanced filtration, adopted additional water-quality treatments, and implemented probiotics as recommended—there is broad agreement that flushing effectively removes silt, deposits, and biofouling from delivery pipelines.

Given the improvements observed since December 2024 and extensive discussions with the larval group, there is general support for establishing scheduled quarterly flushes. Advance scheduling will allow tenants to plan operations and spawning events and will enable NELHA staff to streamline implementation. In addition, during the testing phase, significant time was spent coordinating the timing of the flushes and obtaining agreement to proceed among tenants. A fixed schedule will reduce delays and inefficiencies caused by this process.

A draft plan and schedule, including quarterly flush dates, flushing methodology and quarterly maintenance is provided in Attachment 1.

Participation by tenants is essential to maximizing the effectiveness of the flushes. The plan anticipates cooperation through installation of bypasses where feasible, thus enabling all tenants to flush their lines. Tenants who are unable or choose not to participate—whether due to differing views on the benefits or lack of adequate infrastructure—will need to temporarily shut off water access for the duration of the flush.

In addition to the scheduled flushes, complete system downtime is required to perform essential maintenance. These activities cannot be conducted during high-volume flush periods and must therefore be scheduled separately. The quarterly maintenance dates are independent of the flush dates and are necessary to preserve NELHA's seawater system assets. This planned downtime allows staff to replace components, conduct repairs, and perform other work needed to maintain the integrity and reliability of the infrastructure.

Although tenant leases specify that NELHA does not guarantee seawater delivery or water quality, staff remain committed to providing the highest level of service possible with available resources and to minimizing disruptions. Because tenant perspectives vary—some strongly support flushing while others remain hesitant—staff plans to solicit input from all tenants, not only the larval group. Staff also seek Board guidance on whether tenants should sign a waiver or formal acknowledgment of the plan prior to implementation.

C. NELHA STAFF RECOMMENDATION

Staff recommend that the NELHA Board approve proceeding with implementation of the proposed flush and maintenance schedule. Staff will incorporate Board and stakeholder feedback, and if revisions are substantial, may return with a final plan for Board approval at the next Board of Directors meeting.

ATTACHMENT 1: DRAFT SEAWATER FLUSH AND UTILITY MAINTENANCE PLAN



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism



PROPOSED SEAWATER FLUSH AND UTILITY MAINTENANCE PLAN For discussion purposes

This document is intended to support discussion with Board members and stakeholders. Once feedback has been gathered and incorporated, the final plan will be completed and implemented prior to the first scheduled maintenance date.

2026 SEAWATER SYSTEM SCHEDULED FLUSHES AND UTILITY SYSTEMS MAINTENANCE SHUTDOWNS

NELHA is continuing to upgrade, improve, and maintain the reliability and consistency of our seawater system to ensure constant delivery of seawater. Accordingly, NELHA is implementing a scheduled seawater advisory and shutdown notification system.

This policy shall remain in place for calendar year 2026 and first quarter of 2027.

SCHEDULED SURFACE SEAWATER FLUSHING ADVISORY will address quarterly high-volume surface seawater flushes, **which have been requested by some aquaculture hatchery organizations.**

SCHEDULED UTILITY SYSTEMS MAINTENANCE SHUTDOWN will address scheduled maintenance to the overall system, **which will require specific segments of the seawater distribution system to be offline to perform a capital improvement upgrade or non-emergency repair.**

SCHEDULED SURFACE SEAWATER FLUSHING ADVISORY:

NELHA plans to annually schedule **four (4), two (2) hour surface seawater flushes** to exercise valves and increase seawater flow volumes in strategic and focused methodologies within segments of the 24" and 28" surface seawater HDPE pipeline systems. The high-volume seawater flush dates are as follows:

- **Wednesday, May 27, 2026, 11:00 AM to 1:00 PM.**
- **Wednesday, August 26, 2026, 11:00 AM to 1:00 PM.**
- **Wednesday, November 18, 2026, 11:00 AM to 1:00 PM.**

- **Wednesday, February 24, 2027, 11:00 AM to 1:00 PM.**

These scheduled seawater flushes will also allow NELHA time to plan for increased water movement through its 24" and 28" surface seawater HDPE pipeline systems. To achieve the high linear velocities required for effective flushing, NELHA requires cooperation and participation from its clients in the pipeline flushing activities. This includes the following:

1. Constructing lateral bypasses to direct surface seawater flush water into designated seawater return trenches within the clients' property.
2. Ensuring adequate drainage in the clients' seawater return trenches in order to receive and dispose of double to 10x normal facility demand.
3. Participating in the planned high-volume seawater flushing schedule by directing significant seawater flow, with its silt and biofouling debris, as directed by the NELHA Operations Staff, to the clients' seawater return trenches. Without client participation, NELHA cannot achieve significant and strategic water movement within its 24" and 28" HDPE pipeline system to disturb and remove silt and biofouling debris.

The methodology for the standard flushes is included in Appendix A.

SCHEDULED UTILITY SYSTEMS MAINTENANCE SHUTDOWNS:

Quarterly system wide scheduled maintenance shutdowns will focus on repairs or upgrades of NELHA's electrical, pumping, freshwater, and seawater pipeline distribution systems. These shutdowns will be targeted to specific repairs and locations; and may not affect all electrical and/or water systems within the park. Accordingly, NELHA is proposing to annually schedule **four (4), two (2) hour seawater shutdowns.** The maintenance shutdown dates are as follows:

- **Wednesday, June 17, 2026, 7:00 AM to 9:00 AM.**
- **Wednesday, September 16, 2026, 7:00 AM to 9:00 AM.**
- **Wednesday, December 16, 2026, 7:00 AM to 9:00 AM.**
- **Wednesday, March 17, 2027, 7:00 AM to 9:00 AM.**

Scheduled maintenance shutdowns will allow NELHA to work on necessary repairs and capital improvement upgrades throughout NELHA's electrical, pumping and distribution systems. As the capital improvement and repair projects are diverse in nature, it is hard to predict which systems will be offline for the proposed scheduled dates. It will be the client's responsibility to find work arounds to their systems for two hours or more if services are turned off for that date. From past experiences, NELHA cannot predict all issues or problems that may occur when performing difficult and complicated repairs or upgrades. As such, NELHA will target completing the repair

or upgrade within two hours but cannot guarantee service will be available if the repair or upgrade takes longer to complete due to unforeseen issues or problems. After the upgrade or repair is complete, NELHA will notify the clients that services will begin the process of coming online in order to establish normal operating parameters. Stabilizing the system may take up to an hour. Please prepare for the possibility of increased electrical issues or debris and silt in the freshwater or seawater pipeline systems, due to the shutdown.

Dates for the scheduled high-volume surface seawater flushing advisory and maintenance shutdowns were chosen following discussion with some HOST Park seawater system stakeholders. The advance schedule provides sufficient notice for affected companies to plan accordingly.

PLEASE NOTE: Emergency repairs will be considered NON-SCHEDULED and will allow NELHA Operations Staff address an urgent critical repair to the system. Non-scheduled shutdown notifications will be issued to the clients as time and conditions permit. The repair goal for non-scheduled shutdowns will be to quickly re-establish electrical systems, set point pressure and fresh/seawater delivery.

NELHA reserves the right to cancel advisory or shutdown notices due to unforeseen circumstances.

This e-mail is only being sent to the principal point-of-contact staff for each client / project in the affected area – thus, Please Advise All Affected Staff In Your Organization.

Thank you for your attention and cooperation regarding the flushes and maintenance shutdowns. Please do not hesitate to telephone me at 808-747-4797 if you have any questions or email me at keith.olson@hawaii.gov

IMPLEMENTED: XXXXXXXX, 2026

APPENDIX A

PIPELINE FLUSH METHODOLOGY

Based on the past one and half years performing six pipeline flushes, methodology for the quarterly flushes will be implemented as standard practice:

- NELHA will focus its flushing efforts on the SSW 28" pipeline corridor between the 55" pump station and the Research Campus pump station and the SSW 24" pipeline corridor from the Research Campus pump station to the Makai Ocean Engineering Tower area.
- NELHA will have all pumps mechanically ready and available to provide maximum flow volume through the 28" and 24" SSW pipeline system.
- NELHA will communicate, in real-time, instructions and observations to participating clients through a group text messaging system. The information will include:
 - Valve position set points
 - Pump station status
 - Seawater flow volumes and direction details
 - Biofouling and silt movement observations as noted by NELHA and Clients
- The ability to reach maximum pump volumes and linear velocities inside the SSW 28" and 24" pipeline system will depend on client participation.
- NELHA Operations staff will provide instructions on discharge valve positions set points. These instructions will coordinate the directions of flow and limit the possibility of water hammer events within the SSW 28" and 24" pipeline distribution system. It is critical that clients follow the directions.
- NELHA will move the seawater through the SSW 28" pipeline in the normal flow direction and in the counter flow direction wherever possible in each quarterly flush.
- NELHA will move the seawater through the SSW 24" pipeline in the normal flow direction, as there is no means to have water flow in the counter flow direction.
- NELHA will set the odd quarters, quarter 1 and 3, to begin the flush in the south bound direction, the normal flow direction of the 28" pipeline system and finish the flush in the north bound direction. The even quarters, quarter 2 and 4, will begin the flush in the north bound direction, the counter flow direction of the 28" pipeline system, and finish the flush in the south bound direction.
- NELHA may extend or shorten flush direction times based on observed biofouling and silt observations in the discharge areas. This information will be available and openly discussed in the group text messaging system for client feedback and comments.
- NELHA will target one hour and 45 minutes for the flush activities and rebalance the system within 15 minutes after the flush is completed.
- After the 24" and 28" high-volume surface seawater pipeline flush is complete, NELHA will begin pumping seawater in a normal operating mode. Clients should be prepared for the possibility of increased debris and silt, for several hours to days while the pipeline and pumping system is stabilized and plan facility operations accordingly

Item 8.
Financial Report

NELHA REVENUES - July – February FY26 vs. FY 25

NELHA Income Sources	Actual FY 24	Actual FY 25	Budget FY 26	July - Feb FY 26	July - Feb FY 25	FY 25 vs. FY 26
Land and Facility Income						
Host Park Land Lease Base Rent	1,758,893	1,799,683	1,872,210	1,086,843	1,095,849	(9,006)
Research Campus (Covered/Uncovered Space)	211,932	289,387	301,049	210,839	172,469	38,370
Research Campus (Office/Conference Rental)	341,258	369,727	384,627	182,591	228,780	(46,189)
Host Park Lease Percent Rent Payments	36,402	51,017	53,073	6,244	10,000	(3,757)
Host Park Royalty Lease Payments	27,162	25,694	26,729	17,023	19,804	(2,781)
Total Land and Facility Income	2,375,647	2,535,507	2,637,688	1,503,539	1,526,902	(23,363)
Recovery and Reimbursements						
Seawater System Reimbursements	1,488,070	1,608,128	1,672,935	1,000,632	1,028,073	(27,441)
Labor Services	109,804	68,937	71,715	32,464	33,170	(706)
Electric Reimbursements	440,829	495,943	515,929	538,745	277,646	261,099
Freshwater Reimbursements	231,146	277,956	289,158	115,074	185,451	(70,377)
Total Recovery and Reimbursements	2,269,849	2,450,964	2,549,738	1,686,915	1,524,341	162,575
Other Income						
Federal/County/UH/Special Projects	(23,648)	20,124	242,050	(3,974)	(16,753)	12,779
Interest Income/Investments	94,064	67,705	70,434	17,905	45,297	(27,392)
Misc Income	277,607	329,433	342,709	197,592	177,533	20,059
Total Other	348,023	417,262	655,193	211,523	206,077	5,446
TOTAL REVENUE	4,993,518	5,403,733	5,842,619	3,401,977	3,257,319	144,658

NELHA EXPENDITURES - July - February FY26 vs. FY 25

NELHA Expense Categories	Actual FY 24	Actual FY 25	Budget FY 26	July - Feb FY 26	July - Feb FY 25	FY 25 vs. FY 26
OHA Ceded Land Assessment	469,074	674,620	507,994	231,809	218,725	13,084
Central and Adm. Services Assessment	174,519	214,237	218,827	145,997	112,152	33,845
UPW Temporary Hazard Pay (THP) Settlement			100,000	79,531		79,531
Total Funds Transfer (Out)	643,593	888,856	826,821	457,337	330,877	126,459
Administrative Expenses	1,661,046	1,838,162	1,877,210	1,321,570	1,170,878	150,692
<i>Payroll and Related</i>	<i>1,347,975</i>	<i>1,499,050</i>	<i>1,544,022</i>	<i>1,087,130</i>	<i>934,730</i>	<i>152,400</i>
<i>Allocated Insurance Premium</i>	<i>166,251</i>	<i>166,251</i>	<i>171,238</i>	<i>139,545</i>	<i>166,251</i>	<i>(26,706)</i>
NELHA Utilities	95,801	120,201	123,807	4,509	67,295	(62,786)
HOST Park Ground Maintenance and Security	123,290	61,805	63,659	61,927	22,668	39,259
HOST Park Environmental Monitoring	144,030	159,429	164,212	92,478	109,543	(17,065)
Beach Park Maintenance	51,045	67,938	69,976	49,896	42,200	7,696
Misc. Expenses	1,711	2,939	3,488	1,348	2,409	(1,061)
Total Administrative Expenses	2,076,922	2,250,473	2,302,351	1,531,729	1,414,994	116,735
Seawater System (Reimbursable)	1,396,273	1,574,984	1,349,458	917,936	818,473	99,463
Payroll and Related	563,667	408,409	420,662	298,219	282,754	15,465
Electric (75%)	703,808	825,247	830,004	583,524	480,790	102,735
Freshwater (13%)	5,284	5,774	5,948	4,563	2,872	1,691
Tenant Utilities (fresh water/elec. reimbursable)	702,016	750,553	773,070	634,003	460,100	173,903
Total Seawater System	2,098,290	2,325,537	2,122,528	1,551,939	1,278,573	273,366
Special Projects/ Federal Grants	17,578	16,052	16,533	2,736	9,036	(6,300)
TOTAL EXPENSES	4,836,383	5,480,918	5,268,233	3,464,210	3,033,480	430,730
<i>MEMO Notation: Total Payroll and Related</i>	<i>2,114,654</i>	<i>1,758,209</i>	<i>2,189,364</i>	<i>1,558,984</i>	<i>1,344,182</i>	<i>214,802</i>

Appendix C
NATURAL ENERGY LAB OF HAWAII AUTHORITY
Fiscal Year 2026

Special Fund - Account Summary
as of February 28, 2026

Beginning Fund Balance	0.00
Prior Year Cash Transfers	695,487.96
	<hr/> 695,487.96
Revenues	3,401,976.82
Total	<hr/> 4,097,464.78
Cash Expenditures	3,464,210.04
Encumbrances	
Total	<hr/> 3,464,210.04
Special Fund Balance	<hr/> 633,254.74
Arrears as of February 28, 2026	70,114.31
	<hr/>
Total Estimated Special Fund Balance	703,369.05

Source: FAMIS as of February 28, 2026

NELHA ARREARS REPORT

31 DAYS AND OVER

Data as of February 28, 2026

CLIENT	NUMBER OF DAYS IN ARREARS				COMMENT
	31 - 60	61 - 90	90 and over	TOTAL	
Aparent, Inc.	6,163.71	5,980.25	11,734.37	23,878.33	Breach of contract letter will be sent.
Legacy Reef Foundation	108.11	107.04	5,703.58	5,918.73	
Ocean Rider	278.10	285.25	20,024.93	20,588.28	Paying slowly on previous year % rent.
Ocean Well	750.00			750.00	
UH-Infrasound	3,418.50	3,418.50		6,837.00	UH executed extension lease with delays. Payment in progress.
UH-SBDC	1,318.23	1,318.23	9,401.51	12,037.97	UH executed lease with delays. Payment in progress. Pd \$9,401.51 on 3/3/26
Keahole Center for Sustainability	104.00			104.00	
TOTAL	12,140.65	11,109.27	46,864.39	70,114.31	

Item 10.

Announcements

- a. Date of the next regularly scheduled NELHA Board of Directors Meeting is Tuesday, May19, 2026 at 1:00 p.m.

Item 11.

Adjournment