



**NELHA BOARD BOOK**

**May 26, 2026**

## **In Memoriam: Riley Saito**

It is with a heavy heart that we announce the sudden passing of NELHA's Executive Director Riley Saito. Riley brought vision and dedication to his work at HOST Park and to the Kona community. His commitment to advancing Hawai'i's sustainable future shaped much of his life's work.

During his leadership, Riley was a tireless champion for clean, renewable energy, consistently engaging with community and government partners. He also ensured that modern scientific progress remained deeply rooted in traditional Hawaiian knowledge.

He contributed to closer ties between the administration and the community by engaging with tenants and gaining insight into their operations and technologies.

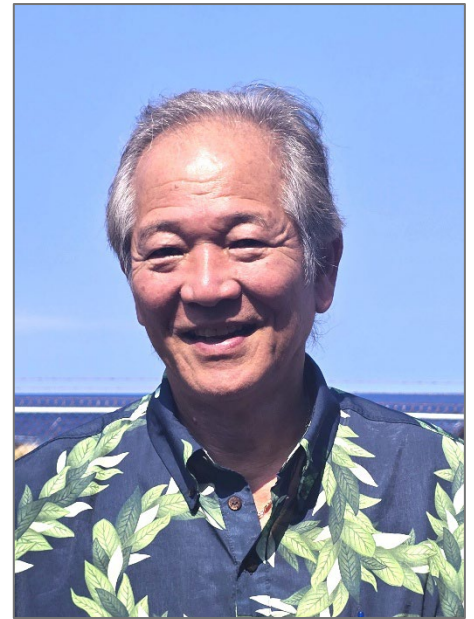
Before leading NELHA, Riley served as the Energy Specialist and Assistant Deputy Director for the County of Hawaii's Department of Research and Development. His landmark achievements included establishing the Pacific Hydrogen Alliance to deploy clean hydrogen solutions and spearheading the transition of the County's bus fleet to zero-emission technologies.

During the COVID-19 pandemic, he played a critical role on the County's mitigation team, helping to deliver over \$44 million in CARES Act funding to families and small businesses in need. He also served on the frontline at the Ellison Onizuka Kona International Airport as part of the Safe Travels arrival team.

Riley's impact rippled through every facet of the community. From his early career as vice president at Mauna Lani Resort to his decade of service as treasurer for the Friends of NELHA, he was a man who led with both his intellect and his heart.

Riley was also a past president of the Big Island Group, a two-term Kailua-Kona Village Design Commissioner, and a dedicated member of Cornerstone Christian Fellowship where he served as an accompanist. He had a love for writing and playing music, and he frequently shared his songs with staff.

Riley brought thoughtful strategic insight and genuine kindness to his work and mentorship. His contributions have supported ongoing efforts toward a more sustainable, self-sufficient Hawai'i, a legacy that will continue to have an impact.





# 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**  
**May 26, 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/87699729564?pwd=wH1ks4KNbugvNMzz5TZ1oiNgzpHvpv.1>**

**Meeting ID: 876 9972 9564**  
**Passcode: 958608**

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

+12532050468,,87699729564#

or

+12532158782,,87699729564#

**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' March 17, 2026, Meeting Minutes.**
- 3. Public Testimony.**
- 4. Old Business.**

- a. Update and discussion regarding the Amended Complaint Filed by Keahole Point Hatcheries LLC on October 28, 2025.\*
- b. Create a Permitted Interaction Group, pursuant to HRS 92-2.5(b), for the purpose of recruiting and making a recommendation to the NELHA Board of Directors for hiring of the NELHA Executive Director position – Discussion and Decision-Making.

**5. New Business.**

- a. Discussion regarding the November 18, 2025 sea water quality event and related demand letter from McCorriston Miller Mukai MacKinnon LLP, attorneys at law, on behalf of Ocean Era, Inc. dated April 14, 2026 . \*

**6. Financial Report: Approval and Decision Making.**

**7. 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.\***

**8. Announcements.**

- a. Date of next regularly scheduled NELHA Board of Directors meeting is Tuesday, July 21, 2026, at 1:00 pm.

**9. 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, May 15, 2026, addressed to: [laurence.sombardier@hawaii.gov](mailto: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](mailto: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 July 21, 2026.

**Issued Wednesday, May 20, 2026, in compliance with Sunshine Laws**

## Item 3.

Approval of NELHA Board of Directors'  
March 17, 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

March 17, 2026

1:00 p.m.

**DRAFT**

**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)  
Gordon Bruce (Gov. Appointee)  
Dr. John Wiltshire (RAC Secretary)  
Benson Medina (County of Hawaii)  
Dave Molinaro (DBEDT Director Office)  
Manu Tupper (DLNR)  
Nathan Tsao (Tenant Representative)  
Dane Wicker (DBEDT Director Office)

#### **Board Members Not Attending and Excused**

Cyd Miyashiro (Gov. Appointee/Vice Chair)  
Neil Sims (Tenant Representative)  
Alan Hilton (RAC Chair)  
Dr. Chad Walton (University of Hawaii)

#### **Guests/Staff Present**

Laurence Sombardier (NELHA)  
Keith Olson (NELHA)  
Pam Madden (NELHA)  
Bryan Babbitt (NELHA)  
John Cole (AG)  
Federico Rotman (Blue Ocean Mariculture)  
Jeff Zimpher (National Park Services)  
Tom Fee (HHF Planners)  
Srkmv (unknown affiliation)  
Will Kane (Governor's Office)  
Donn Ariyoshi (Ariyoshi Family Foundation)  
Lisa Ariyoshi (Ariyoshi Family Foundation)  
Angie Chapman (unknown affiliation)  
Lance Tsuchiyama (unknown affiliation)

**A meeting recording is not available.**

#### **Item 1. Call to Order.**

The meeting was called to order by Chair Noelani Kalipi at 1:02pm Chair Kalipi asked Deputy Director Laurence Sombardier (DD Sombardier) for a roll call of Board members and NELHA staff. Reference to Act 220. 8 members were present and 4 excused.

- **Item 2. Approval of NELHA Board of Directors' November 18, 2025, Executive Meeting Minutes.**

Chair Kalipi entertained a motion to approve the November 18, 2025, executive minutes. Director Wiltshire moved to approve the minutes, and the motion was seconded by Director Kaina. Hearing no objections, the minutes were approved (7-0).

- **Item 3. Approval of NELHA Board of Directors' January 20, 2026, Meeting Minutes.**

Chair Kalipi entertained a motion to approve the January 20, 2026, minutes. Director Tsao moved to approve the minutes, and the motion was seconded by Director Wiltshire. Hearing no objections, the minutes were approved (7-0).

- **Item 4. Approval of NELHA Board of Directors' January 20, 2026, Executive Meeting Minutes.**

Chair Kalipi entertained a motion to approve the January 20, 2026, executive minutes. Director Wiltshire moved to approve the minutes, and the motion was seconded by Director Tsao. Hearing no objections, the minutes were approved (7-0).

- **Item 5. Public Testimony.**

Mr. Donn Ariyoshi asked if his testimony in support of honoring his father, Governor George Ariyoshi by renaming HOST Park in his honor was appropriate under this agenda item. Chair Kalipi explained that there is a specific agenda item for this later and asked if time was of concern in which case the renaming item could be pushed forward. Mr. Ariyoshi responded that he would wait.

- **Item 6.a. Old Business. Update and discussion regarding the Amended Complaint Filed by Keahole Point Hatcheries LLC on October 28, 2025\*.**

Chair Kalipi stated they might 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). AG Cole suggested that he provide a summary in public and that if Board Directors have follow-up questions requiring executive session that executive session can be entered into at that time.

AG Cole explained that there is not a lot of new information to convey. A trial date has been set for April 12, 2027. Plaintiffs have filed a First Request for Answers to Interrogatories as well as a First Request for Production of Documents. AG Cole has discussed these with Chair Kalipi and DD Sombardier and information is being gathered.

There were no questions for AG Cole and an executive session was not necessary.

- **Item 6.b. Old Business. Report from Special Investigative Committee regarding the annual performance evaluation of the NELHA Executive Director for the period February 2025 through January 2026\*\*.**

Chair Kalipi stated they might be discussing this item in 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.

AG Cole reminded Chair that once the committee is ready to provide a full report with final findings, the Board can only act at the following Board meeting. He also added that the Special Investigative Committee can provide a short update without going into executive session if no confidential information pertaining to personnel is revealed in public.

Chair Kalipi responded that she would provide a short update. The Committee consists of Chair Kalipi, Vice Chair Miyashiro and Director Walton. She said that she has not had the chance to speak with Executive Director Saito and therefore expects the report to be provided to the Board at the next Board meeting.

- **Item 7.a. New Business. Discussion and Decision-Making regarding the Request by Governor Green to rename HOST Park in honor of Governor George R. Ariyoshi.**

Chair Kalipi asked if there was a presentation. DD Sombardier responded that Mr. Will Kane, Senior Advisor to Governor Green had joined to present via Zoom. Mr. Kane explained that Governor George Ariyoshi was instrumental in the formation of NELHA and that HOST Park was one of his administration's signature projects.

Mr. Donn Ariyoshi, Governor Ariyoshi's son, reiterated that NELHA and HOST Park were very important to his father and that his father was very proud of the facility and what it has accomplished over the decades. When asked what should be named after him, he requested that he would be honored if HOST Park was named after him.

Ms. Lisa Ariyoshi from Ariyoshi Family and Friends echoed what Mr. Ariyoshi said. And added that the naming would acknowledge the great champion that Governor Ariyoshi was during the formative years of the park.

Director Wilshire stated that he had the honor to work with Governor Ariyoshi from 1986 to 1993 and he fully supports the request.

Director Molinaro also expressed support.

Chair Kalipi stated that she also supports the request and expressed gratitude for Governor Ariyoshi's support during her time working with Senator Akaka.

There were no further questions or discussions by Board members.

Chair Kalipi entertained a motion to approve the request by Governor Green to rename HOST Park in honor of Governor Ariyoshi. Director Wilshire moved first, and the motion was seconded by Director Molinaro. Hearing no objections, the motion was approved (7-0).

- **Item 7.b. New Business. Discussion and Decision-Making regarding proposed NELHA Seawater Flush and Utility Maintenance Plan for 2026.**

Chair Kalipi asked if there was a presentation. DD Sombardier provided a summary for this agenda item. She explained that NELHA conducted 6 high volume flushes in the last year and a half. While there are still some concerns by some clients that these flushes can disrupt stable bio-communities in pipelines, most felt that the flushes do remove silt, deposits and biofouling and that these are helpful. The 6 test flushes provided a basis to develop a methodology including timing which is presented in a plan that was included in the Board packet.

DD Sombardier also explained that the plan includes downtime for maintenance. Maintenance needs an absence of water in the pipelines and therefore cannot be conducted at the same time as flushes which require the opposite (i.e., increase the water in the pipelines).

DD Sombardier stated that the plan is being brought to the Board as advised by the AG's office, for high level input, in particular for guidance relating to whether a signed waiver by the tenants would be appropriate.

After receiving input from the Board, NELHA plans to distribute the plan to all stakeholders, not just the larval group, and obtain feedback. The feedback can be incorporated into the plan and depending on what Board's guidance is, staff can bring a revised plan back to the Board or proceed with implementation.

Director Wilshire asked if ice pigging was still being considered as he thought it was a good idea but did not see it in the plan. DD Sombardier responded that staff is still contemplating ice pigging but that more work is needed on that end. We have received feedback that it would be advisable to engage the services of a professional firm to assist with implementation. But, ice pigging is not part of the planned system flushes.

Director Tsao noted that the proposed plan goes until Q1 of 2027 and asked what would happen beyond that time. DD Sombardier responded that the plan is to reevaluate every year and reestablish dates every year. A statement to this effect could be included in the plan.

Director Molinaro asked if the 2-hour time slot for flushes and maintenance was significant. Operations Officer Keith Olson responded that many clients have live animals and 2 hours is the established cutoff as far as ensuring survival of the animals. Director Molinaro also asked if there was a reason that flushes were planned midday as he would have thought morning might be better. Operations Officer Olson responded that for the flushes, midday is when the highest level of pumping is already taking place and therefore is the preferred time for the flushes as the more water circulating the better. Operations Officer Olson also mentioned that high-volume mid-day flushes are the best time to reduce or minimize the electrical demand charge. Maintenance slots are planned for earlier in the morning.

Director Molinaro stated that he thought a waiver is appropriate considering recent actions by clients. He thought that at the very least, an acknowledgement should be necessary.

DD Sombardier asked what happens if some clients refuse to acknowledge or sign a waiver; would the plan still go forward. Director Molinaro felt that it should.

AG Cole pointed out that staff plans to reach out to all tenants and that he recommends everyone sign off on the plan. He explained that a liability waiver might be more difficult to obtain than an acknowledgement.

The waiver might need to get approved at the next Board meeting. DD Sombardier pointed out that the next flush would be May 27 while the next Board meeting is May 19. And that clients are eager to get the plan going.

Director Bruce concurs that clients should acknowledge that they are aware that the flushes will take place. Chair Kalipi also concurred.

Director Tsao stated that his impression is that most tenants want the flushes to happen. He does not think acknowledgment will be a problem.

Chair Kalipi asked if a motion should be made. DD Sombardier responded that it would be helpful for the Board to approve the plan, agree that staff seek input from all tenants, finalize and implement the plan. AG Cole suggested that if major issues are raised regarding the plan or the acknowledgment requirement, the Board could conduct a Special meeting to address these.

**Director Wicker joined the meeting at approximately 1:30PM.**

Chair Kalipi entertained a motion to approve what was described by DD Sombardier. Director Wilshire moved first, and the motion was seconded by Director Tsao. Hearing no objections, the minutes were approved (7-0).

- **Item 5. Financial Report: Approval and Decision Making.**

Chair Kalipi asked DD Sombardier to present this agenda item.

DD Sombardier presented the report that was included in the Board packet. This included a revenue table, an expenditure table, a special fund summary and an arrears summary.

The revenues for July-Feb for FY26 are in line with last year's revenues for the same period, with an overall increase primarily due to increase in seawater usage. Land revenues decreased a little mainly due to a significant decrease in Hale Iako office revenues. At the beginning of FY26 we lost clients for 4 to 5 offices, and these have not yet been leased out again. This is the first time since the early years of renovation in 2017 that there is significant occupancy in Hale Iako.

Expenditures have also increased. This is in part due to increased seawater expenditures. We also saw an increase in administrative expenses, particularly payroll. This increase results from the fact that NELHA is now fully staffed (except for one position) compared to same period last year. A significant portion of the increased payroll is the Executive Director position which started in February 2025.

The special fund has decreased a little from the last financial report in January but is mostly stable at approximately \$700,000.

Arrears include Apparent Inc at approximately \$24,000. This company usually pays the arrears when pushed every 4 months or so. But this time around, the company has been unresponsive. A breach of contract will be sent out. There are two University of Hawaii projects that have significant arrears. The lease extensions on these have finally been executed, and payments are expected soon to bring the accounts current. We have already received a check from SBDC in March that pays down most of the balance but this is not reflected in the arrears since they only include data up to February 2026.

DD Sombardier asked if there were any questions and there were none.

Chair Kalipi asked if a motion was required and DD Sombardier responded that in the past, the Board typically approves the financial presentation. Chair subsequently asked for a motion. Director Wilshire moved first, and the motion was seconded by Director Tsao. Hearing no objections, the motion was approved (8-0).

- **Item 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.\***

Chair Kalipi asked DD Sombardier to present this agenda item. DD Sombardier presented two items.

The first item was a summary of the Kona storm impacts. She explained that NELHA

experienced some damages from the storm as did much of the State of Hawaii. Access to the park was temporarily impacted when one of 4 large trees at the entrance blocked the road on Friday night. NELHA operations staff was able to restore full access by Saturday early morning. Other damages included wind and water damage in buildings, a shed rooftop blowing off, damages to fences, loss of sea water air conditioning in Hale Iako due to loss of the SWAC system VFD and loss of several sea water system pump VFDs.

DD Sombardier emphasized that NELHA Operations Officer and staff were at the facility throughout the weekend to address first level impacts and that utilities (seawater, power and freshwater remained mostly on through the event). Director Tsao concurred with the assessment that operations staff performed admirably.

Chair Kalipi expressed gratitude to the staff for response to the storm.

The second item was a summary of legislative activities as they relate to NELHA. DD Sombardier stated this was requested by Board members at the January meeting.

NELHA is monitoring 24 measures and has provided testimonies for 5 of these. These include support for establishing a blue cluster and Office of Marine Affairs (SB2907) and construction related bills. The testimony for the special fund sweep (SB2921) explained that NELHA does not have excess special funds as only 1 to 2 months' worth of operating expenses are available in the special fund at any given time. WAM subsequently removed NELHA from the list in the special fund measure.

NELHA also supported the Governor's budget bill in coordination with DBEDT. This bill has passed the house and now needs to pass the senate. The budget bill includes \$10M CIP funds to remove abandoned deep sweater pipelines offshore, \$1.675M to address deferred maintenance including security fencing, campus electrical repairs and upgrades, roadway repairs and pipeline repairs and improvements. These CIP bills are even more important after the Kona storm event. The budget bill also includes approval for one new position (cultural practitioner) to support master plan, EIS work and address deferred stewardship, as well as approval to restore funding for the Admin Assistant, the latter being more of a housekeeping matter which nonetheless requires legislative approval.

- **Item 10. Announcements.**

Chair Kalipi noted that the next meeting is scheduled for May 19, 2026, at 1:00 pm

- **Item 11. Adjournment.**

Chair Kalipi adjourned the meeting at 1:51pm.

###

Item 6.  
Financial Report

**NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY Financial Report Summary**  
July 2025 through April 2026

**FY 2026 vs. FY 2025 Revenue: (See Appendix A for Details)**

- Total revenue for the first ten months of FY26 was approximately \$4.294M. This reflects a 2.8% reduction over the same period last year. Of note for FY26 are the following:
  - Overall seawater system revenue is down by approximately \$148.5k or 12.5%. This is mainly due to a decrease seawater demand by NELHA's clients.
  - HOST Park lease revenue is down by approximately \$31.5k or 2.1%
  - Research Campus overall revenue decreased by approximately \$55k , mostly due to a \$74k decrease in office space rentals and a \$19k increase in outdoor space rentals.
  - Percent rent and royalty revenue at this time is \$90k or a 24% increase from the same period last year.
  - Labor services remained lower than last year by approximately \$15k or 26% less than the same period last year. The difference comes from a reduction in work requested by the Department of Health.
  - Seawater Electric reimbursements were lower due to reduced demand and lower utility rates. Freshwater reimbursements were also down by 57% due to lower client demand 26%.

**FY 2026 vs. FY 2025 Expenditure: (See Appendix B for details)**

- Total expenses for the first ten months of fiscal year 2024 were approximately \$4.254M , a 3.5% increase from last fiscal year. We continue to monitor expenditures very closely. Of note are the following:
  - Seawater system expenditures were up by approximately \$135k or 7.6%. Personnel costs were higher than the same period last year due to being fully staffed. Costs related to a decreased in client seawater utilization, but higher episodic demand and higher electricity rates contributed to the higher seawater system utility expenses.
  - Total tenant utilities increased by 27%.
    - The electrical expenses increased by 64% from the same period last year. This was mostly due to decreased in client seawater utilization, but higher episodic demand.
    - Fresh water expenses had a 30% decrease from the same period last year. Mostly due to lower fresh water utilization despite significant DoWS rate increases.

- HOST Park ground maintenance personnel expenses increased 174% due to initiatives to clean up areas of beach park, removal of homeless encampments, and multiple car crashes into the main security gate.
- Beach Park Maintenance increased by 40% as usage of the beach park continues to be high and requires increasing amounts of supplies and attention from our operations department.
- Environmental monitoring expenses decreased by 12.3% as services have been engaged to address water quality concerns by hatcheries.
- Administrative expenses increased by approximately \$140k or 9.3%. This is large part due to increased personnel costs of approximately \$136.5k or 10.8%. NELHA during the FY 26 period was at full staff.

**Special Fund Account Summary (See Appendix C for details)**

- Special fund balance is \$570,184.09. As anticipated, the encumbrance for the 1-year security services contracts are now reflected on the balance.

**Arrears Report: (See Appendix D for details)**

- As of April 30, 2026, the arrears were \$44,931.41. These are listed in Appendix D and staff is addressing by working with the specific companies and situations.

NELHA – May 20, 2026

## APPENDIX A – NELHA REVENUES

### July – April FY 26 vs. July – April FY 25

NELHA Income Sources	Actual FY 24	Actual FY 25	Budget FY 26	July - Apr FY 26	July - Apr FY 25	FY 25 vs. FY 26
Host Park Land Lease Base Rent	1,758,893	1,799,683	1,872,210	1,475,090	1,506,571	(31,481)
Research Campus (Covered/Uncovered Space)	211,932	289,387	301,049	244,650	225,434	19,216
Research Campus (Office/Conference Rental)	341,258	369,727	384,627	229,168	303,338	(74,170)
Host Park Lease Percent Rent Payments	36,402	51,017	53,073	73,359	47,047	26,312
Host Park Royalty Lease Payments	27,162	25,694	26,729	17,023	25,694	(8,671)
<b>Total Land and Facility Income</b>	<b>2,375,647</b>	<b>2,535,507</b>	<b>2,637,688</b>	<b>2,039,289</b>	<b>2,108,083</b>	<b>(68,794)</b>
Seawater System Reimbursements	1,488,070	1,608,128	1,672,935	1,187,346	1,335,799	(148,454)
Labor Services	109,804	68,937	71,715	43,310	58,780	(15,470)
Electric Reimbursements	440,829	495,943	515,929	620,862	387,529	233,333
Freshwater Reimbursements	231,146	277,956	289,158	154,239	242,394	(88,155)
<b>Total Recovery and Reimbursements</b>	<b>2,269,849</b>	<b>2,450,964</b>	<b>2,549,738</b>	<b>2,005,757</b>	<b>2,024,503</b>	<b>(18,745)</b>
Federal/County/UH/Special Projects	(23,648)	20,124	242,050	(3,974)	(18,927)	14,953
Interest Income/Investments	94,064	67,705	70,434	23,367	54,059	(30,692)
Misc Income	277,607	329,433	342,709	229,734	250,073	(20,339)
<b>Total Other</b>	<b>348,023</b>	<b>417,262</b>	<b>655,193</b>	<b>249,127</b>	<b>285,205</b>	<b>(36,078)</b>
<b>TOTAL REVENUE</b>	<b>4,993,518</b>	<b>5,403,733</b>	<b>5,842,619</b>	<b>4,294,174</b>	<b>4,417,791</b>	<b>(123,617)</b>

## APPENDIX B – NELHA EXPENDITURES

### July – April FY 26 vs. July – April FY 25

NELHA Expense Categories	Actual FY 24	Actual FY 25	Budget FY 26	July - Apr FY 26	July - Apr FY 25	FY 25 vs. FY 26
OHA Ceded Land Assessment	469,074	674,620	507,994	231,809	325,733	(93,924)
Central and Adm. Services Assessment	174,519	214,237	218,827	145,997	153,002	(7,005)
UPW Temporary Hazard Pay (THP) Settlement			100,000	79,531		79,531
<b>Total Funds Transfer (Out)</b>	<b>643,593</b>	<b>888,856</b>	<b>826,821</b>	<b>457,337</b>	<b>478,734</b>	<b>(21,398)</b>
Administrative Expenses	1,661,046	1,838,162	1,877,210	1,658,977	1,518,458	140,519
<i>Payroll and Related</i>	<i>1,347,975</i>	<i>1,499,050</i>	<i>1,544,022</i>	<i>1,333,772</i>	<i>1,264,366</i>	<i>69,407</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	22,222	96,001	(73,779)
HOST Park Ground Maintenance and Security	123,290	61,805	63,659	74,516	27,193	47,323
HOST Park Environmental Monitoring	144,030	159,429	164,212	116,513	132,836	(16,323)
Beach Park Maintenance	51,045	67,938	69,976	76,816	54,794	22,022
Misc. Expenses	1,711	2,939	3,488	1,558	2,480	(922)
<b>Total Administrative Expenses</b>	<b>2,076,922</b>	<b>2,250,473</b>	<b>2,302,351</b>	<b>1,950,602</b>	<b>1,831,762</b>	<b>118,840</b>
Seawater System (Reimbursable)	1,396,273	1,574,984	1,349,458	1,141,548	1,172,631	(31,084)
<i>Payroll and Related</i>	<i>563,667</i>	<i>408,409</i>	<i>420,662</i>	<i>379,902</i>	<i>333,929</i>	<i>45,973</i>
<i>Electric (75%)</i>	<i>703,808</i>	<i>825,247</i>	<i>830,004</i>	<i>710,776</i>	<i>687,583</i>	<i>23,194</i>
<i>Freshwater (13%)</i>	<i>5,284</i>	<i>5,774</i>	<i>5,948</i>	<i>7,864</i>	<i>4,765</i>	<i>3,099</i>
Tenant Utilities (fresh water/elec. reimbursable)	702,016	750,553	773,070	780,961	614,782	166,179
<b>Total Seawater System</b>	<b>2,098,290</b>	<b>2,325,537</b>	<b>2,122,528</b>	<b>1,922,508</b>	<b>1,787,413</b>	<b>135,095</b>
<b>Special Projects/ Federal Grants</b>	<b>17,578</b>	<b>16,052</b>	<b>16,533</b>	<b>3,533</b>	<b>11,031</b>	<b>(7,498)</b>
<b>TOTAL EXPENSES</b>	<b>4,836,383</b>	<b>5,480,918</b>	<b>5,268,233</b>	<b>4,254,449</b>	<b>4,108,940</b>	<b>145,509</b>
<i>MEMO Notation: Total Payroll and Related</i>	<i>2,114,654</i>	<i>1,758,209</i>	<i>2,189,364</i>	<i>1,935,684</i>	<i>1,758,209</i>	<i>177,474</i>

**APPENDIX C**  
**NATURAL ENERGY LAB OF HAWAII AUTHORITY**  
**Fiscal Year 2026**  
**Special Fund – Account Summary as of April 30, 2026**

Beginning Fund Balance		0.00
Prior Year Cash Transfers		695,487.96
		<b>695,487.96</b>
Revenues		4,294,174.00
<b>Total</b>		<b>4,989,661.96</b>
Cash Expenditures		4,254,449.28
Encumbrances		209,960.00
<b>Total</b>		<b>4,464,409.28</b>
<b>Special Fund Balance</b>		<b>525,252.68</b>
Arrears as of April 30, 2026		44,931.41
<b>Total Estimated Special Fund Balance</b>		<b>570,184.09</b>

Source: FAMIS

**APPENDIX D**  
**NELHA ARREARS REPORT**  
**31 days and over**  
**Data as of April 30, 2026**

CLIENT	31 - 60 days	61 - 90 days	90 days and over	TOTAL	COMMENT
Jamestown Point	6,453.88			6,453.88	
Legacy Reef Foundation	110.28	109.19	5,918.73	6,138.20	Company has closed. In discussion regarding arrears.
Ocean Era - Limu	1,007.26				
Ocean Rider	258.54	265.88	18,588.28	19,112.70	Making payments
Ocean Well	250.00	750.00		1,000.00	
Symbrosia	2,233.95			2,233.95	Paid 5/5/26
UH-Infrasound	3,418.50	3,418.50	3,418.50	6,837.00	Paid 5/5/26
UH-SBDC	1,318.23	1,492.13	1,492.13	3,051.68	
Keahole Center for Sustainability		104.00		104.00	
<b>TOTAL</b>	<b>15,050.64</b>	<b>6,139.70</b>	<b>29,417.64</b>	<b>44,931.41</b>	

## Item 8.

### Announcements

- a. Date of the next regularly scheduled NELHA Board of Directors Meeting is Tuesday, July 21, 2026 at 1:00 pm.

## Item 9.

### Adjournment