

MINUTES
BOARD OF WATER SUPPLY
Thursday, March 20, 2025

The Board of Water Supply, County of Kauaʻi, met in a regular meeting in Līhu'e on Thursday, March 20, 2025. Vice-Chair Shigemoto presided over the meeting in the absence of the Chair, and called the meeting to order at 9:33 a.m. The following Board members were present:

BOARD:

Mr. Tom Shigemoto, *Vice Chair*
Mr. Kurt Akamine, *Secretary*
Mr. Kaʻaina Hull
Mr. Troy Tanigawa

EXCUSED:

Ms. Julie Simonton, *Chair*
Ms. Micah Finnila

Quorum was achieved with 4 members present at Roll Call.

Vice-Chair Shigemoto introduced incoming Ex-Officio Board member, Eric Fujikawa, State District Engineer of the Department of Transportation who was sitting, but not voting. (He was not yet sworn in)

ANNOUNCEMENTS

Next Scheduled Board Meeting: Thursday, April 17, 2025 – 9:30 a.m.

APPROVAL OF AGENDA

The agenda was approved with no objections

MEETING MINUTES

1. Regular Board Meeting – February 20, 2025

The minutes of the February 20, 2025 regular meeting were received for the record

PUBLIC TESTIMONY

Council Member Felicia Cowden provided public testimony on Informational Briefing Item 1.

Ms. Cowden stated that she feels the consideration of counting water fixtures for how a water meter is handled is a good idea, noting that the area she lives in has enormous houses with watering systems that potentially use a lot of water. She pointed out the way Wastewater considers the number of bedrooms to determine how many homes can share a septic system and hopes the Department of Water will similarly have a baseline number of fixtures per water meter. Ms. Cowden stated she is currently working on a bill that deals with workforce dormitory housing type structures, as opposed to single family dwellings and feels it would be helpful to use fixtures counts.

NEW BUSINESS

1. *Manager's Report No. 25-24* Discussion and Receipt of the Department of Water's (DOW)'s Financial Statements and Independent Auditor's Report for the Fiscal Year Ended June 30, 2024

Manager Joe Tait referenced Page 89 of the agenda packet (Page 77 of the Auditor's Report) noting that out of the 4 deficiencies, 2 have been corrected with the 2 outstanding, recurring items being Information Technology (IT) General Controls, and lack of an electronic catalog of

critical documents such as license agreements, leases, contracts, right of entry and easement documents, etc. These documents are spread around the department and staff has been working for over a year to not only catalog what is currently in our system, but also to identify things from decades ago that we don't have a record of.

Lawrence Chew and Ryan Iwane of N&K CPAs, Inc. provided a brief overview of the audit process and a summary of the Schedule of Findings for the Corrective Action Plan. Mr. Iwane reported that they are providing an unmodified opinion on DOW's financial statements for FY 2024, which means their belief is that DOW's 2024 financial statements are fairly presented in all material respects. He noted that they did not identify any non-compliance that was material to the financial statements. However, they did identify 2 internal control deficiencies, one of which was related to maintaining records of contracts, grants, leases, etc. which is considered a significant deficiency in internal control over financial reporting.

INFORMATIONAL BRIEFING (*Information only; non-action item*)

1. Water Systems Investment Plan (WSIP) presentation:
 - WSIP Overview and Objectives: Purpose and Outcomes, Project Schedule, History of Capital Improvement Projects (CIP), Facilities Reserve Charge (FRC) and Rates
 - CIP Development: Planned Buildout, 20-Year Prioritized, Achievable Prioritized Capital Improvement Projects, Projects Currently In Progress
 - FRC Overview, Definition and Purpose, Key Steps to FRC Calculation

Michelle Sorensen from Brown and Caldwell, and Ann Hijnosz from Harris and Associates, along with Engineering Division Head Jason Kagimoto provided an overview of the Water Systems Investment Plan (WSIP) Facilities Reserve Charge (FRC) Draft presentation. This presentation was a brief, high-level overview of the plan; the full WSIP FRC Draft Results will be presented in full at the upcoming Board workshop.

STAFF REPORTS

1. **Fiscal:**
 - a. Monthly dashboard – Number of Service Calls, Number of Walk-in Customers, Number of Customer Emails and Correspondence, Number of Customer Rebills, Accounting Highlights, Transponder Replacement highlights and progress, Staff Overtime hours
 - b. Budget Report for February 2025
2. **Operations**
 - a. Monthly dashboard – Annual Financial Impact Overview, Staff Overtime Hours, Budgeted and Vacant Positions, Services Received/Completed, Highlights: New Hires, Transponders replaced, Training for HazMat Certifications
3. **Engineering**
 - a. Monthly dashboard – Budgeted and Vacant Positions, Staff Overtime Hours, Projects In Design, In Construction, Completed; Water Resources and Planning Statistics – Customer Requests, Applications and Permits, Service and Records Requests, Number of Backflow Devices tested
 - i. Capital Improvement Plan (CIP) Project Highlights/Status Updates:
 - Kapa'a Homesteads 325' Tanks
 - Pu'u Pane 1.0 Million Gallon Tank
 - Kalāheo Water System Improvements
 - Kūhiō Highway (Hardy-Oxford) 18" Main Replacement

- Weke, ‘Anae, Mahimahi and He‘e Roads 6” and 8” Main Replacement
- Hanapēpē Town Well Master Control Center (MCC), Chlorination Facilities
- Līhu‘e Administrative Building Fencing
- Līhu‘e Baseyard Electrical Relocation
- ii. DOW Project Highlights/Status Updates:
 - Water Systems Investment Plan (WSIP): FRC Update
 - As-Needed Grant Writing and Preparation Services: Drought Resiliency Grant with United States Bureau of Reclamation (USBR) for Haena 0.2 MG Tank Construction; WaterSMART Grant for Advanced Metering Infrastructure (AMI) Meters
 - America’s Water Infrastructure Act (AWIA) Risk and Resilience Assessment/Emergency Response Plan
- 4. **Administration**
 - a. Monthly Dashboard – Budgeted Staff/Vacancies, Number of Agreements Processed/Pending, Contracts Executed/Pending, Memorandums of Understanding/Agreement Executed/Pending, Purchase Orders Processed, IT Help Desk Tickets Received/Completed; Staff Overtime Hours
 - b. Human Resources – updates on Personnel Vacancies
- 5. **Manager and Chief Engineer**
 - a. Reports to Manager:
 1. Contract Award to Paul’s Electrical Contracting, LLC - Job No. 24-14, Lihue Baseyard Electrical Relocation
 2. Professional Services DOW-2025-Prof-1, Contract Award to R.M. Towill Corporation – Job No. 25-03, As-Needed Surveying Services 2025-2027
 3. Change Order No. 5 to Contract No. 716 with Ronald N.S. Ho & Associates, Inc. – Job No. 21-03, Paua Valley Well MCC Replacement
 4. Change Order No. 3 to Contract No. 726 (Hawaiian Dredging Construction Company, Inc.) – Job. No. 09-01, WP2020 #K-01, K-12, Kalāheo Water System Improvements; Package A-0.5 MG Yamada Reservoir; Package B-01 MG Clearwell Reservoir; Package C-Water Main Installation, Kalāheo-Kōloa Water System
 5. First Amendment to Contract No. 769 with Compulink Management Center, Inc. dba Laserfiche – IT-2025-01, Document Management Software, Hosting, and Support Services
 6. Change Order No. 1 to Contract No. 724 with King Windward Nissan, LLC – GS-2025-01 Furnish and Deliver One (1) King Cab/Access Cab Pickup Truck
 7. Contract No. 774, Change Order No. 1 – Job No. 24-15, Lihue Administrative Building Fencing

TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING: (April)

1. Discussion and Possible Action on the Department of Water’s (DOW’s) DRAFT Operating and Capital Budgets for FY 2025-2026
2. Resolutions for 2024 Employees of the Year

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETING:

1. Discussion and Possible Adoption of Budget Resolution for Department of Water’s (DOW)’s Annual Operating and Capital Budgets for Fiscal Year 2025-2026

EXECUTIVE SESSION:

Pursuant to Hawai'i Revised Statutes (HRS) §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the Executive Session was not anticipated in advance. Any such executive session shall be held pursuant to HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

ADJOURNMENT

The meeting was adjourned at 10:59 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Cherisse Zaima". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Cherisse Zaima
Commission Support Clerk