

MINUTES
BOARD OF WATER SUPPLY
Thursday, September 24, 2026

The Board of Water Supply, County of Kaua‘i, met in a regular meeting in Līhu‘e on Thursday, September 24, 2026. Chair Tom Shigemoto called the meeting to order at 9:31 a.m. The following Board members were present:

BOARD:

Mr. Tom Shigemoto, *Chair*
Ms. Micah Finnila, *Vice-Chair*
Mr. Clyde Kodani
Mr. Eric Fujikawa
Mr. Ka‘aina Hull

EXCUSED:

Mr. Troy Tanigawa

With 5 members present at Roll Call, quorum was achieved.

ANNOUNCEMENTS

1. Next Scheduled Board Meeting: October 15, 2026

APPROVAL OF AGENDA

The agenda was approved with no objections

MEETING MINUTES

1. Regular Board Meeting – August 20, 2026
2. Executive Session – August 20, 2026
3. Public Hearing – September 1, 2026

PUBLIC TESTIMONY

The Board received public testimony from Felicia Cowden who stated that the Department has been absolutely heroic in their operations. She wished to acknowledge how the DOW team has exceeded all expectations, noting how thankful she is that Haena and Wainiha have water.

INFORMATIONAL BRIEFING

1. Board briefing for the Kapaia Waterline Environmental Permitting project
Jim Niermann of R.M. Towill presented an overview on the Kapaia Cane Haul Road 18” Waterline Environmental Permitting project as outlined in the presentation submitted:

Project Purpose

The presentation provides an update on the Kapaia Cane Haul Road 18-inch Waterline Project and its environmental permitting process for the Kaua‘i Department of Water. The project aims to improve water supply reliability, increase treatment and transmission capacity, and support current and future growth in the Primary Urban Center (PUC), including Līhu‘e, Hanamā‘ulu, and Puhi.

Project Need

Water availability significantly restricts affordable housing and economic development in Kaua‘i’s PUC. There is a declining trend in groundwater levels in the Līhu‘e Basin, and the reliance on a single transmission line from SWTP to PUC increases difficulty to manage water pressure and flow

rates for both potable use and fire protection. Additionally, there is inadequate capacity to treat and convey up to 10.0 mgd from SWTP to PUC to support planned growth.

Hawai'i Supreme Court Ruling

The EIS must address requirements stemming from the Hawai'i Supreme Court case *Kia'i Wai O Wai'ale'ale v. Department of Water*, including:

- Evaluate all required improvements (“but for” test).
- Secondary and cumulative impacts of future development that could reasonably and foreseeably result from the new water line (i.e., Lihue Development Plan and Waiahi SWTP expansion)
- Impacts of increased water withdraw from surface water sources, including upstream impacts to South Fork of Wailua River.
- Impacts of water withdraw on cultural practices.
- Ensure adequate information for meaningful public input.

Basis for EIS

The project requires preparation of an **Environmental Impact Statement (EIS)** because it uses county lands, county funds, and federal funding through the EPA Drinking Water State Revolving Fund. The review is governed by:

- Hawai'i Revised Statutes Chapter 343
- Hawai'i Administrative Rules Chapter 11-200.1
- National Environmental Policy Act (NEPA) requirements

Project Timeline

Milestone	Target Date
Pre-EIS Consultation	March 2026
EIS Preparation Notice (EISPN) & Scoping	November 2026
Draft EIS Publication & Public Meeting	Summer 2027
Final EIS & Record of Decision	Winter 2027

Major Project Components

1. Kapaia Reservoir Intake System

Existing Condition:

Constructed around 1910 as part of the East Kaua'i Irrigation System developed by the Līhu'e Plantation Company, this water conveyance facility plays a vital role in transporting water from the Hanamā'ulu Ditch System to Kapaia Reservoir. The Hanamā'ulu Ditch System collects and conveys water from the South Fork, supporting irrigation and water supply needs in the region. After the original intake tunnel collapsed in 2018, a temporary 0.5-mile-long, 36-inch-diameter pipeline was installed within the tunnel corridor to maintain water delivery and ensure the continued operation of the system.

Proposed Action:

- Remove the temporary 36-inch diameter pipe installed within the original intake tunnel.
- Restore the conveyance capacity of the original intake tunnel.

2. Waiahi Surface Water Treatment Plant (SWTP)

Existing Condition:

Constructed in 2004 by Grove Farm to support anticipated growth from planned developments, the water treatment facility draws raw water from Kapaia Reservoir and uses ultrafiltration membrane technology to produce potable water. The treated water is delivered to the Department of Water's Līhu'e Water System, serving Hanamā'ulu, Līhu'e, Puhi, Wailua, and Kapa'a. Currently producing approximately 3.0 million gallons per day (mgd), the facility has the capacity to increase production to 4.46 mgd through the addition of membrane cassettes within its existing footprint.

Proposed Action:

- Publicly acquire the Waiahi SWTP owned by Grove Farm and expand the facilities, storage tanks, and other ancillary infrastructure.
- Increase potable water treatment capacity from 3.0 to 10.0 mgd in phases correlated to projected water demands based on approved and future development plans.

3. Ma'alo Road Waterline

Existing Condition:

The existing 9,000-foot, 16-inch diameter waterline connecting the control valve station to Kapaia Cane Haul Road lacks sufficient capacity to convey the required 10.0 million gallons per day. The system also experiences challenges in managing pressure and flow rates, limiting its ability to meet current Hawai'i Water System Standards and maintain adequate fire protection service levels.

Proposed Action:

- Upgrade conveyance capacity of the 16-inch WL.

4. Kapaia Cane Haul Road Waterline

Existing Condition:

The asphalt two-lane roadway connects Ma'alo Road and 'Ehiku St, facilitating access to agricultural and industrial areas, and adjacent to proposed DHHL Līhu'e Lots in the south. A two-lane asphalt roadway with access gates at Ma'alo Road (north terminus) and 'Ehiku Street (south terminus) provides access to agricultural and industrial uses. Propsed DHHL Lihue lots are adjacent to the South portion of the road.

Proposed Action:

- Install new 9,000-ft long, 18-inch diameter WL below the asphalt-paved roadway or shoulder on Kapaia Cane Haul Road between the intersection of 'Ehiku St/Kūhiō Highway (south terminus) and Ma'alo Road (north terminus).
- Create a looped WL configuration and provide secondary route for potable water to flow from the source (Waiahi SWTP) to PUC.

5. Kūhiō Highway Waterlines

Existing Condition:

The 2,200-foot long, 16-inch diameter waterline (WL) on Ma'alo Road connects to WLs on Kūhiō Highway. To the south toward Līhu'e Town, there are parallel 12-inch and 6-inch WLs extending 1,000 feet, which transition to a single 12-inch WL for another 1,200 feet, ultimately connecting to a 16-inch WL at Kuene Street. To the east toward Hanamā'ulu Town, a 12-inch WL is present. Current management issues include pressure and flow rate challenges to meet Hawai'i Water System Standards (HWSS) and fire protection needs, along with inefficiencies in existing WL capacity, which must be addressed to convey up to 10.0 million gallons per day (mgd).

Proposed Action:

- Upgrade conveyance capacity of the WLs.

Preliminary Range of Alternatives

- Publicly acquire and expand the Waiahi SWTP and upgrade the related WL transmission system
- Develop new groundwater wells
- Acquire/expand the Waiahi SWTP, develop new groundwater wells, and upgrade the related WL transmission system
- Develop new horizontal groundwater wells
- Develop desalinization water plant
- Develop alternative water resource measures (e.g, rainwater catchment, stormwater reuse, recycled water)
- Develop demand-side management (e.g., development density controls, building moratorium)
- Deferred action
- No action

Board member Eric Fujikawa referred to the several projects included in the scope of this Environmental Impact Statement (EIS) and asked if the Department has any timeline established for these projects at present, for example Maalo Road. Executive Engineer Michael Hinazumi stated Maalo Road would be part of Phase 3 of this project bringing the plant from 7 million to 10 million in capacity. The timeline would be driven by local government development as well as private developers and the Department of Hawaiian Home Lands (DHHL). Mr. Fujikawa noted that an EIS has a certain lifespan and asked if there is an intention to renew the EIS at that point in time, or does this current EIS cover any master plan type document that exists. Mr. Hinazumi explained that a portion of the improvements is already included in Grove Farm's development commitments, including 2.0 MG of additional storage, increasing the surface water treatment plant to approximately 6.8 MGD, and evaluation of the existing Maalo transmission main to the Kapaia crossover. These development commitments will be covered by this EIS.

Board member Clyde Kodani asked how much research has gone into the preliminary range of alternatives mentioned? Mr. Niermann stated the intent is to acknowledge alternative options, noting that the public is casting a more critical eye on surface water. Some of the alternatives mentioned will have a more in-depth review, such as ground water, but for things like desalinization there would be just a canvassing of how it is implemented elsewhere. Mr. Niermann pointed out that the function of the EIS as a disclosure document is to inform the public of the department's direction and assess the potential resulting environmental impacts as well as exploring mitigation strategies. Additionally, it offers insight into the various alternatives being considered to help the public understand the rationale behind the decisions being made by the department.

Mr. Kodani's concern is that if the public is not satisfied with the level of research that has gone into each alternative, it could become a never-ending, open-ended discussion. He asked if there are any guidelines that state what level of research is required. Mr. Niermann explained that list of alternatives will be filtered out based on purpose and need. The department's mandate is to provide water for municipal use, for fire protection, and development while considering the health and well-being of the population. The operation constraints of the department also need to be considered, so the purpose and the need will be tied to the performance criteria of these potential alternatives. Based on that, the alternatives will be filtered into which ones will be advanced forward for more detailed analysis.

Chair Shigemoto asked if these improvements and this related EIS are already addressed in our Water Use and Development Plan. Mr. Hinazumi explained that the Water Use and Development Plan is a high-level document to look at development areas and how the department can sustain those types of developments. It doesn't detail specific infrastructure improvements.

In response to Chair Shigemoto's request for clarification on the Supreme Court Ruling, Mr. Niernmann explained that concerns raised during the legal proceedings, including testimony from Kia'i Wai O Wai'ale'ale and other testifiers, focused on potential impacts to stream function in the South Fork Wailua River, the impacts to the lo'i kalo resources, and overall stream function resulting from water being withdrawn from the stream. It was emphasized that the description of this project is not changing the withdrawal from the stream at all; there is just more water being withdrawn from the reservoir for municipal use rather than agricultural use. However, these potential impacts were required to be evaluated because they were specifically cited in the Supreme Court's ruling.

Chair Shigemoto commented that throughout this process, regardless of its many different aspects, anyone can argue at any point that they feel the department did not do a good enough job of assessing a particular issue. He does not mean that the Department should not move forward but noted that we have to be aware of the public's concerns and try to address them as best as we can. Mr. Niernmann noted that the fundamental purpose of the EIS is to do due diligence in assessing what the potential impacts will be. However, there is a rationale as to why this plan is being proposed in the manner it is.

Mr. Niernmann stated that the options for potential alternatives could be revisited internally to determine what would be best to include in the final publication.

2. Update to the Board on the outcome of the Small Business Regulatory Review Board (SBRRB) Meeting held on September 17, 2026

Engineering Division Head Jason Kagimoto stated that he and Manager Joe Tait attended the SBRRB meeting in person with other Fiscal and Engineering staff attending virtually along with a consultant from Brown and Caldwell. At the meeting the Department provided an update on the outcome of the Public Hearing held on September 1, 2026. The Department reported that the one testimony received was similar to the SBRRB's recommendation to consider spreading out the first two initial increases, which the Department evaluated and subsequently determined that it was in the best interest of the department and the community to keep the proposed rate increases as the Board of Water Supply initially recommended. This decision was predominately based on the department's ability to provide safe water and essential services on an ongoing basis as well as from a financial perspective.

Mr. Kagimoto reported that no water rate increase had occurred in the past 12 years and that approximately \$70 million in reserves had been expended over the last decade. For the current fiscal year, an additional \$9.3 million from reserves was required to balance the budget, leaving approximately \$10 million in remaining reserves, which does not leave much flexibility just to operate. Implementing the rate increases as the Board of Water Supply recommended would ensure the department is able to cover its operating expenses and move forward with its Capital Improvement projects, which will provide more resilient and reliable water systems for our community. It would also allow the department to maintain its reserve fund to enable responses to natural disasters and large-scale emergencies.

Discussion during the meeting was on whether the department knew how its CIP funds would be spent to which Mr. Kagimoto provided the SBRRB with a list of 52 projects. Another question posed by the SBRRB was whether the department could commit to re-evaluating after the first two years of rate increases to determine if there is a need to continue with the rate increases in the following three years. He stated the Department would commit to doing that re-evaluation.

Mr. Kagimoto stated that the SBRRB unanimously agreed to support DOW's proposed rates, so we will be moving forward with finalizing for implementation effective November 1, 2026.

Manager Tait thanked all the staff present for the hundreds of hours they contributed to getting the Department to this point. He noted that the next round of efforts will address some of the things Board members have brought up such as the inequity and imbalance between dwelling sizes and/or uses. He reminded the Board that this is just the first step, but we are not done.

NEW BUSINESS

1. Manager's Report No. 27-06 Discussion and Possible Action to reappropriate certain budget line-items to another line-item budget for the purpose of replacing two failed pumps and appurtenances due to the age and deterioration of the equipment.

Chief of Operations Ryan Smith provided a brief summary of the Manager's Report submitted.
Board member Kodani moved to approve Manager's Report No. 27-06, seconded by Mr. Fujikawa; with no objections, motion carried with 5 Ayes.

2. Manager's Report No. 27-07 Discussion and Possible Action to Request Board Approval for Indemnification and Unspecified Future Obligations for Oracle America, Inc. between the Board of Water Supply, County of Kauai and Oracle America, Inc.

Waterworks IT Manager Brit Yates provided brief summary of the Manager's Report submitted.
Board member Clyde Kodani moved to approve Manager's Report No. 27-07, seconded by Mr. Hull; with no objections, motion carried with 5 Ayes.

3. Manager's Report No. 27-08 Discussion and Possible Action to Request Board Approval of the Indemnification Provision in the Agreement for the Kaua'i War Memorial Convention Hall between the Board of Water Supply, County of Kaua'i and the County of Kaua'i, Department of Parks and Recreation.

Executive Engineer Michael Hinazumi provided a brief summary of the Manager's Report submitted.

Board member Clyde Kodani moved to approve Manager's Report No. 27-08, seconded by Mr. Fujikawa; with no objections, motion carried with 5 Ayes.

4. Manager's Report No. 27-09 Discussion and Possible Action to approve of the indemnification provisions included within escrow documents related to the closing of the Land Exchange of TMK (4) 2-3-005:006 and TMK (4) 2-3-005:025 pursuant to that certain Land Exchange Agreement approved by this Board on February 19, 2026.

Engineering Division Head Jason Kagimoto provided a brief summary of the Manager's Report submitted.

Chair Shigemoto asked whether the indemnification provisions could be included in the exchange documents. Deputy County Attorney Laura Essenberg explained that the actual exchange agreement in the amendment did not identify any indemnification language because the escrow documents came after the fact. Because the parties don't know what indemnification language may be coming or what the Board would specifically be indemnifying, it was impossible to include early on. It's only the indemnification language that needs to come to the Board for approval, so in this case it needed to be done separately.

Board member Eric Fujikawa moved to approve Manager's Report No. 27-09, seconded by Ms. Finnilla, motion carried with 5 Ayes.

5. *Manager's Report No. 27-10 Discussion and Decision Making on the Proposed Amendments to the Rules and Regulations of the Board of Water Supply, County of Kaua'i, State of Hawai'i, Part 4 for Fixing Rates for the Furnishing of Water Service in the County of Kaua'i.*

Engineering Division Head Jason Kagimoto thanked Michelle Sorensen of Brown and Caldwell and Ann Hajnosz of Harris & Associates who did a lot of the technical work to identify the Capital Improvement Projects and how best to move forward with the Department's long-range plan as well as looking at how to address our financial situation to enable us to move ahead with our projects. He noted that the department held 20 public meetings along with meetings with small business associations, community associations, and traditional cultural practitioners, which involved a lot of work by the consultants and the internal team. He acknowledged Waterworks Controller Renee Yadao who effectively communicated with the community on how the rate increases will be implemented and the need for them. He acknowledged the overall team including Dustin Moises, Sherri Silva, and Laura Essenberg who were not necessarily speaking at the public meetings, but helped the department get to where we are. Mr. Kagimoto noted that they received a lot of feedback from the public, and the department understands the concerns raised, which they will consider in the next phases when looking at rate design and cost of services.

Board members Ka'ina Hull and Micah Finnilla thanked Jason and the DOW team as well as the teams at Brown and Caldwell and Harris & Associates for all the hard work put into this initiative.

Manager Joe Tait recognized and thanked the Board's support staff for keeping things on track and managing the Board's schedule to fit in between all of the Department's other commitments and obligations.

Chair Shigemoto added to Mr. Hull and Ms. Finnilla's sentiments in thanking Manager Tait, all the staff and consultants who were involved in putting together the rate study. He noted that as Board members, they sit at the table and make the decisions, but the team is out there doing all the hard work in reaching out to the community and getting the public feedback. He thanked the DOW team and the consultants for all that they did.

Board member Clyde Kodani moved to approve Manager's Report No. 27-10 Proposed Amendments to the Rules and Regulations of the Board of Water Supply, County of Kaua'i, State of Hawai'i, Part 4 for Fixing Rates for the Furnishing of Water Service in the County of Kaua'i, seconded by Ms. Finnilla; with no objections, motion carried with 5 Ayes.

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. Monthly Department Overtime/Comp Time dashboard
- c. Budget Report for August 2026

2. Operations

- a. Monthly dashboard – Annual Financial Impact Overview, Staff Overtime Hours, Budgeted and Vacant Positions, Services Received/Completed, Highlights: New Hires and Promotions, Procurement updates, Training: Respiratory Fit Test, Workday Refresher, Cartegraph-Advanced Material, Cartegraph-Beginner, Cartegraph-Preventative Maintenance, and Cartegraph-Reports

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 – Two 0.5 MG Tanks
 - Pu‘u Pane 1.0 Million Gallon Tank
 - Kalāheo Water System Improvements
 - Weke, Anae, Mahimahi and He‘e Roads 6” and 8” Main Replacement
 - Lāwa‘i 6” and 8” Main Replacement
 - Kapa‘a Homesteads Well No. 4 Pump and Controls
 - ii. DOW Project Highlights/Status Updates:
 - Water Systems Investment Plan (WSIP)
 - Kaua‘i Water Use and Development Plan (KWUDP)

4. Administration

- a. Human Resources – updates on Personnel Vacancies
- b. Information Technology – Information Infrastructure and Cybersecurity updates
 - 1. Telecommunications Infrastructure Update
 - 2. Enterprise Resource Planning (ERP) Initiative
 - 3. Information Technology Service Management (ITSM) Platform – KACE
 - 4. Cybersecurity Monitoring and Vulnerability Management – Rapid7
 - 5. Data Protection and Disaster Recovery – Veeam
 - 6. Email Security and Backup – Barracuda
 - 7. Network Infrastructure Modernization
 - 8. Telecommunications System Upgrade
 - 9. Firewall and Network Security Enhancement
 - 10. Physical Security Systems Upgrade
 - 11. Identity and Access Management Strategy
 - 12. Active Directory and Server Infrastructure Refresh

5. Manager and Chief Engineer

- a. Reports to Manager:
 - 1. FY2026 Budget Adjustment – Administrative IT Division Budget Reappropriation from Non-Capital Account to Capital Purchase Account for Unbudgeted Equipment Purchase

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

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETING:

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 11:34 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Cherisse Zaima".

Cherisse Zaima
Administrative Assistant