

MINUTES  
BOARD OF WATER SUPPLY  
**Thursday, July 18, 2024**

The Board of Water Supply, County of Kaua'i, met in a regular meeting in Lihu'e on Thursday, July 18, 2024. Chair Tom Shigemoto called the meeting to order at 9:35 a.m. The following Board members were present:

**BOARD:**

Mr. Kurt Akamine  
Mr. Ka'aina Hull  
Ms. Micah Finnila  
Mr. Troy Tanigawa  
Mr. Larry Dill

**EXCUSED:**

Mr. Tom Shigemoto, *Chair*  
Ms. Julie Simonton, *Vice Chair*

**Prior to roll call, Commission Support Clerk Cherisse Zaima stated for the record that Secretary Kurt Akamine will preside over the meeting in the absence of the Chair and Vice Chair.**

Quorum was achieved with 5 members present at Roll Call.

**ANNOUNCEMENTS**

Next Scheduled Board Meeting: Thursday, August 15, 2024 – 9:30 a.m.

**APPROVAL OF AGENDA**

**Board member Dill moved to amend the agenda to receive the Informational Briefing presentation prior to New Business, seconded by Ms. Finnila; with no objections, motion carried with 5 Ayes.**

**MEETING MINUTES**

1. Regular Board Meeting – June 20, 2024
2. Executive Session – June 20, 2024

**The meeting minutes were approved with no objections.**

**PUBLIC TESTIMONY**

The Board received testimony from Ms. Felicia Cowden re: Informational Briefing Item 1. Ms. Cowden thanked the Board for their consideration of what is happening in Kilauea. She noted that another element that is important for everyone to keep in mind is the Namahana School, which teaches grades 7 through 12, that is trying to open there. If Namahana Charter School is not able to open in the fall of 2025, they will lose their charter appointment. Ms. Cowden stated in the 40 years she has lived on the island, there has been a persistent push to put a school there, so if water is unable to be provided for that school, it will frustrate decades of effort. She emphasized the sense of urgency, noting that the Kilauea Housing Development is located directly across the street. It is an enormous community effort, and it will be devastating to not get that accomplished.

**INFORMATIONAL BRIEFING**

1. Affordable Housing Presentation by Housing Director, Adam Roversi (*Information only; non-action item*)

Housing Director Adam Roversi provided a presentation on County Affordable Housing Projects and Infrastructure Challenges (presentation in agenda packet). He described the way the departments historically worked in relatively constrained silos and noted that his intention is to encourage a qualitative change to the way the Housing Agency and the Department of Water work together as well as Public Works Wastewater and Roads Divisions. Currently, there isn't a proper system for the level of collaboration they are seeking, which is what he is hoping they can create. Mr. Roversi provided an overview of some of the projects the Housing Agency is currently working on, focusing on the Lima Ola Housing Project, the Kilauea Town Expansion, and the Waimea 400-acre source and storage project.

Referencing the Lima Ola Project, Board member Hull requested the Department provide an update on how things are moving forward with Phase II and III not having sufficient water. Deputy Manager Hinazumi stated that he recalls this project started around 2012-2013, and his understanding was that the Water Master Plan for full development was approximately 15-20 years from the time they hit the ground until they reached Phase IV. Given that timeframe, DOW looked at other areas of the system to take care of more immediate needs, essentially Phase I & II of the project. The department is currently looking at potentially reactivating Nagoshi well, which requires system evaluation, water quality analysis, and DOH and CWRM approvals. Through the Water System Investment Plan, the Department is evaluating infrastructure needs and prioritization across the island. In addition to the Lima Ola project plan being accelerated, DHHL has also accelerated their plans and have significant water needs in Hanapepe.

Mr. Hull asked if there is a timeline for those plans to which Mr. Hinazumi stated the Department has just started its new budget and do not have budget funds at the present time for drill and test in the area. The primary focus was to go back to Kilauea which was put on the back burner back in 2016, but it will be prioritized in the WSIP. The preliminary WSIP prioritization and CIP presentation will be brought before the Board for consideration, and they will move forward from there.

Mr. Hull asked the Department to update the Board on the Kilauea housing development and its issues with water. Mr. Hinazumi stated Kilauea is running at, or near, full capacity in both source and storage. Since 2016, there has been a water restriction of 5 water services, or dwellings, per lot of record. Design is nearly complete to drill another well and construct another 1 Million Gallon tank, and the Environmental Assessment update is in progress and once that is done, it will go out for solicitation. The hope is that will be done during this budget year. Regarding the drill and test, Mr. Hinazumi explained that in 2016, landowners in Kilauea were not agreeable to allowing the Department access to their property to drill and test wells. There were several agreements in place, but due to land ownership changes, those agreements became null and void. The department is currently working with the Housing Agency to work with current landowners on potential agreements.

Manager Tait asked for a quick briefing of when the Kilauea project was brought before the Board years ago. Mr. Hinazumi stated in 2016 that the Kilauea project, as well as some other pipeline projects were brought before the Board; however, the Department was instructed to redirect focus elsewhere.

Mr. Hull stated given the connection of these DOW projects to the current housing crisis, he would like to request a follow up agenda item or quarterly briefing regarding the Housing Agency's projects and its interface with the Department of Water.

### **NEW BUSINESS**

1. Manager's Report No. 25-01 Discussion and Possible Action to Approve the FY2024 to FY2025 Supplemental Budget – Encumbrance Rollover

Waterworks Controller Renee Yadao provided a summary of the Manager's Report submitted.

**Board member Dill moved to approve Manager's Report No. 25-01, seconded by Ms. Finnila; with no objections, motion carried with 5 Ayes.**

2. Manager's Report No. 25-02 Discussion and Possible Action to re-appropriate certain budget line items to another line item budget to purchase replacement appurtenances for the emergency repair of Piwai Well No. 2, Job No. 24-16, EP-2024-01

Chief of Operations Ryan Smith explained that there was a catastrophic failure of Piwai well 2, compounded with a couple of other wells being offline for repairs at the same time. Upon inspection, they discovered the damage was much greater than they expected and required the replacement of an entire pump column shafts, couplings, and bushings. A spare pump is on site, but they need to order the new parts to reinstall it. They are looking at a lead time of approximately 4 weeks for the parts to be manufactured and an additional couple of weeks for them to be shipped over. This is the most affordable and quickest solution to getting the pump back online.

Board member Akamine asked what kind of impact this is having to which Mr. Smith stated it is putting stress on other wells in the system, but they have been able to reconfigure the way the water is being moved around to fill in the tanks in conjunction with the water conservation request that is in place.

Board member Dill stated that he notices we are tapping into the Water Utility Fund for this effort but pointed out that we have an emergency reserve in place as part of our budget. He asked if it would make more sense to use monies from the Reserve Fund and then replenish that in the next budget. Waterworks Controller Renee Yadao explained that the Water Utility Fund account number is being used because there will be additional funding later from the Pro-Fi loans, we are getting reimbursed for, which will allow us to move the budget around again. She added that the Reserve Fund could be used in this type of situation if it were a much larger amount. Mr. Dill stated that his understanding is that the Reserve Fund is funded on the basis of a large scale event; however, he noted that this is considered catastrophic. He added that at the end of the day, this will impact their top line supply and inventory stock. He emphasized that he feels that the Reserve Fund should be considered for this as he feels this circumstance qualifies. Ms. Yadao stated while that is an option, the Department will be getting budget back when we are reimbursed for the Pro-Fi loans for the meter purchases that were made in the amount of \$1.5 million. Once the meter shipment is received, they can apply for a reimbursement that can then be applied back to Operation's budget. Mr. Dill stated his understanding but added that he would encourage the Department to utilize the Reserve Fund for this type of qualifying event. He would not want Operation's inventory stock to be depleted at the beginning of the year.

Board member Akamine asked who has authority to utilize the Emergency Reserve Fund to which Ms. Yadao replied she believed it would need to come to the Board. However, Deputy County Attorney Tyler Saito stated for clarification that per Board Policy 31 that responsibility falls under the Manger’s authority.

Board member Finnila asked what the estimated timeline is for a reimbursement to come to which Ms. Yadao explained that it usually takes 30 days from the time the request is submitted to the State; the Department will need to wait to receive the shipment before a request can be submitted.

**Board member Dill moved to approve Manager’s Report No. 25-02, seconded by Ms. Finnila; with no objections, motion carried with 5 Ayes.**

3. Manager’s Report No. 25-03 Discussion and Adoption of Resolution No. 25-01, Safe Drinking Water State Revolving Fund (DWSRF) Pro-Fi Loan of \$5M for SFY 2025 for Kaua’i Board of Water Supply (Board

Engineering Division Head Jason Kagimoto provided an overview of the Manager’s Report submitted, noting it is similar to the Pro-Fi Loan that approval was requested for last year. It is anticipated that the Department will be doing this on an annual basis as these types of loans allow the loan reimbursements to be spread out further. It has been very beneficial to be able to spread the monies out to cover design fees, and to allow for reimbursement of things like emergency generators and meter purchases. These will predominantly cover CIP projects.

Board member Dill asked what the specific scope of work these monies will fund. Mr. Kagimoto stated the loan application identifies the capital improvement projects and emergency generators and meter purchases. Ms. Finnila asked to clarify that if we pursue this annually, does that equate to \$5 million each year with a payback on 20 years? Mr. Kagimoto stated the understanding they have with DOH, there is a responsibility on DOW’s part to spend the money they request, so we did not want to ask for more than we felt we could spend this fiscal year. However, that could change in the long run depending on the Capital Improvement Program. Next fiscal year there will be two debt-service loans, and in 20 years there will be 20 debt-service loans the Department will be paying against. The big benefit is that it allows the Department to spread out the capital over 20 years rather than having to come up with it all at once as well as the additional benefit of the principal forgiveness.

**Board member Dill moved to approve Manager’s Report No. 25-03, seconded by Ms. Finnila; with no objections, motion carried with 5 Ayes.**

1. Manager’s Report No. 24-04 Discussion and Possible Action on the Kauai Water Use and Development Plan (KWUDP) Update

Manager Joe Tait expressed his appreciation to Amanda Waki and Amanda Tanaka of Fukunaga and Associates as well as all the DOW staff who lead the public meetings and captured all of the data for this 35-year update. He added that the previous Water Use and Development update was done in 1990 so this has been a herculean effort.

Engineering Division Head Jason Kagimoto noted that this project has been a long time coming both in terms of the last update in 1990 and what is included in this specific update. He provided a high-level overview of the plan (PowerPoint slides on file) noting that the full Kauai Water Use and Development Plan is available electronically at <https://www.kauai.gov/Government/Boards-and-Commissions/Board-of-Water>

Board member Dill asked Board member Ka'aina Hull (Planning Director) what the projection for the next General Plan update is. Mr. Hull stated there is nothing currently in the works, but there is a 10-20 year horizon. The next general plan update will likely be in the next 4-5 years. Mr. Dill stated he hopes that when that general plan update is made it will help refine the KWUDP to keep it current as a living document. Mr. Dill noted the plan mentions aquifer sustainable yields as opposed to existing well production capacity as well as instream flow standards. He noted that we currently only have one surface water treatment plant and asked if this plan takes future surface water availability into consideration when estimating capacity to produce drinking water. He elaborated that when we look at sustainable yields, we look at aquifers, but not necessarily surface water which we do have a supply of to tap into. Mr. Kagimoto explained that currently the preferable source for potable water is groundwater and moving forward they will have to make those evaluations. However, the effort for providing more drinking water based on our current needs has been focused on wells. Mr. Dill stated he is assuming the Department of Agriculture is conversely looking at surface water and not groundwater for Agriculture to which Ms. Waki confirmed that DOA is focusing on surface water irrigation systems. Mr. Dill asked if ADU's and ARU's are being considered when looking at full buildout to which Mr. Kagimoto stated yes, further adding that it looks at what is the max allowed based on zoning. He also pointed out that the current infrastructure needs improvement and is nowhere near being able to support full build out at this time.

Board member Finnilla commented that month after month she hears what is being accomplished by the staff, many of whom are in acting roles, and expressed how impressed and appreciative she is by the amount of care and energy that goes into all of it. She thanked the Department staff and assured them that the passion and dedication is recognized, and it is greatly appreciated. The Department is doing a huge amount of lift and shift that will help DOW moving forward.

**Board member Dill moved to approve Manager's Report No. 25-04, seconded by Ms. Finnilla; with no objections, motion carried with 5 Ayes.**

Fiscal:

- a. Monthly dashboard
- b. Budget Report for June 2024
- c. Quarterly BAB Statement
4. Operations – Monthly dashboard
5. Engineering
  - a. Monthly dashboard
  - b. Quarterly Update
6. Administration:
  - a. Monthly dashboard
  - b. Public Relations – updates on Public Notices & Announcements, Community Outreach & Education, and Upcoming Events
  - c. Human Resources – updates on Personnel Vacancies

- d. Information Technology
  - i. Corrective Action Plan updates
- 7. Manager and Chief Engineer – Required communications to the Board, and update of Department activities

**TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING: (August)**

- 1. Water Systems Investment Plan presentation (*information only; non-action item*)

**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).

- 1. Pursuant to Hawaii Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), the Office of the County Attorney requests an Executive Session with the Board, to provide the Board with a briefing and request authority to and/or approval of a settlement agreement in United Public Workers, Local 646 and Department of Water, County of Kauai, Grievance Number: 0646-0000-2020.0140 and to consult with the Board's attorney on its powers, duties, privileges, immunities, and liabilities as they relate to this agenda item.

The Board entered into executive session at 11:08 a.m.

The Board resumed in open session at 11:54 a.m.

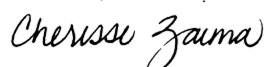
Chair Pro Tem Kurt Akamine reported that the Board has concluded its executive session for Item 1. which involved discussion and/or final action for the purpose stated on the agenda for the particular item. Pursuant to HRS 92-4(b), the disclosure of the discussion and/or final action would defeat the purpose of convening the executive meeting which was held pursuant to HRS 92-4 and 92-5(a)(4).

**Board member Dill moved to ratify actions taken in executive session, seconded by Ms. Finnila; with no objections, the motion carried with 5 Ayes.**

**ADJOURNMENT**

The meeting was adjourned at 11:55 a.m.

Respectfully submitted,



Cherisse Zaima  
Commission Support Clerk