

MINUTES  
BOARD OF WATER SUPPLY  
SPECIAL BOARD MEETING  
**Thursday, February 22, 2024**

The Board of Water Supply, County of Kaua'i, met in a special meeting in Līhu'e on Thursday, February 22, 2024. Chair Tom Shigemoto called the meeting to order at 9:16 a.m. The following Board members were present:

**BOARD:**

Mr. Tom Shigemoto, *Chair*  
Ms. Julie Simonton, *Vice Chair*  
Mr. Kurt Akamine  
Ms. Micah Finnila  
Mr. Troy Tanigawa

**EXCUSED:**

Mr. Larry Dill  
Mr. Ka'aina Hull

Quorum was achieved with 5 members present at Roll Call.

**APPROVAL OF AGENDA**

**The agenda was approved with no objections.**

**PUBLIC TESTIMONY**

None

**NEW BUSINESS**

1. Discussion, Deliberation, and Possible Decision-Making on Proposed Declaratory Order Relating to and Recognizing the Controversies and/or Uncertainties Stemming from the Department of Water's Practice of Rendering Bill Adjustments to Customers Following the Replacement of a Failed Transponder

Deputy Manager Michael Hinazumi provided some background on the Department's current billing situation. Back in 2017, Honolulu Board of Water Supply ended their service to the County of Kauai and Maui with handling water bills. When Honolulu BWS were doing our bills, Management at the time did not realize that our rules were not the same as Honolulu's in allowing for estimated billing. DOW's rules did not, and still do not allow for estimated billing which is why this legal Administrative cleanup is before the Board today to help alleviate the burden of the Fiscal staff.

Currently, our rules only allow adjustment of bills when a meter has failed or is found to be inaccurate, or there is a high bill due to an undetected water leak. None of the Board's rules allow the Department to issue "good will" credit to customers when a transponder has failed because a transponder is not a meter and a transponder is not a water leak.

The purpose of this proposed Declaratory Order is to terminate existing controversies and remove uncertainties stemming from past inconsistent adjustments of customer water bills by providing goodwill credits to some, but not all, customers following the replacement of a failed transponder by establishing a uniform and consistent formula the Department to use after a failed transponder is replaced. The formula is already established in the Board's Rules for times when the Department must make bill adjustments when a meter fails or is found to be inaccurate. The equitable

adjustment formula states, “the Department will refund to the consumer the overcharge based on past consumption, for a period not exceeding six months; unless it can be proved that the error was due to some cause, the date of which can be fixed. In this latter case, the overcharge shall be computed back to, but not beyond, such date.”

What does the equitable adjustment formula mean and how will it be applied?

- Once a transponder is replaced and the Department has actual meter readings, the customer’s bill will include the actual consumption from the time the transponder failed and was replaced.
- The Department will then apply this equitable adjustment formula to a customer’s first bill following the transponder replacement prior to sending the customer the bill.
- The look back period for the formula (whether six months or to a date which can be fixed (meaning the look back to determine the average can be more or less than 6 months depending on the circumstances)) begins on the date of the last actual reading the Department has on file prior to the replacement of the transponder.
- The customer’s bill will then be adjusted to show a credit (refund) for the additional amount (overcharge) that falls outside the average amount determined by the equitable formula.

**Board member Kurt Akamine moved to Motion to adopt the Proposed Declaratory Order Relating to and Recognizing the Controversies and/or Uncertainties Stemming from the Department of Water’s Practice of Rendering Bill Adjustments to Customers Following the Replacement of a Failed Transponder, seconded by Mr. Tanigawa; with no objections, motion carried with 5 Ayes.**

2. Manager’s Report No. 24-10 Discussion, Deliberation, and Possible Decision-Making on Committee Recommendations to the Board on Proposed Amendments to the Department of Water, County of Kaua‘i, Rules and Regulations (“Rules”), Part 2 for Water Service Connection

Rules Committee Chair Kurt Akamine provided the following Rules Committee Report:

Findings of Fact:

- The Rules Committee was referred Manager’s Report No. 24-09 on February 15, 2024.
- The Rules Committee held a committee meeting on February 22, 2024, to discuss and take action on Manager’s Report No. 24-09.
- After listening to and considering the facts and circumstances presented to the committee, the Rules Committee approved Manager’s Report No. 24-09.
- The Rules Committee finds that the Department’s staff is unduly burdened by the failure of meter equipment, specifically, the failure of transponder equipment.
- The transponder failure now requires staff to manually read the meters rather than relying on automatic meter reads.
- It is impractical for the Department’s staff to manually read the meters on a monthly basis.

Conclusion:

The Rules Committee concludes a rule amendment to Rules Part 2, Section 7, is necessary to adequately address the burden placed on Department staff by allowing the Department to render estimated monthly bills.

Recommendation:

The Rules Committee recommends the Board hold a public hearing on an amendment to Rules Part 2, Section 7 to include language allowing estimated billing.”

Board member Finnila thanked the Rules Committee for putting the report and recommendations together.

**Board member Akamine moved to approve the Rules Committee’s recommendation of holding a public hearing on an amendment to Rules Part 2, Section 7 to include language allowing estimated billing consistent with Manager’s Report No. 24-10, seconded by Mr. Tanigawa; with no objections, motion carried with 5 Ayes.**

### **ADJOURNMENT**

The meeting was adjourned at 9:52 a.m.

Respectfully submitted,



Cherisse Zaima  
Commission Support Clerk