

BOARD OF WATER SUPPLY

JULIE SIMONTON, CHAIR
GREGORY KAMM, VICE CHAIR

KURT AKAMINE, SECRETARY
LAWRENCE DILL, MEMBER
KA'AINA HULL, MEMBER
TROY TANIGAWA, MEMBER



REGULAR MONTHLY MEETING NOTICE AND AGENDA

Thursday, June 23, 2022
9:30 a.m. or shortly thereafter

Meetings of the Board of Water Supply, County of Kauai will be conducted in-person at the Department of Water Board Room, 2nd Floor located at 4398 Pua Loke Street, Lihue, Kauai, Hawaii, and remotely in accordance with Act 220, Session Laws of Hawai'i 2021 via interactive conference technology as follows:

Click on the link below to join on your computer or mobile app by VIDEO:

<https://us06web.zoom.us/j/86853320539>

OR

Dial phone number and enter conference ID to call in and join by AUDIO:

Phone: 888 788 0099 US Toll-free
Phone Conference ID: 868 5332 0539

Please Note: If you do not provide a name, unique identifier, or alias when joining the meeting, you will be renamed to allow staff to address and manage individual guests.

In the event of a lost connection the Board will recess for up to 30 minutes to restore the connection. If the connection cannot be restored within 30 minutes, the Board will continue the meeting to 12:00 p.m. or shortly thereafter. If the visual link cannot be restored, the Board may reconvene with an audio-only link using the above dial-in phone number and conference ID. A lost connection only applies to remote connections provided as part of the remote meeting but does not apply to a public member being unable to access the meeting due to a connectivity issue on their end.

OATH OF OFFICE FOR NEW MEMBER TOM SHIGEMOTO

CALL TO ORDER

ROLL CALL

ANNOUNCEMENTS:

Next Scheduled Meeting: Thursday, July 28, 2022 – 9:30 a.m.

APPROVAL OF AGENDA

APPROVAL OF MEETING MINUTES:

1. Finance Committee Meeting – May 18, 2022
2. Regular Board Meeting – May 26, 2022

PUBLIC TESTIMONY

NEW BUSINESS

1. *Manager's Report No. 22-67* Discussion and Possible Action on the transfer of funds from Professional Services, I.T. to Rehabilitation and Replacement to purchase the replacement of the DOW servers

STAFF REPORTS

1. Fiscal - Statement of Revenues and Expenditures
 - a. May Monthly Summary Budget
 - b. Accounts Receivable Aging Summary
2. Public Relations Activities – updates on Public Notices & Announcements, Community Outreach & Education, Upcoming Events, and Project WET
3. Operational Activities – Monthly service dashboard & highlights, Monthly comparison of water produced, customer meter read, and water loss
4. Manager and Chief Engineer – update on monthly activities, personnel matters, and required communications to the Board

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

1. MCE Goals and Objectives for FY 2022-23
2. Discussion regarding Divisional Benchmarks & Dashboards

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS:

1. Supplemental Budget for Fiscal Year 2023
2. Facility Improvement Program including discussion regarding Base Yard Improvements
3. Hanalei Satellite Base Yard MOA

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 Hawai'i Revised Statutes § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as it relates to:

Goodfellow Bros.' Request for Reimbursements, Job No. 15-07, Reorganize Water System: Kaunualii Highway 16-Inch Main and Emergency Pump Connection, Hanapēpē Road 6-Inch Main Replacement, Job No. 15-07, Water Plan Project No. HE-01, HE-10, Hanapēpē, Kaua'i, Hawai'i.

2. Pursuant to Hawai'i Revised Statutes §92-4, §92-5(a)(2) and §92-5(a)(6), the purpose of this Executive Session is for the Board 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; and to consider sensitive matters related to public safety or security.

ADJOURNMENT

WRITTEN TESTIMONY

The Board is required to afford all interested persons an opportunity to present testimony on any agenda item. The Board encourages written testimony at least two (2) business days prior to a scheduled Board meeting. At each Board meeting, the Board will accept oral and written testimony on any agenda item during the Public Testimony portion.

Please include:

1. Your name and if applicable, your position/title and organization you are representing
2. The agenda item that you are providing comments on; and
3. Whether you are a registered lobbyist and, if so, on whose behalf you are appearing.

Send written testimony to:

Board of Water Supply, County of Kaua'i
C/O Administration
4398 Pua Loke Street
Lihu'e, Hawai'i 96766

E-Mail: board@kauaiwater.org
Phone: (808) 245-5406
Fax: (808) 245-5813

Public Testimony

You do not need to register to provide oral testimony on the day of the meeting. Please note that public testimony is taken after the approval of the meeting agenda to ensure public testimony is received before any action is taken on an agenda item. The length of time allocated to present oral testimony may be limited at the discretion of the chairperson.

SPECIAL ASSISTANCE

If you need an auxiliary aid/service or other accommodation due to a disability, or an interpreter for non-English speaking persons, please call (808) 245-5406 or email board@kauaiwater.org as soon as possible. Requests made as early as possible will allow adequate time to fulfil your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

A horizontal splash of clear blue water with bubbles and ripples, positioned behind the text.

DRAFT

MINUTES

MINUTES
FINANCE COMMITTEE MEETING
May 18, 2022

The Finance Committee of the Board of Water Supply, County of Kauai resumed its meeting on Wednesday, May 18, 2022. Committee Chair Lawrence Dill called the meeting to order at 1:06 p.m. Quorum was achieved with **3** members present.

COMMITTEE MEMBERS

Lawrence Dill, *Committee Chair*
Ka‘aina Hull (*entered at 1:24 p.m.*)
Kurt Akamine

STAFF:

Manager & Chief Engineer Joseph Tait
Deputy County Attorney Mahealani M. Krafft
Commission Support Clerk Cherisse Zaima
Deputy Manager Judith Hayducsko
Waterworks Controller Marites Yano
Civil Engineer VII Michael Hinazumi

Chief of Operations Valentino Reyna
Civil Engineer VI Dustin Moises
I.T. Specialist Wayne Takabayashi
Asst. Waterworks Controller Marcelino Soliz
Info. and Education Specialist Jonell Kaohelaulii
Private Secretary Mary-jane Akuna

PUBLIC TESTIMONY

The department received no public testimony prior to the meeting, and there were no registered speakers.

There was one (1) member of the public who joined in the meeting.

NEW BUSINESS:

1. Discussion and possible action on Draft Budget for Fiscal Year 2022-2023
 - a. Draft Operating Budget FY 2022-2023
 - b. Draft Capital Outlay Budget FY 2022-2023

Commission Support Clerk Cherisse Zaima noted there was one item to be received for the record, which had been posted to the Department’s website and made available to the public.

Deputy Manager Hayducsko provided an overview of the Responses to Finance Committee Members and Updates to Proposed Draft Budget for FY 222-23.

Baseyard Master Plan

Committee Chair Lawrence Dill asked for the status of relocating Operations personnel to the 2nd Floor of the Microlab to which Ms. Hayducsko explained that move has been completed. Mr. Dill requested an update on the plans for the development of the Baseyard. Ms. Hayducsko stated the current plan is to remove the old Administration Building and regrade that area. Based on the Committee’s response to the proposed budget, the Department will regroup and reassess. Manager Joseph Tait added that as part of addressing safety issues and emergency response, the Department will be taking a look at the existing facilities and any required upgrades throughout the Department.

Water Rate Study

Ms. Hayducsko explained that there is a current contract for a modeling study to project what kinds of revenues to expect in the future; to call it a “Water Rate Study” adds to the lack of clarity as there are no current plans to continue with a Water Rate Study.

Fleet Management Program

At the request of Mr. Dill, Ms. Hayducsko provided an overview of Page 151 that lists line items for WU/Ops/Capital Outlay – R&R/Misc. Capital Purchases. Mr. Dill requested to see the year of the vehicles and miles/hours of use for the items being replaced either within the line item or an additional document that lists that information. Referencing line item “Infrastructure Inventory” Mr. Dill requested a breakdown of the \$1,186,000 to which Ms. Hayducsko explained that Page 146 lists those items. Mr. Dill asked to clarify that these items are what make up the \$1,186,000 to which Ms. Hayducsko replied yes. Mr. Dill noted that Page 146 shows line items for replacement meters, but his understanding was that just the transponders were being replaced in many of them. Ms. Hayducsko stated that meter components are included in the meters, which was the intent with how the line item is listed. Manager Tait stated they will make the change to specify “meter parts/components”.

Retirement Report

Ms. Hayducsko stated their intent is to try and explain the accounting entry and how the Department is accounting for future liability and current obligation. She explained that the \$24 million mentioned was not money that the Department had and was maintaining but was an entry that was discussed being inserted in various ways into the audit paperwork. Waterworks Controller Marites Yano added that the \$24 million was an accounting entry to recognize the liabilities of the Department as per the government Accounting Standards Board which required every agency to recognize the earned future benefits of the current employees. It was a one-time recognition of what we earned and moving forward this amount is amortized every year and whatever was paid into the retirement fund is what is put into the budget. The State provides the dollar amount that they have to calculate into the fund, which the amount that is included in the annual budget.

Committee member Hull stated his understanding is that the Department had to designate certain monies and shifting the \$24 million allowed it to be designated elsewhere. Ms. Yano stated that was a misunderstanding, further explaining that at the time that the requirement was mandated, the Department was unsure how to address this liability. The Department proposed to set aside a reserve fund; however, the Board questioned this and additionally required the Department work with the County of Kauai to compare how they were treating that liability. DOW resolved this by proposing a different reserve fund which combined the Debt Service Reserve Fund and Emergency Reserve Fund, adding language that stated that whenever there are spikes in retirement and pension benefits that are not in the budget, that reserve fund could be tapped into. Ms. Yano reminded the Board that at the time, there were two reserve funds, and they were recommending an additional reserve fund, but with the realization that those were too many reserve funds, they were combined into one that addresses what they need. Mr. Hull stated he does remember shrinking the amount of monies that were being donated to the reserve funds and being able to use the new reserve fund for pension liabilities; however, shrinking the reserve fund should have freed up several million dollars. Mr. Dill stated he believes what Mr. Hull is focused is not so much the reserve fund, but rather the OPEB and the way that is being addressed. In recognizing the liability of the entire amount instead of the annual amortized amount affected the way we report the beginning year balance of the budget. Mr. Dill feels that

this issue may require a separate meeting with two members of the Finance Committee, the Manager, and Waterworks Controller to go over that. Mr. Dill stated he is confident that it was addressed appropriately at the time, but it would be good to have a refresher to ensure everyone is on the same page. Mr. Hull requested that meeting be scheduled prior to the Regular Board meeting to ensure the questions get answered.

Facilities Reserve Charge

Ms. Hayducsko stated current spending on the FRC is being used to reimburse bond payment for construction expansion projects. Mr. Hull requested a review of the possible restructuring of the FRC program. At the request of Mr. Dill, Civil Engineer VII Michael Hinazumi explained that part of the Water System Investment Plan is to look at funding opportunities to build expansion projects as well as CIP and Capital Improvements R&R projects. Currently, there is a great challenge with the impact fees and some inequities, and the Department is looking at a program similar to Honolulu Board of Water Supply. As soon as there is a better handle on what they wish to propose, they will work through Manager Tait to do a presentation to the Board. Manager Tait added that initiative is being handled by a third-party professional services contract which will provide internal staff with some options that were not implemented in the past and provide an outside perspective. Mr. Hull asked if the Department is aware of any water programs that offer the FRC be paid monthly as opposed to a one-time payment considering how sizable it is and may be a barrier to entry. He also stated he would be interested to find out whether homeowners would be open to have an option to fold the FRC into their monthly water bill. Ms. Hayducsko stated they could research that.

Work Orders

Ms. Hayducsko stated the Department does recognize that the work order maintenance tracking system has some problems which they are looking at upgrading. She explained how Operations is currently managing work orders as well as an explanation of the new maintenance program they are looking at; those enhancements are included in the current budget. Manager Tait added that in addition to Operations, the I.T. division handles roughly 15-20 customer request tickets per week which will also benefit from those enhancements.

Auto Paid Water Bills

Ms. Hayducsko provided a brief summary of the table included. Mr. Dill asked which method is most efficient from the Department's perspective to which Ms. Yano stated the Auto-pay and Lockbox methods are easiest. Mr. Dill suggested looking into ways we can encourage our manual pay customers to convert to Auto-pay or Lockbox payments and further promote those two options.

Procurement Policies

Ms. Hayducsko stated there are current Board policies as well as Department SOP's in place and she and the Manager are continuously evaluating and looking to improvements in the future. Manager Tait elaborated, stating that there are a series of 60 plus SOP's that staff edits, updates and modifies from time to time, many of which are related to procurement in one way or another, so the Department is looking at all of those SOP's in a holistic way. Mr. Dill requested a future Board update on the status of that review.

Meter Replacement Program

Ms. Hayducsko stated the Department is gaining additional knowledge as they move forward and would like to present a more comprehensive answer to the Board in June.

Ms. Hayducko stated there were some changes to the document received for the record today noting that the Capital Outlay and Operating expenses have changed slightly as they moved money from Operating Expenses to the Capital component. She asked Ms. Yano to clarify what budget is being presented to the Finance Committee at this time. Ms. Yano explained that there were additional changes made to the document that was received for the record this morning, but she was told it was too late to make those updates. Manager Tait stated now would be a good time to mention those changes. Referencing Page 5, Ms. Yano stated the Operating Expenses are showing \$36.7 million but it should be \$30.9 million which is a decrease from the original proposed budget. This is due to a last-minute change under the Professional Services line item on Page 7 which shows \$10,203,100 but should actually be \$4,353,100. Referencing Page 5, Ms. Yano restated that the Operating Expenses that show at \$36,727,791 is actually \$30,877,791; the Estimated Available Balance which shows \$2,038,047 is actually \$7,888,047; the Total Estimated Amount Available which shows as \$11,491,396 is actually \$8,431,396. Mr. Dill asked for the details of the \$6 million line item for Professional Services to which Ms. Yano referenced Page 11, noting that the \$2,925,000 that repeats 3 times is an error; 2 of the 3 lines should be removed with only one remaining. In response to Mr. Dill Ms. Yano confirmed it was an inadvertent duplication.

Mr. Dill noted a significant change was the \$2 million that was removed for the Baseyard Master Plan and asked to clarify that it would carry through to the summary sheet. Ms. Yano referenced Page 17 that shows the line item for DOW Baseyard Phase 1 at \$0. Mr. Dill pointed out two other deletions of note at roughly \$2.9 million and \$5.8 million, totaling about \$7.8 million and he would expect the Operating Expensed to be decreased accordingly at almost \$8 million; however, the budget reflects a \$6 million decrease. He asked if expenses have increased by \$2 million in aggregate elsewhere to which Ms. Yano stated in aggregate it decreased by \$774,836. Mr. Dill questioned that Ms. Yano stated in aggregate it was decreased by \$6 million to which Ms. Yano stated that she may be comparing it to the prior original submission noting that the \$2 million decrease would not show here. Mr. Dill referenced Page 5 and asked to clarify that the \$36 million shown reflects the deletion of the \$2,000,000 to which Ms. Yano replied yes. Mr. Dill asked to clarify that the Estimated Available Balance of \$11.4 million is now at around \$17.5 million to which Ms. Yano stated yes. Ms. Yano pointed out that after discussion with everyone present in the room, it was decided to increase the projections by 5% instead of 1% based on the trends they are seeing in Operations.

Mr. Hull asked what the status of the Baseyard Master Plan response. Ms. Hayducko stated that the Department recognizes that the Board is uncomfortable with prior designs for the Baseyard Master Plan. Modifications have been made to the upstairs Conference Room formerly used by the Board to expand offices which are the improvements that has occurred to date utilizing internal staff and supplies. The old Administration Building will be removed which was budgeted for this fiscal year and will be re-budgeted in the upcoming fiscal year. If there are additional items that may be used for facility improvements, they will be looking at all department properties rather than just the Baseyard to ensure funds are being used wisely, and they will come back before the Board before expanding on those design projects.

Mr. Dill concluded by summarizing that the total Estimated Available Balance at the end of the fiscal year will be approximately \$17.5 million and includes \$9.2 million in reserve funds, which leaves approximately \$8 million in available funds. He wants to ensure that if there is money that can be used toward projects that the Department be aggressive and come to the Board for approval for funding another project, noting he doesn't think that they need to keep \$8 million in

a bank account in addition to the reserves. Mr. Akamine noted that there was previous discussion about a water rate study and projecting what the needed revenue will be in the future whether it be for water source or infrastructure repairs. He noted that we may feel flushed with money at this point, and while we are in a good place now, as we project forward we should also be mindful of future projects knowing we have some aging infrastructure as well as sourcing issues to contend with.

Committee Member Akamine moved to refer this budget to the May 26, 2022 Regular Board meeting with the updates on the fund balance projections to reflect the changes resulting from the inadvertent duplication under Professional Engineering Services, seconded by Mr. Hull; with no objections, motion carried with 3 Ayes. Mr. Dill clarified that he wants this presented at the May meeting to give the Board two cracks at it if necessary. Mr. Hull reiterated that he would like a meeting with the Manager and Waterworks Controller regarding the OPEB liabilities prior to the May meeting.

ADJOURNMENT

The Finance Committee meeting adjourned at 2:10 p.m.

Respectfully submitted,

Approved,

Cherisse Zaima
Commission Support Clerk

Kurt Akamine
Secretary, Board of Water Supply

MINUTES
BOARD OF WATER SUPPLY
Thursday, May 26, 2022

The Board of Water Supply, County of Kaua'i, met in a regular meeting in Lihu'e on Thursday, May 26, 2022. Chair Julie Simonton called the meeting to order at 10:00 a.m. The following Board members were present:

BOARD:

Ms. Julie Simonton, *Chair*
Mr. Greg Kamm, *Vice Chair* (remote)
Mr. Kurt Akamine, *Secretary* (remote)
Mr. Lawrence Dill

EXCUSED:

Mr. Ka'aina Hull
Mr. Troy Tanigawa

Quorum was achieved with 4 members present at Roll Call.

STAFF:

Manager & Chief Engineer Joseph Tait
Deputy County Attorney Mahealani M. Krafft
Computer Systems Support Technician Darrel Acob
Deputy Manager Judith Hayducsko
Civil Engineer Michael Hinazumi

Waterworks Controller Marites Yano
Info. and Education Specialist Jonell Kaohelaulii
Chief of Operations Valentino Reyna
I.T. Specialist Wayne Takabayashi
Private Secretary Mary-jane Akuna

ANNOUNCEMENTS

Next Scheduled Meeting: Thursday, June 23, 2022 – 9:30 a.m.

APPROVAL OF AGENDA

Chair Simonton asked that New Business be moved up to be taken right after Public Testimony

Board Member Dill moved to approve the agenda as amended, seconded by Mr. Kamm; with no objections, motion carried with 4 Ayes.

APPROVAL OF MEETING MINUTES

1. Regular Board Meeting – April 28, 2022
2. Executive Session – April 28, 2022
3. Finance Committee Meeting – May 4, 2022
4. Finance Committee Meeting – May 6, 2022

Private Secretary Mary-jane Akuna stated that the Finance Committee meeting minutes needed to be corrected as her name was not listed under Staff in attendance.

Board member Dill moved to approve the minutes of the Regular Meeting and Executive Session of April 28, 2022 and the Finance Committee Meetings of May 4 and May 6, 2022 with amendments noted by Private Secretary, seconded by Mr. Akamine; with no objections, motion carried with 4 Ayes.

Note: Subsequent to the May 26, 2022 Board meeting, it was determined that the Private Secretary was not required by the Manager to attend, nor was an active participant in the Finance Committee meetings; Chair deemed the correction to the minutes unnecessary.

PUBLIC TESTIMONY

The department received no public testimony prior to the meeting, and there were no registered speakers. There were 5 members of the public joining the meeting remotely.

Public Member, Tara Rojas, provided testimony on Old Business Item 1. And New Business Item 1. She stated that she has read previous meeting minutes regarding billing, understaffing, training and following protocol, long-term water leaks, and long-standing vacant positions that are still not filled. She stated Water is a universal issue that impacts all the board business being discussed today. Because of the new and illegal subdivisions happening on Kauai, specifically in Koloa, and the current water system being less than optimal she is concerned about 50-100 additional units coming in and taxing the other ahupuaa where water is being drawn from. She suggested that the Department be proactive and preventive rather than reactive and asked that they speak against the proposed military radar site noting that would further tax our water system. She highlighted the contamination currently happening on Oahu with the Navy as well as what is happening on Hawaii Island at Kahakuloa. She asked the Board to think about how the use of the wai affects everyone in the community. She feels that the Manager and Chief Engineer seems to be the only person asking the necessary questions to keep the agency accountable and to ensure that things are working right. Ms. Rojas stressed that this is important not only for current generations but also for future generations.

NEW BUSINESS:

Chair Simonton noted that Item 1. would be taken up after the presentation of the Finance Committee Report and Old Business Item 1.

Manager's Report No. MR 22-62 Discussion and Possible Action for Right-of-Entry to University of Hawaii, College of Tropical Agriculture and Human Resources (UH CTAR) Property for the Wailua Homesteads 0.25 MG Tank Project

In response to Vice Chair Kamm Mr. Hinazumi clarified that the .25 MG tank will fulfill the needs for the foreseeable future and there is no need at this time to build a larger tank. He noted that the site has only been cited for a .25 MG tank as anything larger would impact UH CTAR's operations and this was the only available land they were willing to contribute. He added that the Puupilo tank, which is at the same elevation, is addressed in the upcoming budget as part of the CIP for rehabilitation and/or expansion.

Board Member Dill moved to approve Manager's Report No. 22-62, seconded by Mr. Kamm; with no objections, motion carried with 4 Ayes.

Manager's Report No. MR 22-63 Discussion and Possible Action to execute an annual Use and Occupancy Permit No. 847 between the State of Hawai'i and the Board of Water Supply, County of Kaua'i for non-trenching maintenance, inspection and other uses and activities within the State Highway Right of Way, Kaua'i, Hawai'i.

Board Member Akamine moved to approve Manager's Report No. 22-63, seconded by Mr. Dill; with no objections, motion carried with 4 Ayes.

Manager's Report No. MR 22-65 Discussion and Possible Action of Resolution No. 22-15, Safe Drinking Water State Revolving Fund (DWSRF) for DW434-0012, Water Plan Project K-01, Kalaheo Water System Improvements, Kalaheo-Lawai-Omao Water System, Lihue, Kauai, Hawaii

Vice Chair Kamm interjected to ask if it was okay for testimony to be allowed after the Public Testimony section of the agenda to which Deputy County Attorney Krafft stated yes, and noted that moving forward, that OIP and the Legislature will be changing the requirements for accepting public testimony and we will be asking for testimony prior to each agenda item.

In response to Vice Chair Kamm Mr. Hinazumi stated the loan rate is at a 1.5 percent annual loan fee and a .65 percent interest bringing it to a total of 2.15 percent for the term of 20 years.

In response to Board Member Dill, Mr. Hinazumi provided a status update on the Kalaheo Water System Improvements project noting that bid opening was on May 11. Mr. Dill asked to clarify that the \$13 million dollars were for construction related costs which Mr. Hinazumi confirmed, adding that this is in addition to existing State Legislative grant monies previously approved by the Board. The total project construction cost is \$21,756,000.

Board Member Dill moved to approve Manager's Report No. 22-65, seconded by Mr. Akamine; with no objections, motion carried with 4 Ayes.

Manager's Report No. MR 22-64 Discussion and Possible Action for Job No. 17-10, Water Plan 2020 No. KW-07, Rehabilitate Paua Valley Tank No.1, 0.5 MG Concrete, Kekaha Water System for Additional Construction Funding

Vice Chair Kamm asked how the tank came to have PCB's in it to which Mr. Hinazumi explained that liners and construction practices in the past utilized materials that contained PCB's which at the time of construction were thought to be acceptable. However, recent studies and analysis have determined them to be carcinogenic which has prompted them to taking an active role in removing these types of materials on the interior and exterior of the tanks as well as the tank site itself. Mr. Kamm asked whether this had anything to do with work by the contractor to which Mr. Hinazumi replied no, this was an existing tank constructed under past practices.

In response to Mr. Dill Mr. Hinazumi stated they will be treating approximately 350,000 to 400,000 gallons of water. Mr. Dill noted that it will cost us \$1,000,000 which he feels is a very expensive operation and asked if there are any other options. Mr. Hinazumi noted that they have exhausted all other options as both the EPA and Safe Drinking Water branch require the water be run through activated double-carbon filters and held in a storage tank because of the PCB's. A 50,000 gallon will be built on site to contain the water as the filtering and testing are done.

Mr. Dill asked for an update on other tanks of this vintage. Mr. Hinazumi stated there are two other tanks they are aware of as well as a some other that are being looked into for contamination. The Kauai Inn tank in Lihue and the Paanau tank in Koloa are in need of rehabilitation and have already been drained. The Paua Valley tank issue was due to an oil sheen layer on top and is where most of the PCB contamination seems to be coming from.

Board member Dill moved to approve Manager's Report No. 22-64, seconded by Mr. Akamine; with no objections, motion carried with 4 Ayes.

Manager's Report No. MR 22-66 Discussion and Possible Action for Water Plan 2020 Project No. K-01, Kalaheo Water System Improvements, Kalaheo-Lawai-Omao Water System, Kalaheo, Kaua'i, Hawai'i for Additional Project Funding

Board member Dill praised the Department for obtaining approval of State monies to help fund this project and thanked our elected representatives for helping to bring in money for the sake of our rate payers.

Board member Dill moved to approve Manager's Report No. 22-67, seconded by Mr. Kamm; with no objections, motion carried with 4 Ayes.

BOARD COMMITTEE REPORTS

1. Report of the Finance Committee of the Board of Water Supply, County of Kauai Draft Budget for Fiscal Year 2022-2023
 - a. Draft Operating Budget FY 2022-2023Draft Capital Outlay Budget FY 2022-2023

Finance Committee Chair Dill provided a summary of the proposed budget the Finance Committee is recommending for approval.

OLD BUSINESS

1. Discussion and Possible Action on Draft Budget for Fiscal Year 2022-2023
 - b. Draft Operating Budget FY 2022-2023
 - c. Draft Capital Outlay Budget FY 2022-2023

Manager Tait noted that this budget is a transitional budget as the Department works toward adjusting the old format and trying to simplify the budget presentation moving forward. He will make the necessary corrections and adjustments in the Supplemental Budget presentation in August. Mr. Tait commented that he is not satisfied with the way the budget has been presented and feels there is a clearer and easier to understand format for not just the Board but for the rate payers as well.

Waterworks Controller Marites Yano provided a summary of the Department's proposed budget. Referencing the Item received for the record, Ms. Yano explained that Page 1 shows how DOW was projecting their fund balances for Fiscal Year 2020 which will be used as a baseline. The following fiscal year, 2021, they transitioned to using the liquid assets, or cash investments. In comparing the new format versus the old format shown on Page 2, it shows how the beginning balance has significantly changed.

Board member Dill referenced the first column on Page 2, Water Utility General Fund, noting that using the old format of using the net position as a starting point, it left us with an estimated ending balance of -\$16,346,018, which would leave us unable to afford the new Capital Outlay CIP of \$20 million. His understanding is that they would have had to take out nearly all the Capital Outlay CIP in order to balance out the Water Utility General Fund, and the new method uses our fund balance projections based on available liquid assets instead. Mr. Dill noted that answers his question on what happened when they changed the reporting method which allowed them to recognize that there were additional funds available which were used in the Capital Outlay.

Manager Tait stated the discussion happening today should have happened back then when the transition was being made to provide that clarity to the Board. Mr. Dill noted that Manager Tait mentioned previously that this budget process has brought to his attention things that can be improved upon in the way this information is reported and tracked. Traditionally, we have not encumbered all the funds we have identified in our projected budget resulting in our ending balances being significantly more. He stated one of the things discussed was that after the close of each Fiscal cycle at an August meeting, the Board would like the Department to provide an audited report to show the actuals versus the projections. Manager Tait stated that because the Department is independently audited, there should be some continuity between what DOW is doing and what the auditors report. He would like to come up with a simplified document to reflect those differences from year to year to make it easier to digest for the Board as well as the public.

Mr. Dill asked how Mr. Hinazumi how confident he is that the projected \$26 million in New Capital Outlay CIP will be actually encumbered. Mr. Hinazumi stated there are a number of projects that will be coming before the Board with requests for approval for award of contracts. There are two significant projects in the Kapaa Homesteads area that have Legislative funding attached to it; he is fairly confident they will be encumbering most if not all of the CIP funds.

Ms. Yano provided an overview of the proposed budget and noted that they will providing the outstanding purchase orders at the August board meeting. Mr. Dill asked for a refresher on the Reserve fund of \$9.2 million and how that amount is determined as well as what expenditures are eligible under that fund. Ms. Yano explained the total new reserve fund is \$9.2 million. This was reduced by \$100,000 which is 30% of revenues based on the prior year's audited financial statements. In comparison, taking the total operating expenses, excluding non-cash items plus \$1,000,000 in insurance reserve, whichever is higher is what is used as the amount of the reserve fund. In this case the operating expense with the insurance reserve is higher. This reserve fund can be used for debt service payment in the event the projected revenues for the current year are not realized, or for emergency situations if there is not enough in the existing budget.

Board member Dill moved to approve the Draft Budget for Fiscal Year 2022-2023, seconded by Mr. Akamine; with no objections, motion carried with 4 Ayes.

NEW BUSINESS (cont.)

1. *Manager's Report No. MR 22-61* Discussion and Possible Adoption of Budget Resolution No. 22-14 of the Department of Water's Operating and Capital Outlay Budgets for Fiscal Year 2023, effective July 1, 2022 – June 30, 2023

Board member moved to approve Manager's Report No. MR 22-61, seconded by Mr. Akamine; with no objections, motion carried with 4 Ayes.

STAFF REPORTS

1. Fiscal - Statement of Revenues and Expenditures
 - a. April Monthly Summary Budget
 - b. Accounts Receivable Aging Summary
2. Public Relations Activities – updates on Public Notices & Announcements, Community Outreach & Education, Upcoming Events, and Project WET

Information and Education Specialist Jonell Kaohelaulii provided a summary of the PR Report submitted highlighting a revision on the date for the Make-A-Splash festival to Thursday, September 15, 2022 as well as their continuing promotion of Department services messages such as signing up for automatic bill paying services, choosing tap water, how to report a leak and National Drinking Water week. She added that DOW employees continue to engage in community causes by supporting local non-profit organizations noting that in April the Department raised over \$1,000 and more than 100 pounds of food for the Kauai Food Bank for the Spring food drive.

3. Operational Activities – Monthly service dashboard & highlights, Monthly comparison of water produced, customer meter read, and water loss

Chief of Operations Val Reyna provided a summary of the Operations report submitted, highlighting that they have addressed previous questions raised by the Board regarding the Operation division's work orders. He noted those that were updated appear in red. There are still a number of work orders for January and February that have not been completed, noting that is when they opened up preventative maintenance for their 93 remote sites; these numbers will be updated as the months go by. Another highlight noted was the monthly water loss of approximately 3 million gallons, which usually correlates to the number of hydrants hit.

Chair Simonton asked if there was any further progress on the Anini leak to which Mr. Reyna stated they are having trouble locating a leak, though they know it is definitely there. They suspect it may be under Anini stream which presents a bigger challenge. He further explained that leaks are hard to find because the pipelines are buried under sand and barely surface. They know there is water loss, but have not been able to locate from where; it is a process of elimination.

4. Manager and Chief Engineer – update on monthly activities, personnel matters, and required communications to the Board

Manager Tait stated he will be saving his updates for the next meeting.

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

1. Board of Water Supply Finance Committee report:
 - Draft Budget for Fiscal Year 2022-2023
 - a. Draft Operating Budget FY 2022-2023
 - b. Draft Capital Outlay Budget FY 2022-2023

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS:

1. Recommendation for baseyard improvements
2. Facility Improvement Program/Safety & Security
3. Future organizational changes

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).

Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as it relates to:

1. Goodfellow Bros.' Request for Reimbursements, Job No. 15-07, Reorganize Water System: Kaumuali'i Highway 16-Inch Main and Emergency Pump Connection, Hanapēpē Road 6-Inch Main Replacement, Job No. 15-07, Water Plan Project No. HE-01, HE-10, Hanapēpē, Kaua'i, Hawai'i

Chair Simonton determined there was no need for an Executive Session.

ADJOURNMENT

The meeting was adjourned at 11:27 a.m.

Respectfully submitted,

Approved,

Cherisse Zaima
Commission Support Clerk

Kurt Akamine
Secretary, Board of Water Supply

DRAFT

A horizontal splash of clear blue water with bubbles, positioned across the middle of the page. The text 'NEW BUSINESS' is overlaid on this splash, with 'NEW' above the water and 'BUSINESS' below it. Both words have a reflection effect below the water line.

NEW

BUSINESS

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-67

June 23, 2022

Re: Discussion and Possible Action on the proposed Transfer of Funds from Professional Services-General to Capital Rehabilitation and Replacement to Purchase Replacement DOW Servers in the amount not to exceed \$350,000

RECOMMENDATION:

It is recommended that the Board approve the transfer of IT Professional Services funds to the Information Technology Capital R&R Program to purchase DOW servers.

FUNDING:

FROM: Fund No	Amount	Fund Name	Current Available	Revised Available
10-02-10-540-010	\$ 350,000.00	Professional Services	\$ 708,858.44	\$ 358,858.44
TO: Fund No	Amount	Fund Name	Current Budget	Revised Budget
10-02-10-604-999	\$ 350,000.00	Capital Outlay - R&R/Misc. Capital Purchases	\$ 90,000.00	\$ 440,000.00

BACKGROUND:

The Department has been surviving on computer servers purchased some time before the move to the "new" Administration building in 2016. Recently, funds have been unencumbered from an existing dormant contract totaling approximately \$700,000. This contract is in the process of being re-evaluated as it can be re-scoped using upgraded software. This, in addition to the \$90,000 budgeted in FY2022, will allow the replacement of server hardware, installation, application and data migration, and first-year managed services for the new system. Lead time for hardware is 2-6 months, lengthening as each day passes. Capital line items by quote include:

- Dell EMC VxRail 4-node system \$220K
 - Dell Top-of-Rack Switches \$ 20K
 - Implementation of VxRail with vSphere migration \$ 20K
 - Managed Services (1 yr) \$ 75K
- Total Quoted \$335K**

OPTIONS:

Option 1: Approve Manager's Report as recommended.

Pro: The Department will be able to redistribute existing IT funds allocated in its IT Professional Services – General budgeted, to the IT Capital Replacement Program for replacement of critical IT infrastructure equipment.

Con: The Department will be reducing fund availability from dormant Professional Services funds which, unspent, will go to the Water Utility Fund.

Option 2: Deny Manager's Report as recommended.

Pro: DOW will not be reducing fund availability for its existing projects, for which funds were budgeted but not fully scoped.

Con: The Department will delay purchase of critical IT infrastructure equipment.

WT/jt

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STAFF

REPORTS

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve it!"

FISCAL REPORT

June 23, 2022

I. BUDGET SUMMARY VS. ACTUAL (see attached report for details)

YEAR TO DATE (YTD) BUDGET & ACTUAL EXPENSES SUMMARY – AS OF MAY 2022

	<u>BUDGET</u>	<u>VS</u>	<u>EXPENSED</u>
· Operating Expenses	\$30,456,551		\$21,759,562
· Debt Principal Payment	5,170,095		5,119,727
· Capital Projects	<u>39,280,582</u>		<u>505,815</u>
TOTAL	<u>\$74,907,228</u>		<u>\$27,385,103</u>

REVENUES: VARIANCE = “ACTUAL” LESS “BUDGET”- POSITIVE INDICATES HIGHER PERFORMANCE THAN EXPECTED & NEGATIVE IS VICE VERSA.

- Total Revenue as of May 2022 was 27% below projection.
 - Water sales of \$26.2 million (M) was \$3.3M or 14% higher than projected.
 - Other Water Revenues - Revenues from Fire hydrants of \$2M and other receipts of \$112.9 thousand (K) were \$137.1K below projection.
 - Capital Contributions: Contributions from Federal & State Grants – \$739.4K.
 - Investment Income & Net Increase in FV of Investments –\$172.7K.
 - Miscellaneous Revenues - \$66K.

OPERATING EXPENSES: VARIANCE = BUDGET LESS ACTUAL

EXPENSES: POSITIVE VARIANCE INDICATES LOWER ACTUAL EXPENSES VS. BUDGET. REVISED YTD BUDGET COLUMNS INCLUDE PO ROLLOVER FROM FY ENDING 2021.

- YTD Operating Expenses before depreciation and amortization were \$21.8M. Total spending was \$8.7M lower than budget.
 - Employee Related Expenses –\$9.9M with a 15% positive variance.
 - Contracts & Services – \$4.2M with a 60% positive variance.
 - Professional Services, Other Services – Billing, Communication, Insurance and Repairs and Maintenance for non-water systems are the main items contributing to the 60% positive variance.
 - Fuel & Utilities – \$2.7M with a 1% positive variance.
 - Bulk Water Purchase –\$1.5M with a 10% positive variance.
 - Office & Operating Supplies – \$858.9K with 28% positive variance.

- Training, Travel & Meeting Expenses – \$65.5K or 60% positive variance.
- Debt Service – Interest Expense - \$2.5M.
- Depreciation & Amortization (non-cash expenses) is \$6.5M.

NET OPERATING INCOME:

- Net Operating Income before depreciation and amortization - \$7.5M.
- Net Operating Income after depreciation & amortization was a positive \$1.1M.

NON-OPERATING PROCEEDS & DISBURSEMENTS

- SRF Loan Proceeds – None.
- FRC – Facility Reserve Charge –\$698.3K.
- YTD Debt Principal Payment is \$5.1M.

CAPITAL PROJECTS BUDGET: YTD DISBURSEMENTS = \$505,814.51

- Capital Projects: Water Utility Fund - \$493K
- Capital Projects: FRC Fund – (\$4.8K)
- Capital Projects: BAB Fund - \$17.6K
- Capital Projects: SRF Loan Fund - None

II. COMPARATIVE CHARTS:

METERED CONSUMPTION:

- May 2022, monthly metered consumption of 315.1 million gallons (mg) increased by 20.2 mg as compared from the same month of FY 2021.
- Year to Date (YTD) metered consumption as of 5/31/22 was 3,710.8 mg with a YTD cumulative increase of 522.7 mg as compared from the same month of FY 2021.

III. STATEMENT OF NET POSITION (BALANCE SHEET): SEE ATTACHED.

Statement of Net Position as of May 31, 2022 (unadjusted).

IV. OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:

- Annual Operating and Capital Budgets for FY 2022-2023 were approved for adoption during the May 26th regular board meeting.
- The DOW's Annual Validated Water Audit is due the Commission of Water Resource Management on or before June 30, 2022.

- Fiscal continues to work with Raftelis Financial Consultants, Inc. to update the Department's financial model and provide training to staff. (*October 2021*)
- MS Great Plains (GP) upgrade – options being considered.
- Pre-closing of Fiscal Year 2022 financials are in progress.
- Fiscal continues to work on Contract No. 724, N&K CPAS Inc. for the DOW's Financial Accounting Audit Services for FY ending June 30, 2022.
- Fiscal's contract of the Armored Car Services ends on June 30, 2022 and continues to work on a new procurement for FY22-23.
- Planned Procurement: Development of updated Financial Policies for DOW – under consideration by Manager – to be proposed to the Board for consideration.
- Planned Procurement: Budget Program Solution – It will be addressed concurrently with the development of updated Financial Policies – to be proposed to the Board for consideration.

Attachments: Monthly Budget Summary VS Actual as of 05/31/22
 Monthly Consumption
 YTD Cumulative Water Consumption
 WU Cumulative Cash Receipts
 Cumulative Billed Revenues
 Accounts Receivable Aging Summary
 Assets and Deferred Outflows

MY/ms



Department of Water, County of Kauai
 Monthly Budget Summary vs. Actual
 SUMMARY
 5/31/2022

May

FY 2022

I. OPERATING BUDGET

Revenue

	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
Water Sales	\$2,085,217.00	\$2,085,217.00	\$2,257,711.74	\$172,494.74	\$22,937,387.00	\$26,192,827.36	\$3,255,440.36	14.%
Other Water Revenue Total	206,192.00	206,192.00	192,739.66	(13,452.34)	2,268,112.00	2,131,032.26	(137,079.74)	(58.%)
Capital Contributions Total	1,348,057.00	1,348,057.00	67,222.04	(1,280,834.96)	14,828,627.00	739,442.44	(14,089,184.56)	(258.%)
Investment Income Total	19,584.00	19,584.00	106,545.30	86,961.30	215,424.00	172,704.49	(42,719.51)	1562.%
Miscellaneous Revenues Total	709.00	709.00	31,253.67	30,544.67	7,799.00	65,991.90	58,192.90	1855.%
Total Revenue	3,659,759.00	3,659,759.00	2,655,472.41	(1,004,286.59)	40,257,349.00	29,301,998.45	(10,955,350.55)	(27.%)

Expenses

Total Employee-Related Expenses	1,064,602.00	1,064,602.00	888,405.84	176,196.16	11,710,622.00	9,932,766.93	1,777,855.07	15.%
Total Contracts & Services	623,091.00	623,091.00	288,959.14	334,131.86	10,387,987.32	4,196,978.65	6,191,008.67	60.%
Total Fuel & Utilities	249,500.00	249,500.00	267,097.05	(17,597.05)	2,744,500.00	2,725,460.01	19,039.99	1.%
Total Bulk Water Purchase	151,681.00	151,681.00	152,751.60	(1,070.60)	1,669,855.96	1,509,749.24	160,106.72	10.%
Total Office & Operating Supplies	112,871.00	112,871.00	97,146.10	15,724.90	1,194,422.50	858,948.59	335,473.91	28.%
Total Training, Travel & Meeting Expenses	14,753.00	14,753.00	7,428.60	7,324.40	165,142.68	65,544.53	99,598.15	60.%
Total Interest Expense	234,911.00	234,911.00	225,240.50	9,670.50	2,584,021.00	2,470,113.58	113,907.42	4.%
Total Operating Expenses	2,451,409.00	2,451,409.00	1,927,028.83	524,380.17	30,456,551.46	21,759,561.53	8,696,989.93	29.%

Net Operating Income (Loss) Before Depre	\$1,208,350.00	\$1,208,350.00	\$728,443.58	(\$479,906.42)	\$9,800,797.54	\$7,542,436.92	(\$2,258,360.62)	(23.%)
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Depreciation & Amortization

Total Depreciation & Amortization	661,895.00	661,895.00	580,921.38	80,973.62	7,280,845.00	6,458,821.22	822,023.78	11.%
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Net Operating Income (Loss)	546,455.00	546,455.00	147,522.20	(398,932.80)	2,519,952.54	1,083,615.70	(1,436,336.84)	(57.%)
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Non Operating Proceeds	1,191,667.00	1,191,667.00		(1,191,667.00)	13,108,337.00		(13,108,337.00)	(100.%)
FRC-Facility Reserve Charge	66,667.00	66,667.00	28,230.00	(38,437.00)	733,337.00	698,325.00	(35,012.00)	(5.%)

Total Non Operating Proceeds	1,258,334.00	1,258,334.00	28,230.00	(1,230,104.00)	13,841,674.00	698,325.00	(13,143,349.00)	(95.%)
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Transfers Out(In) to Other Funds
 Debt Principal Payment

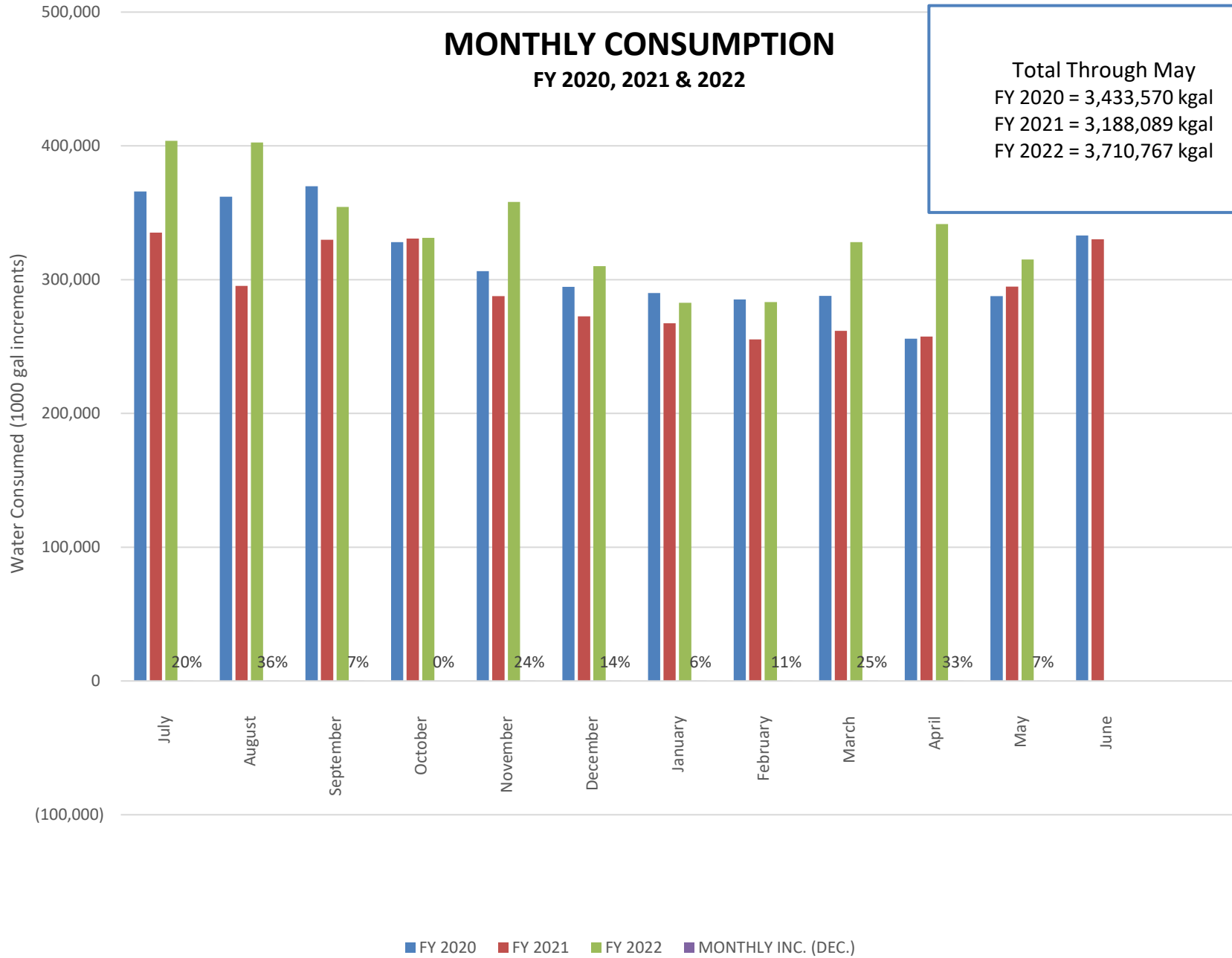
					5,170,095.00	5,119,727.21	50,367.79	1.%
Net Proceeds (Expenditures)	1,804,789.00	1,804,789.00	175,752.20	(1,629,036.80)	11,191,531.54	(3,337,786.51)	(14,529,318.05)	(130.%)

II. CAPITAL BUDGET

Water Utility - Capital Projects	2,785,542.00	2,785,542.00	3,221.00	2,782,321.00	17,344,756.41	493,002.49	16,851,753.92	97.%
FRC Special Trust Fund - Capital Projects	46,666.00	46,666.00		46,666.00	966,465.86	(4,795.48)	971,261.34	100.%
BAB Fund - Capital Projects	583,333.00	583,333.00		583,333.00	7,861,033.71	17,607.50	7,843,426.21	100.%
SRF Loan Fund - Capital Projects	1,191,666.00	1,191,666.00		1,191,666.00	13,108,326.00		13,108,326.00	100.%
Total Capital Projects	4,607,207.00	4,607,207.00	3,221.00	4,603,986.00	39,280,581.98	505,814.51	38,774,767.47	99.%

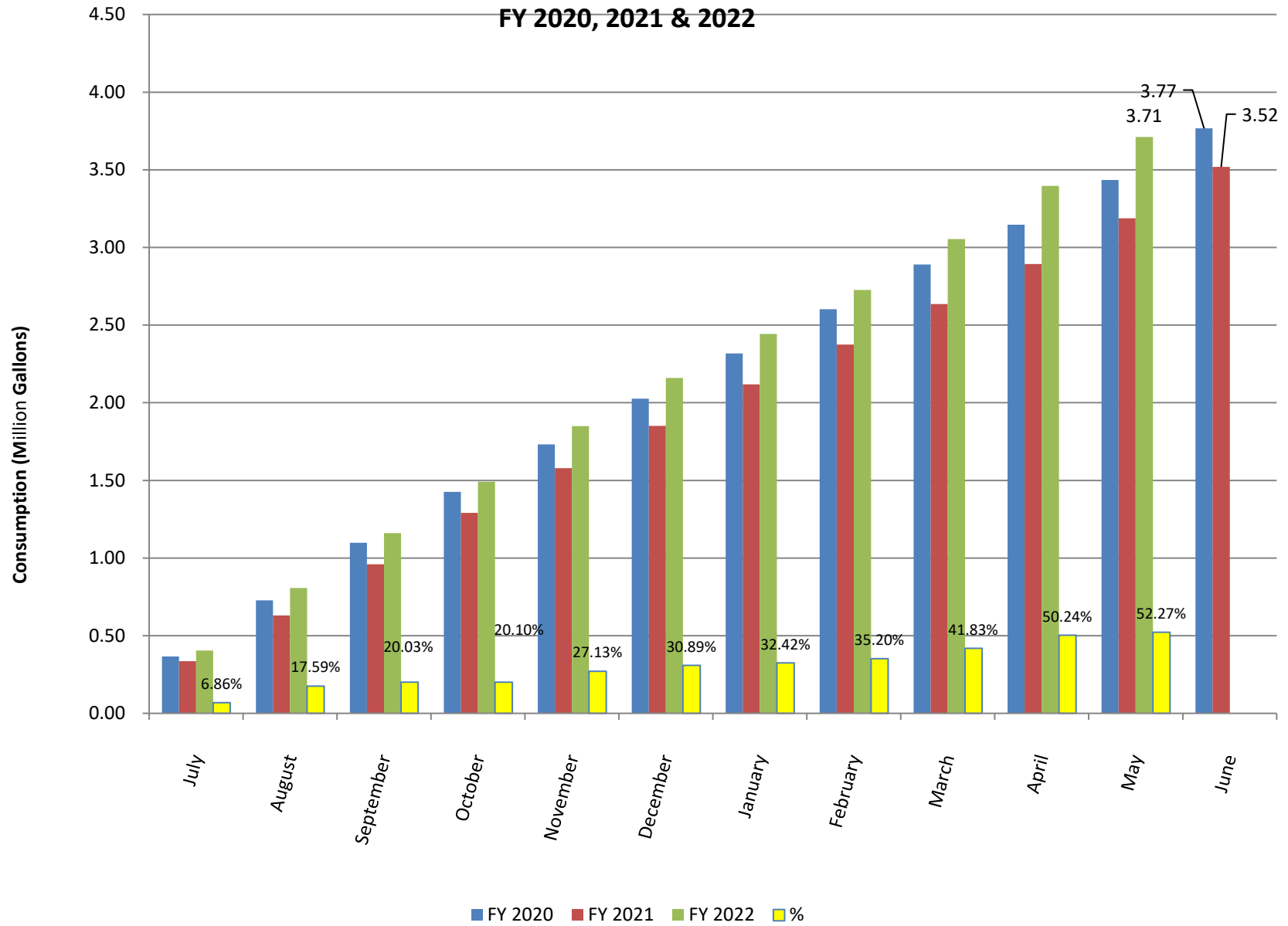
MONTHLY CONSUMPTION FY 2020, 2021 & 2022

Total Through May
 FY 2020 = 3,433,570 kgal
 FY 2021 = 3,188,089 kgal
 FY 2022 = 3,710,767 kgal

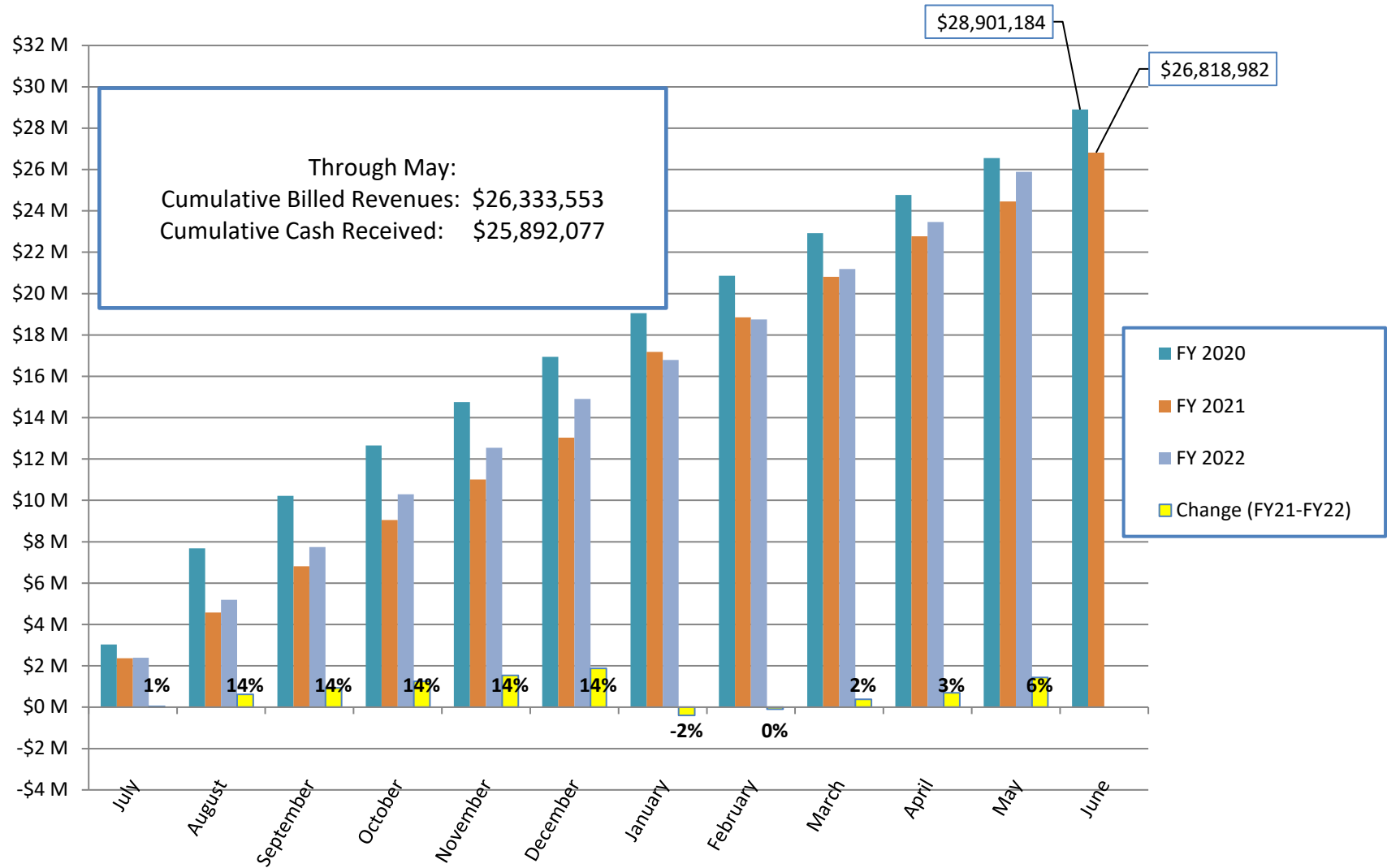


YTD CUMULATIVE WATER CONSUMPTION

FY 2020, 2021 & 2022

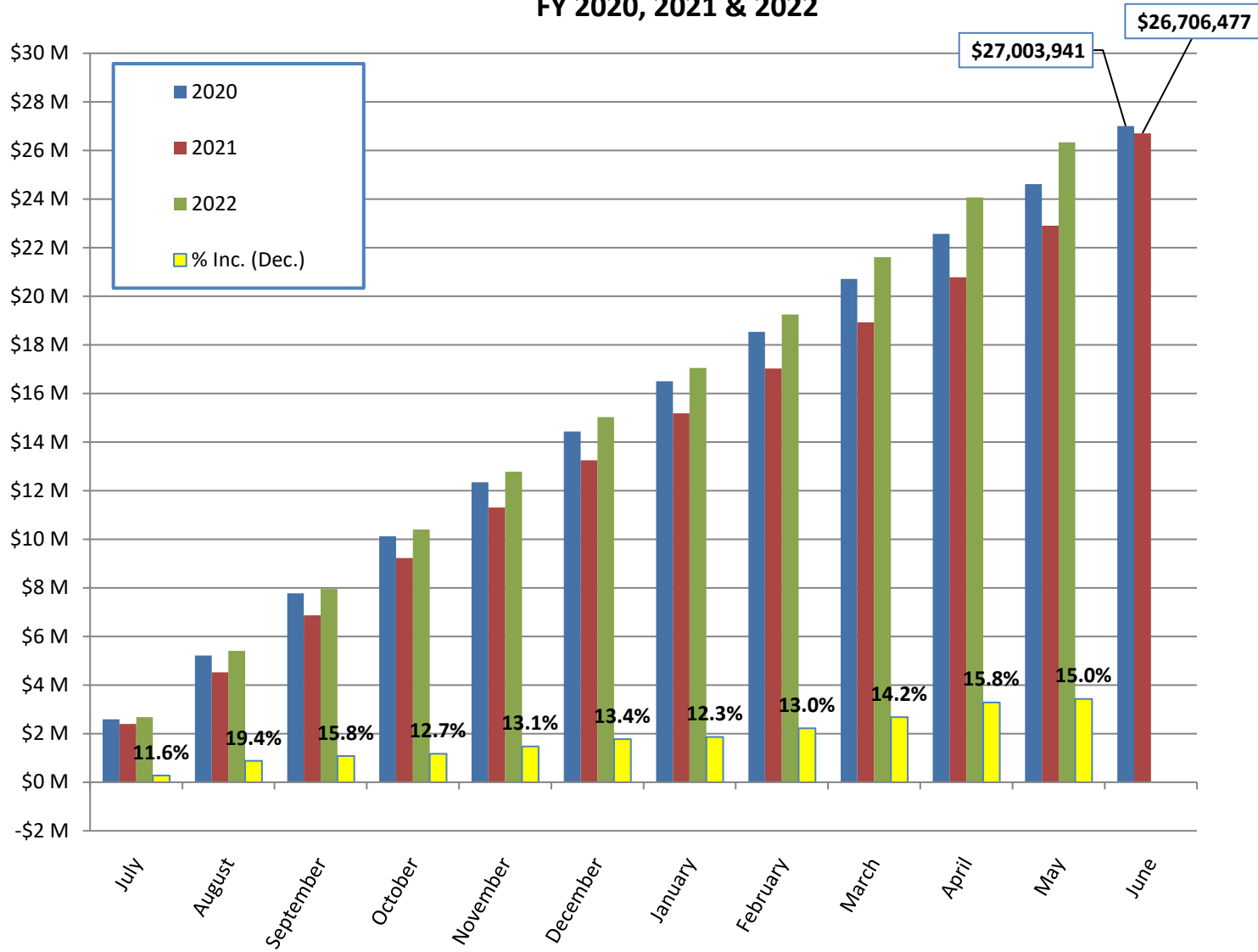


WU CUMULATIVE CASH RECEIPTS FY 2020, 2021 & 2022



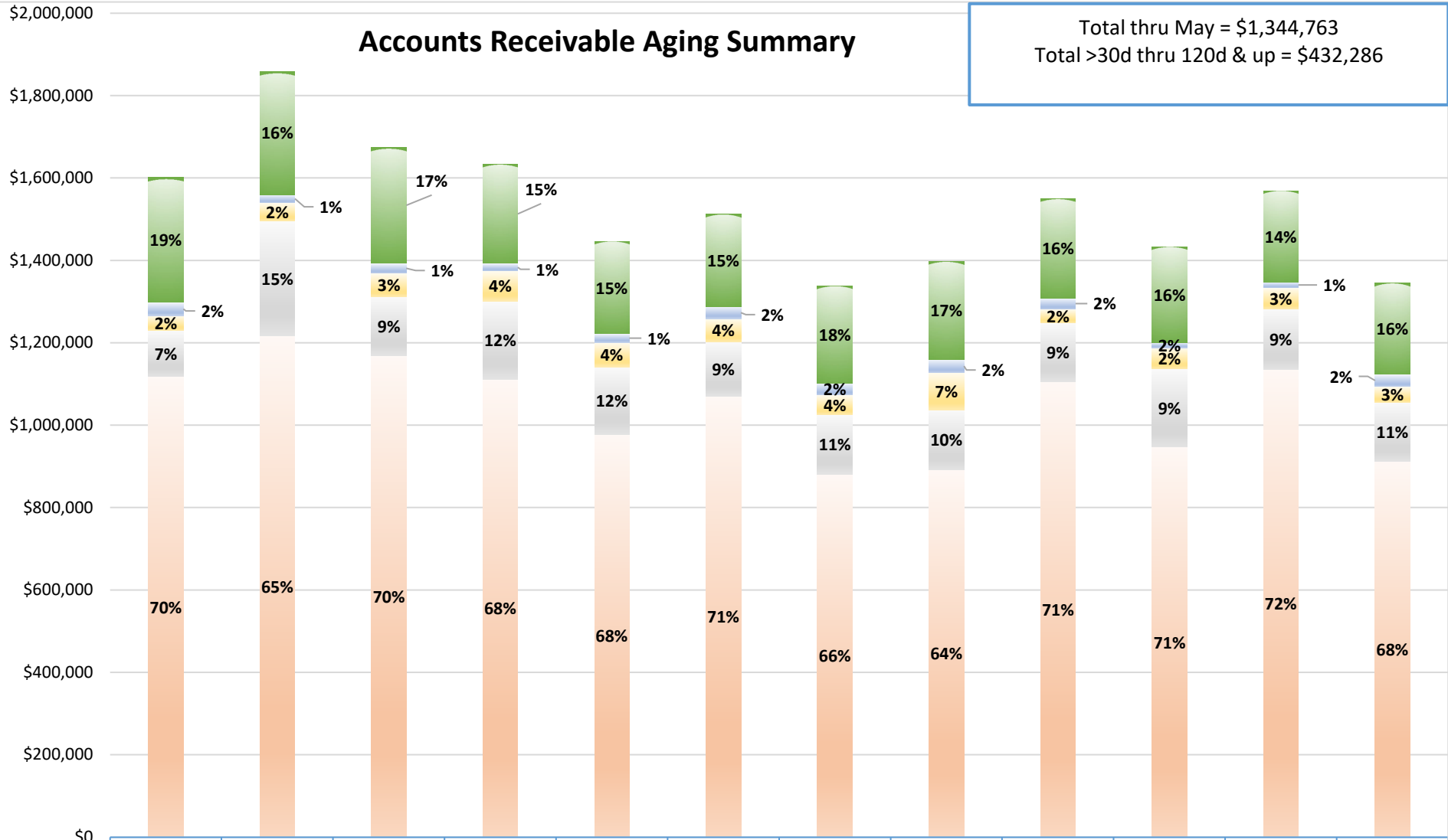
Note: July '19-'20 receipts included a \$2.29 million state appropriation grant for the Hanapēpē

CUMULATIVE BILLED REVENUES FY 2020, 2021 & 2022



Accounts Receivable Aging Summary

Total thru May = \$1,344,763
Total >30d thru 120d & up = \$432,286



	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
121 days and over	\$304,593	\$299,428	\$282,882	\$240,783	\$223,428	\$224,064	\$235,516	\$238,389	\$241,358	\$232,210	\$220,795	\$221,053
91-120 days	\$31,973	\$20,378	\$23,726	\$18,305	\$21,463	\$30,065	\$29,192	\$31,305	\$27,490	\$12,167	\$14,142	\$30,088
61-90 days	\$36,744	\$44,461	\$57,021	\$73,096	\$59,044	\$55,620	\$47,341	\$90,933	\$33,108	\$51,517	\$51,435	\$38,119
31-60 days	\$111,658	\$278,491	\$142,845	\$189,626	\$163,726	\$132,167	\$144,413	\$145,059	\$142,017	\$190,304	\$147,763	\$143,026
0-30 days	\$1,117,983	\$1,216,650	\$1,169,088	\$1,111,708	\$977,992	\$1,070,638	\$881,641	\$892,283	\$1,106,268	\$946,677	\$1,134,531	\$912,477

Assets and Deferred Outflows

Current Assets

Cash	\$9,115,213.28	\$7,798,502.60
Equity interest in pooled investments	6,832,721.54	6,832,721.54

Receivables:

Accounts, net of allowance for doubtful accounts	1,376,169.88	1,579,932.72
Due from other funds		
Unbilled accounts	1,600,825.50	1,600,825.50
Grants and subsidies	1,035,219.40	988,163.97
Accrued interest	161,209.36	161,209.36
Total receivables	4,173,424.14	4,330,131.55

Materials and supplies	1,006,099.32	1,006,099.32
Prepaid expenses	45,231.85	45,231.85
Total current asset	21,172,690.13	20,012,686.86

Restricted Assets:

Facility reserve charge funds:

Cash	2,023,980.32	1,995,750.32
Equity interest in pool investments		
Accounts receivable and other	443,665.42	423,498.81
Total facility reserve charge funds	2,467,645.74	2,419,249.13

Bond funds:

Cash	1,176,627.97	1,176,627.97
Equity interest in pooled investments	8,353,280.78	8,304,118.79
Accrued interest	21,286.83	21,213.47
Total bond funds	9,551,195.58	9,501,960.23

Total restricted assets	12,018,841.32	11,921,209.36
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Equity Interest in Pooled Investment - Noncurrent

Investment - Non-Current	26,563,189.70	26,563,189.70
Investment - Reserves	9,000,000.00	9,000,000.00
Investment - Debt Service Reserve		
Total Equity Interest in Pooled Investment - Noncurrent	35,563,189.70	35,563,189.70

Utility Plant:

In service	349,374,384.90	349,374,384.90
Accumulated depreciation	(128,864,507.69)	(128,283,586.31)
Total utility plant	220,509,877.21	221,090,798.59

Construction work in progress	19,469,222.54	19,466,001.54
Total property, plant and equipment	239,979,099.75	240,556,800.13

Total assets	308,733,820.90	308,053,886.05
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Deferred Outflow of Resources - Deferred Refunding Costs, net	7,891,076.68	7,891,582.76
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Total assets and deferred outflows	316,624,897.58	315,945,468.81
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*Allowance for doubtful accounts	(204,662.98)	(204,909.80)
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Liabilities and Net Position

Current Liabilities:

Accounts payable and accrued liabilities	1,040,191.55	1,441,550.53
Contracts payable, including retainages	648,332.41	648,332.41
Accrued Vacation And Compensatory Pay, current portion	540,090.26	540,090.26
Due to/Due From Other Funds	211.73	
Customer overpayment	230,227.55	210,348.39
Customer deposits and advances	511,493.05	509,551.23
Current portion of long term debt	5,170,094.58	5,170,094.58
Current portion of capital lease obligation		

Total current liabilities	8,140,641.13	8,520,179.13
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Long-Term Debt	51,710,078.16	51,713,904.43
Capital Lease Obligation		
OPEB & Retirement Benefits	29,072,506.84	29,072,506.84
Accrued Vacation and Compensatory Pay	1,061,073.85	1,061,073.85
Deferred Inflow of Assets	3,349,684.00	3,349,684.00

Total liabilities and deferred inflows:	93,333,983.98	93,717,348.25
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Net Position:

Water Utility Reserves	9,000,000.00	9,000,000.00
Restricted FRC	2,459,794.98	2,411,398.37
Restricted Build American Bonds	9,444,162.91	9,394,927.56
Invested in Capital Assets Net of Related Debt	183,002,884.61	183,577,264.80
Unrestricted	19,384,071.10	17,844,529.83

Total net position	223,290,913.60	222,228,120.56
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Total liabilities, deferred inflows and net position:	316,624,897.58	315,945,468.81
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DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve it!"

INFORMATION & EDUCATION SPECIALIST REPORT

June 23, 2022

Public Notices and Announcements

All news releases are sent to statewide media partners, published online via the Department's Facebook page and on the County of Kaua'i's website at www.kauai.gov/press-releases. Notices labeled as a Public Service Announcement (PSA) are shared directly with local radio stations, newspaper and posted on the Department's Facebook page. Additionally, roadwork notices are emailed to the Department of Transportation (DOT) communications office.

Service Announcements:

<i>Date Issued</i>	<i>Water System & Affected Service Areas</i>	<i>Announcement</i>	<i>Effective Date & Times</i>	<i>Other Notices</i>
05/18/2022	Haena to Hanalei	Water conservation notice	May 18 at 10 p.m. until further notice	
05/19/2022		Water conservation notice lifted	May 19 at 6 a.m.	
05/19/2022	KAPA'A - portion of Hau'a'ala Road from Kawaihau Road to Keapana Road and includes Keapana Road and Makamaka Street	Water service shutdown scheduled for water main connection	May 26 from 8 a.m. to 2 p.m.	Kauai County Alerts
05/19/2022	KILAUEA – Anini Road	Water conservation notice	May 19 at 10 a.m. until further notice	Kauai County Alerts
05/19/2022 <i>Updated</i>	KILAUEA – Anini Road	Water service outage issued by Princeville Utility Co.	May 19 at 12:20 p.m. until further notice	Kauai County Alerts
05/19/2022	KILAUEA – Anini Road	Water conservation notice	May 19 at 4 p.m. until further notice	Kauai County Alerts
05/20/2022		Water conservation notice lifted	May 20 at 6 a.m.	
06/02/2022	n/a	Water emergency preparedness tips and water service advisory reminders	n/a	n/a
06/03/2022 <i>PSA</i>	KILAUEA – Anini Road	Water service shutdown scheduled to conduct leak investigation	June 6 from 10 a.m. to 12 p.m.	Kauai County Alerts

Public Relations Program

Community Outreach & Education

- The Department's "Wise Water Wednesday" campaign for the month of June includes customer reminders for water emergency preparedness, sign-up for automatic bill payment services, smart water uses and encourages customers to serve tap water instead of bottled water. The weekly media campaign is featured on the Department's Facebook page, in radio advertisements and is published as a banner ad in the Garden Island Newspaper.
- The Department donated 60 water-activated cooling towels to the Hawaii Technology Academy's fundraising event. The student's online fundraiser supports research and development of a drinking water facility to benefit an elementary school in Kenya, Africa.
- The Department continued its Cooperative Purchase Agreement with the County of Kauai, Kauai Emergency Management Agency to secure a mass notification services contract. The contract was awarded to vendor, Inspiron Logistics. The service provides similar notification functions as Blackboard Connect that includes outreach messaging capabilities via phone call, text and email. The Department will be using Inspiron Logistics service effective May 9, 2022 and will be known as Kauai County Alerts. Customers and residents who have already signed up for this service through BlackBoard connect do not need to sign-up again.

Upcoming Community Outreach & Educational Events

- Make a Splash with Project WET Festival – September 15, 2022

Project WET Hawaii

- Make a Splash Festival planning continues through September. The festival date has been revised to Thursday, September 15, 2022.
- Jonell Kaohelaulii conducted a Project WET Educator training workshop in Kailua-Kona on May 25, 2022, as part of the Hawaii Rural Water Association's (HRWA) Training and Technical Conference. 6 educators received the Guide 2.0 training. Travel expenses for Jonell were sponsored by HRWA.

Attachments: *KauaiNowNews* (Water conservation notice issued for Anini Road)
KauaiNowNews (Water conservation notice lifted on Anini Road)
KauaiNewsNow (Water service shutdown scheduled in Kapa'a)
GardenIsland (Water shut off in Kapa'a Thursday)

Kauai News

Water Conservation Notice Issued For 'Anini Road

Posted May 19, 2022, 5:45 PM HST



A water service advisory for customers on 'Anini Road in Kīlauea has been changed to a water conservation notice. The revision is the latest update following several [other notices](#) earlier today.

The county Department of Water and the Princeville Utilities Co. report that power has been restored to the Princeville Utilities well site; however, water tank levels are not yet stable for normal operations.

Customers are still advised to limit water use to essential needs only, such as drinking, cooking and sanitation needs, until further notice.

Additional conservation methods include turning off appliances that automatically draw water and refraining from car washing and other non-essential uses.

An update will be provided when the conservation notice is lifted.

To monitor water service announcements online, click [here](#).

Kauai News

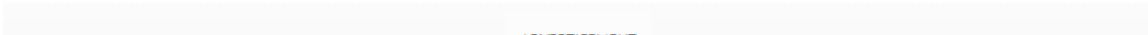
Water Conservation Notice Lifted on 'Anini Road

Posted May 20, 2022, 7:33 AM HST



The Department of Water and Princeville Utilities Co. has lifted the water conservation notice for 'Anini Road at approximately 6 a.m. this morning.

PUCI's water storage tank levels have stabilized, and customers may now resume normal water use.



Kauai News

Water Service Shutdown Scheduled in Kapa'a

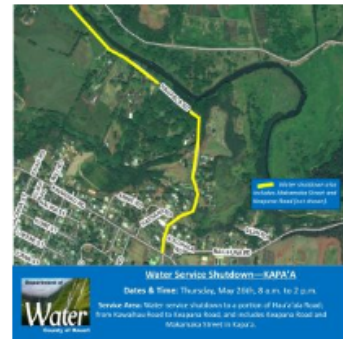
Posted May 22, 2022, 9:52 AM HST



Work on a water main will require water service to be shut off for some residents of Kapa'a later this week.

The county Department of Water announced water service will be turned off from 8 a.m.-2 p.m. Thursday, May 26, weather permitting, for a portion of Hau'a'ala Road from Kawaihau Road to Keapana Road, including Keapana Road and Makamaka Street. The shutdown is necessary to allow contractor Grace Pacific LLC to conduct a water main connection on Hau'a'ala Road.

A road closure also will be in place on Hau'a'ala Road. A detour will be in place, directing traffic through Kolohala Road and Mailihuna Road.



In preparation for the planned shutdown, water customers are advised to:

- Store water to meet their needs until service is restored.
- Notify neighbors, friends and family about the shutdown.
- Ensure faulty water heaters do not empty during the shutdown.
- Monitor water service updates [online](#).

For more information, contact Braeden Armstrong at 808-354-7651 or via email at barmstrong@gracepacific.com, or Jeanie Tavares at 808-652-0402 or via email at jtavares@gracepacific.com. Both are with Grace Pacific.

Water shut off in Kapa'a Thursday

THE GARDEN ISLAND

KAPA'A — The county Department of Water announced a water service shutdown on Thursday, May 26, from 8 a.m. to 2 p.m., for a portion of Hau'a'ala Road from Kawaihau Road to Keapana Road and including Keapana Road and Makamaka Street.

Weather permitting, it is so Grace Pacific can conduct a water main connection on Hau'a'ala Road.

To prepare for the outage, customers should:

- ▶ Store water;
- ▶ Notify neighbors,

friends and family;

▶ Monitor updates at [facebook.com/kauaidow](https://www.facebook.com/kauaidow).

Those with faulty water heaters should ensure their water heaters do not empty during the shutdown.

A road closure will be in place on Hau'a'ala Road. A detour will be in place through Kolohala Road and Mailihuna Road.

For more information, contact Grace Pacific's Braeden Armstrong at 808-354-7651, barmstrong@gracepacific.com, or Jeanie Tavares at 808-652-0402, jtavares@gracepacific.com.

Operations Services Dashboard

Month	Leak Repairs	Calls for Service	Meters Installed and Replaced	Temporary Hydrant Meters	Work Orders Issued	Work Orders Closed	One Call Requests	Auto Repair Shop	Hydrants Hit
Jan-22	36	207	171	1	293	265	29	22	2
Feb-22	35	184	45	2	361	175	43	14	1
Mar-22	30	225	24	2	182	180	35	19	1
Apr-22	28	196	42	3	191	180	29	58	3
May-22	39	169	26	0	172	165	28	31	2
Jun-21	40	211	74	2	167	162	18		1
Jul-21	33	191	103	0	176	169	13		1
Aug-21	27	220	99	3	187	184	18		6
Sep-21	19	193	106	1	180	180	39		1
Oct-21	32	198	23	0	146	144	25		1
Nov-21	28	189	13	0	126	125	47	12	4
Dec-21	27	193	15	1	131	120	24	18	0

Operations Contract Dashboard

Open for Bid

Type	Contract Number	Job Number	Title	Contractor/Vendor

Awaiting Board Approval

Type	Contract Number	Job Number	Title	Contractor

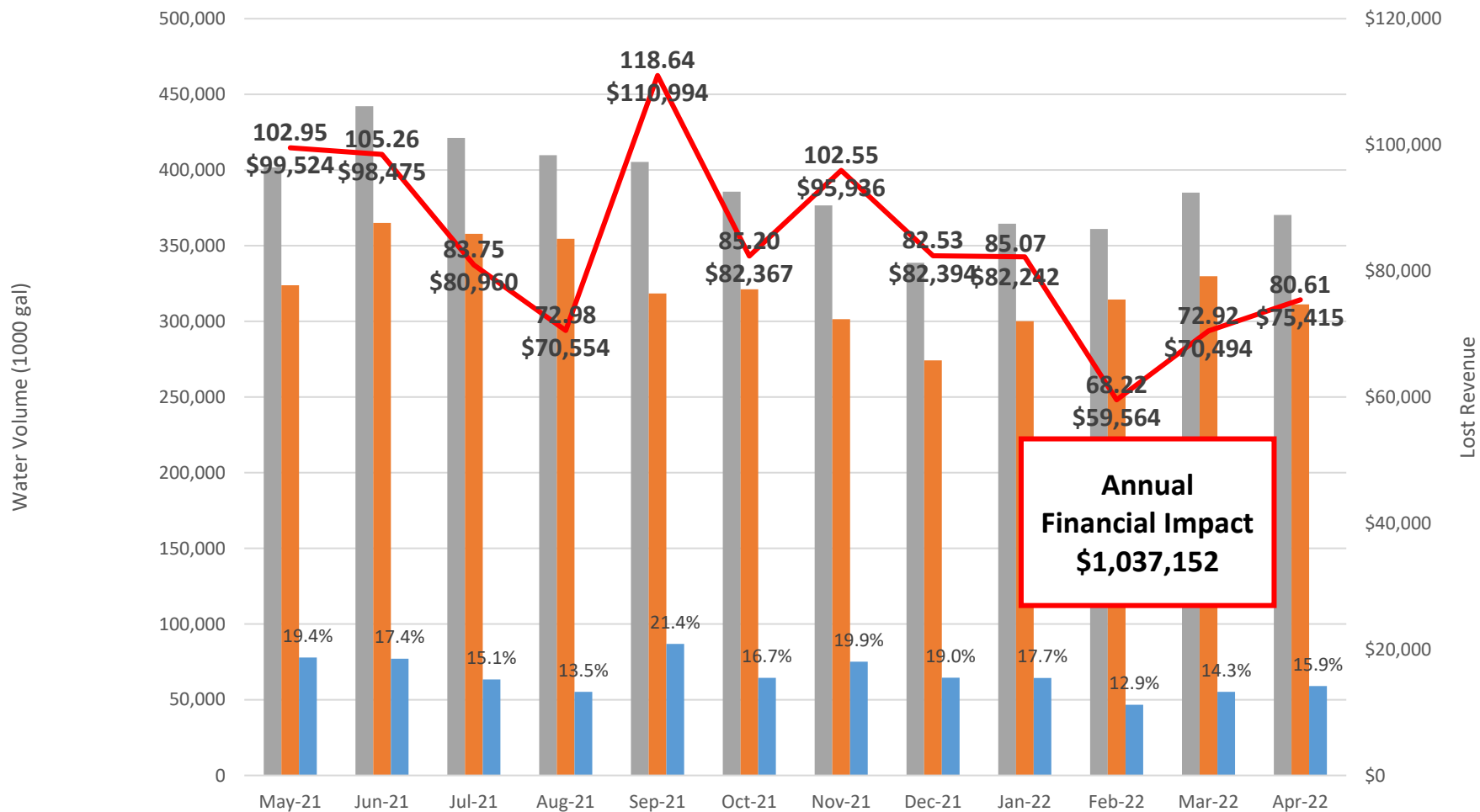
Processing/Notice to Proceed

Type	Contract Number	Job Number	Title	Contractor
Goods		GS-2022-05	Furnishing and Delivery of Hydrants & Various Drinking Water Pipe Repair and Maintenance Fittings	Mutual Plumbing Supply Co., Inc.

Highlights

1. Estimated non-revenue water due to flushing and reported leaks for the month of May is 1,225,014 gallons
2. Kilohana on-site sodium hypochlorite housing structure design contract pending quote from prospective design consultant
3. Initial meeting with Fuel Master contractor

Monthly Water Audit May 2021 - April 2022



	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Produced	401,828	442,170	421,226	409,825	405,337	385,707	376,586	338,739	364,525	361,076	385,067	370,322
Customer Meter Read	323,892	365,056	357,828	354,575	318,419	321,207	301,460	274,217	300,122	314,433	329,864	311,266
Waterloss	77,936	77,114	63,398	55,250	86,918	64,500	75,126	64,522	64,403	46,643	55,203	59,056
Waterloss	\$99,524	\$98,475	\$80,960	\$70,554	\$110,994	\$82,367	\$95,936	\$82,394	\$82,242	\$59,564	\$70,494	\$75,415

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S UPDATE

June 23, 2022

Pursuant to Board Policy No. 3

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

1 FIRST AMENDMENT TO DESIGN BUILD CONTRACT NO. 213149, HANAIEI SATELLITE OPERATIONS FACILITY, TMK: 5-5-003:002, RAIN 18 IN THE AMOUNT OF \$729,503

FUNDING:

Account No.	10-20-10-540-010			
Acct Description	WU/Eng/Admin/Professional Services		\$	69,503.00
Account No.	10-40-00-605-176			
Acct Description	WU/Ops/Capital Outlay – R&R (Satellite Operations Facility)		\$	660,000.00
Funds Available	<i>Verified by WWC</i>		\$	729,503.00
County of Kauai, Contract No. 213149				
Vendor	County of Kauai & Unlimited Construction Services, Inc.			
	Contract Amount	\$	729,503.00	
	Total Funds Certified to Date	\$	729,503.00	\$ <729,503.00>
Contract Amount To Date		\$	729,503.00	
Fund Balance			\$	0.00

BACKGROUND: Contract is managed by the County of Kauai pursuant to the Cooperative Purchase Agreement No. 213149.

Contract NTP Date: November 1, 2020
 Original Contract End Date: March 15, 2022
 New Contract End Date: December 27, 2022

The County of Kauai initiated the Hanalei Base yard Improvements based on a goal to reduce the risk of exposure to natural disasters such as flooding events and heavy rains experienced in the past several years along with improving the facilities for workers and the necessary equipment for operations. The scope of the project includes improvements and additions for the county Department of Public Works, Department of Parks and Recreation, Fire Department, and Department of Water (DOW) at the existing Hanalei base yard site. The new improvements include office buildings, garages, and facility improvements for all Departments.

The DOW became involved with the project to improve our local operations as we currently do not have space to store materials and supplies in this area of the island. The satellite operations facility will serve as a staging ground for emergency and non-emergency repairs for the North Shore community, allowing for a more effective and efficient response to the North Shore community. The DOW portion of the project

includes a 1,200 square foot satellite operations facility that will be utilized for storage of repair parts and materials, specialty tools and equipment.

On May 5, 2021, the Board of Water (Board) entered into a Cooperative Purchasing Agreement (CPA) with the County of Kauai, Department of Public Works (County). It is a means by which government entities subject to Hawaii Revised Statutes (HRS) Chapter 103D-802, and the Hawaii Administrative Rules (HAR), sub 11, Chapter 128, may join to achieve cost-effective and efficient acquisition of quality goods, services, and construction. Additional benefits of cooperative procurements are the administrative and contract management savings of a single cooperative purchasing contract, rather than multiple contracts conducted by several governmental entities. Pursuant to this agreement, the County acts as the procurement officer with the Department of Public Works as the lead agency. The CPA created a contractual agreement between the Board and the County for contract C213149. However, the CPA did not establish a direct relationship with the Contractor and the Board.

While the CPA stated that the County and the Board agree to submit their respective payments directly to the Contractor (Unlimited Construction Services, Inc.), the CPA did not involve the Contractor. Based on that, the proposed First Amendment to Design-Build Contract No. 213149, Hanalei Base yard Office and Garage, TMK 5-5-003:002, Rain 18 includes language to create the contractual relationship with Unlimited Construction Services, Inc. for the DOW to make direct payments for approved invoices. As stated in the proposed contract amendment, the County and DOW are looking to execute this agreement to meet our statutory obligations under Hawaii Revised Statutes Chapter 103D, and audit and internal procedure obligations.

It is recommended that the Manager approve the First Amendment to Design-Build Contract No. 213149, Hanalei Base yard Office and Garage, TMK 5-5-003:002, Rain 18 which allows DOW the same rights and privileges as the County with DOW added as a party to the Design-Build Contract with the County and the Contractor (Unlimited Construction Services, Inc) for the DOW portion of design and construction.

The Board approved additional project funding in the FY 22-23 budget at the May 26, 2022, Board meeting. The proposed First contract amendment will allow DOW to utilize the approved FY 22-23 Satellite Operations Facility additional funding that will become available after July 1, 2022 without further Board action.

2 MEMORANDUM OF UNDERSTANDING BETWEEN THE OFFICE OF THE AUDITOR, STATE OF HAWAI'I AND DEPARTMENT OF WATER, COUNTY OF KAUA'I TO PERFORM AUDIT SERVICES FOR FY JUNE 30, 2022, 2023 AND 2024 IN THE AMOUNT OF \$3,700

FUNDING:

Account No.	10-31-10-540-010			
Acct Description	WU/Acctg/Admin/Professional Services-General			
Funds Available	<i>Verified by WWC</i>		\$	3,700.00
Contract No.	n/a			
Vendor	Office of the Auditor, State of Hawai'i			
	Contract Amount	\$		11,700.00

MANAGER'S UPDATE

Re: Manager's Update for May 2022 to June 2022

June 23, 2022

Page 3 of 6

	5% Contingency	\$	n/a	
	Total Funds Certified FY2022	\$	3,700.00	\$ <3,700.00>
Fund Balance				\$ 0.00

BACKGROUND:

The Office of the Auditor coordinates the audit of the of the Employee's Retirement System of the State of Hawaii ("ERS") to meet the Governmental Accounting Standards Board ("GASB") reporting requirement for GASB 68.

The Department of Water ("DOW") is a participating employer of the ERS pension fund and by participating in this MOU, the DOW will receive a copy of the audited schedule of employer allocations for pension expense, deferred outflows of resources, deferred inflows of resources and net pension liability. This information will be used in the annual preparation of the DOW's financial statements.

The total contract amount of \$11,700.00 is for a period of three years and the annual cost-share will be budgeted for each fiscal year as stated in the MOU.

3 CONTRACT NO. 730, GS -2022-06 FOR THE FURNISHING AND DELIVEY OF ONE (1) CREW CAB 4X4 PICKUP TRUCK WITH ACCESSORIES AWARDED TO WINDWARD FORD OF HAWAI'I IN THE AMOUNT OF \$47,138.41

FUNDING:

Account No.	10-30-00-604-999			
Acct Description	WU/Bill/Collection/Capital Outlay-RandR/Misc. Capital Purchases			
Funds Available	<i>Verified by WWC</i>			\$ 120,000.00
Contract No.	730			
Vendor	Gill Island Motors, Inc. dba Windward Ford of Hawaii			
	Contract Amount	\$	47,138.41	
	5% Contingency	\$	N/A	
	Total Funds Certified	\$	47,138.41	\$ <47,138.41>
Fund Balance				\$ 72,861.59

BACKGROUND:

The order for two replacement meter reader vehicles was placed through King Windward Nissan in 2021. Due to unforeseen circumstances, Nissan Corp. canceled all their fleet orders for 2021 thus, the contracts for these 2 vehicles were canceled. Instead of reposting for two replacement vehicles, Manager Tait determined that the 2 Nissan Rogue small SUVs assigned to himself, and the Deputy Manager would be transferred to the meter readers since both are still near new, have exceptionally low mileage, and the meter readers put significantly more miles on their vehicles daily. A standard-sized truck is a more suitable

fit for the manager and is used to access our water system sites. As a result of this transfer, the savings to the department equals approximately \$13,800.

4 CONTACT NO. 729, GS-2022-05 FOR THE FURNISH AND DELIVER HYDRANTS & APPURTENANCES AND VARIOUS DRINKING WATER PIPE REPAIR AND MAINTENANCE FITTINGS AWARDED TO MUTUAL PLUMBING SUPPLY CO, INC. IN THE AMOUNT OF \$116,522.18

FUNDING:

Account No.	10-40-60-563-010			
Acct Description	WU/Ops/TandD/Operating Supplies/Inventory Stock			
Funds Available	Verified by WWC		\$	116,522.18
Contract No.	729			
Vendor	Mutual Plumbing Supply Co., Inc.			
	Contract Amount	\$	116,522.18	
	5% Contingency	\$	n/a	
	Total Funds Certified	\$	116,522.18	\$ <116,522.18>
Fund Balance			\$	0.00

BACKGROUND:

On 04/28/22 an Invitation for Bids (IFB) was opened for the subject GS-2022-05 Hydrants & Appurtenances and Various Drinking Water Pipe Repair and Maintenance Fittings, to restock the Operations Warehouse inventory. This IFB was procured through competitive means and this solicitation allows DOW to enter into a contract with the bidder that provides the low bid for each item. The DOW received one responsive and responsible bidder, and determined that Mutual Plumbing Supply Co., Inc. will be awarded Items No. 1, 2, 3, 4, 8, 9, 10, 11, and 12, in the amount of \$116,522.18.

Pursuant to Board Policy No. 24

CONVEYANCE OF WATER FACILITIES

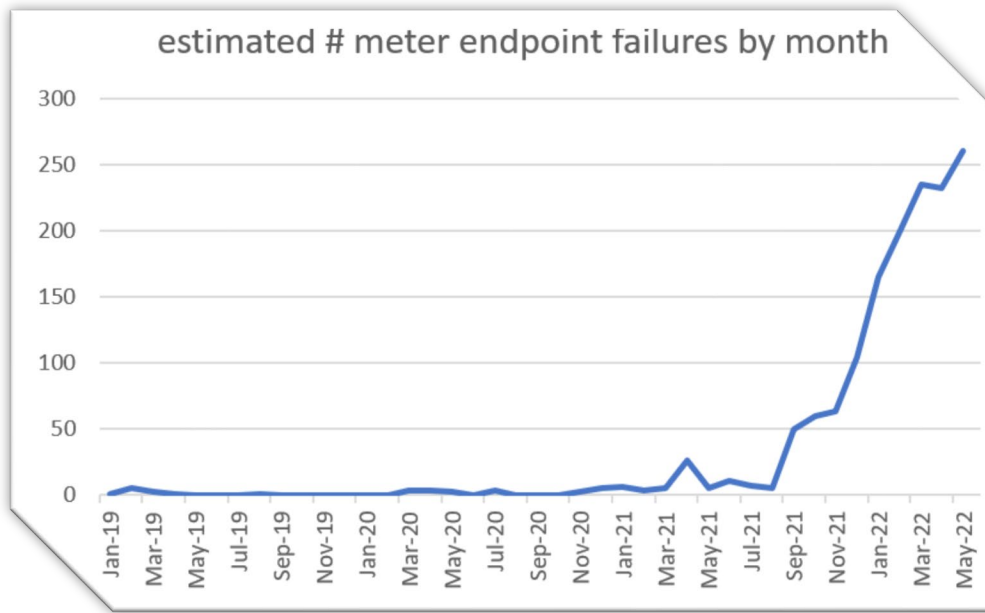
None

PERSONNEL MATTERS

Please reference following pie chart attachment.

METER UPDATE

Transponder failures. Transponders continue to fail at a higher than anticipated rate. Graph below demonstrates the apparent failure trend. As of early June, there are more than 1400 of 5/8” meters needing replacement parts or to be replaced (~6% of services). Vast majority of these are transponder failures, not meter reading failure.



Warranty claims. ORION CE Classic Endpoints (transponders) had a full 10-year warranty, and an additional 10 years prorated warranty; the meter and registers had a flow limited 20-year warranty. The island-wide meter replacement project installed most of those meters in 2008. At that time, the meters were 2 years old and had lost 2 years of full, no-cost, warranty. At this point, the meter transponders are failing in their 14-15th year, resulting in a warranty value of 50% of the current list price. The Department in implementing a warranty claims process for future failures, but the transponder failures are overwhelming the smooth transition into that process, in addition to the supply chain delays on meter manufacturing and shipping.

Expenditures of December 2021 funding request. The funding request was for CIP project, so limited to new meter and meter infrastructure replacement.

Orders included:

- Meter box covers (polymer to replace metal covers for enhanced transponder signal ability). Ordered 800 for \$ 21,701. These have been received and are in use.
- 500 ultrasonic meters and cellular transponders and supplies, to be air freight. Pending order shipment in ~ August 2022
- 250 ultrasonic meters and cellular transponders and supplies, traditional freight delivery. Pending order shipment in August for delivery in October 2022.

Additional meter parts and orders pending:

- ❖ 768 Meter transponder and registers parts. Ordered mid-June 2022, shipping date tentative December 2022, with 10 weeks delivery at ~ February/March 2023.
- ❖ Polymer meter box covers, after new funding year start.
- ❖ Meter transponder and registers parts. Order in July '22, shipping date in January 2023, with 10 weeks delivery ~ April/May 2023.
- ❖ New meter inventory replacement, after new funding year start.

Meter reading estimates: DOW rules allow for estimation of charges in Part 2, Section X. “1. Non-Registering Meters. If a meter fails to register due to any cause except the non-use of water, an average bill may be rendered. An average bill will be subject to equitable adjustment considering all factors before, during, and after the period of said bill.”

- ✓ Transponder failures. Transponder failures have caused meter readers to perform manual readings on each meter that does not have a working transponder. As our inventory of transponder failures increases, the Department is transitioning to a reading/estimate rotation procedure to reduce workload.
- ✓ Compound meters with two measuring chambers and registers will sometimes have a partial reading available. The Department is working on ensuring accurate estimates are occurring for these compound meters.
- ✓ Meter repairs. The Department is prioritizing meter repair and replacements, especially on large consumption accounts. The department will continue to review processes and challenges to minimize non-functioning meter estimate time:
 - Communication between divisions will continue to be evaluated and streamlined.
 - Challenges of supply chain and shipping delays may be avoided as inventory is replaced after the start of the new fiscal year
 - Replacement of large meters at resorts or businesses may need to be scheduled after hours or during low usage periods to avoid interruption for our customers.

Meter replacement policy, general goals:

- ✓ Cellular transponders installed as supplies allow and where adequate signal exists. Cellular downloads enhance leak detection for our customers, minimize or avoids meter reading delays and reduces meter reading staff workload. As of 6/9/22, 855 cellular transponders have been installed and are downloading data to our web-based Beacon Software.
- ✓ As replacement registers and transponders arrive, divisions will be working together on a smooth installation and billing update strategy. Fiscal is currently tracking meter failures by reading route for operational deployment by zone as parts become available.
- ✓ Expand pilot to allow customers access to their cellular download water consumption profile, through "EyeOnWater" accounts.
- ✓ Continue with drive by transponders (confirmed as an option in February 2022):
 - where installed and operational until island-wide meter replacement CIP project
 - In areas with inadequate cellular signal (remote valleys, Hā'ena, Kekaha-Waimea)
- ✓ Pilot studies ultrasonic meters. These meters have fewer moving parts and are expected to record low and high flows with better accuracy. The Department expects to experience fewer meter failures in high flow accounts with this conversion. Meter batteries are warranted for 20 years, will need to monitor battery health and phase replacements appropriately. Ultrasonic meters will have two batteries to track, the meter battery and the transponder battery.
- ✓ CIP island wide meter replacement funding, contract, and project management assignment, continue to be a high Department priority.
- ✓ Long-term operational decisions regarding the options available to the Department are being analyzed such as SaaS, MaaS, as well as professional service assistance.

Attachment: Personnel Matters Chart

% Vacancy Within Each Division Level

