A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES:
- Public Hearing – July 15, 2010
- Regular Meeting – July 15, 2010
- Special Meeting – July 26, 2010

E. CORRESPONDENCE/ANNOUNCEMENTS

1. Letter from Belles Graham Proudfoot Wilson & Chun, LLP, on behalf of Patrick L. Ibbs and Stephanie A. Ibbs, requesting that the Water Board exempt the Subdivision from Part 3 of the Rules and Regulations of the County of Kaua'i, Department of Water

2. Letter from Governor Linda Lingle concerning the DOW request to replace the 8-inch waterline with a 12-inch waterline to improve water services to Waimea Canyon School and surrounding facilities

3. Letter from Grove Farm concerning the Department of Water Facility Reserve Charge


5. Travel Report from Randall Nishimura from the AWWA Annual Conference and Exhibition 2010, Chicago, Illinois, June 19-23, 2010

F. BOARD COMMITTEE REPORTS

1. Report of the Finance Committee of the Kaua'i County Board of Water Supply
   a. Claims Payable
G. OLD BUSINESS

1. Manager’s Report No. 11-3 – Request Board Approval on the Rule Amendment for Part 1, Rules of Administrative Practice and Procedure

2. Revised Quarterly Informational Report on Manager’s Goals

3. Status of Annual Job Performance Evaluation of the DOW Manager and Chief Engineer

H. NEW BUSINESS

1. Manager’s Report No. 11-8 - Request from Belles Graham Proudfoot Wilson & Chun, LLP, on behalf of Patrick L. Ibbs and Stephanie A. Ibbs, requesting that the Water Board exempt the Subdivision from Part 3 of the Rules and Regulations of the County of Kaua‘i, Department of Water

2. Request Board Approval of Resolution No. 3, (10/11), Mahalo and Aloha Retiree Rona Miura

3. Board Discussion and Possible Action on Board Policy No. 16, Reports for Out-of-State Travel

4. Manager’s Report No. 11-9 - Request Board Approval of the following documents from the following applicants for their respective projects:

   a. Conveyance of Water Facility from Goodman Family Limited Partnership, TMK: (4) 5-2-017:003, Kahiliholo Road, Kalihiwai, Kaua‘i, Hawaii

   b. Right of Entry from Kawamura Land Co. LLC, TMK: (4) 3-8-005:023, Līhu‘e, Kaua‘i, Hawai‘i

   c. Grant of Easement and Conveyance of Water Facility from Kukui‘ula Development Company (Hawai‘i), LLC, for the Piwai Wells 16-inch Transmission Line, TMK: (4) 2-5-01:2 and 11 (por), Kōloa, Kaua‘i, Hawai‘i

   d. Grant of Easement and Conveyance of Water Facility from Kaua‘i Community Federal Credit Union, TMK: (4) 3-3-010:02 and 03, Līhu‘e, Kaua‘i, Hawai‘i

   e. Right of Entry Agreement for the Waimea Main Replacement, Job. No. 05-01, Water Plan 2020 Project No. KW-16 Affecting the following Landowners in Waimea, Kaua‘i, Hawai‘i:

      1. Kevin K. Iwai, affecting Portion of TMK: (4) 1-6-01:008, Waimea, Kauai, Hawaii

      2. Kiyoshi Ueda and Ann K. Nishikawa, affecting Portion of TMK: (4) 1-6-01:010, Waimea, Kauai, Hawaii
H. **NEW BUSINESS (cont’d)**

3. Sandy Lewis and Alison Shigematsu, Trustee of the Alison G. Shigematsu Revocable Trust dated December 4, 2007, affecting Portion of TMK: (4) 1-6-01-014, Waimea, Kauai, Hawaii

4. Koyasan Shingon Misson of Hawaii fka (Shingon Sect Mission of Hawaii, Incorporated), affecting Portion of TMK: (4) 1-6-02-059, Waimea, Kauai, Hawaii

5. David M. Fukumoto, Carol A. Fukumoto, and Karen Namie Fukumoto Irei, Trustee of the Karen Namie Fukumoto Irei Revocable Trust dated February 1, 1995, affecting Portion of TMK: (4) 1-6-04-026

6. David Koani, affecting Portion of TMK: (4) 1-6-06-009, Waimea, Kauai, Hawaii

7. M & K Ohana Rentals LLC, affecting Portion of TMK: (4) 1-6-06-045, Waimea, Kauai, Hawaii

8. Sara Mie K. Uyehara and Val Mayumi Kamishita, affecting Portion of TMK: (4) 1-6-06-049, Waimea, Kauai, Hawaii

9. Waimea by the Sea Homeowners Association, affecting Portion of TMK: (4) 1-6-07-003; 0001 - 0010, Waimea, Kauai, Hawaii


11. C Ahko Inc. a Hawaii Corporation, C/O Dr. Howard T. L. Ako, affecting Portion of TMK: (4) 1-6-07-016, Waimea, Kauai, Hawaii

12. John Sydney Yamane and Albert M. Yamane, affecting Portion of TMK: (4) 1-6-07-039, Waimea, Kauai, Hawaii

13. Scott A. Bukoski, affecting Portion of TMK: (4) 1-6-12-012, Waimea, Kauai, Hawaii

5. *Manager’s Report No. 11-10* - Request Board Approval to Concur with Mayor Carvalho’s “Consortium for Kauai’s Sustainable Regional General Plan”
H. NEW BUSINESS (cont’d)

6. Manager’s Report No. 11-11 - Request Board Approval for the 1st Contract Amendment for Contract No. 457 with Kodani and Associates, Inc., in the amount of $175,000 for Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, 0.5 Million Gallon Tank, TMK: (4) 5-6-02:001, (west), Hanalei, Kaua’i

7. Manager’s Report No. 11-12 - Request Board Approval for Change Order #4, Contract No. 504 with Goodfellow Brothers, Inc., in the amount of $304,572.79, for Job No. 05-01, Waimea Main Replacement (WP 2020 Project No. KW-16), Waimea, Kaua’i

8. Manager’s Report No. 11-13 - Request Board Approval to Receive and Expend Funds from the American Resort Development Association (ARDA) for the 2010 Make A Splash, Project WET, Water Festival
   a. Request Board Approval of Resolution No. 4 (10/11), Approving the Receipt and Expenditure of $1,500 in Grant Monies for the 2010 Make a Splash, Project WET Water Festival from the American Resort Development Association (ARDA)

9. Manager’s Report No. 11-14 – Request Board Approval for the 3rd Contract Amendment for Contract No. 405 with Kodani and Associates, Inc. in the amount of $77,600.00, for Job No. 02-19, WK-12, to add the replacement of approximately 2,000 feet of existing corroded 5” cast iron mainline with 12” ductile iron pipe.

10. Manager’s Report No. 11-15 - Request Board Approval of Resolution No. 2 (10/11), Budget for Fiscal Year 2010-11

11. Manager’s Report No. 11-16 – Request Board Approval for Grant Funding from the Department of Health Safe Drinking Water Branch to Develop and Initiate Implementation of a Wellhead Protection Program for the County of Kauai

12. Manager’s Report No. 11-17 – Request Board Approval of the Proposed Revised Organizational Chart to organize for future operations.

I. STAFF REPORTS

MONTHLY:
1. Statement of Kaua’i County Water Department’s Revenues and Expenditures
2. Report by the DOW Public Relations Specialist on her Public Relations Activities
3. Deputy Manager’s Summary Report on Monthly Operational Maintenance
4. Manager’s Monthly Update Regarding Activities of Note of the Kaua’i County Water Department
J. **EXECUTIVE SESSION:**
Pursuant to H.R.S. §92-7(a), the Commission 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 H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

**REVIEW OF EXECUTIVE SESSION MINUTES:** None

K. **TOPICS FOR NEXT WATER BOARD MEETING:**
1. Job Performance Evaluation of the DOW Manager and Chief Engineer
2. Suggestions for Capital Improvement Projects (CIP) for Next Year’s Legislative Session

L. **TOPICS FOR FUTURE WATER BOARD MEETINGS**
1. Annual extension (11-18-10 to 11-17-11) of Volunteer Agreement with Mike Fernandes for Grounds Maintenance of our Nonou 0.2 MG Tank Site Located in Wailua Houselots, Wailua, Hawai‘i (October, 2010)
2. Request Board Approval of the Capital Improvement Projects (CIP) (October, 2010)
3. Request Board Approval of Resolution No. 4 (10/11), Legislative Budget (October, 2010)
4. Follow up on Job Performance Evaluation of the DOW Manager and Chief Engineer (October, 2010)

**Quarterly Reports:**
1. For the Board’s Information on the Kaua‘i County Water Department Briefing on Departmental Projects (October, 2010)
2. Strategic Plan Update: Issue Champions & Affordable Housing Reports (October, 2010)
3. Informational Report on Manager’s Goals (October, 2010)

M. **UPCOMING EVENTS**

N. **NEXT WATER BOARD MEETINGS**
1. Thursday, September 16, 2010, 10:00 a.m.
2. Thursday, October 21, 2010, 10:00 a.m.
3. Thursday, November 18, 2010, 10:00 a.m.
4. Thursday, December 16, 2010, 10:00 a.m.
5. Thursday, January 20, 2011, 10:00 a.m.
6. Thursday, February 18, 2011, 10:00 a.m.

O. **ADJOURNMENT**
DRAFT Minutes
Committee Meetings

July 15, 2010

Board present: Chair Randall Nishimura, Ian Costa, Dee Crowell, Leland Kahawai, Raymond McCormick, and Roy Oyama. Absent & excused: Donald Fujimoto

Staff present: David Craddick, Keith Aoki, Gregg Fujikawa, Keith Fujimoto, Paul Ganaden, Dustin Moises, Faith Shiramizu, Marites Yano, DOW Deputy County Attorney Andrea Suzuki and Board's Deputy County Attorney Amy Esaki. Absent & excused: William Eddy

FINANCE COMMITTEE MEETING:
Finance Chair Roy Oyama called the meeting to order at about 10:19 a.m. Mr. Nishimura recused himself from voting.

Re: Claims Payable (as of June 30, 2010):

WATER UTILITY FUND: $1,035,080.89
BOND FUND: $5,695.40
FRC FUND: $-0-
STATE FUND: $-0-
TOTAL $1,040,776.29

Mr. Kahawai moved that the claims be approved for payment, seconded by Mr. Crowell; by a unanimous vote; motion was carried.

The Finance Committee was duly adjourned at about 10:20 a.m.

RULES COMMITTEE MEETING.
Rules Committee Chair Ian Costa called the meeting to order at about 10:20 a.m.

Rules Chair Costa reported on the following:

Re: Committee Discussion and Action on Rule on Part 1, Rules of Administrative Practice and Procedure

Rules Chair Costa reported that a Public Hearing had just been held and there was no testimony presented.

There is a report noting that the Small Business Regulatory Review Board concurred with our Negative Declaration that there is no perceivable impact on small business.

Mr. Crowell moved to refer this to the full Board at the next Board Meeting, August 19, 2010, for approval, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

There being no other business, the Committee meetings were duly adjourned at 10:22 a.m.
The Board of Water Supply, County of Kaua‘i, held a public hearing at its office in Lihu‘e on Thursday, July 15, 2010 at 10:10 a.m.

Chairperson Randall Nishimura stated that this Public Hearing was for the purpose of receiving written and oral testimony and comments from interested persons regarding the proposed amendments to Rules and Regulations to Part 1, Rules of Administrative Practice and Procedure. Copies of the proposed Rules Amendments are available online and were also located outside the Board Room.

DOW Deputy County Attorney Andrea Suzuki then read the rules of procedure that applied to this hearing.

As there were no questions to the procedures, Chairperson Nishimura opened the hearing.

On roll call, the following Board members answered present:

**BOARD:**
- Mr. Randall Nishimura, Chairperson
- Mr. Dee Crowell
- Mr. Leland Kahawai
- Mr. Raymond McCormick
- Mr. Roy Oyama

Absent & excused:
- Mr. Ian Costa
- Mr. Donald Fujimoto

**STAFF:**
- Mr. David Craddick
- Mr. Keith Aoki
- Mr. Paul Ganaden
- Mr. Gregg Fujikawa
- Mr. Keith Fujimoto
- Mr. Dustin Moises
- Ms. Faith Shiramizu
- Ms. Marites Yano
- DOW Deputy County Attorney Andrea Suzuki
- First Deputy County Attorney Amy Esaki

Absent & excused: Mr. William Eddy

The secretary also read the following Public Hearing notice:

**NOTICE OF PUBLIC HEARING**

The Board of Water Supply of the County of Kauai (“Board”) will hold a public hearing at its Board Room located on the second floor of the Kauai County Department of Water’s
Microbiology Lab Building, 4398 Pua Loke Street, Lihue, Kauai, Hawaii, on Thursday, July 15, 2010 at 10:00 a.m., or soon thereafter, for purposes of hearing and receiving public testimony and comments from all interested persons regarding the following item:

PROPOSED AMENDMENTS TO THE RULES AND REGULATIONS OF THE BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, STATE OF HAWAII

Part 1. Rules Of Administrative Practice And Procedure

Section I - General Provisions: .......................................................... New Section
Section II - Meetings: ................................................................. New Section
Section III - Officers And Their Duties ........................................ New Section
Section IV - Committees: ............................................................. New Section
Section V - Public Information .................................................. Revised Section No. only
Section VI - Procedure For Adoption, Amendment Or Repeal Of Rules ........................................ Section Revisions
Section VII - Petition For Adoption, Amendment Or Repeal Of Rules ........................................ Section combined with Section VI
Section VIII - Declaratory Rulings Of The Board ......................... Section Revisions
Section IX - Decisions And Orders Of The Board ......................... Revised Section No. only
Section X - Administrative Hearings Procedure ....................... Section Revisions

A copy of the proposed rule amendment will be mailed to any interested person who requests a copy and pays the required fees for the copy and the postage. Requests may be made by calling the Water Manager’s Office at (808) 245-5408, or by submitting facsimile requests to (808) 246-8628. Requests may also be made up to and including the date of the public hearing.

The proposed rule amendments may be reviewed in person between the hours of 7:45 a.m. to 4:30 p.m., Mondays through Fridays (excluding State of Hawaii holidays), at the Water Manager’s Office, 4398 Pua Loke Street, Lihue, Kauai, Hawaii. Proposed rule amendments may be reviewed any time up to and including the date of the public hearing.

All interested persons may submit data, views, arguments, or other testimony orally or in writing, or both, concerning the proposed rule amendments. Data, views, arguments, or other testimony may be submitted any time up to and including the date of the public hearing, or at the public hearing itself. Data, views, arguments, or testimony may be submitted by e-mail to rmiura@kauaiwater.org, by facsimile to (808) 246-8628 or by U.S. mail to the Water Manager’s Office, whose address is Kauai Department of Water, 4398 Pua Loke Street, Lihue, Kauai, Hawaii 96766.

The Board may impose a time limit for each person presenting testimony at the hearing. Should you have any questions, please do not hesitate to call the Water Manager’s Office at (808) 245-5408. The Water Manager’s facsimile number is (808) 246-8628.

BY ORDER OF THE BOARD: Randall Nishimura, 2010 Chairperson
DISCUSSION
Chair Nishimura noted that, as required by Sunshine Law, these proposed changes were sent to the Small Business Regulatory Review Board (SBRRB) and we received a response from them indicating that they have reviewed it and determined that it does not impose any perceivable impact on small business.

Chair Nishimura requested Manager Craddock report his findings and allow for questions from the staff and the Board.

Manager Craddock gave an overview of the proposed rule amendments. He stated that the changes were primarily "housekeeping". Manager Craddock reported that the intent of the rule amendment (Rule) is to detail the practice and procedures by which the Board of Water Supply of the County of Kauai (Board) conducts itself in terms of public hearings and rule making procedures, as well as in terms of general administrative duties. The Rules will update the procedures used by the Board to hear and to receive written and oral public testimony. The procedures are administrative in nature, such as: establishing the duties of the board members; establishing more detailed processes for rule making; establishing more detailed processes for handling contested case hearings; and acknowledging Robert’s Rules.

DEPARTMENT OF WATER, COUNTY OF KAUA’I
RULES AND REGULATIONS

PART 1
RULES OF ADMINISTRATIVE PRACTICE AND PROCEDURE

The following rules shall govern administrative practice and procedure before the Department of Water of the County of Kauai (hereinafter referred to as the "Department") and are promulgated pursuant to the provisions of Chapter 91, Hawaii Revised Statutes.

SECTION 1 - GENERAL PROVISIONS

1. Authority. The rules herein are established pursuant to Chapter 91, Hawaii Revised Statutes and shall govern administrative practice and procedure before the Board of Water Supply, County of Kauai.

2. Construction. These rules and regulations shall be construed to secure the orderly, just and efficient determination of every proceeding before the Board of Water Supply, County of Kauai. These rules and regulations should be read in conjunction with the provisions of Hawaii Revised Statutes, and the Charter of the County.

3. Parliamentary Authority. Robert’s Rules of Order, Revised, shall be the parliamentary authority unless otherwise provided for under these Rules.

4. Suspension of Rules. Unless otherwise required, the Board may waive or suspend, by majority vote, any rule or procedure established herein for good cause.

5. DEFINITIONS
   a. "Board" shall mean the Board of Water Supply of the County of Kauai; the Board shall constitute the Board for purposes of Chapter 91, Hawaii Revised Statutes,
b. "Contested case" means a proceeding in which the legal rights, duties, or privileges of specific parties are required by law to be determined after an opportunity for Board hearing.

c. "Department" shall mean the Department of Water, County of Kaua‘i.

d. "Hearing"
   i. "Board Hearing" refers only to such hearing held by the Board immediately prior to a judicial review of a contested case as provided in Section 91-14, HRS.
   ii. "Public hearing" means a quasi-legislative hearing regarding the adoption, repeal and amendment of rules and ordinances and a means to solicit general public input on matters before the Board pursuant to the Hawaii Revised Statutes.

e. "Hearing officer" means any person or persons designated as authorized by the Board to conduct a hearing for the purpose of taking testimony and to report his or their findings of facts and conclusions of law with his or their recommendations to the Board on matters that are within the jurisdiction of the Board.

f. "HRS" refers to Hawaii Revised Statutes.

g. "Intervenor" means a person who petitions to intervene in a contested case proceeding and is admitted as a party.

h. "Meetings" means the convening of the Board for which a quorum is required in order to make a decision or to deliberate toward a decision upon a matter over which the Board has supervision, control, jurisdiction or advisory power.

i. "Party" means each person or board named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party, in any court or board proceeding.

j. "Persons" includes individuals, partnerships, corporations, associations, or public or private organizations of any character other than boards.

k. "Petitioner" means a person who seeks permission or authorization which the Board may grant under statutory or other authority delegated to it; and a person seeking relief not otherwise designated in these Rules.

l. "Presiding officer" means and shall include any member of the Board or a hearing officer duly designated as such. Unless otherwise designated, the Chairman shall be the presiding officer.

m. "Rule" means each Board statement of general or particular applicability and future effect that implements, interprets, or prescribes law or policy, or describes the organization, procedures, or practice requirements of the Board. The term does not include regulations concerning only the internal management of the Board and not affecting private rights of or procedures available to the public, nor does the term include declaratory rulings issued pursuant to Section 91-8, HRS, nor intra-board memoranda.

SECTION II — MEETINGS

1. Meetings
   a. Regular meetings. Regular meetings of the Board shall be held in the Department of Water's Board Room or at any designated place during the third week of each month, or on a date to be determined by the Board.
   b. Special meetings. Special meetings may be held at such other times, as the Board shall, by motion or resolution duly adopted and entered in the journal, designate. Special meetings may be called at any time by the Chairperson or a majority of the Board who shall state the objects thereof and the acts and businesses of the Board at such special meeting shall be confined to such subjects.
   c. All meetings of the Board shall be opened to the public except executive sessions, which shall be held only upon the consent of two-thirds majority of the members.
present and voting. Executive sessions shall be limited as provided for in Section 92-5, Hawaii Revised Statutes.

d. Standing committees. The standing committees of the Board shall meet separately on regular board meeting days and/or as deemed necessary by the chairperson of the committee. The majority of the members of the committee may call special meetings at any time.

2. Attendance. No member shall absent himself from the service of the Board unless she/he shall have leave, or be sick and unable to attend.

3. Quorum. Unless otherwise provided by law, a majority of the members of the Board shall constitute a quorum thereof but the final passage of all bills and resolutions will require the affirmative vote of four Board members.

4. Disclosure. Whenever a conflict of interest or other ethical question is raised by anyone regarding any member of the Board, the affected member shall promptly make full disclosure of the circumstances to the Board. When a member is deemed by the Board to have a conflict of interest, that member shall be disqualified from voting in all actions relating to such matter.

5. Adjournment. Meetings may be adjourned at any time by a majority vote of members present. Unless otherwise specified in the motion, every adjournment shall be deemed to be the next regular meeting of the Board.

6. Reconsideration. When a motion has been once made and carried in the affirmative or negative, only a member who voted with the prevailing side may move, at the same meeting, or at the next meeting, to reconsider it for the purpose of permitting the correction of a hasty, ill-advised or erroneous action, or to take into account added information or a changed situation that has developed since the taking of the vote. Such motion shall take precedence over all other questions except a motion to adjourn.

7. Computation of time. In computing any period of time under the rules herein, by notice, or by any order or regulation of the commission, the time begins with the day following the act, event, or default, and includes the last day of the period unless it is a Saturday, Sunday, or legal holiday in which event the period runs until the close of business or the next day which is not a Saturday, Sunday, or holiday, unless otherwise specified.

SECTION III – OFFICERS AND THEIR DUTIES

1. Chairperson:
   a. Ex-officio members are voting members of the Board but cannot serve as Chairperson.
   b. The Chairperson shall be the presiding officer of the Board of Water Supply. In the absence of the Chairperson, and so long as the Chairperson is temporarily unable to perform his/her duties, the Vice-Chairperson will act as Chairperson of the Board of Water Supply. In the absence of both the Chairperson and Vice-Chairperson, the line of succession to acting Chairperson shall be the Secretary of the Board, Chairperson of the Finance Committee, then the Chairperson of the Rules Committee. It shall be the duty of the presiding officer:
      (1) To open all meetings of the Board at the appointed hour by taking the chair and calling the meeting to order;
      (2) To call for the approval of the minutes of the preceding meeting when a quorum shall be present;
      (3) To maintain order and proper decorum in debate;
      (4) To announce the business before the Board in the order prescribed by these rules;
      (5) To receive and submit all matters properly brought before the Board, call for votes upon the same and announce the results;
      (6) To receive all communications, resolutions petitions and other matters addressed to the Board and present them to the appropriate committee;
      (7) To appoint all committees, unless otherwise ordered by the Board;
      (8) To authenticate by his/her signature all acts of the Board;
      (9) To do and perform such other duties as may be required by law, or as may properly appertain to such office;
      (10) To make known all Rules of Order and to decide all questions of order, subject to an appeal to the Board.
c. It shall also be the duty of the Chairperson to take into consideration such matters as shall not be within the scope of the duties or powers of any standing committees of the Board, as may be referred to her/him by the Board and to report her/his opinion thereon, together with such recommendations relative thereto as she/he may deem advisable.

d. The Chairperson shall also be responsible for the preparation of the agenda of the regular and all special meetings of the Board. The agenda is subject to amendment at the meeting only by approval of the majority of the members present.

2. Vice-Chairperson:
   a. Ex-officio members are voting members of the Board but cannot serve as Vice Chairperson.
   b. The Vice-Chairperson shall do all of the duties of the Chairperson in the absence of the Chairperson.

3. Secretary: It shall be the duty of the Secretary:
   a. To read bills, resolutions and other matters to the Board, if so required.
   b. To be handled by the staff and covered by amending “Duties of the Manager”.
   c. To review and send copies of the minutes of the last meeting to the Chairperson and each member of the Board as part of the next Board Meeting’s agenda packet.
   d. To have charge of all records of the Board and be responsible for the same.
   e. To perform all other duties required by law, or any rule or order of the Board.

SECTION IV - COMMITTEES

1. Committees. There shall be three (3) types of committees:
   a. Standing committees, which shall consist of at least three (3) members each.
   b. Special committees, which shall consist of at least three (3) members each.
   c. Committee of the whole.

2. Committee Organization
   a. All committees of the Board, contemplated under these Rules, shall be appointed by the Chairperson of the Board of Water Supply, subject to confirmation and approval by a majority vote of the members of the Board present, unless otherwise ordered by the Board.
   b. All committees of the Board shall be chaired by a Board member. The first Board member named on a committee shall be the chairperson. The chairperson shall call meetings of such committee and preside over the same.
   c. No Board member shall serve as chairperson of more than one standing committee of the Board.
   d. Committees shall be under the control and subject to the orders of the Board and shall faithfully carry out such orders.
   e. Vacancies on the standing committees shall be filled by the Chairperson of the Board and confirmed by the Board of Water Supply.
   f. All Board members shall be notified on scheduled meetings of all committees and are encouraged to attend such meetings.
   g. A majority of the entire membership to which the committee is entitled shall constitute a quorum and the majority vote of the membership shall be necessary to take any action.

3. Standing Committees. There shall be two (2) standing committees:
   a. Finance Committee; and
   b. Rules and Policy Committee.

4. Special Committees. All special committees shall consist of three members, unless otherwise ordered by the Board, and shall be appointed by the Board from time to time as occasion requires, serving until discharged after finally reporting on the special matter referred to it by the Board.
5. Committee of the Whole. The Board may, from time to time, resolve itself into a committee of the whole whenever any matter shall be referred to such committee. Upon the adoption of the motion to that effect, the Chairperson shall call some member to take the chair, or may retain the chair if such is the wish of the Board.

6. Committee Reports.
   a. All committee reports shall be submitted in writing.
   b. Whenever any matter shall be referred to a committee it shall be the duty of such committee to make diligent inquiry into all of the facts and circumstances connected with such matter. If necessary, the County Attorney may be consulted, witnesses shall be summoned and examined, documents and records shall be searched and everything shall be done to bring all facts pertaining to such matter before the Board.
   c. The report of the committee on any matter shall state findings of facts and conclusions based thereon, together with a distinct recommendation as to the disposal of such matter.
   d. Whenever a committee shall report to the Board, recommending the expenditures of water funds for items covering payrolls, general expenses, or specific improvements, the adoption of such reports shall require the affirmative vote of four members.
   e. The standing committees and the committee of the whole shall send a copy of any of their committee reports requiring finances to the finance committee for study and report.

SECTION I - PUBLIC INFORMATION

1. The public may obtain information as to matters within the jurisdiction of the Department by inquiring at the office of the Department. Copies of rules and regulations shall be made available to the public at a price to be fixed by the Department to cover mailing and publication costs. Submittals or requests shall be made by addressing the same to the Manager and Chief Engineer.

2. Since the Department of Water has limited judicial functions, no formal rules of practice need be adhered to. No particular forms or instructions are prescribed.

In all matters concerning the affairs of the Department, any person affected by any action of the Department or by any action of the employees or agents of the Department shall first take up the matter with the Manager and Chief Engineer. The affected person may, thereafter, write a letter to the Board of Water Supply, addressed to the Chairman of the Board, stating his grievance and the relief sought. The matter will then be put on the agenda of the Board at the earliest practicable time.

SECTION II - PROCEDURE FOR ADOPTION, AMENDMENT OR REPEAL OF RULES

1. All rules and regulations of the Department shall be adopted and shall take effect in accordance with Section 91-3 and Section 91-4, Hawaii Revised Statutes; provided, however, that such procedure for the adoption, amendment and repeal of rules shall not be applicable to the adoption, amendment and repeal of rules pertaining purely to the internal procedure, organization and order of the Department and/or the Board.

2. Motion. The Board may, at any time on its own motion, initiate proceedings for the adoption, amendment, or repeal of any rule or regulation.

SECTION III - PETITION FOR ADOPTION, AMENDMENT OR REPEAL OF RULES

3. Petition. Any petition submitted Any interested person or agency may submit a petition under Section 91-6, Hawaii Revised Statutes, requesting the adoption, amendment or repeal of a rule. shall be made by letter addressed to the Board of Water Supply, County of Kauai. The letter shall state clearly and concisely the relief sought, the name, title and address of the person to whom
4. **Content of Petition.** The petition shall be made by letter addressed to the Board of Water Supply, County of Kauai. The letter shall state:
   a. The name, title, telephone number, and address of each petitioner;
   b. A statement of the nature of each petitioner's interest;
   c. It shall clearly and concisely state the relief sought; a draft or the substance of the proposed rule or amendment or a designation of the provisions the repeal of which is desired; and
   d. A statement of the reasons in support of the proposed rule, amendment, or repeal.

The petition will be placed on the agenda for a meeting of the Board to be held at the earliest practicable time.

5. The petitioner will be notified of the time and date that he or his authorized representative may appear before the Board. Within 30 days of the receipt of the petition, the Board will either deny the petition in writing, stating its reasons for such denial, or initiate proceedings to effectuate the adoption, amendment or repeal requested. The petitioner will be notified of the time and date that he or his authorized representative may appear before the Board.

6. **Notice of Hearing.** Prior to the adoption of any rule, authorized by law, or the amendment or repeal thereof, the Board shall give at least twenty (20) thirty (30) days' notice for a public hearing. This does not apply to any adoption, amendment, or repeal of a rule relating to rates fixed by the Board. In the case of adoption, amendment, or repeal of a rule relating to rates fixed by the Board, the Board shall give at least twenty (20) days notice.
   a. **Content of Notice.** A notice of the proposed adoption, amendment, or repeal of a rule or regulation shall include:
      i. Date, time and place where the public hearing will be held;
      ii. A statement of the substance of the proposed adoption, amendment, or repeal of the rule or the proposed rates and charges to be considered thereat.
   b. **Service.**
      i. The notice shall be mailed to all persons who have made a timely written request of the Board for advance notice of its rule-making proceedings; and
      ii. Notice shall be published at least once in a newspaper of general circulation published in the County of Kauai.

7. **Filing and taking effect of rules.**
   a. Each rule hereafter adopted, amended, or repealed shall become effective ten days after filing with the County clerk.
      i. If a later effective date is required by statute or specified in the rule, the later date shall be the effective date; provided that no rule shall specify an effective date in excess of thirty days after the filing of the rule as provided herein.
      ii. An emergency rule shall become effective upon filing with the County clerk for a period of not more than one hundred twenty days, without renewal unless extended in compliance with Section 91-3, Hawaii Revised Statutes, if the Board finds that immediate adoption of the rule is necessary because of imminent peril to the public health, safety, or morals. The Board's finding and brief statement of the reasons therefor shall be incorporated in the rule as filed. The Board shall make an emergency rule known to persons who will be affected by it by publication at least once in a newspaper of general circulation in the County within five days from the date of filing the rule.

8. **Emergency Rule.** Notwithstanding the foregoing, if the Board finds that an imminent peril to the public health, safety, or morals or to livestock and poultry health requires adoption, amendment or repeal of a rule upon less than twenty thirty days' notice of hearing, and states in writing its reasons for such finding, it may proceed without prior notice or hearing upon such
abbreviated notice and hearing as it finds practicable to adopt an emergency rule to be effective for a period of not longer than one hundred twenty days without renewal.

9. **Federal Requirements.** The requirements of this section may be waived by the Chairman whenever the Board is required by federal provisions to promulgate rules as a condition to receiving federal funds and the Board is allowed no discretion in interpreting such federal provisions as to the rules required to be promulgated: provided that the Board shall make such adoption, amendment, or repeal known to the public by publishing a statement of the substance of the proposed rule at least once in a newspaper published in the County of Kauai prior to the waiver by the Chairman.

**SECTION-IV DECLARATORY RULINGS OF THE BOARD**

1. **Petition.**
   a. Any petition submitted person may submit a petition under Section 91-8, Hawaii Revised Statutes, requesting a declaratory ruling of the Board as to the applicability of any statutory provision or of any rule, will be submitted by letter clearly presenting the views of the petitioner with respect to the questions raised or relief sought, addressed to the Board of Water Supply, County of Kauai. The letter shall also give the address of the person to whom correspondence or communication in regard to the request is to be addressed. The petition will be placed on the agenda for a meeting of the Board to be held at the earliest time practicable.
   b. Notwithstanding the other provisions of this section, the Board may, on its own motion or upon request but without notice or hearing, issue a declaratory order to terminate a controversy or to remove uncertainty.

2. **Content of petition.** The petition shall be submitted by letter addressed to the Board of Water Supply, County of Kauai. The petition shall be submitted by letter addressed to the Board of Water Supply, County of Kauai. The petition need not be in any particular form but it shall contain:
   a. The name, address and telephone number of each petitioner;
   b. A statement of the nature of each petitioner’s interest, including reasons for the submission of the petition;
   c. A designation of the specific provisions, rule or order in question;
   d. A complete statement of the relevant facts;
   e. A statement of the position or contention of the petitioner; and
   f. A memorandum of authorities, containing a full discussion of the reasons, including any legal authorities, in support of such position or contention.

The petitioner will be notified of the time and date that he or his authorized representative may appear before the Board. Any petition which does not conform to the foregoing requirements may be rejected by the Board.

1. **Non-issuance of a declaratory order.** The Board may for good cause refuse to issue a declaratory order. Without limiting the generality of the foregoing, the Board may so refuse where:
   a. The question is speculative or purely hypothetical and does not involve an existing situation or one which may reasonably be expected to occur in the near future.
   b. The petitioner’s interest is not of the type which provides standing to maintain an action in a court of law.
   c. The issuance of the declaratory order may adversely affect the interest of the County in any litigation which is pending or may reasonably be expected to arise.
   d. The matter is not within the jurisdiction of the Board.

2. **Request for Hearing.**
   a. A hearing is not required for the purposes of resolving a petition for declaratory judgment.
b. The Board may, however, in its discretion, order a hearing for the purposes of resolving a petition for a declaratory ruling.

c. Any petitioner or party in interest who desires a hearing on a petition for a declaratory ruling may submit a request for a hearing to the Board.

a. The petitioner or party in interest shall detail in his request the reasons why the matters alleged in the petition, together with supporting affidavits or other written briefs or memoranda of legal authorities, will not permit the fair and expeditious disposition of the petition, and, to the extent that such request for a hearing is dependent upon factual assertions, shall accompany such request by affidavit establishing such facts and shall deposit with the County such amounts as deemed necessary to cover applicable publication costs.

b. It is within the Board's discretion to grant or deny a request for a hearing on a petition for a declaratory ruling.

d. In the event a hearing is ordered by the Board, the rules relating to hearing procedures before the Board shall govern the proceeding.

3. As soon as reasonably practicable after the appearance of the petitioner before the Board, the Board will make its ruling and inform the petitioner in writing, either denying the petition for declaratory order and stating its reasons therefore, or issue a declaratory order. Upon the disposition of the petition, the petitioner shall be promptly notified.

4. If the ruling is contested, the petitioner shall so inform the Board by letter addressed as provided in Paragraph 4.2 above, and the Board will serve notice of and conduct a hearing in the manner prescribed in Section 91-9, Hawaii Revised Statutes.

SECTION-V \ SECTION VIII- DECISIONS AND ORDERS OF THE BOARD

Decisions and Orders of the Board shall be served by mailing certified copies to the party to the proceedings or his authorized representative. When service is not accomplished by mail, it may be made by delivery of a certified copy thereof to such party or his authorized representative.

SECTION-VI \ SECTION IX- ADMINISTRATIVE HEARINGS PROCEDURE

I. DEFINITIONS

A. "Board" shall mean the Department of Water and/or Board of Water Supply of the County of Kauai; the Board shall constitute the Board for purposes of Chapter 91, HRS.

B. "Board hearing" refers only to such hearing held by the Board immediately prior to a judicial review of a contested case as provided in Section 91-14, HRS.

C. "Contested case" means a proceeding in which the legal rights, duties, or privileges of specific parties are required by law to be determined after an opportunity for Board hearing.

D. "Party" means each person or board named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party, in any court or board proceeding.

E. "Persons" includes individuals, partnerships, corporations, associations, or public or private organizations of any character other than boards.

F. "Rule" means each Board statement of general or particular applicability and future effect that implements, interprets, or prescribes law or policy, or describes the organization, procedures, or practice requirements of the Board. The term does not include regulations concerning only the internal management of the Board and not affecting private rights of or procedures available to the public; nor does the term include declaratory rulings issued pursuant to Section 91-8, HRS, nor intra-board memoranda.

Page 10 of 18
I. CONTESTED CASE HEARING OR “BOARD HEARING”

A. NOTICE OF HEARING

1. Content of Notice
   a. Date, time, place and nature of hearing.
   b. The legal authority under which the hearing is to be held.
   c. The particular sections of the statutes and rules involved.
   d. An explicit statement in plain language of the issues involved and the facts alleged by the Board in support thereof. If the Board is unable to state such issues and facts in detail at the time the notice is served, the initial notice may be limited to a statement of the issues involved, and thereafter upon application, a bill of particulars shall be furnished.
   e. The fact that any party may retain counsel if he so desires and the fact that an individual may appear on his own behalf, or a member of partnership may represent the partnership, or an officer of an authorized employee of a corporation or trade or association may represent the corporation, trade, or association.

2. Service of Notice
   a. All parties shall be given written notice of hearing by registered or certified mail with return receipt requested at least fifteen (15) days before the hearing.
   b. If service by registered or certified mail is not made because of the refusal to accept service, or the Board has been unable to ascertain the address of the party after reasonable and diligent inquiry, the notice of hearing may be given to the party by publication at least once in each of two successive weeks in a newspaper which is printed at least twice weekly in the county affected by the proposed action.
   c. Notwithstanding the requirements of this section, notice by publication shall be provided pursuant to Section 91-3, HRS, if the hearing also involves the adoption, amendment, or repeal of rules, or if otherwise required by law.

B. MODIFICATION OF PROCEDURES BY STIPULATION

   Any procedure in a contested case may be modified or waived by stipulation of the parties and informal disposition may be made of any contested case by stipulation, agreed settlement, consent order, or default.

C. PROCEDURES IN CONDUCTING THE HEARING

1. Pre-hearing Motions and Conferences
   a. Pre-hearing Motions. The Board may, prior to the hearing, consider and rule on all motions filed by any party to a contested case.
      (1) Notice. All parties shall be informed in writing by the moving party, of the time, date, and place for the pre-hearing motion.
      (2) Certificate of Service. The moving party shall be required to file with the motion, a certificate to the effect that notice was given.

   b. Pre-hearing Conferences. The Board may, at the request of an interested party, or on its own initiative, conduct a pre-hearing conference to define issues of law and fact, to stipulate to those issues
which are not contested, to stipulate to the admission of certain evidence, and to settle other matters which would help expedite the hearing.

(1) **Notice.** All parties shall be informed in writing by the moving party, of the time, date, and place for the pre-hearing conference.

(2) **Certificate of Service.** The moving party shall be required to file a certificate to the effect that written notice of the pre-hearing conference was given.

2. **Convening the Hearing**

   a. **Presiding Officer.** The chairperson of the Board or one of the members, shall preside at the hearing. The presiding officer controls the course of the hearing, disposes of matters that normally and properly arise in the course of the hearing, and takes all other actions authorized by law that are deemed necessary to the orderly and just conduct of a hearing.

   b. **Calling the Hearing to Order.** The presiding officer will identify the case by name and number, state for the record a brief description of the nature and subject matter of the hearing including the authority therefore, and shall then briefly outline the procedures to be followed.

   c. **Identification of Parties and Counsel.** The presiding officer shall request all parties to identify themselves and their counsel. Where a party is represented by more than one counsel, only one counsel shall be permitted to cross-examine a witness or to state any objections or to make closing arguments.

   d. **Parties; Intervenors.** The Board shall determine and find on the record whether all parties, including intervenors, have a bona fide interest in the subject matter.

   e. **Intervention**

      (1) **Who May Intervene.** All persons who can demonstrate that they will be so directly and immediately affected by the proposed change that their interest in the hearing is clearly distinguishable from that of the general public shall be admitted as parties upon timely written application for intervention.

      (2) **Method of Filing; timing.** Petitions to intervene shall be in writing and in conformity with these rules. The petition for intervention with certificate of service shall be filed to the Board at least seven (7) days prior to the hearing for which notice to the public has been published pursuant to law. Untimely petitions for intervention will not be permitted except for good cause shown.

      (3) **Contents of Petition.** The petition shall state:

         i. The nature of the petitioner’s statutory or other right;
         ii. The nature and extent of petitioner’s interest;
         iii. The specific issues to be raised or contested by the petitioner in the contested case hearing; and
         iv. The effects of any decision in the proceeding on petitioner’s interest.

         If applicable, the petition shall also make reference to the following:

         v. Other means available whereby petitioner’s interest may be protected;
         vi. Extent petitioner’s interest may be represented by existing parties;
         vii. Extent petitioner’s interest in proceeding differs from that of the other parties.
viii. Extent petitioner’s participation can assist in development of a complete record;
ix. Extent petitioner’s participation will broaden the issue or delay the proceeding; and
x. How the petitioner’s intervention would serve the public interest.

Consolidation of Parties. Petitioners deemed by the Board to have similar intervention requests may be consolidated as a single party represented by a single counsel or agent.

Denial of Intervention. Leave to intervene shall be freely granted, provided that the Board may deny intervention when, in the Board’s sound discretion, it appears that:

i. The position of the applicant is substantially the same as the position of a party already admitted to the hearing;

And

ii. The admission of additional parties will render the hearing inefficient and unmanageable

iii. The intervention will not aid in the development of a full record and will overly broaden issues.

The Board shall issue a written statement stating as such.

Opposition to Intervention. If any party opposes the request for intervention, the party shall file their objection or state their objection for the record.

Appeal from Denial. An applicant who has been denied intervention may appeal such denial to the circuit court pursuant to Section 91-14, HRS.

Reading of Rights. The rights of all parties shall be carefully explained to all parties, including their right to counsel, to present evidence, and to cross-examine. All parties shall acknowledge on the record, their full understanding of these rights.

Stating Objections. Before proceeding with the hearing, all parties shall be required to state for the record any objections they may have to any of the pre-hearing proceedings, and particularly the form and substance of the notice of hearing.

Accurate Record. To insure an accurate record, a tape recorder or other reliable recording equipment may be used. The decision to hire a court reporter or stenographer is left to the discretion of the Board. It shall not be necessary to transcribe the record unless requested for the purposes of rehearing or court review.

3. Presenting the Case: Rules of Evidence

Order of Appearance. The party initiating the hearing and with the burden of proof has the right to open and close. Other parties, including intervenors, will be allowed to present their case in an order agreed upon or as decided by the presiding officer.

Swearing in Witnesses. Prior to giving testimony, the witnesses shall be sworn in by the presiding officer. (See Section 612-12, HRS).

Testimony. Each interested person shall, before testifying, state his name, address and shall give such information respecting his appearance as the presiding officer may request. The presiding officer shall confine the testimony to the matters for which the hearing was called. In order to allow persons an equal amount of time to
testify, or to prevent repetitious testimony, the presiding officer may limit the amount of time for testimony per individual or per issue. Each witness may be subject to questioning by the Board an all parties. A person may submit written comments during the hearing or for such period of time after the close of the hearing as determined by the presiding office.

d. **Rebuttal.** After all parties have rested their case, each party will be allowed to present rebuttal evidence in the same order as they presented their case in brief.

e. **Ruling by Presiding Officer.** The presiding officer will make all rulings on points of law, including the admissibility of evidence, the merit of objections or motions, the granting of continuances, the limiting of testimony or witnesses, and other rulings authorized by law that are deemed necessary to the orderly and just conduct of the hearing and which do not involve the final determination of the proceedings. Such rulings may be reviewed by the Board in determining the matter of its merits.

f. **Rules of Evidence**

   (1) **Admissibility and Exclusion.** Any oral or documentary evidence may be received, but the Board shall, as a matter of policy, provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence.

   (2) **Record Supported by Evidence.** No sanctions shall be imposed or rule or order be issued except upon consideration of the whole record or such portions thereof as may be cited by any party and as supported by and in accordance with the reliable, probative, and substantial evidence.

   (3) **Privileges.** The Board shall give effect to the rules of privilege as recognized by law.

   (4) **Marking of Evidence.** All evidence shall be marked for identification with the parties' name and number or letter.

   (5) **Copies.** Documentary evidence may be received in the form of copies or excerpts, if the original is not readily available; provided that upon request, parties shall be given an opportunity to compare the copy with the original.

   (6) **Cross-examination.** Every party shall have the right to conduct such cross-examination as may be required for a full and true disclosure of the facts.

   (7) **Official Notice.** The Board may take notice of judicially recognizable facts. In addition, the Board may take notice of generally recognized technical or scientific facts within their specialized knowledge. Parties shall be notified either before or during the hearing, or by reference in preliminary reports or otherwise of the material so noticed, and they shall be afforded an opportunity to contest the facts so noticed.

   (8) **Burden of Proof.** Except as otherwise provided by law, the party initiating the hearing shall have the burden of proof, including the burden of producing evidence as well as the burden of persuasion.

   (9) **Standard of Proof.** The degree or quantum of proof shall be a preponderance of the evidence.
g. Closing Arguments

(1) Each party, including intervenors, shall be allowed to present closing arguments in the same order as they presented their case in chief. The party initiating the hearing and having the burden of proof may speak last. The presiding officer may set a time limit for closing arguments.

4. After Closing Arguments: Decisions and Orders

a. Decision in Writing. Every decision and order adverse to a party to the proceeding rendered by the Board in a contested case, shall be in writing or stated in the record and shall be accompanied by separate findings of fact and conclusions of law.

(1) If any party to the proceeding has filed proposed findings of fact, the Board shall incorporate in its decision a ruling upon each proposed finding so presented.

(2) Parties to the proceeding shall be notified by personal delivery or mailing, a certified copy of the decision and order and accompanying findings and conclusions within a reasonable time to each party or attorney of record. With the personal delivery or certified mailing, the contested case is closed and the thirty-day period for court appeal pursuant to Section 91-14, HRS, begins to run.

b. Matters Outside the Record. No matter outside the record shall be considered by the Board in making its decision. No official of the Board in a contested case shall consult any person on any issue of fact except upon notice and opportunity for all parties to participate, save to the extent required for the disposition of ex-parte matters authorized by law.

c. Decision-makers Not Present. Whenever in a contested case, the officials of the Board who are to render the final decision have not heard and examined all of the evidence, the decision, if adverse to a party to the proceeding other than the Board itself, shall not be made until a proposal for decision containing a statement of reasons and including the determination of each issue of fact or law necessary to the proposed decision has been served upon the parties, and an opportunity has been afforded to each party adversely affected to file exceptions and present arguments to the officials who are to render the decision; who shall personally consider the whole record or such portion thereof as may be cited by the parties.

II. RULE MAKING HEARING OR "PUBLIC HEARING"

A. NOTICE OF HEARING.

Prior to the adoption of any rule authorized by law, or the amendment or repeal thereof, the Board shall give at least twenty (20) days' notice for a public hearing.

1. Content of Notice

a. Date, time and place where the public hearing will be held.

b. A statement of the substance of the proposed rule.
2. **Service of Notice**
   a. The notice shall be mailed to all persons who have made a timely written request of the Board for advance notice of its rule-making proceedings; and
   b. Notice shall be published at least once in a newspaper of general circulation published in the County of Kauai.

B. **PROCEDURES IN CONDUCTING THE HEARING**

1. **Convening the Hearing**
   a. **Presiding Officer.** The presiding officer shall be the Chairman of the Board, or in his absence, by another member designated by the Board. The presiding officer controls the course of the hearing, disposes of matters arising in the course of the hearing, and takes all other actions authorized by law that are deemed necessary to the orderly and just conduct of a hearing.
   
   b. **Accurate Record.** To insure an accurate record, a tape recorder or other reliable recording equipment may be used. The decision to hire a court reporter or stenographer is left to the discretion of the Board. It shall not be necessary to transcribe the record unless requested for the purpose of re-hearing or court review.
   
   c. **Order of Public Hearing.** At the commencement of the hearing, the presiding officer may acknowledge the notice of hearing and shall then conduct the proceeding in the following manner:

   1. Staff Findings. The Department shall present its findings.
   2. Questions of Staff Findings. Staff findings shall be subject to questioning by the Board.
   3. Open Hearing to Public. The presiding officer shall suspend the rules and the hearing shall then be opened to the public. Members of the public wishing to testify shall be subject to questioning by the Board. All interested persons shall be afforded the opportunity to submit data, views, or arguments, orally or in writing. The following procedure shall be followed when opened to the public:

   (a) Anyone wishing to testify is required to register with the presiding officer prior to the presiding officer calling the meeting to order;
   (b) Anyone testifying is entitled to the floor only when recognized by the presiding officer;
   (c) Anyone testifying shall state his name, address, and whom they represent and if they are registered lobbyists in compliance with HRS Chapter 97, Lobbyist Law;
   (d) The presiding officer shall confine the testimony to the matters for which the hearing was called;
(e) Anyone testifying shall refrain from direct questioning of the Board and shall direct any remarks or questions to the presiding officer;

(f) Anyone with written testimony may be given priority at the discretion of the presiding officer;

(g) Oral presentation shall be limited to three (3) minutes per speaker; extended time may be granted by the presiding officer. The presiding officer shall have the prerogative to set the speaking time for each witness and may also set the order of speakers, speaking for or against any proposition, and may notify the speaker of the expiration of his speaking time, 30 seconds before such expiration;

(h) Anyone may speak a second time on the same question or subject, at the discretion of the presiding officer;

(i) The presiding officer shall grant to persons who have not registered, time to speak following the registered speakers;

(j) Anyone speaking may be subject to questioning by the Board. Questions by the Board shall be permitted only at the discretion of the presiding officer;

(k) The presiding officer may restrict or terminate the speakers' right to the floor for intemperate or abusive behavior or language;

(l) The presiding officer may ask for the removal of anyone who willfully disrupts a meeting to prevent and compromise the conduct of the meeting.

d. **Admissibility.** The Board shall not be bound by technical rules of evidence.

2. **After the Hearing**

   a. The Board may make its decision at the public hearing or announce the date as to when it intends to make its decision.

   b. Upon adoption, amendment, or repeal of a rule, the Board shall, if requested to do so by an interested person, issue a concise statement of the principal reasons for and against its determination.

   c. The adoption, amendment, or repeal of any rule by the Board shall not be subject to the approval of the Mayor of the County of Kauai.

   d. Filing and publication of rules shall be in accordance with Chapter 91, HRS.

C. **EMERGENCY RULE.**

Notwithstanding the foregoing, if the Board finds that an imminent peril to the public health, safety, or morale or to livestock and poultry health requires adoption,
amendment, or repeal of a rule upon less than twenty days' notice of hearing, and states in writing its reasons for such finding, it may proceed without prior notice or hearing upon such abbreviated notice and hearing as it finds practicable to adopt an emergency rule to be effective for a period of not longer than one hundred twenty days without renewal.

D. FEDERAL REQUIREMENTS.

The requirements of this section may be waived by the Chairman whenever the Board is required by federal provisions to promulgate rules as a condition to receiving federal funds and the Board is allowed no discretion in interpreting such federal provisions as to the rules required to be promulgated; provided that the Board shall make such adoption, amendment, or repeal known to the public by publishing a statement of the substance of the proposed rule at least once in a newspaper published in the County of Kauai prior to the waiver by the Chairman.

Testimony:
On query by Chair Nishimura, it was noted that no one from the public signed up to testify at this public hearing and that no written testimony was submitted.

Since there was no one to testify and with nothing more to add to the record, Chair Nishimura closed the public hearing.

Chair Nishimura noted that the Board intends to make the decision regarding adoption at the next Board meeting, August 19, 2010.

ADJOURNMENT

There being no other business, Chair Nishimura closed the public hearing at 10:18 a.m.

Respectfully submitted,

Carol Beardmore
Board's Commission Support Clerk

APPROVED:

David R. Craddick, P.E.
Manager and Chief Engineer
cab
REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, July 15, 2010

The Board of Water Supply, County of Kaua‘i, met in regular meeting at its office in Līhu‘e on Thursday, July 15, 2010. Chairperson Randall Nishimura called the meeting to order at 10:22 a.m. On roll call, the following answered present:

BOARD: Mr. Randall Nishimura, Chairperson
Mr. Ian Costa
Mr. Dee Crowell
Mr. Donald Fujimoto (present at about 10:35 a.m.)
Mr. Leland Kahawai
Mr. Raymond McCormick
Mr. Roy Oyama

Quorum was achieved.

STAFF: Mr. David Craddick
Mr. Keith Aoki
Mr. Paul Ganaden
Mr. Gregg Fujikawa
Mr. Keith Fujimoto
Mr. Dustin Moises
Ms. Faith Shiramizu
Ms. Marites Yano
DOW Deputy County Attorney Andrea Suzuki
First Deputy County Attorney Amy Esaki

Absent & Excused: Mr. William Eddy

AGENDA:

Mr. Oyama moved to accept the Agenda; seconded by Mr. McCormick; by an unanimous vote; motion was carried.

MINUTES:

Mr. Costa moved to approve the Regular Meeting Minutes of June 17, 2010, seconded by Mr. Oyama; by an unanimous vote; motion was carried.

CORRESPONDENCE/ANNOUNCEMENTS:

Re: Letter from Ms. Dawn Murata, Agent for the Miyahara Project, ‘Om‘ao, Kaua‘i, dated May 1, 2009

Chair Nishimura noted receipt of the letter dated May 1, 2009 from Ms. Dawn Murata, agent for the Miyahara Project, requesting an appeal to Mr. Fujikawa’s letter dated April 1, 2009. Chair Nishimura requested a motion to receive and refer to the Department to provide a report and recommendations at the next Board Meeting; so
moved by Mr. Costa, seconded by Mr. Oyama. Mr. Crowell noted that part of the research should be on how vested this person is because they gave money to the Department. With no further discussion; by a unanimous vote; motion was carried.

BOARD COMMITTEE REPORTS

Re: Report of the Finance Committee of the Kaua‘i County Board of Water Supply

Chair Nishimura recused himself from voting on this item.

Re: Claims Payable
Finance Chair Oyama reported that at the July 15, 2010 Finance Committee Meeting the Committee approved the Claims Payables for a total of $1,040,776.29. Mr. Costa moved to receive the Claims Payable and place on file, seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

Re: Report of the Rules Committee of the Kaua‘i County Board of Water Supply

Re: Committee Discussion and Possible Action on Rule on Part 1, Rules of Administrative Practice and Procedure,
Rules Chair Costa reported that a Public Hearing had been held, and no public testimony had been received. The Committee approved the Proposed Rules changes and referred it to the next full Board Meeting on August 19, 2010. Mr. Crowell moved to approve the Report, seconded by Mr. Oyama; by a unanimous vote; motion was carried.
**OLD BUSINESS**

**Re: Quarterly Informational Report on Manager's Goals**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>GOAL</th>
<th>Status</th>
<th>DEADLINE</th>
<th>Measure</th>
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<tbody>
<tr>
<td>1</td>
<td>BAB BOND AND WATER PLAN 2020</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>A. Get $60 Million General Obligation Bond approved and issued.</td>
<td>Done 3/31/10</td>
<td>3/31/2010</td>
<td>Money in Bank</td>
</tr>
<tr>
<td></td>
<td>1. Encumber $20 million bond proceeds by end of the Calendar Year.</td>
<td>$12.7m currently</td>
<td>12/31/2010</td>
<td>Signed Contracts</td>
</tr>
<tr>
<td></td>
<td>B. Develop a plan for completing projects identified in the Bond issue. This plan should include Department staffing requirements and a timeline to complete projects either in-house or through consultant contracts.</td>
<td>2@CEV positions filled. See Bond spend down</td>
<td>5/31/2010</td>
<td>Approved Plan, Amended Budget</td>
</tr>
<tr>
<td></td>
<td>D. Re-visit Water Plan 2020. Update and re-prioritize projects and submit for Board Approval</td>
<td>See Bond Spend down</td>
<td>4/30/2010 for Bond Float Projects. 11/30/2010 for non-Bond Items.</td>
<td>Approved Priority list</td>
</tr>
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<td>E. Develop a public relations campaign to inform and update the public on:</td>
<td>RFP July 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. 2020 Plan</td>
<td>See above</td>
<td>10/30/2010</td>
<td>Public Presentations</td>
</tr>
<tr>
<td></td>
<td>2. Explanation of the Bond Float and its relevance to the 2020 plan</td>
<td>See above</td>
<td></td>
<td>List</td>
</tr>
<tr>
<td></td>
<td>3. Development of significant talking points that describe the need for the rate hike, as well as the prioritization of the projects. This discussion should be easily understood by our customers.</td>
<td>See above</td>
<td>12/31/2010</td>
<td>Presentation Public - Ready</td>
</tr>
<tr>
<td></td>
<td>4. Development and implementation of a clear plan to educate the ratepayers of the upcoming rate hike before setting the public hearing. Hiring a PR consultant may be a viable option.</td>
<td>See above</td>
<td>1/31/2010</td>
<td>Presentation Public – Ready</td>
</tr>
<tr>
<td></td>
<td>5. Explanation of the future plans/challenges and our plans to accomplish/manage them.</td>
<td>See above</td>
<td>1/31/2010</td>
<td></td>
</tr>
<tr>
<td>ITEM NO.</td>
<td>GOAL</td>
<td>Status</td>
<td>DEADLINE</td>
<td>Measure</td>
</tr>
<tr>
<td>---------</td>
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</tr>
<tr>
<td>2</td>
<td><strong>PERSONNEL AND ACCOUNTING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. Develop an approved succession plan for the entire Department with a timetable to implement the first three goals, allowing the Operations Division implementation priority.</td>
<td>Everyone planning to leave has gone. Positions are filled.</td>
<td>6/30/2010</td>
<td>Approved organizational chart</td>
</tr>
<tr>
<td></td>
<td>B. Fill all vacant positions critical for implementation of Water Plan 2020 in accordance with the accepted budget. Promote or replace all retired positions with well-qualified persons within 6 to 8 months and hire a qualified Deputy within 8 to 10 months.</td>
<td>Still a moving target</td>
<td>10/31/2010</td>
<td>Filled Positions</td>
</tr>
<tr>
<td></td>
<td>C. Implement cross training so that employees can effectively fill temporary and/or pending retirement positions, thus enabling employees to acknowledge their capabilities in performing additional responsibilities as result of cross training, which in turn will provide the Department with qualified replacement personnel.</td>
<td>On-going</td>
<td>12/31/2010</td>
<td>Filled Positions</td>
</tr>
<tr>
<td></td>
<td>D. Complete the reorganization of the Operations Division.</td>
<td>Advertised July 2010</td>
<td>10/31/2010</td>
<td>Positions advertised</td>
</tr>
<tr>
<td>3</td>
<td><strong>STANDARDS</strong></td>
<td></td>
<td></td>
<td>Chart in Main Office Lobby</td>
</tr>
<tr>
<td></td>
<td>A. Choose industry benchmarks appropriate to similar sized water facilities and compare our stance relating to those benchmarks. Publicize these results annually or semi-annually.</td>
<td>Working on it. Updated every 6 months</td>
<td>11/30/2010</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td><strong>FACILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. Develop plans to ease the &quot;crowded&quot; work environment in the administrative/accounting/engineering divisions. (The Engineering section appears to be sitting on top each other, which, from the customer's perspective looking in the window, reflects an unorganized department.)</td>
<td>Since we are designing a new building crowding view changed.</td>
<td>6/30/2010</td>
<td>Housecleaning</td>
</tr>
<tr>
<td></td>
<td>B. Analyze the office logistics. Presently the office is very crowded: Plans delineating several solutions need to be drawn up for selection.</td>
<td>Consultant on Board April 2010</td>
<td>9/30/2010</td>
<td>Hire Consultant</td>
</tr>
<tr>
<td>5</td>
<td><strong>INTER-AGENCY CO-ORDINATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. Integrate our CIP plan with the County's 6 year CIP Plan to take advantage of the economies of scale.</td>
<td>Sent DOW Plan May 2010</td>
<td>4/15/10</td>
<td>Completed plan submitted to Mayor's Office</td>
</tr>
<tr>
<td></td>
<td>B. Ensure our water infrastructure is in place for County sponsored or supported Affordable Housing Development Projects.</td>
<td>This needs to be redone</td>
<td>4/15/10</td>
<td>Plan draft included as part of 6 year County CIP Plan</td>
</tr>
</tbody>
</table>
Manager Craddick reviewed the current status of the above items.

Item 2.B, second part, “Hire a qualified Deputy” has question marks; Manager Craddick presumed the Board had approved this prior to getting the Deputy, but he just wanted to make sure so he can complete this part.

Item 4.A – “Crowded work environment” – Manager Craddick explained that because we are doing the new building, and the consultant is on board, this one is done. Manager Craddick noted that from the customer’s perspective the Engineering Department looks better with the new picture board in place.

Item 1.E – Manager Craddick noted that an RFP for Public Relations Services has been issued. Mr. Crowell noted that the deadline dates for item 1.E, Public Relations Campaign, items 4 and 5 should both be revised to 1/31/2011 from 1/31/2010.

Item 1.C – Rate Study – upon query from Mr. Kahawai, Mr. Ganaden reported that he had made a recommendation and is waiting for a cost proposal from the consultant.

Upon query from Chair Nishimura if there were any revisions to Water Plan 2020, non-bond items, Manager Craddick stated he would look through and see if anything needs to be added or changed.

Chair Nishimura requested Manager Craddick update the Status column wording of Item 2.A, Succession Plan. Manager Craddick confirmed that Item 2.C, Cross Training, is ongoing, and that for Item 2.D, Reorganization of the Operations Division, all approved positions have been advertised.

Manager Craddick distributed a spreadsheet on the 2010 Bond Project Priority Spend Down which has been added to the Goals. Items 9, 10, 11 were priority items and we are working with DPW to get signatures and then they will be ready to go to bid. Mr. K. Fujimoto reported that some have already been approved and are now with the Planning Department. Upon query from Mr. Kahawai about the $12.7 million currently contracted, Manager Craddick reported that they are the items in light green on the spreadsheet. Actual bid numbers are now listed with payout amounts listed at the bottom. These projects include Waimea Main Replacement, Waimea Canyon, Kapaa Pipeline – both projects, Hanalei/Moalepe, Wainiha Tank Road, Kaumualii Pipeline, and Lihue Baseyard Improvements. The CIP items 5 and 6 in green on the spreadsheet are existing consultants that we already had on board. Manager Craddick will add the Engineering Contract Numbers to the spreadsheet.

Chair Nishimura requested that Manager Craddick provide a revised report for the August 19, 2010 Board Meeting.

Mr. Oyama moved to defer action on the Manager’s Goals, Quarterly Report, until the next Board Meeting, seconded by Mr. Kahawai. Chair Nishimura expressed that the Department has done a good job of trying to accomplish all the goals. With no further discussion; by a unanimous vote; motion was carried.
NEW BUSINESS

Re: Request Board Approval to Concur with Mayor Carvalho’s Proposal for all His Appointees to Receive a 9.23% Decrease in the Salary of Department Heads/Deputies

Chair Nishimura gave a report to the Board with the following:

Recommendation:
It was recommended that the Board, as the appointing authority of the DOW Manager and Chief Engineer, concur with the Administration’s directive to reduce the salary of the Manager by 9.23%. It was further recommended that the DOW Manager and Chief Engineer consider such action for the Deputy Manager as allowed for by Article 1, subsection (c) of the Salary Commission Resolution dated August 25, 2009.

Funding: n/a

Background:
To be consistent with the 2-day furlough plan for the County of Kauai, the Administration has proposed a 9.23% decrease in the salary of various department heads/deputies. The exception is Police and Fire. Of note is that the salaries of all elected and appointed officials are set by Resolution adopted by the Salary Commission. Article 1, subsection (c) of the Resolution states that the appointing authority may set a lower salary than provided for in the Resolution.

The Department employees’ bargaining units have agreed to furloughs in this tough economic climate. Employees will be taking an average 2 days of furloughs per month in accordance with agreements negotiated between the Administration and the public unions. The Board recognizes the need for the Manager and Chief Engineer to provide the necessary leadership for employees and be responsible for the overall morale of the department. It was therefore recommended that the Manager’s salary be reduced in accordance with the remainder of the County and that the Manager and Chief Engineer also consider reducing the salary of the Deputy in a similar manner.

DISCUSSION
Resolution No. 2009-2, Relating to the Salaries of Certain Officers and Employees of the County of Kaua’i - Adopted by the Salary Commission on August 25, 2009 - from the Kaua’i Salary Commission was also presented. Chair Nishimura noted that the salaries should be 9.23% less than those listed, but there should be no impact to benefits.

Chair Nishimura noted that as the Board of Water Supply is not responsible for the hiring or the compensation of the Deputy Manager, he requested that Manager Craddick should follow suit with the Deputy.
Mr. Crowell wondered what would happen with the December 2010 salaries as listed in the Resolution. Chair Nishimura reported that is not yet finalized on how this would affect the potential raises in December 2010.

Mr. Costa moved to approve Mayor Carvalho’s proposal for the Manager to have a decrease of 9.23% and that the Manager considers such action for the Deputy Manager as allowed for in the Salary Commission Resolution, seconded by Mr. D. Fujimoto. Mr. Fujimoto asked Manager Craddick if there was any reason why the Board should not do this. Manager Craddick indicated that he had an understanding with Chair Nishimura that the furlough days can be moved around for flexibility. Mr. D. Fujimoto commended Manager Craddick for taking the leadership position.

With no further discussion; by a unanimous vote; motion was carried.

Re: Manager’s Report No. 11-01 – Board Discussion and Possible Action on Rule on Part 1, Rules of Administrative Practice and Procedure

Board Approval was requested on the Rule Amendment for Part I, Rules of Administrative Practice and Procedure

RECOMMENDATION:
As there was no adverse testimony at the Thursday, July 15, 2010 Public Hearing, it was requested that the Board approve the amendment to the Rules and Regulations of the Board of Water Supply, County of Kaua‘i for Part I, Rules of Administrative Practice and Procedure.

BACKGROUND:
The Public Hearing for this Rule Amendment was also held on Thursday, July 15, 2010 and its public hearing notice was published in the Monday, June 14, 2010 issue of The Garden Island Newspaper. The Small Business Regulatory Review Board (SBRRB) concurred with our Negative Declaration that there is no perceivable impact on small business; therefore, we do not have to communicate further with the SBRRB on this rule amendment. The rules include all organizational rules for Board conduct and delegation of Authority for voucher approvals.

If and when this rule amendment is approved, the secretary will follow up with the necessary signatures from the County Attorney and the County Clerk. Once the County Clerk signs the proposed rule amendment, it takes effect 10 days thereafter.

As Chair Nishimura had announced at the Public Hearing that he wished this item be deferred to the August 19, 2010 Board Meeting, Mr. Crowell moved to defer; seconded by Mr. Costa; by a unanimous vote; motion was carried.

Re: Manager’s Report No. 11-02 – Request for Memorandum of Agreement for the Waipouli Mainline Replacement, Job No. 02-19, Water Plan 2020 Project No. WK-12 - Between Board of Water Supply, County of Kauai, and Department of Public Works, County of Kauai, affecting portions of County roads, Kaloloku Road, Keaka Road, Moanalii Road, Fernandez Road, Panihi Road, Niulani Road, Makaha Road, and Kealoha Road, Kapaa, Kauai, Hawai‘i
RECOMMENDATION:
It was recommended that the Board approve the Memorandum of Agreement document; whereby, the Board of Water Supply, County of Kauai, agrees to abandon existing waterline facilities within certain County roads located as specified above in the Kapaa District, Kauai, Hawaii.

FUNDING: Not applicable.

BACKGROUND:
Construction plans call for the abandoning of all existing water facilities as required during the Waipouli Mainline Replacement installation. The Department of Public Works, County of Kauai, has asked the Department of Water to enter into the Memorandum of Agreement in order to leave existing water facilities abandoned in place.

Mr. Costa moved to approve Manager’s Report No. 11-02, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Manager’s Report No. 11-03: Request Board Approval of a Memorandum of Agreement for the Pipeline Replacement along Wailua, ‘Ohana, and Anolani Roads, Job No. 02-16, Water Plan 2020 Project No. WK-36 - Between Board of Water Supply, County of Kauai, and Department of Public Works, County of Kauai, affecting portions of County Roads, Wailua Road, ‘Ohana Road, and Anolani Road, Kapa’a, Kaua‘i, Hawaii

RECOMMENDATION:
It was recommended that the Board approve the Memorandum of Agreement document; whereby, the Board of Water Supply, County of Kauai, agrees to abandon existing waterline facilities within certain County roads located as specified above in the Kapa’a District, Kauai, Hawaii.

FUNDING: Not applicable.

BACKGROUND:
Construction plans call for the abandoning of all existing water facilities as required during the Pipeline Replacement installation along Wailua, ‘Ohana, and Anolani Roads. The Department of Public Works, County of Kauai, has asked the Department of Water to enter into the Memorandum of Agreement in order to leave existing water facilities abandoned in place.

Mr. Costa moved to approve Manager’s Report No. 11-03, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Manager’s Report No. 11-04: Memorandum of Agreement for the Eiwa, Umi, Akahi, Elua and Hardy Streets (Lihue) Mainline Replacement, Job No. 05-06, Water Plan 2020 Project No. PLH-25 - Between Board of Water Supply, County of Kauai, and Department of Public Works, County of Kauai, Hawaii.
Kauai, affecting portions of County roads, Eiwa, Umi, Akahi, Elua and Hardy Streets, Alohi, Uiki and Lalei Place, Lihue, Kauai, Hawai‘i

RECOMMENDATION:
It was recommended that the Board approve the Memorandum of Agreement (MOA) document; whereby, the Board of Water Supply, County of Kauai, agrees to abandon existing waterline facilities within certain County roads located as specified above in the Lihue District, Kauai, Hawaii. The MOA binds the Board to remove the abandoned waterlines should the Department of Public Works require its removal in the future.

FUNDING: Not applicable.

BACKGROUND:
Construction plans call for the abandoning of all existing water facilities as required during the Waipouli Mainline Replacement installation. The Department of Public Works (DPW), County of Kauai, has asked the Department of Water to enter into the Memorandum of Agreement in order to leave existing water facilities abandoned in place.

Mr. Costa moved to approve Manager’s Report No. 11-04, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

DISCUSSION ON MANAGER’S REPORTS 11-02, 11-03, 11-04
Mr. K. Fujimoto pointed out the reason for the MOA is if we need to remove the abandoned water lines in the future. The MOA is the agreement to leave the existing water facilities abandoned in place.

Upon query from Chair Nishimura if someone other than DOW dug up and damaged the abandoned line, if the MOA addresses who would be responsible, Mr. K. Fujimoto noted that it does not address this issue.

Mr. D. Fujimoto recused himself from this Agenda item.

Upon query from Mr. Crowell if this is still a DOW line, Mr. K. Fujimoto noted that Waterworks Controller Ganaden indicated the lines are abandoned but it is off our inventory – they would still be our responsibility because of the MOA. The lines are not “live”.

Upon query from Mr. Crowell if someone wants to lease the lines, Waterworks Controller Ganaden stated that we would have to put them back on our books if they became an asset to us. Presumably the applicant would have to come to DOW and DPW.

Chair Nishimura assumed that with the MOA, we are clearly responsible for taking out the line if DPW requests it at any time in the future. Should an entity want to utilize those lines for non-potable use, who would have the jurisdiction over that line? It’s disconnected, it’s off our asset base, but how would any decision on future utilization of that line be handled. Deputy County Attorney Esaki noted that an
easement would be requested from DPW and a request to DOW for use of that pipeline.

Chair Nishimura requested Manager Craddick develop a mechanism to keep track of these lines. Mr. Ganaden noted that these are in the "held for future use" category. Upon query from Mr. Kahawai if there are already assets in that line item, Mr. Ganaden noted there are very few, maybe just one. Line items in that category do not depreciate, they are held at original cost.

Chair Nishimura requested the Board Secretary draft a letter to the Department on how they would develop the mechanism to track future liability or use. A separate MOA could be created.

Mr. K. Fujimoto noted that, sooner or later, they are going to exercise the right to move some of it, and it is going to be costly, so we need to remember this.

Re: Manager’s Report No.11-05: Request Board Approval of a Grant from the Kikiaola Land Company for our Amfac Shaft, Kekaha, Kauai

RECOMMENDATION:
Board approval of a services grant not to exceed $8,500 dollars from Kikiaola Land Company was requested.

BACKGROUND:
Kikiaola expects, with the source being approved, it would be quicker to cancel any DOW water restrictions in the Kekaha/Walmea Water System. There have been no other representations from DOW that the grant would do anything other than rush the final Department of Health (DOH) decision. The purpose of the service grant is to get a DOW pump installed in AMFAC Shaft in Kekaha in a timely fashion. DOW does not have the special tools or the equipment to do the work in-house. We have requested prices for the work and the prices are in the range of $7500 to $8500. We expect the actual work will be in the $3200 range.

The AMFAC shaft is in need of further testing to obtain DOH approval of the source as ground water not under the influence of surface water. We have put a contractor’s pump in the hole two times without receiving DOH approval. The two pump settings and removal have cost DOW in the range of $125,000. We decided it would be best to put our own pump in the hole and there would be no time limit on DOW for removing it before DOH's acceptance of the source.

DISCUSSION
Upon query from Mr. Kahawai, Manager Craddick reported that although DOW has the pump - which we have manufactured - the manpower and equipment would be provided by Kikiaola. Mr. K. Fujimoto noted that if DOW had put it out to bid the anticipated cost to DOW would be $7,500, however Kikiaola could do the work for $3,200. The value to the Department would be $7,500 to $8,500. Manager Craddick noted that we could put the pump in, and still not get ground water not under the influence of surface water which could result in a treatment pump at that time. Kikiaola has plans in for development which are affected by the water and sewer
restrictions in that area. Kikiaola would be bringing in their own subcontractors as they do not have a C57 license – they are their own general contractor.

Mr. D. Fujimoto expressed concern about the potential for liability if there is any damage, and if DOW is comfortable with the firm doing the work. Mr. Costa expressed concern over liability if someone got hurt. Manager Craddick confirmed that DOW will work with our attorneys to address these concerns and make sure the Department is covered.

Upon query from Mr. Kahawai asking if we had done Services Grants before, Ms. Shiramizu stated that we had done one for $10,000 with the Kaua’i Watershed Alliance.

Chair Nishimura stated that Mr. D. Fujimoto’s point is well taken, that we do this in a manner that would mitigate the Department and the County’s exposure to liability.

Chair Nishimura also stressed that by accepting this donation of services, it is clear to the donor that this does not necessarily guarantee removal of the meter restriction issue. Manager Craddick noted that the donor clearly understands this.

Manager Craddick will follow up with a letter concerning the liability issue. The letter will outline the conditions under which we are accepting the grant and the understanding of the liability issue, and we will also clear it with the State that they have no objections. Mr. K. Fujimoto noted that this is State land but we are given free access to it until we determine that the well is not useable.

Chair Nishimura returned to the issue of meter restrictions. We had contractors install two pumps and not resolve the influence of surface water into the well, so was it the contractor’s pump that was the issue or is there a probability it may be the actual influence of surface water. Mr. K. Fujimoto noted he is 95% confident that is not under the influence of surface water. Manager Craddick stated it was not the fault of the contractor’s pump, but we did not have a provision to leave the pumps in long enough to resolve the issue, due to the cost. If we put our own pump in there, we are in control of when it comes and goes.

Chair Nishimura presumed that this is in the testing phase and if a permanent pump will need to be put there. Manager Craddick confirmed this was the case and that Kikiaola is aware of that. This agreement is just to put in this pump, but it may become part of the permanent pump installation contract. This is just to get through the testing. Mr. K. Fujimoto noted the first pump was in for about a week and the second one just to get a water sample. Mr. Costa was concerned that if the tests on the two other occasions still resulted in influence of surface water, what makes us believe that if we leave a pump in longer there would be a different result. Manager Craddick reported that the pumps were very small in gpm and this pump is 400-450 gpm, closer to what the well can actually produce. Typically they have to be pumped for about 1,000,000 gallons before they will clean up; the other pumps were only about 20 gallons per minute. If enough volume is pumped, it should clean it out as it has been sitting for a long time.

Recess: 11:22 a.m. to 11:27 a.m.
The Regular Meeting reconvened at 11:27 a.m.

Manager Craddick reported that actually three pumps had been put in the hole but there was scrap iron, etc. in the well, and also a side tunnel coming in, which had to be sealed up to stop backflow in that way. Mr. K. Fujimoto noted that by leaving the pump there it can run continuously until we get the answer we need.

Chair Nishimura liked the spirit in which this was being done, but wanted to ensure we are covering the Department, our employees and the County from any negative influences.

Mr. Costa moved to approve the grant with the understanding that, prior to initiating work by the grantor, that the DOW work with the County Attorney’s office and also its in-house legal advisor to address liability exposure concerns; seconded by Mr. Crowell.

Mr. D. Fujimoto wanted to make sure that the Department has a final right of refusal on who is going to do the work.

With no further discussion; by a unanimous vote; motion was carried.

Re: Request Board Approval of Resolution No. 1, (10/11), Mahalo and Aloha Retiree Paul Ganaden

Although the resolution was not included in the agenda packets, it was available and read at the Thursday, July 15, 2010 Board Meeting.

Recess: 11:41 a.m. to 11:45 a.m. The Regular Meeting reconvened at 11:45 a.m.

Mr. Oyama moved to approve Resolution No. 1 (10/11), Mahalo and Aloha Paul Ganaden, who will be retiring from the Department of Water as of August 1, 2010, seconded by Mr. D. Fujimoto.

On behalf of the Board, Chair Nishimura thanked Waterworks Controller Ganaden for all his years of service, and wished him a Happy Retirement!

With no further discussion; by a unanimous vote; motion was carried.

Re: Manager’s Report No. 11-06 - Request Board Approval of the following documents from the following applicant for their respective projects:

1. Grant of Easement and Conveyance of Water Facility from Kukui‘ula Development Company (Hawaii), LLC for the Construction Plans for Major Project (Alo Kukui‘ula) Road, Subdivision S-2004-45; TMK (4) 2-6-15:016. (Lot 16), Koloa, Kauai, Hawaii

RECOMMENDATION:
It was recommended that the Board approve the Grant of Easement document whereby, Kukui‘ula Development Company (Hawaii), grant to the Board of Water Supply, County of Kauai, a perpetual easement, Lot 16, on, over and under that
certain parcel of land located in TMK: (4) 2-6-15:016, Koloa, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of a potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system for the Construction Plans for Major Project (Ala Kukui'u) Road, S-2004-45; TMK (4) 2-6-15:016, Koloa, Kauai, Hawaii.

Further, Board approval was specifically requested of the indemnification provision in this agreement; wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such damages and injuries are caused by the Department's negligence while using the area.

It was also recommended that the Conveyance of Water Facility document be approved; whereby, Kukui'u Development Company (Hawaii), LLC, a Hawaii limited liability company, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

**Waterline:**

1,651 lineal feet of 16-inch Ductile Iron Pipe Waterline  
5,581 lineal feet of 12-inch Ductile Iron Pipe Waterline  
168 lineal feet of 8-inch Ductile Iron Pipe Waterline  
264 lineal feet of 6-inch Ductile Iron Pipe Waterline  
3 each 16-inch Resilient Wedge Gate Valve  
19 each 12-inch Gate Valve  
4 each 8-inch Gate Valve  
7 each Fire Hydrant Assembly  
10 each 6-inch Gate Valve, including C.I. Valve Box & Cover for Fire Hydrant  
3 each 3/4-inch Copper Air Relief Valve Assembly  
4 each 1-inch Copper Air Relief Valve Assembly  
3 each 6-inch Blowoff Line  
1 each 8-inch Blowoff Line

in place complete, for the Major Project Road Phase 1 (S-2004-45), TMK: (4) 2-6-015: Por. 16, Koloa, Kauai, Hawaii.

Mr. Kahawai moved to approve the Grant of Easement and Conveyance of Water Facility from Kukui'u Development Company, including its indemnification provision, seconded by Mr. Fujimoto.

**DISCUSSION**

Ms. Suzuki stated Por. lot 16 is subject to CFD, not Lot 16. Ms. Suzuki noted that we get the facility but there's an agreement where Kukui'u taxes the residents for the use of the facility but they get to keep the proceeds. Mr. D. Fujimoto stated that the
Water Department assumes the liability. It is not the property that is the subject of the CFD assessment, it is the recipient.
With no further discussion; by a unanimous vote; motion was carried.

2. **Grant of Easement from Kukui’ula Development Company (Hawaii), LLC for the Construction Plans for Major Project (Ala Kukui’ula) Road, Subdivision S-2004-45; TMK (4) 2-6-15:016, (Easement W-7), Koloa, Kauai, Hawaii (note: grant of easement is for an adjacent parcel to Major Project Road)**

**RECOMMENDATION:**
It was recommended that the Board approve the Grant of Easement document whereby, Kukui'ula Development Company (Hawaii), grant to the Board of Water Supply, County of Kauai, a perpetual easement, W-7, on, over and under that certain parcel of land located in TMK: 2-6-18:061, Koloa, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of a potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system for the Construction Plans for Major Project (Ala Kukui’ula) Road, S-2004-45; TMK (4) 2-6-15:016, Koloa, Kauai, Hawaii.

Further, Board approval was specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such damages and injuries are caused by the Department’s negligence while using the area.

Mr. Kahawai moved to approve the Grant of Easement from Kukui’ula Development Company, including its indemnification provision, seconded by Mr. D. Fujimoto.

**DISCUSSION**
Mr. Aoki reported that for the Grant of Easement the TMK number of (4) 2-6-15:016 is referencing the project, not the actual easement location W7, the TMK of which is (4) 2-6-18:061.

**Recess: 11:53 a.m. to 11:58 a.m. The Regular Meeting reconvened at 11:58 a.m.**

Ms. Esaki noted that in the future, the TMK should correspond to what the documents say.

With no further discussion; by a unanimous vote; motion was carried.

3. **Grant of Easement and Conveyance of Water Facility from Kukui’ula Development Company (Hawaii), LLC, a Hawaii limited liability company for the Subdivision Y (S-2005-25), TMK: (4) 2-6-015:017, (4) 2-6-016:092, (4) 2-6-016:093, (4) 2-6-016:094, (4) 2-6-016:095, Koloa, Kauai, Hawaii**
It was recommended that the Board approve the Grant of Easement document whereby, Kukui‘ula Development Company (Hawaii), grant to the Board of Water Supply, County of Kauai, perpetual easements, Easement "AU-1, AU-2, AU-3 and AU-4", on, over and under that certain parcels of land located in TMK: (4) 2-6-15:017; 2-6-16:092; 2-6-16:093; 2-6-16:094; 2-6-16:095, Koloa, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of a potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system for the Construction Plans for Subdivision Y (S-2005-25); TMK (4) 2-6-15:017; 2-6-16:092; 2-6-16:093; 2-6-16:094; 2-6-16:095, Koloa, Kauai, Hawaii.

Further, Board approval was specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such damages and injuries are caused by the Department’s negligence while using the area.

It was also recommended that the Conveyance of Water Facility document be approved; whereby, Kukui‘ula Development Company (Hawaii), LLC, a Hawaii limited liability company, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

**Waterline:**

- 5,248 lineal feet of 12" Ductile Iron Waterline
- 2,687 lineal feet of 8" Ductile Iron Waterline
- 357 lineal feet of 6" Ductile Iron Waterline
- 850 lineal feet of 4" Ductile Iron Waterline
- 24 each 12" Gate Valve including C.I. valve box & cover
- 4 each 8" Gate Valve including C.I. valve box & cover
- 17 each 6" Gate Valve including C.I. valve box & cover
- 2 each 4" Gate Valve including C.I. valve box & cover
- 17 each Fire Hydrant Assembly w/ 1 - 4 1/2" & 1 - 2 1/2" outlet
- 5 each 2.5" Cleanout
- 6 each 4" Cleanout
- 4 each 6" Blowoff Line
- 2 each 4" Blowoff Line
- 7 each 1" Copper Air Relief Valve Assembly
- 16 each 1-inch Copper Single Service Lateral for 5/8-inch Water Meter
- 36 each 1-1/2 inch Copper Double Service Lateral for 5/8-Inch Water Meter

in place complete, for the Subdivision Y (S-2005-25), TMK: (4) 2-6-015:017, (4) 2-6-016:092, (4) 2-6-016:093, (4) 2-6-016:094, (4) 2-6-016:095, Koloa, Kauai, Hawaii.
Mr. Kahawai moved to approve the Conveyance of Water Facility and Grant of Easement from Kukui'ula Development Company, including its indemnification provision, and seconded by Mr. Fujimoto; by a unanimous vote; motion was carried.

**STAFF REPORTS**

**Re: Statement of Kaua'i County Water Department’s Revenues and Expenditures**

Waterworks Controller Ganaden stated that the Board of Water Supply has been very supportive to him over the years and wanted to thank all the Board members, and also the Manager and his staff.

Mr. Costa moved to receive the Statement of Kaua'i County Water Department’s Revenues and Expenditures report and placed it on file, seconded by Mr. Fujimoto; by a unanimous vote, motion was carried.

**Re: Public Relations Specialist’s Monthly Update Regarding DOW Public Relation Activities**

**Project WET:** Make a Splash 2010 is scheduled for Thursday, September 23rd. Preparations are moving forward with Summer Intern Heather diligently working on the “to-do” list.

**American Water Works Association ACE 10:** The ACE 10 Conference in Chicago, held June 21-24, 2010, provided great opportunities for a glimpse at the bigger picture of the role of water utilities, while at the same time helped attendees to realize that most water utilities experience similar struggles, thus the benefit of sharing information at a conference.

Sessions that I attended addressed traditional media versus social media, with social media being the “buzz” of most of the public relations workshops. Other topics covered included Educational Outreach Programs to attract tomorrow’s workforce, Crisis and Risk Communications and Notification Systems.

It was also exciting to watch and cheer on the Hawaii Pipe Tapping Teams.

**Public Relations Request for Proposals:** The advertising for the Public Relations Request for Proposal appeared in the Star Advertiser on Wednesday, July 7, 2010. It will also be listed on the State Procurement Site. Proposal deadline is August 18, 2010.

**Social Media:** Met with John Wada, General Manager for FM97 and Chris Jensen, co-owner of Hawaii Stream regarding options of getting exposure into social media via their site that is already up and running.

**DISCUSSION**

Upon query from Mr. D. Fujimoto, Ms. Shiramizu outlined the difference between social media, i.e., Twitter, Facebook, etc., and traditional media, i.e., newspapers,
TV. There are differences between Facebook and Twitter – Facebook is more personal, where you accept people as friends, etc. Because it is two-way information, we would have to be set up properly internally to allow us to respond before we advance into the social media realm, so it is high maintenance for the Department.

Mr. D. Fujimoto requested Ms. Shiramizu look into training on social media and how and why it is used before this could be supported, and also who is authorized to use it and what are the liabilities for the Department. Manager Craddick noted that social media is also included in our RFP for Public Relations.

Manager Craddick noted that if we had 10% of the people on Kauai as our Facebook friends, anything we send them, gets sent to the friends on their list, etc., and this is the definition of viral communications. Several years ago AWWA said they had PR people from a San Diego utility who said they had enough social media friends where they could get out information faster than any newspaper, radio or anything, so as it matures, you are able to get the word out to the community much faster than any other way.

Ms. Shiramizu is also working on using the County CTY. We tried it for the Onellas Tank meeting, where we also put it on the radio and TV. The County did not want to really use the CTY if the situation was not an emergency, but all five people who came to the meeting came because they got the call on CTY. It seems that people are going to newspapers and TV less nowadays and more to social media.

Our Facebook is Kauaiwater. It is not used for any legal notices.

Mr. D. Fujimoto noted that this reflects how important these conferences are and what the nation and the rest of the industry is doing. Ms. Shiramizu noted that the Social Media was a break-out session at the AWWA National Conference.

Mr. Costa moved to receive the Public Relations Update and placed it on file, and also requested that the Department look into how it might in the future implement social media and that the Board should look at rules to see how social media should and should not be used by the Department; seconded by Mr. Kahawai.

Ms. Shiramizu confirmed that we should then not move forward with using social media until we have looked at rules of usage.

Chair Nishimura noted that by receiving this report, one of the Board policies is that staff going on Out of State Travel is required to furnish a report. The chair considers this report Ms. Shiramizu’s Out of State Travel Report.

With no further discussion; by a unanimous vote, motion was carried.

Re: Deputy Manager’s Summary Report on Monthly Operational Maintenance
The Deputy Manager is on leave. The next Operational Maintenance Report will be presented at the August 19, 2010 Board Meeting.

Re: MANAGER’S UPDATE for JUNE, 2010 to JULY, 2010

CONTRACTS AWARDED BY THE MANAGER:
Re: Job No. 03-02, Phase 2, Water Plan 2020 Project HW-02, HW-03, Wainiha Booster Pump Station and Haena Steel Tank Renovations

Contract awarded to Unlimited Builders LLC in the amount of $1,639,117.90.

Funding:
Account No. 201-01 Bond –BAB $53,936.161.34
  Contractor, Unlimited Builders LLC... $1,639,117.90
  Contingency, approximately 5% ...... $ 88,882.10
  Total.............................................. <$1,720,000.00>
Balance Remaining, Account No. 201-01 Bond –BAB ..................$52,216,161.34

Re: Annual Audit for Fiscal Year Ended June 30, 2010

Contract awarded to KMH LLP (KMH) in the amount of $66,000 {Recurring Audit is $50,000 and Single Audit is $16,000}

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.
WAIVER, RELEASE AND INDEMNITY AGREEMENTS SIGNED BY THE MANAGER: None.

PERSONNEL MATTERS UPDATE: Updated July 6, 2010

RECRUITMENT:

Ops Division:
2. Lead Pipefitter vacancies. Conducting internal departmental recruitment.
4. Automotive Mechanic I request to post to recruit due to anticipated vacancy. Manager Craddick reported that the DPS said the person who has been doing the job for four years does not qualify for the position, so we are re-describing his position and switching that position with the welder position and making that the auto mechanic position so there is no change to the budget.

Fiscal Division:
2. Data Entry Operator I vacancy. Start date pending successful completion of pre-employment exams.

Engineering and Special Projects Divisions:
1. Civil Engineer V vacancy in Special Projects. Start date pending successful completion of pre-employment exams.
2. Project Assistant (Special Projects Division). Selectee declined. Department considering another candidate.
3. Civil Engineer II (Engineering Division) vacancy as of July 7, 2010. Open recruitment in effect, awaiting list of eligibles.
4. **Civil Engineer VI** (Engineering Division head) vacancy. Submitted request to recruit to Department of Personnel Services.

**Administration Division:**
1. **Computer Systems Support Technician I.** Selectee decline. Open recruitment in effect, awaiting list of eligibles.
2. **Secretary** vacancy. Open recruitment in effect, awaiting list of eligibles.
3. **Clerical Assistant – Community Relations.** Open recruitment in effect, awaiting list of eligibles.

**Affordable Housing Update** *(Same update as the June 14, 2010 Affordable Housing Task Force Meeting, as the July, 2010 meeting has not been scheduled yet).* The last Affordable Housing Task Force (AHTF) meeting was held on Monday, June 14, 2010 at Pi‘ikoi Conference Room A, with the status of projects below.

**Updates on AHTF Projects:**

1. **Habitat - Eleele I Luna Subdivision Phase 2** (107 lots, 1 park): Site construction for the 12" sewer main will be completed next week. Housing agency estimated that on-site infrastructure improvements for Phase II, Increment 1, will be bid out by the end of 2010.

2. **Kauai Lagoons – Kapule Project:** Water improvements have been conveyed to the Water Board.

   Housing Agency is preparing amendments to the zoning ordinance and related housing agreement to change the lease hold ownership to fee simple ownership. Housing estimates that Council approved amendments to the Housing agreement to revise the ownership of the units to fee simple title with first preference to employees of Kauai Lagoons.

3. **Kukui‘ula Employee Housing - “Gap” Housing subdivision and zoning permit.** The County Council amended the housing agreement that is required by the Zoning Amendment ordinance this week. The development was able to extend the development deadline until 2013.

4. **Kohea Loa (Hanamaulu Triangle) - Water system improvements as set forth by the WMP include offsite source, storage and transmission facilities.** DR Horton (DRH) met with the DOW and was informed that necessary water system facilities must be installed as per the Water Master Plan. DRH will continue to work with Grove Farm and the DOW.

5. **Paanau Village, Phase 2:** The developer is projecting final subdivision approval after the necessary improvements are bonded by Kukui‘ula Development Company. On site construction is scheduled for August/September 2010. Occupancy is projected for end of 2011.

6. **‘Ele‘ele – 75 acre parcel acquisition:** Housing Agency executed the purchase agreement with McBryde Sugar Co. to purchase the 75 acre parcel. The
Housing Agency is negotiating with their consultant to include a water master plan with the community master plan documents.

State Land Parcels (County Affordable Housing): No report at meeting. {Next meeting will be announced by Housing.}

**AWWA Chicago Conference:** Board conferees were Randy Nishimura, Dee Crowell, and Leland Kahawai and staff conferees were David Craddick, Keith Fujimoto, Faith Shiramizu and Edward Doi. Congratulations to Edward Doi who at the AWWA Conference won the Platinum Presidential Award, which is part of the Individual Membership Recruitment Awards. The conference was centered on sustainability and it is clear that if projects we do are not done in a sustainable manner, costs will continue to rise.

Manager Craddick noted that we quickly need to reduce our carbon footprint and we need to get creative.

Manager Craddick also related the story from the conference opening session; the man who started Earth Day was the speaker and asked if anyone knew how much the biomass of humans were in relationship to other animals (reptiles, insects, mammals), a shocking 75%.

Mr. Kahawai moved to receive the Manager's Update for June 2010 – July 2010, and placed it on file, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

**Re: For the Board's Information on the Kaua'i County Water Department Briefing on Departmental Projects**

A written quarterly report of the status of the DOW's projects, along with an Executive Summary, was given to the Board for their information.

Mr. Keith Fujimoto thanked Mr. McCormick on the Waimea Well Refurbishing Project as Mr. McCormick assisted with expediting the approval of our drawings.

Mr. Costa moved to receive the DOW's Quarterly Projects Briefing Report and place on file, seconded by Mr. McCormick; by a unanimous vote, motion was carried.

**Re: Strategic Plan Update: Issue Champions & Affordable Housing Reports**

**Re: Report from Issue Champions**

**Issue No. 1, Morale:**

1) **Fun Committee Events:**

   a) The Fun Committee and the department have been infused with new energy with the return of our summer intern, Heather Kubota, who jumped right into planning our summer hike. The hike is planned for July 16th to Hanakapiai.
b) Heather in the lead again has recruited her fellow interns to organize a potluck for the department. The potluck is scheduled for Thursday, August 5th after work in the park across the DOW.

c) The Fun Committee welcomes Jeff Mendez as our newest member. Mahalo to Keith Aoki, Rona Miura, Mona Yamauchi, Keith Fujimoto and Faith Shiramizu for joyfully serving on this committee since its inception four years ago.

2) Rewards Committee:

a) Second Quarter Water Bucks were presented to Special Projects Engineer Dustin Moises, Waterworks Inspector Jay Perreira and WR&P Engineer Heath Prow....with Congratulations going to our Employee of the 2nd Quarter: Heath Prow.

b) With a dwindling committee due to retirement, a request for volunteers turned out fruitful, welcome new committee members, Virgil Kapanui, Sandi Nadatani-Mendez and Carol Beardmore. Mahalo to members who have diligently served on this committee since its inception, Keith Aoki, Russell Coyaso, Keith Konishi, Margie Loo, Rona Miura, Fay Tateishi, Faith Shiramizu and outgoing member, David Okamoto.

DISCUSSION
Upon query by Chair Nishimura if the overall department morale is better, worse or not much changed from two years ago, Ms. Shiramizu stated that it depends upon who you talk to. For some, the morale is a lot better. She does not know if the Morale Committee itself has helped, but it has added some fun to the work, but the overall management of the Department is what creates the morale. Chair Nishimura asked if, among the people Ms. Shiramizu has talked to, there are people who think the morale is worse. Ms. Shiramizu noted that there are a couple, but there are more people, including the people retiring, who say it is better. For the ones who think it is worse, you have to take into consideration the individual, their work ethics perhaps, and their own state of mind and attitude for the job.

Upon query by Mr. Kahawai if an exit interview survey is done with employees, Mr. D. Fujimoto stated that it is a requirement by DPS. Manager Craddick confirmed that it is done and the results are sent to the Department of Personnel Services. Chair Nishimura felt it would be instructional if copies of these surveys go to management for review.

Issue No. 2, Strong and Qualified Workforce:

PERSONNEL MATTERS UPDATE: Updated July 6, 2010

RECRUITMENT:

Ops Division:
2. Lead Pipefitter vacancies. Conducting internal departmental recruitment.
4. Automotive Mechanic I request to post to recruit due to anticipated vacancy.

**Fiscal Division:**
2. Data Entry Operator I vacancy. Start date pending successful completion of pre-employment exams.

**Engineering and Special Projects Divisions:**
1. Civil Engineer V vacancy in Special Projects. Start date pending successful completion of pre-employment exams.
2. Project Assistant (Special Projects Division). Selectee declined. Department considering another candidate.
3. Civil Engineer II (Engineering Division) vacancy as of July 7, 2010. Open recruitment in effect, awaiting list of eligibles.
4. Civil Engineer VI (Engineering Division head) vacancy. Submitted request to recruit to Department of Personnel Services.

**Administration Division:**
2. Secretary vacancy. Open recruitment in effect, awaiting list of eligibles.
3. Clerical Assistant – Community Relations. Open recruitment in effect, awaiting list of eligibles.

**Issue No. 3, Water Quality:**

1. Sample site work order for Kuamoo Rd. submitted in September, but no work yet. Operations requested a different site be selected. Currently using the old Pollahu State Park site since they have constructed a new bathroom.
2. New sites chosen for routine sampling to replace sites that were hard to access or have been removed. More old sites need to be changed. On-going.
3. Main break monitoring on hold, pending finalizing procedures and follow up between both the Lab and Operations. In the meantime, Peggy is informally checking on mainline breaks.
4. Decided to go with Triggered Monitoring Plan for the new GWR. Plan submitted to SDWB (accepted by SDWB). One hit so far. Monitoring plan seems to be workable.
5. Sampling sources to see if any will present problems with fecal indicators if triggered monitoring is required. So far only Garlinghouse Tunnel seems to be problematic. On-going.
6. Kalaheo, Lawai/Omao and Koloa have to be one system under the GWR. We propose to call it Kalaheo/Koloa System #434. The proposed system has been submitted to SDWB. We are awaiting approval. Has been approved as of 12/1/09.

**STATUS OF WATER PLAN 2020 PROJECTS:**

**PROJECTS UNDER DESIGN:**
1) Job 03-02, HW-03, (Phase II), Wainiha Booster and Haena Tank Renovations (Consultant: Brown & Caldwell) – Design completed and construction bids were opened on June 10, 2010.

2) Job 02-18 WK-32 Phase II, Pipeline Replacement for Kapaa Homesteads (Consultant: Fukunaga & Associates)
   a. Design completed.
   b. Bids were opened and construction contract has been awarded to Jennings Pacific, LLC.

3) Job 04-02, WK-14 Phase II, Pipeline Replacement for Vivian Heights and Kanaele Road (Consultant: Fukunaga & Associates)
   a. Design completed.
   b. Bids were opened and construction contract has been awarded to Earthworks Pacific.

4) Job No. KW-28 Amfac Shaft (Consultant: Brown & Caldwell)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.

5) Job 02-06, WKK-15 Kilauea Tank #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed tank site.

6) Job 05-02, H-8 Drill and Test Hanalei Well #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed well site.

7) Job 05-02, HW-12 Drill and Test Wainiha Well #4 (Consultant: Kodani & Associates) – Consultant preparing the Environmental Assessment.

8) Job 02-14, WK-08, Kapahi (Ornellas) Tank (Consultant: Belt Collins)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.

9) Job WK-39 Kapaa Homesteads Well #4 (Consultant: Hawaii Pacific Engineers)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.

10) Job No. 02-24, WK-02 Renovate Akulikuli Tunnel, Phase 2 (Consultant: SSFM International)
    a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.

11) Job 02-06, WKK-15 Kilauea Tank #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed tank site.


13) Job 02-16, WK-36, Pipeline Replacement along Wailua, Ohana, Anolani and Kuamoo Roads and Lehia Lane (Consultant: Esaki Surveying) – Under design.

PROJECTS UNDER CONSTRUCTION:
1) Job 05-03, KW-25, 03-03, KW-24, Kapilima 0.5MG Tank and 03-03 Generator Shelter (Consultants: Brown and Caldwell, Kodani & Associates)(Contractor: Kauai Builders)
a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.

2) Job 02-14, WK-09, 03-03, WK-15, Kapaa Homesteads 0.5 MG Tank and Makaleha Generator Shelter (Consultants: Bell Collins, Kodani & Associates, Contractor: Kauai Builders)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of June 2010.

3) Job WK-42 Phase I, 1 MG Stable Tank and Control Valves (Consultant: Tom Nance Water Resource Engineering, Contractor: Kauai Builders) – Project is 92% complete.

4) Job WK-42 Phase II, Kaapuni Road Waterline for Stable Tank (Consultant: Hawaii Pacific Engineers, Contractor: Earthworks Pacific, Inc.) – Project is 94% complete.


6) Job 97-10, WKK-14 Kilauea Booster Pump Station (Consultant: Austin Tsutsumi, Contractor: Oceanic Companies) – Project is 96% complete.

7) Job No. 04-04, PLH-09, Pipeline Replacement for Lihue Town (Consultant: Akinaka & Associates, Contractor: Cushnie Construction) – Project is 100% complete.
   a. DPW OT issue remains.

8) Job No. 04-06, KW-05 & KW-20, Kekaha Well B Renovations (Consultant: Engineering Solutions, Contractor: Goodfellow Bros.) – Project is 90% complete.

9) Job No. 05-01, KW-16 & KW-23, Waimea Town Waterline (Consultant: Hawaii Pacific Engineers, Contractor: Goodfellow Brothers) – Project is 19% complete.

10) Job No. 02-03, KW-14 & KW-15, 12" Waterline along Kaumuali Highway and Waimea Canyon Drive (Consultant: Park Engineering, Contractor: Koga Engineering & Construction) – Project is 8% complete.
    a. Addressing NPDES permit and design alignment issues.


Issue No. 4, Workplace Efficiencies:

Ongoing:
1. Jeff Mendez in IT continues to work to broaden our information base for our Geographic Information System (GIS). He is assisted by WR&P’s Engineer Heath Prow and Eng. Tech. Cleve Shigematsu.

   a) Jeff and Heath are in the process of setting up a Geodatabase that will contain all the different types of information that will be used for GIS.

      This geodatabase will contain data features, such as pipe, tanks, meters, hydrants, etc. We are also determining the attributes or information that describes these features, such as type of material.

      They will be ‘GPS’ing’ all of the water system infrastructure and have begun testing out using our GPS devices by testing on the Anini Water System. They have no formal training on using the devices; therefore, it has been a sort of learning experience for them.

   b) Current GIS Update by Jeff

      We are making good progress. In terms of GIS, aside from not locating a few valves, Anahola Water System has been completed. Heath Prow will be taking the GIS model and importing it into WaterGems Water Modeling program. This program will help the department determine the water needs for a system more efficiently.

      Jeff, along with two summer interns, is working on creating the GIS Water Model for the Puhi-Lihue-Hanamaulu Water System.

Upcoming:
1. The Issue Champions Committee requested to work on the implementation of the DOW Contract Management System to monitor progress of the DOW’s contracts.

   a) Still work in progress on gathering required information to input into the system.

   b) Clerical training will follow to assist with updating the projects on the program.

   c) Implementation of the DOW Contract Management System has been delayed with a new target implementation date of April 1, 2010.

   d) Once the system works, documentation of the process would be included in the DOW’s work process manual.

2. Envision a department-wide work process manual to be compiled with documentation of any type of divisional work processes to assist with succession planning and to better internal and external customer service

   a) Processes need to be reviewed and updated.

   b) Will be documented using Microsoft Visio software.

   c) Will setup internal meetings.
3. The Issue Champions Committee requested the DOW employee’s vacation/sick leave status into a computerized monthly statement, which will eventually be issued as part of the computerized payroll module.

**Issue No. 5, Accountability:** Nothing new to report.

Mr. Costa moved to approve the Quarterly Issue Champions Report, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

**Re: Affordable Housing Projects – Quarterly Summary Status as of June, 2010 (formerly prepared by RW Beck)**

This report is a summary of progress on the Affordable Housing Projects.

**Job No. 05-03, KW-25, Kapilima 0.5 million gallon tank:**

A. Under construction. SSFM managing construction as of 4/22/10.

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**Job No. KW-28, Amfac Shaft:**

A. Awaiting decision by management to proceed with more testing.

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**Job No. 02-14, WK-08, Kapahi 1.0 million gallon tank:**

A. Held community meeting. Proceeding with two 0.5 MG circular tanks at the existing Ornellas Tank site. EA being prepared.

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**Job No. 02-14, WK-09, Kapaa Homesteads 0.5 million gallon tank:**

Need to tie-in SCADA system. Contractor to submit final documents for closeout.

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| 7/2010 |

**Job No. WK-39, Kapaa Homestead Well #4:**

A. Proceeding with locating the well at the existing Ornellas Tank site. EA being prepared.

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**Job No. 02-24, WK-02, Akulikuli Tunnel:**

A. Department will be conducting water quality testing.
DISCUSSION
Upon query from Chair Nishimura, Manager Craddick noted that for water quality testing for A`ukikuli Tunnel, we may have to run a pipe inside the tunnel as there seems to be a problem with the side where the water source is. We just had a sanitary survey from the Department of Health. We have 60 days to take care of the DOH issues so the crew is focused on taking care of these issues right now.

Mr. Costa requested that the Affordable Housing Report be amended to show exactly which Affordable Housing our water projects are for.

Chair Nishimura requested an update on the County-acquired 75 acre ‘Ele’ele parcel and its timeframe and if there is anything we need to do to service it. Mr. Costa noted that, from the original list of potential sites, some sites are being pursued and some have been added; the ‘Ele’ele site may have been a more recent addition. Manager Craddick was requested to add this to his next quarterly report so it is realigned with what the Housing priorities are.

Mr. Oyama moved to receive the Affordable Housing Report and place on file; seconded by Mr. Costa; by a unanimous vote; motion was carried.

EXECUTIVE SESSION:
Pursuant to H.R.S. §92-7(a), the Commission 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 H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

EXECUTIVE SESSION AGENDA: None.

There was no Executive Session at this Board Meeting.

ES-2010-2: Letter Received from Ms. Dawn Murata, Agent for the Miiyahara Project, ‘Oma‘o, Kaua‘i. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

Mr. Costa moved to receive the Letter and placed on file, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

TOPICS FOR NEXT WATER BOARD MEETING:
1. For the Board’s Approval on Department Report and Recommendations on Letter from Ms. Dawn Murata, Agent for the Miyahara Project, ‘Oma’o
2. Request Board Approval on Committee Discussion and Possible Action on Rule on Part 1, Rules of Administrative Practice and Procedure
3. Revised Informational Report on Manager’s Goals
4. Job Performance Evaluation of the DOW Manager and Chief Engineer, requests to be sent out to the Manager’s compatriots for peer review
5. Request Board Approval of Resolution No. 1, (10/11), Budget for Fiscal Year 2010-11
6. Consideration on whether the Board will continue to follow Board Policy No. 16 Regarding Out-of-State Travel
7. Board Discussion and Possible Action on Large Lots Subdivisions, possible Rule Change
TOPICS FOR FUTURE WATER BOARD MEETINGS
1. Job Performance Evaluation of the DOW Manager and Chief Engineer (September 2010)

2. Quarterly Reports:
   a. For the Board’s Information on the Kauai County Water Department Briefing on Departmental Projects (October, 2010)
   b. Strategic Plan Update: Issue Champions & Affordable Housing Reports (October, 2010)
   c. Informational Report on Manager’s Goals (October, 2010)

UPCOMING EVENTS
1. Project WET: Make a Splash 2010 - Thursday, September 23, 2010

NEXT WATER BOARD MEETINGS
1. Thursday, August 19, 2010, 10:00 a.m.
2. Thursday, September 16, 2010, 10:00 a.m.
3. Thursday, October 21, 2010, 10:00 a.m.
4. Thursday, November 18, 2010, 10:00 a.m.
5. Thursday, December 16, 2010, 10:00 a.m.
6. Thursday, January 20, 2011, 10:00 a.m.

ADJOURNMENT

There being no further business, the meeting was duly adjourned at 12:48 p.m.

Respectfully submitted,

Carol Beardmore, Commission Support Clerk

APPROVED:

David R. Craddick, P.E.
Manager and Chief Engineer
SPECIAL MEETING MINUTES
BOARD OF WATER SUPPLY
Monday, July 26, 2010

The Board of Water Supply, County of Kaua‘i, met in special meeting at its office in Līhu‘e on Monday, July 26, 2010. Chairperson Randall Nishimura called the meeting to order at 2:03 p.m. On roll call, the following answered present:

BOARD: Mr. Randall Nishimura, Chairperson
       Mr. Ian Costa
       Mr. Donald Fujimoto
       Mr. Leland Kahawai
       Mr. Raymond McCormick
       Mr. Roy Oyama (present at about 2:10 p.m.)

Absent & Excused: Mr. Dee Crowell

Quorum was achieved.

STAFF: Mr. David Craddick
       Mr. William Eddy
       Mr. Keith Aoki
       Mr. Paul Ganaden
       DOW Deputy County Attorney Andrea Suzuki
       First Deputy County Attorney Amy Esaki

AGENDA:

Mr. Costa moved to accept the Agenda; seconded by Mr. Fujimoto; by a unanimous vote; motion was carried.

NEW BUSINESS

MANAGERS REPORT 11-7 - Re: Request Board Approval to Allow Extending an Additional 1,000 feet of our Waterline for the Department of Transportation, Highway Division’s Ongoing Kaumualii Highway Waterline

Board approval was requested to increase the appropriation for the Kaumualii Road Widening pipe replacement from 16" to 24" from the $2.5 million previously approved to $4.5 million.

The original request was for approximately 6,000 feet of line including removal of the existing 16" ACP and D.I. line. This amounts to about $0.5K per foot. This also included the State paying for the original 16" line. The final change order price of this was $2.78 million. This is $0.28K less than approved but we are awaiting design change pricing.

The contractor is now asking for an additional $1.26 million for an additional 1,000 feet of line. This comes to $1.3K per foot, or 2.3 times more per foot. We are requesting this additional work because the pavement is extending beyond the current end of the pipeline. Portions of the 16" pipe are being relocated by the State DOT because it is in the way of some very large storm drains. The storm drains that the DOW pipes intersect does not extend as far as the pavement.

Special Meeting: Monday, July 26, 2010 – Page 1 of 4
The road widening pavement is concrete and it is very expensive if we must work under concrete pavement in the future to do pipe repairs. This is part of the reason we are asking for this work. The other part of the reasoning is that in the future, water will most likely be coming from the Koloa area to service Lihue and this would be the DOW's main transmission line so it does not pay to undersize a line that is required, for the most part, to be moved. The $0.5 million difference between the sum of the two costs and what we are asking for is that the feed line from the wells is also a 16" line not in the way of the drain lines but still crossing under the concrete pavement and it should be removed.

There is an argument that this could delay the job by nine weeks. Delays for the job amount to about $4K per day. We have had a meeting with the State project engineer, their Construction Manager, and the Contractor; and with your approval of this amount, we expect to move forward on a force account basis as we do not believe the cost per foot should not be that much different. I do not have a price for this force account work at this time but we expect it to be less than the cost currently being approved and if this is approved we will not be spending more than is needed.

In addition to the current request, we are looking at the other end of the line and we now know it is extending an additional 1,000 feet in the westerly direction and it may be advantageous to extend this portion also. This is not part of this request but I just bring it up as we may need to return to the Board when we have better information.

We look forward to having a better system with reduced maintenance costs with your approval of this request.

DISCUSSION
Chair Nishimura requested that the Department make their presentation. Manager Craddick stated that approval was requested to increase the appropriation to $4.5 million; fire hydrants were eliminated to try and bring the price down.

Upon query from Mr. Fujimoto, Manager Craddick clarified that the $0.28k also needed approval as the original approval amount was $2.5 million and the change order price was $2.78 million, in addition to the 1,000 feet. The 1,000 feet is $1.26 million. The State is not paying for the relocation or removal of the other 16" line. The 16" line is being relocated because it is in the way of some large storm drains. With the extra $0.5 million being requested, if you add the two together, it brings the total to slightly over $4 million and the Department is asking for another $500k because we have a 16" line further up that is AC running perpendicular to our main transmission line and we wanted to also replace that so we have no AC under this concrete roadway.

Manager Craddick noted that we are still looking at DOW supplying some of the materials. They want $4k per day in delay charges and possibly nine weeks of delay. They ordered the pipe but did not order the valves. The price is not totally firm just yet, but this is the worst case scenario. In addition to this request, we are looking at the other end of the pipe, which is the Kauai Community College end, the road is going another 1,000 feet in that direction. We really have no services out there, this would just be for the future if we need to get to the Koloa area and follow the road widening to the Tree Tunnel where we know that we have good sources of water we could bring in. We need to look into this further. We are requesting $4.5 million up from the $2.5 million. The funding for the additional work will be funded with Bond funds.

Upon query from Mr. Costa, Manager Craddick clarified the last sentence of the second paragraph of the Report. The Board previously approved $2.5 million and the change order
price came in at $2.78 million, so we are currently approved at $0.28k less than it needs to be. Upon query from Mr. Fujimoto, Manager Craddick confirmed that the request is for $1.26 million plus $0.28 million, plus $0.5 million to do the other 16" replacement line. The $4k per day is included in the $1.26 million.

Upon query from Mr. Kahawai, Manager Craddick stated that the definition of a “force account” is where you are paying for men, materials and equipment and you know exactly what you are paying, there is a fixed mark-up. It is also known as “time and materials”. Manager Craddick believes it will be less expensive this way.

Mr. Kahawai also asked, as this is from the Bond Fund, which project will be funded $2 million less. Mr. Fujimoto noted that we still have the SRF as a backup. Manager Craddick stated that for the Bond Fund, the first projects that come in are the first ones that get funded. Mr. Costa also concurred that the Board was aware that the cost of the list of projects was well more than the amount of funding available.

Mr. McCormick expressed concern over the impact of removing the fire hydrants servicing businesses in the area, three currently, but there will be more needed, about ten, and he hoped the savings would be big enough to offset some of impacts to the businesses in the area. Manager Craddick stated that we are not doing this because of the savings, but typically the transmission lines do not have services and hydrants on it, because the pressures in it can go negative, depending upon how you are flowing water, especially over the top of a hill like this, you can actually have no pressure in the hydrant. That is why we do not want any hydrants here because we cannot guarantee the pressure. We had a meeting with DOT who brought up the fire hydrant issue. We have signed off on the plans for the Safeway store, so if we remove the hydrants from here, we may have to put them in the distribution system so that we keep the number of hydrants necessary for the fire flow, but we still would not put them on this line but extend the distribution line and keep with positive pressure all the time.

Mr. Costa wanted to ensure that the approach and improvements we are doing are not somehow forced upon us by the DOT. Manager Craddick stated this was actually an opportunity for us as they are widening the road to make sure that we do not have to repair anything under the concrete road. Mr. Costa just wanted to make sure, as our Board member is a DOT representative, that there is no conflict.

Upon query from Mr. Fujimoto, Manager Craddick confirmed the new pipe will be ductile iron. Manager Craddick noted that the concrete cylinder pipes are pre-stressed and wrapped with thin wire, which gives it strength, but if the wires get cut through or rust and it unwinds, it is finished. It is also hard to transition from the concrete pipe to service laterals. Manager Craddick is trying to get the materials from Maui; they have six miles of 24" pipe there. Mr. Fujimoto stated that the same potential issue with the DI pipe is possible if it is not wrapped correctly, it could also deteriorate.

Mr. Fujimoto moved to approve the Manager's Request to fund this Project for $1.26 million plus $0.28k, to fund the shortfall on the change order, plus $0.5 million for another 1,000 feet; seconded by Mr. Oyama.

The amounts were recapped again, and this brings the total to about $20,000 over $4.5 million. Chair Nishimura requested that Mr. Fujimoto withdraw his motion, and bring it up to $4.5 million and if any of the Board members wanted to add amendments to that, it may be easier. Mr. Fujimoto moved to withdraw his original motion, Mr. Oyama withdrew his second.
Mr. Costa recapped that the request was to increase from $2.5 million to $4.5 million, which is an additional $2 million. Mr. Fujimoto stated that we could make it $4.6 million, so that the Department would not have to come back to the Board again. Manager Craddick stated we may have to come back to the Board again when we know final prices for the 1,000 feet. Mr. Fujimoto said there is already a nine week delay on a project that is important for the island, and he did not want to be the cause of further delay by another special meeting and was willing to give the Department a budget figure to finish the project and return any overage monies.

Mr. Fujimoto then moved to approve the $4.5 million; seconded by Mr. Oyama.

Mr. Costa recapped the motion, which was Requesting Board approval to Allow Extending an Additional 1,000 feet of our Waterline for the Department of Transportation, Highway Division’s Ongoing Kaumualii Highway Waterline, to increase the appropriation for the Kaumualii Road Widening pipe replacement from 16” to 24” from the $2.5 million previously approved to a total of $4.5 million. Chair Nishimura stated that the job number is needed.

Chair Nishimura returned to the DOT’s concern over the fire hydrants. DOW is responsible for replacing the fire hydrants with the distribution system; the new Safeway area lies between the Hana Kukui building - Rapozo Crossing and the Chiefess Kamakahelel crossing. Deputy Eddy stated the distribution lines intersect with the highway in just a few places. Upon query from Chair Nishimura, Manager Craddick stated the system would have more than enough capacity to take care of the fire flow. Chair Nishimura wanted to ensure that by this action we also take care of those land parcels and make sure they are not strapped with the responsibility because of Board actions today.

Mr. Costa moved to amend the original motion, by inserting the Department’s Job No. 10-02, after reference to Kaumualii Road widening; seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Chair Nishimura cautioned about obtaining the materials from Maui. Though the Department may realize cost savings, it could complicate the ability of the Department to enforce warranty service. Manager Craddick has actually seen the pipe, which is in good condition and stored in a dry area; it would just need disinfection.

With no further discussion; by a unanimous vote; motion was carried.

ADJOURNMENT

There being no further business, the meeting was duly adjourned at 2:37 p.m.

Respectfully submitted,

Carol Beardmore, Commission Support Clerk

APPROVED:

David R. Craddick, P.E.
Manager and Chief Engineer

cab
BELLES GRAHAM PROUDFOOT
WILSON & CHUN, LLP
ATTORNEYS AT LAW

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E-MAIL: mail@kauai-law.com

July 26, 2010

Mr. David R. Craddock
Manager & Chief Engineer
Department of Water
P. O. Box 1706
Lihue, Kauai, Hawaii 96766

VIA HAND DELIVERY

Re: \[\text{Ibbs Subdivision (S-2010-08)}\]
Consolidation Of Lot 1, Portion 2 Of Old Railroad Right-Of-Way And Parcel 1-B And Resubdivision Of Said Consolidation Into Lots 1-A, 1-B-1 And 1-C

County of Kauai/\text{Patrick L. Ibbs & Stephanie A. Ibbs – Land Exchange}\

Parcel 1-B:
Por. of Lot 1 (Por. of Lot 98 of Kapaa Homesteads, 2d Series) Por. of Land Patent Grant Number 6909 to Annie May Booge Waipouli, Kapaa, Kawaihau, Kauai, Hawaii Kauai Tax Map Key No. (4) 4-4-004:053 (Area – 2,781 square feet)

Owner: \text{Patrick L. Ibbs & Stephanie A. Ibbs, husband and wife}\

Dry Gulch Flats Condominium

Property: Lot 1 (Lot 98 of Kapaa Homesteads, 2d Series) Por. of Land Patent Grant Number 6909 to Annie May Booge Waipouli, Kapaa, Kawaihau, Kauai, Hawaii Kauai Tax Map Key No. (4) 4-4-004:028 (Area – 22.980 acres)

Owners: \text{Patrick L. Ibbs, Stephanie A. Ibbs, et al.}\

Unit F:

Por. of Lot 1 (Por. of Lot 98 of Kapaa Homesteads, 2d Series) Por. of Land Patent Grant Number 6909 to Annie May Booge Waipouli, Kapaa, Kawaihau, Kauai, Hawaii Kauai Tax Map Key No. (4) 4-4-004:028 (CPR No. 6) (Area – 1.735 acres)

Owner: \text{Patrick L. Ibbs & Stephanie A. Ibbs, husband and wife}
Mr. David R. Craddick  
Manager & Chief Engineer  
Department of Water  
July 26, 2010  
Page 2

County  

Property:  Portion 2 of Old Railway Right-Of-Way (Parcel 2)  
(Por. of Lot 98 of Kapaa Homesteads, 2d Series)  
Por. of Land Patent Grant Number 6909 to  
Annie May Booge  
Waipouli, Kapaa, Kawaihau, Kauai, Hawaii  
Kauai Tax Map Key No. (4) 4-4-004:003 (por.)  
(Area – 0.671 acres)  

Owner:  County of Kauai

Dear Mr. Craddick:

I am writing to you on behalf of Patrick L. Ibbs and Stephanie A. Ibbs, husband and wife, concerning the proposed consolidation and resubdivision ("Subdivision") of the above-described property.

I have enclosed a copy of a letter to the Board of Water Supply ("Water Board") requesting that the Water Board exempt the Subdivision from the provisions of Part 3 of the Rules and Regulations of the County of Kauai Department of Water. I would appreciate it if you would place this request on the Water Board's meeting schedule for August 19, 2010.

Thank you for your consideration of this request.

Sincerely yours,

BELLES GRAHAM PROUDFOOT  
WILSON & CHUN, LLP

[Signature]

Max W. J. Graham, Jr.

MWJC:jgm
Enclosure

cc:  Mr. Ian K. M. Jung, Esq., w/enc. (via email only)  
     Mr. Greg Fujikawa, w/enc. (via email only)  
     Mr. Ian K. Costa, w/enc. (via email only)  
     Mr. Dale Cua, w/enc. (via email only)  
     Mr. Wayne Wada, w/enc. (via email only)  
     Mr. and Mrs. Patrick L. Ibbs, w/enc. (via email only)  
     Lorna A. Nishimitsu, Esq., w/enc. (via email only)  
     Ms. Rona Miura, w/enc. (via email only)

{W:\DOCS\27642\1WW011538.DOC}
Re: Ibbs Subdivision (S-2010-06)
Consolidation Of Lot 1, Portion 2 Of Old Railroad Right-Of-Way And Parcel 1-B And Resubdivision Of Said Consolidation Into Lots 1-A, 1-B-1 And 1-C

County of Kauai/Patrick L. Ibbs & Stephanie A. Ibbs — Land Exchange

Parcel 1-B: Parcel 1-B
Por. of Lot 1 (Por. of Lot 88 of Kapaa Homesteads, 2d Series)
Por. of Land Patent Grant Number 6909 to Annie May Booge
Waipouli, Kapaa, Kawaihau, Kauai, Hawaii
Kauai Tax Map Key No. (4) 4-4-004:053 (Area — 2,781 square feet)

Owner: Patrick L. Ibbs & Stephanie A. Ibbs, husband and wife

Dry Gulch Flats Condominium

Property: Lot 1 (Lot 88 of Kapaa Homesteads, 2d Series)
Por. of Land Patent Grant Number 6909 to Annie May Booge
Waipouli, Kapaa, Kawaihau, Kauai, Hawaii
Kauai Tax Map Key No. (4) 4-4-004:028 (Area — 22,990 acres)


Unit F: Unit F, Dry Gulch Flats Condominium
Por. of Lot 1 (Por. of Lot 88 of Kapaa Homesteads, 2d Series)
Por. of Land Patent Grant Number 6909 to Annie May Booge
Waipouli, Kapaa, Kawaihau, Kauai, Hawaii
Kauai Tax Map Key No. (4) 4-4-004:028 (CPR No. 8) (Area — 1.735 acres)

Owner: Patrick L. Ibbs & Stephanie A. Ibbs, husband and wife

VIA HAND DELIVERY

July 26, 2010

Mr. Randall Nishimura, Chairperson
Board of Water Supply
c/o Department of Water
P. O. Box 1706
Lihue, Kauai, Hawaii 96766
Mr. Randall Nishimura, Chairperson  
Board of Water Supply  
July 26, 2010  
Page 2

County  
Property: Portion 2 of Old Railway Right-Of-Way (Parcel 2)  
(Por. of Lot 98 of Kapaa Homesteads, 2d Series)  
Por. of Land Patent Grant Number 8999 to  
Annie May Booge  
Waiouli, Kapaa, Kawaihau, Kauai, Hawaii  
Kauai Tax Map Key No. (4) 4-4-004:003 (por.)  
(Area – 0.071 acres)  
Owner: County of Kauai

Dear Chairperson Nishimura and Board Members:

I am writing to you on behalf of Patrick L. Ibbs and Stephanie A. Ibbs, husband and wife ("Ibbs"), concerning the proposed consolidation and resubdivision ("Subdivision") of the above-described property. The Ibbs are requesting the Board of Water Supply ("Water Board") to grant a modification ("Modification") from the requirements of Part 3 of the Rules and Regulations of the County of Kauai Department of Water ("DOW Rules") for the Subdivision. The reason for this request is as follows:

A. EXCHANGE AGREEMENT.

The Subdivision is the final step in the agreement between the County of Kauai and the Ibbs ("Exchange Agreement") to exchange their respective properties. That Exchange Agreement resulted from the following events:

1. The Ibbs are the owners of Unit F of the Dry Gulch Flats Condominium project and of property described as Parcel 1-B.

2. The Dry Gulch Flats Condominium project is located on land known as Lot 1, identified by Kauai Tax Map Key No. (4) 4-4-004:028; and contains six (6) condominium units, five of which (Units A – E) are entitled to one farm dwelling unit each, and one of which (Unit F, which is owned by the Ibbs) has no farm dwelling unit density. Four of the Units (Units A, B, D and E) have been improved with Farm Dwelling Units.

3. Unit F and Parcel 1-B are separated by land known as Portion 2 of the Old Railroad Right-of-Way which is owned by the County of Kauai ("County").

4. In order to maximize the usefulness of Unit F and Parcel 1-B, which are presently separated by Portion 2 of the Old Railroad Right-of-Way, the Ibbs (and before the Ibbs acquired title, their predecessor in interest) proposed to the County: that the Unit F portion of Lot 1, Parcel 1-B, and Portion 2 of the Old Railroad Right-of-Way be consolidated; that the consolidated parcel be resubdivided into Lot 1-A (21.472 acres), Lot 1-B-1 (1.582
acres) and Lot 1-C (0.071 acres); that the Issa retain title to Lot 1-B-1; that the County retain title to Lot 1-C (the Issas and County exchange of land being referred to as the "Land Exchange"); and that the Dry Gulch Flats Condominium Units A-E Owners retain ownership of Lot 1-A. This proposed consolidation and resubdivision ("Subdivision") is shown on the Subdivision Map attached hereto as Exhibit "1". The Subdivision and Land Exchange will provide the Issas with a more useful and intact lot (Lot 1-B-1) while at the same time providing the County with a more useful lot (Lot 1-C) for road widening purposes (along Hauiki Road). The area occupied by the Dry Gulch Flats Condominium Unit A-E Owners (Lot 1-A) will remain unchanged.

5. In 2006, the Issas' predecessor in interest, Tony Lydgate, initially contacted the Department of Public Works ("Public Works") concerning the purchase of Portion 2 of the Old Railroad Right-Of-Way.

6. By letters dated August 24, 2005, and February 16, 2006, Public Works indicated that it had no objections to the proposed sale, provided: that it was structured as a Land Exchange as described above; and that the purchaser prepared an Environmental Assessment ("EA") pursuant to Hawaii Revised Statutes Chapter 343.

7. The Issas acquired Unit F and Parcel 1-B from Lydgate by deeds dated April 7, 2006.


10. The County Council approved the Land Exchange by Resolution No. 2008-03 which was adopted on February 13, 2008, attached hereto as Exhibit "2".

11. Based on these developments, the Issas proceeded to complete the final phase of the Land Exchange by filing the application for the Subdivision described above.
B. DOW CONDITIONS OF SUBDIVISION APPROVAL.

The lbbs obtained Tentative Approval for the Subdivision from the Planning Commission on February 23, 2010, as summarized in the letter from the Planning Department dated February 24, 2010, attached hereto as Exhibit "3" ("Tentative Approval"). In strict compliance with the provisions of Part 3 of the DOW Rules, the Department of Water ("DOW") has recommended conditions of approval which are set forth in its Revised Subdivision Report, attached hereto as Exhibit "4". The DOW Conditions seem to conflict with the provisions and spirit of the Land Exchange in the following respect:

1. DOW Condition 3.A.

"3. Before final approval can be recommended, the subdivider must:

A. Pay the Department of Water the following charges in effect at the time of receipt. At the present time, these charges include:

1) The Facilities Reserve Charge (FRC):

   1 Lots @ $4,600 per lot = $4,600"

RESPONSE. Parcel 1-B is already served by an existing water meter issued to Patrick lbbs (DOW Account Number 1020982-1021656). The existing water meter is located on Hauliki Road. The lbbs are in the process of relocating the existing water meter to the front of new Lot 1-B-1. The lbbs will amend the Subdivision Map to identify and show: the location of the existing water meter, and the relocated placement in front of Lot 1-B-1. The lbbs intend to use the existing water meter for new Lot 1-B-1. The new County Lot 1-C is a road lot which does not require water service. The five units in the Dry Gulch Flats Condominium all have separate water meters or utilize a private water system. As a result, no new water meters will need to be installed, and no Facilities Reserve Charge should be due.

2. DOW Condition 3.C.

"3. Before final approval can be recommended, the subdivider must:

. . .
C. Prepare and receive Department of Water's approval of construction drawings for necessary water system facilities and either construct said facilities or post a performance bond for construction. These facilities shall also include:

1) Storage facilities for the area.
2) The fire service connection (2-1/2" fire standpipe).
3) The interior plumbing plans with the appropriate backflow prevention devices on all water meters that will be assigned to Lot 1-A, if applicable.
4) Domestic service connections, if applicable."

RESPONSE. As noted above, the Subdivision is in the nature of a boundary amendment in which no additional new lots or farm dwelling unit density will be created. No additional new water meters will be required. The agreement and understanding of lbb's and the County is that the remainder portion of the dry Guich Flats Condominium (new Lot 1-A) will remain in its "As-Is" condition. As a result, the DOW recommendation concerning new water system facilities are inapplicable.

3. DOW Condition 5.

"5. Other (or remarks):

A. The applicant is made aware that dual domestic water systems (private and County Domestic water) to Lot 1-B-1 and Lot 1-C these lots are not allowed by the Department of Water.

B. The applicant shall clearly identify and locate existing water meters and where they are proposed to service on the preliminary subdivision map. Department of Water comments are subject to change based on the approved preliminary subdivision map.

C. The applicant shall clearly identify the CPR Units of TMK: 4-4-04:028 on the preliminary subdivision maps and how they will be receiving water system."
RESPONSE. As noted above, the lbbs have no control over Units A through E of the Dry Gulch Flats Condominium. Four of these Units (Units A, B, D and E) have been improved with farm dwelling units. Apparently, two of the Units have DOW water meters, while the remaining Units utilize a private water system. The agreement and understanding of the lbbs and the County was that the Land Exchange would be treated as a boundary amendment; would not be subject to the strict requirements of the Subdivision Ordinance; and would not require upgrades related to new Lot 1-A (the Dry Gulch Flats Condominium), which would remain in its "As-Is" condition.

In opposition to this understanding, if the provisions of Part 3 of the DOW Rules are strictly applied (as recommended by DOW) then the lbbs would be required to do some or all of the following:

1. Provide water service to the Dry Gulch Flats Condominium Units on new Lot 1-A that are presently receiving water from the existing private system.

2. Install backflow preventors for the water meters servicing the Dry Gulch Flats Condominium Units.

3. Prepare engineering plans showing the service connections to the Dry Gulch Flats Condominium Units.

4. Install a new fire standpipe and new waterlines within Hauiki Road to service new Lot 1-B-1 and the 5 condominium units on new Lot 1-A (the Dry Gulch Flats Condominium).

5. Provide a separate, private agricultural water system for new Lot 1-B-1 and new Lot 1-A (Dry Gulch Flats Condominium) capable of supplying 2,500 gallons per day per acre (approximately 57,635 gallons per day) of agricultural water.

6. Construct a new County standard water tank for the service area to provide domestic (potable and fire) water for Lot 1-A (Dry Gulch Flats Condominium) and Lot 1-B-1.

The imposition of these conditions, as suggested by DOW, would make the Land Exchange economically impractical. It would, as a result, frustrate the intent of the County and the lbbs under the Land Exchange.
C. MODIFICATION.

DOW Rules Part 3, Section XII, provides as follows:

"SECTION XII – MODIFICATION OF REQUIREMENTS

When conditions pertaining to any subdivision are such that the public may be properly served with water and with fire protection without full and strict compliance with these rules and regulations, or where the subdivision site or layout is such that the public interest will be adequately protected, such modification thereof as is reasonably necessary or expedient, and not contrary to law or the intent and purposes of these rules and regulations, may be made by the Department."

The proposed Subdivision, being a boundary amendment, will not result in an increase in farm dwelling unit density or an increase in the number of existing lots. As a result, it will not create any greater demand for water service than already exists. In addition, the imposition of these requirements was not contemplated by the lbb and the County as a condition of the Land Exchange and will prevent the completion of the Land Exchange. Based on these facts, the lbb are requesting the Water Board to grant a Modification exempting the Subdivision from the provisions contained in Part 3 of the DOW Rules.

Thank you for your consideration of these requests.

Sincerely yours,

BELLES GRAHAM PROUDFOOT
WILSON & CHUN, LLP

Max W. J. Graham, Jr.

Enclosures

cc: Andrea A. Suzuki, Esq., w/encls. (via email only)
Mr. David R. Craddock, w/encls. (via email only)
Mr. Greg Fujikawa, w/encls. (via email only)
Mr. Dale Cua, w/encls. (via email only)
Mr. Wayne Wada, w/encls. (via email only)
Mr. and Mrs. Patrick L. Ibbs, w/encls. (via email only)
Lorna A. Nishimitsu, Esq., w/encls. (via email only)
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<th>EXHIBIT</th>
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<td>Tentative Approval Letter</td>
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<td>Revised Subdivision Report (DOW)</td>
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RESOLUTION AUTHORIZING THE EXCHANGE OF A PORTION OF REAL PROPERTY OWNED BY THE COUNTY OF KAUA‘I, IDENTIFIED AS PORTION 2 OF OLD RAILROAD RIGHT-OF-WAY AND BEARING TAX MAP KEY NO.: (4) 4-4-04-003 WITH PORTIONS OF REAL PROPERTY OWNED BY PATRICK L. IBBS AND STEPHANIE A. IBBS, IDENTIFIED AS PARCEL 1-B AND BEARING TAX MAP KEY NO.: (4) 4-4-04-053:POR. AND UNIT F OF THE DRY GULCH FLATS CONDOMINIUM BEARING TAX MAP KEY NO.: (4) 4-4-04-028: CPR NO. 6, LOCATED AT KAWAIHAU DISTRICT, ISLAND AND COUNTY OF KAUA‘I, STATE OF HAWAII

WHEREAS, the County of Kaua‘i is the owner of real property which is known as Portion 2 of Old Railroad Right-of-Way, located at Kapa’a and Waipouli, Kawaihau, Island and County of Kaua‘i, State of Hawai‘i, more particularly identified as Tax Map Key No.: (4) 4-4-04-003, as depicted on Exhibit “A”, attached hereto and incorporated herewith; and

WHEREAS, a part of said Portion 2 of Old Railroad Right-of-Way is bordered by real properties which are identified as Parcel 1-B, containing 2,781 square feet, and more particularly identified as Tax Map Key No.: (4) 4-4-04-053 and Unit F of the Dry Gulch Flats Condominium (1.735 acre limited common element) and more particularly identified as Tax Map Key No.: (4) 4-4-04-028:CPR No. 6, which have a combined acreage of 1.506 acres, more or less, both of which properties are owned by Patrick L. Ibbs and Stephanie A. Ibbs, husband and wife (hereinafter collectively the “Ibbs”); and

WHEREAS, the Ibbs have proposed that they be authorized to purchase that portion of Portion 2 of Old Railroad Right-of-Way which is immediately bordered and bounded by the properties owned by the Ibbs, and which contains an area of 0.071 acre, more or less; and

WHEREAS, during the review and assessment of the proposal by the Ibbs, the Department of Public Works of the County of Kaua‘i has determined that the portion of Portion 2 of Old Railroad Right-of-Way which the Ibbs want to acquire is not situated in a location which provides reasonable use thereof to the County of Kaua‘i or its residents, and that it would be more suitable to relocate that portion of Portion 2 of Old Railroad Right-of-Way which is surrounded by the Ibbs’ property to run along the Hauiki Road right-of-way, as depicted on the map attached as Exhibit “A”; and

EXHIBIT "2"
WHEREAS, the Ibbs are willing to cooperate with the relocation of the said portion of Portion 2 of Old Railroad Right-of-Way to that location depicted on Exhibit "A", which will require a consolidation and resubdivision of the properties described above; and

WHEREAS, the County of Kaua'i has the power to acquire and hold, and to dispose of, real property as the interests of the residents of the County may require, by and through the authority of the office of the Mayor and this Council; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAII, that pursuant to Section 264-3, Hawai'i Revised Statutes, that portion of Portion 2 of Old Railroad Right-of-Way containing 0.071 acre more or less and abutted by the Ibbs properties, shall be consolidated with the Ibbs properties and relocated without loss of any land area to the alignment as depicted on Exhibit "A", and shall become part of the Hauiki Road right-of-way.

BE IT FURTHER RESOLVED, that Patrick L. Ibbs and Stephanie A. Ibbs shall, at their expense, and jointly with the Department of Public Works of the County of Kaua'i, prepare and submit a map for the consolidation and resubdivision to the Planning Commission of the County of Kaua'i, and that upon obtaining final subdivision approval of said consolidation and resubdivision, an exchange deed shall be prepared and submitted for execution and processing, by which the County of Kaua'i shall accept a lot containing 0.071 acre running along the Hauiki Road right-of-way as depicted on Exhibit "A", and Patrick L. Ibbs and Stephanie A. Ibbs shall accept a reconfigured parcel of land containing 1.806 acres, more or less.

BE IT FURTHER RESOLVED, that a copy of this Resolution be transmitted to Mayor Bryan J. Baptiste, the County Engineer, County Attorney, Director of Finance and Max W. J. Graham, Jr. and/or Lorna A. Nishimitsu, attorneys for Patrick L. Ibbs and Stephanie A. Ibbs.

INTRODUCED BY:  

Mel Rapozo  
(By Request)

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Certificate Of Adoption

We hereby certify that Resolution No. 2008-08 was adopted by the Council of the County of Kaua'i, State of Hawai'i, Lihue, Kaua'i, Hawai'i, on February 13, 2008.

County Clerk  
Chairman & Presiding Officer

Dated 2/14/08
CONSOLIDATION OF LOT 1, PORTION 2 OF OLD RAILROAD RIGHT-OF-WAY AND PARCEL I-B AND RESUBDIVISION OF SAID CONSOLIDATION INTO LOTS I-A, I-B-1 AND I-C

WAIPOUI, KAMAHAU, KALAI, HALEIWA

Tax Map Key: (4) 4-4-04; por. 09, por. 28 and 55
Prepared for: Patrick Ibs
Date: June 14, 2007

EXHIBIT "A"
February 24, 2010

Dennis M. Esaki
BSAKI SURVEYING & MAPPING, INC.
1610 Haleukana Street
Līhuʻe, Hawaiʻi 96766

Subject: CONSOLIDATION OF LOT 1, PORTION OF OLD RAILROAD RIGHT-OF-WAY AND PARCEL 1-B AND RESUBDIVISION OF SAID CONSOLIDATION INTO LOTS 1-A, 1-B-1, AND 1-C AT WAIPŪLĪ, KAWAIHAU, KAUAʻI, HAWAIʻI. (S-2010-06, Patrick Ibbi)

Subject subdivision was granted TENTATIVE APPROVAL by the Planning Commission at their meeting held on February 23, 2010. Final approval will be granted subject to the following conditions:

1. As recommended by the Planning Department:
   a. A preliminary title report for each existing lot shall be submitted to the Planning Department for review.
   b. The following road widening provisions shall be complied with prior to final subdivision approval. The applicant shall:
      (1) Dedicate a thirteen (13) feet wide future road-widening strip along the frontage of Hauiki Road; and
      (2) Widen the existing roadway pavement along Hauiki Road to comply with the County’s roadway standards for a Collector Street in order to accommodate two-way traffic.

EXHIBIT "3"
c. All existing and proposed easements shall be identified in the deed descriptions of affected lots and shown on the final subdivision map. Draft copies of the deed descriptions shall be submitted to the Planning Department for review and approval.

d. Relative to Condition No. 3.b., the Applicant shall prepare and obtain construction plan approvals for necessary road, water, drainage, electrical and telephone utilities and facilities, and either construct the same or post a surety bond for completion.

e. The Applicant is advised that uses on the newly-created lots shall be limited to those listed as permissible uses within the "A" Agricultural District in the State Land Use Commission Rules and Regulations. Dwellings on the lot shall mean a single-family dwelling located on and used in connection with a farm where agriculture activity provides income to the family occupying the dwelling. These restrictions shall be included in the covenants for the proposed lots, draft copies of which shall be submitted to the Planning Department for review and approval.

f. In order to ensure that the subdivision and development of property complies with the land use requirements contained in Chapter 205 of the Hawai‘i Revised Statutes ("HRS"), the following matter shall be resolved prior to final subdivision approval:

(1) The Planning Department shall submit the Subdivision Application to the Executive Office of the Land Use Commission of the State of Hawai‘i ("LUC") and to the LUC for review and comment, if any;

(2) The Applicant shall provide the following documents to the Subdivision Committee of the Planning Commission ("Subdivision Committee") for its review and approval:

(A) An Agriculture Master Plan shall describe the proposed agricultural uses of the property, the marketing and business plans associated with such activities, and the manner in which the agricultural and related uses on the property will comply with HRS Chapter 205.

(B) A map of the property showing the proposed location of: Agricultural Activities; Building Areas; and Agricultural Basements.
(C) A Declaration of Conditions, Covenants and Restrictions ("Restrictive Covenants") which will be recorded in the Bureau of Conveyances of the State of Hawai‘i ("Bureau"), which will encumber and run with the property, and which will provide and require: that the owners of the lots in the subdivision ("Subdivision Lots") shall comply with the Agricultural Plan and the provisions of HRS Chapter 205; that the owners of all of the Subdivision Lots shall be members in an association ("Association") which will have the power and duty to enforce the Restrictive Covenants; that the Association shall file periodic reports (as determined by the Planning Department) with the Planning Department verifying compliance with the Agricultural Master Plan; and that the Agricultural Master Plan shall not be amended without prior approval of the Planning Department.

(D) An Agricultural Subdivision Agreement which will be recorded in the Bureau, run with and encumber the property, and which will provide and require: that each Subdivision Lot owner shall indemnify, defend and hold the County harmless from any claims arising out of the failure of the Subdivision Lot owner to comply with the Agricultural Master Plan and/or HRS Chapter 205; and that in the event of a Subdivision Lot owner’s noncompliance with the Agricultural Master Plan and/or HRS Chapter 205 as determined by the Planning Department, the County and the State of Hawai‘i shall have the right to refuse to grant any permits or approvals for uses or development on any Subdivision Lot affected by such noncompliance unless and until the noncompliance is cured, as determined by the Planning Department.

To further supplement the requirements in Condition No. 1.f., the subdivider shall prepare an Agriculture Master Plan for the subdivided lots and shall be included in the covenants for the proposed lots to identify "Building Areas" and "Agricultural Basements", which shall be submitted to the Planning Department for review and approval. The Master Plan shall address, but not limited to the following components:
(1) Provision of irrigation water, which shall be resolved with the Planning and Water Departments prior to construction plan approval for the subdivision improvements.

(2) System of easements for both on and off site irrigation

(3) Identify field areas for cultivation of crops or pastures.

The Applicant is made aware that conditions may be added, modified, and/or deleted while in the process of resolving this condition.

Pursuant to Section 9-3.8(b) of the Subdivision Ordinance, Kaua‘i County Code (1987), the Applicant shall submit to the Planning Department an electronic record (digitized format) of the final subdivision map(s) on disk for record keeping purposes prior to final subdivision approval.

2. As recommended by the Department of Public Works:

FORM & CONTENT OF MAP

a. The Final Subdivision Map must show the latest expiration date for the land surveyor stamping the map.

DRAINAGE

b. The subject property is approximately 23.125 acres, as noted on the subdivision application. Detention basins shall be installed to maintain storm flow discharges to downstream systems at or below predevelopment peak flow rates, and to regulate runoff volume discharge rates. Detention facilities shall be required to keep peak storm flow rates leaving the site to predevelopment levels and to detain the increase volume of runoff due to the proposed development, when the proposed project exceeds two (2) acres in size. This requirement also applies to project 2 acres or less in size if the downstream drainage system cannot accommodate the increase in storm flows from the project and existing structures are subject to drainage or flooding problems.

ROAD

c. Hauiki Road has a right-of-way width of approximately 30 feet. The existing right-of-way width is narrow for a Collector Street classification. The department recommends additional right-of-way be provided along the lot frontage of Lot 1A and Lot 1-B-1 for a Collector Street
classification.

3. As recommended by the Department of Water:

a. The subdivider shall pay the Department of Water, a Facilities Reserve Charge of $4,600 (1 lot at $4,600 per lot). The subdivider shall pay any rate increase and/or applicable charges in effect at the time of receipt.

b. The subdivider shall prepare and get Department of Water's approval on construction drawings for necessary water system facilities and either construct said facilities or post a performance bond for construction. These facilities shall include:

   (1) Storage facilities for the area;
   (2) The fire service connection;
   (3) Domestic service connections; and
   (4) Appropriate main extensions.*

   * The developer of Subdivision Application Nos. S-2005-15 and S-2003-25 are currently in the process of installing main extensions along Waipōuli Road and Hauiki Road that will provide sufficient domestic & fire flow to the proposed subdivision. These two main extensions must be completed and a Certification of Completion issued by the Department of Water for these two main extensions prior to adequate transmission facilities being available for S-2010-06. The Applicant is required to install the appropriate fire service connection after the main extensions are completed.

c. If a bond is filed to secure final subdivision approval, the subdivider shall clearly letter the following on the approved construction plans, final subdivision map and deeds:

   "Domestic water service will not be available until the required construction improvements for this subdivision are completed and accepted by the Department of Water, County of Kaua‘i."

The subdivider shall record this deed restriction with the Bureau of Conveyances within ninety (90) days of final subdivision approval by the Planning Department.
d. The Applicant is made aware that dual domestic water systems (private and County domestic water) to lots are not allowed by the Department of Water.

e. The Applicant shall clearly identify and locate existing water meters and where they are proposed to service on the preliminary subdivision map. The Department of Water comments are subject to change based on the approved preliminary map.

4. As recommended by the State Health Department:

a. All structures and wastewater disposal systems are not shown on the subdivision map. The Wastewater Branch will not recommend approval of the subdivision application until we have information on existing wastewater systems. The Applicant must have their engineer submit a completed final inspection report with as-built drawings for Unit D on Parcel 28 along with accurate CPR map, identifying the location of all wastewater systems with associated structures and their relationship to existing and proposed property lines.

b. Noise will be generated during the development phase this project. The applicable maximum permissible sound levels as stated in Chapter 11-46, entitled "Community Noise Control", Title 11, HAR, shall not be exceeded unless a noise permit is obtained from the Department of Health.

c. The property may harbor rodents which will be dispersed to the surrounding areas when the site is cleared for development. In accordance with Chapter 11-26, entitled "Vector Control", Title 11, HAR, the applicant shall ascertain the presence or absence of rodents on the property. Should the presence of rodents be determined, the applicant shall eradicate the rodents prior to clearing the site.

d. Temporary fugitive dust emissions could be emitted when subdivided Lots 1-A and 1-B-1 are developed. In accordance with Chapter 11-60.1, entitled "Air Pollution Control", Title 11, HAR, effective air pollution control measures shall be provided to minimize or prevent any fugitive dust emissions caused by the construction work from impacting the surrounding areas. This includes the off-site roadways used to enter/exit the project. The control measures include but are not limited to the use of water wagons, sprinkler systems, dust fences, etc.
In accordance with Chapter 11-58.1, entitled "Solid Waste Management Control", Title 11, HAR, the grubbed material and construction waste that will be generated when subdivided Lots 1-A and 1-B-1 are developed shall be disposed of at a solid waste disposal facility that is approved by the State Department of Health. The open burning of any of these wastes on or off site is prohibited.

5. As recommended by the State Historic Preservation Division of the Department of Land and Natural Resources, in the event that historic resources, including human skeletal remains are identified during routine construction activities, all work needs to cease in the immediate vicinity of the find, the find needs to be protected from additional disturbance, and the State Historic Preservation Division, Kaua‘i Section, needs to be contacted immediately at (808) 652-1510.

6. The Applicant is advised that prior to and/or during construction and use additional conditions may be imposed by government agencies. Should this occur, the Applicant shall resolve these conditions with the respective agency(ies).

You are hereby informed that the final subdivision map must be filed within one (1) year after the tentative approval date in order to obtain final approval. If not filed, the preliminary subdivision map and construction plan, if any, shall become null and void unless an extension of time, not to exceed six (6) months, is granted by the Planning Commission.

[Signature]
Director of Planning

xc: COK Public Works Dept.
COK Water Dept.
State Health Dept.
TO: PLANNING DEPARTMENT
FROM: DEPARTMENT OF WATER

4-4-04:por. 003; 4-4-04:028; 4-4-04:053
NAME: Patrick Ibae SURVEYOR: D. Esaki

Existing Source: Adequate
Existing Storage: Not Adequate
Existing Transmission: Not Adequate

1. Domestic water is adequate. Tentative approval is recommended.
   Water Requirements are not affected. Tentative approval is recommended.
   
2. All requirements have been fully met and, therefore, Final approval is recommended.
   
3. Before final approval can be recommended, the subdivider must:
   A. Pay the Department of Water the following charges in effect at the time of receipt. At the present time, these charges include:
      1) The Facilities Reserve Charge (FRC):
         L = $4,600 per lot = $4,600
   B. Submit to the Department of Water a copy of the subdivider's permit to perform work upon a State highway from the State Highways Division
   C. Prepare and receive Department of Water's approval of construction drawings for necessary water system facilities and either construct said facilities or post a performance bond for construction. These facilities shall also include:
      1) Storage facilities for the area,
      2) The fire service connection (2-1/2" fire standpipe).
      3) The interior plumbing plans with the appropriate backflow prevention devices on all water meters that will be assigned to Lot 1-A, if applicable.
      4) Domestic service connections, if applicable.
   D. Prepare and convey to the Department of Water a Right-of-Entry and Temporary Grant of Easement for the purpose of construction, repair, maintenance and operation of the subdivision water system improvements installed in other than County-owned property.
   E. If a bond is filed, to secure final subdivision approval, the subdivider shall clearly letter the following on the approved construction plans, final subdivision map, and deeds:
   "Domestic water service will not be available until the required construction improvements for this subdivision are completed and accepted by the Department of Water, County of Kaua'i."
   This deed restriction shall be recorded with the Bureau of Conveyances within ninety (90) days of final subdivision approval by the Planning Department.
   
4. Installation of service connections will not be required until request for water service is made. The applicant for service will be charged the applicable service connection charges at that time.

5. Other (remarks):
   A. The applicant is made aware that dual domestic water systems (private and County domestic water) to Lot 1-B-1 and Lot 1-C these lots are not allowed by the Department of Water.
   B. The applicant shall clearly identify and locate existing water meters and where they are proposed to service on the preliminary subdivision map. Department of Water comments are subject to change based on the approved preliminary subdivision map.
   C. The applicant shall clearly identify the CPR Units of TMK: 4-4-04:028 on the preliminary subdivision map and how they will be receiving water service.

Gregg Fukikawa Room 201 W 4-4-04-003 - 002 - 053
Chief of Water Resources & Planning

REVISED SUBDIVISION REPORT NO. S-2010-6

5/4/10

REVISIONS

SUBDIVISION REPORT NO. S-2010-6

EXHIBIT "4"
August 3, 2010

Mr. David R. Craddick, P.E.
Manager and Chief Engineer
County of Kauai, Department of Water
4398 Pua Loke Street
Lihue, Hawaii 96766

Dear Mr. Craddick:

Your September 2, 2009 and June 17, 2010 memoranda, requesting approval for the release $2,500,000 in capital improvement program funds, as appropriated by Act 162, SLH 2009, as amended by Act 180, SLH 2010, to replace the 8-inch waterline with a 12-inch waterline to improve water services to the Waimea Canyon School and surrounding facilities, has been reviewed. I understand that the project will increase the water flow required to meet the County of Kauai’s Water System Standards adopted in 2002 for the school and the residents in the town of Waimea.

Due to the current fiscal circumstances and the uncertainty of the revenue projections, your request is being returned without action at this time. I hope you will understand that we must protect our financial resources today to maintain a stronger financial condition in the future.

Sincerely,

LINDA LINGLE

Attachments
August 11, 2010

Mr. Randy Nishimura, Chairman
Board of Water Supply, County of Kauai
P.O. Box 1706
Lihue, HI 96766

Dear Mr. Nishimura:

Subject: Department of Water Facility Reserve Charge

We understand that the Department of Water ("DOW") has initiated a Facilities Reserve Charges ("FRC(s)") study. Any changes will have a widespread impact on the entire community. We wish to share our concerns regarding the requirement to pay FRCs prior to obtaining subdivision approval, the FRC offset limits, and the non-offset of FRCs for the upsizing of water meters.

1. Payment of FRCs Prior to Subdivision Approval

The Department of Water, County of Kauai Rules and Regulations ("Rules"), Part IV, Section VII.1. state in pertinent part that a FRC shall be assessed against all new developments requiring water from the DOW and must be paid before water services are made available. Part IV, Section VII.4.b. of the Rules states that a developer may receive a 100% offset of the FRC liability by constructing the required source, storage and transmission facilities. Reading these two sections in conjunction leads to a simple conclusion; develop the necessary facilities to avoid paying FRCs.

However, Part III, Section III of the Rules requires the developer to pay the FRCs prior to obtaining subdivision approval irrespective of whether the developer will construct the necessary facilities. This leads to an absurd result where the developer pays the DOW only to be reimbursed later. This places a significant financial burden on the developer. As existing facilities are often unable to accommodate a new, large-scale development, new facilities are typically required. Not only does the developer spend millions of dollars on the facilities, but also must come up with hundreds of thousands of dollars to pay FRCs that will be reimbursed several years later without interest.
Based upon this hardship, we propose that where a developer intends to construct the water facilities, the payment of FRCs should not be required prior to final subdivision approval. Rather, the payment of FRCs should be required only if the developer fails to construct the facilities. The DOW can require the developer to execute a Waiver and Release Agreement, include deed restrictions regarding the developer's responsibility to construct water facilities in the sales documents, and may deny water service applications.

2. FRC Offset Limits

Part IV, Section VII.4.b. of the Rules limits the FRC offsets to 33% each where source or storage improvements are constructed and up to 50% where transmission mains are constructed, but in no event will the total exceed 100% of the FRC. When the construction costs exceed the total FRC liability, the developer is credited for only a portion of the value of the constructed facilities. To remedy this situation, the developer should be allowed to transfer the balance of the credit to another project or carry over the credits and apply them to future upgrades of water meters as discussed in the next section.

Another potential problem occurs where the developer is required to construct only a portion, but not all, of the segments (source, storage, and transmission) of the water facilities. This could result in a developer paying millions of dollars for facilities, recouping only a portion as an offset and still paying FRCs for the segment that the developer was not required to construct. This problem is exacerbated when the cost of the one or two segments constructed exceeds the total FRC liability. The developer should be entitled to up to a 100% offset when there is a valid reason not to construct one or more of the segments.

3. Non-offset of FRCs for the Upsizing of Meters

For a developer, the FRCs and any applicable offsets are typically determined prior to subdivision approval. In the case of a sale, the FRCs are settled prior to the third party applying for a water meter. Where the third party applies for an upsized meter, additional FRCs are imposed. This results in an inequitable "double dip" for the DOW as they receive FRCs for a system that the developer has already constructed. We propose to have additional offsets applied, provided the developer is entitled to an offset, and the total amount of offsets do not exceed the total construction costs. For example, developer sells a lot to Buyer. Buyer wants to upsize the water meter from a 5/8 water meter to a 2 water meter. Buyer obtains the required water allocation from the developer and proceeds to pay for the additional FRCs related to the upsized water meter.
Rather than pay Developer, Buyer pays the DOW, despite the fact that Developer constructed the facilities at a cost well in excess of the FRC offsets received.

The reality remains that developers are required to shoulder the burden for developing water systems not only for their individual projects, but often to the benefit of the community as a whole. As such, it is only fair to conclude that the FRC rules should not impose a higher burden on developers. To the DOW's credit, the FRC offset was adopted. However, further refinement, as proposed above, is needed.

In summary, we propose what is fair and equitable to both the DOW and developers. Grove Farm remains committed to building communities that will benefit our greater island community. We appreciate the opportunity to raise our concerns and are available to discuss our comments or address any questions and concerns.

Sincerely,

Michael H. Tresler
Senior Vice President
To: Board Vice Chair and members of the Kauai County Board of Water Supply

From: Randall Nishimura, Chair

RE: Travel Report
AWWA Annual Conference and Exhibition 2010 - ACE 10
Chicago, IL
June 19-23, 2010

In accordance with Board of Water Supply Policy No. 16, I am filing this report for out of state travel to the American Water Works Association National Conference or ACE 10 as it was commonly referred to.

My primary purpose for attending ACE 10 was to acquire training to qualify for the Public Official’s Certificate. A copy of the certificate is attached. I found many of the topics that were covered apply to us now and in the future and how we were (are) woefully prepared for many things committed to in the past. This training is highly recommended to all current and future Board Members. It also highlighted how the Board presently spends an inordinate amount of time on things that could and should be handled at the Department level. This time could be better spent providing better direction for the Department.

Surface water treatment plant visits enabled me to get a first hand look at how a large municipality handles their water source issues. It was mind boggling that one of their plants treats more water in one day than what we deliver in an entire year to our rate payers. The experience also highlighted how we need to look to a much farther planning horizon than we presently do.

I want to thank and acknowledge the Department’s staff who accompanied us on the trip, Eddie Doi, Faith Shiramizu, Keith Fujimoto and Manager and Chief Engineer David Craddick all went to great lengths to assure that Board members were properly introduced to all of the State and County delegations, made sure we didn’t get lost, and even found time to kick back and relax for a moment or two. It was a nice change from the more formal setting of Board meetings and all got chances to exchange ideas and thoughts on issues facing the Department.
Certificate of Course Completion

In Recognition of Attendance and for Completion of

The Public Official’s Certificate Program

Randall Nishimura

6/20-22/2010 ACE10, Sheraton Hotel and Towers, Chicago, IL

Instructor Signature

Instructor Printed Name

Instructor Title
To: Randall Nishimura, Chair  
Kauai Board of Water Supply  

From: Dee Crowell, Vice-Chair  

Re: Travel Report  
AWWA Annual Conference and Exhibition 2010  
Chicago, IL  
June 19-23 2010  

I attended the AWWA Annual Conference and Exhibition 2010 (ACE 2010). The highlight of the conference was attending two courses in Program. They were:

Course 2 Water and Sewer Infrastructure, Operation, and Maintenance  
I gained a basic understanding of Water and Sewer Systems and the concepts of operation and maintenance of those systems. The main point driven home is “Costs should drive rates, not vice versa.”

Course 3 Managing the Utility  
I gained an understanding of the personnel side of managing a utility. The course stressed the importance of a good working relationship between the board and manager, and recognizing supervizing and staffing issues.

Combined with the introductory Course 1 that I attended at ACE 2009, I earned an AWWA Public Officials Certificate.

The Kaua‘i contingent was able to meet board and staff from the other counties and participated in after hours networking events.
Old Business
BOARD REPORT

August 12, 2010

Subject: Board’s Committee Reports

The following Board Committee Chairs will report at the Regular Meeting what transpired at their respective Committee Meetings:

1. Report of the Finance Committee of the Kaua‘i County Board of Water Supply
   a. Claims Payable

   cab
   Mgrp/Board-Committee Reports (8 19 10):cab
MANAGER’S REPORT NO. 11-3:

August 12, 2010

Re: Request Board Approval on the Rule Amendment for Part I, Rules of Administrative Practice and Procedure

RECOMMENDATION:
It is requested that the Board approve the amendment to the Rules and Regulations of the Board of Water Supply, County of Kaua‘i for Part I, Rules of Administrative Practice and Procedure.

BACKGROUND:
The Public Hearing for this Rule Amendment was held on Thursday, July 15, 2010 and its public hearing notice was published in the Monday, June 14, 2010 issue of The Garden Island Newspaper. There was no oral or written testimony received at the Thursday, July 15, 2010 Public Hearing.

We contacted the Small Business Regulatory Review Board (SBRRB) and they concurred with our Negative Declaration that there is no perceivable impact on small business; therefore, we do not have to communicate further with the SBRRB on this rule amendment. See attached June 28, 2010 memo from the SBRRB.

The rules include all organizational rules for Board conduct and delegation of Authority for voucher approvals.

If and when this rule amendment is approved, the secretary will follow up with the necessary signatures from the County Attorney and the County Clerk. Once the County Clerk signs the proposed rule amendment, it takes effect 10 days thereafter.

Respectfully submitted,

David R. Craddick, P. E.
Manager & Chief Engineer

Attachments
Mgrp/Rules Amendment Final Board Approval – Practices & Procedures (8-19-10).rm
MEMORANDUM

June 28, 2010

To: David R. Craddick, PE, Manager and Chief Engineer
County of Kauai, Department of Water, Board of Water Supply

From: Lynne Woods, Chairperson
Small Business Regulatory Review Board

Subject: Proposed Amendments to Part 1,"Rules of Administrative Practice and Procedure," for the County of Kauai Department of Water

The Small Business Regulatory Review Board (SBRRB) provides recommendations to State and County agencies on proposed rules and proposed rule amendments, pursuant to Chapter 201M, HRS, and the Governor’s Administrative Directive No. 99-02.

Please be advised that the SBRRB reviewed the Department’s proposed amendments to Part 1, “Rules of Administrative Practice and Procedure,” and determined that it does not impose any perceivable impact on small business.

Thank you for keeping the Review Board apprised of the regulatory activity at the County of Kauai’s Department of Water.
Amendments to the Rules and Regulations of the Board of Water Supply, County of Kaua‘i, State of Hawai‘i,
Prescribed on August 19, 2010

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY OF THE COUNTY OF KAUA‘I,
STATE OF HAWAII:


SECTION 2. Administrative rule material to be repealed is bracketed and stricken. New rule material is underscored twice and boldfaced. In printing this rule amendment, the brackets, bracketed material, underscoring twice, and boldface need not be included.

PART 1
RULES OF ADMINISTRATIVE PRACTICE AND PROCEDURE

[The following rules shall govern administrative practice and procedure before the Department of Water of the County of Kauai (hereinafter referred to as the “Department”) and are promulgated pursuant to the provisions of Chapter 91, Hawaii Revised Statutes.]

SECTION I - GENERAL PROVISIONS

1. Authority. The rules herein are established pursuant to Chapter 91, Hawaii Revised Statutes and shall govern administrative practice and procedure before the Board of Water Supply, County of Kauai.

2. Construction. These rules and regulations shall be construed to secure the orderly, just and efficient determination of every proceeding before the Board of Water Supply, County of Kauai. These rules and regulations should be read in conjunction with the provisions of Hawaii Revised Statutes, and the Charter of the County.

3. Parliamentary Authority. Robert’s Rules of Order, Revised, shall be the parliamentary authority unless otherwise provided for under these Rules.

4. Suspension of Rules. Unless otherwise required, the Board may waive or suspend, by majority vote, any rule or procedure established herein for good cause.

5. DEFINITIONS

a. “Board” shall mean the Board of Water Supply of the County of Kauai; the Board shall constitute the Board for purposes of Chapter 91, Hawaii Revised Statutes.

b. “Contested case” means a proceeding in which the legal rights, duties, or privileges of specific parties are required by law to be determined after an opportunity for Board hearing.

c. “Department” shall mean the Department of Water, County of Kaua‘i.

d. “Hearing”

i. “Board Hearing” refers only to such hearing held by the Board immediately prior to a judicial review of a contested case as provided in Section 91-14, HRS.

ii. “Public hearing” means a quasi-legislative hearing regarding the adoption, repeal and amendment of rules and ordinances and a means to solicit general public input on matters before the Board pursuant to the Hawaii Revised Statutes.

e. “Hearing officer” means any person or persons designated as authorized by the Board to conduct a hearing for the purpose of taking testimony and to report his or their findings of facts and conclusions of law with his or their recommendations to the Board on matters that are within the jurisdiction of the Board.

f. “HRS” refers to Hawaii Revised Statutes.

g. “Intervenor” means a person who petitions to intervene in a contested case proceeding and is admitted as a party.

h. “Meetings” means the convening of the Board for which a quorum is required in order to make a decision or to deliberate toward a decision upon a matter over which the Board has supervision, control, jurisdiction or advisory power.
"Party" means each person or board named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party in any court or board proceeding.

"Person" includes individuals, partnerships, corporations, associations, or public or private organizations of any character other than boards.

"Petitioner" means a person who seeks permission or authorization which the Board may grant under statutory or other authority delegated to it and a person seeking relief not otherwise designated in these Rules.

"Presiding officer" means and shall include any member of the Board or a hearing officer duly designated as such. Unless otherwise designated, the Chairman shall be the presiding officer.

"Rule" means each Board statement of general or particular applicability and future effect that implements, interprets, or prescribes law or policy, or describes the organization, procedures, or practice requirements of the Board. The term does not include regulations concerning only the internal management of the Board and not affecting private rights of or procedures available to the public, nor does the term include declaratory rulings issued pursuant to Section 91-8, HRS, nor intra-board memoranda.

SECTION II—MEETINGS

1. Meetings
   a. Regular meetings. Regular meetings of the Board shall be held in the Department of Water's Board Room or at any designated place during the third week of each month, or on a date to be determined by the Board.
   b. Special meetings. Special meetings may be held at such other times as the Board shall, by motion or resolution duly adopted and entered in the journal, designate. Special meetings may be called at any time by the Chairperson or a majority of the Board who shall state the objects thereof and the acts and businesses of the Board at such special meeting shall be confined to such subjects.
   c. All meetings of the Board shall be open to the public except executive sessions, which shall be held only upon the consent of two-thirds majority of the members present and voting. Executive sessions shall be limited as provided for in Section 92-5, Hawaii Revised Statutes.
   d. Standing committees. The standing committees of the Board shall meet separately on regular board meeting days and/or as deemed necessary by the chairperson of the committee. The majority of the members of the committee may call special meetings at any time.

2. Attendance. No member shall absent himself from the service of the Board unless she/he shall have leave, or be sick and unable to attend.

3. Quorum. Unless otherwise provided by law, a majority of the members of the Board shall constitute a quorum thereof but the final passage of all bills and resolutions will require the affirmative vote of four Board members.

4. Disclosure. Whenever a conflict of interest or other ethical question is raised by anyone regarding any member of the Board, the affected member shall promptly make full disclosure of the circumstances to the Board. When a member is deemed by the Board to have a conflict of interest, that member shall be disqualified from voting in all actions relating to such matter.

5. Adjournment. Meetings may be adjourned at any time by a majority vote of members present. Unless otherwise specified in the motion, every adjournment shall be deemed to be the next regular meeting of the Board.

6. Reconsideration. When a motion has been once made and carried in the affirmative or negative, only a member who voted with the prevailing side may move, at the same meeting, or at the next meeting, to reconsider it for the purpose of permitting the correction of a hasty, ill-advised or erroneous action, or to take into account added information or a changed situation that has developed since the taking of the vote. Such motion shall take precedence over all other questions except a motion to adjourn.

7. Computation of time. In computing any period of time under the rules herein, by notice or by any order or regulation of the commission, the time begins with the day
following the act, event, or default, and includes the last day of the period unless it is a Saturday, Sunday, or legal holiday in which event the period runs until the close of business or the next day which is not a Saturday, Sunday, or holiday, unless otherwise specified.

SECTION III – OFFICERS AND THEIR DUTIES

1. Chairperson:
   a. Ex-officio members are voting members of the Board but cannot serve as Chairperson.
   b. The Chairperson shall be the presiding officer of the Board of Water Supply. In the absence of the Chairperson, and so long as the Chairperson is temporarily unable to perform his/her duties, the Vice-Chairperson will act as Chairperson of the Board of Water Supply. In the absence of both the Chairperson and Vice-Chairperson, the line of succession to acting Chairperson shall be the Secretary of the Board, Chairperson of the Finance Committee, then the Chairperson of the Rules Committee. It shall be the duty of the presiding officer:
      1. To open all meetings of the Board at the appointed hour by taking the chair and calling the meeting to order;
      2. To call for the approval of the minutes of the preceding meeting when a quorum shall be present;
      3. To maintain order and proper decorum in debate;
      4. To announce the business before the Board in the order prescribed by those rules;
      5. To receive and submit all matters properly brought before the Board, call for votes upon the same and announce the results;
      6. To receive all communications, resolutions, petitions and other matters addressed to the Board and present them to the appropriate committee;
      7. To appoint all committees, unless otherwise ordered by the Board;
      8. To authenticate by his/her signature all acts of the Board;
      9. To do and perform such other duties as may be required by law, or as may properly appertain to such office;
     10. To make known all Rules of Order and to decide all questions of order, subject to an appeal to the Board.
   c. It shall also be the duty of the Chairperson to take into consideration such matters as shall not be within the scope of the duties or powers of any standing committees of the Board, as may be referred to her/him by the Board and to report her/his opinion thereon, together with such recommendations relative thereto as she/he may deem advisable.
   d. The Chairperson shall also be responsible for the preparation of the agenda of the regular and all special meetings of the Board. The agenda is subject to amendment at the meeting only by approval of the majority of the members present.

2. Vice-Chairperson:
   a. Ex-officio members are voting members of the Board but cannot serve as Vice Chairperson.
   b. The Vice-Chairperson shall do all of the duties of the Chairperson in the absence of the Chairperson.

3. Secretary: It shall be the duty of the Secretary:
   a. To read bills, resolutions and other matters to the Board, if so required.
   b. To be handled by the staff and covered by amending “Duties of the Manager”.
   c. To review and send copies of the minutes of the last meeting to the Chairperson and each member of the Board as part of the next Board Meeting’s agenda packet.
   d. To have charge of all records of the Board and be responsible for the same.
   e. To perform all other duties required by law, or any rule or order of the Board.
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SECTION IV - COMMITTEES

1. Committees. There shall be three (3) types of committees:
   a. Standing committees, which shall consist of at least three (3) members each.
   b. Special committees, which shall consist of at least three (3) members each.
   c. Committee of the whole.

2. Committee Organization
   a. All committees of the Board, contemplated under these Rules, shall be appointed by the Chairperson of the Board of Water Supply, subject to confirmation and approval by a majority vote of the members of the Board present, unless otherwise ordered by the Board.
   b. All committees of the Board shall be chaired by a Board member. The first Board member named on a committee shall be the chairperson. The chairperson shall call meetings of such committee and preside over the same.
   c. No Board member shall serve as chairperson of more than one standing committee of the Board.
   d. Committees shall be under the control and subject to the orders of the Board and shall faithfully carry out such orders.
   e. Vacancies on the standing committees shall be filled by the Chairperson of the Board and confirmed by the Board of Water Supply.
   f. All Board members shall be notified on scheduled meetings of all committees and are encouraged to attend such meetings.
   g. A majority of the entire membership to which the committee is entitled shall constitute a quorum and the majority vote of the membership shall be necessary to take any action.

3. Standing Committees. There shall be two (2) standing committees:
   a. Finance Committee; and
   b. Rules and Policy Committee.

4. Special Committees. All special committees shall consist of three members, unless otherwise ordered by the Board, and shall be appointed by the Board from time to time as occasion requires, serving until discharged after the final report on the special matter referred to it by the Board.

5. Committee of the Whole. The Board may, from time to time, resolve itself into a committee of the whole whenever any matter shall be referred to such committee. Upon the adoption of the motion to that effect, the Chairperson shall call some member to take the chair, or may retain the chair if such is the wish of the Board.

6. Committee Reports.
   a. All committee reports shall be submitted in writing.
   b. Whenever any matter shall be referred to a committee it shall be the duty of such committee to make diligent inquiry into all of the facts and circumstances connected with such matter. If necessary, the County Attorney may be consulted, witnesses shall be summoned and examined, documents and records shall be searched and everything shall be done to bring all facts pertaining to such matter before the Board.
   c. The report of the committee on any matter shall state findings of facts and conclusions based thereon, together with a distinct recommendation as to the disposal of such matter.
   d. Whenever a committee shall report to the Board, recommending the expenditures of water funds for items covering payrolls, general expenses, or specific improvements, the adoption of such reports shall require the affirmative vote of four members.
   e. The standing committees and the committee of the whole shall send a copy of any of their committee reports requiring finances to the finance committee for study and report.
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SECTION V - PUBLIC INFORMATION

1. The public may obtain information as to matters within the jurisdiction of the Department by inquiring at the office of the Department. Copies of rules and regulations shall be made available to the public at a price to be fixed by the Department to cover mailing and publication costs. Submittals or requests shall be made by addressing the same to the Manager and Chief Engineer.

2. Since the Department of Water has limited judicial functions, no formal rules of practice need be adhered to. No particular forms or instructions are prescribed.

In all matters concerning the affairs of the Department, any person affected by any action of the Department or by any action of the employees or agents of the Department shall first take up the matter with the Manager and Chief Engineer. The affected person may, thereafter, write a letter to the Board of Water Supply, addressed to the Chairman of the Board, stating his grievance and the relief sought. The matter will then be put on the agenda of the Board at the earliest practicable time.

SECTION VI - PROCEDURE FOR ADOPTION, AMENDMENT OR REPEAL OF RULES

1. All rules and regulations of the Department shall be adopted and shall take effect in accordance with Section 91-3 and Section 91-4, Hawaii Revised Statutes; provided, however, that such procedure for the adoption, amendment and repeal of rules shall not be applicable to the adoption, amendment and repeal of rules pertaining purely to the internal procedure, organization and order of the Department and/or the Board.

2. Motion. The Board may, at any time on its own motion, initiate proceedings for the adoption, amendment, or repeal of any rule or regulation.

SECTION VII - PETITION FOR ADOPTION, AMENDMENT OR REPEAL OF RULES

3. Petition. Any interested person or agency may submit a petition under Section 91-6, Hawaii Revised Statutes, requesting the adoption, amendment or repeal of a rule. [shall be made by letter addressed to the Board of Water Supply, County of Kauai. The letter shall state clearly and concisely the relief sought, the name, title and address of the person to whom correspondence or communication in regard to the request is to be addressed. The petition will be placed on the agenda for a meeting of the Board to be held at the earliest practicable time.]

4. Content of Petition. The petition shall be made by letter addressed to the Board of Water Supply, County of Kauai. The letter shall state:
   a. The name, title, telephone number and address of each petitioner;
   b. A statement of the nature of each petitioner’s interest;
   c. It shall clearly and concisely state the relief sought; a draft or the substance of the proposed rule or amendment or a designation of the provisions the repeal of which is desired; and
   d. A statement of the reasons in support of the proposed rule, amendment, or repeal.

The petition will be placed on the agenda for a meeting of the Board to be held at the earliest practicable time.

5. The petitioner will be notified of the time and date that he or his authorized representative may appear before the Board. Within 30 days of the receipt of the petition, the Board will either deny the petition in writing, stating its reasons for such denial, or initiate proceedings to effectuate the adoption, amendment or repeal requested. The petitioner will be notified of the time and date that he or his authorized representative may appear before the Board.
6. Notice of Hearing. Prior to the adoption of any rule, authorized by law, or the amendment or repeal thereof, the Board shall give at least twenty (20) thirty (30) days’ notice for a public hearing. This does not apply to any adoption, amendment, or repeal of a rule relating to rates fixed by the Board of Water. In the case of adoption, amendment, or repeal of a rule relating to rates fixed by the Board, the Board shall give at least twenty (20) days notice.
   a. Content of Notice. A notice of the proposed adoption, amendment, or repeal of a rule or regulation shall include:
      i. Date, time and place where the public hearing will be held;
      ii. A statement of the substance of the proposed adoption, amendment, or repeal of the rule or the proposed rates and charges to be considered thereat.
   b. Service. The notice shall be mailed to all persons who have made a timely written request of the Board for advance notice of its rule-making proceedings; and Notice shall be published at least once in a newspaper of general circulation published in the County of Kauai.
7. Filing and taking effect of rules.
   a. Each rule hereafter adopted, amended, or repealed shall become effective ten days after filing with the County clerk.
      i. If a later effective date is required by statute or specified in the rule, the later date shall be the effective date; provided that no rule shall specify an effective date in excess of thirty days after the filing of the rule as provided herein.
      ii. An emergency rule shall become effective upon filing with the County clerk for a period of not longer than one hundred twenty days without renewal unless extended in compliance with Section 91-3, Hawaii Revised Statutes. If the Board finds that immediate adoption of the rule is necessary because of imminent peril to the public health, safety, or morals. The Board’s finding and brief statement of the reasons therefore shall be incorporated in the rule as filed. The Board shall make an emergency rule known to persons who will be affected by it by publication at least once in a newspaper of general circulation in the County within five days from the date of filing the rule.
8. Emergency Rule. Notwithstanding the foregoing, if the Board finds that an imminent peril to the public health, safety, or morals or to livestock and poultry health requires adoption, amendment or repeal of a rule upon less than twenty thirty days’ notice of hearing, and states in writing its reasons for such finding, it may proceed without prior notice or hearing upon such abbreviated notices and hearing as it finds practicable to adopt an emergency rule to be effective for a period of not longer than one hundred twenty days without renewal.
9. Federal Requirements. The requirements of this section may be waived by the Chairman whenever the Board is required by federal provisions to promulgate rules as a condition to receiving federal funds and the Board is allowed no discretion in interpreting such federal provisions as to the rules required to be promulgated provided that the Board shall make such adoption, amendment, or repeal known to the public by publishing a statement of the substance of the proposed rule at least once in a newspaper published in the County of Kauai prior to the waiver by the Chairman.

[SECTION IV] SECTION VII- DECLARATORY RULINGS OF THE BOARD

1. Petition.
   a. Any person may submit a petition under Section 91-8, Hawaii Revised Statutes, requesting a declaratory ruling of the Board as to the applicability of any statutory provision or of any rule, [will be submitted by letter clearly presenting the views of the petitioner with respect to the questions raised or relief sought, addressed to the Board of Water Supply, County of Kauai. The letter shall also give the address of the person to whom correspondence or communication in regard to the request is to be addressed.
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The petition will be placed on the agenda for a meeting of the Board to be held at the earliest time practicable.

b. Notwithstanding the other provisions of this section, the Board may, in its own motion or upon request but without notice or hearing, issue a declaratory order to terminate a controversy or to remove uncertainty.

2. Content of petition. The petition shall be submitted by letter addressed to the Board of Water Supply, County of Kaua‘i. The petition shall be submitted by letter addressed to the Board of Water Supply, County of Kaua‘i. The petition need not be in any particular form but it shall contain:
   a. The name, address and telephone number of each petitioner;
   b. A statement of the nature of each petitioner’s interest, including reasons for the submission of the petition;
   c. A designation of the specific provisions, rule or order in question;
   d. A complete statement of the relevant facts;
   e. A statement of the position or contention of the petitioner; and
   f. A memorandum of authorities, containing a full discussion of the reasons, including any legal authorities, in support of such position or contention.

The petitioner will be notified of the time and date that he or his authorized representative may appear before the Board. Any petition which does not conform to the foregoing requirements may be rejected by the Board.

3. Non-issuance of a declaratory order. The Board may for good cause refuse to issue a declaratory order. Without limiting the generality of the foregoing, the Board may so refuse where:
   a. The question is speculative or purely hypothetical and does not involve an existing situation or one which may reasonably be expected to occur in the near future.
   b. The petitioner’s interest is not of the type which provides standing to maintain an action in a court of law.
   c. The issuance of the declaratory order may adversely affect the interest of the County in any litigation which is pending or may reasonably be expected to arise.
   d. The matter is not within the jurisdiction of the Board.

4. Request for Hearing.
   e. A hearing is not required for the purposes of resolving a petition for declaratory judgment.
   f. The Board may, however, in its discretion, order a hearing for the purposes of resolving a petition for a declaratory ruling.
   g. Any petitioner or party in interest who desires a hearing on a petition for a declaratory ruling may submit a request for a hearing to the Board.
      a. The petitioner or party in interest shall detail in his request the reasons why the matters alleged in the petition, together with supporting affidavits or other written briefs or memoranda of legal authorities, will not permit the fair and expeditious disposition of the petition, and, to the extent that such request for a hearing is dependent upon factual assertions, shall accompany such request by affidavit establishing such facts, and shall deposit with the County such amounts as deemed necessary to cover applicable publication costs.
      b. It is within the Board’s discretion to grant or deny a request for a hearing on a petition for a declaratory ruling.
   h. In the event a hearing is ordered by the Board, the rules relating to hearing procedures before the Board shall govern the proceeding.

5. As soon as reasonably practicable after the appearance of the petitioner before the Board, the Board will make its ruling and inform the petitioner in writing, either denying the petition for declaratory order and stating its reasons therefore, or issue a declaratory order. Upon the disposition of the petition, the petitioner shall be promptly notified.
6. If the ruling is contested, the petitioner shall so inform the Board by letter addressed as provided in Paragraph 42 above, and the Board will serve notice of and conduct a hearing in the manner prescribed in Section 91-8, Hawaii Revised Statutes.

[SECTION VI SECTION VIII- DECISIONS AND ORDERS OF THE BOARD]

Decisions and Orders of the Board shall be served by mailing certified copies to the party to the proceedings or his authorized representative. When service is not accomplished by mail, it may be made by delivery of a certified copy thereof to such party or his authorized representative.

[SECTION VII SECTION IX- ADMINISTRATIVE HEARINGS PROCEDURE]

1. DEFINITIONS

A. — "Board" shall mean the Department of Water and/or Board of Water Supply of the County of Kaua'i; the Board shall constitute the Board for purposes of Chapter 91, HRS.

B. — "Board hearing" refers only to such hearing held by the Board immediately prior to a judicial review of a contested case as provided in Section 91-14, HRS.

C. — "Contested case" means a proceeding in which the legal rights, duties, or privileges of specific parties are required by law to be determined after an opportunity for Board hearing.

D. — "Party" means each person or board named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party, in any court or Board proceeding.

E. — "Persons" includes, individuals, partnerships, corporations, associations, or public or private organizations of any character other than boards.

F. — "Rule" means each Board statement of general or particular applicability and future effect that implements, interprets, or prescribes law or policy, or describes the organization, procedure, or practice requirements of the Board. The term does not include regulations concerning only the internal management of the Board and not affecting private rights of or procedures available to the public, nor does the term include declaratory rulings issued pursuant to Section 91-8, HRS, nor intra-board memoranda.

1. CONTESTED CASE HEARING OR "BOARD HEARING"

A. NOTICE OF HEARING

1. Content of Notice
   a. Date, time, place and nature of hearing.
   b. The legal authority under which the hearing is to be held.
   c. The particular sections of the statutes and rules involved.
   d. An explicit statement in plain language of the issues involved and the facts alleged by the Board in support thereof. If the Board is unable to state such issues and facts in detail at the time the notice is served, the initial notice may be limited to a statement of the issues involved, and thereafter upon application, a bill of particulars shall be furnished.
   e. The fact that any party may retain counsel if he so desires and the fact that an individual may appear on his own behalf, or a member of partnership may represent the partnership, or an officer of an authorized employee of a corporation or trade or association may represent the corporation, trade, or association.

2. Service of Notice
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a. All parties shall be given written notice of hearing by registered or certified mail with return receipt requested at least fifteen (15) days before the hearing.

b. If service by registered or certified mail is not made because of the refusal to accept service, or the Board has been unable to ascertain the address of the party after reasonable and diligent inquiry, the notice of hearing may be given to the party by publication at least once in each of two successive weeks in a newspaper which is printed at least twice weekly in the county affected by the proposed action.

c. Notwithstanding the requirements of this section, notice by publication shall be provided pursuant to Section 91-3, HRS, if the hearing also involves the adoption, amendment, or repeal of rules, or if otherwise required by law.

B. MODIFICATION OF PROCEDURES BY STIPULATION

Any procedure in a contested case may be modified or waived by stipulation of the parties and informal disposition may be made of any contested case by stipulation, agreed settlement, consent order, or default.

C. PROCEDURES IN CONDUCTING THE HEARING

1. Pre-hearing Motions and Conferences

a. Pre-hearing Motions. The Board may, prior to the hearing, consider and rule on all motions filed by any party to a contested case.

   (1) Notice. All parties shall be informed in writing by the moving party, of the time, date, and place for the pre-hearing motion.

   (2) Certificate of Service. The moving party shall be required to file with the motion; a certificate to the effect that notice was given.

b. Pre-hearing Conferences. The Board may, at the request of an interested party, or on its own initiative, conduct a pre-hearing conference to define issues of law and fact, to stipulate to those issues which are not contested, to stipulate to the admission of certain evidence, and to settle other matters which would help expedite the hearing.

   (1) Notice. All parties shall be informed in writing by the moving party, of the time, date, and place for the pre-hearing conference.

   (2) Certificate of Service. The moving party shall be required to file a certificate to the effect that written notice of the pre-hearing conference was given.

2. Convening the Hearing

a. Presiding Officer. The chairperson of the Board, or one of the members, shall preside at the hearing. The presiding officer controls the course of the hearing, disposes of matters that normally and properly arise in the course of the hearing, and takes all other actions authorized by law that are deemed necessary to the orderly and just conduct of a hearing.

b. Calling the Hearing to Order. The presiding officer will identify the case by name and number, state for the record a brief description of the
nature and subject matter of the hearing including the authority therefore, and shall then briefly outline the procedures to be followed.

c. **Identification of Parties and Counsel.** The presiding officer shall request all parties to identify themselves and their counsel. Where a party is represented by more than one counsel, only one counsel shall be permitted to cross-examine a witness or to state any objections or to make closing arguments.

d. **Parties; Intervenors.** The Board shall determine and find on the record whether all parties, including intervenors, have a bona fide interest in the subject matter.

e. **Intervention**

(1) **Who May Intervene.** All persons who can demonstrate that they will be so directly and immediately affected by the proposed change that their interest in the hearing is clearly distinguishable from that of the general public shall be admitted as parties upon timely written application for intervention.

(2) **Method of Filing; timing.** Petitions to intervene shall be in writing and in conformity with these rules. The petition for intervention with certificate of service shall be filed to the Board at least seven (7) days prior to the hearing for which notice to the public has been published pursuant to law. Untimely petitions for intervention will not be permitted except for good-cause shown.

(3) **Contents of Petition.** The petition shall state:

   i. The nature of the petitioner’s statutory or other right;
   ii. The nature and extent of petitioner’s interest;
   iii. The specific issues to be raised or contested by the petitioner in the contested case hearing; and
   iv. The effects of any decision in the proceeding on petitioner’s interest.

   If applicable, the petition shall also make reference to the following:

   v. Other means available whereby petitioner’s interest may be protected;
   vi. Extent petitioner’s interest may be represented by existing parties;
   vii. Extent petitioner’s interest in proceeding differs from that of the other parties;
   viii. Extent petitioner’s participation can assist in development of a complete record;
   ix. Extent petitioner’s participation will broaden the issue or delay the proceeding; and
   x. How the petitioner’s intervention would serve the public interest.

(4) **Consolidation of Parties.** Petitioners deemed by the Board to have similar intervention requests may be consolidated as a single party represented by a single counsel or agent.

(5) **Denial of Intervention.** Leave to intervene shall be freely granted, provided that the Board may deny intervention when, in the Board’s sound discretion, it appears that:

   i. The position of the applicant is substantially the same as the position of a party already admitted to the hearing; and
   ii. The admission of additional parties will render the hearing inefficient and unmanageable

   iii. The intervention will not aid in the development of a full record and will overly broaden issues.

The Board shall issue a written statement stating as such.
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(6) **Opposition to Intervention.** If any party opposes the request for intervention, the party shall file their objection or state their objection for the record.

(7) **Appeal from Denial.** An applicant who has been denied intervention may appeal such denial to the circuit court pursuant to Section 91-14, HRS.

f. **Reading of Rights.** The rights of all parties shall be carefully explained to all parties, including their right to counsel, to present evidence, and to cross-examine. All parties shall acknowledge on the record, their full understanding of these rights.

g. **Stating Objections.** Before proceeding with the hearing, all parties shall be required to state for the record any objections they may have to any of the pre-hearing proceedings, and particularly the form and substance of the notice of hearing.

h. **Accurate Record.** To insure an accurate record, a tape recorder or other reliable recording equipment may be used. The decision to hire a court reporter or stenographer is left to the discretion of the Board. It shall not be necessary to transcribe the record unless requested for the purposes of rehearing or court review.

3. **Presenting the Case: Rules of Evidence**

a. **Order of Appearance.** The party initiating the hearing and with the burden of proof has the right to open and close. Other parties, including intervenors, will be allowed to present their case in an order agreed upon or as decided by the presiding officer.

b. **Swearing in Witnesses.** Prior to giving testimony, the witnesses shall be sworn in by the presiding officer. (See Section 612-12, HRS).

c. **Testimony.** Each interested person shall, before testifying, state his name, address and shall give such information respecting his appearance as the presiding officer may request. The presiding officer shall confine the testimony to the matters for which the hearing was called. In order to allow persons an equal amount of time to testify, or to prevent repetitious testimony, the presiding officer may limit the amount of time for testimony per individual or per issue. Each witness may be subject to questioning by the Board an all parties. A person may submit written comments during the hearing or for such period of time after the close of the hearing as determined by the presiding officer.

d. **Rebuttal.** After all parties have rested their case, each party will be allowed to present rebuttal evidence in the same order as they presented their case in brief.

e. **Ruling by Presiding Officer.** The presiding officer will make all rulings on points of law, including the admissibility of evidence, the merit of objections or motions, the granting of continuances, the limiting of testimony or witnesses, and other rulings authorized by law that are deemed necessary to the orderly and just conduct of the hearing and which do not involve the final determination of the proceedings. Such rulings may be reviewed by the Board in determining the matter of its merits.

f. **Rules of Evidence**

(1) **Admissibility and Exclusion.** Any oral or documentary evidence may be received, but the Board shall, as a matter of policy, provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence.

(2) **Record Supported by Evidence.** No sanctions shall be imposed or rule or order be issued except upon consideration of the whole record or such portions thereof as may be cited
Amendments to the Rules and Regulations of the Board of Water Supply, County of Kaua‘i, State of Hawai‘i,
Prescribed on August 19, 2010

by any party and as supported by and in accordance with the reliable, probative, and substantial evidence.
(3) Privileges. The Board shall give effect to the rules of privilege as recognized by law.
(4) Marking of Evidence. All evidence shall be marked for identification with the parties’ name and number or letter.
(5) Copies. Documentary evidence may be received in the form of copies or excerpts, if the original is not readily available; provided that upon request, parties shall be given an opportunity to compare the copy with the original.
(6) Cross-examination. Every party shall have the right to conduct such cross-examination as may be required for a full and true disclosure of the facts.
(7) Official Notice. The Board may take notice of judicially recognizable facts. In addition, the Board may take notice of generally recognized technical or scientific facts within their specialized knowledge. Parties shall be notified either before or during the hearing, or by reference in preliminary reports or otherwise of the material so noticed, and they shall be afforded an opportunity to contest the facts so noticed.
(8) Burden of Proof. Except as otherwise provided by law, the party initiating the hearing shall have the burden of proof, including the burden of producing evidence as well as the burden of persuasion.
(9) Standard of Proof. The degree or quantum of proof shall be a preponderance of the evidence.

g. Closing Arguments
(1) Each party, including intervenors, shall be allowed to present closing arguments in the same order as they presented their case in chief. The party initiating the hearing and having the burden of proof may speak last. The presiding officer may set a time limit for closing arguments.

4. After Closing Arguments; Decisions and Orders
a. Decision in Writing. Every decision and order adverse to a party to the proceeding rendered by the Board in a contested case, shall be in writing or stated in the record and shall be accompanied by separate findings of fact and conclusions of law.
(1) If any party to the proceeding has filed proposed findings of fact, the Board shall incorporate in its decision a ruling upon each proposed finding so presented.
(2) Parties to the proceeding shall be notified by personal delivery or mailing, a certified copy of the decision and order and accompanying findings and conclusions within a reasonable time to each party or attorney of record. With the personal delivery or certified mailing, the contested case is closed and the thirty-day period for court appeal pursuant to Section 91-14, HRS, begins to run.

b. Matters Outside the Record. No matter outside the record shall be considered by the Board in making its decision. No official of the Board in a contested case shall consult any person on any issue of fact except upon notice and opportunity for all parties to participate, save to the extent required for the disposition of ex-parte matters authorized by law.

c. Decision-makers Not Present. Whenever in a contested case, the officials of the Board who are to render the final decision have not heard and examined all of the evidence, the decision, if adverse to a party to the proceeding other than the Board itself, shall not be made until a proposal for decision containing a statement of reasons and including the determination of each issue of fact or law necessary to the proposed decision has been
served upon the parties, and an opportunity has been afforded to each party adversely affected to file exceptions and present arguments to the officials who are to render the decision, who shall personally consider the whole record or such portion thereof as may be cited by the parties.

II. RULE MAKING HEARING OR “PUBLIC HEARING”

A. NOTICE OF HEARING

Prior to the adoption of any rule authorized by law, or the amendment or repeal thereof, the Board shall give at least twenty (20) days’ notice for a public hearing.

1. Content of Notice

   a. Date, time and place where the public hearing will be held.

   b. A statement of the substance of the proposed rule.

2. Service of Notice

   a. The notice shall be mailed to all persons who have made a timely written request of the Board for advance notice of its rule-making proceedings; and

   b. Notice shall be published at least once in a newspaper of general circulation published in the County of Kauai.

B. PROCEDURES IN CONDUCTING THE HEARING

1. Convening the Hearing

   a. Presiding Officer. The presiding officer shall be the Chairman of the Board, or in his absence, by another member designated by the Board. The presiding officer controls the course of the hearing, disposes of matters arising in the course of the hearing, and takes all other actions authorized by law that are deemed necessary to the orderly and just conduct of a hearing.

   b. Accurate Record. To insure an accurate record, a tape recorder or other reliable recording equipment may be used. The decision to hire a court reporter or stenographer is left to the discretion of the Board. It shall not be necessary to transcribe the record unless requested for the purpose of re-hearing or court review.

   c. Order of Public Hearing. At the commencement of the hearing, the presiding officer may acknowledge the notice of hearing and shall then conduct the proceeding in the following manner:

      (1) Staff Findings. The Department shall present its findings.

      (2) Questions of Staff Findings. Staff findings shall be subject to questioning by the Board.

      (3) Open Hearing to Public. The presiding officer shall suspend the rules and the hearing shall then be opened to the public. Members of the public wishing to testify shall be subject to questioning by the Board. All interested persons shall be afforded the opportunity to submit data, views, or arguments, orally or in writing. The following procedure shall be followed when opened to the public:
Amendments to the Rules and Regulations of the Board of Water Supply, County of Kaua‘i, State of Hawai‘i,
Prescribed on August 19, 2010

(a) Anyone wishing to testify is required to register with the presiding officer prior to the presiding officer calling the meeting to order;

(b) Anyone testifying is entitled to the floor only when recognized by the presiding officer;

(c) Anyone testifying shall state his name, address, and whom they represent and if they are registered lobbyists in compliance with HRS Chapter 97, Lobbyist Law;

(d) The presiding officer shall confine the testimony to the matters for which the hearing was called;

(e) Anyone testifying shall refrain from direct questioning of the Board and shall direct any remarks or questions to the presiding officer;

(f) Anyone with written testimony may be given priority at the discretion of the presiding officer;

(g) Oral presentation shall be limited to three (3) minutes per speaker; extended time may be granted by the presiding officer. The presiding officer shall have the prerogative to set the speaking time for each witness and may also set the order of speakers, speaking for or against any proposition, and may notify the speaker of the expiration of his speaking time, 30 seconds before such expiration;

(h) Anyone may speak a second time on the same question or subject, at the discretion of the presiding officer;

(i) The presiding officer shall grant to persons who have not registered, time to speak following the registered speakers;

(j) Anyone speaking may be subject to questioning by the Board. Questions by the Board shall be permitted only at the discretion of the presiding officer;

(k) The presiding officer may restrict or terminate the speakers’ right to the floor for intemperate or abusive behavior or language;

(l) The presiding officer may ask for the removal of anyone who willfully disrupts a meeting to prevent and compromise the conduct of the meeting.

d. **Admissibility.** The Board shall not be bound by technical rules of evidence.

2. **After the Hearing**

a. The Board may make its decision at the public hearing or announce the date as to when it intends to make its decision.
Amendments to the Rules and Regulations of the Board of Water Supply, County of Kauai, State of Hawai‘i, 
Prescribed on August 19, 2010

b. Upon adoption, amendment, or repeal of a rule, the Board shall, if requested to do so by an interested person, issue a concise statement of the principal reasons for and against its determination.

c. The adoption, amendment, or repeal of any rule by the Board shall not be subject to the approval of the Mayor of the County of Kauai.

d. Filing and publication of rules shall be in accordance with Chapter 81, HRS.

[ computing current date ]

[ C—EMERGENCY RULE. ]

Notwithstanding the foregoing, if the Board finds that an imminent peril to the public health, safety, or morals or to livestock and poultry health requires adoption, amendment, or repeal of a rule upon less than twenty days’ notice of hearing, and states in writing its reasons for such finding, it may proceed without prior notice or hearing upon such abbreviated notice and hearing as it finds practicable to adopt an emergency rule to be effective for a period of not longer than one hundred twenty days without renewal.

[D—FEDERAL REQUIREMENTS. ]

The requirements of this section may be waived by the Chairman whenever the Board is required by federal provisions to promulgate rules as a condition to receiving federal funds and the Board is allowed no discretion in interpreting such federal provisions as to the rules required to be promulgated; provided that the Board shall make such adoption, amendment, or repeal known to the public by publishing a statement of the substance of the proposed rule at least once in a newspaper published in the County of Kauai prior to the waiver by the Chairman.

SECTION 3. If any provision of this rule amendment or the application thereof to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of the rule amendment, which can be given effect without the invalid provision, or application, and to this end the provisions of this rule amendment are severable.

SECTION 4. This rule amendment shall be effective 10 days after the County Clerk signs this rule amendment.

BOARD OF WATER SUPPLY
COUNTY OF KAUA‘I

______________________________
Randall Nishimura, Chairperson

APPROVED AS TO FORM
AND LEGALITY:

______________________________
Alfred B. Castillo, Jr.,
County Attorney

DEPARTMENT OF WATER
COUNTY OF KAUA‘I:

______________________________
David R. Craddick
Manager & Chief Engineer

Received this _________ day of
____________________________________, ________.

______________________________
Peter Nakamura, County Clerk, County of Kauai
Amendments to the Rules and Regulations of the Board of Water Supply, County of Kauai, State of Hawaii,
Prescribed on August 19, 2010

CERTIFICATION

I hereby certify that the Board of Water Supply, County of Kauai, adopted the foregoing amendments to the Rules and Regulations of the County of Kauai Department of Water on August 19, 2010 under authority of Sec. 17.03C and D of the Kauai County Charter 1984, as amended, and that the provisions of Sec. 91-3, Haw. Rev. Stat., as amended, have been satisfied, including the holding of one required public hearing on July 15, 2010, and the giving of proper notice for the public hearing, which notice was advertised in The Garden Island on June 14, 2010.

Dated at Lihue, Kauai, this 19th day of August, 2010.

______________________________
Leland Kahawai, Secretary
BOARD OF WATER SUPPLY

CERTIFICATION OF COUNTY CLERK

I hereby certify that on __________________________, I accepted for filing from the Kauai Board of Water Supply this Amendment to the Rules and Regulations adopted on August 19, 2010.

__________________________________________
Peter Nakamura, County Clerk, County of Kauai
<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>GOAL</th>
<th>Status</th>
<th>DEADLINE</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BOND AND WATER PLAN 2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. Get $60 Million General Obligation Bond approved and issued.</td>
<td>Done 3/31/10</td>
<td>3/31/2010</td>
<td>Money in Bank</td>
</tr>
<tr>
<td></td>
<td>1. Encumber $20 million bond proceeds by end of the Calendar Year.</td>
<td>$12.7m currently</td>
<td>12/31/2010</td>
<td>Signed Contracts</td>
</tr>
<tr>
<td></td>
<td>B. Develop a plan for completing projects identified in the Bond Issue. This plan should include Department staffing requirements and a timeline to complete projects either in-house or through consultant contracts.</td>
<td>2@CEV positions filled; see Bond Spending plan</td>
<td>5/31/2010</td>
<td>Approved Plan; Amended Budget</td>
</tr>
<tr>
<td></td>
<td>D. Re-visit Water Plan 2020. Update and re-prioritize projects and submit for Board Approval</td>
<td>See Bond Spending plan</td>
<td>4/30/2010 for Bond Float Projects. 11/30/2010 for non-Bond Items.</td>
<td>Approved Priority list</td>
</tr>
<tr>
<td></td>
<td>E. Develop a public relations campaign to inform and update the public on:</td>
<td>RFP July 26</td>
<td></td>
<td>Public presentations</td>
</tr>
<tr>
<td></td>
<td>1. 2020 Plan</td>
<td>See above</td>
<td>10/30/2011</td>
<td>Public Presentations</td>
</tr>
<tr>
<td></td>
<td>2. Explanation of the Bond Float and its relevance to the 2020 plan</td>
<td>See above</td>
<td>12/31/2011</td>
<td>List</td>
</tr>
<tr>
<td></td>
<td>3. Development of significant talking points that describe the need for the rate hike, as well as the prioritization of the projects. This discussion should be easily understood by our customers.</td>
<td>See above</td>
<td>12/31/2011</td>
<td>List</td>
</tr>
<tr>
<td></td>
<td>4. Development and implementation of a clear plan to educate the ratepayers of the upcoming rate hike before setting the public hearing. Hiring a PR consultant may be a viable option.</td>
<td>See above</td>
<td>1/31/2011</td>
<td>Presentation Public - Ready</td>
</tr>
<tr>
<td></td>
<td>5. Explanation of the future plans/challenges and our plans to accomplish/manage them.</td>
<td>See above</td>
<td>1/31/2011</td>
<td>Presentation Public - Ready</td>
</tr>
<tr>
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<tr>
<td>2</td>
<td><strong>PERSONNEL AND ACCOUNTING</strong></td>
<td>Everyone planning to leave has gone, positions are filled, or being</td>
<td>6/30/2010</td>
<td>Approved Proposed Organizational chart</td>
</tr>
<tr>
<td></td>
<td>A. Develop an approved succession plan for the entire Department with</td>
<td>filled. All positions are filled or evals waiting on final selection.</td>
<td></td>
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<td></td>
<td>a timetable to implement the first three goals, allowing the</td>
<td>We will not increase staff to fill temp positions.</td>
<td></td>
<td></td>
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<td></td>
<td>Operations Division implementation priority.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>B. Fill all vacant positions critical for implementation of Water</td>
<td>All positions are filled or evals waiting on final selection. We will</td>
<td>10/31/2010</td>
<td>Filled Positions</td>
</tr>
<tr>
<td></td>
<td>Plan 2020 in accordance with the accepted budget.</td>
<td>not increase staff to fill temp positions.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Promote or replace all retired positions with well-qualified persons</td>
<td>Have Deputy, all positions vacant 6 months ago are filled</td>
<td>12/31/2010</td>
<td>Filled Positions</td>
</tr>
<tr>
<td></td>
<td>within 6 to 8 months and <strong>hire a qualified Deputy</strong> within 8 to</td>
<td></td>
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<td></td>
<td>10 months.</td>
<td></td>
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<td></td>
<td>C. Implement cross training so that employees can effectively fill</td>
<td>On going</td>
<td>On-going</td>
<td>Program functional. Cross training hours</td>
</tr>
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<td></td>
<td>temporary and/or pending retirement positions, thus enabling</td>
<td></td>
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<td>recorded and in personnel files.</td>
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<td>employees to acknowledge their capabilities in performing</td>
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<td>additional responsibilities as result of cross training, which</td>
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<td></td>
<td>in turn will provide the Department with qualified replacement</td>
<td></td>
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<td></td>
<td>personnel.</td>
<td></td>
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<td></td>
<td>D. Complete the reorganization of the Operations Division.</td>
<td>Advertised July 2010</td>
<td>10/31/2010</td>
<td>Positions advertised</td>
</tr>
<tr>
<td>3</td>
<td><strong>STANDARDS</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>A. Choose industry benchmarks appropriate to similar sized water</td>
<td>Working on it. Updated every 6 months</td>
<td>11/30/2010</td>
<td>Chart in Main Office Lobby</td>
</tr>
<tr>
<td></td>
<td>facilities and compare our stance relating to those benchmarks.</td>
<td></td>
<td></td>
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<td></td>
<td>Publicize these results annually or semi-annually.</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
# Board’s Goals for DOW Manager for Year 2010

*(Goals 2010)* 7/10

<table>
<thead>
<tr>
<th>ITEM NO.</th>
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<th>MEASURE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4</strong> FACILITIES</td>
<td></td>
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</tr>
<tr>
<td>A. Develop plans to ease the &quot;crowded&quot; work environment in the administrative/accounting/engineering divisions. (The Engineering section appears to be sitting on top each other, which, from the customer's perspective looking in the window, reflects an unorganized department.)</td>
<td>Since we are designing a new building crowding view changed.</td>
<td>6/30/2010</td>
<td>Housecleaning</td>
<td></td>
</tr>
<tr>
<td>B. Analyze the office logistics. Presently the office is very crowded: Plans delineating several solutions need to be drawn up for selection.</td>
<td>Consultant on Board April 2010</td>
<td>9/30/2010</td>
<td>Hire Consultant</td>
<td></td>
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<td><strong>5</strong> INTER AGENCY CO-ORDINATION</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>A. Integrate our CIP plan with the County's 6 year CIP Plan to take advantage of the economies of scale.</td>
<td>Sent DOW Plan May 2010</td>
<td>4/15/10</td>
<td>Completed plan submitted to Mayor's Office</td>
<td></td>
</tr>
<tr>
<td>B. Ensure our water infrastructure is in place for County sponsored or supported Affordable Housing Development Projects.</td>
<td>This needs to be redone</td>
<td>4/15/10</td>
<td>Plan draft included as part of 6 year County CIP Plan</td>
<td></td>
</tr>
</tbody>
</table>
CHAIRPERSON’S REPORT

August 10, 2010

Re: Status of Annual Job Performance Evaluation of the DOW Manager and Chief Engineer

STATUS
The Board of Water Supply is conducting an annual Job Performance Evaluation of the DOW Manager and Chief Engineer. The County’s Job Performance Evaluation Form was previously sent to Members of the Board of Water Supply, All Peers of the Kauai DOW Manager and Chief Engineer, and Division Heads of the Department of Water. These Evaluation Forms are in the process of being compiled into a master document to be presented at the September 16, 2010 Board Meeting for approval or further discussion.

The final Evaluation is due to the Department of Personnel Services by October 25, 2010.

Respectfully submitted,

Randall Nishimura (cab)

Randall Nishimura, Chairperson
Board of Water Supply

RN/cab
Mgrp/Chair Rpt/Mgr Eval (8-19-10):cab
MEMORANDUM

July 21, 2010

TO: All Peers of the Kaua‘i DOW Manager and Chief Engineer
Mr. Gary Heu, Administrative Assistant, Office of the Mayor
Mr. Donald Fujimoto, County Engineer, Dept. of Public Works
Mr. Al Castillo, County Attorney, Office of the County Attorney
Mr. Wally Rezentes, Jr., Finance Director, Finance Department
Mr. Ken Teshima, Engineering Division Head, Dept. of Public Works
Mr. Ed Renaud, Roads Head, Dept. of Public Works
Mr. Malcolm Fernandes, Personnel Director, Dept. of Personnel Services
Mr. Ian Costa, Planning Director, Planning Department
Mr. Kaipo Asing, Chairman, Kaua‘i County Council
Mr. Peter Nakamura, County Clerk, County Clerk’s Office
Ms. Shaylene Iseri, Prosecuting Attorney, Prosecuting Attorney’s Office
Mr. Eugene Jimenez, Housing Director, County Housing Agency

FROM: Randall Nishimura, Chairperson of the Kaua‘i Board of Water Supply

RE: Annual Job Performance Evaluation of the DOW Manager and Chief Engineer

The Board of Water Supply will be conducting an annual Job Performance Evaluation of the DOW Manager and Chief Engineer shortly. We know that you all have busy schedules so we would be very grateful if you would take a few minutes to assist us in our evaluation process. We have enclosed the County’s Job Performance Evaluation Form and request that you use this form to document your perspective on how you feel our Water Manager has performed in his various interactions with you and your Department. Please feel free to add a page to the form should you want to expand on your comments or need more space.

Again, we would greatly appreciate your assistance by submitting your completed evaluation by Thursday, August 5, 2010. Thank you very much!

Sincerely,

[Signature]

Randall Nishimura, Chairperson
Kaua‘i Board of Water Supply

rm
Attachment
Board-Gen/FR Eval.of Water Manager, Memo to Peers (7-19-10) rm
COUNTY OF KAUA`I
DEPARTMENT OF PERSONNEL SERVICES
MO`IKEHA BUILDING
4444 Rice Street, Suite 140
LIHU`E, KAUA`I, HAWAII 96766
Telephone (808) 241-6595 • Fax (808) 241-6593
May 8, 2007

TO: DEPARTMENT HEADS, DEPUTIES, EXECUTIVES COVERED UNDER KAUA`I COUNTY CODE §3-2.1, AND AFFECTED COMMISSIONS

FROM: MALCOLM C. FERNANDEZ, DIRECTOR OF PERSONNEL SERVICES

SUBJECT: PERFORMANCE EVALUATIONS FOR EXECUTIVE APPOINTEES

The 2007 Kaua`i County Salary Commission has recommended a measure for increased salaries for department heads, deputies and non-elected executives covered under the Kaua`i County Code §3-2.1 based on performance-based pay. Any salary increase will be contingent on evidence that the executive appointee has met or exceeded job requirements for the performance appraisal period of July 1, 2006 to June 30, 2007.

We are transmitting for your information, the County’s policy and procedures on Performance Evaluation for Executive Appointees. Employees are required to be evaluated, at least annually, to determine their fitness and ability for employment in their positions, and to continue to demonstrate such by meeting all performance requirements of their positions. The performance evaluation is considered a critical employee development tool, and pre-determined job-specific performance goals and objectives are the cornerstone of the program.

Annual evaluations for non-elected executive appointees should be completed and signed by June 30th. Guidelines are attached and will serve as the basis for the transition to implementing this policy immediately. Legislative appointees covered by Section 3-2.1 of the Kaua`i County Code may choose to follow these procedures to meet the requirements of the Salary Ordinance proposal.

If there are questions on this, you may contact 241-6595.

Attachments (3)

MALCOLM C. FERNANDEZ
Director of Personnel Services

AN EQUAL OPPORTUNITY EMPLOYER
I. POLICY

An objective evaluation of the performance of the County's non-elected executive appointees covered by Section 3–2.1 of the Kaua'i County Code shall be conducted regularly. Aspects of performance to be evaluated shall include managerial competencies and ability to either meet or exceed job expectations as specified on their job description or by other relevant factors.

II. RATIONALE

This policy provides a means to determine whether employees are meeting or exceeding job requirements as defined on the position description, and to highlight employees' progress and strengths and areas that need to be strengthened.

III. DEFINITIONS

"Appointing authority" means the Mayor or designee, board, commission or department head having the power to make adjustments for their respective employees.

"County" means the County of Kaua'i.

"Director" means the Director of Personnel Services for the County of Kaua'i.

IV. SCOPE

This policy applies to all non-elected department heads, deputies and executives covered by Section 3–2.1 of the Kaua'i County Code within the executive branch of the County of Kaua'i.
V. RESPONSIBILITIES

A. The Department of Personnel Services (DPS) is responsible for the development and implementation of the Executive Appointees Performance Evaluation Program, including determination of the form(s) and procedures used.

B. The Director of Personnel Services is responsible for the administration of the Executive Appointees Performance Evaluation Program.

C. DPS is responsible for ensuring compliance with established policy and procedures, maintaining forms and documents relative to this policy, and evaluating the effectiveness of the program and making appropriate adjustments, as necessary. Original forms and documents will be kept in the affected employee’s official personnel file. Copies will be maintained at DPS.

D. The Mayor or his designated representative is responsible for reviewing of the Executive Appointees Performance Evaluation guidelines and procedures.

E. Executive employee’s responsibilities:

1. Actively look for ways to measure own performance on the job;
2. Propose ideas to appointing authority when requested;
3. Keep an open mind when discussing goals with appointing authority;
4. Provide realistic and accurate input at the end of the rating period.

F. Appointing authority’s responsibilities:

1. Set attainable and realistic goals with employees;
2. Challenge employees to increase effort or performance through challenging goals;
3. Clarify expectations for employee performance;
4. Monitor employee performance and provide feedback to aid in employee development.
VI. PROCEDURE

A. The executive employee drafts goals/standards for the coming year.

1. Goals should be specific, measurable, attainable, realistic and time-oriented.

2. Categories of goals

   a) Individual goals
      1) focus on achievements of the individual employee;
      2) are meaningful to achievement of organizational success;
      3) relate to work being performed.

   b) Work unit goals
      1) focus on employee contribution to achievement of the work units defined goals and objectives;
      2) treat all employees within the work unit equally;
      3) achievement makes contribution toward organizational goals.

   c) Organizational goals
      1) relate to achievement of organizational goals, objectives, and mission;
      2) focus on the organization and the employees' role in achieving the organizational mission;
      3) identify competencies needed to meet organizational goals.

B. Employee and appointing authority agree to standards and goals for the year.

C. Goals are reassessed and modified at mid-year.

D. Appointing authority obtains input on performance from a minimum of eight (8) multiple sources (e.g. subordinates, co-workers and superiors).

E. The Director may authorize Commissions to evaluate the performance of their executive appointees on approved rating sheets that may provide for weighted judgement suited to their organizational
needs. Data will be transmitted on Form KPC-10 to satisfy Salary Commission requirements.

F. Appointing authority summarizes performance and provides comments on Form KPC-10.

G. Appointing authority and executive employee meet to discuss performance and to set new goals for planned improvement for the coming year.

H. Appointing authority and executive employee sign and date the form.

I. Appointing authority submits the appropriate form(s) to the Director of Personnel Services who creates reports to Mayor and Salary Commission as required.

VII. AUTHORITIES & REFERENCES

Hawai‘i Revised Statutes §76-12, §76-13, §76-17, §89C; Rules of the Director of Personnel Services, §1-3.
DEPARTMENT OF PERSONNEL SERVICES
COUNTY OF KAUA‘I

EMPLOYEE PERFORMANCE EVALUATION GUIDELINES
FOR NON-ELECTED EXECUTIVE APPOINTEES

The Executive Appointees Performance Evaluation Program requires non-elected executive appointees covered by Section 3-2.1 of the Kaua‘i County Code to be evaluated at least once annually. The purpose of the evaluation is to assess the services of the employee during the rating period to ensure the employee meets the performance requirements of the position. The performance evaluation is considered in personnel actions taken by an appointing authority as applicable.

Criteria:

The following general performance factors, and any other specific factor pertinent to the executive appointee should be used in the performance evaluation:

- Customer Service/Attitude, Cooperation and Collaboration
- Planning and Organizing of Objectives
- Leadership/Supervisory Skills
- Communication Skills
- Personnel Management, including Employee Retention
- Achieving Goals/Quality and Quantity of Work
- Policy Development/Problem Solving, Initiative and Creativity
- Management of Financial and Material Resources

Documentation and Evaluators:

Collect data and information that confirm the executive appointee’s accomplishments. In consultation with the employee, the appointing authority will select a minimum of 8 colleagues/peers to provide performance evaluation input. Input will be used only as feedback for the evaluation and will be kept anonymous. Colleagues/peers should provide input only on those criteria for which they have verifiable information.

Appointing authorities and others providing input who evaluate the performance of the executive appointee should be personally familiar with the employee’s work and have a thorough understanding of the job requirements for the position.
Executive Appointees Performance Evaluation Guidelines

**Formal Evaluation Summary Form:**

The form used to record the final summary of the executive appointee's performance evaluation is DPS Form KPC-10. The appointing authority will review all the performance documentation, compare the documented data/information with the executive appointee's performance expectations and complete a summary of the evaluation, placing it on the evaluation summary form.

**Rating:** indicates the level of the executive appointee's performance for each criteria. The following are the ratings:

- (1) Unsatisfactory - employee does not meet minimum standards in this category;
- (2) Needs Improvement - performance must improve for employee to be successful in this category;
- (3) Satisfactory - employee performance meets the expected standards in this category;
- (4) Excellent - employee consistently meets and occasionally exceeds performance standards;
- (5) Superior - employee often exceeds performance standards.

**Timing of Performance Evaluations:**

The performance evaluations are to be conducted as deemed appropriate by the appointing authority, but no less than annually, assuring that the employee's Form KPC-10 is completed and signed at least thirty (30) days prior to any salary increase or by May 31. The evaluation period is the previous 12-month period, or since date of hire for employees hired within the previous 12-month period.

**Employee Development Plan:**

The executive appointee and appointing authority must establish performance expectations for the year. The expectations are developed around the criteria to be rated by the appointing authority at the end of the performance evaluation year. These may include, but are not limited to:

1. Review of goals agreed upon at previous performance discussions.
Executive Appointees Performance Evaluation Guidelines

(2) Review of developmental activities that have occurred since the previous performance discussion.

(3) Comparison and discussion of current (within the evaluation year) evaluation forms completed by the employee and appointing authority.

(4) Planning for goals and development for the next evaluation period.

Sources of data/information for the development of the performance expectations include future plans, program initiatives, situational variables, past performance areas needing improvement, etc.

Records:

Copies of the documents will be made for the appointing authority and employee’s records for future use. The original documents are maintained in the employee’s departmental personnel file. The original Form KPC-10 Evaluation Factors: Appointees/Managers is the only document that needs to be sent to the Department of Personnel Services.
# EVALUATION FACTORS: APPOINTEES/MANAGERS

**Name/Title:**

**Years of Service:**

**Name of Rater:**

<table>
<thead>
<tr>
<th>Unsatisfactory (1)</th>
<th>Needs Improvement (2)</th>
<th>Satisfactory (3)</th>
<th>Excellent (4)</th>
<th>Superior (5)</th>
<th>Score</th>
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</table>

1. **Customer Service:** Courtesy in dealing with customers and effectiveness in meeting the customer's needs. (Customers may include, but not limited to, the public; Mayor; County Council; Board or Commission; and other department/agency heads and deputies.)

<table>
<thead>
<tr>
<th>Has shown little interest in meeting the needs of the customers.</th>
<th>Is occasionally discourteous when working with customers. Sometimes is not effective in meeting the needs of customers.</th>
<th>Almost always courteous and effective when dealing with customers.</th>
<th>Is pleasant and helpful when dealing with customers.</th>
<th>Courteous and effective when dealing with customers; goes far beyond the call of duty to serve customers.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trend: Improving</td>
<td>Same</td>
<td>Declining</td>
<td>Recommendation(s) for improvement:</td>
<td></td>
<td></td>
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</tbody>
</table>

2. **Planning and Organizing:** Establishing a course of action, structuring or arranging resources, and setting priorities for self and others to accomplish specific goals. Demonstrated ability to plan ahead, schedule work, set realistic goals, anticipate and prepare for future assignments, set logical priorities and use time wisely.

<table>
<thead>
<tr>
<th>Usually disorganized, and often in a crisis caused by lack of planning and organizing.</th>
<th>Has difficulty in setting priorities and/or in attaining goals.</th>
<th>Usually does a good job in assigning priorities. Able to attain most goals.</th>
<th>Seldom in a crisis due to lack of planning and organizing. Is able to attain nearly all goals.</th>
<th>Does a superior job in assigning priorities. Anticipates problems and decides how to handle them. Accomplishes tasks ahead of schedule in most instances.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trend: Improving</td>
<td>Same</td>
<td>Declining</td>
<td>Recommendation(s) for improvement:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### LEADERSHIP
Measurement of getting people to willingly work to accomplish an objective. Utilization of appropriate interpersonal styles and methods to guide individuals or groups toward effective task accomplishment. Controlling and evaluating performance, utilization of resources available to accomplish tasks, effective employee development and counseling and sharing leadership when appropriate.

<table>
<thead>
<tr>
<th>Unsatisfactory (1)</th>
<th>Needs Improvement (2)</th>
<th>Satisfactory (3)</th>
<th>Excellent (4)</th>
<th>Superior (5)</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inhibit subordinate motivation to accomplish tasks or improve personal development. Fails to take initiative and rarely knows job status. Shares little or no information with superiors or subordinates.</td>
<td>Sometimes fails to sufficiently motivate employees to accomplish tasks or develop. Shares very little information with superiors or subordinates.</td>
<td>Effectively motivates to accomplish tasks and develop employees. Takes action to solve problems. Maintains a good method of sharing information with superiors and subordinates.</td>
<td>Consistently effective in motivating employees to accomplish tasks and improve personal development. Maintains excellent method of sharing information. Most potential problems are detected early.</td>
<td>Exceptionally effective leader. Maintains highly motivated and developed employees. Problems are consistently detected early, and information is shared in the most efficient manner. This person is always on top of things.</td>
<td></td>
</tr>
</tbody>
</table>

**Trend:** Improving  Same  Declining  
**Recommendation(s) for improvement:**

---

### Communication
Expression of ideas orally and in writing, providing relevant and timely information to superiors, co-workers, subordinates and other customers, listening and understanding others.

| Written work is often incomplete and contains errors. Fails to clearly express opinion on ideas. | Written work usually contains some errors. Thoughts are not presented in a logical order. In conversation, often has trouble being understood. | Reports are generally accurate but occasionally contain errors. Routine reports are performed adequately, but more important or complex reports require closer supervision. | Reports are consistently accurate and well organized, seldom needing correction. This person can capably prepare and present important oral or written reports. Listens well and can be understood. | WRites well-organized, understandable and accurate reports. Oral or written presentation is excellent, needs minimal improvement. In less formal conversation, this person listens well in addition to getting the point across. | |

**Trend:** Improving  Same  Declining  
**Recommendation(s) for improvement:**
5. **Personnel Management.** Selecting, managing, motivating and developing employees, following prescribed personnel policies and practices, including equal employment opportunity. Effectiveness in utilization of personal resources.

<table>
<thead>
<tr>
<th>Score</th>
<th>Unsatisfactory (1)</th>
<th>Needs Improvement (2)</th>
<th>Satisfactory (3)</th>
<th>Excellent (4)</th>
<th>Superior (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Has difficulty in selecting, managing, motivating, and developing staff members to meet individual and group goals. Often disregards prescribed personnel policies and practices.</td>
<td>Somewhat effective in selecting, managing, motivating, and developing staff members to meet individual and group goals. Usually follows prescribed personnel policies and practices. However, some improvement of these skills is needed.</td>
<td>Generally effective in selecting, managing, motivating, and developing staff members to meet individual and group goals. Follows prescribed personnel policies and practices. Effective in managing personnel resources.</td>
<td>Very effective in selecting, managing, motivating, and developing staff members to meet individual and group goals. Follows prescribed personnel policies and practices. Handles employee performance problems effectively and selects well-qualified candidates.</td>
<td>Exceptionally effective and creative in selecting, managing, motivating and developing staff members to meet individual and group goals. Follows prescribed personnel policies and practices. Demonstrates skill and creativity in dealing with employee performance problems, and selecting well-qualified candidates.</td>
</tr>
</tbody>
</table>

**Trend:** Improving  Same  Declining

**Recommendation(s) for improvement:**

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6. **Achieving Goals.** Effective organizational management to achieve defined program measurements, goals, and objectives. Establish realistic program measurements, goals and objectives for employees. Produce a reasonable volume of work on schedule, demonstrating accuracy, thoroughness and dependability.

<table>
<thead>
<tr>
<th>Score</th>
<th>Unsatisfactory (1)</th>
<th>Needs Improvement (2)</th>
<th>Satisfactory (3)</th>
<th>Excellent (4)</th>
<th>Superior (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Does not achieve defined objectives, and establishes unrealistic goals for employees. Develops error prone, incomplete work. Work is generally untimely. Regular reminders needed to obtain compliance.</td>
<td>Goals are not always achieved, and accuracy and volume of work is sometimes less than standard. Work is frequently untimely. Some monitoring required.</td>
<td>Effective in the establishment of realistic, achievable goals; production of work is dependable and accurate generally. Work is generally timely.</td>
<td>Goals are consistently achieved. The volume, accuracy and thoroughness of work is very effective. Work is almost always timely.</td>
<td>Exceptional manager, achieving extremely high standards. Production of work is exceptional due to high degree of accuracy, volume, and thoroughness. Work is always timely.</td>
</tr>
</tbody>
</table>

**Trend:** Improving  Same  Declining

**Recommendation(s) for improvement:**

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KPC-10
7. **Policy Development.** The development and implementation of sound policy, which identifies and analyzes problems effectively and develops alternative solutions. This encompasses job knowledge, which includes depth, currency, and breadth.

<table>
<thead>
<tr>
<th>Unsatisfactory (1)</th>
<th>Needs Improvement (2)</th>
<th>Satisfactory (3)</th>
<th>Excellent (4)</th>
<th>Superior (5)</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannot develop a policy independently, and does not identify or analyze problems.</td>
<td>Often is not able to develop a sound policy based on job knowledge. Often does not identify solutions.</td>
<td>Effective establishment of sound policy based on analysis of problems. Develops some alternative solutions.</td>
<td>Consistently develops and implements sound policies. Very knowledgeable and effectively analyzes problems.</td>
<td>Exceptional development and implementation of sound policy. Significant thorough research and analysis conducted and several feasible alternate solutions are developed.</td>
<td></td>
</tr>
</tbody>
</table>

**Trend:** Improving   Same   Declining

**Recommendation(s) for improvement:**

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8. **Financial Management.** Effective development and implementation of financial budgets and controls, operating within prescribed fiscal limits, incorporating key costs control issues.

<table>
<thead>
<tr>
<th>Unsatisfactory (1)</th>
<th>Needs Improvement (2)</th>
<th>Satisfactory (3)</th>
<th>Excellent (4)</th>
<th>Superior (5)</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequently pays inadequate attention to financial budgets and controls in planning and completing work. Work is frequently over budget. Fails to fully utilize budget resources; or budget fails to provide for program requirements.</td>
<td>Sometimes pays inadequate attention to financial budgets and controls in planning and completing work. Work is sometimes over budget without adequate attempts to control costs. Occasionally attempts to circumvent county guidelines.</td>
<td>Attentive to financial budgets and controls, and generally operates within prescribed financial limits. Budget overruns are infrequent, and causes are normally identified and justified. Occasionally attempts to control costs where possible. Effective in managing fiscal resources.</td>
<td>Consistently effective in developing financial budgets and controls and in operating within prescribed financial limits. Seeks opportunities to control costs, and adapts plans and methods to prevent budget overruns.</td>
<td>Exceptionally effective in developing budgets and controls (incorporating low cost control issues) and in operating within prescribed financial limits. Actively seeks opportunities to control costs, adapts plans and methods to prevent budget overruns, and encourages and assists others in effecting cost savings.</td>
<td></td>
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</tbody>
</table>

**Trend:** Improving   Same   Declining

**Recommendation(s) for improvement:**

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KPC-10
Overall Trend: Improving  Same  Declining

Signature of Employee  Date

Employee comments:

Signature of Rater  Date

KPC-10
New Business
RESOLUTION AUTHORIZING THE EXCHANGE OF A PORTION OF REAL PROPERTY OWNED BY THE COUNTY OF KAUA'I, IDENTIFIED AS PORTION 2 OF OLD RAILROAD RIGHT-OF-WAY AND BEARING TAX MAP KEY NO.: (4) 4-4-04-003 WITH PORTIONS OF REAL PROPERTY OWNED BY PATRICK L. IBBS AND STEPHANIE A. IBBS, IDENTIFIED AS PARCEL 1-B AND BEARING TAX MAP KEY NO.: (4) 4-4-04-053:POR. AND UNIT F OF THE DRY GULCH FLATS CONDOMINIUM BEARING TAX MAP KEY NO.: (4) 4-4-04-028: CPR NO. 6, LOCATED AT KAWAIHAU DISTRICT, ISLAND AND COUNTY OF KAUA'I, STATE OF HAWAI'I

WHEREAS, the County of Kaua'i is the owner of real property which is known as Portion 2 of Old Railroad Right-of-Way, located at Kapa'a and Waipouli, Kawaihau, Island and County of Kaua'i, State of Hawai'i, more particularly identified as Tax Map Key No.: (4) 4-4-04-008, as depicted on Exhibit "A", attached hereto and incorporated herewith; and

WHEREAS, a part of said Portion 2 of Old Railroad Right-of-Way is bordered by real properties which are identified as Parcel 1-B, containing 2,781 square feet, and more particularly identified as Tax Map Key No.: (4) 4-4-04-053 and Unit F of the Dry Gulch Flats Condominium (1.735 acre limited common element) and more particularly identified as Tax Map Key No.: (4) 4-4-04-028: CPR No. 6, which have a combined acreage of 1.566 acres, more or less, both of which properties are owned by Patrick L. Ibbs and Stephanie A. Ibbs, husband and wife (hereinafter collectively the "Ibbs"); and

WHEREAS, the Ibbs have proposed that they be authorized to purchase that portion of Portion 2 of Old Railroad Right-of-Way which is immediately bordered and bounded by the properties owned by the Ibbs, and which contains an area of 0.071 acre, more or less; and

WHEREAS, during the review and assessment of the proposal by the Ibbs, the Department of Public Works of the County of Kaua'i has determined that the portion of Portion 2 of Old Railroad Right-of-Way which the Ibbs want to acquire is not situated in a location which provides reasonable use thereof to the County of Kaua'i or its residents, and that it would be more suitable to relocate that portion of Portion 2 of Old Railroad Right-of-Way which is surrounded by the Ibbs' property to run along the Hauiki Road right-of-way, as depicted on the map attached as Exhibit "A"; and

EXHIBIT "2"
WHEREAS, the Ibbs are willing to cooperate with the relocation of the said portion of Portion 2 of Old Railroad Right-of-Way to that location depicted on Exhibit "A", which will require a consolidation and resubdivision of the properties described above; and

WHEREAS, the County of Kaua'i has the power to acquire and hold, and to dispose of, real property as the interests of the residents of the County may require, by and through the authority of the office of the Mayor and this Council; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF KAUA'I, STATE OF HAWAI'I, that pursuant to Section 264-3, Hawai'i Revised Statutes, that portion of Portion 2 of Old Railroad Right-of-Way containing 0.071 acre more or less and abutted by the Ibbs properties, shall be consolidated with the Ibbs properties and relocated without loss of any land area to the alignment as depicted on Exhibit "A", and shall become part of the Hauiki Road right-of-way.

BE IT FURTHER RESOLVED, that Patrick L. Ibbs and Stephanie A. Ibbs shall, at their expense, and jointly with the Department of Public Works of the County of Kaua'i, prepare and submit a map for the consolidation and resubdivision to the Planning Commission of the County of Kaua'i, and that upon obtaining final subdivision approval of said consolidation and resubdivision, an exchange deed shall be prepared and submitted for execution and processing, by which the County of Kaua'i shall accept a lot containing 0.071 acre running along the Hauiki Road right-of-way as depicted on Exhibit "A", and Patrick L. Ibbs and Stephanie A. Ibbs shall accept a reconfigured parcel of land containing 1.806 acres, more or less.

BE IT FURTHER RESOLVED, that a copy of this Resolution be transmitted to Mayor Bryan J. Baptiste, the County Engineer, County Attorney, Director of Finance and Max W. J. Graham, Jr. and/or Lorna A. Nishimitsu, attorneys for Patrick L. Ibbs and Stephanie A. Ibbs.

INTRODUCED BY:

[Signature]

Mel Rapozo
(By Request)

---

Certificate Of Adoption

We hereby certify that Resolution No. 2008-08 was adopted by the Council of the County of Kaua'i, State of Hawai'i, Lihue, Kaua'i, Hawai'i, on February 13, 2008.

[Voter's Name]

County Clerk

[Date: 2/14/08]

Chairman & Presiding Officer
WHEREAS, the Ibbs are willing to cooperate with the relocation of the said portion of Portion 2 of Old Railroad Right-of-Way to that location depicted on Exhibit “A”, which will require a consolidation and resubdivision of the properties described above; and

WHEREAS, the County of Kaua‘i has the power to acquire and hold, and to dispose of, real property as the interests of the residents of the County may require, by and through the authority of the office of the Mayor and this Council; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAI‘I, that pursuant to Section 264-3, Hawai‘i Revised Statutes, that portion of Portion 2 of Old Railroad Right-of-Way containing 0.071 acre more or less and abutted by the Ibbs properties, shall be consolidated with the Ibbs properties and relocated without loss of any land area to the alignment as depicted on Exhibit “A”, and shall become part of the Hauiki Road right-of-way.

BE IT FURTHER RESOLVED, that Patrick L. Ibbs and Stephanie A. Ibbs shall, at their expense, and jointly with the Department of Public Works of the County of Kaua‘i, prepare and submit a map for the consolidation and resubdivision to the Planning Commission of the County of Kaua‘i, and that upon obtaining final subdivision approval of said consolidation and resubdivision, an exchange deed shall be prepared and submitted for execution and processing, by which the County of Kaua‘i shall accept a lot containing 0.071 acre running along the Hauiki Road right-of-way as depicted on Exhibit “A”, and Patrick L. Ibbs and Stephanie A. Ibbs shall accept a reconfigured parcel of land containing 1.806 acres, more or less.

BE IT FURTHER RESOLVED, that a copy of this Resolution be transmitted to Mayor Bryan J. Baptiste, the County Engineer, County Attorney, Director of Finance and Max W. J. Graham, Jr. and/or Lorna A. Nishimitsu, attorneys for Patrick L. Ibbs and Stephanie A. Ibbs.

INTRODUCED BY: 

[Signature]

(By Request)

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<tr>
<td>Lihue</td>
<td>X</td>
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<tr>
<td>Puula`u</td>
<td>X</td>
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<tr>
<td>Lii`Iliu</td>
<td>X</td>
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<td>Ha`ena</td>
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<td>Kaua`i</td>
<td>X</td>
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<td>Raopo</td>
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<td>Yukiwara</td>
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<tr>
<td><strong>Total</strong></td>
<td>6</td>
<td>0</td>
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</table>

Certificate Of Adoption

We hereby certify that Resolution No. 2008-08 was adopted by the Council of the County of Kaua`i, State of Hawai`i, Lihue, Kaua`i, Hawai`i, on February 13, 2008.

[Signature]
November 14, 2008

[Signature]
Chairman & Presiding Officer

Dated 2/14/08
CONSOLIDATION OF LOT 1, PORTION 2 OF OLD RAILROAD RIGHT-OF-WAY AND PARCEL 1-B AND RESUBDIVISION OF SAID CONSOLIDATION INTO LOTS 1-A, 1-B-1 AND 1-C

WAIPUULI, KAMAIHUA, KAUA'I, HAWAII

Tax Map Key: (4) 4-4-04: pr. 03, prs. 28 and 53
Prepared for: Patrick Lobs
Date: June 14, 2007

EXHIBIT A
Effective immediately, the following change will be made in the Department’s approach to evaluating boundary adjustments through the consolidation and resubdivision process where the number of parcels or lots before and after the process are the same (e.g., two lots are consolidated and then resubdivided into two lots), the number of residential units that can be developed on all parcels does not increase, and where the zoning, land use classification, or general plan designation does not change. This requirement will not be applied to parcels that will not receive water service from the Department of Water.

- Improvements to the Department’s water system may be deferred if full disclosure of adequate or unavailable water service to any or all of the parcels is made to existing and all future property owners through the appropriate deeds of ownership, restrictive covenants, or any other instruments of conveyance unless certain water facilities (e.g., wells, mains, reservoirs, etc.) have been constructed and installed to the parcels or lots in accordance with the requirements of the Department of Water, County of Kauai, and applicable facilities reserve charges or special charges have been paid in full.

Murl T. Nielsen
Manager and Chief Engineer
This SOP shall apply to setback violations and encroachment issues.

To address setback violations and encroachment issues, effective immediately, the following change will be made in the Department’s approach to evaluating boundary adjustments when two (2) lots are consolidated and resubdivided into two (2) lots, and where the number of residential units that can be developed on each lot does not increase. This requirement will not be applied to parcels that will not receive water service from the Department of Water.

- Improvements to the Department’s water system may be deferred if full disclosure of inadequate or unavailable water service to any or all of the parcels is made to existing and all future property owners through the appropriate deeds of ownership, restrictive covenants, or any other instruments of conveyance unless certain water facilities (e.g., wells, mains, reservoirs, etc.) have been constructed and installed to the parcels or lots in accordance with the requirements of the Department of Water, County of Kauai, and applicable Facilities Reserve Charges (FRC) or special charges have been paid in full.

APPROVED:

Wynne M. Ushigome
Acting Manager & Chief Engineer
TO: PLANNING DEPARTMENT
FROM: DEPARTMENT OF WATER

4-4-04:por. 003;
TMK: 4-4-04:028; 4-4-04:053
NAME: Patrick Ibbes
SURVEYOR: D. Esaki
REPORT NO: S-2010-6

Existing Source: Adequate
Existing Storage: Not Adequate
Existing Transmission: Not Adequate

1. Domestic water is adequate. Tentative approval is recommended.

2. All requirements have been fully met and; therefore, Final approval is recommended.

3. Before final approval can be recommended, the subdivider must:

A. Pay the Department of Water the following charges in effect at the time of receipt. At the present time, these charges include:

1) The Facilities Reserve Charge (FRC):

   1 Lots @ $4,600 per lot = $ 4,600

B. Submit to the Department of Water a copy of the subdivider's permit to perform work upon a State highway from the State Highways Division

C. Prepare and receive Department of Water's approval of construction drawings for necessary water system facilities and either construct said facilities or post a performance bond for construction. These facilities shall also include:

   1) Storage facilities for the area.
   2) The fire service connection (2-1/2" fire standpipe).
   3) The interior plumbing plans with the appropriate backflow prevention devices on all water meters that will be assigned to Lot 1-A, if applicable.
   4) Domestic service connections, if applicable.

D. Prepare and convey to the Department of Water a Right-of-Entry and Temporary Grant of Easement for the purpose of construction, repair, maintenance and operation of the subdivision water system improvements installed in other than County-owned property.

E. If a bond is filed, to secure final subdivision approval, the subdivider shall clearly letter the following on the approved construction plans, final subdivision map, and deeds:

   "Domestic water service will not be available until the required construction improvements for this subdivision are completed and accepted by the Department of Water, County of Kaua'i."

   This deed restriction shall be recorded with the Bureau of Conveyances within ninety (90) days of final subdivision approval by the Planning Department.

4. Installation of service connections will not be required until request for water service is made. The applicant for service will be charged the applicable service connection charges at that time.

5. Other (or remarks):

   A. The applicant is made aware that dual domestic water systems (private and County domestic water) to Lot 1-B-1 and Lot 1-C these lots are not allowed by the Department of Water.

   B. The applicant shall clearly identify and locate existing water meters and where they are proposed to service on the preliminary subdivision map. Department of Water comments are subject to change based on the approved preliminary subdivision maps.

   C. The applicant shall clearly identify the CPR Units of TMK: 4-4-04:028 on the preliminary subdivision maps and how they will be receiving water service.

Gregg Fujikawa
Chief of Water Resources & Planning

5/6/10 Date
MANAGER’S REPORT NO. 11-8

August 11, 2010

Re: Request from Belles Graham Proudfoot Wilson & Chun, LLP, on behalf of Patrick L. Ibbs and Stephanie A. Ibbs (Subdivision S-2010-6, Oloheha, Kaua‘i), requesting that the Water Board exempt the Subdivision from Part 3 of the Rules and Regulations of the County of Kaua‘i, Department of Water (DOW).

RECOMMENDATION

A. The Board is asked to defer this matter until it takes action on the proposed subdivision rule amendment.

OR:

B. The Board is asked to approve the Draft proposed subdivision rule amendment that will allow the Department to address applicable future subdivision applications and also to allow the subject subdivision S-2010-6 be applicable to SOP 47 and obtain final subdivision provided all DOW conditions are met. This may allow both the Ibbs and the County of Kaua‘i to do a land exchange and would also allow the Department some time to finalize the Draft proposed subdivision rule amendment without the Department delaying subdivision S-2010-6.

BACKGROUND

Subdivision:
Subdivision S-2010-6, Patrick Ibbs, proposes the consolidation of three lots and resubdivision of said consolidation into three lots. In particular it consolidated TMK:4-4-4: Lot 1, portion 2 of old railroad right-of-way and parcel Lot 1-B and resubdivided said consolidation into Lots 1-A, 1-B-1 and 1-C.

DOW subdivision requirements for S-2010-6: The Department of Water’s (DOW) conditions prior to subdivision approval included, but were not limited to, the subdivider shall prepare and receive Department of Water’s approval of construction drawings for necessary water system facilities and either constructs said facilities or posts a performance bond for construction. These facilities shall include, but not be limited to, additional storage facilities for this area and a 2-1/2-inch fire standpipe (see attached subdivision report S-2010-6 for detailed DOW comments).
MANAGER’S REPORT 11-8
Re: Request from Belles Graham Proudfoot Wilson & Chun, LLP, on behalf of Patrick L. Ibbs and Stephanie A. Ibbs, requesting the Water Board exempt the Subdivision from Part 3 of the Rules and Regulations of the County of Kaua‘i, Department of Water
August 11, 2010
Page 2

Land Exchange Agreement (see attached Resolution No. 2008-03):
At this time there is an existing “Land Exchange Agreement” between the County of Kaua‘i and Patrick Ibbs and Stephanie Ibbs (Ibbs). Portion 2 of Old Railroad Right-of-Way which is owned by the county is bordered by real property Lot 1-B and Lot 1 which are owned by the Ibbs. The Ibbs proposed to purchase that portion of Portion 2 of Old Railroad Right-of-Way which is immediately bordered and bounded by the properties owned by the Ibbs and which contains an area of 0.071 acre more or less.

During the review and assessment of the proposal by the Ibbs, the Department of Public Works of the County of Kaua‘i has determined that the Portion of Portion 2 Old Railroad Right-of-Way which the Ibbs want to acquire is not situated in a location which provides reasonable use thereof to the County of Kaua‘i or its residents, and that it would be more suitable to relocate that portion of Portion 2 Old Railroad Right-of-Way which is surrounded by the Ibbs property to run along the Hauiki Road right-of-way, as shown on the attached map as Exhibit A. Subdivision S-2010-6 may allow a land exchange between the Ibbs and the County of Kaua‘i without loss of area whereby both parties benefit from the land exchange. Upon final subdivision approval of said consolidation and resubdivision, an exchange deed shall be prepared and submitted for execution and processing.

SOP’s “Boundary Adjustment Through The Consolidation/Resubdivision Process”.
There have been two SOP on this matter (see attached SOP’s 47 & 40).

a) Original SOP 47 (issued 10/18/95) which changed the Department of Water’s approach to evaluate boundary adjustments through the consolidation and resubdivision process. SOP 47 stated that improvements to the Department of Water’s system may be deferred if certain conditions were met.
b) Present SOP 40 (issued 9/21/07) which superseded SOP 47. This present SOP 40 narrowed the application of SOP 47 to only address setback violations and encroachment issues and also limited the number of lots in the consolidation/resubdivision process to two lots.

FINDINGS

I myself am reluctant to waive the rules without some sort of guidance beyond what is in the current rule that just lets the manager use their best judgment for reasonable causes shown. The provisions in the rule change allow subdivisions for Government purposes when water is not an issue.

In the case before you the subdivider is consolidating Lot 1-B (has existing water meter), portion of Portion 2 Old Railroad Right-Of-Way (no existing meter) and Lot 1 (has existing water service) AND resubdividing said lots into Lot 1-A (original Lot 1 which will retain its existing water service), Lot 1-B-1 (which will obtain existing water meter that served original Lot 1-B) and Lot C (will not have a water meter and proposes to be obtained by the County of Kaua‘i for
MANAGER'S REPORT 11-8
Re: Request from Belles Graham Proudfoot Wilson & Chun, LLP, on behalf of Patrick L. Ibbs and Stephanie A. Ibbs, requesting the Water Board exempt the Subdivision from Part 3 of the Rules and Regulations of the County of Kaua‘i, Department of Water
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Page 2

future road widening). They still only end up with the water meter they currently have although they may be able to build a large house.

This subdivision would be applicable to SOP 47, which has since been superseded by SOP 40, (i.e. The number of parcels or lots before and after the process are the same, the number of residential units that can be developed on all parcels does not increase and the zoning/land use classification/general plan designation does not change). The Planning Department confirmed that there would be no density gain as the result of subdivision S-2010-6.

Therefore, improvements to the Department’s water system maybe deferred if full disclosure of inadequate or unavailable water service to any or all of the parcels is made to existing and all future property owners.

Respectfully submitted,

David R. Craddick, P.E.
Manager and Chief Engineer

DRC/cab
Attachments

Mgrp/Belles Graham Proudfoot Wilson_Ibbs_Exemption from Part 3 of Rules (8-19-10):cab
BOARD REPORT

August 11, 2010

Re: Request Board Approval of Resolution No. 3, (10/11), Mahalo and Aloha Retiree Rona Miura

It is requested that the Board approve Resolution No. 3 (10/11), Mahalo and Aloha Rona Miura, who will be retiring from the Department of Water as of September 1, 2010.

The resolution is not included in your agenda packet; however, it will be available and read at the Thursday, August 19, 2010 Board Meeting.

Respectfully submitted,

[Signature]

David R. Craddick, P.E.
Manager and Chief Engineer

rm

Mgrrp/Res. No. 3 (10/11), Rona Miura - Retiree (8-19-10):rm
CHAIRPERSON’S REPORT

August 10, 2010

Re: Board Discussion and Possible Action on Board Policy No. 16, Reports for Out-of-State Travel

RECOMMENDATION
It is recommended that Board members continue to be required to provide a written report for trips out of State. It is further recommended that staff members travelling out of state be subject to policy established by the Department.

FUNDING – n/a

BACKGROUND
Board of Water Supply Policy No. 16 dictates that any Board and staff member whose travel to the mainland is funded wholly or in part by the Department shall submit a written report to the Chairman within 30 days following his return.

The report shall contain the purpose(s) of the trip and a gist of activities and accomplishments or recommendations.

Following receipt by the Chairman, a copy shall be kept on file.

A review of recent out of state travel indicated that no reports have been filed in the last 8 years with one exception. If we are to continue to have Policy No. 16, it should be implemented. If it is not going to be implemented, it should be eliminated.

The Board of Water Supply is responsible by Charter for the financial well being of the Department. Out of State travel is often criticized by members of the general public as perks or rewards for Board members. A short report of the benefits of out of state travel is a reasonable requirement for the amount of expenditures made on behalf of our rate payers.

The policy also requires reports by staff members who travel out of state. It is my belief that this should be eliminated as a Board policy and would more appropriately administered as a departmental policy instead.

Respectfully submitted,

Randall Nishimura, Chairperson
Board of Water Supply

RN/cab
Mgrp/Chair Rpt/Bd. Pol 16-Out of State Travel (8-19-10):cab
BOARD OF WATER SUPPLY POLICY NO. 16

RE: REPORTS - OUT-OF-STATE TRAVEL

Any Board and staff member whose travel to the mainland is funded wholly or in part by the Department shall submit a written report to the Chairman within 30 days following his return.

The report shall contain the purpose(s) of the trip and a gist of activities and accomplishments or recommendations.

Following receipt by the Chairman, a copy shall be kept on file.

[Signature]
Chairman
Board of Water Supply

4/18/75

RE: REPORTS - OUT-OF-STATE TRAVEL

Effective Date: April 18, 1975
MANAGER’S REPORT NO. 11-9:

August 12, 2010

Re: Request Board Approval of Conveyance of Water Facility Documents

We request Board’s approval of the following documents from the following applicants for their respective projects:

a. Conveyance of Water Facility from Goodman Family Limited Partnership, TMK: (4) 5-2-017:003, Kahiliholo Road, Kaliihiwai, Kaua‘i, Hawai‘i.

b. Right of Entry from Kawamura Land Co. LLC, TMK: (4) 3-8-005:023, Līhu‘e, Kaua‘i, Hawai‘i

c. Conveyance of Water Facility from Kukui‘ula Development Company (Hawai‘i), LLC, for the Piwai Wells 16-inch Transmission Line, TMK: (4) 2-5-01:2 and 11 (por), Kōloa, Kaua‘i, Hawai‘i.

d. Grant of Easement from Alexander & Baldwin, Inc. and McBryde Sugar Company, Ltd., for the Piwai Wells, Tank, and 16-inch Transmission Line; TMK: (4) 2-5-01:002; TMK (4) 2-5-01:008 and TMK: (4) 2-5-01:011, Kōloa District, Kaua‘i, Hawai‘i.


f. Grant of Easement and Conveyance of Water Facility from Kaua‘i Community Federal Credit Union, IMK: (4) 3-3-010:02 and 03, Līhu‘e, Kaua‘i, Hawai‘i

g. Right of Entry Agreement for the Waimea Main Replacement, Job No. 05-01, Water Plan 2020, Project No. KW-16, Affecting the following Landowners in Waimea, Kaua‘i, Hawai‘i:

1. Kevin K. Iwai, affecting Portion of TMK: (4) 1-6-01:008, Waimea, Kauai, Hawaii

2. Kiyoshi Ueda and Ann K. Nishikawa, affecting Portion of TMK: (4) 1-6-01:010, Waimea, Kauai, Hawaii

3. Sandy Lewis and Alison Shigematsu, Trustee of the Alison G. Shigematsu Revocable Trust dated December 4, 2007, affecting Portion of TMK: (4) 1-6-01-:014, Waimea, Kauai, Hawaii
4. Koyasan Shingon Misson of Hawaii fka (Shingon Sect Mission of Hawaii, Incorporated), affecting Portion of TMK: (4) 1-6-02:059, Waimea, Kauai, Hawaii

5. David M. Fukumoto, Carol A. Fukumoto, and Karen Namie Fukumoto Irei, Trustee of the Karen Namie Fukumoto Irei Revocable Trust dated February 1, 1995, affecting Portion of TMK: (4) 1-6-04:026

6. David Koani, affecting Portion of TMK: (4) 1-6-06:009, Waimea, Kauai, Hawaii

7. M & K Ohana Rentals LLC, affecting Portion of TMK: (4) 1-6-06:045, Waimea, Kauai, Hawaii

8. Sara Mie K. Uyehara and Val Mayumi Kamishita, affecting Portion of TMK: (4) 1-6-06:049, Waimea, Kauai, Hawaii

9. Waimea by the Sea Homeowners Association, affecting Portion of TMK: (4) 1-6-07:003; 0001 - 0010, Waimea, Kauai, Hawaii


11. C Ahko Inc. a Hawaii Corporation, C/O Dr. Howard T. L. Ako, affecting Portion of TMK: (4) 1-6-07:016, Waimea, Kauai, Hawaii

12. John Sydney Yamane and Albert M. Yamane, affecting Portion of TMK: (4) 1-6-07:039, Waimea, Kauai, Hawaii

13. Scott A. Bukoski, affecting Portion of TMK: (4) 1-6-12:012, Waimea, Kauai, Hawaii

Respectfully submitted,

[Signature]

David R. Craddick, P.E.
Manager and Chief Engineer

cab
Attachments

Mgrp/COWF Cover Sheet (8-19-10):cab
BOARD REPORT

July 23, 2010

Re: Conveyance of Water Facility from Goodman Family Limited Partnership, TMK: (4) 5-2-017:003, Kahiliholo Road, Kalihiwai, Kauai, Hawaii.

It is recommended that the Conveyance of Water Facility document be approved; whereby Goodman Family Limited Partnership transfers unto the Board of Water Supply, County of Kauai, all of is right, title and interest to a single service connection for 5/8” water meter, in place complete, in accordance with the as-built construction drawings for WATER SERVICE INSTALLATION PLAN FOR UNIT B, PUEO HALE CPR, TMK: (4) 5-2-017:003, Kahiliholo Road, Kalihiwai, Kauai, Hawaii, prepared by Wagner Engineering Services, Inc.

A Grant of Easement is not required.

Respectfully submitted,

[Signature]

Keith Fujimoto
Project Engineer

KF: cab
BOARD REPORT

August 2, 2010

Re: Right of Entry from Kawamura Land Co. LLC, TMK: (4) 3-8-005:023, Lihue, Kauai, Hawaii

It is recommended that the subject Right of Entry Agreement document be approved; whereby, Kawamura Land Co. LLC, grants the Board, its officers, agents and employees, a right-of entry over and across the subject property for the purposes of relocating two (2) water meters and installing new connecting waterlines for and on behalf of the Board.

Further, Board approval is specifically requested for the indemnification provisions wherein the Board shall indemnify and hold the Owner harmless from liability for injury or death to any person, when such loss, damage, injury or death is caused by the negligent act of the Board, or its officers, agents and/or employees, in exercising the rights under this Agreement.

Respectfully submitted,

[Signature]

William Eddy
Deputy Manager-Engineer

Mgrp/ROE Kawamura Farms (8 19 10).cab
August 11, 2010

BOARD REPORT

Re: Conveyance of Water Facility from Kukuiula Development Company (Hawaii), LLC, for the Piwai Wells 16-inch Transmission Line, TMK: (4) 2-5-01: 2 and 11 (por), Koloa, Kauai, Hawaii

It is recommended that the Conveyance of Water Facility document be approved; whereby, Kukuiula Development Company (Hawaii), LLC, transfer unto the Board of Water Supply, County of Kaua‘i, all of its right, title and interest to:

Waterline:
3,585 lineal feet of 16" Ductile Iron Waterline
5 each 16-inch Resilient Wedge Gate Valve
1 each 16-inch x 12-inch Reducer
3 each 16-inch x 16-inch x 16-inch Tee
92 lineal feet of 8-inch Ductile Iron Waterline
2 each 8-inch Blow Off Assembly
1 each Air Relief Valve

Base and Paving:
4,120 square yards of 2-inch Asphalt Concrete over 6-inches of Aggregate Base Course

Concrete
7,070 square feet of 8-inch x 6-inch Concrete Header Curb
100 lineal feet of 12-foot wide Concrete (Ford) Roadway

Gates
4 each Double Swing Gate
172 lineal feet of fencing

in place complete, for the Piwai Wells 16-Inch Transmission Line, TMK: (4) 2-5-01:002 and 011 (POR), Koloa, Kauai, Hawaii.

Respectfully submitted,

[Signature]

Keith Aoki, Engineer
Engineering Division

KA: cab
Mgrip/COWF - Kukuiula Dev. Co.-Piwai Wells-Koloa (8 19 10): cab
August 12, 2010

BOARD REPORT

Re: Grant of Easement from Alexander & Baldwin, Inc. and McBryde Sugar Company, Ltd., for the Piwai Wells, Tank, and 16-inch Transmission Line; TMK: (4) 2-5-01:002; TMK (4) 2-5-01:008 and TMK: (4) 2-5-01:011, Kōloa District, Kaua‘i, Hawai‘i.

It is recommended that the Board approve the Grant of Easement document whereby, Alexander & Baldwin, Inc. and McBryde Sugar Company, Ltd., both Hawai‘i corporations, grant to the Board of Water Supply, County of Kaua‘i, a perpetual easement, A-2, on, over and under that certain parcel of land located in TMK: (4) 2-5-01:002; 2-5-01:008 and 2-5-01:011, Kōloa District, Kaua‘i, Hawai‘i, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system for the construction plans for the Piwai Wells, Tank, and 16-inch Transmission Line; TMK: (4) 2-5-01:002; 2-5-01:008 and 2-5-01:011, Kōloa District, Kaua‘i, Hawai‘i.

Further, Board approval is specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such damages and injuries are caused by the Department’s negligence while using the area.

Respectfully submitted,

[Signature]

Keith Aoki, Engineer
Engineering Division

KA:cab
Mgr/p/GOE-A&B and McBryde Sugar-Piwai Well, Kōlos (8 19 10):cab
August 12, 2010

BOARD REPORT

Re: Cancellation of Easement “A” between Alexander & Baldwin, Inc. and the Board of Water Supply, County of Kaua'i, for the Piwai Wells, Tank, and 16” Transmission Line, Subdivision No. S-2004-45, TMK: (4) 2-5-01:002; 2-5-01:008 and 2-5-01:011, Kōloa District, Kaua'i, Hawai'i

It is recommended that the Cancellation of Easement document be approved; whereby, The Easement, on over and under that certain parcel of land located in TMK: (4) 2-5-01:002; 2-5-01:008 and 2-5-01:011, Koloa District, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment for the proper operation of its project known as Piwai Wells, Tank, and 16” Transmission Line Subdivision No. S-2004-45, Alexander & Baldwin, Inc., wishes to terminate and cancel the Easement (Easement A) so that it shall be of no further force or effect from or after the date that this cancellation of easement is recorded.

The Grant of Easement being terminated is dated February 19, 2009 and recorded in the Bureau of Conveyances of the State of Hawai'i as Document Number 2009-126557.

Respectfully submitted,

[Signature]

Keith Aoki, Engineer
Engineering Division

KA:cab
Mgrmt/Cancellation of Easement A-A&B-Piwai Wells-Koloa (8 19 10):cab
BOARD REPORT

August 9, 2010

Re: Grant of Easement from Kauai Community Federal Credit Union, Z-IV-2009-1;
   TMK: (4) 3-3-010:002 and (4) 3-3-010:003, Lihue, Kauai, Hawaii

It is recommended that the Board approve the Grant of Easement document whereby, Kauai
Community Federal Credit Union, a federally chartered credit union, grant to the Board of Water
Supply, County of Kauai, a perpetual easement, W-1, on, over and under that certain parcel of land
located in TMK: (4) 3-3-010:002 and (4) 3-3-010:003, Lihue, Kauai, Hawaii, for the reading of water
meters and for the construction, installation, re-installation, maintenance, repair and removal of potable
water pipelines and related meters, valves, and other associated waterworks facilities improvements
and appurtenances, together with the right of ingress and egress at any time to and from the said
easement area with or without vehicles or other equipment as the Department of Water shall deem
necessary for the proper operation of its water system for the construction plans for “Kauai
Community Federal Credit Union”; TMK: (4) 3-3-010:002 and TMK: (4) 3-3-010:003, Lihue, Kauai,
Hawaii.

Further, Board approval is specifically requested of the indemnification provision in this agreement,
wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and
injuries to person (including death), when such damages and injuries are caused by the Department’s
negligence while using the area.

Respectfully submitted,

Keith Aoki
Keith Aoki, Engineer
Engineering Division

KA:cab
Mgrp/GOB-KCFCU-Lihu'e (8 19 10):cab
BOARD REPORT

August 9, 2010

Re: Conveyance of Water Facility from Kauai Community Federal Credit Union for the Installation of a 4-inch Reduced Pressure Detector Assembly (RPDA) for TMK: (4) 3-3-010:002 and (4) 3-3-010:003, Lihue, Lihue District, Kauai, Hawaii.

It is recommended that the Conveyance of Water Facility document be approved; whereby, Kauai Community Federal Credit Union, a federally chartered credit union, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 4-inch ductile iron (D.I.) lateral for a 4-inch Reduced Pressure Detector Assembly (RPDA), in place complete; and one (1) each 4-inch Gate Valve, including cast iron (C.I.) Valve Box and Cover, in place complete, for Kauai Community Federal Credit Union; TMK: (4) 3-3-010:002 and (4) 3-3-010:003, Lihue, Lihue District, Kauai, Hawaii.

Respectfully submitted,

Keith Aoki, Engineer
Engineering Division

KA:cab
Mgrp/COWF-KCFCU-Lihu'e (8 19 10):cab
BOARD REPORT

August 10, 2010

Re: Right of Entry Agreement for the Waimea Main Replacement, Job No. 05-01, Water Plan 2020 Project No: KW-16, Affecting the Following Landowners in Waimea, Kauai, Hawaii

1. Kevin K. Iwai, affecting Portion of TMK: (4) 1-6-01:008, Waimea, Kauai, Hawaii

2. Kiyoshi Ueda and Ann K. Nishikawa, affecting Portion of TMK: (4) 1-6-01:010, Waimea, Kauai, Hawaii

3. Sandy Lewis and Alison Shigematsu, Trustee of the Alison G. Shigematsu Revocable Trust dated December 4, 2007, affecting Portion of TMK: (4) 1-6-01-.014, Waimea, Kauai, Hawaii

4. Koyasan Shingon Misson of Hawaii fka (Shingon Sect Mission of Hawaii, Incorporated), affecting Portion of TMK: (4) 1-6-02:059, Waimea, Kauai, Hawaii

5. David M. Fukumoto, Carol A. Fukumoto, and Karen Namie Fukumoto Irei, Trustee of the Karen Namie Fukumoto Irei Revocable Trust dated February 1, 1995, affecting Portion of TMK: (4) 1-6-04:026

6. David Koani, affecting Portion of TMK: (4) 1-6-06:009, Waimea, Kauai, Hawaii

7. M & K Ohana Rentals LLC, affecting Portion of TMK: (4) 1-6-06:045, Waimea, Kauai, Hawaii

8. Sara Mie K. Uyehara and Val Mayumi Kamishita, affecting Portion of TMK: (4) 1-6-06:049, Waimea, Kauai, Hawaii

9. Waimea by the Sea Homeowners Association, affecting Portion of TMK: (4) 1-6-07:003; 0001-0010, Waimea, Kauai, Hawaii


11. C Ahko Inc. a Hawaii Corporation, C/O Dr. Howard T. L. Ako, affecting Portion of TMK: (4) 1-6-07:016, Waimea, Kauai, Hawaii

12. John Sydney Yamane and Albert M. Yamane, affecting Portion of TMK: (4) 1-6-07:039, Waimea, Kauai, Hawaii

13. Scott A. Bukoski, affecting Portion of TMK: (4) 1-6-12:012, Waimea, Kauai, Hawaii
RECOMMENDATION:
It is recommended that the Board approve the Right of Entry documents; whereby, the above landowners, grant to the Board of Water Supply, County of Kauai, a right of entry, on, over and under that certain parcel of land located as specified above in Waimea, Kauai, Hawaii, for the following work:

1. Relocation of existing water meters from private property to County of Kauai right of way, together with the right of ingress and egress at any time to and from the said lot with or without vehicles or other equipment as the Department of Water shall deem necessary to complete the work.

Further, Board approval is specifically requested of the indemnification provision in this agreement; wherein, the Board agrees to indemnify and hold harmless the Grantor from property damage and injuries to person (including death), when such damages and injuries are caused by the Department’s negligence while using the area.

FUNDING: Not applicable.

BACKGROUND:
Portions of the existing waterlines along Kaumualii Highway, Gay Road, Alawai Road, Panako Road, Menehune Road, Pule Road, Laau Road, Kahakai Road and Moana Road will be replaced in 2010 - 2011. During the waterline design phase, it was observed that existing water meters are currently installed outside of the County Right of Way. The right of entry will allow our contractor, Goodfellow Brothers, Inc. to relocate all affected meters to within the County Right of Way.

Respectfully submitted,

Dustin Noises
Project Engineer

Concurred:

David R. Craddick
Manager and Chief Engineer
MANAGER’S REPORT NO. 11-10

August 10, 2010

Subject: Request Board Approval to Concur with Mayor Carvalho’s “Consortium for Kaua’i’s Sustainable Regional General Plan”

RECOMMENDATION

It is recommended that the Board approve DOW participation in the Administration’s effort to form a Consortium for Kaua’i’s Sustainable Regional General Plan.

BACKGROUND

The County intends to pursue the HUD/DOT/EPA Sustainable Communities Regional Planning Grant by forming a group of stakeholders in the process.

We believe we are an important cog in the wheel. This group should be able to take advantage of the Kaua’i community collective desire for sustainable development by building the necessary partnerships among Kaua’i’s governmental agencies, organizations, service providers and non-profit organizations that will be needed to implement a sustainable vision over the long term.

Respectfully submitted,

[Signature]

David R. Craddick, P.E.
Manager and Chief Engineer

DRC/cab
Attachment
Mgrp/Consortium for Kaua’i’s Sustainable Regional General Plan (8-19-10):cab
THE CONSORTIUM FOR KAUA'I'S SUSTAINABLE REGIONAL GENERAL PLAN

August 2010

The mission of the Consortium is to promote comprehensive regional planning that protects Kaua'i's environment and rural character and increases economic opportunity for all Kaua'i residents, now and in the future. The Consortium proposes to pursue the HUD/DOT/EPA Sustainable Communities Regional Planning Grant in order to take advantage of the Kaua'i's collective desire for sustainable development by building the necessary partnerships among Kaua'i's governmental agencies, organizations, service providers and non-profit organizations that will be needed to implement a sustainable vision over the long term.

As a member of the consortium for the HUD Sustainable Communities grant being applied for by the County of Kaua'i, Department of Water agrees to the following:

- Will act as a partner to the County of Kaua'i to carry out the activities described in the approved application

- Will authorize the County of Kaua'i to serve as the lead applicant and to act in the representative capacity with HUD on behalf of all members of the consortium and to assume administrative responsibility for ensuring that the consortium's program is carried out in compliance with all HUD requirements

- Understand that the County of Kauai will submit the application, execute the cooperative agreement with HUD, and assume fiscal responsibility for the grant

- Understand that the County of Kauai will enter into memorandums of understanding with any partners receiving funding from the grant, to ensure delivery of the required activities

- Upon notification of approval of the grant, this agency will enter into a formal consortium agreement to be executed no later than 120 days after the effective start date of the grant agreement

Agreed:

______________________________  ________________________________
Bernard P. Carvalho, Jr., Mayor  Mr. David Craddick
County of Kaua'i                Department of Water
DEPARTMENT OF WATER
County of Kaua‘i

"Water has no Substitute – Conserve It!"

MANAGER’S REPORT No. 11-11

August 2, 2010

Re: Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, 0.5 Million Gallon Tank, Tax Map Key: (4)5-6-02:001, (west) Hanalei, Kauai, First Contract Amendment with Kodani and Associates, Inc.

RECOMMENDATION: It is recommended that the Board approve the first contract amendment for Contract No. 457 with Kodani and Associates, Inc. in the amount of $175,000.00 for:

A. Topographic survey of the required project area, approximately one and a half (1½) acres, including the access road centerline.
B. Soil testing and evaluation of the project site.
C. Prepare a feasibility report for the proposed project at the site.

We further request that the Board allocate $162,500.00 from Account 301, FRC-CIP to fund the contract amendment.

FUNDING:
Total Fund Budgeted.............................................$262,500.00

Contract No. 457, Kodani and Associates, Inc., Job No. 05-02, H-08, (west) Hanalei 0.5 Million Gallon Tank and Connecting Pipeline. $<250,000.00>
Balance Remaining ............................................................................... $ 12,500.00
Amendment #1 .................................................................................. $<175,000.00>
Balance Required, Account No. 301, FRC-CIP ........................................ $<162,500.00>

Total Project Budget .................................................................$425,000.00

BACKGROUND:
The project consultant, Kodani and Associates, Inc. currently was selected to prepare the site selection study for the Hanalei Well #2.

After review of the study, the Department determined that a site on the west side of Hanalei town would provide a more reliable source of water for the Hanalei community. After an extensive evaluation of the available sites, the Department preliminarily selected a site on the State property, approximately a mile west of Kuhio Highway. It is anticipated that the development cost for the well and tank at that location will be high, however it provides for a redundant water source, which will provide for a continuous water service for Hanalei in the event that the only existing water source is out of service.
The additional work required by the consultant will be to provide the technical information required for the project’s feasibility study to construct the well and tank at the site. To make that determination a land survey, soils testing and evaluation are required. If the feasibility report concludes that the site is acceptable, the Department of Water will proceed with the necessary design and construction of the improvements.

Kodani and Associates, Inc. has submitted a proposal of $175,000.00 for the necessary work. We reviewed their proposal and find it acceptable.

Respectfully submitted,

Keith Fujimoto
Project Engineer

Concurred:

David R. Craddick, P.E.
Manager and Chief Engineer
MANAGER’S REPORT 11-12

August 11, 2010

Re: Job No. 05-01, Waimea Main Replacement (Water Plan 2020 Project No. KW-16), Waimea, Kauai, Contract Change Order #4 with Goodfellow Bros., Inc.

RECOMMENDATION:
It is recommended that the Board approve Change Order #4 in the amount of $304,572.79 plus an additional $15,262.26 or approximately 5% of this change order for contingency, Contract No. 504, with Goodfellow Bros., Inc. for:
A. Gay Road – Existing waterline conflict with new 6” PVC waterline. Additional reinforced concrete jacket, AC pavement, and waterline modifications required.
B. Alawai Road – New waterline alignment shifted to avoid existing waterline. Concrete driveway restoration and additional traffic control required.
C. Alawai Road/Kaumualii Highway – Waterline needs to go under existing sewer laterals due to elevation conflicts, additional reinforced concrete jacket of waterline, traffic control, new air release valves, investigative probing, additional 4” waterline installation, additional AC paving, additional sidewalk/curb/and ADA ramp restoration, additional 4” gate valve and box, additional flushing and testing, additional fittings and concrete thrust blocks, additional tie-in of Compound Meter Box.
D. Kahakai Road – Waterline adjusted to avoid existing sewer invert conflicts. Additional reinforced concrete jacket and air release valve needed, additional AC paving and traffic control.
E. Panako Road – Additional single service lateral.
F. Laau Road/Moana Road – Waterline adjusted to avoid existing sewer invert conflicts. Additional reinforced concrete jacket and air release valves needed, various ductile iron fittings, additional sewer reinforced concrete jacket, traffic control, additional investigative probing.

It is further recommended that the Board allocate $233,776.00 from Account No. 201-01, Bond BAB to fund the balance needed for the subject change order and additional project contingency.

FUNDING:

<table>
<thead>
<tr>
<th>WATER UTILITY - 101b (CRP), 2009 - 2010 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract No. 504, Goodfellow Bros., Inc., Job</td>
</tr>
<tr>
<td>No. 05-01, KW-16, Waimea Town Main</td>
</tr>
<tr>
<td>Replacement, Waimea.</td>
</tr>
<tr>
<td>$2,884,376.00</td>
</tr>
<tr>
<td>Contingency</td>
</tr>
<tr>
<td>$143,624.00</td>
</tr>
<tr>
<td>TOTAL AVAILABLE:</td>
</tr>
<tr>
<td>$3,028,000.00</td>
</tr>
<tr>
<td>Change Order #1</td>
</tr>
<tr>
<td>$17,491.68</td>
</tr>
<tr>
<td>Change Order #2</td>
</tr>
<tr>
<td>(no cost)</td>
</tr>
<tr>
<td>Change Order #3</td>
</tr>
<tr>
<td>$40,073.27</td>
</tr>
</tbody>
</table>
BOARD REPORT
Re: Job No. 05-01, Waimea Main Replacement (Water Plan 2020 Project No. KW-16), Waimea, Kauai, Contract Change Order #4 with Goodfellow Bros., Inc.
August 11, 2010
Page 2 of 3

<table>
<thead>
<tr>
<th>Proposed Change Order #4</th>
<th>$304,572.79</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional contingency (approx. 5% of CO #4)</td>
<td>$15,262.26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$377,400.00</strong></td>
</tr>
<tr>
<td><strong>TOTAL REQUIRED:</strong></td>
<td><strong>$3,261,776.00</strong></td>
</tr>
</tbody>
</table>

Additional Funding Required, Account 201-01, Bond  
($233,776.00)

**FUNDING TRANSFER TO THE BOND (BAB) ACCOUNT 201-01**  
as of June 30, 2010

| Amount paid to Goodfellow Bros. prior to February 2010. | $38,294.50 |
|----------------------------------------------------------------|
| Balance Remaining transferred to  
| Account 201-01 (BAB) for Contract 504, Goodfellow Bros. | $2,989,705.50 |
| Additional Funding Required | $233,776.00 |
| **Total BAB Funded for Contract 504, Goodfellow Bros.** | **$3,223,481.50** |

| Contract Amount after change order #4 | $3,246,513.74 |

The certified funding balance of $2,359,623.29 under budget item 684 of the 2009 - 2010 budget from Water Utility - 101b (CRP) was zeroed at the beginning of fiscal year 2010 - 2011. Qualifying payments made of $630,082.21 will be reimbursed to Water Utility - 101b (CRP) from BAB-Bond CIP.

<table>
<thead>
<tr>
<th>Total previously paid for Contract 504 as of June 30, 2010.</th>
<th>$668,376.71</th>
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<tbody>
<tr>
<td>Amount paid to Goodfellow Bros. prior to February 2010.</td>
<td>$38,294.50</td>
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<tr>
<td>Balance to be transferred from Account 201-01 Bond (BAB) to Water Utility - 101b (CRP)</td>
<td>$630,082.21</td>
</tr>
</tbody>
</table>

**BACKGROUND:**

This project includes the design for furnishing and installing materials for the installation of approximately 540 linear feet of 12-inch, 2,290 linear feet of 8-inch, 5,475 linear feet of 6-inch, 295 linear feet of 4-inch, and 22 linear feet of 3-inch water pipes, and appurtenances including connections to existing waterlines, removal, disposal and grouting of existing Asbestos-Cement, PVC and Ductile Iron waterlines within the State and County Right-of-Way, new valves, new fire hydrants, installation of new service laterals and meter boxes, transfer of service, reconnection of existing service laterals,
installation of air valves and permanent cleanouts with meter boxes, salvaging fire hydrants, valves, and valve boxes, and restoration and repaving work, all in accordance with the plans and specifications.

During the design phase, the Department of Public Works requested that several portions of pipeline be moved out of the paved roadway which moved the new waterlines closer to existing utilities. During construction probing the contractor encountered various existing utilities that were not shown or differed in alignment and/or elevation from original as-buils used to design the new waterlines. The Department of Public Works requested that additional paving be done due to the actual areas disturbed while finding pipeline conflicts. There were also a few water meters unaccounted on the construction plans as well. As a result, redesigns were done by DOW to address the conflicts. Change order #4 will compensate the contractor for all conflicts discovered along Gay Road, Pule Road, Alawai Road, Kaumuali'i Highway, Kahakai Road, Panako Road, Laau Road, and Moana Road.

The contractor, Goodfellow Bros., Inc., proposed $304,572.79 and requests an additional 143 calendar day contract time extension for this change in the project scope which appears reasonable.

Furthermore, additional contingency in the amount of $15,262.26 would be used for any future additional work required.

Respectfully submitted,

Keith Fujimoto
Project Engineer

Concurred:

David R. Craddick, P.E.
Manager and Chief Engineer
MANAGER'S REPORT No. 11-13

August 10, 2010

Re: Request Board Approval to Receive and Expend Funds from the American Resort Development Association (ARDA) for the 2010 Make a Splash, Project WET Water Festival

RECOMMENDATION:
Your approval is requested to receive and expend funds in the amount of $1,500.00 from the American Resort Development Association. These funds have been offered as part of their community outreach projects and will be used for purchases supporting the 2010 Make a Splash, Project WET Water Festival.

Respectfully submitted,

Faith Shiramizu
Public Relations Specialist

CONCURRED:

David R. Craddick, P.E.
Manager and Chief Engineer

FS:rm
Mgrp/Project WET ARDA Donation for 2010 MAS (8-19-10):rm
RESOLUTION NO. 4
(2010-2011)

A RESOLUTION APPROVING THE RECEIPT AND EXPENDITURE OF GRANT MONIES for the 2010 Make a Splash, Project WET Water Festival

WHEREAS, the purpose of this Resolution is to receive a grant of $1,500.00 from the American Resort Development Association (ARDA) for the 2010 Make a Splash, Project WET Water Festival; therefore

BE IT RESOLVED BY THE KAUAI COUNTY BOARD OF WATER SUPPLY (BOARD), STATE OF HAWAII:

SECTION 1. Receipt of Grant. That the BOARD has received grant monies of $1,500.00 from the American Resort Development Association (ARDA) for the 2010 Make a Splash, Project WET Water Festival.

SECTION 2. Authorization of Manager. That the MANAGER AND CHIEF ENGINEER of the DEPARTMENT OF WATER (DOW), is hereby authorized to reduce, replace, or allocate up to $1,500.00 in funds advanced by the ARDA, to undertake the 2010 Make a Splash, Project WET Water Festival.

BE IT FURTHER RESOLVED that this Resolution shall take effect upon the adoption thereof, and the Secretary be directed to provide certified copies of this Resolution to the DOW Waterworks Controller and the DOW Public Relations Specialist.

APPROVED AS TO FORM & LEGALITY: BOARD OF WATER SUPPLY

Amy Esaki, Deputy County Attorney
County of Kaua‘i

Randall Nishimura, Chairperson
County of Kaua‘i

CERTIFICATION OF ADOPTION

RESOLUTION NO. 04 (2010), 2010 Make a Splash, Project WET Water Festival
It is hereby certified that the foregoing resolution was adopted by the Kauai County Board of Water Supply, State of Hawaii, at its meeting held August 19, 2010, by the following vote:

APPROVED: Total:
DISAPPROVED: Total:
ABSENT: Total:
TOTAL:
RESOLUTION NO. 4  
(2010-2011)  

A RESOLUTION APPROVING THE RECEIPT AND EXPENDITURE OF GRANT MONIES for the  
2010 Make a Splash, Project WET Water Festival

CERTIFICATION

The undersigned hereby certifies that the foregoing Resolution is a true and correct copy of  
Resolution No. 04 (10/11), adopted at the meeting of the Kauai Board of Water Supply, duly held on  
the 19th day of August, 2010.

__________________________________________  
Leland Kahawai, Board Secretary
MANAGER’S REPORT No. 11-14

August 10, 2010


RECOMMENDATION: It is recommended that the Board approve the third contract amendment for Contract No. 405 with Kodani and Associates, Inc. in the amount of $77,600.00 to add the replacement of approximately 2,000 feet of existing corroded 5” cast iron mainline with 12” ductile iron pipe.

We further request that the Board allocate $75,800.00 from Account 201-01, Bond BAB to fund the contract amendment.

FUNDING:
Total Fund Budgeted .................................................. $202,900.00

Contract No. 405, Kodani and Associates, Inc., Job No. 02-19, WK-12, Waipouli
Main Replacement .................................................. <$147,500.00>

Amendment #1 .................................................. void
Amendment #2 .................................................. <$ 53,600.00>
Amendment #3 .................................................. <$ 77,600.00>

Balance Required, Account No. 201-01, Bond BAB ......... <$ 75,800.00>

Total Project Budget .................................................. $278,700.00

BACKGROUND:
The project consultant, Kodani and Associates, Inc. was selected to prepare the construction drawings and specifications for the mainline replacement along Kalokolu, Keaka, Moanalii, Fernandez, Hoi, Panihi, Niulani, Makaha and Kealoha Roads at Waipouli.

During the review of the project scope, it was determined that approximately 2,000 feet of an existing corroded 5” mainline will need to be replaced with a 12” waterline.

Further, it is estimated that the consultant will need approximately 180 calendar days from the notice to proceed for the contract amendment to complete the project. The Department anticipates that the consultants should be able to complete the design by February 1, 2011 subject to timely reviews by the Department of Water and the other governmental agencies. Their proposal of $77,600.00 for the additional design is reasonable.
Respectfully submitted,

Keith Fujimoto
Project Engineer

Concurred:

David R. Craddick, P.E.
Manager and Chief Engineer

KF: cab
Mgrp/Job 02-19, Waipouli Main Replacement, 2nd Amdmt-Kodani (8-19-10):cab
MANAGER'S REPORT NO. 11-15

August 12, 2010

Re: Resolution No. 2 (10/11), Budget for Fiscal Year 2010-11

It is recommended that the Board approve Resolution No. 2 (10/11), which formally approves the final budget for Fiscal Year 2010/11. The Board approved the final budget at the May 13, 2010 Board Meeting.

Respectfully submitted,

Marites Yahno
Acting Waterworks Controller

CONCURRED:

David R. Craddick, P.E.
Manager and Chief Engineer

rm
Enclosure
Mgrp/Res. #2, Budget 2010-11 (8-19-10): rm
DEPARTMENT OF WATER  
BUDGET 2010 - 2011  
RESOLUTION NO. 2

I. WATER UTILITY FUND

Beginning Balance $ 14,362,449.56

CASH RECEIPTS

Water Sales & Service Charge $ 20,301,300.00
Other $ 5,920,300.00

TOTAL RESOURCES: $ 40,584,049.56

EXPENDITURES

Salaries, Department of Water $ 5,490,400.00
Normal Expenditures $ 12,371,260.00
Equipment $ 800,700.00
Debt Service $ 5,876,345.00
Miscellaneous Capital Expenditures, Others $ 1,142,542.79
Capital Expenditures, CIP $ 8,712,660.48
Capital Expenditures, CRP $ 6,190,141.29

TOTAL EXPENDITURES: $ 40,584,049.56
II. FACILITIES RESERVE CHARGE

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Beginning Balance</td>
<td>$ 5,535,242.86</td>
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<tr>
<td>Facilities Reserve Charge</td>
<td>$ 499,200.00</td>
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<tr>
<td>Interest Earned</td>
<td>$ 90,000.00</td>
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<td><strong>TOTAL RESOURCES:</strong></td>
<td><strong>$ 6,124,442.86</strong></td>
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</tbody>
</table>

EXPENDITURES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Improvement Projects</td>
<td>$ 6,124,442.86</td>
</tr>
</tbody>
</table>

**TOTAL EXPENDITURES:** **$ 6,124,442.86**
III. **BOND FUND**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$553,408.97</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$-</td>
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</tbody>
</table>

**TOTAL RESOURCES:** $553,408.97

**EXPENDITURES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Capital Improvement Projects</td>
<td>$200,656.55</td>
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<tr>
<td>Contracted CIP Projects</td>
<td>$352,752.42</td>
</tr>
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</table>

**TOTAL EXPENDITURES:** $553,408.97
IV. **WATERWORK BUILD AMERICA PROJECT FUND**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$ 58,723,019.84</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$ 420,000.00</td>
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<tr>
<td><strong>TOTAL RESOURCES</strong></td>
<td><strong>$ 59,143,019.84</strong></td>
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</tbody>
</table>

**EXPENDITURES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Improvement Projects</td>
<td>$ 47,582,690.20</td>
</tr>
<tr>
<td>Contracted CIP Projects</td>
<td>$11,560,329.64</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>$ 59,143,019.84</strong></td>
</tr>
</tbody>
</table>
**DEPARTMENT OF WATER**  
**ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET**  
**FISCAL YEAR**  
**2010 - 2011**  
**DEPARTMENT SUMMARY**  
**WATER UTILITY FUND**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING BALANCE</td>
<td>$15,215,394</td>
<td>$9,011,094</td>
<td>$9,011,094</td>
<td>$13,168,349</td>
<td>$14,362,449.56</td>
</tr>
</tbody>
</table>

**RESOURCES**

- Water Sales and Service Charge  
  - 2008 - 2009: $17,095,801  
  - 2009 - 2010: $18,687,900  
  - 2010 - 2011: $18,600,000  
  - 2010 - 2011: $20,301,300  
  - 2010 - 2011: $20,301,300.00
- Others  
  - 2008 - 2009: $2,223,464  
  - 2009 - 2010: $35,234,200  
  - 2010 - 2011: $22,435,700  
  - 2010 - 2011: $4,451,300  
  - 2010 - 2011: $5,920,300.00

**TOTAL RESOURCES:** $34,534,659  
**TOTAL RESOURCES:** $62,933,194  
**TOTAL RESOURCES:** $50,046,794  
**TOTAL RESOURCES:** $37,920,949  
**TOTAL RESOURCES:** $40,584,049.56

**EXPENDITURES**

- Salaries  
  - 2008 - 2009: $4,539,661  
  - 2009 - 2010: $5,099,700  
  - 2010 - 2011: $4,700,400  
  - 2010 - 2011: $5,490,400  
  - 2010 - 2011: $5,490,400.00
- Normal Expenditures  
  - 2008 - 2009: $8,835,329  
  - 2009 - 2010: $13,668,744  
  - 2010 - 2011: $10,662,700  
  - 2010 - 2011: $12,259,800  
  - 2010 - 2011: $12,371,260.00
- Equipment  
  - 2008 - 2009: $451,949  
  - 2009 - 2010: $590,700  
  - 2010 - 2011: $370,700  
  - 2010 - 2011: $800,700  
  - 2010 - 2011: $800,700.00
- Debt Service  
  - 2008 - 2009: $2,248,715  
  - 2009 - 2010: $2,239,367  
  - 2010 - 2011: $2,496,309  
  - 2010 - 2011: $5,876,345  
  - 2010 - 2011: $5,876,345.00
- Miscellaneous, Capital Expenditures, Others  
  - 2008 - 2009: $463,447  
  - 2009 - 2010: $1,153,060  
  - 2010 - 2011: $1,195,541  
  - 2010 - 2011: $903,314  
  - 2010 - 2011: $1,142,542.79

**TOTAL OPERATING EXPENDITURES:**  
**TOTAL OPERATING EXPENDITURES:** $16,539,101  
**TOTAL OPERATING EXPENDITURES:** $22,751,571  
**TOTAL OPERATING EXPENDITURES:** $19,425,650  
**TOTAL OPERATING EXPENDITURES:** $25,330,559  
**TOTAL OPERATING EXPENDITURES:** $25,681,247.79

- Capital Improvement Program  
  - 2008 - 2009: $4,097,012  
  - 2009 - 2010: $13,186,292  
  - 2010 - 2011: $6,339,231  
  - 2010 - 2011: $8,012,260  
  - 2010 - 2011: $8,712,660.48
- Capital Rehabilitation Program  
  - 2008 - 2009: $4,887,453  
  - 2009 - 2010: $26,995,330  
  - 2010 - 2011: $11,113,564  
  - 2010 - 2011: $4,578,130  
  - 2010 - 2011: $6,190,141.29

**TOTAL CAPITAL PROJECTS:**  
**TOTAL CAPITAL PROJECTS:** $8,984,465  
**TOTAL CAPITAL PROJECTS:** $40,181,623  
**TOTAL CAPITAL PROJECTS:** $17,452,795  
**TOTAL CAPITAL PROJECTS:** $12,590,390  
**TOTAL CAPITAL PROJECTS:** $14,902,801.77

**TOTAL EXPENDITURES:**  
**TOTAL EXPENDITURES:** $25,523,566  
**TOTAL EXPENDITURES:** $62,933,194  
**TOTAL EXPENDITURES:** $36,878,445  
**TOTAL EXPENDITURES:** $37,920,949  
**TOTAL EXPENDITURES:** $40,584,049.56

**FUND BALANCE**  
**FUND BALANCE:** $9,011,093  
**FUND BALANCE:** $0  
**FUND BALANCE:** $13,168,349  
**FUND BALANCE:** $0  
**FUND BALANCE:** $-
## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
##### 2010 - 2011
### DEPARTMENT SUMMARY
#### WATER UTILITY FUND

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>2008 - 2009 ACTUAL</th>
<th>2009 - 2010</th>
<th>2010 - 2011 PROPOSED</th>
<th>2010 - 2011 APPROVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. WATER SALES AND SERVICE CHARGE</td>
<td>$17,095,801</td>
<td>$18,687,900</td>
<td>$18,600,000</td>
<td>$20,301,300</td>
</tr>
<tr>
<td>2. MISCELLANEOUS RECEIPTS</td>
<td>$175,332</td>
<td>$112,000</td>
<td>$112,000</td>
<td>$112,000</td>
</tr>
<tr>
<td>3. INTEREST INCOME</td>
<td>$562,949</td>
<td>$410,000</td>
<td>$289,500</td>
<td>$680,000</td>
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<tr>
<td>4. COUNTY SERVICE CHARGE</td>
<td>$817,839</td>
<td>$831,200</td>
<td>$825,600</td>
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<tr>
<td>5. OTHER - State Revolving Fund Proceeds</td>
<td>$59,081</td>
<td>$33,881,000</td>
<td>$21,184,900</td>
<td>$1,954,000</td>
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<tr>
<td>5a. OTHER RECEIPTS</td>
<td>$608,262</td>
<td></td>
<td>$23,700</td>
<td></td>
</tr>
<tr>
<td>5b. OTHER - BAB SUBSIDY</td>
<td></td>
<td></td>
<td></td>
<td>$871,800</td>
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<td><strong>TOTAL REVENUES:</strong></td>
<td>$19,319,265</td>
<td>$53,922,100</td>
<td>$41,035,700</td>
<td>$24,752,600</td>
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</table>
## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
##### 2010 - 2011
### DEPARTMENT SUMMARY
#### WATER UTILITY FUND

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>15. Salaries-Dept. of Water (No. of Positions):</td>
<td>(96)</td>
<td>(99)</td>
<td>(99)</td>
<td>(103)</td>
<td>(103)</td>
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<tr>
<td>Administration</td>
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<td>(12)</td>
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<td>Water Resource &amp; Planning Division</td>
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<tr>
<td><strong>TOTAL SALARIES:</strong></td>
<td></td>
<td>$4,477,790</td>
<td>$5,049,700</td>
<td>$4,594,000</td>
<td>$5,390,400</td>
</tr>
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16. Provision for Accrued Vacation

<p>| Salaries | $61,871 | $50,000 | $106,400 | $100,000 | $100,000.00 |</p>
<table>
<thead>
<tr>
<th><strong>TOTAL SALARIES AND PROVISION FOR ACCRUED</strong></th>
<th>$4,539,661</th>
<th>$5,099,700</th>
<th>$4,700,400</th>
<th>$5,490,400</th>
<th>$5,490,400.00</th>
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<tbody>
<tr>
<td>19. COUNTY SERVICE CHARGE</td>
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(Miscellaneous)
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<td>27b. Contract No. 566 R.W. Beck, Inc. FRC Study</td>
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# DEPARTMENT OF WATER

## ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

### FISCAL YEAR

**2010 - 2011**

## DEPARTMENT SUMMARY

### WATER UTILITY FUND

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## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
2010 - 2011
### DEPARTMENT SUMMARY
#### WATER UTILITY FUND

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<td>34. SUPPLIES - OFFICE &amp; ENGINEERING</td>
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## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
##### 2010 - 2011
### DEPARTMENT SUMMARY
#### WATER UTILITY FUND

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## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
2010 - 2011

### DEPARTMENT SUMMARY
#### WATER UTILITY FUND

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<td>58. Chemicals</td>
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**ENCUMBRANCE:**
- Contract No. 500, MWH Laboratories (12/10) $36,050.00
- Contract No. 508, MWH Laboratories (12/10) $45,300.00
- **Total** $231,350.00

**TOTAL OPERATIONS & MAINTENANCE:**

- 2008 - 2009 ACTUAL $4,935,702
- 2009 - 2010 BUDGET $7,953,700
- 2010 - 2011 ESTIMATED $6,158,200
- 2010 - 2011 PROPOSED $6,419,400
- 2010 - 2011 APPROVED $6,500,750.00
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<td>Departmental Fixed Charges</td>
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<td>60. Insurance &amp; Bonds</td>
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<td>62. Retirement System - Employers' Share</td>
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<td>64. Health, Dental and Group Life</td>
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<td>$396,300</td>
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<td><strong>$1,516,577</strong></td>
<td><strong>$1,479,200</strong></td>
<td><strong>$1,212,600</strong></td>
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<td><strong>$3,020,377</strong></td>
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<td><strong>$12,259,800</strong></td>
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## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
##### 2010 - 2011
### DEPARTMENT SUMMARY
#### WATER UTILITY FUND

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<td>DEBT SERVICE REQUIREMENTS</td>
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<td>93. FmHA $300,000 BOND</td>
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  FmHA Public Improvement Bond County Series 1980
  Last installment due 2015.
  Date issued: March, 1980
  Original Amount: $300,000.00
  Balance at June 30, 2010:
  $81,000.00

| 97. DOW BOND, 2001 ISSUE   | $ 672,469           | $672,075           | $672,075              | $670,575            | $670,575.00         |

  General Obligation Bonds, Series 2001A
  Series 2005A Refunded a portion of Series 2001A
  Last installment due August 2025,
  Date issued: August 2001
  Original Amount: $11,725,000.00
  Balance at June 30, 2010:
  $5,630,000.00
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<td>Kokolau Tunnel</td>
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<td>Last installment due July 2021</td>
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<td>Date issued: July 2002</td>
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<td>Last installment due April 2022</td>
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<td>84. State Revolving Fund Loan</td>
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<td>WK-03, Job No. 97-11, 16-inch Waterline along Kuhio Hwy</td>
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<td><strong>87. DOW BOND, 2005 Series, Partial Refund</strong>&lt;br&gt;of 2001 Series A&lt;br&gt;Last Installment Due: August 2021&lt;br&gt;Date Issued: November 2005&lt;br&gt;Original Issue Amount: $3,165,000.00&lt;br&gt;Balance at 6/30/10: $3,165,000.00</td>
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<td><strong>88. State Revolving Loan</strong>&lt;br&gt;KP-07, KP-08, Job 98-2, 16 inch Waterline replacement, Poipu Road&lt;br&gt;Last Installment Due: January 2027&lt;br&gt;Date Issued: January 2008&lt;br&gt;Loan Amount: $5,158,886.00&lt;br&gt;Balance at 6/30/10: $4,514,574.00</td>
<td>$430,911</td>
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<td>89. State Revolving Fund Loan</td>
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<td>Stable Tank 1.0 MG Tank and Connecting Pipeline, WK-42, WK-32, WK-14 Date Issued: March 2009 Loan Amount: $8,082,619.00</td>
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<td>Kaumualii Highway 12-inch Main Replacement, Elepaio Road to Huakai Road, Job No. 05-04, KW-27 Date Issued: August 2009 Loan Amount: $4,933,117.00</td>
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<td>Waha, Wawae and Niho Roads Main Replacement, Job No. 05-07, K-7, LO-13. Date Issued: August 2009 Loan Amount: $2,118,618.00</td>
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## DEPARTMENT OF WATER

**ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET**

**FISCAL YEAR**

2010 - 2011

**DEPARTMENT SUMMARY**

**WATER UTILITY FUND**

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<td>92. DOW BOND, Series 2010A</td>
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<td>Original Amount: $60,000,000.00</td>
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<td>Balance at 6/30/2010: $60,000,000.00</td>
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02Budget Summary FYE 2011 Resolution
## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
##### 2010 - 2011

### DEPARTMENT SUMMARY
#### WATER UTILITY FUND

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<td>107. PURCHASE OF METER AND METER BOXES</td>
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## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
##### 2010 - 2011
### DEPARTMENT SUMMARY
#### WATER UTILITY FUND

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<td>TOTAL SALARIES, NORMAL EXPENDITURES,</td>
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<td>DEBT SERVICE REQUIREMENTS, AND</td>
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### CONTRACT ENCUMBRANCES

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<td>494. Contract No. 343, Timberline Engineering, Job 94-4, SCADA</td>
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<td><strong>TOTAL 1998-99 CONTRACTS:</strong></td>
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<table>
<thead>
<tr>
<th>2000-2001 CONTRACTS</th>
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<tbody>
<tr>
<td><strong>TOTAL 2000-2001 CONTRACTS:</strong></td>
<td><strong>$12,245.67</strong></td>
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<table>
<thead>
<tr>
<th>2003-2004 CONTRACTS</th>
<th>2010 - 2011 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>600. Job No. 02-26, As Needed Surveying Services, Contract No. 406, Esaki Surveying</td>
<td>$10,000.00</td>
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<tr>
<td><strong>TOTAL 2003-2004 CONTRACTS:</strong></td>
<td><strong>$10,000.00</strong></td>
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</tbody>
</table>
# DEPARTMENT OF WATER
## ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
### FISCAL YEAR
#### 2010 - 2011
## CONTRACTED CAPITAL EXPENDITURES, OTHERS
### WATER UTILITY FUND

<table>
<thead>
<tr>
<th>CONTRACT ENCUMBRANCES</th>
<th>2010 - 2011 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2006 - 2007 CONTRACTS</strong></td>
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<tr>
<td>644. Contract No. 464, Kodani &amp; Associates, As Needed-General Engineering Services</td>
<td>$ 30,000.00</td>
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<td><strong>TOTAL 2006 - 2007 CONTRACTS:</strong></td>
<td>$ 30,000.00</td>
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<td><strong>2007 - 2008 CONTRACTS</strong></td>
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<tr>
<td>671. Contract No. 490, Fluid Qs, LLC SCADA Systems Consulting and Maintenance Services</td>
<td>$ 100,000.00</td>
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<td><strong>TOTAL 2007 - 2008 CONTRACTS:</strong></td>
<td>$ 100,000.00</td>
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<td><strong>2009 - 2010 CONTRACTS</strong></td>
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<tr>
<td>689. Contract No. 509, Cummins West, Inc., Furnish and Deliver (1) 26,000 lb GVWR Standard Cab</td>
<td>$ 96,983.12</td>
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<tr>
<td><strong>TOTAL CONTRACTED CAPITAL EXPENDITURES, OTHERS:</strong></td>
<td>$ 362,542.79</td>
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## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
##### 2010 - 2011
### CAPITAL IMPROVEMENT BUDGET
#### WATER UTILITY FUND

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>101. CAPITAL IMPROVEMENT PROJECTS</td>
<td>$1,354,433</td>
<td>$4,567,900</td>
<td>$123,600</td>
<td>$2,576,600</td>
<td>$2,576,600.00</td>
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<tr>
<td>CONTRACTED CIP PROJECTS</td>
<td>$2,742,579</td>
<td>$7,070,389</td>
<td>$5,715,631</td>
<td>$1,746,858</td>
<td>$3,034,121.37</td>
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<td>106b. CIP RESERVE FUND</td>
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<td>$1,548,003</td>
<td>$500,000</td>
<td>$3,088,302</td>
<td>$3,101,939.11</td>
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<tr>
<td><strong>TOTAL CAPITAL IMPROVEMENT PROJECTS:</strong></td>
<td><strong>$4,097,012</strong></td>
<td><strong>$13,186,292</strong></td>
<td><strong>$6,339,231</strong></td>
<td><strong>$8,012,260</strong></td>
<td><strong>$8,712,660.48</strong></td>
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12Cap Imprv Budget FYE 2011 Resolution
### DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
### FISCAL YEAR
### 2010 - 2011
### CAPITAL IMPROVEMENT BUDGET
### WATER UTILITY FUND

<table>
<thead>
<tr>
<th>101. CAPITAL IMPROVEMENT</th>
<th>2010 - 2011 BUDGET</th>
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<tr>
<td><strong>WATER SOURCE</strong></td>
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<td>Island Wide, Hydraulic Analysis &amp; Water Resource Investigation and Monitoring</td>
<td>$120,000.00</td>
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<td><strong>LAND ACQUISITION</strong></td>
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<td>Tank Sites (Koloa, Kilauea, Hanalei)</td>
<td>$2,426,600.00</td>
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<td><strong>TOTAL WATER RESOURCE</strong></td>
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<td></td>
<td>$2,546,600.00</td>
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<td><strong>WATERLINE</strong></td>
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<tr>
<td><strong>TOTAL WATERLINE</strong></td>
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## DEPARTMENT OF WATER
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#### FISCAL YEAR
##### 2010 - 2011
#### CAPITAL IMPROVEMENT BUDGET
##### WATER UTILITY FUND

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<thead>
<tr>
<th>101. CAPITAL IMPROVEMENT</th>
<th>2010 - 2011 BUDGET</th>
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<tbody>
<tr>
<td><strong>STORAGE</strong></td>
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<tr>
<td>Kalahea, Kukuiolono Tank Site Exchange</td>
<td>$ 30,000.00</td>
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<tr>
<td><strong>TOTAL STORAGE</strong>:</td>
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<td><strong>IMPROVEMENTS</strong></td>
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<td><strong>TOTAL IMPROVEMENTS</strong>:</td>
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<tr>
<td><strong>TOTAL CAPITAL IMPROVEMENT PROJECTS</strong>:</td>
<td><strong>$ 2,576,600.00</strong></td>
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<td>CONTRACT ENCUMBRANCES</td>
<td>2010 - 2011 BUDGET</td>
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<tr>
<td><strong>1993 - 1994 CONTRACTS</strong></td>
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<tr>
<td>370. Contract No. 259, Nishimura, Katayama, Ota &amp; Santos, Inc., Job No. 93-1, 250,000 gallon tank - Wailua</td>
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<td><strong>TOTAL 1993 - 1994 CONTRACTS:</strong></td>
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<td><strong>1994 - 1995 CONTRACTS</strong></td>
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<tr>
<td>401. Job No. 91-13, Contract No. 37348, R.M. Towill Corp., Drill &amp; Test Hanamaulu Well No. 1</td>
<td>$645.08</td>
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<tr>
<td>409. Job 94-3, Contract No. 282, ParEn, Inc., 0.5 MG Tank - Kalaheo</td>
<td>$1,771.54</td>
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<td><strong>TOTAL 1994 - 1995 CONTRACTS:</strong></td>
<td>$2,416.62</td>
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### DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
### FISCAL YEAR
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### CAPITAL IMPROVEMENT BUDGET
### WATER UTILITY FUND

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<tr>
<th>CONTRACT ENCUMBRANCES</th>
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<tr>
<td><strong>1999-2000 CONTRACTS</strong></td>
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<tr>
<td>519 Job No. 92-4, Contract No. 355, Okahara &amp; Associates. Inc., Koloa Well &quot;F&quot;</td>
<td>$ 10,571.00</td>
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<tr>
<td>520 Job 97-10, Contract No. 356, Austin, Tsutsumi, &amp; Associates, Kilauea Booster</td>
<td>$ 6,948.29</td>
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<td><strong>TOTAL CONTRACTS 1999 - 2000:</strong></td>
<td>$ 17,519.29</td>
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<td><strong>2001-2002 CONTRACTS</strong></td>
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<tr>
<td>561. Job No. 99-8, Drill Omao Well No. 1, Contract No. 384, Fukunaga &amp; Associates</td>
<td>$ 64,600.00</td>
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<td><strong>TOTAL CONTRACTS 2001 - 2002:</strong></td>
<td>$ 64,600.00</td>
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<tr>
<td><strong>2002 - 2003 CONTRACTS</strong></td>
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<tr>
<td>586. Job No. 94-4, Contract No. 401, Control Mfg. Co., SCADA</td>
<td>$ 93,516.54</td>
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<td><strong>TOTAL CONTRACTS 2002 - 2003:</strong></td>
<td>$ 93,516.54</td>
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## CONTRACT ENCUMBRANCES

### 2003 - 2004 CONTRACTS

<table>
<thead>
<tr>
<th>Contract Details</th>
<th>2010 - 2011 Budget</th>
</tr>
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<tbody>
<tr>
<td>607. Job No. 02-21, Rehabilitate and Deepen Existing Wells, Contract No. 425, Hawaii Pacific Engineering</td>
<td>$3,149.00</td>
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<tr>
<td>608. Job No. 02-14, Kapaa Homesteads 0.5 MG Tank and Kapahi 1.0 MG Tank, Contract No. 427, Belt Collins, Hawaii</td>
<td>$33,950.00</td>
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<tr>
<td>610. Job No. 02-11, Moloaa 0.1 MG Concrete Tank, Contract No. 429, Esaki Surveying</td>
<td>$125,200.00</td>
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**TOTAL CONTRACTS 2003 - 2004:** $162,299.00

### 2004 - 2005 CONTRACTS

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<thead>
<tr>
<th>Contract Details</th>
<th>2010 - 2011 Budget</th>
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<tbody>
<tr>
<td>618. Job No. 02-05, Contract No. 52243, Earthworks Pacific, Ualua Road, Eleele/6&quot; main, Lihue</td>
<td>$50,058.47</td>
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<tr>
<td>621. Job No. 02-06, Contract No. 440, Kodani &amp; Associates, Kilauea 1.0 MG Tank &amp; Pipeline, Phase I</td>
<td>$89,594.80</td>
</tr>
</tbody>
</table>

**TOTAL CONTRACTS 2004 - 2005:** $139,653.27

### 2005 - 2006 CONTRACTS

<table>
<thead>
<tr>
<th>Contract Details</th>
<th>2010 - 2011 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>645. KW-25, Job No. 05-03, Brown &amp; Caldwell, Kapilimaao 0.5 MG Tank</td>
<td>$18,083.40</td>
</tr>
</tbody>
</table>

**TOTAL CONTRACTS 2005 - 2006:** $18,083.40
### DEPARTMENT OF WATER

**ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET**

**FISCAL YEAR**

**2010 - 2011**

**CAPITAL IMPROVEMENT BUDGET**

**WATER UTILITY FUND**

<table>
<thead>
<tr>
<th>CONTRACT ENCUMBRANCES</th>
<th>2010 - 2011 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007 - 2008 CONTRACTS</strong></td>
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</tr>
<tr>
<td>668. Contract No. 484, Wagner Engineering Services, Kukuiolono Site Exchange</td>
<td>$ 5,210.47</td>
</tr>
<tr>
<td><strong>TOTAL CONTRACTS 2007 - 2008:</strong></td>
<td><strong>$ 5,210.47</strong></td>
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<tr>
<td><strong>2008 - 2009 CONTRACTS</strong></td>
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</tr>
<tr>
<td>673. Contract No. 491, Kauai Builders, Ltd., WK-42, Phase I, 1.0 MG Stable Tank</td>
<td>$ 696,293.80</td>
</tr>
<tr>
<td>676. Contract No. 497, Kauai Builders, Ltd., KW-25, Job No. 05-03, Kapilimao 0.5 MG Storage Tank</td>
<td>$ 1,273,770.98</td>
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<tr>
<td><strong>TOTAL CONTRACTS 2008 - 2009:</strong></td>
<td><strong>$ 1,970,064.78</strong></td>
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<tr>
<td><strong>2009 - 2010 CONTRACTS</strong></td>
<td></td>
</tr>
<tr>
<td>690. SSFM International, Job No. 05-03, WK-25, Kapilimao Tank and Job No. 03, Hardening of Generator Shelter</td>
<td>$ 471,250.00</td>
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<tr>
<td>691. Contract No. 511, Belt Collins Hawaii, Ltd, Job No. K-01, Yamada Tani Site Acquisition</td>
<td>$ 17,082.00</td>
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<tr>
<td>693. USGS, USGS Joint Funding Agreement. Water Monitoring Program</td>
<td>$ 18,675.00</td>
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<tr>
<td><strong>TOTAL CONTRACTS 2009 - 2010:</strong></td>
<td><strong>$ 507,007.00</strong></td>
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<tr>
<td><strong>TOTAL CIP CONTRACTS:</strong></td>
<td><strong>$ 3,034,121.37</strong></td>
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<tr>
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<tr>
<td>101b. CAPITAL REHABILITATION PROJECTS</td>
<td>$3,426,856</td>
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<tr>
<td>CONTRACTED CRP PROJECTS</td>
<td>$1,460,597</td>
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<tr>
<td>TOTAL CAPITAL REHABILITATION PROJECTS</td>
<td>$4,887,453</td>
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## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
##### 2010 - 2011
### CAPITAL REHABILITATION PROGRAM BUDGET
#### WATER UTILITY FUND

<table>
<thead>
<tr>
<th>101b. CAPITAL REHABILITATION PROJECTS</th>
<th>2010 - 2011 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Island-Wide, State Hazard Mitigation, Program, Matching Funds for Hardening Essential Facilities (8/15/01 BOD meeting), KW-24, WK-15, PLH-12</td>
<td>$350,000.00</td>
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<tr>
<td>Kalaheo, Nursery Tank and Clearwell Tank Renovation</td>
<td>$1,500,000.00</td>
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<tr>
<td>Wailua/Kapaa, Nonou Tank, Convert to Storage Area</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>Kekaha, Kekaha Shaft (11) Renovation, Phase 2, Job No. 06-01, KW-28 (Encumbrance 12/31/07 BOD Mtg)</td>
<td>$538,494.00</td>
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<tr>
<td>Lihue Baseyard Complex Improvements and Expansion, PLH-39</td>
<td>$600,000.00</td>
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</table>

**ENCUMBRANCE:**
- Wailua/Kapaa, Wailua Houselots Waterline Replacement, Contract No. 403, R.M. Toweill, Job No. 02-15, KW-28 - Contract Amendment No. 1 (BOD Meeting 5/21/09) | $ - |
- Kekaha-Waimea, Amfac Shaft 11 Phase 1.B, Contract No. 466, Job No. 06-01, KW-28, Brown and Caldwell (BOD Meeting 5/21/09) | $ - |

**TOTAL CAPITAL REHABILITATION PROJECTS:** $3,088,494.00
### 101b. CAPITAL REHABILITATION PROJECTS REHABILITATION PROJECTS

<table>
<thead>
<tr>
<th>CONTRACT ENCUMBRANCES</th>
<th>2010 - 2011 BUDGET</th>
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</thead>
<tbody>
<tr>
<td><strong>1997 - 1998 CONTRACTS</strong></td>
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<tr>
<td>464. Job No. 97-1, Contract No. 309, SSFM Engineers, repair Kokolau Tunnel</td>
<td>$118,381.66</td>
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<tr>
<td><strong>TOTAL 1997 - 1998 CONTRACTS:</strong></td>
<td>$118,381.66</td>
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<tr>
<td><strong>1998 - 1999 CONTRACTS</strong></td>
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<tr>
<td>472. Job No. 97-2, Contract No. 323, CH2M Hill, refurbish Lihue (2) Steel Tanks</td>
<td>$3,765.00</td>
</tr>
<tr>
<td>476. Job No. 97-3, Contract No. 236, Nishimura, Katayama, Oki, &amp; Santo - refurbish Hanalei Tank</td>
<td>$23,605.00</td>
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<tr>
<td>491. Job No. 98-7, M&amp;E Pacific, refurbish Kukuiolono 0.2 MG Tank</td>
<td>$16,840.00</td>
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<tr>
<td><strong>TOTAL 1998 - 1999 CONTRACTS:</strong></td>
<td>$44,210.00</td>
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<tr>
<td><strong>1999 - 2000 CONTRACTS</strong></td>
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<tr>
<td>499. Job No. 97-7, Contract No. 346, Wagner Engineering Service, replace Lawai 8-inch waterline</td>
<td>$4,900.00</td>
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<td><strong>TOTAL 1999 - 2000 CONTRACTS:</strong></td>
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<tr>
<td>CONTRACT ENCUMBRANCES</td>
<td>2010 - 2011 BUDGET</td>
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<tr>
<td><strong>2002 - 2003 CONTRACTS</strong></td>
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<tr>
<td>578. Job No. 02-03, Contract No. 397, PAREN, Inc. 12-inch Waterline along Waimea Canyon Road</td>
<td>$6,639.00</td>
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<tr>
<td>587. Job No. 02-15, Contract No. 403, RM Towill Corp., Wailua Hslns Main Replacement</td>
<td>$107,837.00</td>
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<tr>
<td>588. Job No. 02-18, Contract No. 404, Fukunaga &amp; Assoc., Kapaa Homesteads Pipeline Replacement</td>
<td>$51,100.00</td>
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<tr>
<td>589. Job No. 02-19, Contract No. 405, Kodani &amp; Assoc., Waipouli Mainline Replacement</td>
<td>$30,690.00</td>
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<tr>
<td>591. Job No. 02-17, Contract No. 408, Wagner Engineering, Inc., Maka Ridge DW, Tank &amp; Pipeline</td>
<td>$44,380.20</td>
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<td><strong>TOTAL 2002 - 2003 CONTRACTS:</strong></td>
<td><strong>$279,668.75</strong></td>
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<td><strong>2003 - 2004 CONTRACTS</strong></td>
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<tr>
<td>601. Job No. 02-08, Eleele Twin 0.4 MG Tanks, Contract No. 420 Hawaii Pacific Engineers</td>
<td>$139,819.00</td>
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<tr>
<td>609. Job No. 03-02, Contract No. 428, Brown &amp; Caldwell, Renovations Wainiha Booster, Haena Steel Tank, Anahola 0.15 MG Tank, Kekaha Shaft.</td>
<td>$35,190.55</td>
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<td><strong>TOTAL 2003 - 2004 CONTRACTS</strong></td>
<td><strong>$175,009.55</strong></td>
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<td>CONTRACT ENCUMBRANCES</td>
<td>2010 - 2011 BUDGET</td>
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<tr>
<td>-----------------------</td>
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<tr>
<td><strong>630. WK-14, Job No. 04-02, Contract No. 447, Fukunaga &amp; Associates, Pipeline replacement, Vivian Heights and Kanaele Road</strong></td>
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<tr>
<td>$ 5,791.00</td>
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<tr>
<td><strong>TOTAL 2004 - 2005 CONTRACTS</strong></td>
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<tr>
<td>$ 5,791.00</td>
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<td><strong>2005 - 2006 CONTRACTS</strong></td>
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<tr>
<td><strong>633. HE-11, Contract No. 7296, Kodani &amp; Associates, Lele Rd. to Salt Pond Rd, 6” Main Replacement</strong></td>
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<td>$ 3,500.00</td>
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<td><strong>634. WK-30, Job 04-03, Contract No. 450, ParEn Inc., Waipouli-Olohe Rd Pipeline</strong></td>
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<td>$ 174,900.00</td>
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<td><strong>635. KW-16, Job No. 05-01, Contract No. 449, Hawaii Pacific Engineering, Inc., Waimea Main Replacement</strong></td>
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<td>$ 24,294.50</td>
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<td><strong>636. PLH-12, Job No. 05-06, Contract No. 451, BOW Eng. &amp; Dev., Eiwa, Umi, Akahi, Elua, Hardy St. 8” Main Replacement</strong></td>
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<td>$ 33,080.00</td>
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<td>$ 216,000.00</td>
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<td><strong>638. PLH-30, Job No. 05-05, Contract No. 453, Belt Collins &amp; Associates, Nawiliwili, Niumalu, Kupolo Main Replacement</strong></td>
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<td>$ 52,174.00</td>
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<td><strong>640. KW-27, Job No. 05-04, Contract No. 455, Fukunaga &amp; Associates, 12-inch Mainline Replacement, Kekaha</strong></td>
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<td>$ 23,700.00</td>
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<td><strong>647. KW-05, KW-20, Job No. 04-06, Engineering Solutions Inc., Renovate Waimea Well A and Kekaha Well B</strong></td>
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<td>$ 41,255.60</td>
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<tr>
<td><strong>TOTAL 2005 - 2006 CONTRACTS</strong></td>
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<td>$ 568,904.10</td>
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<td>2010 - 2011 BUDGET</td>
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<td>$ 159,946.39</td>
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<td>$ 1,028,571.35</td>
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<tr>
<th>CONTRACT ENCUMBRANCES</th>
<th>2006 - 2007 CONTRACTS</th>
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<tbody>
<tr>
<td>651. Contract No. 466, Brown &amp; Caldwell, KW-28, Job 06-01, Amfac Shaft Renovation, Phase IA</td>
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<thead>
<tr>
<th>TOTAL 2006 - 2007 CONTRACTS</th>
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<tbody>
<tr>
<td>$ 159,946.39</td>
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<table>
<thead>
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<th>2007 - 2008 CONTRACTS</th>
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<tr>
<td>664. Contract No. 479, SSFM International, WK-2, Job No. 02-24, Renovate Akulikuli Tunnel, Phase 2</td>
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<table>
<thead>
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<tr>
<td>$ 245,984.00</td>
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<table>
<thead>
<tr>
<th>2008 - 2009 CONTRACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>674. Contract No. 493, Earthworks Pacific, WK-32, Job No. 08-18, Phase I, WK-14, Job No. 02-18, Phase II</td>
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<table>
<thead>
<tr>
<th>TOTAL 2008 - 2009 CONTRACTS</th>
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<tbody>
<tr>
<td>$ 1,028,571.35</td>
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<table>
<thead>
<tr>
<th>2008 - 2009 CONTRACTS CON'T</th>
</tr>
</thead>
<tbody>
<tr>
<td>675. Contract No. 495, Cushnie Construction Co., KW-03, Job 03-01, 8-inch Waterline Replacement, Elepaio Road</td>
</tr>
</tbody>
</table>

| 678. Contract No. 498, Earthworks Pacific Inc., KW-27, Kaumualii Hwy 12-inch Main Replacement, /Elepaio Road to Huakai Road |


<table>
<thead>
<tr>
<th>TOTAL 2008 - 2009 CONTRACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,028,571.35</td>
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</table>

DEPARTMENT OF WATER
ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
FISCAL YEAR
2010 - 2011
CAPITAL REHABILITATION PROGRAM BUDGET
WATER UTILITY FUND
### DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
### FISCAL YEAR
### 2010 - 2011
### CAPITAL REHABILITATION PROGRAM BUDGET
### WATER UTILITY FUND

#### 101b. CAPITAL REHABILITATION PROJECTS REHABILITATION PROJECTS

<table>
<thead>
<tr>
<th>CONTRACT ENCUMBRANCES</th>
<th>2010 - 2011 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2009 - 2010 CONTRACTS</strong></td>
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<tr>
<td>682. Contract No. 502, Cushnie Construction, Inc., Job No. 04-04 PLH-09 Lihue Town Pipeline Replacement</td>
<td>$ 76,446.88</td>
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<td>683. Contract No. 503, Goodfellow Bros., Job No. 04-06, KW-05, Kekaha (Waipio) Well &quot;B&quot; Renovations</td>
<td>$ 114,114.61</td>
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<td>684. Contract No. 504, Goodfellow Bros., Inc., Job No. 05-01, KW-16, Waimea Main Replacement</td>
<td>$ -</td>
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<tr>
<td>687. Contract No. 507, Koga Engineering &amp; Construction, Job No. 02-03, KW-14, 12-inch Waterline, Waimea Canyon Drive</td>
<td>$ -</td>
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<tr>
<td>692. Contract No. 512, architects Hawaii, Ltd., Job No. PLH-39, Lihue Baseyard Improvement</td>
<td>$ 279,719.00</td>
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**TOTAL 2009 - 2010 CONTRACTS** $ 470,280.49

**TOTAL CRP CONTRACT ENCUMBRANCES** $ 3,101,647.29
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<tr>
<td>BEGINNING BALANCE:</td>
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<td>$ 6,123,586</td>
<td>$ 6,123,586</td>
<td>$ 4,312,305</td>
<td>$ 5,535,242.86</td>
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<td>Projected Resources</td>
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<td>$ 679,200</td>
<td>$ 574,700</td>
<td>$ 589,200</td>
<td>$589,200</td>
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<td>TOTAL RESOURCES:</td>
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<td>$ 6,802,786</td>
<td>$ 6,698,286</td>
<td>$ 4,901,505</td>
<td>$ 6,124,442.86</td>
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<td>$551,200</td>
<td>$ 2,133,400</td>
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<td>$300,000</td>
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<td>$ 2,104,379</td>
<td>$1,533,788</td>
<td>$2,231,348</td>
<td>$1,004,238.84</td>
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<td>TOTAL EXPENDITURES:</td>
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<td>$ 6,802,786</td>
<td>$ 2,384,988</td>
<td>$ 4,901,505</td>
<td>$ 6,124,442.86</td>
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<td>$ 4,313,298</td>
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# DEPARTMENT OF WATER

## ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

### FISCAL YEAR

#### 2010 - 2011

#### FRC FUND

<table>
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<tr>
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<tr>
<td>4A. FACILITIES RESERVE CHARGE</td>
<td>$ 852,000</td>
<td>$499,200</td>
<td>$448,000</td>
<td>$499,200</td>
<td>$499,200.00</td>
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<td>5A. INTEREST EARNED</td>
<td>$ 149,449</td>
<td>$180,000</td>
<td>$126,700</td>
<td>$90,000</td>
<td>$90,000.00</td>
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<tr>
<td><strong>TOTAL RESOURCES:</strong></td>
<td><strong>$1,001,449</strong></td>
<td><strong>$679,200</strong></td>
<td><strong>$574,700</strong></td>
<td><strong>$589,200</strong></td>
<td><strong>$589,200.00</strong></td>
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<tr>
<td>301. FRC CIP</td>
<td>2010 - 2011 BUDGET</td>
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<tr>
<td>-----------------------------------------</td>
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<tr>
<td><strong>STORAGE</strong></td>
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<tr>
<td>Lawai-Omao, Construct Omao 0.5 MG Tank</td>
<td>$2,205,000.00</td>
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<tr>
<td>Kilauea, Design 1.0 MG Tank, WKK-15</td>
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<td></td>
<td>$ -</td>
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<tr>
<td><strong>TOTAL STORAGE:</strong></td>
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</table>
### DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
### FISCAL YEAR
### 2010 - 2011
### FRC FUND - CAPITAL IMPROVEMENT PROJECTS BUDGET

<table>
<thead>
<tr>
<th>301. FRC CIP</th>
<th>2010 - 2011 BUDGET</th>
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<tbody>
<tr>
<td><strong>WATER SOURCE</strong></td>
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<tr>
<td>Kilauea, Design and drill Well No. 3 or 4, WKK-2</td>
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**TOTAL WATER SOURCE** $ 800,000.00
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<thead>
<tr>
<th>WATER SOURCE DEVELOPMENT</th>
<th>2010 - 2011 BUDGET</th>
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<td>$ -</td>
</tr>
<tr>
<td>TOTAL WATER SOURCE DEVELOPMENT:</td>
<td>$ -</td>
</tr>
<tr>
<td>FRC OFFSET ESCROW</td>
<td>$ 1,096,800.00</td>
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<tr>
<td></td>
<td>$ -</td>
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<tr>
<td></td>
<td>$ -</td>
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<tr>
<td>TOTAL</td>
<td>$ 1,096,800.00</td>
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<tr>
<td>TOTAL CAPITAL IMPROVEMENT PROJECTS:</td>
<td>$ 4,338,400.00</td>
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</table>
### DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
### FISCAL YEAR
### 2010 - 2011
### FRC FUND - CAPITAL IMPROVEMENT PROJECTS BUDGET

<table>
<thead>
<tr>
<th>301. FRC CIP</th>
<th>2010 - 2011 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTRACT ENCUMBRANCES</strong></td>
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</tr>
<tr>
<td><strong>1998 - 1999 CONTRACTS</strong></td>
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<tr>
<td>302. Job No. 87-1, Contract No. 322, GMP Assoc., Inc., Poipu Storage Tank</td>
<td>$2,050.00</td>
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<tr>
<td><strong>TOTAL CONTRACTS 1998 - 1999:</strong></td>
<td>$2,050.00</td>
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<tr>
<td><strong>1999 - 2000 CONTRACTS</strong></td>
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<tr>
<td>304. Job No. 98-33, Contract No. 345, Fukunaga &amp; Assoc., Drill and Test Wailua Well No. 3</td>
<td>$10,500.00</td>
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<tr>
<td><strong>TOTAL CONTRACTS 1999 - 2000:</strong></td>
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<tr>
<td><strong>2003 - 2004 CONTRACTS</strong></td>
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<tr>
<td>314. Job No. 02-02, Fukunaga &amp; Assoc., Omao 0.5 MG Tank</td>
<td>$62,996.00</td>
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<td><strong>TOTAL CONTRACTS 2003 - 2004:</strong></td>
<td>$62,996.00</td>
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### DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
### FISCAL YEAR
### 2010 - 2011
### FRC FUND - CAPITAL IMPROVEMENT PROJECTS BUDGET

<table>
<thead>
<tr>
<th>301. FRC CIP</th>
<th>2010 - 2011 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTRACT ENCUMBRANCES</strong></td>
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<td><strong>2005 - 2006 CONTRACTS</strong></td>
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<tr>
<td>318. H-8, HW-12, Job No. 05-02, Contract No. 457, Kodani &amp; Associates, Inc., Drill and Test Wainiha Well No. 4</td>
<td>$192,970.00</td>
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<td><strong>2006 - 2007 CONTRACTS</strong></td>
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<tr>
<td>321. WK-23, Job No. 93-1, Contract No. 471, Portech, 250,000 MG UH Tank</td>
<td>$28,187.00</td>
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<td><strong>TOTAL CONTRACTS 2006 - 2007</strong></td>
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### DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
### FISCAL YEAR
### 2010 - 2011
### FRC FUND - CAPITAL IMPROVEMENT PROJECTS BUDGET

<table>
<thead>
<tr>
<th>301. FRC CIP</th>
<th>2010 - 2011 BUDGET</th>
</tr>
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<tbody>
<tr>
<td><strong>CONTRACT ENCUMBRANCES</strong></td>
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</tr>
<tr>
<td><strong>2007 - 2008 CONTRACTS</strong></td>
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</tr>
<tr>
<td>322. A-11, Contract No. 475, Tomco Corp. Pump, Controls, Anahola Well No. 3.</td>
<td>$ 72,294.00</td>
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<td>323. WK-08, Contract No. 427, Belt Collins, Hawaii, Kapaa Homesteads 0.5 MG Tank and Kapaa 1.0 MG Tank</td>
<td>$ 175,915.34</td>
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<td>324. WK-39, Contract No. 488, HDR Engineering, Inc., Drill and Test Kapaa Homesteads Well No. 4.</td>
<td>$ 226,416.50</td>
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<td><strong>TOTAL CONTRACTS 2007 - 2008</strong></td>
<td>$ 474,625.84</td>
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<td><strong>2008 - 2009 CONTRACTS</strong></td>
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<tr>
<td>325. Contract No. 492 Earthworks Pacific, WK-42, Phase II Offsite Waterline on Kaapuni Road for Stable Tank</td>
<td>$ 232,910.00</td>
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<td><strong>TOTAL CONTRACTS 2008 - 2009</strong></td>
<td>$ 232,910.00</td>
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<td>xxx. Unlimited Builders, LLC, LO-04, Construct Piwai 0.5 MG Tank</td>
<td>$ -</td>
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<tr>
<td>$ -</td>
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<tr>
<td><strong>TOTAL CONTRACT ENCUMBRANCES:</strong></td>
<td>$ 1,004,238.84</td>
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# DEPARTMENT OF WATER

ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

FISCAL YEAR

2010 - 2011

BOND FUND

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<tbody>
<tr>
<td>BEGINNING BALANCE:</td>
<td>$ 3,260,657</td>
<td>$ 2,021,763</td>
<td>$ 2,021,763</td>
<td>$ 200,656</td>
<td>$ 553,408.97</td>
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<tr>
<td>Projected Resources</td>
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<tr>
<td>TOTAL RESOURCES:</td>
<td>$ 3,260,657</td>
<td>$ 2,021,763</td>
<td>$ 2,021,763</td>
<td>$ 200,656</td>
<td>$ 553,408.97</td>
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<td>Capital Improvement Projects</td>
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<td>$ 200,656</td>
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<td>Contracted CIP Projects</td>
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</tr>
<tr>
<td>Cost of Issuance</td>
<td></td>
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<tr>
<td>TOTAL EXPENDITURES:</td>
<td>$ 1,238,893</td>
<td>$ 2,021,763</td>
<td>$ 1,821,107</td>
<td>$ 200,656</td>
<td>$ 553,408.97</td>
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<td>BOND FUND</td>
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<tr>
<td>CAPITAL IMPROVEMENT PROJECTS</td>
<td>$ 200,656.55</td>
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**TOTAL CAPITAL IMPROVEMENT PROJECTS:** $ 200,656.55
DEPARTMENT OF WATER
ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
FISCAL YEAR
2010 - 2011
BOND FUND - CONTRACT ENCUMBRANCES

<table>
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<tr>
<th>BOND FUND</th>
<th>2010 - 2011 BUDGET</th>
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<tbody>
<tr>
<td></td>
<td>$ 352,752.42</td>
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2008 - 2009 CONTRACTS

216. Contract No. 494, Kauai Builders, Ltd, WK-08, Job No. 02-14 Kapaa Homestead 0.5 MG Tank, WK-15, Job No. 03-03 Hardening of Generator Shelter

TOTAL 2006 - 2007 CONTRACTS: $ 352,752.42

TOTAL CONTRACT ENCUMBRANCES: $ 352,752.42
## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
##### 2010 - 2011
#### WATERWORK BUILD AMERICA PROJECT FUND

<table>
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<tr>
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<tbody>
<tr>
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<tr>
<td>Interest Income</td>
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<td>Contracted CIP Projects</td>
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<td><strong>TOTAL EXPENDITURES:</strong></td>
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<td>$</td>
<td>$ 59,143,019.84</td>
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<td>$ 59,464,161</td>
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## DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
#### FISCAL YEAR
##### 2010 - 2011
#### WATERWORK BUILD AMERICA PROJECT FUND - CAPITAL IMPROVEMENT PROJECTS BUDGET

<table>
<thead>
<tr>
<th>BOND FUND</th>
<th>2010 - 2011 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPITAL IMPROVEMENT PROJECTS</td>
<td></td>
</tr>
<tr>
<td>Lihue, MOA with State of Hawaii for upsizing of the kaumualii Highway 16-inch to 24-inch waterline.</td>
<td>$ 45,082,690.20</td>
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<td>$ 2,500,000.00</td>
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<tr>
<td><strong>TOTAL CAPITAL IMPROVEMENT PROJECTS:</strong></td>
<td><strong>$ 47,582,690.20</strong></td>
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### DEPARTMENT OF WATER
### ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
### FISCAL YEAR
### 2010 - 2011
### WATERWORK BUILD AMERICA PROJECT FUND - CONTRACT ENCUMBRANCES

#### BOND FUND

<table>
<thead>
<tr>
<th>2009 - 2010 CONTRACTS</th>
<th>2010 - 2011 BUDGET</th>
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<tbody>
<tr>
<td>684. Contract No. 504, Goodfellow Brothers, Inc., Job 05-01, KW-16, Waimea Main Replacement</td>
<td>$2,359,623.29</td>
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<tr>
<td>687. Contract No. 507, Koga Engineering &amp; Construction, Job 02-03, KW-14, 12-inch Waterline, Waimea Canyon Drive</td>
<td>$1,944,706.35</td>
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<tr>
<td>218. Contract No. 515, Jennings Pacific, LLC, Job No. 02-18, WK-32, Kapaa Homesteads Pipeline replacement</td>
<td>$2,842,000.00</td>
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<tr>
<td>219. Contract No. 514, Earthworks Pacific, Job No. 04-02, WK-Pipeline replacement for Vivian Heights and Kanahele Road</td>
<td>$2,686,000.00</td>
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<tr>
<td>220. Contract No. 516, Unlimited Builders, LLC, Job No. 03-02, HW-02, Wainihia Booster Pump Station and Haena Steel Tank Renovation</td>
<td>$1,728,000.00</td>
</tr>
</tbody>
</table>

**TOTAL CONTRACTS 2009-2010:** $11,560,329.64

**TOTAL CONTRACT ENCUMBRANCES:** $11,560,329.64
MANAGER’S REPORT No. 11-16

August 12, 2010

Re: Request Board Approval to Apply for Grant Funding from the Department of Health Safe Drinking Water Branch to Develop and Initiate Implementation of a Wellhead Protection Program for the County of Kauai

RECOMMENDATION:
Recommend your approval to apply for grant funds available through the Department of Health Safe Drinking Water Branch to develop and initiate implementation of a Wellhead Protection Program.

FUNDING: n/a

BACKGROUND:
The Department of Health Safe Drinking Water Branch has grant monies available through the EPA for projects that address wellhead or source water protection. Erin Borger, Source Water Specialist from the National Rural Water Association, is currently working on a Wellhead/Source Protection Plan for the County of Kaua’i. The grant money would be used for implementation of the plan.

Mr. Dan Chang from the Department of Health Safe Drinking Water Branch will be available at the Board Meeting to address any of the Board’s questions. Mr. Chang indicated that we would be able to request a minimum of $200,000 or thereabouts, with the dollar amount to be determined as the scope of work for the Wellhead Protection Program is developed.

Respectfully submitted,

Faith Shiramizu
Public Relations Specialist

CONCURRED:

David R. Craddick, P.E.
Manager and Chief Engineer

FS:rm
Mgrwp/Grant Monies from DOH for Wellhead Protection Program (8-19-10):rm
MANAGER'S REPORT No. 11-17

August 12, 2010

Re: Request Board Approval of the Proposed Revised Organizational Chart

RECOMMENDATION:
Your approval is requested for the Proposed Revised Organizational Chart. For additional discussion, referral to the Committee of the Whole may also be appropriate.

BACKGROUND
In order to better plan for the future, the Department of Water has proposed reorganizational revisions to the Organizational Chart.

Respectfully submitted,

[Signature]

David R. Craddick, P.E.
Manager and Chief Engineer

DRC: cab
Mgrp/Revised Organizational Chart (8 19 10)
Staff Reports
STATEMENT OF REVENUES AND EXPENDITURES
WATER UTILITY FUND
June 30, 2010

REVENUES:
Cash on hand as of July 1, 2009 $ 9,011,093.72
Add: Revenues To Date $ 33,996,414.85
Sub-Total $ 43,007,508.57

EXPENDITURES:
Less: Expenditures to Date $ 28,645,059.01

BALANCE AT THE END OF THE MONTH $ 14,362,449.56

SHORT TERM INVESTMENTS - WATER UTILITY FUND

BANK OF HAWAII

<table>
<thead>
<tr>
<th>TCD#</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>8000423145-103</td>
<td>39,000.00</td>
</tr>
<tr>
<td>8000423145-92</td>
<td>5,000.00</td>
</tr>
<tr>
<td>8000423145-110</td>
<td>500,000.00</td>
</tr>
<tr>
<td>8000423145-107</td>
<td>160,000.00</td>
</tr>
<tr>
<td>8000423145-106</td>
<td>500,000.00</td>
</tr>
</tbody>
</table>

CENTRAL PACIFIC BANK

FIRST HAWAIIAN BANK

MERRILL-LYNNCH

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>313385P75</td>
<td>998,642.50</td>
</tr>
<tr>
<td>313396CT8</td>
<td>995,771.66</td>
</tr>
</tbody>
</table>

SUB-TOTAL FOR PAGE A $ 3,198,414.16
### Short Term Investments - Water Revenues

**Multi-Bank**

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>INT. DUE</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>85508AC3</td>
<td>2.70000%</td>
<td>11/18/13</td>
<td>98,000.00</td>
</tr>
<tr>
<td>06610PAR4</td>
<td>4.50000%</td>
<td>07/27/12</td>
<td>98,000.00</td>
</tr>
<tr>
<td>31331GYT0</td>
<td>3.75000%</td>
<td>06/17/14</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**UBS**

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>INT. DUE</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>31331JRT2</td>
<td>2.62000%</td>
<td>06/15/15</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>31331G2N8</td>
<td>2.04000%</td>
<td>04/29/13</td>
<td>2,000,000.00</td>
</tr>
<tr>
<td>313384FU8</td>
<td>0.47900%</td>
<td>05/19/11</td>
<td>$985,300.00</td>
</tr>
</tbody>
</table>

**Total Short-Term Investments - Water Utility**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand with Treasurer - COK</td>
<td>$4,754,631.28</td>
</tr>
<tr>
<td>Cash on hand - BOH Savings</td>
<td>$3,227,385.02</td>
</tr>
<tr>
<td>Cash on hand - FHB Savings</td>
<td>$25,799.99</td>
</tr>
</tbody>
</table>

**Less:** Claims to be paid on Manual Payment

<table>
<thead>
<tr>
<th>Amount</th>
<th>$6,972,735.40</th>
</tr>
</thead>
</table>

**Cash Balance at the End of the Month**

<table>
<thead>
<tr>
<th>Amount</th>
<th>$14,362,449.58</th>
</tr>
</thead>
</table>
## WATER UTILITY FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 9,011,093.72</td>
<td>$ 9,011,093.72</td>
<td>$ -</td>
<td>-</td>
<td>$ -</td>
</tr>
<tr>
<td>1 Water Sales</td>
<td>$ 18,687,900.00</td>
<td>$ 18,830,811.07</td>
<td>$ 2,032,604.12</td>
<td>101%</td>
<td>$ (142,911.07)</td>
</tr>
<tr>
<td>2 Net Miscellaneous Receipts</td>
<td>$ 112,000.00</td>
<td>$ 149,855.47</td>
<td>$ 30,147.16</td>
<td>134%</td>
<td>$ (37,855.47)</td>
</tr>
<tr>
<td>3 Interest Income</td>
<td>$ 410,000.00</td>
<td>$ 275,534.87</td>
<td>$ 33,339.52</td>
<td>67%</td>
<td>$ 134,465.13</td>
</tr>
<tr>
<td>4 County Service Charge</td>
<td>$ 831,200.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
<td>$ 831,200.00</td>
</tr>
<tr>
<td>5 State Revolving Fund</td>
<td>$ 33,881,000.00</td>
<td>$ 14,713,073.94</td>
<td>$ 2,168,519.12</td>
<td>43%</td>
<td>$ 19,167,926.06</td>
</tr>
<tr>
<td>5a Other Receipts</td>
<td>$ -</td>
<td>$ 27,139.50</td>
<td>-</td>
<td>-</td>
<td>$ (27,139.50)</td>
</tr>
<tr>
<td>5b SCADA Private Funds</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES</strong></td>
<td>$ 62,033,193.72</td>
<td>$ 43,007,508.57</td>
<td>$ 4,264,809.92</td>
<td>68%</td>
<td>$ 19,925,685.15</td>
</tr>
</tbody>
</table>

## DISBURSEMENTS:

<table>
<thead>
<tr>
<th>SALARIES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 Salaries - DOW</td>
<td>$ 5,049,700.00</td>
<td>$ 4,318,265.94</td>
<td>$ 371,592.47</td>
<td>86%</td>
<td>$ 731,434.06</td>
</tr>
<tr>
<td>Provision for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 Accrued Vacation</td>
<td>$ 50,000.00</td>
<td>$ 105,608.79</td>
<td>(795.15)</td>
<td>211%</td>
<td>$ (55,608.79)</td>
</tr>
<tr>
<td><strong>TOTAL SALARIES:</strong></td>
<td>$ 5,099,700.00</td>
<td>$ 4,423,874.73</td>
<td>$ 370,797.32</td>
<td>87%</td>
<td>$ 675,825.27</td>
</tr>
</tbody>
</table>

## NORMAL EXPENDITURES

| COUNTY SERVICE CHRG | $ 831,200.00 | $ - | $ - | 0% | $ 831,200.00 |

## ADMINISTRATIVE OFFICE and ENGINEERING:

<table>
<thead>
<tr>
<th>UTILITIES</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 Utilities</td>
<td>$ 218,600.00</td>
<td>$ 168,943.50</td>
<td>$ 16,624.99</td>
<td>77%</td>
<td>$ 49,656.50</td>
</tr>
<tr>
<td>22 Postage and Printing</td>
<td>$ 113,000.00</td>
<td>$ 93,107.80</td>
<td>$ 8,786.46</td>
<td>82%</td>
<td>$ 19,892.20</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>$ 111,200.00</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>24 Maintenance</td>
<td>$ 149,200.00</td>
<td>$ 80,494.46</td>
<td>$ 2,037.00</td>
<td>72%</td>
<td>$ 30,705.54</td>
</tr>
<tr>
<td>05/19/06</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24b Con 461 Four Winds Group</td>
<td>$ 64,267.95</td>
<td>$ 25,958.32</td>
<td>-</td>
<td>-</td>
<td>$ (38,309.63)</td>
</tr>
</tbody>
</table>

<p>| MMIS Phases I &amp; II | $ 26,267.06 | $ - | - | - | - |</p>
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>$865,000.00</td>
<td>$107,513.74</td>
<td>$8,045.47</td>
<td>12%</td>
<td>$757,466.26</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$942,900.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>27b</td>
<td>$77,900.00</td>
<td>$57,790.00</td>
<td>$27,133.00</td>
<td>74%</td>
<td>$20,110.00</td>
</tr>
<tr>
<td>Con 508 R. W. Beck Inc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FRC Study for DOW</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Travel and Incidentals - Board</td>
<td>$14,700.00</td>
<td>$4,658.62</td>
<td>$2,641.05</td>
<td>32%</td>
<td>$10,041.38</td>
</tr>
<tr>
<td>Travel and Incidentals - Staff</td>
<td>$33,400.00</td>
<td>$18,248.50</td>
<td>$4,354.81</td>
<td>55%</td>
<td>$15,151.50</td>
</tr>
<tr>
<td>30</td>
<td>Collector's Commission</td>
<td>$16,000.00</td>
<td>$12,713.15</td>
<td>$3,056.99</td>
<td>79%</td>
</tr>
<tr>
<td>31</td>
<td>Miscellaneous</td>
<td>$10,000.00</td>
<td>-</td>
<td>0%</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>32</td>
<td>Auditing Fee</td>
<td>$76,000.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>32c</td>
<td>Annual Audit</td>
<td>$66,000.00</td>
<td>$66,000.00</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>Contract No. 477 KMH, LLP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>33</td>
<td>In-Service Training</td>
<td>$60,900.00</td>
<td>$32,465.55</td>
<td>$4,511.00</td>
<td>53%</td>
</tr>
<tr>
<td>34</td>
<td>Supplies - Office &amp; Eng.</td>
<td>$33,000.00</td>
<td>$31,473.98</td>
<td>$198.62</td>
<td>95%</td>
</tr>
<tr>
<td>35</td>
<td>Operating Reserve Fund</td>
<td>$76,500.00</td>
<td>$76,303.53</td>
<td>$9,814.79</td>
<td>100%</td>
</tr>
<tr>
<td>36</td>
<td>Public Relations</td>
<td>$84,500.00</td>
<td>$25,059.43</td>
<td>$539.58</td>
<td>30%</td>
</tr>
<tr>
<td>Computer Support and Supplies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(847.52)</td>
<td>-</td>
</tr>
<tr>
<td>37</td>
<td>Microlab Materials and Supplies</td>
<td>$18,500.00</td>
<td>$12,492.95</td>
<td>$1,181.64</td>
<td>66%</td>
</tr>
<tr>
<td>TOTAL ADM, OFF &amp; ENG</td>
<td>$1,883,467.95</td>
<td>$813,223.53</td>
<td>$87,831.12</td>
<td>44%</td>
<td>$1,050,244.42</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------</td>
<td>-------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td><strong>OPERATIONS AND MAINTENANCE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40  Vehicle - Materials &amp; Service</td>
<td>$109,500.00</td>
<td>$89,592.34</td>
<td>$6,048.40</td>
<td>82%</td>
<td>$19,907.66</td>
</tr>
<tr>
<td>41  Vehicle - Fuel</td>
<td>$130,200.00</td>
<td>$94,261.68</td>
<td>$2,355.09</td>
<td>72%</td>
<td>$35,918.32</td>
</tr>
<tr>
<td>42  Utilities</td>
<td>$55,400.00</td>
<td>$55,198.46</td>
<td>$5,766.31</td>
<td>100%</td>
<td>$201.54</td>
</tr>
<tr>
<td>43  Motor Parts</td>
<td>$8,000.00</td>
<td>$7,518.49</td>
<td>$1,699.31</td>
<td>94%</td>
<td>$481.51</td>
</tr>
<tr>
<td>43a Electrical Parts</td>
<td>$28,700.00</td>
<td>$12,580.55</td>
<td>$1,050.73</td>
<td>44%</td>
<td>$16,119.45</td>
</tr>
<tr>
<td>44  Miscellaneous</td>
<td>$5,000.00</td>
<td>$-</td>
<td>$-</td>
<td>0%</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>44a Misc. - Tapping Team</td>
<td>$8,000.00</td>
<td>$-</td>
<td>$-</td>
<td>0%</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>45  Contractual Services</td>
<td>$455,000.00</td>
<td>$44,748.11</td>
<td>$10%</td>
<td>$410,251.89</td>
<td></td>
</tr>
<tr>
<td>47  Materials and Supplies</td>
<td>$1,645,000.00</td>
<td>$179,201.89</td>
<td>$20,455.63</td>
<td>11%</td>
<td>$1,465,786.11</td>
</tr>
<tr>
<td>48  Collective Bargaining Items</td>
<td>$23,500.00</td>
<td>$20,041.73</td>
<td>$973.03</td>
<td>85%</td>
<td>$3,458.27</td>
</tr>
<tr>
<td>51  Pump Electrical</td>
<td>$3,000,000.00</td>
<td>$2,576,227.03</td>
<td>$252,079.71</td>
<td>86%</td>
<td>$423,772.97</td>
</tr>
<tr>
<td>55  Purchase of Water</td>
<td>$2,249,400.00</td>
<td>$1,558,688.07</td>
<td>$129,505.86</td>
<td>69%</td>
<td>$690,711.93</td>
</tr>
<tr>
<td>58  Chemicals</td>
<td>$36,000.00</td>
<td>$36,620.94</td>
<td>$5,621.22</td>
<td>102%</td>
<td>$(620.94)</td>
</tr>
<tr>
<td>59  Safe Drinking Water</td>
<td>$25,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>59a Act Program</td>
<td>$100,000.00</td>
<td>$17,678.63</td>
<td>$61.39</td>
<td>71%</td>
<td>$7,321.37</td>
</tr>
<tr>
<td>59g Contract No. 496 10/08</td>
<td>$50,000.00</td>
<td>$19,200.00</td>
<td></td>
<td>39%</td>
<td>$30,800.00</td>
</tr>
<tr>
<td>59h MWH Laboratories 03/09</td>
<td>$50,000.00</td>
<td>$13,950.00</td>
<td>28%</td>
<td>$36,050.00</td>
<td></td>
</tr>
<tr>
<td>59i MWH Laboratories 12/09</td>
<td>$75,000.00</td>
<td>$29,700.00</td>
<td>40%</td>
<td>$45,300.00</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL OPERATIONS:</strong></td>
<td>$7,953,700.00</td>
<td>$4,755,227.92</td>
<td>$423,305.32</td>
<td>60%</td>
<td>$3,188,472.08</td>
</tr>
<tr>
<td><strong>INSURANCE AND EMPLOYEE BENEFITS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60  Insurance and Bonds</td>
<td>$200,000.00</td>
<td>$119,130.57</td>
<td></td>
<td>60%</td>
<td>$80,869.43</td>
</tr>
<tr>
<td>61  Workmen's Compensation Insurance</td>
<td>$150,000.00</td>
<td>$85,021.04</td>
<td>$35,903.77</td>
<td>57%</td>
<td>$64,978.96</td>
</tr>
<tr>
<td>62  Retirement System</td>
<td>$764,100.00</td>
<td>$640,414.61</td>
<td>$78,669.50</td>
<td>84%</td>
<td>$123,685.39</td>
</tr>
<tr>
<td>63  FICA Taxes - Employer's</td>
<td>$389,700.00</td>
<td>$312,535.94</td>
<td>$77,164.06</td>
<td>80%</td>
<td>$77,164.06</td>
</tr>
<tr>
<td>64  Health, Life, &amp; Dental (EUTF)</td>
<td>$396,300.00</td>
<td>$381,548.08</td>
<td>$42,860.64</td>
<td>96%</td>
<td>$14,751.92</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>--------------------------</td>
<td>---</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Health &amp; Life Insurance - Retirees &amp; OPEB</td>
<td>$1,120,276.91</td>
<td>$1,053,472.54</td>
<td>(99,394.66)</td>
<td>94%</td>
<td>$66,804.37</td>
</tr>
<tr>
<td>TOTAL INSURANCE &amp; EMPLOYEE BENEFITS</td>
<td>$3,020,376.91</td>
<td>$2,592,122.78</td>
<td>$194,719.82</td>
<td>86%</td>
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**DEBT SERVICE REQUIREMENT:**

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**TOTAL SALARIES, NORMAL EXPENDITURES, AND DEBT SERVICE REQUIREMENTS:**

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<td>Con 427 Belt Collins HI WK-08, WK-09 Job 02-14 Kapaia Hmtn's 0.5 MG Tank &amp; 1.0 MG Storage tank</td>
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TOTAL CAPITAL EXPENDITURES: $41,925,381.86 $13,643,154.12 $508,877.92 $28,282,227.74

TOTAL SALARIES, NORMAL EXPENDITURES, DEBT REQUIREMENTS AND CAPITAL EXPENDITURES: $62,833,193.72 $26,645,059.01 $1,602,906.50 46% $34,288,134.71
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TOTAL CAPITAL EXPENDITURES: $41,925,381.86 | $13,643,154.12 | $509,877.92 | 31% | $28,282,227.74

TOTAL SALARIES, NORMAL EXPENDITURES, DEBT REQUIREMENTS AND CAPITAL EXPENDITURES:

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<tbody>
<tr>
<td></td>
<td>$43,005,861.86</td>
<td>$13,643,154.12</td>
<td>$509,877.92</td>
<td>$29,362,327.74</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$62,933,193.72</td>
<td>$28,645,059.01</td>
<td>$1,602,906.50</td>
<td>$34,288,134.71</td>
<td></td>
</tr>
</tbody>
</table>

Proof $84,019,193.72 $28,645,059.01 $1,602,908.50 $35,368,134.71
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER ACTUAL EXPENDITURES</th>
</tr>
</thead>
</table>
| 12/27/02  
Kodani & Associates, Inc.  
Job 02-05 Uluana Rd (Eieele)  
12" W/L; 8" PRV, 400 gpm BP & 6" M/L Lihue Water System | $4,200.00 | $ | - | 0% | $4,200.00 |
| | $ | $ | $ | - | $ | - |
| TOTAL: | $4,200.00 | $ | $ | 0% | $4,200.00 |
STATEMENT OF REVENUES AND EXPENDITURES
FACILITIES RESERVE CHARGE FUND
June 30, 2010

REVENUES:

Cash on hand as of July 1, 2009 $ 6,123,586.08
Add: Revenues To Date $ 511,796.67
Sub-Total $ 6,635,382.75

EXPENDITURES:

Less: Expenditures To Date $ 1,100,139.89

BALANCE AT THE END OF THE MONTH $ 5,535,242.86

SHORT TERM INVESTMENTS-FRC
BANK OF HAWAII

CUSIP# 8000423145-112 0.17000% INT. DUE 06/30/11 $ 300,000.00

CENTRAL PACIFIC BANK

CUSIP# 8000738263 0.90000% INT. DUE 03/24/10 $

MERRILL LYNCH

CUSIP# 3133XVBM2 0.37500% INT. DUE 10/08/10 $ 500,000.00
CUSIP# 3136F3HBU8 2.00000% INT. DUE 08/18/11 $ 1,000,000.00
CUSIP# 3133XUFT5 1.75000% INT. DUE 02/17/12 $ 500,000.00

MULTI-BANK

CUSIP# 493149BC1 2.60000% INT. DUE 12/18/09 $ 240,000.00
CUSIP# 58740XSS0 3.65000% INT. DUE 12/24/09 $ 245,000.00
CUSIP# 36160VCH2 5.00000% INT. DUE 08/08/13 $ 97,000.00
CUSIP# 89214PAJ8 5.00000% INT. DUE 08/13/13 $ 97,000.00
CUSIP# 927055SAE3 1.50000% INT. DUE 06/17/03 $ 248,000.00

TDI (CSA)

CUSIP# 3128X8DX7 2.15000% INT. DUE 01/13/12 $ 1,000,000.00

VINING SPARKS

TOTAL SHORT-TERM INVESTMENTS - FRC $ 4,227,000.00

CASH ON WITH TREASURER - COK 06/30/10 $ 613,035.47
CASH ON HAND - FHB Savings 06/30/10 $ 700,902.79
Less: CLAIMS PAYABLE PAID ON 07/15/10 $(5,695.40) $ 1,308,242.86

CASH BALANCE AT THE END OF THE MONTH $ 5,535,242.86
## Department of Water
### County of Kauai
#### Status of the Budget
**July 1, 2009 to June 30, 2010**

**June 30, 2010**

### Facilities Reserve Charge

<table>
<thead>
<tr>
<th>CASH RECEIPTS</th>
<th>Budgeted Receipts</th>
<th>Actual Receipts To Date</th>
<th>Receipts for the Month</th>
<th>%</th>
<th>Balance of Budget Over Actual Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash Balance</strong></td>
<td>$ 6,123,586.08</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 6,123,586.08</td>
</tr>
<tr>
<td><strong>(FRC Refunds)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a Facilities Reserve Charge</td>
<td>$ 499,200.00</td>
<td>$ 383,800.00</td>
<td>$ 18,400.00</td>
<td>77%</td>
<td>$ 115,400.00</td>
</tr>
<tr>
<td>5a Interest Earned</td>
<td>$ 180,000.00</td>
<td>$ 127,996.67</td>
<td>$ 1,327.22</td>
<td>71%</td>
<td>$ 52,003.33</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>$ 6,802,786.08</td>
<td>$ 511,796.67</td>
<td>$ 19,727.22</td>
<td>8%</td>
<td>$ 6,290,989.41</td>
</tr>
</tbody>
</table>

### Capital Expenditures

<table>
<thead>
<tr>
<th>Capital Expenditures</th>
<th>Budgeted Amount</th>
<th>Total Actual Expenditures To Date</th>
<th>Expenditures for the Month</th>
<th>%</th>
<th>Balance of Budget Over Total Actual Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 FRC CIP</td>
<td>$ 4,133,400.00</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 4,133,400.00</td>
</tr>
<tr>
<td>301b FRC Fund Balance</td>
<td>$ 565,007.25</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 565,007.25</td>
</tr>
<tr>
<td>302 Contract #322 GMP Assoc, Inc Job 87-1 Poipu Storage Tank</td>
<td>$ 2,050.00</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 2,050.00</td>
</tr>
<tr>
<td>304 WK-21 Contract #345 Fukunaga &amp; Assoc Job 99-33 Wailua Well 3</td>
<td>$ 10,500.00</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 10,500.00</td>
</tr>
<tr>
<td>306 6/28/04 (301, 301b) LO-44 Con #436 Fukunaga &amp; Assoc Inc Job 02-02 Omao 0.5 MG Tank</td>
<td>$ 91,840.00</td>
<td>$ 28,644.00</td>
<td></td>
<td>31%</td>
<td>$ 62,996.00</td>
</tr>
<tr>
<td>318 3/8/06 (301, 301b) Con 457 Kodani &amp; Assoc Inc H-8 HW-12 Job 05-02 Drill &amp; Test Wainiha Well No. 4</td>
<td>$ 250,140.00</td>
<td>$ 57,170.00</td>
<td></td>
<td>23%</td>
<td>$ 192,970.00</td>
</tr>
<tr>
<td>319 3/31/06 (301b) Con 458 Akineka &amp; Assoc Inc Job No. A-11 Anahola Well 3 Pump, Controls &amp; Pipeline</td>
<td>$ 992.95</td>
<td>$ 992.95</td>
<td></td>
<td>100%</td>
<td>$</td>
</tr>
<tr>
<td>CAPITAL EXPENDITURES</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------</td>
<td>---------------------------------</td>
<td>---------------------------</td>
<td>---</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>1/17/2007 (301)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>321 Con 471 PORTech Eng. WK-23 Job 93-1 Wailua 250.000 MG Tank Survey</td>
<td>$28,187.00</td>
<td>$28,187.00</td>
<td>$28,187.00</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>7/19/07 (301, 301b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>322 Con 475 TOMCO Corp A-11 Pump, Controls, Pmp Stn &amp; Pipeline-Anahola Well #</td>
<td>$165,527.24</td>
<td>$113,233.24</td>
<td>$72,294.00</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>01/03/08 (301)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>323 Con 427 Belt Collins Hawaii WK-08 Kapaa Hmsids 0.5 MG Tank &amp; Kapahi 1.0 MG Tank</td>
<td>$266,049.29</td>
<td>$90,133.95</td>
<td>$5,695.40</td>
<td>34%</td>
<td>$175,915.34</td>
</tr>
<tr>
<td>03/31/08 (301, 301b) Con 488 HDR Engineering WK-39 Kapaa Hmsids Well No. 4 Drill &amp; Test</td>
<td>$333,831.10</td>
<td>$107,414.60</td>
<td>$228,416.50</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>7/2/2008 (301)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>325 Con 492 Earthworks Pacific WK-42 Phase II Offsite Waterline on Kapuni Road for Stable Tank</td>
<td>$935,261.25</td>
<td>$702,351.15</td>
<td>$232,910.10</td>
<td>75%</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL EXPENDITURES** $6,802,786.08 $1,100,139.89 $5,695.40 18% $5,702,646.19
# Statement of Revenues and Expenditures

**Bond Fund**

**June 30, 2010**

## Revenues:
- Cash on hand as of July 1, 2009: $2,021,763.28
- **Sub-Total**: $2,021,763.28

## Expenditures:
- Less: Expenditures To Date: $1,468,354.31

## Balance at the End of the Month: $553,408.97

## Short Term Investments - Bond

**Bank of Hawaii**

**First Hawaiian Bank**

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>%</th>
<th>Int. Due</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1062110</td>
<td>2.2080%</td>
<td>06/15/10</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Short-Term Investments - Bond**: $-

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/30/10</td>
<td>$553,408.97</td>
</tr>
</tbody>
</table>

**Cash on Hand with Treasurer - COK**

**Less Claims Payable On**

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/15/10</td>
<td>$553,408.97</td>
</tr>
</tbody>
</table>

**Balance at the End of the Month**: $553,408.97
**DEPARTMENT OF WATER**  
County of Kauai  
**STATUS OF THE BUDGET**  
**JULY 1, 2009 TO JUNE 30, 2010**  
**June 30, 2010**

**BOND FUND**  

<table>
<thead>
<tr>
<th>Cash Receipts:</th>
<th>Budgeted Receipts</th>
<th>Total Actual Receipts to Date</th>
<th>Receipts for the Month</th>
<th>% Balance of Budget Over Total Actual Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash Balance</strong></td>
<td>$2,021,763.28</td>
<td>-</td>
<td>-</td>
<td>$2,021,763.28</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>$2,021,763.28</td>
<td>-</td>
<td>-</td>
<td>0% $2,021,763.28</td>
</tr>
</tbody>
</table>

**Capital Expenditures:**

<table>
<thead>
<tr>
<th>Capital Expenditures</th>
<th>Budgeted Amount</th>
<th>Total Actual Expenditures to Date</th>
<th>Expenditures for the Month</th>
<th>% Balance of Budget Over Total Actual Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>201 Bond - CIP</td>
<td>$200,656.55</td>
<td>$200,656.55</td>
<td>0% $200,656.55</td>
<td></td>
</tr>
<tr>
<td>07/08/08</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 494 Kauai Builders</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>216 WK-08 Job 02-14 Kapaa</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hmstds 0.5 MG Tank &amp; WK-15 Job 03-03</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardening of Generator Shelters at Makaleha Tank Site</td>
<td>$1,821,106.73</td>
<td>$1,468,354.31</td>
<td>81% $352,752.42</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$201</td>
<td>$201</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$201</td>
<td>$201</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$201</td>
<td>$201</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$2,021,763.28</td>
<td>$1,468,354.31</td>
<td>73% $553,408.97</td>
<td></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
BOND - BAB FUND
June 30, 2010

REVENUES:
Cash on hand as of July 1, 2009 $ -
Add: Revenues To Date $ 60,000,000.00
Sub-Total $ 60,000,000.00

EXPENDITURES:
Less: Expenditures To Date $ 1,276,980.16

BALANCE AT THE END OF THE MONTH $ 58,723,019.84

SHORT TERM INVESTMENTS - BOND

BANK OF HAWAII

FIRST HAWAIIAN BANK

CUSIP# 1062140 0.0300% INT. DUE 074/30/10 $ 59,000,000.00

TOTAL SHORT-TERM INVESTMENTS - BOND $ 59,000,000.00

CASH ON HAND WITH TREASURER - COK 06/30/10 $ (276,980.16)

LESS CLAIMS PAYABLE ON 07/15/10 $ - $ (276,980.16)

BALANCE AT THE END OF THE MONTH $ 58,723,019.84

06-2010 BAB BUDGET STATUS Page A
# DEPARTMENT OF WATER
County of Kauai

## STATUS OF THE BUDGET
JULY 1, 2009 TO JUNE 30, 2010
June 30, 2010

### BUILD AMERICA BONDS (BABs) - FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>$ -</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$ 60,000,000.00</td>
<td>$ 60,000,000.00</td>
<td>$ -</td>
<td>100%</td>
<td>$ -</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$ 60,000,000.00</td>
<td>$ 60,000,000.00</td>
<td>$ -</td>
<td>100%</td>
<td>$ -</td>
</tr>
</tbody>
</table>

### CAPITAL EXPENDITURES:

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-01 BOND - BAB</td>
<td>$ 51,467,019.84</td>
<td>$ 53,195,019.84</td>
<td>0%</td>
<td>$ 53,195,019.84</td>
<td></td>
</tr>
<tr>
<td>Cost of Issuance</td>
<td>$ 535,838.66</td>
<td>$ 535,838.66</td>
<td>100%</td>
<td>$ (0.00)</td>
<td></td>
</tr>
</tbody>
</table>

**Goodfellow Brothers, Inc.**

- **EA-194, Emergency Work**
- **Hanalei River & Moepe Stream Crossing Pipeline Replacement**

**5/11/2010 CON 513**

- **Jennings Pacific, LLC**
  - Job No. 02-18, WK - 32
  - Kapaa Hmstds Pipe Repl

**5/11/10 CON 514**

- **Earthworks Pacific**
  - Job No. 04-02, WK-14
  - Pipeline Repl for Vivian hts

**6/30/10 CON 516**

- **Unlimited builders, LLC**
  - Job No. 03-02, HW-02, Wainiha Booster Pump Stn

| TOTAL EXPENDITURES | $ 60,000,000.00 | $ 1,276,980.16 | $ - | 2% | $ 58,723,019.84 |
PR SPECIALIST REPORT

August 11, 2010

Re: Public Relations Update

Project WET: Make a Splash 2010 is scheduled for Thursday, September 23rd. We currently have 599 students with 27 teachers registered. With Heather’s hard work, we are on schedule with all of the pieces that help to make our annual water festival a success. (Heather leaves on Monday the 16th.)

KEDB will be hosting a second Teacher Workshop at Kauai Community College on September 2, 2010. This workshop is being offered exclusively to 5th grade teachers who will be attending our 2010 Make a Splash with Project WET Water Festival.

Staff from the University of Hawaii, Department of Natural Resources and Environmental Management are organizing a two day Facilitator Workshop on Oahu for October 18-19, 2010 and a one day Teacher Workshop on Maui for October 21, 2010. We will have the Project WET Region 1 Director, Lin Howell, here from Oregon to conduct these workshops. This is a great opportunity to expand this program in the state.

Public Relations Services Request for Proposal: The initial advertising for the Public Relations Services Request for Proposal was pulled on July 19th and reissued on July 26th with the new proposal submission deadline of September 8, 2010. Thirteen organizations requested the detailed RFP. Nine participated in the pre-proposal conference which was held on August 4, 2010. (Thanks to David, Jeff and Sandi for setting up the “GoToMeeting”; it worked out very well.) So far it appears that eight (8) intend to submit proposals.

Wellhead Protection Program: Working with Dan Chang from the Department of Health Safe Drinking Water Branch to submit a grant application to develop and initiate implementation of a Wellhead Protection Program.

Drought Mitigation: Our request to extend and amend the Drought Mitigation Memorandum of Agreement with the State of Hawaii Commission on Water Resource Management has been approved and is being routed for signatures.

David, Bill and I met with Milton Hironaka from Precision-Radio, Ltd. Milton represents Sewerin USA, a leak detection manufacturer. This information along with information gathered at the AWWA ACE10 Conference will help in creating the scope of work as it relates to our internal water conservation program.

HWWA Conference: Assisting Sandi with various portions of the upcoming conference. Mark your calendars for October 13-15, 2010 as we would want the Board’s attendance as well as we are all hosting the Kauai’i conference. Attached is the conference packet for your information.
Hawaii Rural Water Association: Attended a lunch meeting with the newly formed Hawaii Rural Water Association staff. HRWA staff formerly worked as staff from the National Rural Water Association (NRWA). Their goal is to assist rural water and wastewater utilities.

Respectfully submitted,

Faith Shiramizu
DOW Public Relations Specialist

Attachment
Operational Report – For the Month of July 2010

Personnel

- Moving forward with the approved Ops Division reorganization plan. Two new key positions, “Water Field Operations Superintendent” and “Water Plants Superintendent”, are being advertised using the open recruitment process. The application due date is August 13, 2010.
- Other vacant Ops positions to fill include (1) Water Service Supervisor III, (3) Lead Pipefitters, Account Clerk, Automotive Mechanic I, Water Service Investigator II, and Plant Electrician.
- Furlough Fridays began on July 2, 2010. Operations will follow the County furlough schedule of two (2) days per month. We have one (1) Lead Pipefitter and one (1) Water Plant Operator on standby duty on the furlough days; similar to weekends and holidays. Any call-out of workers will require overtime pay.
- Please see the attached labor report for Operations Division as compiled by the Fiscal Division.

Source and Storage

- The emergency replacement of the Anahola Well 90-B deep-well pump and submersible motor assembly is underway. Completion is expected by the end of August.
- The emergency replacement of Kalaheo Wells #1 and #2 are underway. Well #1 pump was pulled first and replacement is expected to be complete in early September. Well #2 pump will be pulled after #1 is on-line and running smoothly.
- Our crews have been working with the Special Project team to bring online the two new Kapaa area tanks, Makaleha 0.5 MG and Stable 1.0 MG. Both tanks are now in service to our customers. Mahalo to Special Projects for the design and construction of these tremendous new assets in the Wailua-Kapaa Water System.

Distribution

- West Crew is near completion of the Kiowea Road (Kekaha) project. The new 720’ of 6” diameter DI pipeline with service connections and a fire hydrant is online serving our customers. The old 2” GS waterlines (circa 1924) have been abandoned. Remaining work includes clean-up, driveway repair, etc. This project is a portion of the WP2020 project KW-2a. The next waterline replacement project for the West Crew to undertake is on Puolo Road in Hanapepe.
- The East Crew has been working on assembling the vertical turbine test pump for AMFAC Shaft. We expect to install the test pump in August.
- See statistics of leak repairs on the attached sheet.

Fleet, Inventory, Warehouse and Baseyard Area

- The new 26,000 lb GVWR dump truck was delivered. The truck will be utilized by our East Crew in regular operations.
## Work Orders by Job Reason Code for Selected Date Range

**07/01/2007** to **07/31/2010**

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>139</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>73</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>485</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>448</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
</tbody>
</table>

### Work Orders by Job Reason Code

The chart shows the distribution of work orders by job reason code for the selected date range. The legend indicates the following percentages:

- **LEAK-BOX**: 12.1%
- **LEAK-CUST**: 6.4%
- **LEAK-MAIN**: 42.4%
- **LEAK-S/L**: 39.1%

**Total**: 100.0%

### Number of Leak Repairs per Month

The line graph illustrates the number of leak repairs per month for each job reason code. The graph covers the period from **07/01/2007** to **07/31/2010**.
MANAGER’S UPDATE

August 9, 2010

Re: MANAGER’S UPDATE for JULY, 2010 to AUGUST, 2010

CONTRACTS AWARDED BY THE MANAGER:

Re: Upsizing of the Kaumualii Highway 16-Inch Waterline to a 24-Inch Waterline in Conjunction with the State’s Kaumualii Highway Widening, Vicinity of Anonui Street to Vicinity of Lihue Mill Bridge Project, Lihue, Kauai, Hawaii’i (Manager’s Report No. 10-70)

Board approved awarding a contract to Park Engineering in the amount of $128,038.00 at the April 15, 2010 Board Meeting with funds from the Waterworks Build America Project Fund. Manager Craddick approved additional funding for additional design services as described below.

Funding:
Waterworks Build America Project Fund..................................................$150,000.00
   Original Proposal from Park Engineering........................................<$128,038.00>
   Previous Balance.............................................................................$21,962.00
   Additional amount requested for additional work**..........................<$9,232.00>
   Current Balance............................................................................$12,730.00

Updated Contract Amount.................................................................... $137,270.00

** The requested increase of $9,232.00 for a new total sum contract amount of $137,270 to Park Engineering to provide design services to install 24-inch waterlines beyond the western and eastern ends (vicinity of Baseline Sta. 281+50 to vicinity of Sta. 363+87) of the concrete paving was approved by Manager Craddick as funds were still available from the Build America Project Fund.

Re: Job No. 10-01, ANI-01a, Pipeline Replacement along Anini Road from Kilauea-Anini, Kaua’i, Hawaii, award of contract to Fukunaga and Associates.

Contract awarded to Fukunaga and Associates in the amount of $750,760.00.

Funding:
Account No.201-01, Bond – BAB.................................................................$750,760.00
MANAGER’S REPORT
Re: Manager’s Update for July, 2010 to August, 2010
August 9, 2010
Page 2 of 5

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.
WAIVER, RELEASE AND INDEMNITY AGREEMENTS SIGNED BY THE MANAGER: None.

PERSONNEL MATTERS UPDATE: Updated August 9, 2010

RECRUITMENT:

Ops Division:
2. Lead Pipefitter vacancies. Applications received. In consultation with the union.
3. Water Service Supervisor III vacancy. Department of Personnel is reviewing applicant qualifications.
6. Automotive Mechanic I pending position update via reallocation action. Eligibles list will be provided after position is established.

Fiscal Division:
1. Accountant I. The two selectees are in the process of coming on board, one Sept 1st and one about Sept 16th.
2. Data Entry Operator I started work August 2, 2010.

Engineering and Special Projects Divisions:
3. Civil Engineer II (Engineering Division). This is no longer a vacant position.
4. Civil Engineer VI (Engineering Division head) vacancy. Submitted request to recruit to Department of Personnel Services. Currently the position is filled by TA

Administration Division:
2. Computer Systems Support Technician I. Selectee declined. DPS is handling the Open recruitment to create a new list of eligibles.
3. Secretary vacancy. Open recruitment in effect. Interviews to be scheduled this month.
MANAGER’S REPORT
Re: Manager’s Update for July, 2010 to August, 2010
August 9, 2010
Page 3 of 5

Table of Organization Updates:

Special Projects Division:
1. Reallocation of Civil Engineer III to Waterworks Project Manager (Effective Date of Action: 4/1/2010). Updated Table of Organization showing the new classification title assigned by DPS.

Administration:
1. New Clerical Assistant (Community Relations) position. Updated Administration Table of Organization with the designated position number assigned by the Department of Personnel Services. (Table of Organization signed on April 15, 2010)

Operations Division:
1. New Water Field Operations Superintendent & Water Plants Superintendent positions included on Table of Organization, signed 5/3/2010
2. Water Meter Mechanic, Utility Worker and Waterworks Investigator II positions moved from Plant Section to Field Section (Table of Organization’s signed 5/4/2010)

Affordable Housing Update: (This Revised Update expands on the June 14, 2010 Affordable Housing Task Force Meeting as requested by the Board of Water Supply at the July 15, 2010 Board meeting, and also includes updates from the AHTF Meeting held August 9, 2010, held at the Pi‘ikoi Conference room A at 10:00AM. Gary Machler, Housing Agency, conducted the meeting. Barbara Pendragon, the DOW, the Waste Water Division and the Planning Department were present. The Engineering Division, PW Building and Engineering Division and Council Services were absent.

Updates on AHTF Projects:

1. Habitat - ‘Ele’ele I Luna Subdivision Phase 2 (107 lots, 1 park): Site construction for the 12” sewer main will be completed by the end of July. Housing agency estimated that on-site infrastructure improvements for Phase II, Increment 1, will be bid out by the end of 2010. The design construction plans are currently being prepared by the owner’s consultant for review by the DOW and other government agencies.

2. Kauai Lagoons – Kapule Project: Water improvements have been conveyed to the Water Board. The DOW has since issued the Certificate of Completion for the water improvements. The Housing Agency is preparing to revise the market approach that was approved by the County Council recently. First offering includes income related workers of Kauai Lagoons and Marriott Hotel. Second offering includes income related Kauai residents. Third offering includes County Housing agency purchasing up to 3 units. Fourth offering is open market offers. The ownership of the units was amended from lease to fee simple title.

The AHTF committee agreed to remove this project from the AHTF list of projects.
3. Kukui’ula Employee Housing - “Gap” Housing subdivision and zoning permit. The County Council will meet this week to amend the housing agreement that is required by the Zoning Amendment ordinance. The development was able to extend the development deadline until 2013. Water improvements include the preparation of a water master plan for the project. The owner is currently reviewing DOW comments for the water master plan.

4. Kohea Loa (Hanamaulu Triangle) - According the necessary Infrastructure Master Plan for the Lihue-Hanamaulu Master Planned Area was approved by Planning. The master plan includes Water, Roads, Parks and Wastewater master plan improvements. The Water system improvements as set forth by the WMP include offsite source, storage and transmission facilities. DR Horton was informed that necessary water system facilities must be installed as per the Water Master Plan. DRH will continue to work with Grove Farm and the DOW.

5. Paanau Village, Phase 2: The developer is projecting final subdivision approval after the necessary improvements are bonded by Kukuiula Development Company. On site construction is scheduled for December, 2010, however the Building Permit application for the 50 unit rental project is planned for October, 2010. DOW approval of the building permit will be dependent on the completion and acceptance of the necessary water service connections and other water site improvements. The Housing agency will request that the developer complete the water meter improvements prior to DOW approving the building improvements. Occupancy is projected for end of 2011.

6. ‘Ele’ele – 75 acre parcel acquisition: Housing Agency executed the purchase agreement with McBryde Sugar Co. to purchase the 75 acre parcel. The Housing Agency is negotiating with their consultant to include the water system improvements master plan with the community master plan conceptual scenario layouts.

State Land Parcels (County Affordable Housing):

1. At the May 2010 Board Meeting the Housing Agency reported that the State Land Parcel Affordable County Affordable Housing development now includes a total of six (6) remaining parcels which are located in Kekaha and Kapaa. The Board of Water Supply agreed to provide certain source and storage facility improvements for the development of the affordable housing developments. However, the Housing Agency’s December 2008 deadline to complete the Affordable Housing projects was extended until December 2013 by the DLNR Board. Recently, the Housing agency hired a consultant to conduct a feasibility study that will determine the necessary water system improvements. The Housing Agency estimates that the feasibility study will take 6-8 months. The DOW will continue to work with the Housing Agency to facilitate the completion of the ultimate development of the state land parcels.

2. The DOW projects that were referenced by the Board were treated as high priority projects. The six (6) water improvement projects were specifically identified as the “Affordable Housing
Projects”. Currently the group of projects is being managed by DOW Special Projects Division and the project status is included as a quarterly summary report to the Board. The projects are described as follows:

a. KW-28, Amfac Shaft Rehab
b. KW-25, DOW Job. 05-03, Kapilimao 0.5MG Tank
c. WK-08, DOW Job. 02-14, Kapahi 1.0MG Tank
d. WK-09, DOW Job. 02-14, Kapaa Homesteads 0.5MG Tank
e. WK-39, Kapaa Homesteads Well #4, Drill & Develop
f. WK-02, DOW Job. 02-24, Akulikuli Tunnel Rehab

{Next meeting will be announced by Housing.}

**STATUS OF THE MIYAHARA PROJECT**
The Miyahara Project, ‘Oma’o, Kauai (Agent Dawn Murata) issue has been resolved by Eddie Doi without Board action.

Respectfully submitted,

David R. Craddick, P. E.
Manager and Chief Engineer

DRC:cab
Mgrrp/Manager’s Update (8-19-10):cab
Executive Session
August 12, 2010

Re: EXECUTIVE SESSION

Pursuant to H.R.S. §92-7(a), the Commission 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 H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

REVIEW OF EXECUTIVE SESSION MINUTES: None

There is no Executive Session agenda items.

cab
Mgrrp/Executive Session (8 -19-10):cab