BOARD OF WATER SUPPLY
of the COUNTY OF KAUA‘I

REGULAR MEETING
Second Floor, Kaua‘i County Department of Water
4398 Pua Loke Street, Līhu‘e, Kaua‘i, Hawai‘i 96766

FRIDAY, December 28, 2018
10:00 a.m. Or soon thereafter

A. CALL TO ORDER
B. ROLL CALL
C. ACCEPTANCE OF AGENDA
D. MEETING MINUTES
Review and approval of:
Regular Board Meeting – November 21, 2018
Review and approval of:
Executive Session – November 21, 2018
E. CORRESPONDENCE/ANNOUNCEMENTS
1. Correspondence from Manager & Chief Engineer Bryan Wienand to Honorable Mayor
   Bernard Carvalho Jr., Mahalo and Aloha, dated December 20, 2018
2. Committee Appointments by 2019 Incoming Chair Thomas Canute for Rules Committee,
   Finance Committee, Audit Committee, Committee of the Whole
F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS
G. OLD BUSINESS
1. Manager’s Report No. 18-82 - Department of Water’s Capital Improvement Projects for 2019-
   2020 (Update)
H. NEW BUSINESS
1. Resolution 19-07 - Farewell to Warren Rita (Retiree), Lead Pipefitter, Operations Division
2. Resolution 19-08 – Farewell to Galen Shigeta (Retiree), Water Plant Operator I, Operations
   Division
3. Manager’s Report No. 19-30 - Resolution 19-09 (12/18) Mahalo and Aloha Board Member,
   Sherman Shiraishi
H. **NEW BUSINESS (cont’d)**

4. *Manager’s Report No. 19-31* – Discussion and Possible Action for Board Approval to enter into a Land Exchange Agreement between the Director of Finance, County of Kaua‘i, the Board of Water Supply, County of Kaua‘i, and Bank of Hawai‘i, a Hawai‘i corporation, by its division Pacific Century Trust, successor by merger to Hawaiian Trust Company, Limited, as Trustee under that certain indenture made between Walter D. McBryde and said Hawaiian Trust Company, Limited, dated August 20, 1918, recorded in the Bureau of Conveyances of the State of Hawai‘i in Liber 498 at Page 488, as amended from time to time, to enter into a Land Exchange Agreement affecting:
   a. County of Kaua‘i, TMK: 2-3-005:006 and
   b. Bank of Hawai‘i, a Hawai‘i corporation, TMK: 2-3-005:025


7. *Manager’s Report No. 19-34* - Discussion and Possible Action to Request Board Approval for Indemnification, Attorney’s Fees, and Governing Law for use of Symantec Corporation software between the Board of Water Supply, County of Kaua‘i and Symantec Corporation

I. **CONSENT CALENDAR**

1. *Manager’s Report No. 19-35* - Discussion and Possible Action to approve a Grant of Easement Agreement for the Water Meter Plan for Parcel 2 Omao Homesteads, affecting the following:
   a. Jennifer Susan Riddall, TMK: (4) 2-7-004:002, Omao, Kaua‘i, Hawai‘i

2. *Manager’s Report No. 19-36* - Discussion and Possible Action to approve a Grant of Easement Agreement for the Kīlauea Elementary School, Building A-Replace Waterline, affecting the following:
   a. County of Kaua‘i, TMK: (4) 5-2-009:006, Kīlauea, Kaua‘i, Hawai‘i

J. **STAFF REPORTS**

**MONTHLY**

1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures
   a. November Monthly Summary Budget
   b. Accounts Receivable Aging Summary

2. Discussion and Receipt of the Report by the Information & Education Specialist on Public Relations Activities

3. Discussion and Receipt of the Chief of Operation’s Summary Report on Operational Activities

4. Discussion and Receipt of the Manager and Chief Engineer’s Monthly Update Regarding Activities of Note of the DOW
K. EXECUTIVE SESSION
Pursuant to H.R.S. §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

L. TOPICS FOR NEXT WATER BOARD MEETING (January 2019)
1. IT Strategic Plan Presentation

M. TOPICS FOR FUTURE WATER BOARD MEETINGS
1. Workshop presentation regarding the Table of Organization
2. Department of Water Performance Audit (Update)
3. Discussion and Possible Action to hire a consultant to provide a Policy in the Development of Priorities for the Current Rate Study & 2018-2019 Budget Process for:
   a. Capital Budget
   b. Operating Budget
   c. Reserves
   d. Debt
4. Workshop presentation regarding the Master Plan of the Department of Water’s former Administration Building, Baseyard, Micro Lab, Information Technology (2019)
5. Request Board Approval of Resolution for Employee of the Year (February 2019)

N. UPCOMING EVENTS
1. AWWA HWWA & HWEA 6th Annual Joint Conference (February 19-21, 2019)
2. AWWA ACE 20th Conference, Denver, Colorado (June 9-12, 2019)
3. HWWA/HRWA Conference, Honolulu, Hawai‘i (TBA)
4. Make a Splash, Project Wet (September 20, 2019)

O. NEXT WATER BOARD MEETING
1. Friday, January 25, 2019, 10:00 a.m.
2. Friday, February 22, 2019, 10:00 a.m.
3. Friday, March 22, 2019, 10:00 a.m.
4. Friday, April 26, 2019, 10:00 a.m.

P. ADJOURNMENT
Draft Minutes
The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu‘e on Wednesday, November 21, 2018. Chair Beth Tokioka called the meeting to order at 10:02 a.m. The following Board members were present:

BOARD: Ms. Beth Tokioka, Chair  
Mr. Sherman Shiraishi, Vice Chair  
Mr. Lyle Tabata  
Ms. Laurie Ho  
Mr. Michael Dahilig  
Mr. Thomas Canute  
Mr. Lawrence Dill

Quorum was achieved with 7 members present at Roll Call.

STAFF: Mr. Bryan Wienand  
Mr. Valentino Reyna  
Mr. Eddie Doi  
Mr. Marcelino Soliz  
Mrs. Jonell Kaohelaulii  
Mr. Carl Arume  
Mrs. Marites Yano  
Deputy County Attorney Mahealani Krafft

STAFF: Mr. Dustin Moises  
Mr. Michael Hinazumi  
Mrs. Sandi Nadatani-Mendez  
Mr. Ryan Smith  
Mr. Dustin Moises  
Mr. Keith Aoki  
Mr. Jason Fujinaka  
Mrs. Mary-jane Akuna

GUESTS: Mr. David Penn, Attorney representing Mr. Don Heacock  
Mr. Don Heacock, Private Citizen  
Ms. Olena Penn, Public Citizen  
Mr. Donn Nakamura, Accuity, LLP  
Mr. Matthew Oda, Accuity, LLP  
Mr. Hall Parrott, Public Citizen

C. ACCEPTANCE OF AGENDA
Ms. Ho moved to approve the amended Agenda that after Correspondence E1 & E2, the Board will convene to Executive Session as it relates to Item H1 and to consult with legal counsel, followed by Agenda Item H1; seconded by Mr. Canute; with no objections, motion carried with 7 Ayes.

D. MEETING MINUTES
Review and approval of:
Regular Board Meeting – October 26, 2018
Mr. Tabata approved the Regular Board Meeting minutes of October 26, 2018; seconded by Mr. Dahilig; with no objections, motion carried with 7 Ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS
1. Correspondence from Mr. Donald Heacock regarding Statement of Grievances and Relief Sought, Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-03-003:016, Niiumalu, Kaua‘i, dated October 18, 2018
2. Correspondence from Mr. David Penn, Attorney for Mr. Donald Heacock regarding Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-03-003:016, Niumalu, Kaua‘i, dated November 14, 2018

Mr. David Penn, Attorney and Mr. Don Heacock provided their testimony.

Mr. Penn requested of grievances and relief on Mr. Heacock’s one 5/8-inch water meter for domestic use on his property in Niumalu, Kaua‘i. Mr. Penn was seeking understanding on the regulatory process on the conditional approval on Mr. Heacock’s water meter application. Mr. Penn understood the Manager’s report of last week to uphold the requirements from the previous correspondence dated August 28, 2018 and September 6, 2018. Mr. Penn indicated the pros from Mr. Heacock’s request for relief were not known and the con identified would contradict the Department of Water (DOW) requirements. Mr. Penn assisted Mr. Heacock to resolve this matter because they were not clear on what the policy requirements were by the Board. Mr. Penn believes there are many pros to granting Mr. Heacock’s relief with some leeway regarding the con.

Mr. Penn requested an exception from the grace period for the Facilities Reserve Charge (FRC) which is a $9,000+ increase beginning next week. He understood that the Manager and Board could grant an exception to this requirement because Mr. Heacock’s situation conforms to this exception. Mr. Penn said for the relief request, he is prepared for a contested case hearing. He reviewed the past September Board meeting minutes and the Department’s procedure in implementing this policy including previous Board members FRC comments during a County Council interview process on the Board’s confirmation comments a few years ago. Mr. Penn was not criticizing the Board and hard-working staff but wanted to preserve Mr. Heacock’s rights and privileges under the existing governing authorities.

The public notice dated October 26, 2018 on the DOW’s website was confusing that stated, “The prior applicants that paid the FRC prior to November 29, 2015 and have not installed the water meter.” He referred to No. 4 at the bottom of the notice which Mr. Heacock’s situation applies to – “I’ve paid my FRC prior to November 29, 2015 and I submitted my Application for Water Service prior to November 29, 2018 deadline but the DOW has not yet installed my water meter. Will I have to pay the increased FRC? Item a - No, the applicant must pay all applicable fees and submit the application for water service prior to November 29, 2018. If after meeting the prerequisites for the meter installation, DOW is unable to install the water meter prior to November 29, 2018, the applicant will not be required to pay additional FRC fees.”

Mr. Penn provided Alternatives A, B, & C:
A - Need exception of time beyond November 29, 2018 and to continue working with the DOW on the rest of the details and true conditions. Defer all other items, cross connection, back flow connection and items in the conditional approvals, pending on-going collaboration during the interim period, not subject to increase FRC or the Board could dismiss other claims relief without prejudice and to bring this up to the Board again pending how things work out the next year.
B - Correspondence regarding the Department’s terms of the meter for the service connection that cost $3,030 which Mr. Don Heacock would pay today to have the meter installed, begin to pay the monthly charges and to continue working with the Department over time.
C - A Petition was prepared for a contested case hearing.

DISCUSSION:
Chair Tokioka understood for several years, Mr. Heacock draws water from a private system. She asked Mr. Heacock the reason for connecting with the DOW’s water system? Mr. Heacock said 1) he could not afford the water meter at the time, 2) he wants to simply his life and to know the water is safe to drink, 3) he will maintain the system, 4) he could not get the final building permit and that he could not get pressure.
The spring water is about 80 feet above the grade of his access easement. The highest fitting on his house is 12 to 14 feet off the ground. Pressure is less than 15 lbs. per square inch. Permits require 60 lbs. per square inch which he cannot do.

The reason Mr. Heacock met with Manager Wienand and the DOW staff was because his proposed water meter site from his house is over ½ a mile. Backflow from a low pressure going through a 2 inch pipe is impossible. He is willing to put in check valves but to hire an engineer would cost $30,000 for drawings. Mr. Penn added there are photos of the property map available for the Board if needed.

At 10:24 a.m., Mr. Dahilig moved to go into Executive Session regarding Items E1, E2 & H1 and to consult with the Department’s legal counsel; seconded by Mr. Tabata; with no objections, motion carried with 7 Ayes.

K. EXECUTIVE SESSION
Pursuant to H.R.S. §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

At 11:16 a.m., Mr. Dahilig moved to recess the Executive Session; seconded by Mr. Dill; with no objections; motion carried with 7 Ayes.

At 11:24 a.m., Chair Tokioka reconvened the Regular Board Meeting.

H. NEW BUSINESS
1. Manager’s Report No. 19-22 – Discussion and Possible Action on the DOW’s response to Mr. Don Heacock’s correspondence regarding Statement of Grievances and Relief Sought, Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-03-003:016, Niumalu, Kaua'i, dated October 18, 2018

Mr. Dahilig moved to affirm and approve the Manager’s decision in the letter dated September 6, 2018 as it relates to Manager’s Report No. 19-22 and refer to Item #5 relating to Mr. David Penn’s correspondence dated November 14, 2018 to the Manager for resolution for Manager’s Report No. 19-22 – Discussion and Possible Action on the DOW’s response to Mr. Don Heacock’s correspondence regarding Statement of Grievances and Relief Sought, Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-03-003:016, Niumalu, Kaua'i, dated October 18, 2018; seconded by Mr. Dill; with no objections; motion carried with 7 Ayes.

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS
None.

G. OLD BUSINESS
1. Manager’s Report No. 18-82 - Discussion and Possible Action on the Status Update on Water Plan 2020

Mr. Dahilig graciously will give his future successor his/her position and determination on this Agenda item. There were no objections from the Board.

H. NEW BUSINESS (cont’d)

Regular Meeting: Wednesday, November 21, 2018 - Page 3 of 10
BACKGROUND:
Waterworks Controller Mrs. Yano informed the Board that the auditors Mr. Donn Nakamura and Mr. Matthew Oda, Accuity, LLP were present to provide the audit results. The Department recommended approval of the DOW Financial Statements as of June 30, 2018 and June 30, 2017.

Mr. Donn Nakamura and Mr. Matthew Oda went over the DOW June 30, 2018 Audit Results. In their opinion, this was a clean audit. (Refer to Pages 70 to 152 in the Board packet).

The IT issue from last year was cleaned by Mr. Jeff Mendez and Mrs. Sandi Nadatani-Mendez with no deficiencies (Page 152).

Chair Tokioka requested clarifications on the changes how the Other Post Employment Benefits (OPEB) are recorded actions by Employer Union Trust Fund (EUTF). Mr. Nakamura explained that the Governmental Accounting Standards Board (GASB) issued new standard No. 75 this year. GASB requires the reporting of financial statements which is a footnote disclosure. Mr. Tabata commented there is a lot of detail in the OPEB but out of the Department’s control (administered by the EUTF).

Mr. Oda reviewed the Required Communications on Page 75 – 79.

Time Line – Audit Plan for June 30, 2019:
May 2019 – Discussion with management to understand any key risks or areas of focus for current year.
July 2019 - Planning
August–September 2019 – Year-end financial statement fieldwork
Mid-October 2019 – Draft report to management
October 31, 2019 – Issue final report

Accuity can provide Cybersecurity for the Department if needed.

Mr. Dahilig thanked the auditors, Manager Wienand, Mrs. Yano, Mr. Jeff Mendez and Mrs. Nadatani-Mendez for a clean audit this year. The audit results can be transmitted to the County Finance Director.

Mr. Dahilig moved to accept Manager’s Report No. 19-23 - Discussion and Receipt of the Department of Water’s Draft Audit Financial Statements and Independent Auditor’s Report by Accuity, Inc. for FY 2017-18; seconded by Mr. Tabata; with no objections, motion carried with 7 Ayes.

3. Manager’s Report No. 19-24 - Discussion and Possible Action on the Revised Table of Organization for the Department of Water’s Operations

BACKGROUND:
Manager Wienand recommended that the Board approve Option No. 1 for the creation of new positions within the Operations Division as shown on the revised Table of Organization (TO) on Pages 161-163. Funding is not being requested now but approval is being requested from the Board for the creation of the positions for Department to move forward with the Department of Human Services to create the new position descriptions. Once the positions descriptions are completed, the Department would come back to the Board for approval of specific funding amount(s) (Page 156).

Manager Wienand stressed that the amount of work Operations does daily and annually to keep up with maintenance and repairs is tremendous. There are 52 pumping stations, 19 booster pumping stations, 60 storage tanks, 75 control valve stations, 54 vehicles, numerous heavy equipment, generators, we maintain 440 miles of distribution piping, over 21,000 customer service lateral accounts, 4,000 valves and 2,600 hydrants. Adding up the volume and the staff; the Department researched and compared with other utilities, it is apparent on what the less staff is capable of with the volume of work.
New positions proposed for the Field Operations Section detailed on Pages 154-155:
1. Water Service Investigator III
2. Water Meter Mechanic II
3. Utility Worker

Table 1 – Cost Comparison of what the existing positions do regarding volume and cost.
Table 2 - The 2017 Water Audit non-revenue water cost is over $600,000 (water not being billed based on leaks or meter system errors). Comparing the net amount due on the amount billed, it comes to over 10% shortage of water produced. The volume of repairs will continue to increase so one additional (1) staff is being requested to provide a team of two (2) Utility Workers, (2) Water Service Investigators & (2) Automotive Mechanic II to dedicate to the non-revenue water loss, as compared to the one Water Meter Mechanic we currently cannot possibly keep up with testing the 22,000 service accounts to determine how much water the Department is losing (particularly large accounts such as hotels: commercial & meters larger than 5/8 inch meters).

New positions for the Plant Operations detailed on Pages 155:
1. Maintenance Worker II (immediate benefit 6-18 mos. to fill)
2. Maintenance Work I (immediate benefit 6-18 mos. to fill)
3. Repair Shop Supervisor (immediate benefit 6-18 mos. to fill)
4. Automotive Mechanic I (immediate benefit 6-18 mos. to fill)
5. Mechanic Helper (2-5 years to fill)
6. Automotive Stores Clerk (2-5 years to fill)

The volume on the maintenance of vehicles is the focus in the future that will move into a fleet management system with in-house repairs. Two positions maintain all the vehicles and equipment but some are sent out for external repairs that are both inefficient and costly.

Table 1 – Cost Comparison’s Estimated Annual Total = $458,844. Estimated Timeframes for filling positions are shown in column 3, Page 156.
Table 2 – Estimated Annual Total = $995,146 (non-revenue water, overtime and vehicle & equipment repairs sent to external parties).

DISCUSSION:
Mr. Dill asked if there are existing vehicle bays for the additional auto mechanics to work in the existing Operations shop? Manager Wienand indicated there are three vehicle bays. The Repair Shop Supervisor and Auto Mechanic I would be filled first creating a four (4) person crew. Moving forward, the space would be converted to three (3) functional auto repair bays. There are three (3) existing bays but they are not all utilized because they have equipment stored in some of those spaces. One (1) bay is currently being used based on what the mechanics can handle. The vision is for Operations to manage its own in-house fleet with eventually four (4) positions, including a supervisor, two auto mechanics to do repairs, and a clerk. A contract was recently completed for a lift, tire balancer and a brake machine. Option No. 3 excludes the Mechanic Helper and Automotive Stores Clerk, but the Manager recommends Option 1 because the Department would still need to come back to the Board for funding either way.

Mr. Dill inquired on the costs incurred to operate the equipment? Are there lifts in all of the bays? Chief of Operations Mr. Val Reyna said there are three (3) bays and we will have two (2) lifts. When a vehicle has major repairs, all other vehicles waiting for repairs need to be sent out for external repairs which increases repair costs. Other repair costs will include repair tools for two (2) additional mechanics. Chair Tokioka noted that salary costs have other related costs with added employees which need to be accounted for in the next budget. She hopes to see a decrease in other costs (i.e., over time). Mr. Reyna agreed there would be a potential reduction in cost but there was no guarantee. He said this...
addresses customer service internally and externally for Operations to work efficiently. There are United Public Workers positions and other Hawai‘i Government Employees Association positions that could come in at Step A or Step L (a big difference in cost). The Repair Shop Supervisor and Water Service Investigator in Table 1 shows the highest possible cost at Step A.

Manager Wienand added the additional Operations positions are being requested now to be concurrent with the on-going Water Rate Study for the next five (5) years because the funding approval would come later from the Board, but it would be helpful to know if they are approved today so it can be considered for the next rate study.

- Chair Tokioka asked to see metrics in savings such as over time, increase output, turnaround time in the vehicle repairs or cases handled in the field.

Mr. Reyna added that the estimated repairs that are contracted out will decrease with the additional auto mechanic positions.

Mr. Reyna commented that historically there were two (2) mechanics and a generator repair person. There is no longer a generator repair person but this position was fused into the heavy equipment construction mechanic position.

- Mr. Tabata inquired when on the last time manpower needs assessment was done on services and support when Operations previously increased manpower such as:

Provide the following metrics for the Plant operations:
The last increase of man power was in ______ (what year?).
The volume of fleet increased ___ % with only two (2) mechanics?
Today, costs could increase to ______.

Provide the following metrics for the Field services:
How many services were done ___________?
Request increase in cost amount $_______.

Manager Wienand commented that the Department can provide the information to Mr. Tabata who asked for an update or when the funds are ready to be funded. Mr. Reyna will provide a cost comparison when the Operations is ready to present it to the Board. Ms. Ho and Chair Tokioka agreed that the cost comparisons would be reviewed during the budget process.

Mr. Canute moved to approve the created positions in Option #1 in Manager’s Report No. 19-24 - Discussion and Possible Action on the Revised Table of Organization for the Department of Water’s Operations; seconded by Ms. Ho; with no objections; motion carried with 6 Ayes, 1 No (SS).

4. Manager’s Report No. 19-25 - Resolution 19-05 (11/18) Mahalo and Aloha Ex-Officio Board Member, Michael Dahilig

BACKGROUND:
Board Secretary Canute read Resolution 19-05 followed by a photo op.

Mr. Tabata moved to adopt and approve Manager’s Report No. 19-25 - Resolution 19-05 (11/18) Mahalo and Aloha Ex-Officio Board Member, Michael Dahilig; seconded by Mr. Shiraishi; with no objections; motion carried with 6 Ayes, 1 Abstain (MD)

5. Resolution No. 19-06 – Farewell to Peter Sapinoso (Retiree), Operations Equipment Operator II, Operations Division (Commission Supported corrected Peter’s last name.)
Mr. Peter Sapinoso was not available to attend the Board meeting. As requested by Board Chair Tokioka, in lieu of reading the entire Resolution, Manager Wienand commented that the Resolution will be presented to Peter on November 30, 2018. Peter brought joy, a willing attitude to help and Aloha that was contagious within the Department and he will be missed.

Mr. Dill moved to adopt and approve Resolution No. 19-06 – Farewell to Peter Sapinoso (Retiree), Operations Equipment Operator II, Operations Division; seconded by Mr. Canute; with no objections, motion carried with 7 Ayes.

6. Election of Officers for 2019

Chair Tokioka expressed the pleasure of serving the Board of Water Supply and the staff.

Mr. Shiraishi moved to close the nominations; seconded by Mr. Dahilig with no objections.

Mr. Tabata approved the slate of officers effective January 1, 2019 for Chair Thomas Canute; Vice Chair Laurie Ho, *Secretary Beth Tokioka; seconded by Ms. Ho; with no objections; motion carried with 7 Ayes.

Note: *Pending Beth Tokioka’s reappointment who will term out December 31, 2018.

7. Board Meeting Dates for 2019

Mr. Shiraishi moved to approve the Board Meeting Dates for 2019; seconded by Mr. Tabata; with no objections, motion carried with 7 Ayes.

I. CONSENT CALENDAR

1. Manager’s Report No. 19-26 - Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for the Water System Improvements at Coconut Beach Resort, affecting the following:
   a. SPD II Makaiwa Resort Development, LLC, TMK: (4) 4-3-002:15&16, Kapa’a, Kaua’i, Hawai’i

Mr. Shiraishi moved to approve Manager’s Report No. 19-26 - Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for the Water System Improvements at Coconut Beach Resort, affecting the following: a) SPD II Makaiwa Resort Development, LLC, TMK: (4) 4-3-002:15&16, Kapa’a, Kaua’i, Hawai’i; seconded by Mr. Canute; with no objections, motion carried with 7 Ayes.

2. Manager’s Report No. 19-27 - Discussion and Possible Action to approve a Grant of Easement Agreement for the Ala Kukui‘ula Phase 3B, Ala Kukui‘ula Phase 3A and Parcel A projects, affecting the following:
   a. Kukui‘ula Development Company (Hawai’i), LLC TMK: (4) 2-6-015:01, Koloa, Kaua’i, Hawai’i (Easement W-1)
   b. Kukui‘ula Development Company (Hawai’i), LLC TMK: (4) 2-6-022:21, Koloa, Kaua’i, Hawai’i (Easement W-2, W-3, W-7, and W-10)
   c. Kukui‘ula Development Company (Hawai’i), LLC TMK: (4) 2-6-022:20, Koloa, Kaua’i, Hawai’i (Easement W-4, W-5, and W-9)
   d. Kukui‘ula Development Company (Hawai’i), LLC TMK: (4) 2-6-022:19, Koloa, Kaua’i, Hawai’i (Easement W-6)
   e. McBryde Sugar Company, LLC, TMK: (4) 2-6-003:32, Koloa, Kaua’i, Hawai’i (Easement W-8)
f. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:23, Koloa, Kaua‘i, Hawai‘i (Easement AU-1)
g. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:24, Koloa, Kaua‘i, Hawai‘i (Easement AU-2)
h. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:22, Koloa, Kaua‘i, Hawai‘i (Easement AU-3)

Mr. Shiraishi moved to approve Manager’s Report No. 19-27 - Discussion and Possible Action to approve a Grant of Easement Agreement for the Ala Kukui‘ula Phase 3B, Ala Kukui‘ula Phase 3A and Parcel A projects, affecting items a thru h; seconded by Mr. Canute; with no objections, motion carried with 7 Ayes.

3. Manager’s Report No. 19-28 - Discussion and Possible Action on the Conveyance of Water Facility from Kukui‘ula Development Company (Hawai‘i), LLC., for the Ala Kukui‘ula Phase 3A (S-2013-16) Project, TMK: (4) 2-6-022:021 & 023, and (4) 2-6-015:015, Koloa, Kaua‘i, Hawai‘i

Mr. Shiraishi moved to approve Manager’s Report No. 19-28 - Discussion and Possible Action on the Conveyance of Water Facility from Kukui‘ula Development Company (Hawai‘i), LLC., for the Ala Kukui‘ula Phase 3A (S-2013-16) Project, TMK: (4) 2-6-022:021 & 023, and (4) 2-6-015:015, Koloa, Kaua‘i, Hawai‘i; seconded by Mr. Canute; with no objections, motion carried with 7 Ayes.

4. Manager’s Report No. 19-29 – Discussion and Possible Action on the Conveyance of Water Facility from Kukui‘ula Development Company (Hawai‘i), LLC., for the Parcel A (S-2013-16) Project, TMK: (4) 2-6-022:020,021 & 022, Koloa, Kaua‘i, Hawai‘i

Mr. Shiraishi moved to approve Manager’s Report No. 19-29 – Discussion and Possible Action on the Conveyance of Water Facility from Kukui‘ula Development Company (Hawai‘i), LLC., for the Parcel A (S-2013-16) Project, TMK: (4) 2-6-022:020,021 & 022, Koloa, Kaua‘i, Hawai‘i; seconded by Mr. Canute; with no objections, motion carried with 7 Ayes.

At 12:23 p.m., Mr. Dahilig exited the meeting.
At 12:25 p.m., Mr. Dahilig re-entered the meeting.

J. STAFF REPORTS
MONTHLY
1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures
   a. October Monthly Summary Budget
   b. Accounts Receivable Aging Summary

BACKGROUND:
Waterworks Controller Mrs. Yano stated there were no significant events and that the audit was completed. Mrs. Yano researched some of the reasons why there has been an on-going decline on the water usage concern. A November 2017 internet article indicated U.S. household water has declined due to 1) utilities implementation of water conservation (i.e., Project Wet water education), 2) water utilities are fixing leaks and installing meters (by Operations), 3) water saving plumbing fixtures. These factors may affect the revenue forecast for the next budget with some adjustments.

DISCUSSION:
Chair Tokioka added there may be less need for water irrigation as a factor and trend with more wet weather in the future.
2. Discussion and Receipt of the Report by the Public Relations Specialist on Public Relations Activities

BACKGROUND:
Information and Education Specialist Mrs. Kaohelaulii was a speaker at the recent HWWA Water Conference and presented Project Wet. From her presentation, three (3) people signed up for Project Wet certification training. Manager Wienand thanked Mrs. Kaohelaulii for doing an excellent job.

3. Discussion and Receipt of the Chief of Operation’s Summary Report on Operational Activities

DISCUSSION:
Mr. Reyna highlighted the following:
1. Overtime (OT) Chart (Page 371) – has reduced but in December OT may go up. The supervisors did a good job in keeping OT down with personnel.
2. Billed & Unfilled Chart (Page 373) – September did not get 100% water low – Operations missed the deadline submittal for September’s information and will be corrected for October.

4. Discussion and Receipt of the Manager and Chief Engineer’s Monthly Update Regarding Activities of Note of the DOW

BACKGROUND:
Manager Wienand highlighted the following:
1. CONTRACT AWARD TO HDR FOR JOB NO. 19-02, DEPARTMENT OF WATER BASEYARD MASTER PLAN IN THE AMOUNT OF $301,983.34
   Focus is consistent with the presentation on the creation of the new Operations positions and how to use the baseyard space most effectively. There is opportunity to make the space more functional over the next 10 to 20 years. The Manager thanked Engineering who is managing this contract and Operations who are working closely with them on the execution of the contract.
2. Personnel Matters:
   Civil Engineer II – Interviews were conducted for Engineering Division.
   Customer Service Representative I – Hired effected November 19th.
   Internal Promotion Electrical Plants person – Effective November 1st.
3. I.T. – Made significant completion progress on Geographic Information System (GIS) mapping. The island wide system is anticipated to be completed the end of December.
4. Annual Fiscal Year Goal – To identify 99% of the meters to be entered into GIS provides better customer service. Over 60% of the meters have been identified to date, to finish by this calendar year (June 2019).
5. Ms. Sandi Nadatani-Mendez was recognized as the HWWA conference chair who did a fantastic job with the major details that made the conference a great success. Mr. Kaela Souza is being considered for half day training sessions for staff.

L. TOPICS FOR NEXT WATER BOARD MEETING (December 2018)
1. Resolution - Farewell to Warren Rita (Retiree), Lead Pipefitter, Operations Division
2. Resolution - Mahalo and Aloha Board Member, Sherman Shiraishi
3. Department of Water’s Capital Improvement Projects for 2019-2020 (Update)
4. IT Strategic Plan Presentation
5. Discussion and Possible Action for Board Approval to enter into a Land Exchange Agreement between the Director of Finance, County of Kaua‘i, the Board of Water Supply, County of Kaua‘i, and Bank of Hawai‘i, a Hawai‘i corporation, by its division Pacific Century Trust, successor by merger to Hawaiian Trust Company, Limited, as Trustee under that certain indenture made between Walter D. McBryde and said Hawaiian Trust Company, Limited, dated August 20, 1918,
recorded in the Bureau of Conveyances of the State of Hawai‘i in Liber 498 at Page 488, as amended from time to time, to enter into a Land Exchange Agreement affecting:
  a. County of Kaua‘i, TMKs: 2-3-005:006, 2-3-005:007; and
  b. Bank of Hawai‘i, a Hawai‘i corporation, TMKs: 2-3-005:025

M. **TOPICS FOR FUTURE WATER BOARD MEETINGS**
1. Workshop presentation regarding the Table of Organization
2. Department of Water Performance Audit *(Update)*
3. Discussion and Possible Action to hire a consultant to provide a Policy in the Development of Priorities for the Current Rate Study & 2018-2019 Budget Process for:
   a. Capital Budget
   b. Operating Budget
   c. Reserves
   d. Debt
4. Request Board Approval of Resolution for Employee of the Year *(January 2019)*
5. Workshop presentation regarding the Master Plan of the Department of Water’s former Administration Building, Baseyard, Micro Lab, Information Technology *(2019)*
6. *Manager’s Report No. 18-82* - Discussion and Possible Action on the Status Update on Water Plan 2020

N. **UPCOMING EVENTS**
1. Annual Employee Meeting *(December 7, 2018)*
2. AWWA HWWA & HWEA 6th Annual Joint Conference *(February 19-21, 2019)*
3. AWWA ACE 20th Conference, Denver, Colorado *(June 9-12, 2019)*
4. HWWA/HRWA Conference, Honolulu, Hawai‘i *(TBA)*

O. **NEXT WATER BOARD MEETING**
1. Friday, December 28, 2018, 10:00 a.m.
2. Friday, January 25, 2019, 10:00 a.m.
3. Friday, February 22, 2019, 10:00 a.m.
4. Friday, March 22, 2019, 10:00 a.m.

Mr. Dahilig moved to resume Executive Session at 12:38 p.m. then Adjourn the Regular Board meeting; seconded by Mr. Canute; with no objections, motion carried with 7 Ayes.

K. **EXECUTIVE SESSION (cont’d)**
1. Pursuant to Hawai‘i Revised Statutes § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as they may relate to Kiai Wai O Waiaieale v. Department of Water, et al., Civil No. 18-1-0063 (Environmental Court)
2. Pursuant to Hawai‘i Revised Statutes § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as they may relate to Proportionate Cost Share Agreements for private developers with Water Master Plans

P. **ADJOURNMENT**
Mr. Dahilig moved to adjourn the Regular Board meeting at 1:41 p.m.; seconded by Mr. Dill; with no objections, motion carried unanimously.

Respectfully submitted,                        Approved,
Edith Ignacio Neumiller                        Thomas Canute
Commission Support Clerk                      Secretary – Board of Water Supply

Regular Meeting: Wednesday, November 21, 2018 - Page 10 of 10
Correspondence
MEMO

To: Honorable Mayor Bernard Carvalho Jr.
   Board of Water Supply, County of Kaua‘i

From: Bryan Wienand, P.E.
      Manager & Chief Engineer

Date: December 20, 2018

Subject: Mahalo and Aloha

On behalf of the Department of Water, we’d like to take a moment to honor our former Mayor, Bernard Carvalho Jr.

As our honorable and beloved former Mayor of Kaua‘i for the past ten (10) years, he has made a huge impact to our island and to our community. He has been a strong leader in guiding us through new initiatives and has helped and supported our County, including our semi-autonomous agency to overcome so many obstacles and challenges.

He has helped us make meaningful connections in order to succeed, and he has done it all with a remarkable amount of respect and the Aloha spirit.

He has truly led by faith, hope, and love. He doesn’t just say it, he lives it and exemplifies it for all of us. We are truly honored to have supported his visions and projects as they came to life to benefit the people of Kaua‘i.

On behalf of the Department of Water, County of Kaua‘i, we would like to honor Mayor Carvalho for his 30 plus years of dedicated service to the people of Kaua‘i, with this DOW-custom water drop clock and a signed poster board from all of us here at the Department.

We wish him good luck as his legacy continues through our new administration.

Mahalo nui loa former Mayor Carvalho!
DEPARTMENT OF WATER
County of Kaua‘i

“Water has no Substitute – Conserve It!”

Board of Water Supply

Officers and Committee Members for 2019
(Effective January 1, 2019)

2018 2019

Current Officers – Board of Water Supply: 2019 Officers:

Chair Beth Tokioka Chair: Thomas Canute
Vice-Chair Sherman Shiraishi Vice-Chair: Laurie Ho
Secretary Tom Canute Secretary: Beth Tokioka

Rules Committee:

Chair Michael Dahilig Chair: __________
Member Sherman Shiraishi Member: __________
Member Laurie Ho Member: Laurie Ho

Finance Committee:

Chair Larry Dill Chair: Larry Dill
Member Lyle Tabata Member: __________
Member Thomas Canute Member: __________

Audit Committee:

Chair: __________
Member: Beth Tokioka
Member: Thomas Canute

Committee of the Whole:

All Board Members Chair: Thomas Canute
Old Business
MANAGER’S REPORT No. 18-82 (Update)

December 28, 2018

Re: Department of Water’s Capital Improvement Projects for 2019-2020

RECOMMENDATION:
As requested by the Board, the following is the WP2020 Project Status Update for review and receipt.

FUNDING: N/A.

BACKGROUND:
At the November 22, 2017 Board meeting, Manager’s Report 18-82, Table “WP2020 Project Summary Report” provided the Board with an updated status of WP2020 projects.

At the May 25, 2018 Board meeting, Member Michael Dahilig requested a status update on WP2020 projects. An updated WP2020 Project Evaluation Summary Report is attached.

At the July 27, 2018 Board meeting, Member Michael Dahilig requested additional follow up questions regarding Manager’s Report 18-82 submitted for July 27, 2018 Board Meeting.

At the October 26, 2018 Board meeting, Board Members acknowledged the Manager’s Report 18-82 responding to follow up questions requested by Board Member Michael Dahilig at the July 27, 2018 Board meeting. Board Member Michael Dahilig then requested that the Manager provide more detail in identifying areas of deficiencies. Mr. Dahilig requests follow up from the Manager regarding two areas of concern which include the Līhu'e and South Side water systems.

The DOW responses to Board Member Michael Dahilig’s request is in response to the projected need for the Puhi-Līhu'e-Hanamā'ulu water system to have water capacity for 4,000 additional single family dwellings by year 2035. Similarly, DOW responses for the South Side Area, which encompasses Kalāheo, Lāwa'i, Omao, Kōloa and Po'ipū, are in response to the projected infill and growth for 2,000 additional single family dwellings by 2035. When and where development will occur within any service area is unknown. Water consumption is based on 2011 water consumption data.

In September 2002, the Water System Standards, State of Hawai‘i was incorporated into the Department’s Rule and Regulations. These standards establish criteria for evaluating and planning sources of supply, fire protection, storage, transmission and distribution systems, pump stations, treatment and system redundancy. The criteria for developing water system source, storage and transmission facilities are listed below:

Source Criteria:
Total Pump Capacity must meet the maximum daily demand with an operating time of 24 hours and with the largest pumping unit considered to be out of service (i.e. standby must be provided).

Storage Criteria: There are two sizing criteria for storage facilities:
1. Meet maximum daily consumption. Reservoir full at the beginning of the 24-hour period with no source input to the reservoir.

2. Total storage tank capacity must meet the maximum daily demand plus fire flow for the duration of the fire with the tank at 3/4 full at the start of fire, with credit for incoming flow from pumps, one maximum size pump out of service.

**Transmission Criteria:**

1. Meet maximum daily flow plus fire flow with a residual pressure of 20 psi at the critical fire hydrant.
2. Peak hour flow with minimum residual pressure of 40 psi.
3. Maximum velocity in distribution main (without fire flow) is 6 feet per second.

Present source and storage system capacity is monitored by the Department. The system capacity is analyzed by water system and by sub-water system as needed. The monitoring and analysis of the existing source and storage facilities include the tracking of water system capacity and water system consumption demands that include pending (future water consumption) demands.

It is also worth noting that water service requests are approved on a first-come first-service basis and available capacity of water infrastructure (i.e. source, storage, and transmission) is subject to change over time. In the event existing DOW water infrastructure (source, storage, and/or transmission facilities) is not adequate for proposed developments, the applicant/developer has the option of constructing necessary water system facilities or waiting for the DOW to construct the necessary water system facilities to meet the domestic and fire flow demands for the development, which must occur prior to the DOW approving building permits for the development.

A summary of Mr. Dahilig’s questions are as follows, with the Manager’s responses shown beneath each question:

1. What are the specific deficiencies in infrastructure that identify why the infrastructure is not able to meet the projected infill and growth for the Puhi-Līhu'e-Hanamā'ulu and South Side Area? Infrastructure includes Source, Storage and Transmission Facilities.

**Puhi-Līhu'e-Hanamā'ulu**

**Table 1a. Puhi-Līhu'e-Hanamā'ulu Source Data**

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Maximum Daily Demand (MDD)*</th>
<th>Total Source Capacity</th>
<th>Available Source Capacity**</th>
<th>Number of Single Family Dwellings (SFD)</th>
<th>Number of Multi-Family Units (MFU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puhi-Līhu'e-Hanamaulu</td>
<td>7.017 MGD</td>
<td>7.202 MGD</td>
<td>0.185 MGD</td>
<td>247</td>
<td>353</td>
</tr>
</tbody>
</table>

*MDD represents current source allocation.

**Available Source Capacity equates to 247 SFD or 353 MFU.

**Table 1b. Puhi-Līhu'e-Hanamā'ulu Storage Data**

<table>
<thead>
<tr>
<th>Service Zone</th>
<th>Maximum Daily Demand (MDD)*</th>
<th>Total Storage Capacity</th>
<th>Available Storage Capacity**</th>
<th>Number of Single Family Dwellings (SFD)</th>
<th>Number of Multi-Family Units (MFU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puhi-Līhu'e-Hanamaulu</td>
<td>7.017 MGD</td>
<td>7.300 MGD</td>
<td>0.283 MGD</td>
<td>378</td>
<td>540</td>
</tr>
</tbody>
</table>

*MDD represents current source allocation.

**Available Storage Capacity equates to 378 SFD or 540 MFU.
In order to meet the projected 4,000 single family dwellings in the Puhi-Līhu'e-Hanamā'ulu area:

- Additional source capacity of 2.815 MGD (3,753 SFDs; 1,955 GPM) is required.
- Additional storage capacity of 2.717 MG (3,622 SFDs) is required.

The DOW will need to work closely with the Planning Department as well as Grove Farm to determine what portion of the estimated 4,000 single family dwellings in the Puhi-Līhu'e-Hanamā'ulu area, if any, are part of Grove Farm’s approved Water Master Plan. Per the Master Plan, Grove Farm is responsible to provide source, storage, and transmission for their planned developments.

Puhi-Līhu'e-Hanamā'ulu Transmission Data:

Identifying deficiencies in transmission facilities (water main) to provide domestic capacity and fire flow capacity is more complex and analysis of transmission facilities are determined with more specific information regarding the potential future development. For example, dependent upon the development facility’s type, density, and proximity to the supporting water system, a determination is made as to whether the existing transmission facilities (water main) are adequate, or if additional and/or upgraded infrastructure would be required to provide sufficient domestic and/or fire flow per Water System Standards. Additionally, the next long range water infrastructure maintenance and improvement plan will target potential deficiencies in the water system to identify and prioritize projects.

There are two ongoing transmission projects in the Puhi-Līhu'e-Hanamā'ulu system:

1) Kapaia Cane Haul Rd. 18” Main

The DOW proposes to construct an approximately 9,000 foot long, 18-inch diameter water transmission main (“Relief Line”) beginning at the intersection of ‘Ehiku Street and Kūhiō Highway, crossing into private property and travelling along the Kapaia Cane Haul Road from Kūhiō Highway toward and ending at Mā`alo Road. The proposed Relief Line will connect to existing KDOW 16-inch diameter water transmission mains on each end.

The DOW currently has transmission lines within the Līhu’e system that range from 12-inch to 24-inch in diameter. The proposed Relief Line will connect on each end to existing KDOW 16-inch diameter water mains, effectively creating a “loop” in the water system which provides redundancy. The proposed Relief Line will alleviate the capacity limitation caused by the inadequate segment of water transmission main on Kūhiō Highway between Kapaia Bridge and Wilcox Medical Center. Fire flow capacity will also improve as a result of the Relief Line.

Furthermore, the redundancy will allow KDOW to maintain water service to customers in the event of problems with other transmission mains in the area, which especially benefits DOW’s critical customers such as the Wilcox Medical Center and Wilcox Elementary School. Overall, the proposed Relief Line will improve the efficiency, redundancy, and stability of the Līhu’e system.

2) Kūhiʻō Hwy (Hardy-Oxford) Waterline Replacement Project:

The scope of this project is to replace the existing 16-inch asbestos-cement pipe with 16-inch ductile iron pipe along portions of Kūhiʻō Highway, located between Hardy Street and Oxford Street, and along portions of Poinciana Street, located between Kūhiʻō Highway and Jerves Street,
in Līhu'e. The existing pipelines in this area are aged and have been showing signs of degradation and leaking. Through the efforts completed during the formulation of Water Plan 2020, it was identified that the Kūhiʻō Hwy (Hardy-Oxford) Waterline Replacement Project is necessary for the health and safety of the public. The construction of this project will help to reduce water loss due to leaking and remove hazardous asbestos-cement piping from our water system.

**South Side Area**
*(Includes four water service area which are Kalāheo, Lāwaʻi-Omao, Kōloa and Poʻipū)*

**Table 2a. South Side Source Data**
*(units: MDD – Max Daily Demand; MG – Million Gallons; MGD - Million Gallons Per Day; GPM – Gallons Per Minute)*

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Maximum Daily Demand (MDD)</th>
<th>Total Source Capacity</th>
<th>Available Source Capacity</th>
<th>Number of Single Family Dwellings (SFD)</th>
<th>Number of Multi-Family Units (MFU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalāheo</td>
<td>0.900 MGD</td>
<td>1.296 MGD</td>
<td>0.396 MGD</td>
<td>527</td>
<td>753</td>
</tr>
<tr>
<td>Lāwaʻi-Omao</td>
<td>0.517 MGD</td>
<td>0.873 MGD</td>
<td>0.356 MGD</td>
<td>475</td>
<td>678</td>
</tr>
<tr>
<td>Kōloa</td>
<td>0.803 MGD</td>
<td>2.058 MGD</td>
<td>1.255 MGD</td>
<td>1,673</td>
<td>2,390</td>
</tr>
<tr>
<td>Poʻipū</td>
<td>3.442 MGD</td>
<td>6.336 MGD</td>
<td>2.894 MGD</td>
<td>3,858</td>
<td>5,512</td>
</tr>
</tbody>
</table>

**Table 2b. South Side Storage Data**
*(units: MDD – Max Daily Demand; MG – Million Gallons; MGD - Million Gallons Per Day; GPM – Gallons Per Minute)*

<table>
<thead>
<tr>
<th>Service Zone</th>
<th>Maximum Daily Demand (MDD)</th>
<th>Total Storage Capacity</th>
<th>Available Storage Capacity</th>
<th>Number of Single Family Dwellings (SFD)</th>
<th>Number of Multi-Family Units (MFU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalāheo</td>
<td>0.900 MGD</td>
<td>1.250 MGD</td>
<td>0.350 MGD</td>
<td>466</td>
<td>666</td>
</tr>
<tr>
<td>Lāwaʻi-Omao</td>
<td>0.517 MGD</td>
<td>0.880 MGD</td>
<td>0.363 MGD</td>
<td>485</td>
<td>692</td>
</tr>
<tr>
<td>Kōloa</td>
<td>0.803 MGD</td>
<td>1.500 MGD</td>
<td>0.697 MGD</td>
<td>929</td>
<td>1,328</td>
</tr>
<tr>
<td>Poʻipū</td>
<td>3.442 MGD</td>
<td>3.250 MGD</td>
<td>(-) 0.192 MGD</td>
<td>(-) 256</td>
<td>(-) 366</td>
</tr>
</tbody>
</table>

In order to meet the projected 2,000 single family dwellings in the South side area:

- Additional storage capacity of 0.282 MG (376 SFDs) is required.
- Source facilities for the South side area are adequate.

**Southside (Kalāheo, Lāwaʻi-Omao, Kōloa & Poʻipū) Transmission Data:**

Identifying deficiencies in transmission facilities (water main) to provide domestic capacity and fire flow capacity is more complex and analysis of transmission facilities are determined with more
specific information regarding the potential future development. For example, dependent upon the
development facility’s type, density, and proximity to the supporting water system, a determination
is made as to whether the existing transmission facilities (water main) are adequate, or if additional
and/or upgraded infrastructure would be required to provide sufficient domestic and/or fire flow
per Water System Standards. Additionally, the next long range water infrastructure maintenance
and improvement plan will target potential deficiencies in the water system to identify and
prioritize projects.

2. What projects are needed to provide capacity for deficiency in both source and storage?

**Puhi-Līhu'e-Hanamā'ulu**

**Source:** Deficiency of 1,955 gpm (assume four 500 gpm wells at an estimated 3 million dollars
each, for an estimated total cost of 12 million dollars)

**Storage:** Deficiency of 2.7 million gallons (assume three 1.0 MG tanks at an estimated 5 million
dollars each, for an estimated total cost of $15 million dollars).

**South Side Area**

*Includes four water service area which are Kalāheo, Lāwa‘i-Omao, Kōloa and Po'ipū*

**Source:** None, Tables 2a shows that the total available source facilities (4.901 MG, 6,533 single
family dwellings) for the water service areas can provide for 2,000 single family dwellings.

Actual adequacy of the source facilities will be dependent on the extent of development occurring in
the individual service areas.

**Storage:** 0.282 MG (assume one 0.5 MG tank at $4 million dollars).

Actual adequacy of the storage facilities will be dependent on the extent of development occurring in
the individual service areas.

Water service requests are approved on a first-come first-service basis and available capacity of water
infrastructure (i.e. source, storage, and transmission) is subject to change over time. In the event existing
DOW water infrastructure (source, storage, and/or transmission facilities) is not adequate for proposed
developments, the applicant/developer has the option of constructing necessary water system facilities
or waiting for the DOW to construct the necessary water system facilities to meet the domestic and fire
flow demands for the development, which must occur prior to the DOW approving building permits for
the development.

ED/ein

Attachment: Water Plan 2020 Project Summary Report
<table>
<thead>
<tr>
<th>Project No.</th>
<th>Water System</th>
<th>Project Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>KW-14</td>
<td>Kekaha-Waimea</td>
<td>Waimoa Canyon Drive 12' Main Replacement (1,860')</td>
</tr>
<tr>
<td>KW-15</td>
<td>Kekaha-Waimea</td>
<td>Kaumuali Hot 12', Huakai to Moana Road Main Replacement (1,950')</td>
</tr>
<tr>
<td>KW-25</td>
<td>Kekaha-Waimea</td>
<td>Construct Kapililao 156.5', 5.5MG</td>
</tr>
<tr>
<td>KW-27</td>
<td>Kekaha-Waimea</td>
<td>Kaumuali Hot - Kekaha Rd to Huakai 12' D. I. Main Replacement</td>
</tr>
<tr>
<td>PH-02</td>
<td>Puhi-Lihu-Hanamaulu</td>
<td>Kokolau Tunnel to Mano St. 16' Main Replacement (14,830')</td>
</tr>
<tr>
<td>PH-13</td>
<td>Puhi-Lihu-Hanamaulu</td>
<td>Develop Puhi Well #5A, #5B and Puhi #1 re-pipe to 393'</td>
</tr>
<tr>
<td>WK-09</td>
<td>Wailua-Kapa</td>
<td>Construct Kapaa Homes 530 Tank, 0.5 MG</td>
</tr>
<tr>
<td>WK-21</td>
<td>Wailua-Kapa</td>
<td>Drill &amp; Develop Wailua Homes 30 Tank, Well #30'</td>
</tr>
<tr>
<td>WK-28</td>
<td>Wailua-Kapa</td>
<td>Wailua House lots 8' Main Replacement (11,004')</td>
</tr>
<tr>
<td>WK-42</td>
<td>Wailua-Kapa</td>
<td>Construct Stable 1.0MG Tank, 214'</td>
</tr>
<tr>
<td>PH-16</td>
<td>Puhi-Lihu-Hanamaulu</td>
<td>Drill &amp; Develop Hanamaulu Well #4, 150 gpm</td>
</tr>
<tr>
<td>PH-14</td>
<td>Puhi-Lihu-Hanamaulu</td>
<td>Develop Puwikulwellwell 90 Tank, 120 gpm</td>
</tr>
<tr>
<td>PH-15</td>
<td>Puhi-Lihu-Hanamaulu</td>
<td>Develop Hanamaulu Well #3, 160 gpm</td>
</tr>
<tr>
<td>HW-07</td>
<td>Haena-Wainih</td>
<td>Replace Wainiha Redwood Tank, 5,000 gal</td>
</tr>
<tr>
<td>KW-11</td>
<td>Kekaha-Waimea</td>
<td>Kapililao Valley Well Development</td>
</tr>
<tr>
<td>KW-13</td>
<td>Kekaha-Waimea</td>
<td>Kekaha/Waimea replacement</td>
</tr>
<tr>
<td>WK-12</td>
<td>Wailua-Kapa</td>
<td>Waipouli 6',8'Main Replacement (7,286')</td>
</tr>
<tr>
<td>WK-14</td>
<td>Wailua-Kapa</td>
<td>Vivian Hghts/Kanele Rd 8',6'Main Replacement (13,678') &amp; relocate PV</td>
</tr>
<tr>
<td>WK-30</td>
<td>Wailua-Kapa</td>
<td>Wailua Rd./Hauki Rd. 6'Main Replacement (18,419')</td>
</tr>
<tr>
<td>WK-32</td>
<td>Wailua-Kapa</td>
<td>Kapaa Homes 6'Main Replacement (24,775')</td>
</tr>
<tr>
<td>WK-36</td>
<td>Wailua-Kapa</td>
<td>Wailua, Kuamoo, Anolani Rd., Lehika Ln. 6'Main Replacement (2,000')</td>
</tr>
<tr>
<td>WKX-14</td>
<td>Waipake-Kilauea-Kahilwai</td>
<td>Construct East Kiluaea Booster Pump Station, 300 gpm</td>
</tr>
<tr>
<td>K-07</td>
<td>Kalaele</td>
<td>Waha, Wawai, Niihio Main Replacement (3,309')</td>
</tr>
<tr>
<td>PH-09</td>
<td>Puhi-Lihu-Hanamaulu</td>
<td>Lihue Town 6' &amp; 8' Main Replacement (1,707')</td>
</tr>
<tr>
<td>K-10</td>
<td>Kalaele</td>
<td>0.5 MG Kalaele 908 Tank, Generator Storage</td>
</tr>
<tr>
<td>PH-25</td>
<td>Puhi-Lihu-Hanamaulu</td>
<td>Ela, Umi, Akahi, Ela &amp; Hardy St. 8'Main Replacement (5,970')</td>
</tr>
<tr>
<td>PH-30</td>
<td>Puhi-Lihu-Hanamaulu</td>
<td>Nawiliwi-Nismalu &amp; Kupolo 6,8 &amp; 12'Main Replacement (12,380')</td>
</tr>
<tr>
<td>WK-24</td>
<td>Wailua-Kapa</td>
<td>Develop Kapa Homes 6'Main Replacement (2000') &amp; 8' DI (1,600')</td>
</tr>
<tr>
<td>HW-02</td>
<td>Haena-Wainih</td>
<td>Rehabilitation Wainiha Redwood Tank booster pumps</td>
</tr>
<tr>
<td>KP-05</td>
<td>Koloa-Poipu</td>
<td>Develop Koloa Well F</td>
</tr>
<tr>
<td>KP-06a</td>
<td>Koloa-Poipu</td>
<td>Lawai Road [Alania Road - Spouting Horn] 8'Main Replacement (2,800')</td>
</tr>
<tr>
<td>KP-07</td>
<td>Koloa-Poipu</td>
<td>Poipu Road [Lawai Rd - Kauhala Plant. Driv Main Replacement (9,900')</td>
</tr>
<tr>
<td>K-08</td>
<td>Kalaele</td>
<td>Piiu Road 12' Main (1,346') &amp; 0.2 MG Tank</td>
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### Plan Water 2020 Project Evaluation Report

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## Water Plan 2020 Project Evaluation Summary Report

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<td>Pahi-Ulu-Hanaanualo</td>
<td>Kuhio Hwy (Hardy - Oxford) 11’ Main Replacement (1,680’)</td>
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<td>Haena-Wainiha</td>
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<td>Moloa</td>
<td>Acquire Source / Install Pump, Controls, and 12’ Pipeline</td>
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<td>New 0.150 MG Tank, Abandon Hanalei Tank</td>
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<td>Construct 0.1 MG Storage Tank, 213’</td>
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<td>Waipake-Kilauea-Kalihiwai</td>
<td>Construct Kilauea 0.25MG Tank, 466’</td>
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<td>Lawai-Dimao</td>
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<td>WK-26</td>
<td>Kekaha-Waimea</td>
<td>Construct Waimea 196 Tank, 0.5MG</td>
<td>0 10 10 20</td>
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<td>WK-01</td>
<td>Wailua-Kapaa</td>
<td>Rehabilitation Moolepe Tunnel &amp; improve access road</td>
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<td>CRP</td>
<td>SOURCE</td>
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<td>Wailua-Kapaa</td>
<td>Construct Upper Waipoli 0.25MG Tank, 680'</td>
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<td>WK-40</td>
<td>Wailua-Kapaa</td>
<td>Construct Upper Makalea 0.25MG Tank, 75'</td>
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<td>LO-20</td>
<td>Lawai-Omao</td>
<td>Rehabilitation Puipuio Steel Tank, 0.125 Mg</td>
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<td>HE-10</td>
<td>Hanapape-Eleele</td>
<td>Reorganize Water System: Hanapape-Eleele</td>
<td>5 7 7 19</td>
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<td>KW-13b</td>
<td>Keaka-Waimea</td>
<td>Keoke &amp; Aie Rd 12&quot; Main Replacement (4,150')</td>
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<td>Puhi-Lihue-Hanamaulu</td>
<td>Nawilewili Rd (Nokeluka, Apasane, Elek) 2 1/2&quot; Main Replacement &amp; Transfer Services, N</td>
<td>8 7 4 19</td>
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<td>Puhi-Lihue-Hanamaulu</td>
<td>Kuhio Hwy/Hanamaulu Rd. 12&quot; Main Replacement (3,530')</td>
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<td>PHL58</td>
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<td>Hanamaulu 6&quot; Main Replacement (13,520')</td>
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<td>HW-01</td>
<td>Haena-Wainiha</td>
<td>Improve access to Wainiha 217 Tank</td>
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<td>Haena-Wainiha</td>
<td>Alahimi, Alealea, Alamo/o Main Replacement (4,900')</td>
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<td>Keaka-Waimea</td>
<td>Keaka Road, Puiu Road - Kauamuli Hwy 12&quot; Main Replacement (4,490')</td>
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<td>Lawai-Omao</td>
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<td>Lawai-Omao</td>
<td>Piko, Halimoa, Koloa 12&quot; Main Replacement (2,800')</td>
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<td>Puhi-Lihue-Hanamaulu</td>
<td>Puhi Rd - Huleia Valley Rd. 6&quot; Main Replacement (5,550') &amp; 3 PRVs</td>
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<td>Waipake-Kilauea-Kalihiwai</td>
<td>Kuhio Hwy./ (Pukalani Pl. - Kalihiholo Rd) Main Replacement (9,370')</td>
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<td>Priority as of 11/22/2017</td>
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<td>Kekaha-Waima</td>
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<td>Wailua-Kapa</td>
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<td>Waipake-Kilauea-Hawaii</td>
<td>Kuhio Hwy. (Pukalani Pl. - Kolo Road) New Main (4,790')</td>
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<td>Anahola</td>
<td>Anahola Road '8' Main Replacement(6,580')</td>
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<td>Anahola</td>
<td>Kealia Road '12' Main Replacement (1,940')</td>
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<td>Hana-Wainhi</td>
<td>MCC, Chlorination Facilities, Haena Well 66 &amp; Wainiha Well 67 &amp; 2</td>
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<td>Kalaehe</td>
<td>Pualua, Opu Roads '12' Main Replacement (3,320')</td>
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<td>Kekaha-Waima</td>
<td>Kepapoa Road (Alakai) '12' Main Replacement, Kala Road '9' Main (4,920')</td>
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<td>Puhi-Lihu-Hanamaulu</td>
<td>Rice Street (Kauai Imm Tank - Paina Rd) '12' Main Replacement &amp; PRV (4,850')</td>
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<td>Kuhio Hwy 18' Main Replacement</td>
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<td>Rehabilitation Makaleha Tank, 1.0 MG</td>
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<td>Wailua-Kapa</td>
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<td>Waipake-Kilauea-Hawaii</td>
<td>Rehabilitation Kilauea Tanks #1 &amp; #2, 0.25 MG</td>
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<td>Waipake-Kilauea-Hawaii</td>
<td>Waipake, Namahana, Kilauei Booster Pump Stations - Install PRV</td>
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<td>Wailua-Kapa</td>
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<td>Hanapepe-Eilele</td>
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<td>Menehune Road '8' Main Replacement (9,340')</td>
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<td>Lawai-Omao</td>
<td>Permanent Generator and Housing, LD-05b Tank, 67'</td>
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<td>Puhi-Lihu-Hanamaulu</td>
<td>Puia Loke '6' Main Replacement (8,640')</td>
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<td>Moolepe Tu. - Wailua Hmtds,5,388 Tank '12' Main Replacement (12,726')</td>
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<td>Kalaehe</td>
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<td>Koolau Road / Moloka Road '6' Main Replacement</td>
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<td>Puhi-Lihu-Hanamaulu</td>
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<td>Puhi-Lihu-Hanamaulu</td>
<td>Nawiliwi Rd. (Lihue Grammar School Well - Kukui Grove St) '12' Main Repl. (680') &amp; 1 PRV</td>
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New Business
RESOLUTION NO. 19-07

Mahalo and Aloha

Warren Rita
Lead Pipefitter

WHEREAS, Warren Rita also known as “The Cone Man” first joined the Department of Water (DOW) of the County of Kaua‘i on November 16, 1988 as a Pipefitter Helper in the Operations Division Field Section, and

WHEREAS, he was reallocated to Laborer II on December 1, 1989, and

WHEREAS, he was reallocated to Pipefitter Helper on August 16, 1990, and

WHEREAS, he was promoted to Pipefitter on July 1, 1998, and

WHEREAS, he was promoted to his current position as Lead Pipefitter on January 2, 2001

WHEREAS, as you may have noticed the trend by now, Warren rose from the ranks to be the top and most senior Lead Pipefitter, and

WHEREAS, Warren was awarded the 2011 Employee of the Year at the DOW, and

WHEREAS, after more than thirty (30) years of dedicated service to the DOW and its customers, Warren has decided that it is time to move on to the next chapter of his journey in life, and

WHEREAS, Warren is an avid farmer, rancher, chef, and family man, and

WHEREAS, Warren has repeatedly demonstrated his ability as an extremely competent and reliable Lead Pipefitter, and

WHEREAS, Warren takes with him vast institutional knowledge, his award winning and delicious lumpia and pateles, and his good nature that has always been so instrumental in leading his crews, and

WHEREAS, Warren demonstrated that where there is a will, there is a way to get things done, as he has always thought outside of the box in order to come up with creative fixes for difficult situations, and

WHEREAS, Warren can now focus on his “other related duties” of chipping away at that “honey do” list and traveling with his wonderful wife, as there is no more excuse of being on standby, and

WHEREAS, in addition, the entire Department of Water thanks Warren for sharing his aloha, work ethic, wisdom, positive attitude, and most importantly, his traffic cones, and

WHEREAS, the Department has benefited tremendously from the knowledge and experience Warren brought to and shared with the Department.

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I, STATE OF HAWAI‘I, that on behalf of the water-consuming customers on Kaua‘i, it expresses its acknowledgment and appreciation of the many years of dedicated service rendered by Warren Rita and it extends to Warren its best wishes for much happiness and success in his retirement, as well as many more ….

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to WARREN RITA with our warmest Aloha and best wishes for success in all his future endeavors.

We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on December 28, 2018.

Beth Tokioka, Chairperson

Thomas Canute, Secretary
WHEREAS, Galen Shigeta also known as “Galen” first joined the Department of Water (DOW) of the County of Kaua‘i on July 5, 1995 as a contracted Laborer in the Operations Division Field Section, and

WHEREAS, after more than thirty (23) years of service to the DOW customers, Galen decided it is time to move on to the next chapter of his journey in life, and

WHEREAS, Galen is an avid baseball and softball player, lover of Vegas, sports fan, and

WHEREAS, Galen has demonstrated his ability as an extremely competent and reliable Water Plant Operator, tasked with protecting our customers and ensuring our water maintained the highest of standards that our customers have come to expect, and

WHEREAS, Galen takes with him his devotion and dedication to the Water Department and most importantly the well-being and protection of the health of the general public, the “grumbles” were always a precursor to the work getting done, and

WHEREAS, Galen demonstrated that grit and determination can go a long way in providing uninterrupted service to an area wrought with devastation and isolation from the April 2018 floods, even though getting there proved difficult on the best of days, and

WHEREAS, Galen can now also focus on his “other related duties” of fixing up the house, cooking for his still working wife, hoping that one day the Raiders are good again, and getting that picture of the sunrise on his “first day of the rest of his life”, and

WHEREAS, in addition, thank you for sharing your aloha, work ethic, wisdom, and most importantly, your sense of humor, and

WHEREAS, the Department has benefited from the knowledge and experience Galen brought to and shared with the Department.

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I, STATE OF HAWAI‘I, that on behalf of the water-consuming customers on Kaua‘i, it expresses its acknowledgment and appreciation of the many years of dedicated service rendered by Galen Shigeta and it extends to Galen its best wishes for much happiness and success in his retirement, as well as many more ..... 

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to GALEN SHIGETA with our warmest Aloha and best wishes for success in all his future endeavors.

HAPPY RETIREMENT

We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on December 28, 2018.

________________________________________
Beth Tokioka, Chairperson

________________________________________
Thomas Canute, Secretary
MANAGER’S REPORT No. 19-30

December 28, 2018

Re: Request Board Approval of Resolution No. 19-09 (12/18), Mahalo and Aloha Board Member, Sherman Shiraishi

It is requested that the Board approve Resolution No. 19-09 (12/18), Mahalo and Aloha Board Member, Sherman Shiraishi.

BW/ein

Attachment: Resolution No. 19-09 (12/18), Mahalo and Aloha Board Member, Sherman Shiraishi
WHEREAS, Mahalo and Aloha are in order for Vice Chair Sherman Shiraishi, who served on the Board of Water from December 2012 to December 2018; and

WHEREAS, thankfulness is in order as Vice Chair Shiraishi voluntarily dedicated six (6) years of his life in guiding the Department of Water with his leadership, discerning input, and insight to help steward Kaua’i’s most important resource; and

WHEREAS, Vice Chair Shiraishi is well known for his legal expertise, wisdom, and dedication to both the people of Kaua’i and the Department; and

WHEREAS, Sherman is finally off the hook and will no longer be pestered to attend Agenda meetings each month; and

WHEREAS, Sherman was instrumental in creating and adopting the new Facilities Reserve Charge and was supportive on the many Fiscal Year Budgets from 2013 to 2018; and

WHEREAS, Sherman used his legal expertise to easily navigate complex legal lingo in all types of legal documents, such as conveyances, right of entries, grant of easements and indemnifications; and

WHEREAS, we will miss Sherman’s Wiki Wiki Board meetings that lasted less than one (1) hour; and

WHEREAS, although Sherman could occasionally be overheard grumbling about his responsibilities as a Board member, it was clear he truly enjoyed every moment of his service, was always 100 percent supportive of the DOW’s employees, and made many significant contributions to the Department throughout his entire tenure on the Board; and

WHEREAS, congratulations are in order as Sherman can finally dedicate more of his time to go on adventurous fishing trips and hikes around the island, as well as his law firm so that his daughter Mia can one day take over the firm; and

WHEREAS, the Department wishes the best of luck and extends its warmest Aloha to Vice Chair Sherman Shiraishi in all his future endeavors; and

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUA’I, STATE OF HAWAI’I, in recognition of the outstanding service and commitment of VICE CHAIR SHERMAN SHIRAISHI to our Garden Island Community, does hereby extend to Vice Chair Sherman Shiraishi, a fond Mahalo and heartfelt Aloha for the contributions he has made as a member of the Board of Water Supply. We extend our best wishes to him for all of the happiness, prosperity, and success as he deserves in all of his future endeavors.

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to VICE CHAIR SHERMAN SHIRAISHI.

Aloha Sherman Shiraishi

We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on December 28, 2018.

________________________________________
Beth Tokioka, Chairperson

________________________________________
Thomas Canute, Secretary
MANAGER’S REPORT No. 19-31

December 28, 2018

Re: Discussion and Possible Action for Board Approval to enter into a Land Exchange Agreement between the Director of Finance, County of Kaua‘i, the Board of Water Supply, County of Kaua‘i, and Bank of Hawai‘i, a Hawai‘i corporation, by its division Pacific Century Trust, successor by merger to Hawaiian Trust Company, Limited, as Trustee under that certain indenture made between Walter D. McBryde and said Hawaiian Trust Company, Limited, dated August 20, 1918, recorded in the Bureau of Conveyances of the State of Hawai‘i in Liber 498 at Page 488, as amended from time to time, to enter into a Land Exchange Agreement affecting:

a. County of Kaua‘i, TMK: 2-3-005:006 and
b. Bank of Hawai‘i, a Hawai‘i corporation, TMK: 2-3-005:025

RECOMMENDATION:

It is recommended that the Board enter a Land Exchange Agreement with the Director of Finance, County of Kaua‘i, and Bank of Hawai‘i, a Hawai‘i corporation, by its division Pacific Century Trust, successor by merger to Hawaiian Trust Company, Limited, as Trustee under that certain indenture made between Walter D. McBryde and said Hawaiian Trust Company, Limited, dated August 20, 1918, recorded in the Bureau of Conveyances of the State of Hawai‘i in Liber 498 at Page 488, as amended from time to time, to enter into a land exchange agreement involving TMKs: 2-3-005:006 and 2-3-005:025.

Further, Board approval is specifically requested of the two indemnification provisions in the agreement;

“the Board agrees to indemnify, defend and hold harmless the Trust from all claims, expenses and liability arising under or relating to the CDUP Conditions.”

“For safety or operational reasons, the Board may trim trees and other foliage that overhang or threaten to damage improvements on the Trust Parcel, provided that the Board shall provide prior notice of any work on Trust land outside of the Trust Parcel (at least a week except in case of emergency), and shall exercise due care in performing any such work and shall defend and indemnify the Trust from any claims for personal injury, death or property damage arising from such work."

As used herein, “CDUP Conditions” means the conditions imposed by the State of Hawaii Department of Land and Natural Resources in its letter dated November 17, 2008 approving the Board’s Conservation District Use Application (CDUA) KA-3475.

FUNDING: N/A

BACKGROUND:

The Department of Water (DOW) is working to obtain the necessary land rights for Job No. 11-09 WP2020 # K-05A, Kalāheo New Tank 0.5MG, 886’ project. The desired parcel is TMK: 2-3-005:025 (Trust Parcel), which is located within the Kukui‘olono Park in Kalāheo and is owned by Bank of Hawai‘i, a Hawai‘i corporation, by its division Pacific Century Trust, successor by merger to Hawaiian Trust Company, Limited, as Trustee under that certain Indenture made between Walter D. McBryde and said Hawaiian Trust Company, Limited, dated August 20, 1918, recorded in the Bureau of Conveyances of the
State of Hawai'i in Liber 498 at Page 488, as amended from time to time, the principal place of business of which is 111 South King Street, Honolulu, Hawai'i 96802, (hereinafter “Trust”).

The DOW has an existing water tank located on the Trust Parcel and the Board is currently in a License Agreement with the Trust for use of their land. The monthly charge for the Agreement is currently $1,667 per month ($20,000 per year) and the amount is subject to increase in the future.

The County of Kaua'i owns TMK: 2-3-005:006, which contains an abandoned water tank (hereafter “County Parcel”). For reference, TMK: 2-3-005:006 is located on the Kukui‘olono Golf Course near the Trust Parcel. The Trust requested a land exchange wherein the Trust would exchange the Trust Parcel for the County Parcel. The land exchange would also be based on the appraised value of the land. If there is a difference in the appraised value of the parcel(s) owned by each party, the party with the lower appraised value of their parcel would pay the other party the difference between the appraised values so that it would be a fair value exchange. In the event that the Trust parcel is appraised at a higher value than the County Parcel, the DOW would pay the difference in the appraised value to the Trust. If this is the case, the Department will request the required funding from the Board to comply with the terms of the land exchange agreement. It is anticipated that the Trust parcel may be assessed at a higher value based on the Trust Parcel being larger (0.94 acres) than the County Parcel (0.22 acres) and that the Department will need to pay the “difference” in the assessed values. The Agreement includes a provision that the Board shall have the option to terminate the Agreement and the transaction if the difference payable by the Board is more than $50,000.00. While the assessed value cannot be determined without an appraisal, the Department believes that the order of magnitude for the cost difference is approximately $50,000.

In 2007, the County Engineer and the Director of Finance recommended to the Kaua‘i County Council (Council) that the County agree to exchange the County Parcel in favor of the Trust, and in return the Trust parcel would be conveyed to the Board. The Council approved Resolution No. 2007-76, which authorized the County Engineer and the Director of Finance to act in accordance with the recommendation.

The Trust conditioned the land exchange on the remediation of the County Parcel. Remediation of the parcel includes a hazardous material survey to confirm the absence of contaminated soils on the County Parcel and the demolition and removal of all structures located on the County Parcel.

During the investigation of the County Parcel, it was discovered that an underground storage tank was present next to the abandoned above ground water tank. With the mitigation costs unknown, the DOW and the County executed a cost sharing agreement (Memorandum of Agreement) to determine how expenses for potential mitigation efforts would be shared. This agreement was executed at the October Board Meeting on October 26, 2018. The underground storage tank removal and testing is scheduled to take place January 2019.

Originally, the proposed Land Exchange Agreement included two County Parcels: TMK: 2-3-005:006, which is approximately 0.22 acres, and TMK: 2-3-005:007, which is approximately 0.02 acres and is owned by the County of Kaua'i. However, the DOW decided to remove TMK: 2-3-005:007 from the Agreement due to its relatively small land size with respect to the potential risk of finding, and needing to mitigate, hazardous materials. With the assessed value of TMK: 2-3-005:007 anticipated to be small, the DOW decided to focus any material testing and mitigation on TMK: 2-3-005:006 for the Land Exchange. The Trust has indicated that they do not object to removing the small parcel from the Land Exchange because they would have required that all County lands involved in the Land Exchange have environmental site assessments done prior to conveyances being completed.
With the cost sharing agreement established between the County and DOW to split the costs of remediating the County Parcel, the land exchange agreement can be executed between the DOW, the County, and the Trust. The Land Exchange Agreement is being requested to establish the terms of the land exchange so the DOW is able to obtain the necessary land rights for Job No. 11-09 WP2020 # K-05A, Kalāheo New Tank 0.5MG, 886’ project.

**OPTIONS:**

**Option 1:** Approve Land Exchange Agreement.

**Pros:** This will allow the DOW, the County, and the Trust to proceed with the land exchange. Once the land exchange is completed, the DOW will no longer need to be in a License Agreement with the Trust for the use of the Trust Parcel. The DOW currently pays a monthly charge of $1,666.65 to the Trust for the License Agreement (approximately $20,000 per year) and that amount may increase in the future. The abandoned water tank on TMK: 2-3-005:006 can also be characterized as an “eyesore” and working together with the County to remove it demonstrates a collaborative effort by the DOW and County for the overall benefit of the community.

**Con:** It is anticipated that the appraised value of the Trust parcel will be higher than the County Parcel and that the Department may need to pay the difference in appraised values to the Trust to comply with the terms of the agreement. The Department would need to obtain approval from the Board for these funds. The cost will not be known until the appraisals are completed and compared. The Department believes that the order of magnitude for the cost difference to be approximately $50,000.

**Option 2:** Do not approve Memorandum of Agreement.

**Pro:** The Department would not be exposed to any risk by choosing not to commit to any potential funding for the proposed land exchange.

**Con:** Not approving the submittal of Land Exchange Agreement would prevent the DOW and the County from remediating the County Parcel for the land exchange with the Trust. The DOW won’t be able to obtain the needed land for the construction of the future 0.5MG water tank and the DOW will continue to be in the License Agreement with the Trust for the use of their lands with the existing water tank located on the Trust Parcel. The DOW will continue to pay the Trust at least $20,000 annually for the existing License Agreement and that amount may increase in the future.
LAND EXCHANGE AGREEMENT

THIS LAND EXCHANGE AGREEMENT ("Agreement"), is dated ______________, 2018, and entered into by and between BANK OF HAWAII, a Hawaii corporation, as Trustee of the Kukuiolono Park Trust Estate created under that certain Indenture made by and between Walter D. McBayrede and Hawaiian Trust Company, Limited, dated August 20, 1918, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 498 at Page 488, as amended from time to time, whose mailing address is P.O. Box 3170, Honolulu, Hawaii 96802, hereinafter referred to as the "Trust", and the COUNTY OF KAUA‘I (hereinafter called "County") and the BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I (hereinafter referred to as the "Board"), whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766.

WITNESSETH:

WHEREAS, the County owns a parcel of land (being TMK (4) 2-3-5-006), which contains approximately 9,598 square feet and an abandoned water tank among other things, said parcel being shown in Exhibit A, attached hereto and incorporated herein by reference (hereafter referred to as the "County Parcel");

WHEREAS, the Trust owns a parcel of land (being TMK (4) 2-3-005-025), which contains approximately 0.94 acres and an existing approximately 250,000 gallon County of Kaua‘i Department of Water tank, said parcel being shown in Exhibit A, attached hereto and incorporated herein by reference (hereafter referred to as the "Trust Parcel"). The Board plans to construct on the Trust Parcel a 500,000-gallon tank for use by the Board, but shall not commence such construction until the conveyance of the Trust Parcel to the Board is completed;

WHEREAS, the Board and the Trust entered into a License Agreement for the use of the Trust Parcel which was premised upon the completion of a new tank on the Trust Parcel and the decommissioning of the old tank on the County Parcel;

WHEREAS, the parties proposed a land exchange wherein the Trust would exchange the Trust Parcel for the County Parcel;

WHEREAS, in 2007, the County Engineer and the Director of Finance, recommended to the Kaua‘i County Council (hereafter referred to as the "Council") that the County convey the County Parcel, in favor of the Trust, in exchange for the Trust conveying the Trust Parcel to the Board;

WHEREAS, the Council approved Resolution No. 2007-76, authorizing the County Engineer and the Director of Finance to act in accordance of such approval; and

WHEREAS, the County and the Board, having progressed toward the remediation of the County Parcel, the parties wish to proceed with the land exchange on the terms and subject to the conditions set forth below;

Land Exchange Agreement
Bank of Hawai‘i, County of Kaua‘i, Board of Water Supply, County of Kaua‘i
Kukuiolono Site
(4) 2-3-005:006; 025
Kalāheo/Kōloa Water System
NOW THEREFORE, in consideration of the terms and conditions of this Agreement, the Trust, the County, and the Board agree as follows:

I. **Subject of Conveyances.**

a. County agrees to convey and the Trust agrees to accept, upon the terms and subject to the conditions and exception hereinafter set forth, all right title and interest of the County in and to the County Parcel, which upon completion of the remediation remediation required under this Agreement will be vacant land.

b. Trust agrees to convey and the Board agrees to accept, upon the terms and conditions hereinafter set forth, all right title and interest of the Trust in and to the Trust Parcel, on which is constructed a water tank owned, operated, and maintained by the Board as permitted by the License Agreement between the Trust and the Board (Dated June 27, 2005).

II. **Removal of Infrastructure on County Parcel:** The Board agrees to do the following by no later than __________, 2019:

a. Prepare an initial environmental hazards site assessment of the County Parcel prior to any demolition work being done on the County Parcel. The initial environmental hazard site assessment shall be done by a licensed environmental/hazardous material engineer ("Consultant") and shall include a hazardous material survey and evaluation of the County Parcel, including but not limited to soils, structures and equipment including for asbestos, lead, PCBs, and petroleum products and byproducts, and any and all additional pollutants and contaminants recommended by the Consultant. During the initial environmental hazard site assessment, the underground storage tank will be removed. The Board shall provide a copy of the initial environmental hazard site assessment to the Trust.

b. The Board shall prepare a demolition plan and provide a copy to the Trust. After the initial environmental hazard site assessment the Board shall subsequently implement the demolition plan and demolish and remove all improvements, structures, debris and equipment from the County Parcel, including but not limited to underground and above ground storage tanks, sheds, pipes (with the exception of approximately 150 feet of abandoned 6” and 8” cast iron pipe which the Board warrants does not contain asbestos, lead or other pollutants or hazardous or toxic materials), poles, power lines, and other structures (collectively, the “Improvements, Equipment and Debris”). The Board shall complete the demolition plan pursuant to the requirements of all applicable laws, including but not limited to environmental laws, including, but not limited to, the requirements of chapter 342L, Hawaii Revised Statutes, concerning the regulation of underground storage tanks, and implementing regulations, including subpart 7 of chapter 11-280.1,
Hawaii Administrative Rules, concerning closure of underground storage tank systems.

c. Upon completion of the demolition and removal of the Improvements, Equipment and Debris from the County Parcel, in compliance with applicable environmental laws, the Board shall prepare a supplemental environmental hazard site assessment, which includes a hazardous material survey and evaluation of the soils, including but not limited to sampling and testing for asbestos, lead, PCBs and petroleum products and byproducts, and any and all additional pollutants and contaminants recommended by the Consultant. The Board shall complete the demolition and removal within 30 days after commencing demolition and removal. The Board shall complete such demolition, removal and, as describe below, restoration in accordance with all applicable laws, regulations and other legal requirements, including but not limited to laws concerning the demolition and removal of lead-based paint, asbestos, petroleum products and byproducts, PCBs and other hazardous materials to the extent applicable. Prior to the Closing Deadline (defined below), the Board shall obtain a no further action letter from the State of Hawaii Department of Health ("HDOH") upon completion of the demolition and removal work if such a letter is available with respect to such work.

d. A copy of all environmental hazards site assessments and the permanent underground storage tank closure report shall be provided to the Trust and the County.

e. If, upon conclusion of each of the two environmental hazard site assessments, remediation is deemed necessary, the Board will mitigate such material to the extent required by applicable law and as a condition of the conveyance.

f. Upon conclusion of the initial and supplemental environmental hazard site assessments, and if applicable, issuance of a no further action letter by the HDOH, the Trust shall, at its sole discretion, determine whether it wishes to acquire the County Parcel or to not acquire the County Parcel. Such decision by the Trust shall be made no later than 30 days of the supplemental environmental hazard site assessment, and in any event, prior to the conveyance of the Trust Parcel to the Board.

g. If the Trust decides to not acquire the County Parcel, the Trust and the County will negotiate an easement for the Trust’s use, access, and enjoyment of the County Parcel consistent with the surrounding area. While negotiating toward such easement, the Trust shall have a license to enter the County Parcel to maintain the Parcel. Whether or not the Trust and County enter into such an easement arrangement, the Trust shall also have the option to pay the County the FMV of the County Parcel and obtain the County’s commitment to keep the parcel vacant and used only for landscaping and use consistent with the surrounding area (for example, currently such use would be golf course fairway use).

h. Upon completion of demolition and removal, the Board shall restore the County Parcel to grade and grass such parcel to a condition similar to the adjacent golf course fairway using the same type of grass as the grass prevailing in the fairway; provided the Trust provides the seeds or sprigs necessary to comply with this
paragraph. The Board shall complete the restoration within 90 days after completing demolition and removal.
i. The Board warrants that the services to be rendered and performed under this Agreement shall be performed and rendered by professionals experienced, licensed (if such licensure is required), and qualified to perform such services.
j. The Board shall maintain at all relevant times all licenses, permits, or other certifications necessary to perform the remediation under this Agreement, and the Board shall ensure compliance with all applicable laws. To the Board's actual knowledge upon completion of the remediation the County Parcel will not be in material violation of any federal, state, or local laws, rules, statutes, or other regulations. This warranty shall survive termination of this Agreement.
k. The Board's responsibilities under this Section II shall survive the conveyances under this Agreement.

III. Conveyance of Trust Parcel to the Board.

a. Conveyance. Upon completion of Section II of this Agreement, the Trust agrees to convey its interest in the Trust Parcel to the Board, together with easements for access and utilities, and existing improvements, in "as is" condition, provided a reputable title insurance company shall commit to insure title to the Trust Parcel free and clear of all liens and encumbrances, except for the CDUP Conditions (as defined below), the deed provisions discussed below, and the exceptions shown on Exhibit __ attached hereto, and with all faults by Limited Warranty Deed, in accordance with the Payment section of this Agreement. The deed to the Board shall reserve to the Trust the right to lock or otherwise secure the gate to the Kukuiolono Park (provided a key or other means of access is provided to the Board), and to relocate, from time to time, the easements conveyed to the Board, including but not limited to the relocation of the access easement to conform to relocation or realignment of that road by the Trust; provided, however, that should the Trust require that the easement area and/or the water facilities within, on, or under the easement area be relocated, the Trust will, at the Trusts own expense and pursuant to the Board's instructions and specifications, relocate the affected easement area and water facilities and appurtenances without interruption of the Board's services. As used herein, "CDUP Conditions" means the conditions imposed by the State of Hawaii Department of Land and Natural Resources in its letter dated November 17, 2008 approving the Board's Conservation District Use Application (CDUA) KA-3475. The Board agrees to indemnify, defend and hold harmless the Trust from all claims, expenses and liability arising under or relating to the CDUP Conditions. These provisions shall survive the conveyance of the Trust Parcel to the Board.

b. Restrictions on Improvements. Future improvements anticipated include a new 500,000 gallon water storage tank and appurtenances. The Board acknowledges that the Park has a substantial interest in maintaining the appearance and view of
and from Kukuiolono Park, including and not limited to the views from the golf course (as now or in the future configured) and surrounding areas. At all times after the execution of this Agreement, Board shall give the Board of Directors of Kukuiolono Park ("Park") reasonable opportunity to review and comment upon any future improvements that the Board may erect on the Trust Parcel. The Board shall take the Park's comments and concerns into consideration in erecting any such improvements on the Trust Parcel. In particular, the Board will consider the effect of its improvements on views from the Kukuiolono Park golf course and will take reasonable steps to mitigate against the adverse impacts which any improvements may have on such views. The Board shall comply with conditions imposed by the BLNR, including paint color for the tanks on the Trust Parcel. The Board shall not paint or allow any tanks or improvements on the Trust Parcel with bright colors. For the protection of views from the adjacent Trust property, the Board acknowledges that the Trust does not have plans to remove an existing tree line between the water tank(s) now or in the future located on the Trust Parcel and the adjacent Trust property (currently used as a road and golf course). The Trust shall have no obligation to maintain, trim or remove trees and other foliage located on, around or overhanging the Trust Parcel, but if a tree originating from the golf course side of the Trust Parcel were to fall onto the Trust Parcel or the fence thereon, the Trust would remove the fallen tree. For safety or operational reasons, the Board may trim trees and other foliage that overhang or threaten to damage improvements on the Trust Parcel, provided that the Board shall provide prior notice of any work on Trust land outside of the Trust Parcel (at least a week except in case of emergency), and shall exercise due care in performing any such work and shall defend and indemnify the Trust from any claims for personal injury, death or property damage arising from such work. The Board shall not remove trees in the Trust Parcel and shall leave healthy trees located on the Trust Parcel in place; provided, however, the Board shall not be obligated to water nor replace trees on the Trust Parcel should they die or require removal because of natural causes (i.e., old age, strong winds, disease), and the Board may trim trees as required to install fencing.

c. **Deed Covenants.** The deed to the Board shall include covenants running with the land consistent with the foregoing provisions.

d. **Closing Deadline.** Subject to the satisfaction of all conditions to conveyance, the conveyance(s) contemplated under this Agreement shall be completed by no later than a date that is eighteen (18) months from the date of this Agreement ("Closing Deadline"). If such conveyances are not completed by the Closing Deadline, then either party that is not in breach of this Agreement shall have the right to terminate this Agreement. Notwithstanding the foregoing, provided that the only reason for delay in the conveyance(s) is because of delays in obtaining a required approval or permit from a government agency other than the Board, the County or any County agency, then the Closing Deadline may be extended for such additional
time up to a maximum of six (6) additional months as needed to obtain such required approval or permit.

IV. **Conveyance of County Parcel to the Trust.** If the Trust decides to acquire the County Parcel, upon completion of Section II of this Agreement, then the County agrees to convey its interest in the County Parcel to the Trust by Limited Warranty Deed, in the condition noted in said Section II, provided a reputable title insurance company shall commit to insure title to the Trust Parcel free and clear of all liens and encumbrances, except for the exceptions shown on Exhibit ____ attached hereto, in accordance with the Payment section of this Agreement.

V. **Payment.**

a. If the Trust decides to acquire the County Parcel, in accordance with Sections II and III above, then:

i. The Trust and Board agree that the fair market value of the County Parcel and the Trust Parcel shall be determined by a third party MAI appraiser, selected and retained by the Board at its sole expense, but subject to the consent of the Trust, which consent shall not be unreasonably withheld, in accordance with State of Hawaii procurement requirements. The improvements on the County Parcel and the Trust Parcel shall be ignored for purposes of determining the fair market value of the subject Parcels.

ii. If the fair market values of both the County Parcel that the Trust acquires and the Trust Parcel are equal, then no additional consideration will be due.

iii. In the event the fair market value of the County Parcel acquired by the Trust is greater than the value of the Trust Parcel, then the Trust shall agree to pay to the County additional cash consideration equal to the difference in fair market value. Such amount shall be payable simultaneously with the making of the conveyances. Notwithstanding the foregoing, the Trust shall have the option to terminate this agreement and the transaction if the difference payable by the Trust is more than $11,700.

iv. In the event the fair market value of the Trust Parcel is greater than the value of the County Parcel that the Trust acquires, if any, then the Board shall agree to pay the Trust additional cash consideration equal to the difference in fair market value. Such amount shall be payable simultaneously with the making of the conveyances. Notwithstanding the foregoing, the Board shall have the option to terminate this Agreement and the transaction if the difference payable by the Board is more than $50,000.00.

b. If the Trust declines to acquire the County Parcel then:
i. In accordance with the foregoing, the Trust and Board agree that the Board shall pay the Trust the fair market value of the Trust Parcel, as determined by a third party MAI appraiser. The appraiser shall be selected and retained by the Board at its sole expense, in accordance with State of Hawaii procurement requirements; provided, however, that the Trust has consented to the appraiser, such consent shall not be unreasonably withheld. The improvements on the Trust Parcel shall be ignored for the purposes of determining the fair market value of the Trust Parcel.

c. Notwithstanding anything herein to the contrary, if the Trust does not agree with the value from any appraisal, the Trust may elect to retain another appraiser at the sole expense of the Trust. If the second appraisal does not result in an agreement between the Board and the Trust on value within 30 days after completion of the second appraisal, then the two appraisers shall agree on a third appraiser to appraise the relevant property with any costs related thereto being split evenly between the Trust and the Board. If the third appraisal does not result in an agreement on value within 30 days after completion of the third appraisal, then the value from the two closest of the three appraisals shall be averaged and used by the parties. The value of the easements to be conveyed to the Board shall be included in the valuation of the Trust Parcel.

VI. Escrow and Closing Costs. The conveyances shall be consummated using a reputable escrow and title company procured in accordance with State of Hawaii procurement requirements. Board shall pay for half of the escrow costs and recording fees, title insurance, and conveyance tax. The Trust shall pay for half of the escrow costs, recording fees, title insurance, and conveyance tax. Each party shall bear its own attorneys' fees.

VII. Limit on Trustee’s Liability. In accordance with Section 560:7-306(a) of the Hawaii Revised Statutes, as amended, said Bank of Hawaii is executing this document solely in its capacity as Trustee as aforesaid, and is not assuming any personal liability in its corporate capacity hereunder. Any recovery against the Trust based on this instrument shall be limited to the assets of the Trust referred to above.

VIII. Counterparts: Faxed and Emailed Executed Instruments. The parties may execute this Agreement using counterpart signature pages. A party’s delivery of the signature pages of this Agreement by fax or email shall be as effective as the delivery of original signatures by such party.

IX. Conditions Precedent to Conveyances. The Trust shall have no obligation to complete the conveyances unless the following conditions are either waived by the Trust or satisfied prior to the deadline for the Conveyances:

a. The Bank of Hawaii Real Estate Investment Committee, the Board of
Directors of Kukuiolono Park and the Governor of the State of Hawaii shall have consented to the conveyance of the Trust Parcel on the terms of this Agreement. The Trust shall take the lead in requesting and obtaining the Governor’s consent. The Board shall cooperate with the Trust in the Trust’s efforts to obtain such consent;

b. The Board and County shall be in compliance with this Agreement, including but not limited to the removal of the structures and equipment;

c. A reputable title insurance company shall commit to insure title to the County Parcel free and clear of all encumbrances except for those indicated on Exhibit ___ attached hereto; without limiting the generality of the foregoing, the Trust shall not be obligated to accept title to the County Parcel subject to the instruments recorded at Liber 2310, page 470, and Liber 4529, page 402;

d. The Board shall have timely provided the environmental site assessment reports and the permanent closure report described above in this Agreement prepared by a qualified environmental consultant for the County Parcel, and the Trust shall not have elected to cancel this Agreement as a result of the content of such report; and

e. Assuming the Trust has elected to acquire the County Parcel and further assuming that the Trust has not elected to waive this condition, the County shall have arranged for the County’s agreement with Hawaii Telephone Company recorded in Liber 4529 at Page 402 to be terminated, and the title company insuring the Trust’s acquisition of title to the County Parcel shall be committed to insuring the Trust’s title against: (i) such agreement, and (ii) the deed recorded in Liber 2310 at Page 470.

X. **License Agreement.** Upon the execution of this Agreement the License Agreement between the Trust and the Board shall continue on a month to month basis until the conveyance of the Trust Parcel to the Board at which time the License Agreement shall automatically be terminated without liability to the Board. If the conveyance occurs on any date other than the first day of a calendar month, any license fee owed at the time of conveyance shall be prorated according to the number of days in the month the conveyance occurs. Such license fee shall be paid in full simultaneously with the conveyance. The Trust reserves the right to reasonably raise the license fees payable under the License Agreement from time to time.

XI. **Dedications and Easements; 1031 Exchange.** After the execution of this Agreement, but prior to conveyance, the parties shall not dedicate, gift, transfer, mortgage, or convey any interest in the County Parcel or the Trust Parcel without prior written consent from the other parties which may be withheld. Notwithstanding the foregoing, the Trust reserves the right to consummate the conveyance and/or acquisition of any parcel as part of a tax...
deferred exchange. County shall cooperate with the reasonable requests of the Trust to consummate such a tax deferred exchange, including but not limited to acknowledging the assignment of the Trust’s interest in this Agreement to an exchange intermediary.

XII. **Land Use Designation.** This Agreement is not intended to nor shall it operate as modifying in any way the land use designations of any parcel subject hereof.

XIII. **Miscellaneous Provisions.**

a. **Parties; Third-Party Beneficiary; Successors and Assigns.** This Agreement is an agreement solely for the benefit of the parties (and their permitted successors and/or assigns). No other person, party, or entity shall have any rights hereunder nor shall any other person, party, or entity be entitled to rely upon the terms, covenants, and provisions contained herein. This Agreement and all its covenants, terms, and provisions, shall be binding on and inure to the benefit of each party and its successors and assigns.

b. **Survival.** The provisions of this Agreement shall survive the conveyances unless otherwise indicated.

c. **Interpretation and Construction.**

i. The Parties acknowledge that, in connection with negotiating and executing this Agreement, each has had its own counsel and advisors and that each has reviewed and participated in the drafting of this Agreement. Any rule of construction that requires any ambiguities to be interpreted against the drafter shall not be employed in the interpretation of: (i) this Agreement; (ii) any exhibits to this Agreement; or (iii) any document drafted or delivered in connection with the transactions contemplated by this Agreement.

ii. Any captions or headings used in this Agreement are for convenience only and do not define or limit the scope of this Agreement.

iii. The singular of any term, including any defined term, shall include the plural and the plural of any term shall include the singular. The use of any pronoun with respect to gender shall include the neutral, masculine, feminine and plural. The term "Person" or "Persons" includes a natural person or any corporation, limited liability company, partnership, trust or other type of entity validly formed.

XIV. **Recordation.** The parties shall instruct escrow to record the deed(s) referred to above for the parcels to be transferred.

[end of text on this page]
IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

BANK OF HAWAII, as Trustee as aforesaid and not individually

By ________________________________

Its

By ________________________________

Its
RECOMMENDED FOR APPROVAL

Bryan Wienand, P.E.
Manager and Chief Engineer

BOARD OF WATER SUPPLY
COUNTY OF KAUA’I

Beth Tokioka
Chairperson, Board of Water Supply

APPROVED AS TO FORM
AND LEGALITY

Mahealani M. Krafft
Deputy County Attorney

STATE OF HAWAI’I )
COUNTY OF KAUA’I ) ss.

On this ___ day of ________________________, 20___ in the Fifth Circuit, State of Hawai’i, before me personally appeared Beth Tokioka, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person is the Chairperson for the Board of Water Supply, County of Kaua’i executed ________________________, dated ________________ and consisting of ____ pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawai’i
Name of Notary: ________________________ (Affix Seal)
My Commission expires: ________________

Land Exchange Agreement
Bank of Hawai’i, County of Kaua’i, Board of Water Supply, County of Kaua’i
Kukuiolono Site
(4) 2-3-005:006:025
Kalāheo/Kōloa Water System
On this 18th day of December, 2018, before me appeared KEN SHIMONISHI, to me personally known, who being by me was duly sworn, and that said officer is the DIRECTOR OF FINANCE for the COUNTY OF KAUA'I, a political subdivision of the State of Hawai'i; and that the foregoing instrument was signed on behalf of said COUNTY with authority by authority of its Charter; and that said officer acknowledged the instrument to be the free act and deed of said COUNTY.

Laurie A. Ebinger-Kelekoma
Notary Public, State of Hawaii
My commission expires: April 10, 2019

Doc. Date: undated at time of notarization #Pages: 12
Laurie A. Ebinger-Kelekoma Fifth Circuit
Print Name
Doc. Description: Land Exchange Agreement
Kukuiolono Park

Notary Signature Date

Land Exchange Agreement
Bank of Hawai'i, County of Kaua'i, Board of Water Supply, County of Kaua'i
Kukuiolono Site
(4) 2-3-005:006; 025
Kalâheo/Kâo'oa Water System
MANAGER’S REPORT No. 19-32

December 28, 2018

Re: Discussion and Possible Action to procure a Hearing Officer for the First Amended Petition for a Contested Case Hearing: Petitioner Donald E. Heacock Regarding Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-02-003:016, Niumalu, Kaua‘i, dated November 29, 2018

RECOMMENDATION:
It is recommended that the Board procure a Hearing Officer to conduct a hearing for the hearing requested by petitioner Donald E. Heacock on November 29, 2018.

FUNDING: N/A

BACKGROUND:
Part 1 of the Rules and Regulations provide for the procedures of a Contested Case, specifically Section IX – Administrative Hearings Procedures, Section 1. Contested Case Hearing or “Board Hearing” provides for the procedures to be followed. The Board may elect to conduct the hearing or the Board may elect to utilize the services of a Hearing Officer to conduct the hearing.

For reference, the following documents are attached in chronological order as follows:

1. Letter from Mr. Don Heacock to Department of Water dated August 14, 2018.
3. Letter from Department of Water, Bryan Wienand, Manager & Chief Engineer to Mr. Don Heacock, dated September 6, 2018.
4. Email correspondence between Mr. Don Heacock and Mr. Bryan Wienand, Manager & Chief Engineer to Mr. Don Heacock, dated September 13, 2018.
5. Letter from Mr. Don Heacock to Board of Water Supply, Ms. Beth Tokioka, dated October 18, 2018.
6. Email from Department of Water, Ms. Mary-jane Akuna, Private Secretary to Mr. Don Heacock dated November 2, 2018 providing a digital copy of the “Cross Connection Control and Backflow Prevention Booklet”.
7. Written Statement from Mr. David Penn, Attorney for Requestor Donald Heacock dated November 14, 2018.
10. Application for Water Service from Mr. Donald Heacock dated November 29, 2018.


OPTIONS:
Option 1: The Board of Water Supply can procure a Hearing Officer to conduct the Contested Case Hearing (“Board Hearing”)

Pros: The Board can utilize the services of a Hearing Officer who is knowledgeable in conducting hearings.

Cons: The Board may need to work with the Office of Boards and Commissions to determine if payment will be required for the services of the Hearing Officer.

Option 2: The Board of Water Supply can conduct the Contested Case Hearing (“Board Hearing”)

Pros: There will be no additional cost associated with a Hearing Officer to the Board of Water Supply.

Cons: The Board will bear the burden of conducting the Contested Case Hearing and following the procedures put forth in the Rules & Regulations.

Attachments:

1. Letter from Mr. Don Heacock to Department of Water dated August 14, 2018.
3. Letter from Department of Water, Bryan Wienand, Manager & Chief Engineer to Mr. Don Heacock, dated September 6, 2018.
4. Email correspondence between Mr. Don Heacock and Mr. Bryan Wienand, Manager & Chief Engineer to Mr. Don Heacock, dated September 13, 2018.
5. Letter from Mr. Don Heacock to Board of Water Supply, Ms. Beth Tokioka, dated October 18, 2018.
6. Email from Department of Water, Ms. Mary-jane Akuna, Private Secretary to Mr. Don Heacock dated November 2, 2018 providing a digital copy of the “Cross Connection Control and Backflow Prevention Booklet”.
7. Written Statement from Mr. David Penn, Attorney for Requestor Donald Heacock dated November 14, 2018
10. Application for Water Service from Mr. Donald Heacock dated November 29, 2018.
Subject: Our meeting today to discuss installation of my water meter and related subjects

Dear Mary Jane,

Please forward this email to both Brian Wienand and Ed Doi.

Mahalo Brian (and Ed) for meeting with me today. A summary of key points we discussed is as follows:

My house currently is connected to a spring water (ground water) source, not a surface water source. The KDOW’s “backflow prevention device” requirements do not differentiate between groundwater and surface water sources for a secondary private system. In general, cross-connection with a surface-water system has far greater potential for harmful cross-contamination than does a cross-connection with a groundwater system.

Further, before my water meter is installed and connected to my house, I will disconnect my private groundwater system from my house, and my house will use Only residential water from the KDOW’s water meter located 1 mile away. Your concern about my system being potentially precedent setting could be resolved by relying upon a case-specific decision rationale that simply differentiates between groundwater and surface water as the source for a secondary private system, or by issuing a formal variance.

Ed Doi said he would email me copies of:
1) Standards booklet entitled, “The Cross-connection and Backflow”;  
2) “Standards and Requirements for the construction drawings for the necessary water systems facilities”; and  
3) List of plumbing contractors that are certified to install the “Backflow Prevention Device”. (Mahalo Ed!)

Finally, in order to resolve this situation, I would like the KDOW to install my water meter (what would be the cost?), have a registered, certified, plumber contractor install the backflow prevention device at the water meter (which is 1 mile away from my house), make sure it is all legal and puts public safety first, and we can all move forward. Having a licensed engineer design the water system and provide construction drawings for $20-30,000 is cost prohibitive and not an option for me.

Sincerely,

Don Heacock
August 28, 2018

Mr. Donald Heacock

Dear Mr. Heacock:

Subject: Water Meter Service Request: First 5/8-Inch Water Meter (One Existing 5/8-Inch Water Meter) to TMK: 3-2-03:016, Niumalu, Kauai

This is in regard to your request dated June 18, 2018. We understand that there is an existing dwelling on the lot that is obtaining water from a private water system. The private water system will be disconnected from the dwelling (not for domestic use) and it will only be used for agricultural purposes. Please contact us if this is incorrect, our conditions may change.

Your request for the first 5/8-inch water meter to TMK: 3-2-03:016 is conditionally approved for residential use.

Prior to the Department of Water (DOW) recommending water meter service approval, the applicant must:

1. The applicant is made aware that the DOW does not allow dual water systems (public and private) to service the same lot for domestic use. The private water system shall be disconnected from the existing dwelling on the lot when County water service is available.

2. Prepare and receive DOW’s approval of construction drawings for the necessary water system facilities and construct said facilities. These facilities shall include but not be limited to:
   a) The domestic service connection.
   b) The fire service connection, if applicable.
   c) The interior plumbing with the appropriate backflow prevention device for the proposed water meter.

3. Pay the applicable charges in effect at the time of payment to the Department. At the present time, these charges shall include but not be limited to:
   a) The Facilities Reserve Charge (FRC) of $14,115 per 5/8-inch water meter. *DOW records indicate that the FRC for the first 5/8-inch meter was previously paid at the lower rate of $4,600 per 5/8-inch water meter on November 24, 2015 with Receipt No. 92869. Therefore, the FRC for the first 5/8-inch water meter will not be required at this time.*
The applicant is made aware that effective November 30, 2018, in accordance with the DOW’s Rules and Regulations, Part 5, Section IV, Item No. 6, the applicant will be required to pay the difference between the FRC paid ($4,600) and the current FRC rate ($14,115). This FRC difference amounts to $9,515 per 5/8-inch water meter.

4. Receive a “Certification of Completion” for the construction of the necessary water system facilities from the DOW.

This conditional approval is valid for a period of one (1) year from the date of this letter. All conditions in this approval are subject to the Rules and Regulations of the DOW as amended or as will be amended. After this one year period, this conditional approval will be null and void and the applicant must re-apply to the Department for water service. Any request for water service will be dependent on the adequacy of the source, storage, and transmission facilities existing at that time.

If you have any questions concerning the construction drawings, please contact Mr. Eric Fujikawa at (808) 245-5412 or efujikawa@kauaiwater.org. For questions concerning the Certification of Completion, please contact Ms. Bekki Dee Malapit at (808) 245-5433 or bmalapit@kauaiwater.org. For other questions, please contact Ms. Regina Flores at (808) 245-5418 or rflores@kauaiwater.org.

Sincerely,

Edward Doi, P.E.
Chief of Water Resources and Planning

RF:mlm
3-2-03-016, T-19644, Heacock
## APPROVED LIST OF CERTIFIED BACKFLOW PREVENTION ASSEMBLY TESTERS
August 2018

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<tr>
<th>COMPANY</th>
<th>PHONE</th>
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<tr>
<td>Water Controls &amp; Pump Systems</td>
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<tr>
<td>Mark Berry</td>
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<td>Malama Systems</td>
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<td>Keith Putman</td>
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<td>Ladd Construction Inc.</td>
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<td>Parke Whitten Elmore II</td>
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<td>Elizabeth Jenkins</td>
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<td>Estenzo Plumbing</td>
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<td>Pural Water Specialty Co.</td>
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<td>Lani’s Plumbing</td>
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<td>Thomas K. Matsuyoshi</td>
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<td>Bryan DePlumber LLC</td>
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<td>Bryan Yoon</td>
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<td>Robin Murayama</td>
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REQUEST TO ACCESS A GOVERNMENT RECORD

DATE: __________________________________________

TO: ____________________________________________________________________________

FROM:
Name or Alias
Contact Information

_______________________________________________________________________________

Although you are not required to provide any personal information, you should provide enough information to allow the agency to contact you about this request. The processing of this request may be stopped if the agency is unable to contact you. Therefore, please provide any information that will allow the agency to contact you (name or alias, telephone or fax number, mailing address, e-mail address, etc.).

I WOULD LIKE THE FOLLOWING GOVERNMENT RECORD:

Describe the government record as specifically as possible so that it can be located. Try to provide a record name, subject matter, date, location, purpose, or names of persons to whom the record refers, or other information that could help the agency identify the record. A complete and accurate description of the government record you request will prevent delays in locating the record. Attach a second page if needed.

I WOULD LIKE: (please check one or more of the options below)

☐ To inspect the government record.
☐ A copy of the government record: (Please check one of the options below.) See the back of this page for information about fees that you may be required to pay for agency services to process your record request. Note: Copying and transmission charges may also apply to certain options.

☐ Pick up at agency (date and time): ________________________________________________
☐ Mail
☐ Fax (toll free and only if available)
☐ Other, if available (please specify): ______________________________________________

☐ If the agency maintains the records in a form other than paper, please advise in which format you would prefer to have the record.

☐ Electronic ☐ Audio ☐ Other (please specify): ________________________________

☐ Check this box if you are attaching a request for waiver of fees in the public interest (see waiver information on back).

I understand and agree to the following understandings and conditions:

Due to security concerns, the water system facilities information for the subject project is for the applicants use only. The water system information provided by the Department will not be viewed or distributed to others and will not be used for purposes other than for the site assessment.

Print Name: ________________________________ Title: ________________________________

Signature: ________________________________
FEES FOR PROCESSING RECORD REQUESTS

You may be charged fees for the services that the agency must perform when processing your record request, including fees for making photocopies and other lawful fees. The first $30 of fees charged for searching for a record, reviewing, and segregating will not be charged to you. Any amount over $30 will be charged to you. Fees are as follows:

Search for a Record $2.50 for 15 minutes
Review and Segregation of a Record $5.00 for 15 minutes

WAIVER OF FEES IN THE PUBLIC INTEREST

Up to $60 of fees for searching for, segregating and reviewing records may be waived when the waiver would serve the public interest as described in section 2-71-32, Hawaii Administrative Rules. If you wish to apply for a waiver of fees in the public interest, you must attach to this request a statement of facts, including your identity as the requester, to show how the waiver of fees would serve the public interest. The criteria for this waiver, found at section 2-71-32, Hawaii Administrative Rules, are:

(1) The requested record pertains to the operations or activities of an agency;
(2) The record is not readily available in the public domain; and
(3) The requester has the primary intention and the actual ability to widely disseminate information from the government record to the public at large.

AGENCY RESPONSE TO YOUR REQUEST FOR ACCESS

The agency to which you addressed your request must respond within a set time period. The agency will normally respond to you within 10 business days from the date it receives your request; however, in extenuating circumstances the agency must respond within 20 business days from the date of your request. If you have questions about the response time, you may contact the agency’s UIPA contact person. If you are not satisfied with the agency’s response, you may call the Office of Information Practices at 808-586-1400.

REQUESTER’S RESPONSIBILITIES

You have certain responsibilities under §2-71-16, Hawaii Administrative Rules. You may obtain a copy of these rules from the Lieutenant Governor’s Office or from the Office of Information Practices. These responsibilities include making arrangements to inspect and copy records, providing further clarification or description of the requested record as instructed by the agency’s notice, and making a prepayment of fees, if assessed.
STANDARD LETTER OR LEGAL SIZE REPORTS

10 Pages or Less ........................................ 50 ¢ per page

More than 10 Pages ...................................... 50 ¢ per page for the first 10 pages and 25 ¢ per page thereafter

More than 50 Pages ........................................ 10 ¢ per page if done by self-service
The operator must be trained & authorized to run the machine, otherwise charge shall be 25 ¢ per page

Any department of agency shall impose and collect the following charges for a reproduced copy of any of the public records in its custody as described below, the reproduction of which is requested by any person for private use:

1) Copyflex Paper ...................................... 50 ¢ per square foot

2) Area Maps - Ranges from $2.00 - $2.75
   a) 18” X 30” & 18” X 32” ............... $2.00
   b) 18” X 36” .................................. $2.25
   c) 18” X 39” ....................... $2.45
   d) 18” X 43” ....................... $2.65
   e) 18” X 45” .......... ................ $2.70
   f) 22” X 36” ....................... $2.75

3) Subdivision, Zoning & Tax Maps (Maximum size 8 1/2” X 14”)
........................................................................................................... $1.00 per sheet

4) Sepia Paper .............................................. $5.00 per square foot

5) Mylar Film ............................................... $10.00 per square foot

6) Aerial Contour Maps on Copyflex Paper ........... $30.00 per sheet

7) Aerial Contour Maps on Sepia Paper ............... $550.00 per sheet

8) Aerial Contour Maps on Mylar Film ............... $600.00 per sheet
September 6, 2018

Mr. Don Heacock

Subject: Water Meter Service Request for one 5/8-inch water meter for domestic use
         TMK: 3-2-003:016, Niumalú, Kaua‘i

This letter is in response to your letter dated August 14, 2018 and the subsequent meeting we held on
August 14, 2018 at the Department of Water along with Mr. Eddie Doi. Thank you for taking the time to
meet with us to provide your input regarding the DOW’s requirements to obtain the first 5/8-inch water
meter for TMK: 3-2-003:016.

In response to your June 18, 20018 water service request, the DOW’s conditions to obtain the first 5/8-
inch water meter to TMK: (4) 3-2-003:016 are shown in the attached letter dated August 28, 2018. After
careful consideration, your request to have the DOW install the first 5/8-inch water meter for TMK: 3-2-
003:016 is not approved.

As discussed, the DOW requirements are based on the following criteria:

1. Rules and Regulations:
   a. The dual water systems (private source for non-potable use and County water for
domestic use; Water system Standards Division 100 – Planning, Section 107
Backflow Prevention Assembly, 107.03 Requirements for Backflow Prevention, Table
100-17 page 107-2) will trigger the requirement for a backflow preventer to be installed.

   b. DOW policy requires the applicant to provide construction drawings and install the
facilities when both a water meter service connection and backflow prevention device is
required (Standard Operating Procedure No. 46, page 4, Types of Meter Installation
Methods:). Therefore, a backflow prevention device and water meter service connection
shall be installed simultaneously via construction drawings stamped by a Professional
Engineer licensed in the State of Hawai‘i and installation from a private construction
contractor. This ensures:

   i. Protection from the potential of water back-flowing into the DOW’s domestic
water system.
   ii. Systematic and sequential coordination of plan review, construction and
inspection of the water meter service and backflow prevention device.
   iii. The backflow prevention device is installed, inspected, and accepted prior to the
DOW allowing water meter service.
   iv. Efficient use of resources to ensure the DOW’s requirements are met.
Mr. Don Heacock
Subject: Water Meter Service Request for one 5/8-inch water meter for domestic use
        TMK: 3-2-003:016, Niumalu, Kaua‘i

September 6, 2018
Page 2 of 2

Should you decide not to obtain water service from the DOW and continue to use the existing private water system, the DOW will refund the Facilities Reserve Charge (FRC) that you previously paid. This would be initiated by a written request to the DOW for refund of the FRC because you will not be pursing the requested 5/8-inch water meter.

In regards to your request for a copy of the standards booklet entitled “The Cross-Connections and Backflow,” please fill out a request to access a government record form (attached) that may be found on our website at http://kauaiwater.org/ReqGvtRec.pdf. This form can be dropped off at the DOW or mailed to 4398 Pua Loke Street Lihue, HI 96766. Depending on the government record requesting, there may be applicable fees for processing record requests of which you will be notified within 10 business days from the date we receive your request.

For your reference, we have attached a copy of a list of “certified backflow prevention assembly testers.” The DOW does not provide a list of plumbing contractors that are certified to install the backflow prevention assembly.

Standards and Requirement for the construction drawing can be found in the “Water System Standards 2002 State of Hawaii (WSS)” on the DOW website (www.kauaiwater.org). Please refer to Division 100 – Planning, section 112 Construction Plans and other Divisions/Sections in the WSS, as applicable.

If you have any further questions, please feel free to contact me at 245-5408 or via email at bwienand@kauaiwater.org, or contact Mr. Edward Doi at 245-5417 or via email at edoi@kauaiwater.org

Sincerely,

Bryan Wienand, P.E.
Manager and Chief Engineer

Attachments:
    August 14, 2018 Letter from Mr. Don Heacock “Our meeting today to discuss installation of my water meter and related subjects”
    DOW letter August 28, 2018 response to Mr. Don Heacock
    Approved list of certified backflow prevention assembly testers

BW/nja
Aloha Mr. Heacock,

I just wanted to follow up to make sure you received the DOW’s response letter dated September 6, 2018. I would think you probably received it within a few days of your most recent email on Friday, September 7, but wanted to make sure. I’ve attached a PDF for your reference.

Thank you,
Bryan

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Don Heacock

Mahalo Brian, I will be anxiously awaiting your response. And to reiterate, I believe my water situation is unique and should be handled with a unique solution.

Aloha,
Don Heacock

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Wienand, Bryan

From: Wienand, Bryan
Sent: Thursday, September 13, 2018 7:55 PM
To: Don Heacock
Subject: RE: Follow-up letter from our meeting last week regarding Don Heacock's water meter installation (Don Heacock, Bryan Wienand and Ed Doi)
Attachments: DOW - Don Heacock re WMR one 5-8-inch water meter for domestic use, TMK ....pdf
Aloha Brian and Ed,

I have attached a one-page letter that I believe captures the salient issues we discussed last week.

Please let me know how to progress.

Sincerely,

Don Heacock
October 18, 2018

Ms. Beth Tokioka, Chairman of the Board  
Board of Water Supply of the County of Kaua‘i  
4398 Pua Loke Street  
Lihu‘e, Hawai‘i 96766  
VIA HAND DELIVERY

Subject: Statement of Grievances and Relief Sought, Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua‘i

Dear Ms. Tokioka:

I thank the entire Department of Water (DOW) for its ongoing efforts to finalize the existing conditional approval of the subject water meter service request. However, after first taking up this matter with the Manager and Chief Engineer—and then receiving a sequence of formal letters that communicated differing determinations, instructions, and sources of authority from the DOW—I decided to write this letter to the Board stating my grievances and the relief sought and requesting that this matter be put on the agenda of the Board at the earliest practicable time, and not later than November 23, 2018. Please consider the grievances stated below as a reflection of the difficulty that many others may face in understanding DOW requirements; navigating the existing processes for both complying with and obtaining relief from certain DOW requirements; and stomaching the seeming inequity of BWS policy as applied to supplying municipal water for domestic use to bona-fide on-farm residences, kuleana landowners, and new, affordable housing constructed by long-standing, small-time, property-owning taxpayers of Kaua‘i County.

DOW Letter Dated September 6, 2018

1. I request relief from the DOW decision that my request to have the DOW install the subject water meter is not approved. In addition, I request that the DOW provide the established fixed charges or an estimate of the charges for the installation of a new service connection and water meter.

2. I request relief from the DOW’s determinations that (1) "dual water systems (private source for non-potable use and County water for domestic use)" exist on the subject parcel and (2) "trigger the requirement for a backflow preventer to be installed."

3. I request relief from the DOW’S determination that "a backflow prevention device and water meter service connection shall be installed simultaneously via construction drawings stamped by a Professional Engineer licensed in the State of Hawai‘i and installation from from a private construction contractor."
4. I request relief from the DOW's requirement that I submit "a request to access a government record form ... in order to obtain "a copy of the standards booklet entitled "The Cross-Connections and Backflow."" I also request that the DOW provide me with a copy of the standards booklet at the cost established by DOW Rules and Regulations.

DOW Letter dated August 28, 2018

5. I request relief in the form of a final recommendation from the DOW for water meter service approval.

6. I request relief from the DOW statement that defines "dual water systems" as "public and private." I also request that the DOW continue to apply its implication that disconnection of the existing private water system from the existing dwelling would render moot the DOW's statement that "the DOW does not allow dual water systems (public and private) to service the same lot for domestic use."

7. I request relief from the DOW's requirements to "[p]repare and receive DOW's approval of construction drawings for the necessary water system facilities," and from the requirement to "construct said facilities" to include "The fire service connection" and a "backflow protection device for the proposed water meter," other than those backflow and back-siphonage prevention devices that are routinely incorporated into the interior plumbing.

8. I request relief from the DOW's lack of certainty about the applicability of "The fire service connection" as a component of the necessary water system facilities. I also request that the DOW determine that the inclusion of "The fire service connection" in "the necessary water system facilities" is not applicable.

9. I request relief in the form of an exception to the DOW Rules and Regulations: Part 5 Facilities Reserve Charge, Section IV Collection and Refund of Facilities Reserve Charge, Subsection 6.d. Facilities Reserve Charge Paid Prior to Enactment of Part 5 Rules, such that the DOW shall not require that I pay the difference between the Facilities Reserve Charge paid and the current Facilities Reserve Charge rates until after the later of (1) the expiration of the DOW's conditional approval issued on August 28, 2018; (2) one year after the DOW approves construction drawings for water service and service connections; (3) the final resolution of all the grievances stated in this letter by the Board, or (4) the final resolution of all the grievances stated in this letter by a court of competent jurisdiction.

DOW Letter dated January 24, 2017

10. I request relief as stated in paragraphs 6, 7, 8, and 9 above.
I thank the Board of Water Supply for considering the grievances and requests for relief stated above, and request that this matter be put on the agenda of the Board at the earliest practicable time, and not later than November 23, 2018.

Sincerely,

[Signature]

Donald E. Heacock

[Redacted]

copy: Mr. Bryan Wienand, P.E., Kaua‘i County Department of Water
          Mr. David Penn, Penn Law Center
Aloha Mr. Heacock,

Hope all is well! Mahalo for your patience. Attached is the Department of Water, County of Kaua‘i’s Cross-Connection Control and Backflow Prevention standards booklet as requested in your August 13th letter to the DOW.

Feel free to call me should you have any questions.

Aloha,

Mary-jane Akuna
Private Secretary on behalf of Bryan Wienand, P.E., Manager & Chief Engineer
Department of Water, County of Kauai
4398 Pua Loke Street Līhu‘e, HI 96766
Phone: 808.245.5408 | FAX: 808.245.5813
Website: www.kauaiwater.org

“Together, we provide safe, affordable and sufficient drinking water through wise management of our resources and with excellent customer service for the people of Kaua‘i”

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November 14, 2018

Ms. Beth Tokioka, Chairman of the Board
Board of Water Supply of the County of Kaua‘i
4398 Pua Loke Street
Lihu‘e, Hawai‘i  96766
VIA EMAIL TO:  eineumiller@kauaiwater.org

Subject:  Written Statement for November 21, 2018
Water Meter Service Request for one 5/8-inch water meter for domestic use,
TMK: 3-2-003:016, Niumalu, Kaua‘i
Prepared and submitted by David Penn, Attorney for Requestor Donald E. Heacock

SUMMARY:

A requestor for water meter service seeks final approval for water meter service at his principal residence, with removal of the current Department of Water conditions for backflow prevention and construction drawings, and an exception to the Department’s requirement to pay the Facilities Reserve Charge in effect at the time the meter is installed. The requestor also seeks assistance from the Department to install the new service connection and water meter at the charges fixed by the Department.

BACKGROUND:

Requestor Donald E. Heacock is a senior citizen, civil servant, taro farmer, and fish farmer seeking final approval for water meter service at his principal residence, with removal of the current Department of Water (DOW) conditions for backflow prevention and construction drawings, and with an exception to the DOW’s requirement to pay the Facilities Reserve Charge in effect at the time the meter is installed. Mr. Heacock also requests assistance from the DOW to install the new service connection and water meter at the charges fixed by the DOW.

Mr. Heacock moved to Kaua‘i from Maui in 1981 and lived here ever since, raising two daughters that grew up attending public schools and graduated from Kaua‘i High School. He paid property tax for a principal residence for nearly twenty years, and continues to do so. Mr. Heacock purchased the property that houses his current principal residence in 1988; secured a building permit in 2004; completed construction in 2007; and intends to continue living in the house for the rest of his life. The house meets or exceeds all County Building Division requirements, including the Plumbing Code.

After thirty-seven years on this island, this is the first time that Mr. Heacock seeks water meter service for a principal residence or other property. As he nears retirement from state employment, one way to simplify his life, reduce his workload, and further enhance
his family's future well-being is to secure municipal water as the sole source of water supply for his principal residence, at an equitable, fair, and reasonable cost.

Neighboring landowners in the Niumalu area have developed at least five properties into horizontal property regimes, transforming five parcels of land into 36 separate condominium units that are capable of supporting the construction of multiple dwellings on each unit, while conveniently circumventing state and county subdivision requirements. Mr. Heacock’s water service request embodies unique and exceptional circumstances and conditions, such as the indication from current DOW reports that he is the only active requestor of water service for a principal residence on a single, never-divided parcel of kuleana origin in the Lihue-Puhi-Hanamaulu Service Area. See Agenda for October 28, 2018, page 152.

In a letter to Mr. Heacock dated January 4, 2017, the DOW conditionally approved his request—as received November 3, 2016—for the first 5/8-inch water meter to his property, for residential use. Over the course of the next twenty-one months, the DOW’s conditions for final approval changed, per two subsequent letters dated August 28, 2018 and September 6, 2018. During this period, Mr. Heacock struggled to reach mutual understanding and agreement with the DOW about the meaning and applicability of its rules and regulations as applied to the unique and exceptional circumstances and conditions of the water system situation on his property. In its letter dated September 6, 2018, the DOW stated that "conditions to obtain the first 5/8-inch water meter to TMK (4) 3-2-003:016 are shown in the attached letter dated August 28, 2018. After careful consideration, your request to have the DOW install the first 5/8-inch water meter for TMK: 3-2-003:016 is not approved."

Due to the serious financial hardship from increased Facilities Service Charges that would kick in if the DOW rigidly enforces upcoming deadlines for final approval, meter installation, and service connection, Mr. Heacock filed a Statement of Grievances and Relief Sought with the DOW on October 18, 2018, and we thank the Board for scheduling this matter for action on November 21, 2018. The following discussion presents an analysis of the DOW’s governing authorities, applied to the facts of Mr. Heacock’s unique and exceptional circumstances and conditions, in hopes that the Board will (1) grant final approval for water meter service at Mr. Heacock’s principal residence and (2) provide for DOW assistance to install the new service connection and water meter at the charges fixed by the Department, without requiring backflow prevention, construction drawings, and additional Facilities Reserve Charges.

DISCUSSION:

1.a. Meter Installation

DOW Rules and Regulations require that "[w]hen the application for service connection has been approved, such connection will be installed by the Department at the expense of the applicant." Rules and Regulations Part 2, Section VI, paragraph 1. Meter installation includes "the shut-off valve or outlet installed by the Department," which serves as the...
point for service connection with a consumer’s supply pipe. *See* paragraph 3. "The Department may establish fixed charges for installation" (paragraph 2.a), which appears to be $180 for a 5/8” meter. *See* Agenda for October 26, 2018, page 94.

In accordance with DOW Rules and Regulations, the water meter will be installed in the public roadway at the boundary of a utility easement that benefits Mr. Heacock’s property. Part 2, Section VI, paragraph 8.a.

1.b. Service Connection

DOW Rules and Regulations require that "if the consumer’s supply pipe is installed before the service connection is set, the Department will make the connection to it; provided, however, it is requested by the consumer prior to the installation of the service connection." Rules and Regulations Part 2, Section VI, paragraph 3. Mr. Heacock will install his supply pipe before the service connection is set, extending it to the nearest public street on which a main exists (paragraph 7), so that the DOW can make the connection to it.

Monthly reports for the DOW’s Fleet, Inventory, Warehouse and Baseyard Area routinely note the issuance and completion of work orders that included water meter installation and service lateral installation. Thus, it seems unclear why, with conditional approval for water service in place, the DOW did not approve Mr. Heacock’s request to have the DOW install the meter, pending final approval for water service.

2. Backflow Prevention

Backflow prevention is a critical tool for managing health risks in water supply systems. Unfortunately, the multiple and sometimes redundant layers of management tools and authorities upon which the DOW relies in its decisionmaking appear to be inconsistent with each other in some key areas, lack clear-cut definitions for certain key terms, and have been applied by the DOW to Mr. Heacock’s unique and exceptional circumstances and conditions in a way that appears to cause a seemingly absurd, unfair, and unreasonably harsh result.

**DOW Rules and Regulations, Part 2, Section XX**

In accordance with paragraph 1, a cross-connection with other water supplies, or other physical connections, does not exist and will not be installed, located, maintained or operated on the property. In accordance with paragraph 5, after the DOW completes the service connection, Mr. Heacock will present an Affidavit of Compliance certifying to the fact that there are no connections or other installations on his premises of the type prohibited in paragraph 1, Part 2, Section XX of the DOW Rules and Regulations.

**Cross-Connection Control and Backflow Prevention, March 1985**

DOW Rules and Regulations, Part 2, Section XX, paragraph 8 indicates that the subject "standards booklet . . . shall be used in conjunction with" the rest of Section XX (paragraphs
1-7), Cross-Connections and Backflow Prevention. However, the DOW Rules and Regulations don't explain how the standards booklet "shall be used," although it seems clear that the standards booklet no longer serves as a basis for DOW regulatory authority, as it is not explicitly incorporated by reference into the current version of the DOW Rules and Regulations. Nonetheless, in conformance with the standards booklet:

(1) Mr. Heacock's property achieves the purpose of protecting the public water system from the possibility of contamination or pollution. The property includes a private, potable water system that is isolated from the public water system and will be disconnected from the house before the DOW's scheduled date for water meter installation and service connection. An actual or potential cross-connection does not exist between the Department's customer's in-plant potable water system and non-potable water systems, plumbing fixtures and industrial piping systems (Purpose, page PUR-1).

(2) Mr. Heacock's property complies with Rules and Regulations paragraphs 1 (¶1, page RULES-1), 2 (¶2, page RULES-2), and 5 (¶5, page RULES-2). A cross-connection with other water supplies, or other physical connection, does not exist on the property and will not be installed, operated, maintained, or operated on the property (¶1). Affidavit of Compliance attached (¶5).

(3) Mr. Heacock does not maintain a separate pressure system or a separate storage facility; does not in any way increase the pressure of water within the premises above the pressure furnished by the Department; and does not have such equipment devices or arrangement of piping, storage or industrial methods or processes that might under certain conditions raise the pressure or the water within the premises above the pressure of the water in the mains of the Department (¶2).

(4) The facility to be serviced by the Department is a private building which is two stories or less where no cross-connection exists and street water main pressure is adequate and a backflow prevention device is not required (Recommended Type of Backflow Prevention Device, Facility 6, CASE I, page DEV-1).

(5) The Department's prior review and approval of the building permit construction plans did not result in a determination that a backflow prevention device is required (Installation of Backflow Prevention Devices on New Facilities, paragraph 3, page INST(N)-1).

(6) Mr. Heacock's property does not contain cross-connections, which are considered to be "by-pass arrangements, jumper connections, removable sections, swivel or change-over devices, and other temporary or permanent devices through which or because of which "backflow" can or may occur" (Definitions, page DEF-2).

(7) The Department's continuing program of cross-connection control provides for field survey and inspection of existing consumers to determine the need to install a backflow prevention device, and for termination of water service after 135 days of resistance to an installation request (Installation of Backflow Prevention Devices on New Facilities,
Unfortunately, the Department's Rules and Regulations did not adopt the more stringent penalties imposed by State regulations, which provide for fines and imprisonment. See Section 11-21-9(b), Hawai‘i Administrative Rules. Regardless, it appears the DOW has ample authority to proactively monitor and enforce compliance with its Rules and Regulations concerning cross-connection control and backflow prevention, and that this authority provides ample disincentives to non-compliance (i.e. termination of County water service), such that it may seem absurd, unfair, and unreasonably harsh to require backflow prevention at the County meter just because of the mere presence of private, potable water system on the property.

2002 Water System Standards

DOW Rules and Regulations specify that the 2002 Water System Standards (as amended) are "incorporated by reference into the Department's rules." However, DOW Rules and Regulation also provide that "[t]he Manager and Chief Engineer may, for good cause shown, permit departure from the Standards (as amended)." Part 2, Section 2, paragraph 1.c. Similarly, the 2002 Water System Standards provide that "[a]ll design and construction within the scope of the Water System Standards shall be in accordance with the requirements herein, unless specifically modified or required otherwise by the Manager" (Forward, Conformity and Use, page 30), and that "[t]he Manager may grant exception to the Standards to permit reasonable utilization of engineering judgment while at the same time securing substantial conformance with the objectives of these Standards" (Division 100 – Planning, Section 101 – General, page 101-1).

In its letter dated September 6, 2018, the DOW wrote that its requirements for final approval of Mr. Heacock's water service "are based on the following criteria," including criterion 1.a, which states that "[t]he dual water systems (private source for non-potable use and County water for domestic use . . . will trigger the requirement for a backflow preventer to be installed" (citing Water System Standards – Division 100 – Planning, Section 107 – Backflow Prevention Assembly, 107.03 Requirements for Backflow Prevention, Table 100-17 page 107-2). However, the Water System Standards, and other governing authorities, do not define "dual water systems;" the private water source that Mr. Heacock and his neighbors use is completely separate and isolated from the County system; and that private water source provides potable water, not nonpotable water. Thus Mr. Heacock maintains that the separation and isolation of the private source of potable water from the County water system ensures adequate protection from the potential of water back-flowing into the DOW's domestic water system. See DOW letter dated September 6, 2018, criterion 1.b.i.

3. Construction Drawings

In accordance with DOW Rules and Regulations, Mr. Heacock identified the number of residential dwelling units to be served by the service connection (one unit) and the Department has determined the proper location and size of the service connection. Part 2, Section XXVII, paragraph 1. The Rules and Regulations establish that the Department "may require construction drawings" in certain situations, but do not clearly establish that the
consumer must provide construction drawings in all situations. *Ibid.* In Mr. Heacock’s circumstances, the service connection or water system will not be connected within a state highway and will not intersect an underground utility (does not trigger situation (a)) and the meter will be located at the boundary pin (does not trigger situation (b)). *See* paragraph 1. Given the information and technology that is readily available to the DOW, it seems unlikely that the DOW will have difficulty in determining the development to be served (Mr. Heacock’s principal residence), and under the present circumstances it also seems unlikely that other difficult conditions may arise. *See* paragraph 1.

In its letter dated September 6, 2018, the DOW wrote that its requirements for final approval of Mr. Heacock’s water service "are based on the following criteria," including criterion 1.b, which states that "DOW policy requires the applicant to provide construction drawings [stamped by a Professional Engineer licensed in the State of Hawai‘i] and install the facilities [using a private construction contractor] when both a water meter service connection and backflow prevention device is required (Standard Operating Procedure No. 46, page 4, Types of Meter Installation Methods)." We note that this is the first DOW correspondence that Mr. Heacock received that refers to and cites DOW Standard Operating Procedure (SOP), and we request that the DOW provide us with the complete SOP document.

Based on the analysis presented in our Section 2, above (Backflow Prevention), Mr. Heacock maintains that a backflow prevention device is not required for final approval of water meter service, and that Standard Operating Procedure 46 does not apply to the circumstances and conditions for installing his water meter service connection.

Alternatively, if the DOW continues to assert that a backflow prevention device is required, then Mr. Heacock maintains that he has shown good cause for the Manager and Chief Engineer to permit departure from the 2002 Water System Standards and to waive the requirement for a backflow prevention device. *See* Rules and Regulations, Part 2, Section 2, paragraph 1.c.

4. **Fire Service Connection**

Because the DOW and other County authorities did not explicitly require that Mr. Heacock construct a fire service connection, and because Mr. Heacock did not request a fire service connection, it seems reasonable to presume that DOW’s condition to "[p]repare and receive DOW’s approval of construction drawings for . . . [t]he fire service connection, if applicable" is not applicable. DOW Letter dated August 28, 2018, condition 2.b.

5. **Facilities Reserve Charge**

The County administration notes that "[e]ach year Kaua‘i residents make an investment in their County when they pay their real property taxes. Every dollar is returned in the form of vital services we often take for granted; services such as fire and police protection, street maintenance and lighting, water, sewer and refuse collection, and recreational facilities and activities."
These services are financed through a variety of revenue sources including federal and state grants, water and sewer fees, fuel tax, motor vehicle weight tax, and most importantly the real property tax. The County of Kaua‘i could not operate without the real property tax as approximately 45% of every revenue dollar collected comes from this source. See https://www.kauai.gov/Government/Departments-Agencies/Finance/Real-Property/Understanding-Real-Property-Taxes.

Revenue for sources for County water services also include the DOW's fees and charges, including the Facilities Reserve Charge (FRC). Under a recent amendment to the DOW Rules and Regulations:

"Prior Applicants [that paid a FRC prior to the rule amendment] shall have three (3) years from the date of enactment of these Part 5 Rules, hereinafter referred to as the "Grace Period," to install a water meter, at no additional Facilities Reserve Charge cost." Part 5, Section IV, paragraph 6.b.

and

"After expiration of the Grace Period, Prior Applicants must pay the difference of the original Facilities Reserve Charge paid and the Facilities Reserve Charge in effect at the time the meter is installed." Part 5, Section IV, paragraph 6.c.

Minutes from the Board’s September 2018, pages 2-8, provide a glimpse of current Board and DOW practice with regard to exceptions to the FRC Grace Period for applicants that are constructing large commercial and residential developments involving multiple lots (including subdivision and condominium lots) and multiple water meter service requests. For example, the minutes indicate that the Board determined that (1) an owner/applicant for a lot in the Po‘ipū Beach Estates subdivision, and (2) the Kukui‘ula Development Company, must apply for water meter installation prior to November 29, 2018, or be subject to the difference of the current and previous FRC (emphasis added).

For Mr. Heacock, who already applied for water meter installation and received conditional approval—and is contesting the conditions imposed—the DOW, in its letter dated August 28, 2018, stated that "the FRC for the first 5/8-inch water meter will not be required at this time (due to previous payment in full at the rate in place on November 24, 2015). However, the DOW mandated that "effective November 30, 2018 . . . the applicant will be required to pay the difference between the FRC paid . . . and the current FRC rate . . . amount[ing] to $9,515 per 1/8-inch water meter" (emphasis added).

DOW Rules and Regulations, Part 5, Section 4, paragraph 6.d, provides that "[t]he Manager may grant exceptions to item 6c if the Manager finds all of the following:

i. Strict application of the rule would cause an absurd, unfair, or unreasonably harsh result; and
ii. The Prior Applicant’s circumstance or condition is unique or exceptional and the Manager would grant the same request if made by ever[y] similarly situated Prior Applicant; and

iii. Such exception thereof is [as] reasonably necessary or expedient and not contrary to law or the intent and purposes of these rules.

Mr. Heacock’s principal residence sits on a small, single parcel that has the same boundaries as it did over 150 years ago at the time of its initial transition to private land ownership. This parcel has existed as single residential lot ever since the inception of public water supply planning for Kaua‘i, and was counted as such in the full-buildout scenarios used in the planning process to date. It is not a new development that places additional pressure on water supply capacity, and represents a de minimis portion of overall water use within with the Lihue-Puhi-Hanamaulu Service Area.

Given the exceptions already granted for large developers; the challenges faced by Mr. Heacock in securing final approval for his water meter request; the unique and exceptional nature of Mr. Heacock’s circumstance and condition; the looming $10,000 question of additional FRC for water meter service; and the multiple sources of authority that enable the DOW Manager to grant exceptions to strict application of the DOW’s Rules and Regulations, we urge the Board to conclude that a time-limited exception to the requirement for additional FRC for Mr. Heacock is reasonably necessary and expedient, and is not contrary to the law or the intent of the DOW’s rules.

6. Governing Authorities and Precedential Decisions

The DOW repeatedly expressed to Mr. Heacock its concerns about setting a precedent that the DOW would be compelled to apply in the future for "the same request" made by another applicant in a similarly situated unique or exceptional circumstance or condition. See Rules and Regulations, Part 5, Section 4, paragraph 6.d.ii. If the precedent that we set here today is a good and fair one, one that promotes community sustainability, resilience, and overall well-being, isn’t that a good thing? Establishing good precedents is good business because it facilitates future decisionmaking and fosters consistent results for DOW and all of its constituents.

RELIEF REQUESTED:

1. Extend, through August 27, 2019, the Grace Period for Mr. Heacock and the DOW to install one 5/8-inch water meter for domestic use at TMK: 3-2-003:016, Niumalu, Kaua‘i at no additional Facilities Reserve Charge cost, based on findings that strict application of DOW Rules and Regulations Part 5, Section IV, paragraph 6.c. would (i) cause an absurd, unfair, and unreasonably harsh result; and (ii) Mr. Heacock’s circumstance and condition is unique and exceptional and the Manager would grant the same request if made by every similarly situated Prior Applicant; and (iii) such exception thereof is reasonably necessary and expedient and not contrary to law or the intent and purposes of the Department’s Rules and Regulations.
2. Remove—from DOW’s conditional approval of Mr. Heacock’s Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua‘i, dated August 28, 2018—the requirement to prepare and receive DOW approval of construction drawings for the domestic service connection and for the interior plumbing with a backflow prevention device for the water meter.

3. Grant final approval for Mr. Heacock’s Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua‘i, with removal of the current Department of Water conditions for backflow prevention and construction drawings, and an exception to the Department’s requirement to pay the Facilities Reserve Charge in effect at the time the meter is installed.

4. Initiate a DOW work order to install a new water meter and service connection as enabled by final approval of Mr. Heacock’s Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua‘i.

5. Complete, no later than August 27, 2019, DOW installation of a new water meter and service connection as enabled by final approval of Mr. Heacock’s Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua‘i, and as implemented through a DOW work order.
November 21, 2018

Ms. Beth Tokioka, Chairman of the Board
Board of Water Supply of the County of Kaua‘i
4398 Pua Loke Street
Lihu‘e, Hawai‘i 96766

Subject: Petition for a Contested Case Hearing
Board of Water Supply Regular Meeting, November 21, 2018,
Agenda Item H.1, Water Meter Service Request for one 5/8-inch water
meter for domestic use, TMK: 3-2-003:016, Niulalu, Kaua‘i

PETITIONER: Donald E. Heacock
phone

ATTORNEY: David Campbell Penn
phone/fax

NATURE OF HEARING: A proceeding in which the legal rights, duties, and privileges of the
Board of Water Supply of the County of Kaua‘i ("Board"); the Department of Water, County of
Kaua‘i ("Department"); and Petitioner Donald E. Heacock ("Petitioner") will be determined after
an opportunity for Board hearing concerning Board action on the Department’s response to
Petitioner’s correspondence regarding Statement of Grievances and Relief Sought, Water Meter
Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niulalu,
Kaua‘i, dated October 18, 2018.

LEGAL AUTHORITY UNDER WHICH HEARING IS TO BE HELD:

Chapter 91, Hawai‘i Revised Statutes
Department of Water, County of Kaua‘i, Rules and Regulations Part 1

PARTICULAR SECTIONS OF THE STATUTES AND RULES INVOLVED:

Hawai‘i Constitution
   Article I, Section 2
   Article VIII, Section 2
   Article XI, Sections 1, 3, 7
Hawai‘i Revised Statutes
   Chapter 1, Section 1 et seq. (Sections 1 to 32)
   Section 7-1
   Sections 46-1.5, -2, -2.1
   Sections 54-1, -11, -12, -13, -15, -26, -33, -34
   Sections 340E-1, -2, -3, -4, -7, -8, -9

Hawai‘i Administrative Rules Chapter 11-21
   Sections 11-21-1, -2, -3, -9, -10, -11

County Charter
   Article II, Section 2.03
   Article III, Section 3.03
   Article IV, Section 4.04
   Article XVII, Section 17.03

Department of Water, County of Kaua‘i, Rules and Regulations
   Part 1, Sections I, II, III, IX
   Part 2, Sections I, II, VI, XX, XXV, XXVI, XXVII
   Part 5, Section I et seq. (Sections I, II, III, IV, V, VI)
   2002 Water System Standards (as amended)
      Division 100, Sections 101, 107, 305

Department of Water, County of Kaua‘i, Cross-Connection Control and Backflow Prevention
   Purpose, Rules and Regulations, Definitions, Recommended Types of Backflow
   Prevention Devices, Installation of Backflow Prevention Devices on New Facilities

Department of Water, County of Kaua‘i, Standard Operating Procedure

**ISSUES INVOLVED:**

(1) Board policy and Department practice for processing, granting, and denying requests for exceptions to/extensions of the Grace Period for increases in the Facilities Reserve Charge.

(2) Petitioner's satisfaction of regulatory criteria for exception to/extension of the Grace Period for increases in Facilities Reserve Charge.

(3) Legality of Department of Water jurisdiction over cross-connection control and backflow prevention.

(4) Interpretation of State Rules and Regulations governing cross-connection control and backflow prevention.

(5) Interpretation of Department of Water Rules and Regulations governing cross-connection control and backflow prevention.

(6) Classification and degree of potential cross-connection hazard at Petitioner's principal residence, TMK: 3-2-003:016, Niumalu, Kaua‘i.
(7) Determination of effective backflow prevention measures, commensurate with the degree of potential cross-connection hazard, to be implemented at Petitioner's principal residence, TMK: 3-2-003:016, Niumalu, Kaua‘i.

(8) Sufficiency of existing backflow protection incorporated into construction of principal residence at TMK: 3-2-003:016, Niumalu, Kaua‘i.

(9) Interpretation of Department of Water Rules and Regulations governing approval of construction drawings for a domestic water service connection.

(10) Department conditions for final approval of Petitioner's Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua‘i.

(11) Equity and fairness of Petitioner's costs and potential financial hardships associated with securing municipal water as the sole source of water supply for his principal residence at TMK: 3-2-003:016, Niumalu, Kaua‘i.

(12) All other legal rights, duties, and privileges of the Board of Water Supply of the County of Kaua‘i ("Board"); the Department of Water, County of Kaua‘i ("Department"); and Petitioner Donald E. Heacock ("Petitioner") applicable to Petitioner's request for the first 5/8-inch water meter to his property, for residential use.

Petitioner will submit additional supporting documents after filing this Petition.

Pursuant to Section 91-8.5, Hawaii Revised Statutes, Petitioner is willing to participate in mediation prior to the hearing.

David Campbell Penn
Representative

Signature

Date November 21, 2018
REQUEST TO ACCESS A GOVERNMENT RECORD

This is a model form that may be used by a Requester to provide sufficient information for an agency to process a record request. Although the Requester is not required to use this form or to provide any personal information, the agency needs enough information to contact the Requester with questions about this request or to provide its response. This request may not be processed if the agency has insufficient information or is unable to contact the Requester.

DATE: November 23, 2018

TO: County of Kaua‘i, Department of Water
Agency that Maintains the Government Record

Manager and Chief Engineer
VIA EMAIL TO: jfujinaka@kauaiwater.org
(808) 245-5400
4398 Pua Loke Street
Lihue, HI 96766

Agency’s Contact Information

FROM: Penn Law Center
Requester’s Name or Alias

Requester’s Contact Information

AS THE REQUESTER, I WOULD LIKE THE FOLLOWING GOVERNMENT RECORD:

Describe the government record as specifically as possible so that it can be located. Try to provide a record name, subject matter, date, location, purpose, or names of persons to whom the record refers, or other information that could help the agency identify the record. A complete and accurate description of the requested government record will prevent delays in locating the record. Attach additional pages if needed.

Department of Water, County of Kaua‘i, Standard Operating Procedure

I WOULD LIKE: (Please check one or more of the options below, as applicable)

☐ To inspect the government record
☒ A copy of the government record: (Please check only one of the options below.) See the next page for information about fees and costs that you may be required to pay for agency services to process your record request. Note: Copying and transmission charges may also apply to certain options.

☐ Pick up at agency (date and time): __________________________________________________________________________
☐ Mail (address): ________________________________________________________________________________
☒ E-mail (address): pennlawcenter@gmail.com
☐ Fax (toll free and only if available; provide fax number): __________________________________________________________________________
☐ Other, if available (please specify): __________________________________________________________________________
If the agency maintains the records in a form other than paper, please advise in which format you would prefer to have the record.

- Electronic  □ Audio  □ Other (please specify):_______________________

Check this box if you are attaching a request for waiver of fees in the public interest (See waiver information on next page).

### FEES FOR PROCESSING PUBLIC RECORD REQUESTS

You may be charged fees for the services that the agency must perform when processing your request for public records, including fees for making photocopies and other lawful fees. The first $30 of fees charged for searching for a record, reviewing, and segregating will not be charged to you. Any amount over $30 will be charged to you. Fees are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search for a Record</td>
<td>$2.50 for 15 minutes</td>
</tr>
<tr>
<td>Review and Segregation of a Record</td>
<td>$5.00 for 15 minutes</td>
</tr>
</tbody>
</table>

Generally, no search, review, and segregation fees may be charged if you are making a request for personal records that are about you.

### WAIVER OF FEES IN THE PUBLIC INTEREST

As an alternative to the $30 fee waiver (not in addition to), the agency may waive the first $60 of fees for searching for, reviewing and segregating records when the waiver would serve the public interest. If you wish to apply for a waiver of fees in the public interest, you must attach to this request a statement of facts, including your identity as the requester, to show how the waiver of fees would serve the public interest. The criteria for this waiver, found at section 2-71-32, Hawaii Administrative Rules, are

1. The requested record pertains to the operations or activities of an agency;
2. The record is not readily available in the public domain; and
3. The requester has the primary intention and the actual ability to widely disseminate information from the government record to the public at large.

### COSTS

The Agency may charge you any other lawful fees and the costs to copy and deliver your personal or public record request.

### AGENCY RESPONSE TO YOUR REQUEST FOR ACCESS

The agency to which you addressed your request must respond within a set time period. The agency will normally respond to you within 10 business days from the date it receives your request; however, in extenuating circumstances, the agency must respond within 20 business days from the date of your request. If you have questions about the response time or the records being sought, you should first contact the agency and request to consult with the agency’s UIPA contact person.

Please note that the Office of Information Practices (OIP) does not maintain the records of other agencies and a requester must seek records directly from the agency. If the agency denies or fails to respond to your written request for records or if you have other questions regarding compliance with the UIPA, then you may contact OIP at 808-586-1400, oip@hawaii.gov, or 250 South Hotel Street, Suite 107, Honolulu, Hawaii 96813.
REQUESTER'S RESPONSIBILITIES

You have certain responsibilities under section 2-71-16, Hawaii Administrative Rules, which include making arrangements to inspect and copy records, providing further clarification or description of the requested record as instructed by the agency's notice, and making a prepayment of fees and costs, if assessed. The rules and additional training materials are available online at oip.hawaii.gov or from OIP.
Request/Application for a waiver of fees in the public interest

Statement of facts

Requester: Penn Law Center

How the waiver of fees would serve the public interest:

The waiver of fees would reduce the cost of obtaining the government record, thus facilitating our dissemination of the information from the government record to the public at large. See Section 2-71-32, Hawai‘i Administrative Rules, Criteria for waiver:

(1) The requested record pertains to the operations or activities of an agency
The requested record pertains to the operations and activities of the County of Kaua‘i Department of Water (Standard Operating Procedure).

(2) The record is not readily available in the public domain
We did not find the record in a thorough search of agency webspace and public libraries. We requested the record in a filing with the Board of Water Supply dated November 14, 2018.

(3) The requester has the primary intention and the actual ability to widely disseminate information from the government record to the public at large.
The Standard Operating Procedure was cited and quoted as a policy document in a letter from the Department to Mr. Don Heacock dated September 6, 2018. We believe that this document should be readily accessible to all Department constituents, in order to promote government transparency, accountability, and public participation. To help pursue these goals, we will widely disseminate the information from the government record to the public at large through partnerships with elected officials, agencies, professional societies, other non-governmental organizations, concerned individuals, and media outlets (news/social).
APPLICATION FOR WATER SERVICE

DATE OF APPLICATION: November 29, 2018

NAME OF CUSTOMER: Donald E. Hearcock

MAILING ADDRESS: [Redacted]

MAILING ADDRESS 2: [Redacted]

CITY, STATE, ZIP: Lihue, HI 96766

TAX MAP KEY: 3-2-003:016

USE:

DOMESTIC ☐ HOTELS ☐ MOTELS ☐ COMMERCIAL ☐

INDUSTRIAL ☐ PUBLIC BUILDINGS ☐ OTHER ☐

LOT NUMBER: ☐ SUBDIVISION: ☐

WATER METER NO.: ☐ MAKE: ☐ SIZE: ☐

SEWER CODE: ☐ AGR: ☐

READING IN M GALS. ☐

METER LOCATION: ☐

SERVICE NUMBER

READ NEXT:

The undersigned hereby applies to The Board of Water Supply, County of Kauai, for water service and/or meter at above location; and in consideration of the installation of such service and meter pay all charges incurred upon such location for such water service and to abide by all rules, regulations and provisions prescribed by The Board of Water Supply.

APPLICANT'S NAME: Donald E. Hearcock

BY AUTHORIZED AGENT: [Redacted]

EMPLOYED BY: State of Hawaii [Redacted]

CELL PHONE: [Redacted]

EMAIL ADDRESS: [Redacted]

BIZ SLIP: [Redacted]

NEW METER INSTALLATION – FIXED CHARGE $ ☐

INSTALLATION DEPOSIT (ACTUAL COST TO BE CHARGED) $ ☐

STATE HIGHWAY PERMIT CHARGE $ ☐

FACILITIES RESERVE CHARGE $ ☐

RE-OPENING FIXED CHARGE $ ☐

ADVANCE DEPOSIT WATER USE $ ☐

TOTAL AMOUNT TO REMIT $ ☐

APPROVED: [Redacted]

ENGINEER

RECEIVING CLERK

PAGE 86
STATE OF HAWAII  
BUREAU OF CONVEYANCES  
RECORDED  
July 18, 2014 8:01 AM  
Doc No(s) A-53120506

LAND COURT SYSTEM
Return by Mail ( ) Pick up ( ) To:

Law Offices of Nancy J. Budd

TITLE OF DOCUMENT: 
DEED

PARTIES TO DOCUMENT:

Grantor: DONALD EDWARD HEACOCK
Grantee: DONALD E. HEACOCK, Trustee

PROPERTY DESCRIPTION:  
Tax Key: 3-2-003-016 (4)

PAGE 87
KNOW ALL PERSONS BY THESE PRESENTS:

That DONALD EDWARD HEACOCK, unmarried, of Līhuʻe, Kauaʻi, Hawaiʻi, hereinafter called the "Grantor" in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration in hand paid by DONALD E. HEACOCK, Trustee under that certain unrecorded declaration of trust known as the DONALD E. HEACOCK TRUST, dated July 11, 2014, having all powers under the trust agreement as trustee, including full power to sell, convey, exchange, mortgage, lease, assign or otherwise deal with and dispose of all lands of the trust estate and interests therein, whose residence address is Līhuʻe, Hawaiʻi, and mailing address is Post Office Box hereinafter called the "Grantee", the receipt of which is acknowledged, does hereby remise, release and quitclaim unto the Grantee, IN TRUST, the property described in Exhibit "A" attached hereto and incorporated herein.

AND THE reversions, remainders, rents, issues and profits thereof, and all of the estate, right, title and interest of the Grantor, both at law and in equity, therein and thereto.

TO HAVE AND TO HOLD the same, together with the improvements thereon and all rights, easements, privileges and appurtenances thereunto belonging or appertaining, unto the Grantee, IN TRUST, forever.

AND THE GRANTOR hereby covenants with the Grantee that the Grantor is lawfully seised in fee simple of the premises described herein and has good right to sell and
convey the same; and that the same are free and clear of all encumbrances except for the lien of real property taxes for the current fiscal year which are to be prorated between the Grantor and Grantee as of the date of delivery hereof.

This conveyance and the covenants of the Grantor and Grantee shall inure to the benefit of, and be binding upon the person or persons identified above as "Grantor" and "Grantee" and their respective heirs, personal representatives, successors, successors in trust, and assigns as the context of this instrument may require. Covenants made by two or more persons shall be joint and several, the use of singular shall include the plural, and the use of the pronoun in reference to the "Grantor" or "Grantee" shall mean and include the masculine, feminine or neuter gender as the context may require.

IN WITNESS WHEREOF, the Grantor has caused these presents to be duly executed this 11th day of July, 2014.

[Signature]

DONALD EDWARD HEACOCK

GRANTOR
STATE OF HAWAI'I )
COUNTY OF KAUA'I ) ss.

On this 11th day of July, 2014, before me appeared DONALD EDWARD HEACOCK, to me personally known to be the person described in and who executed the foregoing DEED, dated July 11, 2014, and having --6-- pages, and acknowledged that he executed the same as his free act and deed.

[Signature]
Elizabeth U. Perreira
Notary Public, Fifth Judicial Circuit
State of Hawaii

My commission expires: 7/3/2015
EXHIBIT "A"

All of the Grantor's interest in the following real property:

Being all of L.C. Aw. 3112:1 to Makaeae and L.C. Aw. 3421:1 to Puali situate approximately 1,100 feet Northeast of Halemalu Road at Niulmu, (Puna), Kauai, Hawaii; tax map key: (4th Div.) 3-2-03:16 and more fully described as follows:

Beginning at a pipe at the most Northerly corner of this lot, and on the boundary of Land Court Application 1087 and Land Court Application 957, the coordinates of which referred to Government Survey Triangulation Station "NAWILIWILI" being 2337.04 feet South and 4122.57 feet West, thence running by azimuths measured clockwise from true South:

1. 307° 28' 184.80 feet along Land Court Application 957 to a pipe;
2. 28° 17' 102.94 feet along L.C. Aw. 3628:2 and crossing the Niulmu Stream to a pipe;
3. 35° 41' 54.20 feet along Land Court Application 957 to a pipe;
4. 121° 59' 220.30 feet along Land Court Application 957 to a pipe;
5. 222° 45' 30" 177.60 feet along Land Court Application 1087, crossing the Niulmu Stream to the point of beginning and containing an area of 0.78 acre, more or less.

BEING ALL OF THE PREMISES DESCRIBED BY:

WARRANTY DEED

GRANTOR : CHERYL ULULANI LOVEL-OBATAKE, wife of James Tsyoshi Obatake, Jr.

GRANTEE : DONALD EDWARD HEACOCK and RHEA LOUIS ESPERANTE PALMA HEACOCK, as Tenants by the Entirety

DATED : January 28, 1987
RECORDED: in the Bureau of Conveyances of the State of Hawaii as Document No. 87-24392 in Liber 20387 at Page 327

SUBJECT, HOWEVER, to the following:

1. Apparent lack of access to and from a roadway lot.

2. Any and all liens and/or encumbrances of record.

Caveat: No title search obtained.

END OF EXHIBIT "A"
APPLICATION FOR WATER SERVICE

DATE OF APPLICATION: November 29, 2018

SERVICE NUMBER

READ NEXT:

NAME OF CUSTOMER: Donald E. Heacock

MAILING ADDRESS: [Redacted]

MAILING ADDRESS 2:

CITY, STATE, ZIP: Lihue, HI 96766

TAX MAP KEY: 3-2-003-016

USE: [X] DOMESTIC

HOTELS MOTELS COMMERCIAL

INDUSTRIAL [ ] PUBLIC BUILDINGS [ ] OTHER [ ]

INSTALLED BY: [ ] PRESSURE

The undersigned hereby applies to The Board of Water Supply, County of Kauai, for water service and/or meter at above location; and in consideration of the installation of such service and meet pay all charges incurred upon such location for such water service and to abide by all rules, regulations and provisions prescribed by The Board of Water Supply.

APPLICANT'S NAME: Donald E. Heacock

BY AUTHORIZED AGENT: [ ] EMAIL ADDRESS: [Redacted]

EMPLOYED BY: State of Hawaii [ ]

RESIDENCE PHONE: [Redacted] CELL PHONE: [Redacted] BUSINESS PHONE: [Redacted]

SIGNATURE: Donald Heacock

DATE: November 29, 2018

PREVIOUS CUSTOMER:

REMARKS

NEW METER INSTALLATION – FIXED CHARGE

INSTALLATION DEPOSIT (ACTUAL COST TO BE CHARGED)

STATE HIGHWAY PERMIT CHARGE

FACILITIES RESERVE CHARGE

RE-OPENING FIXED CHARGE

ADVANCE DEPOSIT WATER USE

TOTAL AMOUNT TO REMIT

APPROVED: [ ] ENGINEER

TRANSFER FROM ACCT:

RECT. NO. [ ] AMT. [ ]

METER SIZE: [ ] SUBDIVISION REV. NO. [ ]

WORK ORDER NO. [ ] RECEIPT NO. [ ]

PLEASE SUBMIT THE FOLLOWING ALONG WITH APPLICATION

1. Copy of Photo ID
2. Proof of Ownership
   OR
3. Rental Agreement
   [$210.00 refundable deposit] either by
   Cash or Check (made payable to:
   Department of Water

POSTED TO METER CARD BY: [ ]

RECEIVING CLERK

PAGE 95
November 29, 2018

Ms. Beth Tokioka, Chairman of the Board
Board of Water Supply of the County of Kaua'i
4398 Pua Loke Street
Lihue, Hawaii 96766

Subject: First Amended Petition for a Contested Case Hearing
Board of Water Supply Regular Meeting, November 21, 2018,
Agenda Item H.1, Water Meter Service Request for one 5/8-inch water
meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua'i

PETITIONER: Donald E. Heacock

phone

ATTORNEY: 

phone/fax

NATURE OF HEARING: A proceeding in which the legal rights, duties, and privileges of the
Board of Water Supply of the County of Kaua'i ("Board"); the Department of Water, County of
Kaua'i ("Department"); and Petitioner Donald E. Heacock ("Petitioner") will be determined after
an opportunity for Board hearing concerning Board action on the Department's response to
Petitioner's correspondence regarding Statement of Grievances and Relief Sought, Water Meter
Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu,
Kaua'i, dated October 18, 2018.

LEGAL AUTHORITY UNDER WHICH HEARING IS TO BE HELD:

Chapter 91, Hawaii Revised Statutes
Department of Water, County of Kaua'i, Rules and Regulations Part 1

PARTICULAR SECTIONS OF THE STATUTES AND RULES INVOLVED:

Hawaii Constitution
   Article I, Section 2
   Article VIII, Section 2
   Article XI, Sections 1, 3, 7
Hawai‘i Revised Statutes
   Chapter 1, Section 1 et seq. (Sections 1 to 32)
   Section 7-1
   Sections 46-1.5, -2, -2.1
   Sections 54-1, -11, -12, -13, -15, -26, -33, -34
   Sections 92-1, -3, -4, -5, -9, -11
   Sections 92F-1, -2, -3, -24, -11, -12, -18
   Sections 340E-1, -2, -3, -4, -7, -8, -9

Hawai‘i Administrative Rules
   Sections 11-21-1, -2, -3, -9, -10, -11
   Sections 71-1, -2, -11, -12, -13, -15

Kaua‘i County Charter, as amended
   Article II, Section 2.03
   Article III, Section 3.03
   Article IV, Section 4.04
   Article XVII, Section 17.03

Department of Water, County of Kaua‘i, Rules and Regulations, effective November 20, 1976
Department of Water, County of Kaua‘i, Rules and Regulations, as amended (in effect as of November 04, 2015)
Department of Water, County of Kaua‘i, Rules and Regulations, as amended (in effect as of November 02, 2016)

Department of Water, County of Kaua‘i, Rules and Regulations, as amended
   Part 1, Sections I, II, III, IX (August 19, 2010)
   Part 2, Sections I, II, VI, XX, XXV, XXVI, XXVII (Revised: September 9, 2017).
   Part 5, Section 1 et seq. (Sections I, II, III, IV, V, VI (Revised: September 9, 2017)
   2002 Water System Standards, as amended
   Division 100, Sections 101, 107, 305

Department of Water, County of Kaua‘i, Cross-Connection Control and Backflow Prevention
   Purpose, Rules and Regulations, Definitions, Recommended Types of Backflow
   Prevention Devices, Installation of Backflow Prevention Devices on New Facilities
   (March 01, 1985).

Department of Water, County of Kaua‘i, Standard Operating Procedure

ISSUES INVOLVED:

(1) Board non-compliance with State Sunshine Law, Chapter 92, Hawai‘i Revised Statutes.

(2) Legality of the Board’s jurisdiction and the Department of Water’s authority to the
   Department’s Rules and Regulations governing payment of the Facilities Reserve Charge, as
   effective November 29, 2015, on a person that paid the applicable Facilities Reserve Charge and
received the Department's conditional approval for a Water Meter Service Request prior to November 29, 2015.

(3) Substance, interpretation, and application of Board policy and Department practice and procedure for processing, granting, and denying requests for exceptions to/extensions of the Grace Period for increases in the Facilities Reserve Charge.

(4) Department non-compliance with State Uniform Information Practices Act.

(5) Substance, interpretation, and application of Board policy and Department practice and procedure for processing and approving a "Water Meter Service Request" and an "Application for Water Service."

(6) Substance, interpretation, and application of Board policy and Department practice and procedure for installing a water meter and a connecting a water service to the installed meter in conjunction with a "Water Meter Service Request" and an "Application for Water Service."

(7) Petitioner's satisfaction of regulatory criteria for receiving an exception to and an extension of the Grace Period for increases in the Department's Facilities Reserve Charge.

(8) Legality of Department of Water jurisdiction over cross-connection control and backflow prevention.

(9) Substance, interpretation, and application of State Rules and Regulations governing cross-connection control and backflow prevention.

(10) Substance, interpretation, and application of Board policy and Department of Water Rules and Regulations governing cross-connection control and backflow prevention.

(11) Classification and degree of potential cross-connection hazard at Petitioner's principal residence, TMK: 3-2-003:016, Niumalu, Kaua‘i.

(12) Determination of effective backflow prevention measures, commensurate with the degree of potential cross-connection hazard, to be implemented at Petitioner's principal residence, TMK: 3-2-003:016, Niumalu, Kaua‘i.

(13) Sufficiency of existing backflow protection incorporated into construction of principal residence at TMK: 3-2-003:016, Niumalu, Kaua‘i.

(14) Substance, interpretation and application of Board policy and Department of Water Rules and Regulations governing approval of construction drawings for a domestic water service connection.

(15) Substance, interpretation, and application of Department conditions for final approval of Petitioner's Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua‘i.
(16) Equity and fairness of Petitioner's costs and potential financial hardships associated with securing municipal water as the sole source of water supply for his principal residence at TMK: 3-2-003:016, Niulamu, Kaua'i.

(17) All other legal rights, duties, and privileges of the Board of Water Supply of the County of Kaua'i ("Board"); the Department of Water, County of Kaua'i ("Department"); and Petitioner Donald E. Heacock ("Petitioner") applicable to Petitioner's request for the first 5/8-inch water meter to his property, TMK: 3-2-003:016, Niulamu, Kaua'i, for residential use.

Petitioner will submit additional supporting documents after filing this First Amended Petition.

Pursuant to Section 91-8.5, Hawaii Revised Statutes, Petitioner is willing to participate in mediation prior to the contested case hearing.

Petitioner requests that the Board appoint a Hearing Master to conduct the contested case hearing, and that the Hearing Master's scope of work include in camera review of the minutes for the Board's Executive Session on Item H.1 of its agenda for November 21, 2018.

Donald E. Heacock
Petitioner

[Signature]

29 Nov, 16
Date
NOTICE TO REQUESTER
(Use multiple forms if necessary)

TO: Penn Law Center
FROM: Margie Mills, Kauai Department of Water
DATE REQUEST RECEIVED: November 23, 2018
DATE OF THIS NOTICE: December 3, 2018

GOVERNMENT RECORDS YOU REQUESTED (attach copy of request or provide brief description below):
Department of Water, County of Kauai, Standard Operating Procedure

NOTICE IS PROVIDED TO YOU THAT YOUR REQUEST:

☒ Will be granted in its entirety.
☐ Cannot be granted because
☐ Agency does not maintain the records. Agency believed to maintain records:
☐ Agency needs a further description or clarification of the records requested. Please contact the agency and provide the following information:
☐ Request requires agency to create a summary or compilation from records not readily retrievable.
☐ Is denied in its entirety ☐ Will be granted only as to certain parts
based upon the following exemption provided in HRS § 92F-13 and/or § 92F-22 and other laws cited below (portions of records that agency will not disclose should be described in general terms).

RECORDS OR INFORMATION WITHHELD APPLICABLE STATUTES AGENCY JUSTIFICATION

REQUESTER’S RESPONSIBILITIES:
You are required to (1) pay any lawful fees assessed; (2) make any necessary arrangements with the agency to inspect, copy or receive copies as instructed below; and (3) provide the agency any additional information requested. If you do not comply with the requirements set forth in this notice within 20 business days after the postmark date of this notice or the date the agency makes the records available, you will be presumed to have abandoned your request and the agency shall have no further duty to process your request. Once the agency begins to process your request, you may be liable for any fees incurred. If you wish to cancel or modify your request, you must advise the agency upon receipt of this notice.

METHOD & TIMING OF DISCLOSURE:
Records available for public access in their entireties must be disclosed within a reasonable time, not to exceed 10 business days, or after receipt of any prepayment required. Records not available in their entireties must be disclosed within 5 business days of this notice or after receipt of any prepayment required. If incremental disclosure is authorized by HAR § 2-71-15, the first increment must be disclosed within 5 business days of this notice or after receipt of any prepayment required.

Method of Disclosure:
☐ Inspection at the following location: _____.
☒ As requested, a copy of the record(s) will be provided in the following manner:
☐ Available for pick-up at the following location: ________________.
☐ Will be mailed to you.
☒ Will be transmitted to you by other means requested: Email: __________________.
Timing of Disclosure: All records or first increment where applicable, will be made available or provided to you:

☒ On **Monday, December 3, 2018**.

☐ After prepayment of fees and costs of $______ (50% of fees +100% of costs, as estimated below).
   Payment may be made by cash or: ☐ personal check ☐ other ____________.

For incremental disclosures, each subsequent increment will be disclosed within 20 business days after:

☐ The prior increment (if one prepayment of fees is required and received).

☐ Receipt of each incremental prepayment required.

Disclosure is being made in increments because the records are voluminous and the following extenuating circumstances exist:

☐ Agency must consult with another person to determine whether the record is exempt from disclosure under HRS Chapter 92F.

☐ Request requires extensive agency efforts to search, review, or segregate the records or otherwise prepare the records for inspection or copying.

☐ Agency requires additional time to respond to the request in order to avoid an unreasonable interference with its other statutory duties and functions.

☐ A natural disaster or other situation beyond agency’s control prevents agency from responding to the request within 10 business days.

**ESTIMATED FEES & COSTS:**

The agency is authorized to charge you certain fees and costs to process your request (even if no record is subsequently found to exist), but must waive the first $30 in fees assessed for general requesters and the first $60 in fees when the agency finds that the request made is in the public interest. See HAR §§ 2-71-19, -31 and -32. The agency may require prepayment of 50% of the total estimated fees and 100% of the total estimated costs prior to processing your request. The following is the estimate of the fees and costs that the agency will charge you, with the applicable waiver amount deducted:

<table>
<thead>
<tr>
<th>Fees: Search</th>
<th>Estimate of time to be spent: 15 minutes (2.50 for each 15-minute period)</th>
<th>$ 2.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review &amp; segregation</td>
<td>Estimate of time to be spent: 15 minutes (5.00 for each 15-minute period)</td>
<td>$ 5.00</td>
</tr>
<tr>
<td>Fees waived</td>
<td>☒ general ($30) ☐ public interest ($60)</td>
<td>&lt;$ 7.50 &gt;</td>
</tr>
<tr>
<td>Other</td>
<td>(Pursuant to HAR §§ 2-71-19 &amp; 2-71-31)</td>
<td>$ 0.00</td>
</tr>
</tbody>
</table>

**TOTAL ESTIMATED FEES:**

$ 0.00

Costs: Copying

(8½” x 11”) # of sheets copied: ____ @ $ .50 per page. $ 0.00

(8½” x 14”) # of sheets copied: ____ @ $ 1.00 per page. $ 0.00

(22” x 36”) # of sheets copied: ____ @ $ 2.75 per page. $ 0.00

Other $ 0.00

**TOTAL COST:**

$ 0.00

For questions about this notice, please contact the person named above. Questions regarding compliance with the UIPA may be directed to the Office of Information Practices at (808) 586-1400 or oip@hawaii.gov.
REQUEST TO ACCESS A GOVERNMENT RECORD

This is a model form that may be used by a Requester to provide sufficient information for an agency to process a record request. Although the Requester is not required to use this form or to provide any personal information, the agency needs enough information to contact the Requester with questions or to provide its response. This request may not be processed if the agency has insufficient information or is unable to contact the Requester.

DATE: November 23, 2018

TO: County of Kaua‘i, Department of Water
Agency that Maintains the Government Record

Manager and Chief Engineer
VIA EMAIL TO: jfujinaka@kauaiwater.org
(808) 245-5400
4398 Pua Loke Street
Lihue, HI 96766
Agency’s Contact Information

FROM: Penn Law Center
Requester’s Name or Alias

Requester’s Contact Information

AS THE REQUESTER, I WOULD LIKE THE FOLLOWING GOVERNMENT RECORD:

Describe the government record as specifically as possible so that it can be located. Try to provide a record name, subject matter, date, location, purpose, or names of persons to whom the record refers, or other information that could help the agency identify the record. A complete and accurate description of the requested government record will prevent delays in locating the record. Attach additional pages if needed.

Department of Water, County of Kaua‘i, Standard Operating Procedure

I WOULD LIKE: (Please check one or more of the options below, as applicable)

☐ To inspect the government record
☒ A copy of the government record: (Please check only one of the options below.) See the next page for information about fees and costs that you may be required to pay for agency services to process your record request. Note Copying and transmission charges may also apply to certain options.

☐ Pick up at agency (date and time): 
☐ Mail (address): 
☒ E-mail (address): pennlawcenter@gmail.com
☐ Fax (toll free and only if available; provide fax number): 
☐ Other, if available (please specify): 

OP 1 (rev. 12/1/2015)
Purpose:

The alternative procedure is intended to allow requests for water meter service connections to be located at other than lot common boundary pins without being required to prepare construction drawings. This administrative policy will apply to approval of new water meter service connection applications where existing mainlines front the lot and are adequate for additional service. Current DOW procedure requires the applicant to prepare construction drawings and hire a contractor to install water meter service connection at non-standard DOW meter locations. The applicant must also convey the completed meter service connection to the Board. For certain water meter requests at non-standard locations the applicant will be allowed to complete the following surveyor stakeout/map procedure:

Fixed Cost - Surveyor stakeout Procedure

Water Resources and Planning Division:

- Review request for water service and determine and inform applicant of the availability of system capacity to handle demand requested.
- Determine and inform applicant of FRC and other charges required.
- Determine and inform applicant of other conditions that may include elevation agreements, mainline refund agreements, waiver agreements, and other conditions that affect the request for water service.
- Determine method of meter installation. These include:
  a. Fixed meter cost - Standard DOW location (i.e. lot property pin)
  b. Fixed meter cost – Surveyor Stakeout (Licensed surveyor field stakeout & map)
  c. Construction drawings – applicant install meter

SOP 46-Meter Installation Surveyor Stakeout Method

May 2003
Applicant:

1. Prepare and submit to the Customer Service section a water meter installation map that includes a location map and site plan describing the water meter installation that is located along the lot boundary at other than the lot common boundary pin. The applicant will be required to utilize a licensed surveyor in the State of Hawaii to prepare the water meter installation map. The map shall include but not be limited to the following on 11" x 17" sheets:

   a. Survey metes and bounds to describe the meter service connection location. (i.e. distance along boundary line from lot property pin). The meter shall be installed in the public roadway at the property line and shall be connected to an existing mainline that fronts the lot.

   b. Name of development (CPR unit, lot number & description), name of owner, name of surveyor, surveyor stamp and signature.

   c. Location map, site plan, tax map key number.

   d. Street / road lines, lot/parcel lines, waterlines that front the lot, and other utilities

   e. All existing and proposed meter service connections and their assigned dwelling/structure for the lot. Water meter serial numbers for existing meters shall be shown on the map.

2. The applicant’s surveyor shall consult with both Customer Service and the Operations Division prior to completion of the meter map. The surveyor shall meet with the Customer Service and Operations Division in the field to determine the meter location. The completed map will be attached to the DOW work order.

3. Locate and stakeout the water meter location. The applicant will be required to utilize a licensed surveyor to do the stake out. The licensed surveyor shall coordinate the stakeout with the Operations Division prior to the meter service connection installation. The licensed surveyor will be responsible to verify the field location of the stake out. The surveyor shall be responsible for any re-staking of lost or disturbed stakeout markers.

If the actual field conditions prohibit proper installation by DOW, the surveyor shall revise the meter stakcout and map or the Applicant may be required to prepare construction drawings and construct the meter service.
4. Execute any other DOW agreements (i.e. elevation, waiver, main extension, etc.) that may be required.

5. Fill out the DOW meter service application form and pay all required charges, including FRC, fixed meter installation charge, etc.

6. The Applicant acknowledges that the DOW is not able to guarantee the time or completion date for the meter service installation.

7. The Applicant acknowledges that any relocation of the meter service connection due to discrepancy in boundary location shall be at the expense of the Applicant.

8. The applicant will be required to sign a disclaimer at the time of meter application agreeing to the above conditions.

Customer Service Section:

1. Review the meter stakeout location in the field and the meter installation map with the applicant and surveyor. Approve the meter stakeout location and meter installation map. Attach the completed meter map to the DOW work order.

2. Process the meter application and collect necessary fees (i.e. FRC)

3. Prepare the work order for meter installation by the operations division.

4. Respond to the Applicant's inquiries regarding status of meter installation work order. Customer Service will transfer the inquiry to the Operations Division once they provide the work order number and other information regarding the request.

5. File a copy of the completed pink work order and as-built meter installation map with the meter application file. The pink copy of the work order and meter installation map will then be delivered to the WR/P Division for review, entry into maps and filing.
Operations Division:

1. Clarify and verify meter field stake out and meter map with licensed surveyor.

2. Install water meter service connection in accordance with the work order, licensed surveyor field stakeout and meter installation map

3. If Operations determines that unsuitable field conditions prohibit proper meter installation, Operations shall contact the surveyor to revise the meter stakeout and map or the Applicant may be required to prepare construction drawings and construct the meter service.

4. Operations cannot guarantee the time and completion date of the meter installation. Operations will install the meter service connection on a time-available basis. Operations will determine the construction schedule for the meter.

5. Submit the pink copy of completed work order and the original surveyor meter installation map including as-built information to the Accounting Division.

Types of Meter Installation methods:

Fixed Cost – Surveyor stakeout:

- All single or double 5/8" service applications not located at lot property pin per SOP 11T “Fixed Charges for New Water Meter Service –5/8” X3/4” Meters”
- All 5/8” meter relocation requests (i.e. relocate 5/8” meter service to other than the lot common property pin and abandon original service connection)
Construction Drawings – applicant install meter:

- All meters located within State Highway Right of Way
- All meters that may cross fiber optic communications cable
- All meters larger than 5/8” size
- All backflow devices
- Fire hydrant or private fire service detector check installations
- All meters located outside County or State owned Right of Way (i.e. private roads, easements)
- All meters where multiple individual meter service connections already exist at the meter location (i.e. narrow lot frontage)
- Triple or greater manifold meter service connections
- All master meters
- All meters where mainline improvements is required.
- Other conditions as determined by DOW.

Fixed meter cost – Standard DOW location:

- 5/8” meter installation at lot common property pins (i.e. single or double service connections) per SOP 11T “Fixed Charges for New Water Meter Service – 5/8” X 3/4” Meters”
- 5/8” meter relocations (i.e. install fixed cost meter service at property pin and abandon original service connection)

APPROVED:

[Signature]
Edward Tschupp
Manager and Chief Engineer

Attachment
CHECK LIST:
1. Area Map/Location Map
2. Existing number of service with meter serial number.
3. Azimuth and Distance – New Meter to Property Pin.
4. Identity Meters to existing or new structures.
5. Name of project (Subdivision/CPR)
6. Surveyors Stamp
7. Tax Map Key/CPR Units
8. Map shall be on 11" x 17" paper size.
9. New Meter stake pin to be a 2" x 2" x 6" long Hub (1/2" expose from ground) with a wooden stake with ribbon.

AREA MAP

LEGENDS:
- Meter Hub (2" x 2" x 6" Hub) with wooden stake/ribbon
- Property Pin
- New Meter
- Existing Meter with Serial Number

NEW METER HUB DETAIL

Note:
Indicate (NAME-Unit/Dwelling) on wooden stake.

Surveys Stamp
Title:
Name:
Subdivision:
TMK:
Date:
MANAGER’S REPORT No. 19-33

December 28, 2018

Re: Discussion and Possible Action to Request Board Approval for Indemnification, Attorney’s Fees, and Governing Law for use of First Hawaiian Bank Online Purchase Card (“P-Card”) & Centre Suite Access between the Board of Water Supply, County of Kaua‘i and First Hawaiian Bank

RECOMMENDATION:
The Department recommends that the Board approve Option 1, which will allow the Department to move forward with using CentreSuite online from First Hawaiian Bank to monitor P-card transactions.

FUNDING: N/A

BACKGROUND:
The Department’s Information Technology (I.T.) staff has been working closely with our Deputy County Attorney to review and approve of the End User License Agreement from First Hawaiian Bank. Before we can move forward with the online access, Board approval is required as the agreement contains language for unspecified future obligations such as indemnification, attorney’s fees, and governing law provisions.

Per the State of Hawaii Purchasing Card (“P-Card”) Program and Procedures, access to CentreSuite is for P-Card users to see results of all purchase activity on the internet within days of the transactions, which will allows the user to download transaction information and also allows the user to reallocate the default account/appropriation code assigned to each P-Card. Having this access will save time for users and allow the Department to be more efficient, as users can reallocate the account information as they come in instead of at the end of every month.

The sections within the agreement that reference Indemnification, Limitation of Liability, Attorney’s Fees, and Governing Law and Arbitration are shown below with emphasis placed on text shown in italics:

FIRST HAWAIIAN BANK, END USER LICENSE AGREEMENT

User Codes. Your access to the Application(s) will be controlled by a user name and password (collectively referred to as “User Codes”), as well as the authorization approved by the Customer’s program administrator. The User Codes are for your personal use only, and you agree not to disclose them to any third party. You are responsible for maintaining the confidentiality of the User Codes and for establishing sufficient policies and controls and taking such actions to protect against disclosure of your User Codes. You are responsible for all statements made, acts or omissions that relate to your user account while access to the Application(s) is obtained using your User Codes, regardless of whether you authorized such use. You are responsible for any damages, losses, costs, or breaches of security incurred or caused by your failure to maintain the confidentiality of your User Codes. You agree to IMMEDIATELY notify both the Provider (using the “Contact Us” link) and your program administrator if you become aware or suspect that your User Codes have been lost, stolen, or compromised in any way, or if you become aware of possible or actual unauthorized use of the Application(s).
SECTION 8 ALLOCATION OF RISK

Limitation of Liability. IN NO EVENT WILL PROVIDER BE LIABLE FOR ANY DAMAGES (INCLUDING WITHOUT LIMITATION DIRECT, INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, COST OF PROCURING SUBSTITUTE SERVICES, LOST PROFITS, LOSSES, OR OTHER EXPENSES) ARISING IN CONNECTION WITH THE PROVISION OR USE OF THE APPLICATION(S), RELATED SERVICES OR INFORMATION PROVIDED PURSUANT TO THIS EULA, REGARDLESS OF WHETHER SUCH CLAIMS ARE BASED ON CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, OR WHETHER PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, LOSSES, OR EXPENSES.

WITHOUT LIMITING THE FOREGOING, THIS LIMITATION OF LIABILITY INCLUDES, BUT IS NOT LIMITED TO, THE UNAVAILABILITY OF THE APPLICATION(S), UNAUTHORIZED ACCESS OR PAYMENTS, ANY FAILURE OF PERFORMANCE, ERROR, OMISSION, INTERRUPTION, DEFECT, DELAY IN OPERATION OR TRANSMISSION, COMPUTER VIRUS, OR SYSTEM FAILURE. PROVIDER CANNOT AND DOES NOT GUARANTEE CONTINUOUS, UNINTERRUPTED OR COMPLETELY SECURE ACCESS TO THE APPLICATION(S).

IF YOU ARE DISSATISFIED WITH APPLICATION(S), RELATED SERVICES, OR INFORMATION, OR ANY PORTION THEREOF, YOUR EXCLUSIVE REMEDY SHALL BE TO CEASE USING SUCH PRODUCTS OR SERVICES.

Reliance on Limitations. End User acknowledges that Provider has set its prices and entered into this EULA in reliance upon the limitations and disclaimers of liability, damages, and warranties set forth herein, and that the same form an essential basis of the bargain between the parties. The parties agree that the limitation and exclusions of liability and disclaimers specified in this EULA will survive and apply even if found to have failed their essential purpose.

SECTION 9 PRIVACY & CONFIDENTIALITY OF INFORMATION

Provider will abide any applicable law, rules, or regulations relating to the privacy of non-public, personal information. Provider will also adhere to the Privacy Policy that is published and accessible through the Application(s). The Privacy Policy sets forth the means by which and types of information Provider collects through the use of the Application(s). Provider will take all commercially reasonable actions to ensure that any non-public personal information collected from you or processed on your behalf will remain confidential and secure. Such confidential information shall only be used for the purposes for which it was provided.

In addition, Provider may aggregate statistical data from the information provided through the Application(s), without identifying the End User or the Customer as its source, which may be used by Provider or other third parties to assist in providing better products and services to you. You hereby expressly consent to such use of the information.

Each user session with the Application(s) is secured by encryption technology to protect against the unauthorized interception of information. The Application(s) may generate emails to notify or confirm activities within the Application(s) that are not encrypted; however, highly sensitive information (e.g., account numbers) is “masked” to protect against unauthorized access to such information. You hereby acknowledge that information may be intercepted during transmission to or from the Application(s) and that Provider cannot and does not guarantee that the use of the Application(s) is completely secure. You hereby agree to assume any and all risk associated with the unauthorized access to your information.
during transmission of such information between the Application(s) and you and after such information has been delivered to you.

**Governing Law and Jurisdiction.** You and Provider agree that all matters arising from or relating to the Provider’s provision of the Application(s), Related Services, Information, and your access to and use thereof, shall be governed by the laws of the State of Colorado and the United States, without regard to conflict of laws principles. You and Provider agree to submit to the exclusive personal jurisdiction and venue of the appropriate state or federal court located in Denver, Colorado, USA with respect to all such matters.

**OPTIONS:**

**Option 1: Approve Manager’s Report.**

*Pro:* The Department can move forward with allowing online access to CentreSuite to provide a more streamlined and efficient process for “P-card” purchases.

*Cons:* The Board would agree to unspecified future obligations in the event a breach or similar contract issue occurs.

**Option 2: Do Not Approve Manager’s Report.**

*Pro:* There is no risk associated with unspecified future obligations.

*Cons:* The Department would not be able to utilize the online access to CentreSuite, requiring staff to wait until the end of the billing period to receive their statement, which is an inefficient workflow process.
MANAGER’S REPORT No. 19-34

December 28, 2018

Re: Discussion and Possible Action to Request Board Approval for Indemnification, Attorney’s Fees, and Governing Law for use of Symantec Corporation software between the Board of Water Supply, County of Kaua’i and Symantec Corporation

RECOMMENDATION:
The Department recommends that the Board approve Option 1, which will allow the Department to move forward with the purchase and implementation of the Symantec Software.

FUNDING: N/A

BACKGROUND:
The Department’s Information Technology (I.T.) staff has been working closely with our Deputy County Attorney to review and approve of the End User License Agreement from Symantec Corporation. Before we can move forward with the software, however, Board approval is required as the agreement contains language for unspecified future obligations such as indemnification, attorney’s fees, and governing law provisions.

Symantec Endpoint Protection is a security software suite that includes intrusion prevention, firewall, and anti-malware features. The Department’s I.T. section installs it on employee’s desktops, field laptops and servers. Endpoint Protection scans computers for security threats. It is used to prevent unapproved programs from running on one’s computer.

The sections within the agreement that reference Indemnification, Limitation of Liability, Attorney’s Fees, and Governing Law and Arbitration are shown below:

SYMANTEC CORPORATION. END USER LICENSE AGREEMENT
2. Audit Rights. Customer agrees to maintain and make available to Symantec accurate and complete records of Customer’s installation/use of the Products for periodic audit as requested by Symantec during reasonable business hours. In addition, Customer acknowledges and agrees that Symantec may conduct periodic audits, to verify Customer’s installation, deployment and usage of the Licensed Products. If any such audit should disclose any unlicensed usage or unpaid fees, Customer shall promptly pay all amounts rightfully due together with interest thereon at the rate of one and one-half percent (1½%) per month or the highest interest rate allowed by law, whichever is lower, from the date on which such amount became due. In addition, if such audit should disclose that Customer is out of license compliance by greater than five percent (5%), then Customer shall promptly pay any and all reasonable costs associated with the audit.
12. Warranty Disclaimers and Exclusions.
12.2 CUSTOMER ACKNOWLEDGES AND AGREES THAT SYMANTEC DOES NOT WARRANT THAT: (A) THE PRODUCTS WILL BE UNINTERRUPTED OR ERROR FREE, OR FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS; (B) THE PRODUCTS ARE NOT VULNERABLE TO FRAUD OR UNAUTHORIZED USE; (C) THE PRODUCTS, AS APPLICABLE, WILL ALWAYS LOCK ACCESS TO THE ADDRESSES AND APPLICATIONS THAT ARE CONTAINED THEREIN; (D) THE PRODUCTS, AS APPLICABLE, WILL CONTAIN EVERY FORESEEABLE URL ADDRESS, VIRUS OR APPLICATION THAT SHOULD POTENTIALLY BE BLOCKED; (E) ADDRESSES, PATTERN FILES AND APPLICATIONS CONTAINED IN THE PRODUCTS, AS APPLICABLE, WILL BE APPROPRIATELY CATEGORIZED; (F) THE BC DATA WILL BE ACCURATE OR COMPLETE; OR (G) THE FEATURES, CATEGORIES, OR FUNCTIONALITIES OF THE PRODUCTS WILL BE AVAILABLE AT ANY TIME IN THE FUTURE. CUSTOMER FURTHER ACKNOWLEDGES AND AGREES THAT THE PRODUCTS (i) DO NOT VERIFY THE VALIDITY OF CERTIFICATES FOR WEBSITES IF CUSTOMER ENABLES SSL INSPECTION FUNCTIONALITY AND (ii) MAY DELIVER WEBSITES WITHOUT NOTIFYING CUSTOMER IF THE WEBSITE CERTIFICATES HAVE EXPIRED OR ARE OTHERWISE INVALID, AND THAT SYMANTEC HAS NO LIABILITY FOR EACH OF THE FOREGOING.

12.3 NOTWITHSTANDING ANY OTHER TERM HEREIN, SYMANTEC MAKES NO REPRESENTATIONS AND UNDERTAKES NO INDEMNIFICATION OBLIGATIONS REGARDING, ARISING FROM OR RELATED TO THE LEGALITY OF MONITORING, INSPECTION, DECRYPTION AND/OR RE-ENCRYPTION OF INFORMATION IN ANY PARTICULAR JURISDICTION, AND CUSTOMER SHALL BE SOLELY RESPONSIBLE, AND SYMANTEC SHALL HAVE NO RESPONSIBILITY FOR DETERMINING THAT CUSTOMER’S PROPOSED OR ACTUAL USE OF PRODUCTS OR SERVICES COMPLIES WITH APPLICABLE LAWS. CUSTOMER ACKNOWLEDGES AND AGREES THAT IT IS SOLELY RESPONSIBLE FOR SELECTING CONFIGURATIONS, POLICIES AND PROCEDURES IN PRODUCTS THAT ARE CONFIGURABLE INCLUDING, WITHOUT LIMITATION, THE SELECTION OF FILTERED CATEGORIES AND WEB APPLICATION CONTROLS, AND FOR ASSURING THAT THE SELECTION (A) CONFORMS TO CUSTOMER’S POLICIES AND PROCEDURES AND (B) COMPLIES WITH ALL APPLICABLE LAWS IN THE JURISDICTION IN WHICH CUSTOMER OPERATES OR IS REGISTERED.

12.4 CUSTOMER ACKNOWLEDGES AND AGREES THAT SYMANTEC WILL HAVE NO LIABILITY WHATSOEVER FOR ANY CLAIMS, LOSSES, ACTIONS, DAMAGES, SUITS, OR PROCEEDINGS RESULTING FROM: (A) THE USE OF THE PRODUCTS OR SERVICES BY CUSTOMER OR BY THIRD PARTIES; (B) SECURITY BREACHES; (C) EAVESDROPPING, INTERCEPTION, FAILURE OF DELIVERY OR LOSS OF DATA SENT, STORED, OR RECEIVED USING THE PRODUCTS OR SERVICES; OR (D) USE OR LOSS OF CUSTOMER’S SOFTWARE, FIRMWARE, INFORMATION OR MEMORY DATA CONTAINED IN, STORED ON, OR INTEGRATED WITH ANY HARDWARE OR SOFTWARE RETURNED TO SYMANTEC UNDER THIS AGREEMENT. THESE LIMITATIONS SHALL APPLY EVEN IF SYMANTEC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

13. Disclaimers of Liability. CUSTOMER ACKNOWLEDGES AND AGREES THAT SYMANTEC WILL HAVE NO LIABILITY WHATSOEVER AND SPECIFICALLY EXCLUDES LIABILITY FOR (A) ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES OR LOSS, (B)
LOSS OF PROFITS, (C) LOSS OF DATA, (D) BUSINESS INTERRUPTION) AND (E) COSTS OF PROCURING SUBSTITUTE GOODS, SOFTWARE OR SERVICES, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

14. Limitation of Liability. SYMANTEC’S MAXIMUM LIABILITY WHETHER FOR BREACH OF THIS AGREEMENT OR IN TORT (INCLUDING NEGLIGENCE) OR FOR ANY OTHER COMMON LAW OR STATUTORY CAUSE OF ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT IS LIMITED IN THE AGGREGATE TO TWO TIMES THE FEES PAID FOR THE SPECIFIC PRODUCT OR SERVICE GIVING RISE TO SUCH LIABILITY. NO TERMS OF SECTION 13, SECTION 14 OR ELSEWHERE IN THE AGREEMENT SHALL OPERATE TO LIMIT OR EXCLUDE LIABILITY THAT CANNOT BE LIMITED OR EXCLUDED BY APPLICABLE LAW INCLUDING, BUT WITHOUT LIMITATION, UNDER THE LAWS OF THE UK (A) THE TORT OF DECEIT; AND (B) DEATH OR PERSONAL INJURY CAUSED BY ITS NEGLIGENCE FOR ANY LIABILITY WHICH CANNOT BE EXCLUDED, BUT CAN BE LIMITED, SYMANTEC’S LIABILITY IS LIMITED TO RE-SUPPLYING OR PAYING THE COST OF RE-SUPPLYING APPLICABLE PRODUCTS.

15. Customer Indemnity. Customer on behalf of itself and its agents, officers, directors, employees or affiliates shall defend and indemnify and hold Symantec and its affiliates, shareholders, employees, agents, and subcontractors harmless against all claims, suits, losses, damages, liabilities, costs, and expenses including reasonable legal expenses and fees arising out of, resulting from or relating to: (a) any breach of a representation or warranty made by Customer herein; (b) Customer's failure to comply with any applicable laws or regulations including but not limited to the Export Control and Sanctions Rules; (c) Customer's modification of the Products, and any claim against Symantec in connection with any unauthorized installation, use, copying, access or distribution of any Product that Symantec has provided to Customer under this Agreement; (d) any alleged infringement or misappropriation of any intellectual property rights of any third party based on or related to Product modifications not made by Symantec, and/or (e) Customer's breach of this Agreement.

16. Miscellaneous. Neither the license to use nor this Agreement are assignable or transferable by Customer without prior written notice, and written consent from, Symantec; any attempt to do so shall be void. Any consent granted by Symantec shall be subject to the restrictions set forth in this Agreement, including without limitation sub-section 4.3. Any notice, report, approval or consent required or permitted hereunder shall be in writing. If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable. This Agreement and all non-contractual obligations arising from or connected with the same shall be governed by and construed in accordance with the laws of: (a) the State of California without regard to the conflicts of laws provisions thereof for a Customer in the Americas and such Customer consents to the sole jurisdiction and venue of the state or federal courts of Santa Clara County, California for actions related to the subject matter hereof and irrevocably waive any objection on the grounds of venue, forum non-conveniens or any similar grounds; or (b) England and Wales without regard to the conflicts of laws provisions thereof for a Customer in APAC/EMEA and such Customer consents to the sole jurisdiction and venue of the courts of London, England for actions related to the subject matter hereof and irrevocably waive any objection on the grounds of venue, forum non-conveniens or any similar grounds. The United Nations Convention on Contracts for the International Sale of Goods or the Uniform Commercial Code or similar statutes shall not apply with respect to this Agreement. Except for actions
related to the secrecy of confidential information or the protection of the proprietary rights of Symantec and its suppliers, no action arising or resulting from this Agreement, may be brought by either party more than two (2) years after the cause of action accrued. Customer agrees that a material breach of this Agreement would cause irreparable injury to Symantec, its suppliers and/or its licensors for which monetary damages would not be an adequate remedy and that Symantec, its suppliers and its licensors shall be entitled to equitable relief in addition to any remedies it may have hereunder or at law. Any waivers or amendments shall be effective only if made in writing by non-preprinted agreements clearly understood by both parties to be an amendment or waiver and signed by an authorized representative of the respective parties. SYMANTEC RESERVES THE RIGHT TO UNILATERALLY MODIFY THE TERMS AND CONDITIONS OF THIS AGREEMENT INCLUDING WITHOUT LIMITATION THE COMMERCIAL TERMS) AT THE COMMENCEMENT OF ANY RENEWAL PERIOD BY NOTICE. Notice includes, but is normally not limited to, posting details at www.bluecoat.com and/or email announcements sent to the Customer representative. Submission of a renewal order shall mean that the Customer expressly and unreservedly accepts all the amendments contained in the notice, which shall take effect immediately upon commencement of the new term. Customer consents to its logo and name to be included in any listing of Symantec’s current Customers, as Symantec may reasonably deem appropriate from time to time, on Symantec’s website and marketing materials. Both parties agree that this Agreement is the complete and exclusive statement of mutual understanding of the parties in regards to the Products and takes precedence over all previous agreements relating to the Products.

OPTIONS:

Option 1: Approve Manager’s Report.

Pro: The Department can move forward with the purchase of the Symantec Software, which provides intrusion prevention, firewall, and anti-malware features for staff computers.

Cons: The Board would agree to unspecified future obligations in the event a breach or similar contract issue occurs.

Option 2: Do Not Approve Manager’s Report.

Pro: There is no risk associated with unspecified future obligations.

Cons: The Department would not be able to utilize the Symantec Software and would continue to use staff time to search for another similar software, which would most likely contain similar indemnification, attorney’s fees, and governing law and arbitration provisions.

SN:JM/ein

Mgrp/December 2018/19-34/Discussion and Possible Action to Request Board Approval for Indemnification, Attorney’s Fees, and Governing Law for use of Symantec Corporation software between the Board of Water Supply, County of Kauai and Symantec Corporation (12-28-18):ein
Consent Calendar
DEPARTMENT OF WATER
County of Kaua‘i

"Water has no Substitute – Conserve It!"

MANAGER’S REPORT No. 19-35

December 28, 2018

Re: Discussion and Possible Action to approve a Grant of Easement Agreement for the Water Meter Plan for Parcel 2 Omao Homesteads, affecting the following:
   a. Jennifer Susan Riddall, TMK: (4) 2-7-004:002, Omao, Kaua‘i, Hawai‘i

RECOMMENDATION:
It is recommended that the Board approve the Grant of Easement document; whereby, the above landowners, grant to the Board of Water Supply, County of Kaua‘i, easement “W-3” on, over and under that certain parcel of land located TMK: (4) 2-7-004:002 as specified above in Omao, Kaua‘i, Hawai‘i, for the following work:

1. Reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances.

Further, the GRANTEE shall indemnify and save the GRANTOR harmless from and against all damage to the GRANTOR’s property and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area.

FUNDING: N/A.

BACKGROUND:
As part of the constructions plans the subject project, the above owner installed a 6-inch Reduced Pressure Detector Assembly (RPDA) and 3- 5/8” water meters. The RPDA facilities are on private property which requires an easement in favor of Department of Water.

OPTIONS
Option 1: Approve the Grant of Easement.
Pro: Project can be completed as designed. The 6-inch Reduced Pressure Detector Assembly water meter will be installed to activate fire line.
Con: None.

Option 2: Do not approve the Grant of Easement.
Pro: None.
Con: Project won’t be completed as designed. The RPDA meter will remain uninstalled and fire line will not be active.

DM/ein

Attachment: Grant of Easement - Jennifer Susan Riddall, TMK: (4) 2-7-004:002, Omao, Kaua‘i, Hawai‘i

Mgrp/December 2018/19-35/Discussion and Possible Action to approve a Grant of Easement Agreement for the Water Meter Plan for Parcel 2 Omao Homesteads, affecting the following: a. Jennifer Susan Riddall, TMK: (4) 2-7-004:002, Omao, Kaua‘i, Hawai‘i (12-28-18):ein
LAND COURT SYSTEM

After Recordation Return By: MAIL [XX] Pickup [ ]

TO:

DEPARTMENT OF WATER

4398 PUA LOKE STREET

LIHUE, KAUAI, HAWAII 96766

REGULAR SYSTEM

GRANT OF EASEMENT

for

TMK: (4) 2 - 7 - 0 0 4 : 0 0 2 ;

T-20056

THIS INDENTURE is made on this _________ day of ________________________, 2018, between:

Jennifer Susan Riddall

whose principal place of residence is:

3621 Omao Road Kōloa, Kaua‘i, Hawai‘i 96756

and whose mailing address is:

Post Office Box 337 Kōloa, Kaua‘i, Hawai‘i 96756

Water Meter Plan for Parcel 2 Omao Homesteads
Jennifer Susan Riddall
(hereafter "GRANTOR") and the BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I, whose mailing address is 4398 Pua Loke Street, Līhu‘e, Kaua‘i, Hawai‘i 96766 (hereafter "GRANTEE");

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE an easement in perpetuity on, over, and under that certain parcel of land located generally at Līhu‘e District, Kaua‘i, Hawai‘i, Tax Map Key No. (4) 2 7 0 0 4 0 0 2; Project Name: Water Meter Plan for Parcel 2 Omao Homesteads.

Subdivision No.: Not Applicable, and more particularly described in Exhibit "A", which is attached and incorporated by reference into this grant of easement (hereafter "easement area").

This easement is granted 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 facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement area, with or without vehicles or equipment, as the Grantee deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the Easement Area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR. In such an event, this Grant of Easement shall cease to exist by operation of the GRANTEE’s non-use, without any necessary action on the GRANTOR’s part.
AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE and the benefits accruing to the GRANTOR under this Grant of Easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

1. That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable,

2. That the GRANTEE shall indemnify and save the GRANTOR harmless from and against all damage to the GRANTOR's property and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents, and employees while using the easement area;

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

4. That should the GRANTOR's development plans require that the easement area and/or waterworks facility improvements within, on, or under the Easement Area be re-located, the GRANTOR will, at the GRANTOR's own expense and pursuant to the GRANTEE's instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE's services;

5. That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is the subject of the easement area or any building or structure of any kind (other than roads, sidewalks, curbs or similar appurtenances) on the surface of the land over which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE.

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances.
This Paragraph No. 5, though, shall not prevent the GRANTOR from crossing over, constructing, and maintaining roadways within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not interfere with the exercise of the GRANTEE’s rights under this easement; and

6. That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons.

When used within this document the term “GRANTOR” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The term shall also mean the GRANTOR’s or GRANTOR’s estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This agreement may be executed in counterparts. Each counterpart shall be executed by one or more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[Remainder of this page was intentionally left blank]
APPROVED:

Bryan Wienand, P.E.
Manager & Chief Engineer
Department of Water, County of Kaua'i

ACCEPTED:
BOARD OF WATER SUPPLY,
COUNTY OF KAUA'I

By: Beth Tokioka
Its: Chairperson

GRANTEE

STATE OF HAWAI'I  )
   ) ss.
COUNTY OF KAUA'I  )

On this ___ day of ___________________, 2018 in the ___ Circuit, State of Hawai'i, before me personally appeared ________________, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person is the Chairperson for the Board of Water Supply, County of Kaua'i executed Grant of Easement for TMK: (4) 2 - 7 - 0 0 4 : 0 0 2 dated ______________ and consisting of ___ pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawaii
Name of Notary: Mary-jane Akuna
My Commission expires: March 30, 2022
OWNER:

Jennifer Susan Riddall

By: Jennifer Susan Riddall

GRANTOR

STATE OF Hawaii ss

COUNTY OF Kauai

On this 6th day of December 2018, before me personally appeared Jennifer Susan Riddall who is personally known to me.

1. whose identity I proved on the basis of Hawaii Driver License

2. whose identity I proved on the oath/affirmation of ______________

__________, a credible witness:

Who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Kristine K Frey
Notary Public, State of Hawaii

Doc. Date: 12/14/18
Notary Name: Kristine K Frey

Name of Notary: Kristine K Frey

My Commission expires: 5/24/2019

Water Meter Plan for Parcel 2 Omao Homesteads
Jennifer Susan Riddall

PAGE 123
EASEMENT W-3
(for water utility purposes)

LAND SITUATED AT OMAO, KOLOA, KAUAI, HAWAII

Being Portion of Parcel 2
Being also Portion of R.P. 1936, L.C. Aw. 387 No. 4 of Part 2, Section 3

Beginning at the northeast corner of this parcel of land, on the west side of Omao Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LAAUKAHI" being 9,806.37 feet South and 4,561.22 feet West, thence running by azimuths measured clockwise from true South:

1. 11° 43' 46.06 feet; along the west side of Omao Road, on a curve to the right with a radius of 226.59 feet, the chord azimuth and distance being:
2. 103° 45' 16.63 feet along the remainder of Parcel 2;
3. 193° 45' 46.03 feet along the remainder of Parcel 2;
4. 283° 45' 15.00 feet along the remainder of Parcel 2 to the point of beginning and containing an area of 764 Sq. Ft.

DESCRIPTION PREPARED BY:
ESAKI SURVEYING & MAPPING, INC.

Wayne T. Wada
Licensed Professional Surveyor
Certificate Number 4596

Lihue, Hawaii
November 2018
DEPARTMENT OF WATER
County of Kaua‘i

"Water has no Substitute – Conserve It!"

MANAGER’S REPORT No. 19-36

December 28, 2018

Re: Discussion and Possible Action to approve a Grant of Easement Agreement for the Kīlauea Elementary School, Building A-Replace Waterline, affecting the following:

a. County of Kaua‘i, TMK: (4) 5-2-009:006, Kīlauea, Kaua‘i, Hawai‘i

RECOMMENDATION:
It is recommended that the Board approve the Grant of Easement document; whereby, the above landowners, grant to the Board of Water Supply, County of Kaua‘i, easement “W-1” on, over and under that certain parcel of land located TMK: (4) 5-2-009:006 as specified above in Kīlauea, Kaua‘i, Hawai‘i, for the following work:

1. Reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances.

Further, the GRANTEE shall indemnify and save the GRANTOR harmless from and against all damage to the GRANTOR’s property and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area.

FUNDING: N/A.

BACKGROUND:
As part of the constructions plans the subject project, the above owner installed a 2½” copper service lateral for a 2” water meter and 3” backflow preventer. The water meter facilities are on private property which requires an easement in favor of Department of Water.

OPTIONS

Option 1: Approve the Grant of Easement.
Pro: Project can be completed as designed. The 2” water meter will be installed to activate domestic line.

Con: None.

Option 2: Do not approve the Grant of Easement.
Pro: None.

Con: Project won’t be completed as designed. The 2” meter will remain uninstalled and domestic line will not be active.

DM/ein

Attachment: Grant of Easement - County of Kaua‘i, TMK: (4) 5-2-009:006, Kīlauea, Kaua‘i, Hawai‘i

LAND COURT SYSTEM

REGULAR SYSTEM

After Recordation Return By: MAIL [XX] Pickup [ ]

TO:

DEPARTMENT OF WATER
4398 PUA LOKE STREET
LIHUE, KAUA'I, HAWAII 96766

GRANT OF EASEMENT

for

TMK: (4) 5 - 2 - 0 0 0 9 : 0 0 0 6 ;

THIS INDENTURE is made on this _______ day of __________________, 2018, between:

County of Kaua‘i, a political subdivision of the State of Hawai‘i

whose principal place of business is:

4444 Rice Street, Suite 280 Li‘ihu‘e, Kaua‘i, Hawai‘i 96766

and whose mailing address is

4444 Rice Street, Suite 280 Li‘ihu‘e, Kaua‘i, Hawai‘i 96766
(hereafter "GRANTOR") and the BOARD OF WATER SUPPLY, COUNTY OF KAUAʻI, whose mailing address is 4398 Pua Loke Street, Līhuʻe, Kauaʻi, Hawaiʻi 96766 (hereafter "GRANTEE");

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE an easement in perpetuity on, over, and under that certain parcel of land located generally at Hanalei District, Kauaʻi, Hawaiʻi, Tax Map Key No. 4 5 2 0 9 0 0 6; Project Name: Kīlauea Elementary School, Building A – Replace Waterline, Subdivision No.: N/A, and more particularly described in Exhibit "A", which is attached and incorporated by reference into this grant of easement (hereafter "easement area").

This easement is granted 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 facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement area, with or without vehicles or equipment, as the Grantee deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the Easement Area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR's re-entry revert to the GRANTOR. In such an event, this Grant of Easement shall cease to exist by operation of the GRANTEE's non-use, without any necessary action on the GRANTOR's part.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE and the benefits accruing to the GRANTOR under this Grant of Easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:
1. That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable,

2. That the GRANTEE shall indemnify and save the GRANTOR harmless from and against all damage to the GRANTOR's property and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents, and employees while using the easement area;

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

4. That should the GRANTOR's development plans require that the easement area and/or waterworks facility improvements within, on, or under the Easement Area be re-located, the GRANTOR will, at the GRANTOR's own expense and pursuant to the GRANTEE's instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE's services;

5. That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is the subject of the easement area or any building or structure of any kind (other than roads, sidewalks, curbs or similar appurtenances) on the surface of the land over which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE.

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances.

This Paragraph No. 5, though, shall not prevent the GRANTOR from crossing over, constructing, and maintaining roadways within the easement area or laying, operating,
maintaining, repairing, or removing conduits and drains which do not interfere with the exercise of the GRANTEE's rights under this easement; and

6. That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons.

When used within this document the term "GRANTOR" shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The term shall also mean the GRANTOR's or GRANTOR's estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This agreement may be executed in counterparts. Each counterpart shall be executed by one or more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[Remainder of this page was intentionally left blank]
APPROVED:

Bryan Wienand, P.E.
Manager & Chief Engineer
Department of Water, County of Kaua’i

APPROVED AS TO FORM
AND LEGALITY:

Mahealani M. Krafft
Deputy County Attorney

ACCEPTED:
BOARD OF WATER SUPPLY,
COUNTY OF KAUÀ‘I

By: Beth Tokioka
Its: Chairperson

GRANTEE

STATE OF HAWAI‘I  )
 ) ss.
COUNTY OF KAUÀ‘I  )

On this ___ day of __________, 2018 in the ___ Circuit, State of Hawai‘i,
before me personally appeared ____________, who is personally known to me or whose identity I
proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such
person is the Chairperson for the Board of Water Supply, County of Kaua’i executed Grant of
Easement for TMK: (4) 5 - 2 - 0 0 9 : 0 0 6 dated ____________ and consisting
of ___ pages at the time of notarization, as the free act and deed of such person, and if applicable in the
capacity shown, having been duly authorized to execute such instrument in such capacity.

____________________________________
Notary Public, State of Hawaii
Name of Notary: Mary-Jane Akuna
My Commission expires: March 30, 202
OWNER:
County of Kauai

By: Ken Shimonishi
Its: Director of Finance

GRANTOR

STATE OF Hawai‘i )
) ss
COUNTY OF Kauai )

On this 19th day of November, 2018, in the 5th Circuit, State of Hawai‘i, before me appeared Ken Shimonishi who is personally known to me or whose identity I proved on the basis of satisfactory evidence, being by me duly sworn or affirmed, did say that such person is the Director of Finance of County of Kauai executed Grant of Easement for TMK: (4) 5-2-0 0 9 0 6 dated at time of notarization consisting of 8 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, have been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawai‘i
Name of Notary: Laura A. Ebinger-Kelakona
My Commission expires: April 10, 2019
EASEMENT W-1

LAND SITUATED AT KILAUEA, HANALEI, KAUAI, HAWAII

Being Portion of Kilauea School Lot

Being Also a Portion of Grant 2896 to Charles Titcomb

Beginning at the northwest corner of this parcel of land, on the Northeast side of Kolo Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KILAUEA" being 6,484.54 feet South and 4,966.75 feet West, thence running by azimuths measured clockwise from true South:

1. 233° 53'  10.00  feet along Grant 2896 to Charles Titcomb (Kilauea School Lot);
2. 323° 53'  13.00  feet along Grant 2896 to Charles Titcomb (Kilauea School Lot);
3. 53° 53'  10.00  feet along Grant 2896 to Charles Titcomb (Kilauea School Lot);
4. 143° 53'  13.00  feet along the northeast side of Kolo Road to the point of beginning and containing an area of 130 sq. ft.

DESCRIPTION PREPARED BY:
ESAKI SURVEYING & MAPPING, INC.

Dennis M. Esaki
Licensed Professional Land Surveyor
Certificate Number 4383

Lihue, Hawaii  December 2017
FISCAL REPORT: MONTHLY SUMMARY HIGHLIGHTS – NOVEMBER, 2018

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

YEAR TO DATE (YTD) BUDGET & ACTUAL EXPENSES SUMMARY – AS OF NOVEMBER, 2018

<table>
<thead>
<tr>
<th></th>
<th>BUDGET</th>
<th>VS</th>
<th>EXPENSED</th>
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<tr>
<td>· Operating Expenses</td>
<td>$14,715,915.72</td>
<td>$8,853,167.94</td>
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<tr>
<td>· Debt Principal Payment</td>
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<td>· Capital Projects</td>
<td>25,283,175.44</td>
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<td>$43,865,521.18</td>
<td>$15,158,434.41</td>
<td></td>
</tr>
</tbody>
</table>

REVENUES: VARIANCE = “ACTUAL” LESS “BUDGET”; POSITIVE INDICATES HIGHER PERFORMANCE THAN EXPECTED.

- Total Revenue as of November, 2018 was 20% below projection.
  - Water sales of $11.6 million (M) was $595.8 thousand (“K”) lower or -5%.
  - Other Water Revenue - Receipts of $257.3K exceeded projection by 153.2K or 147%.
  - Capital Contributions: Cash contributions including Federal & State Grants – $359.6K.
  - Investment Income & Net Increase in FV of Investments – $215.4K.
  - Miscellaneous Revenues - $63.6K.

OPERATING EXPENSES: VARIANCE = BUDGET LESS ACTUAL EXPENSES; POSITIVE INDICATES LESS SPENDING THAN PLANNED. REVISED YTD BUDGET COLUMNS INCLUDE PO ROLLOVER FROM FY ENDING 2018.

- YTD Operating Expenses before depreciation and amortization was $8.9M. Total spending was $5.9M less than planned or budgeted; a positive variance of 40%.
  - Employee Related Expenses – $3.1M with a 13% positive variance.
  - Contracts & Services – $1.6M with a 72% positive variance.
    - Professional Services, Insurance, Repairs and Maintenance, water and non-water systems are the main items contributing to the 78% positive variance.
  - Exceptional Expenses – None.
  - Fuel & Utilities – $1.02M; 18% positive variance.
  - Bulk Water Purchase – $585.7K; 22% positive variance.
  - Office & Operating Supplies – $321K, 57% positive variance.
  - Training, Travel & Meeting Expenses – $30.1K.
  - Debt Service – Interest Expense - $1.4M.
  - Depreciation & Amortization (non-cash expenses) is $3.25M.

NET OPERATING INCOME:
DEPARTMENT OF WATER
County of Kaua‘i
“Water has no Substitute – Conserve It!”

- Net Operating Income before depreciation and amortization - $4.57M.
- Net Operating Income after depreciation & amortization was $1.32M.

NON-OPERATING PROCEEDS & DISBURSEMENTS
- SRF Loan Proceeds – None.
- FRC – Facility Reserve Charge – $341.2K.
- YTD Debt Principal Payment is $3.87M.

CAPITAL PROJECTS BUDGET: YTD DISBURSEMENTS = $2,438,836.45
- Capital Projects: Water Utility Fund - $1.5M.
- Capital Projects: FRC Fund – $58.5K
- Capital Projects: BAB Fund - $881.4K.
- Capital Projects: SRF Loan Fund - None.


<table>
<thead>
<tr>
<th>REPORT TO MANAGER (with approved Budget)</th>
<th>MANAGER'S REPORT (New Budget Requests)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Utility Fund</td>
<td>$1,409,955.04</td>
</tr>
<tr>
<td>FRC Fund</td>
<td>$0.00</td>
</tr>
<tr>
<td>BAB Fund</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total</td>
<td>$1,409,955.04</td>
</tr>
</tbody>
</table>

III. COMPARATIVE CHARTS:

METERED CONSUMPTION:
- November, 2018 metered consumption –306.1 million gallons (mg); decreased by 23.8 mg as compared from the same month of FY 2018.
- Year to Date (YTD) metered consumption as of 11/30/18 –1,653 mg; YTD decrease of 214.6mg as compared from the same month of FY 2018.

IV. COMPARATIVE BALANCE SHEET:

V. OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:
- Five (5) years Water Rate Study – The Rate Study period was changed from FY 2017-2021 to FY 2019-2023; the financial model was updated with the latest approved FY 2018-2019 budget and re-prioritized CIP lists. The DOW Staff is still reviewing the revised CIP list to be submitted to the Consultants.
- The Management IT Steering Committee was formed to comply with the Financial Statement Finding 2017-001 IT Controls Deficiencies (Significant Deficiency) on IT Governance. After several meetings held, the Committee submitted a list of DOW IT priorities for review and consideration by management.
- The Financial Statements Audit Report – final audit report was submitted.
• Procurement for CC&B hosting services is now managed by the IT staff.
• Develop Financial Policies for DOW – scope of work is in progress, procurement of Consultants will follow.
• Budget Program Solution – It will be addressed concurrently with the Financial Policies Development procurement.
MY/ein
## I. OPERATING BUDGET

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Original</th>
<th>Revised</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Sales</td>
<td>$2,446,230.58</td>
<td>$2,446,230.58</td>
<td>$2,154,853.59</td>
<td>($291,264.99)</td>
</tr>
<tr>
<td>Revenue from Public Fire Protection</td>
<td>177,774.50</td>
<td>177,774.50</td>
<td>178,042.50</td>
<td>268.00</td>
</tr>
<tr>
<td>Other Water Revenue</td>
<td>20,833.33</td>
<td>20,833.33</td>
<td>94,995.49</td>
<td>74,162.16</td>
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<tr>
<td>Federal Grants</td>
<td>22,885.08</td>
<td>22,885.08</td>
<td>(22,660.08)</td>
<td>113,300.40</td>
</tr>
<tr>
<td>State Grants</td>
<td>655,796.58</td>
<td>655,796.58</td>
<td>(655,796.58)</td>
<td>3,270,997.90</td>
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<tr>
<td>Capital Contributions</td>
<td>52,873.50</td>
<td>52,873.50</td>
<td>71,914.80</td>
<td>19,041.40</td>
</tr>
<tr>
<td>Net Increase in Fair Value of Investments</td>
<td>(2,500.00)</td>
<td>(2,500.00)</td>
<td>2,026.25</td>
<td>5,236.25</td>
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<tr>
<td>Investment Income</td>
<td>13,750.00</td>
<td>13,750.00</td>
<td>117,283.10</td>
<td>103,533.10</td>
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<tr>
<td>Gain or Loss on Disposal of Capital Assets</td>
<td>416.67</td>
<td>416.67</td>
<td>(416.67)</td>
<td>2,083.35</td>
</tr>
<tr>
<td>Gain or Loss from the Retirement of Debt</td>
<td></td>
<td></td>
<td></td>
<td>6,250.00</td>
</tr>
<tr>
<td>Miscellaneous Revenues</td>
<td>83.33</td>
<td>83.33</td>
<td>1,238.30</td>
<td>1,154.97</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>3,387,921.57</td>
<td>3,387,921.57</td>
<td>2,621,268.13</td>
<td>(766,653.44)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2019</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee-Related Expenses</td>
<td>$12,231,152.90</td>
<td>11,635,394.11</td>
<td>($595,758.79)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Salaries and Wages (includes Leaves &amp; CTO)</td>
<td>888,872.50</td>
<td>890,212.50</td>
<td>1,340.00</td>
<td>147%</td>
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<tr>
<td>Temporary Assignment</td>
<td>164,186.85</td>
<td>267,348.45</td>
<td>103,161.60</td>
<td>(62%)</td>
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<tr>
<td>Overtime</td>
<td>113,300.40</td>
<td>(113,300.40)</td>
<td>100%</td>
<td></td>
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<tr>
<td>Overhead</td>
<td>264,367.50</td>
<td>350,574.52</td>
<td>86,207.02</td>
<td>36%</td>
</tr>
<tr>
<td>Standby</td>
<td>(12,500.00)</td>
<td>20,695.00</td>
<td>33,195.00</td>
<td>(12%)</td>
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<tr>
<td>FICA</td>
<td>68,756.00</td>
<td>213,662.49</td>
<td>144,906.49</td>
<td>(21)%</td>
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<tr>
<td>Retirement Contribution</td>
<td>2,083.35</td>
<td>(2,083.35)</td>
<td>100%</td>
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<tr>
<td>Life &amp; Health Insurance</td>
<td>16,593,697.85</td>
<td>13,421,487.23</td>
<td>(3,172,210.62)</td>
<td>(21)%</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>416.67</td>
<td>3,000.53</td>
<td>63,180.88</td>
<td>15105%</td>
</tr>
<tr>
<td>Unemployment Compensation</td>
<td>416.67</td>
<td>3,000.53</td>
<td>63,180.88</td>
<td>15105%</td>
</tr>
<tr>
<td>Post Employment Benefits (OPEB)</td>
<td>84,248.89</td>
<td>84,249.99</td>
<td>106,986.31</td>
<td>(22,739.32)</td>
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<tr>
<td><strong>Total Employee-Related Expenses</strong></td>
<td>889,476.31</td>
<td>893,476.31</td>
<td>78,116.72</td>
<td>4,447,351.31</td>
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</table>

<table>
<thead>
<tr>
<th>Contracts &amp; Services</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Services-General</td>
<td>3,407,047.32</td>
<td>246,433.01</td>
<td>3,161,514.31</td>
<td>93%</td>
</tr>
<tr>
<td>Professional Services-Accounting &amp; Auditing</td>
<td>107,397.70</td>
<td>53,000.06</td>
<td>54,397.64</td>
<td>50%</td>
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<tr>
<td>Other Services-General</td>
<td>20,385.65</td>
<td>16,816.87</td>
<td>3,568.78</td>
<td>22%</td>
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<tr>
<td>Other Services-Billing Costs</td>
<td>89,167.35</td>
<td>54,339.47</td>
<td>34,827.88</td>
<td>37%</td>
</tr>
<tr>
<td>Public Relations-General</td>
<td>48,375.00</td>
<td>35,914.29</td>
<td>12,460.71</td>
<td>23%</td>
</tr>
<tr>
<td>Procurement Advertising</td>
<td>4,166.65</td>
<td>4,166.65</td>
<td>0.00</td>
<td>100%</td>
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<tr>
<td>Communication Services</td>
<td>51,920.20</td>
<td>33,204.87</td>
<td>18,715.33</td>
<td>36%</td>
</tr>
<tr>
<td>Freight and Postage</td>
<td>6,250.00</td>
<td>6,250.00</td>
<td>0.00</td>
<td>100%</td>
</tr>
<tr>
<td>Rentals and Leases</td>
<td>20,907.29</td>
<td>35,782.51</td>
<td>14,875.22</td>
<td>55%</td>
</tr>
<tr>
<td>Insurance</td>
<td>487,916.65</td>
<td>45,062.10</td>
<td>442,854.55</td>
<td>91%</td>
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<tr>
<td>County Service Charge</td>
<td>130,572.82</td>
<td>35,152.28</td>
<td>95,420.54</td>
<td>74%</td>
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<tr>
<td>Repairs and Maintenance-Water System</td>
<td>3,784,998.00</td>
<td>148,387.79</td>
<td>3,636,610.21</td>
<td>61%</td>
</tr>
<tr>
<td><strong>Total Contracts &amp; Services</strong></td>
<td>5,775,439.46</td>
<td>1,601,041.43</td>
<td>4,174,398.03</td>
<td>72%</td>
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Report Format Created by: Sh. Nadataal
12/18/2016 4:32 PM
<table>
<thead>
<tr>
<th>Category</th>
<th>November</th>
<th>FY 2019</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exceptional Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2014 &amp; FY 2015 Kalaneo Emergency</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>FY 2015 Kapaa</td>
<td></td>
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</tr>
<tr>
<td>Abandoning Hanamaulu Wells 1 &amp; 2</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Exceptional Expenses</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Fuel &amp; Utilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility Services</td>
<td>239,795.00</td>
<td>239,795.00</td>
<td>239,801.33</td>
<td>1,199,673.45</td>
<td>10%</td>
</tr>
<tr>
<td>Fuel</td>
<td>9,625.00</td>
<td>9,625.00</td>
<td>2,027.99</td>
<td>48,125.00</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total Fuel &amp; Utilities</strong></td>
<td>249,420.00</td>
<td>249,420.00</td>
<td>237,829.32</td>
<td>1,247,758.45</td>
<td>18%</td>
</tr>
<tr>
<td>Bulk Water Purchase</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bulk Water Purchase</td>
<td>150,848.00</td>
<td>150,848.00</td>
<td>141,827.99</td>
<td>754,240.00</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Total Bulk Water Purchase</strong></td>
<td>150,848.00</td>
<td>150,848.00</td>
<td>141,827.99</td>
<td>754,240.00</td>
<td>22%</td>
</tr>
<tr>
<td>Office &amp; Operating Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Supplies</td>
<td>1,833.33</td>
<td>1,833.33</td>
<td>1,415.54</td>
<td>9,166.05</td>
<td>8%</td>
</tr>
<tr>
<td>Operating Supplies</td>
<td>104,337.49</td>
<td>104,337.49</td>
<td>103,081.04</td>
<td>730,127.44</td>
<td>67%</td>
</tr>
<tr>
<td>Books, Subscriptions and Dues</td>
<td>2,563.75</td>
<td>2,563.75</td>
<td>2,309.06</td>
<td>12,518.75</td>
<td>81%</td>
</tr>
<tr>
<td>Books, Subscriptions and Dues - Board</td>
<td>65.42</td>
<td>65.42</td>
<td>427.10</td>
<td>427.10</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total Office &amp; Operating Supplies</strong></td>
<td>108,759.99</td>
<td>108,759.99</td>
<td>66,948.95</td>
<td>752,239.94</td>
<td>57%</td>
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<tr>
<td>Training, Travel &amp; Meeting Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training and Development</td>
<td>10,631.67</td>
<td>10,631.67</td>
<td>10,262.71</td>
<td>53,158.35</td>
<td>58%</td>
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<tr>
<td>Travel and Per Diem</td>
<td>7,047.49</td>
<td>7,047.49</td>
<td>6,773.10</td>
<td>35,237.41</td>
<td>82%</td>
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<tr>
<td>Travel and Per Diem - Board</td>
<td>1,457.50</td>
<td>1,457.50</td>
<td>1,457.50</td>
<td>7,287.50</td>
<td>100%</td>
</tr>
<tr>
<td>Meeting Expense</td>
<td>2,200.00</td>
<td>2,200.00</td>
<td>2,102.00</td>
<td>11,000.00</td>
<td>92%</td>
</tr>
<tr>
<td>Meeting Expense - Board</td>
<td>1,172.92</td>
<td>1,172.92</td>
<td>1,134.02</td>
<td>5,835.69</td>
<td>95%</td>
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<tr>
<td><strong>Total Training, Travel &amp; Meeting Expenses</strong></td>
<td>22,509.58</td>
<td>22,509.58</td>
<td>21,730.23</td>
<td>112,618.86</td>
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<td>Debt Service</td>
<td></td>
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<tr>
<td>Interest Expense</td>
<td>284,846.30</td>
<td>284,846.30</td>
<td>6,106.32</td>
<td>1,424,231.50</td>
<td>2%</td>
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<tr>
<td><strong>Total Interest Expense</strong></td>
<td>284,846.30</td>
<td>284,846.30</td>
<td>6,106.32</td>
<td>1,424,231.50</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>2,445,217.28</td>
<td>2,445,217.28</td>
<td>986,868.29</td>
<td>14,715,915.72</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Net Operating Income (Loss) Before Depreciation &amp; Amortization</strong></td>
<td>942,764.29</td>
<td>942,764.29</td>
<td>222,032.85</td>
<td>2,223,692.12</td>
<td>165%</td>
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<tr>
<td>Depreciation &amp; Amortization</td>
<td></td>
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<tr>
<td>Depreciation</td>
<td>609,562.50</td>
<td>609,562.50</td>
<td>23,434.61</td>
<td>3,047,812.50</td>
<td>4%</td>
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<tr>
<td>Amortization</td>
<td>58,533.33</td>
<td>58,533.33</td>
<td>4,307.31</td>
<td>291,666.65</td>
<td>11%</td>
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<tr>
<td><strong>Total Depreciation &amp; Amortization</strong></td>
<td>668,095.83</td>
<td>668,095.83</td>
<td>18,741.92</td>
<td>3,339,479.15</td>
<td>3%</td>
</tr>
<tr>
<td>Net Operating Income (Loss)</td>
<td>274,060.46</td>
<td>274,060.46</td>
<td>240,600.15</td>
<td>1,115,437.02</td>
<td>218%</td>
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</tbody>
</table>
### Department of Water, County of Kauai
#### Monthly Budget Summary vs. Actual
#### SUMMARY
11/30/2018

<table>
<thead>
<tr>
<th></th>
<th>November</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Budget</td>
<td>Revised Budget</td>
</tr>
<tr>
<td>Non Operating Proceeds</td>
<td>33,333.33</td>
<td>33,333.33</td>
</tr>
<tr>
<td>FRC-Facility Reserve Charge</td>
<td>32,333.33</td>
<td>33,333.33</td>
</tr>
<tr>
<td>Total Non Operating Proceeds</td>
<td></td>
<td></td>
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<tr>
<td>Transfers Out(in) to Other Funds</td>
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<tr>
<td>Debt Principal Payment</td>
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<tr>
<td><strong>Net Proceeds (Expenditures)</strong></td>
<td>306,141.79</td>
<td>306,141.79</td>
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<tr>
<td><strong>II. CAPITAL BUDGET</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects (See Attached for Details)</td>
<td>607,658.32</td>
<td>607,658.32</td>
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<tr>
<td>Capital Projects (See Attached for Details):</td>
<td>November</td>
<td>FY 2019</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>----------</td>
<td>---------</td>
</tr>
<tr>
<td>Water Utility - Capital Projects (See Attached for Details)</td>
<td>607,958.32/607,958.32</td>
<td>737,037.28</td>
</tr>
<tr>
<td>FRC Special Trust Fund - Capital Projects (See Attached for Details)</td>
<td>352,714.82</td>
<td></td>
</tr>
<tr>
<td>BAB Fund - Capital Projects (See Attached for Details)</td>
<td>555,755.94</td>
<td>58,322.70</td>
</tr>
<tr>
<td>SRF Loan Fund - Capital Projects (See Attached for Details)</td>
<td>6,133,346.84</td>
<td>881,352.61</td>
</tr>
<tr>
<td>Total Capital Projects (See Attached for Details)</td>
<td>607,958.32/607,958.32</td>
<td>1,089,752.10</td>
</tr>
<tr>
<td>Revised YTD Budget</td>
<td>19,594,078.76</td>
<td>1,498,060.84</td>
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<tr>
<td>YTD Actual</td>
<td>555,755.94</td>
<td>58,322.70</td>
</tr>
<tr>
<td>Variance</td>
<td>6,133,346.84</td>
<td>881,352.61</td>
</tr>
<tr>
<td>Variance %</td>
<td>25,283,175.44</td>
<td>2,438,838.45</td>
</tr>
<tr>
<td>Variance %</td>
<td>92%</td>
<td>68%</td>
</tr>
<tr>
<td>Variance %</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>Capital Projects (See Attached for Details):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>10-01-00-804-995 WU-Adm-RandR Capital Purchases</td>
<td>7,500.00</td>
<td>7,500.00</td>
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| Total Capital Projects (See Attached for Details) | 607,958.32 | 607,958.32 | 737,037.26 | 18,594,076.76 | 1,498,660.94 | 10,085,117.92 | 92% |
Department of Water, County of Kauai  
Monthly Budget Summary vs. Actual  
20  
11/30/2018

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<th>November</th>
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<td>Revised YTD Budget</td>
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<td>20-20-00-605-153 Job 15-08-HW-11-Haena 0.2MG Tank</td>
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<td>Total Capital Projects (See Attached for Details)</td>
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Department of Water, County of Kauai  
Monthly Budget Summary vs. Actual  
11/30/2018

**Capital Projects (See Attached for Details):**

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<tr>
<th>Project Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
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<td>30-20-00-604-105 BAB-Eng-ALLR-09-01 K-01 Kahakuloa 1111FT &amp; 1222FT</td>
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<td>30-20-00-605-116 BAB-Eng-ALLE-02-14 WK-08 Kapa'a Homesteads Tank</td>
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<td>30-20-00-605-158 BAB-Eng-ALLE-11-3 MO-03 Land &amp; Well Acq Molaa&amp;Wai</td>
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<td>30-21-00-605-118 Job 02-14 WK39 WK08 Kapa'a Hwstl Well 4; Pkg A Well</td>
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Total Capital Projects (See Attached for Details)

*Note: The variance values are calculated as a percentage of the original budget.*
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<tr>
<th>DATE</th>
<th>Contract #</th>
<th>Description</th>
<th>ACCOUNT #</th>
<th>CO/ OE</th>
<th>W/U (10)</th>
<th>FRC (20)</th>
<th>BAB (30)</th>
<th>SUB-TOTAL</th>
<th>W/U (10)</th>
<th>FRC (20)</th>
<th>BAB (30)</th>
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<td>11/11/2018</td>
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<td>11/8/2018</td>
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**TOTALS:** 1,409,955.04 - 856,523.00 - 856,523.00 2,266,478.04
### Billed Revenues Comparative Report

**For Fiscal Years 2017, 2018 & 2019**

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<th>Month</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Cum. Inc (Dec)</th>
<th>% Inc. (Dec.)</th>
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<td>$12,481,560</td>
<td>$13,685,184</td>
<td>$11,892,751</td>
<td>$(1,792,433)</td>
<td>-13.10%</td>
</tr>
</tbody>
</table>

### Billed Revenues Comparative Chart

**As of November: FY 2017, 2018 & 2019**

1. Revenue comparison
### Cash Receipts Comparative Chart
**As of November: FY 2017, 2018 & 2019**

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Cum. Inc (Dec)</th>
<th>% of Inc (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$2,036,499</td>
<td>$2,385,872</td>
<td>$2,449,372</td>
<td>$63,500</td>
<td>3%</td>
</tr>
<tr>
<td>August</td>
<td>$4,881,715</td>
<td>$5,504,876</td>
<td>$4,946,100</td>
<td>($558,776)</td>
<td>-10%</td>
</tr>
<tr>
<td>September</td>
<td>$7,182,779</td>
<td>$8,155,772</td>
<td>$7,122,906</td>
<td>($1,032,866)</td>
<td>-13%</td>
</tr>
<tr>
<td>October</td>
<td>$9,806,314</td>
<td>$11,034,364</td>
<td>$9,651,558</td>
<td>($1,382,805)</td>
<td>-13%</td>
</tr>
<tr>
<td>November</td>
<td>$12,190,276</td>
<td>$13,377,231</td>
<td>$11,794,419</td>
<td>($1,582,812)</td>
<td>-12%</td>
</tr>
</tbody>
</table>
# METERED CONSUMPTION (000 GALLONS) MONTHLY COMPARATIVE CHART

For Fiscal Years 2017, 2018 & 2019
(expressed in thousands)

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>INC (DEC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>436,238</td>
<td>383,831</td>
<td>344,364</td>
<td>-39,467 *</td>
</tr>
<tr>
<td>August</td>
<td>361,599</td>
<td>380,414</td>
<td>348,569</td>
<td>-31,845</td>
</tr>
<tr>
<td>September</td>
<td>415,176</td>
<td>399,598</td>
<td>325,351</td>
<td>-74,247</td>
</tr>
<tr>
<td>October</td>
<td>384,934</td>
<td>373,247</td>
<td>328,575</td>
<td>-44,672</td>
</tr>
<tr>
<td>November</td>
<td>398,863</td>
<td>329,959</td>
<td>306,129</td>
<td>-23,830</td>
</tr>
</tbody>
</table>

* refer to monthly summary highlights

---

**MONTHLY CONSUMPTION COMPARATIVE CHART**

As of November, FY 2017, 2018 & 2019
## YTD METERED CONSUMPTION (000 GALLONS) COMPARATIVE REPORT

For Fiscal Years 2017, 2018 & 2019

(expressed in thousands)

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>CUM. INC (DEC)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>363,695</td>
<td>383,831</td>
<td>344,364</td>
<td>-39,467</td>
<td>-10%</td>
</tr>
<tr>
<td>August</td>
<td>699,151</td>
<td>764,245</td>
<td>692,933</td>
<td>-71,312</td>
<td>-9%</td>
</tr>
<tr>
<td>September</td>
<td>1,070,588</td>
<td>1,163,843</td>
<td>1,018,284</td>
<td>-145,559</td>
<td>-13%</td>
</tr>
<tr>
<td>October</td>
<td>1,415,130</td>
<td>1,537,090</td>
<td>1,346,859</td>
<td>-190,231</td>
<td>-12%</td>
</tr>
<tr>
<td>November</td>
<td>1,765,039</td>
<td>1,867,049</td>
<td>1,652,988</td>
<td>-214,061</td>
<td>-11%</td>
</tr>
</tbody>
</table>

### YTD WATER CONSUMPTION COMPARATIVE CHART

As of November: FY 2017, 2018 & 2019

![YTD WATER CONSUMPTION COMPARATIVE CHART](chart.png)

4. ytdconsumption (000 gallons)
### Accounts Receivable Aging Summary

**As of November, 2018**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30 days</td>
<td>$1,381,354.68</td>
<td>$1,139,001.37</td>
<td>$1,264,228.29</td>
<td>$1,314,803.92</td>
<td>$1,326,312.44</td>
<td>$1,400,020.34</td>
<td>$1,426,925.50</td>
<td>$1,400,020.34</td>
<td>$1,292,124.74</td>
<td>$1,379,032.19</td>
<td>$1,427,201.11</td>
<td>$1,546,380.67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>76%</td>
<td>77%</td>
<td>79%</td>
<td>83%</td>
<td>82%</td>
<td>83%</td>
<td>84%</td>
<td>83%</td>
<td>84%</td>
<td>84%</td>
<td>85%</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>31-60 days</td>
<td>$231,756.53</td>
<td>$150,215.54</td>
<td>$143,787.68</td>
<td>$175,892.82</td>
<td>$148,614.05</td>
<td>$140,020.34</td>
<td>$133,750.82</td>
<td>$132,124.74</td>
<td>$134,614.05</td>
<td>$134,614.05</td>
<td>$134,614.05</td>
<td>$134,614.05</td>
<td></td>
</tr>
<tr>
<td></td>
<td>13%</td>
<td>10%</td>
<td>9%</td>
<td>11%</td>
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<td>9%</td>
<td>11%</td>
<td>9%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>61-90 days</td>
<td>$67,094.88</td>
<td>$57,742.78</td>
<td>$64,870.95</td>
<td>$31,621.88</td>
<td>$31,621.88</td>
<td>$31,621.88</td>
<td>$31,621.88</td>
<td>$31,621.88</td>
<td>$31,621.88</td>
<td>$31,621.88</td>
<td>$31,621.88</td>
<td>$31,621.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>91-120 days</td>
<td>$28,059.47</td>
<td>$29,418.86</td>
<td>$31,521.54</td>
<td>$14,855.07</td>
<td>$16,367.48</td>
<td>$13,599.78</td>
<td>$16,367.48</td>
<td>$13,599.78</td>
<td>$13,599.78</td>
<td>$13,599.78</td>
<td>$13,599.78</td>
<td>$13,599.78</td>
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<tr>
<td></td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
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<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>121 days and over</td>
<td>$110,600.05</td>
<td>$101,527.44</td>
<td>$100,575.50</td>
<td>$102,010.83</td>
<td>$62,295.94</td>
<td>$66,295.94</td>
<td>$76,171.26</td>
<td>$71,750.24</td>
<td>$40,345.50</td>
<td>$40,345.50</td>
<td>$40,345.50</td>
<td>$40,345.50</td>
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<tr>
<td></td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>4%</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Total AR</td>
<td>$1,818,670.61</td>
<td>$1,477,905.99</td>
<td>$1,604,741.46</td>
<td>$1,570,359.51</td>
<td>$1,587,823.14</td>
<td>$1,688,370.31</td>
<td>$1,704,991.15</td>
<td>$1,681,583.67</td>
<td>$1,341,305.66</td>
<td>$1,531,205.16</td>
<td>$1,586,500.34</td>
<td>$1,586,500.34</td>
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<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

*Total AR is net of Customer deposits and overpayments.

### Accounts Receivable Aging Summary

**As of November, 2018**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($137,487.02)</td>
<td>($134,774.53)</td>
<td>($166,498.67)</td>
<td>($181,077.13)</td>
<td>($184,820.51)</td>
<td>($189,177.32)</td>
<td>($153,828.48)</td>
<td>($180,434.20)</td>
<td>($187,150.80)</td>
<td>($121,827.60)</td>
<td>($188,853.60)</td>
<td>($213,241.42)</td>
</tr>
</tbody>
</table>
## DEPARTMENT OF WATER
### SUMMARY OF MCUTS
As of November, 2018

<table>
<thead>
<tr>
<th>FY MONTHS</th>
<th>FY</th>
<th>Count</th>
<th>Delinquent</th>
<th>Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>2</td>
<td>19</td>
<td>2,234.03</td>
<td>3,279.94</td>
</tr>
<tr>
<td>August</td>
<td>2</td>
<td>28</td>
<td>2,776.27</td>
<td>3,121.47</td>
</tr>
<tr>
<td>September</td>
<td>2</td>
<td>38</td>
<td>2,111.04</td>
<td>5,710.27</td>
</tr>
<tr>
<td>October</td>
<td>2</td>
<td>42</td>
<td>5,865.59</td>
<td>7,216.63</td>
</tr>
<tr>
<td>November</td>
<td>2</td>
<td>8</td>
<td>2,042.56</td>
<td>3,238.32</td>
</tr>
<tr>
<td>December</td>
<td>2</td>
<td>135</td>
<td>15,029.49</td>
<td>22,566.63</td>
</tr>
<tr>
<td>January</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td>510</td>
<td>133,824.29</td>
<td>112,282.44</td>
</tr>
</tbody>
</table>

*No Mcuts, new cloud service products were being tested and validated for roll out. Staff were working closely with Consultants, training, testing and validating customer accounts into a test company.

<table>
<thead>
<tr>
<th>FY MONTHS</th>
<th>FY</th>
<th>Count</th>
<th>Delinquent</th>
<th>Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>1</td>
<td>37</td>
<td>17,602.72</td>
<td>24,657.80</td>
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<tr>
<td>August</td>
<td>1</td>
<td>0</td>
<td></td>
<td>3,169.74</td>
</tr>
<tr>
<td>September</td>
<td>1</td>
<td>0</td>
<td></td>
<td>8,051.50</td>
</tr>
<tr>
<td>October</td>
<td>1</td>
<td>58</td>
<td>9,888.51</td>
<td>3,672.65</td>
</tr>
<tr>
<td>November</td>
<td>1</td>
<td>22</td>
<td>3,824.19</td>
<td>-</td>
</tr>
<tr>
<td>December</td>
<td>1</td>
<td>22</td>
<td>*</td>
<td>-</td>
</tr>
<tr>
<td>January</td>
<td>1</td>
<td>0</td>
<td>*</td>
<td>-</td>
</tr>
<tr>
<td>February</td>
<td>1</td>
<td>11</td>
<td>4,480.86</td>
<td>4,175.66</td>
</tr>
<tr>
<td>March</td>
<td>1</td>
<td>66</td>
<td>27,291.52</td>
<td>21,376.92</td>
</tr>
<tr>
<td>April</td>
<td>1</td>
<td>126</td>
<td>32,214.96</td>
<td>30,795.56</td>
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<tr>
<td>May</td>
<td>1</td>
<td>79</td>
<td>8,170.17</td>
<td>7,472.17</td>
</tr>
<tr>
<td>June</td>
<td>1</td>
<td>37</td>
<td>4,851.25</td>
<td>5,693.23</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td>331</td>
<td>133,824.29</td>
<td>112,282.44</td>
</tr>
</tbody>
</table>

*No Mcuts for August & September, 2016. DOW implemented its own instance of CC&B on October 3, 2016. The staff were doing testing and validations prior to the 10/16 conversion rollout.

<table>
<thead>
<tr>
<th>FY MONTHS</th>
<th>FY</th>
<th>Count</th>
<th>Delinquent</th>
<th>Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>2</td>
<td>11</td>
<td>5,744.14</td>
<td>12,908.83</td>
</tr>
<tr>
<td>August</td>
<td>2</td>
<td>26</td>
<td>13,988.13</td>
<td>31,367.14</td>
</tr>
<tr>
<td>September</td>
<td>2</td>
<td>33</td>
<td>25,960.00</td>
<td>$</td>
</tr>
<tr>
<td>October</td>
<td>2</td>
<td>61</td>
<td>37,591.19</td>
<td>$</td>
</tr>
<tr>
<td>November</td>
<td>2</td>
<td>17</td>
<td>13,892.54</td>
<td>$</td>
</tr>
<tr>
<td>December</td>
<td>2</td>
<td>12</td>
<td>5,260.00</td>
<td>$</td>
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<tr>
<td>January</td>
<td>2</td>
<td>58</td>
<td>38,283.90</td>
<td>$</td>
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<td>$</td>
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<td>March</td>
<td>2</td>
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<tr>
<td>April</td>
<td>2</td>
<td>9</td>
<td>27,403.03</td>
<td>$</td>
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<tr>
<td>May</td>
<td>2</td>
<td>21</td>
<td>15,672.69</td>
<td>$</td>
</tr>
<tr>
<td>June</td>
<td>2</td>
<td>0</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td>142</td>
<td>172,856.48</td>
<td>136,209.11</td>
</tr>
</tbody>
</table>

*No Mcuts for August & September, 2016. DOW implemented its own instance of CC&B on October 3, 2016. The staff were doing testing and validations prior to the 10/16 conversion rollout.
INFORMATION & EDUCATION SPECIALIST REPORT

December 28, 2018

Public Notices and Announcements

All news releases were also published on the Department’s Facebook and Twitter social media pages.

- **Wainiha – Emergency water service shutdown on Nov. 14**
  - A news release and BlackBoard Connect service announcement was issued on November 14, 2018 to announce an emergency water service shutdown for customers located on Ananalu Road and Anahulu Road in Wainiha for an estimated 4-hours beginning at approximately 9 a.m. due to a distribution line break in the area.
    - A follow-up service announcement was issued to notify customers that water services were restored in Wainiha at approximately 9:25 a.m. after crews completed the necessary work on the damaged distribution line.

- **Kapa‘a – Scheduled water service shutdown on Nov. 27**
  - A news release and BlackBoard Connect service announcement was issued on November 21, 2018 to announce a scheduled water service shutdown for customers located on Kalama Road, Kipapa Road and along a portion of Pu‘uopae Road; from Holio Road to Opaeka’a Road in Kapa’a, on Tuesday, November 27 from 9 a.m. to 1 p.m., weather permitting. The water service shutdown was scheduled to allow contractor, Drayco Construction, Inc. to tie-in a temporary water line to the existing system near Pu‘uopae Bridge on Pu‘uopae Road.
    - A news release and BlackBoard Connect service announcement was issued on November 26, 2018 as a reminder to customers of the scheduled water service shutdown on Kalama Road, Kipapa Road and along a portion of Pu‘uopae Road; from Holio Road to Opaeka’a Road in Kapa’a, on Tuesday, November 27 from 9 a.m. to 1 p.m., weather permitting.
    - A follow up service announcement was issued via BlackBoard Connect and Facebook at approximately 12:45 p.m. on Nov. 27 to announce water service shutdown extended in order to allow the contractor to complete the necessary work.
    - A final update was issued via BlackBoard Connect and Facebook at approximately 3 p.m. to announce water services were restored to all customers.
    - A televised news announcement on the scheduled service shutdown was featured on KITV news on Nov. 26, 2018. *(Attached)*

- **Kapa‘a – Emergency water service shutdown on Dec. 7**
  - A news release and BlackBoard Connect service announcement was issued on December 7, 2018 to announce an emergency water service shutdown for customers located on Wana‘ao Road and Helena Lane in Kapa’a for approximately 4 to 5 hours. DOW crews are conducting repairs to a recent distribution line break in the area.

Other media

- The Department was mentioned in the Garden Island Newspaper article “December BLNR meeting key to Kaua‘i’s water” on November 26, 2018. The Department was briefly mentioned for its water treatment and delivery agreement with Grove Farm. *(Attached)*
Public Relations Program

Education & Community Outreach

- Jonell Kaohelaulii and Brandi Ventar participated in the Career Day event at King Kaumuali‘i Elementary School on November 27, 2018. The presentation focused on working relationships and positions within the Department’s seven divisions and highlighted the responsibilities of DOW’s Senior Clerk and Information and Education Specialist positions. All students received a copy of the Project WET Groundwater activity booklet and a water conservation goodie bag.

- 2018 Education and Community Outreach overview: The Department’s public relations goals focused on developing a strong community presence to build customer loyalty and education. This goal was successfully achieved in 2018 through strategic planning, events and various platforms which included: participating in 22 educational outreach presentations, facilitated 2 community meetings, increased interactive relations with the social media community via more than 125 Facebook announcements and 31 direct messages, issued 63 news releases, coordinated 2 signature annual events; in addition to hosting a media event which helped to increase customer participation of the Department’s Fix a Leak Week event by 204%. The Department’s community outreach efforts were also expanded this year to include home school, public charter and private school programs and participation in the popular, Visitor Industry Charity Walk event.
  - We measure the success of this achievement by fewer customer complaints during service shutdowns, voiced and written customer appreciation and compliments, media recognition, increase in educational requests from the community and an increase in customer knowledge and understanding of the DOW’s services and notification methods.

Upcoming Community Outreach & Educational Events

- January 25, 2019 – STEM Night presentation at Ele‘ele Elementary School
- February 20-22, 2019 – Project WET presentation at the Pacific Water Conference; Oahu
- September 20, 2019 – Make a Splash with Project WET Festival

Project WET Hawaii

Project WET Certification Workshops

- Project WET Hawai‘i is working towards coordinating new Facilitator and Educator certification training on each neighbor island in 2019 in order to meet a fiscal year goal to establish an active network to support the current and future Project WET requests. In the first quarter of 2019, Project WET will focus on the islands of Maui, Moloka‘i and Lāna‘i. A Facilitator workshop has been tentatively scheduled with staff members of the Maui Department of Water with assistance from the Department of Health’s, Dan Chang.

Make a Splash with Project WET Festival 2019

- The 16th annual Make a Splash with Project WET Festival date has been selected. Based on suggestions from staff and community volunteers, the 2019 ‘Make a Splash’ event will be held on Friday, September 20, 2019, with set up day scheduled for Thursday, Sept. 19th.

Miscellaneous

- The Department participated in the County of Kaua‘i Employee Council’s Giving Project by helping to serve over 100 Thanksgiving Day meals on Nov. 22, 2018.
- The Department’s Annual Employee Meeting was held on Dec. 7, 2018.
• The Department participated in the annual Lights on Rice Parade on Dec. 7, 2018
• The Department participated in the annual Waimea Christmas Parade on Dec. 15, 2018
• The November edition of the employee newsletter, “As the Water Flows” was published.

JSK/ein

Attachments:  “Water will be shut off for customers along parts of Kaua'i Tuesday” KITV.com
               “December BLNR meeting key to Kaua'i’s water” The Garden Island

Mgrp/December 2018/Information & Education Specialist (12-28-18):ein
Water will be shut off for customers along parts of Kaua'i Tuesday

Kaua'i's Department of Water plans to shut off service for customers along Kalama, Kipapa, and Puʻuopoe Road for about four hours Tuesday starting at 9 a.m.

Monday, November 26th, 2018, 6:06 PM HST by Kanoa Pereira

Kaua'i's Department of Water plans to shut off service for customers along Kalama, Kipapa, and Puʻuopoe Road for about four hours Tuesday starting at 9 a.m.

People are advised to store some water during the construction work, notify friends and family and to make sure water heaters are not empty during the shut down.
December BLNR meeting key to Kauai’s water

Hawaii’s Constitution enshrines the people’s common ownership of all the water that flows off the mountains in a public trust doctrine. Potential users that would profit from its use must ask for its use, how much and for what purpose, by applying for a lease.

Kauai Island Utility Cooperative has been taking water since 2004, with no lease, from the Wailoko and Waialeale streams at the Blue Hole diversion, located on public conservation district forest land. The permitting agency, the state Department of Land and Natural Resources, has instead allowed KIUC to avoid its lease obligation and has granted yearly revocable permits.

Starting in 2006, DLNR has pressured KIUC to secure a lease by 2020. Their current, one-year permit expires at the end of this year, and the law allowing continuance of one-year permits HRS 171-58(c), expires in July 2019. KIUC’s diversion of Blue Hole water will be the subject of a state Board of Land and Natural Resources meeting in Honolulu on Dec. 14.

KIUC has made little if any progress in securing a lease. It would require an environmental impact statement that would reveal, among other things, that they are diverting far more water from the streams than they need to operate the two, 100-year-old hydroelectric plants that generate 1 percent of KIUC’s electricity output. That runs afoil of the public trust doctrine’s “only take what you need” principle.

Also, the water is being “consumed.” That means it doesn’t go back to the stream of origin after its use in the hydro plants. To accomplish that, KIUC would have to pump the water five miles back up the mountain. This rule is intended to maintain rivers in their natural states.

Four other streams are also diverted and available to the hydro plants. One of them, the Illiiliula, produces 9.95 million gallons daily (mgd). These four streams, hydrology experts believe, are enough to run the two hydro plants. KIUC wants two-thirds of the Blue Hole water when in fact eliminating the Blue Hole diversion entirely would likely not diminish electricity production.
The diversion gates were opened with stream flow fully restored, and the lower Waiahi plant was shut down for eight months in 2007 for the filming of “Tropic Thunder.”

The collective volume of water from these six streams that is diverted to the Ililiula ditch system is estimated at 30 mgd. A century ago, that amount ran the hydros plus irrigated thousands of acres of sugar cane.

Why is KIUC so insistent to divert Blue Hole water that it can operate without? An agency that complements DLNR, the state Commission on Water Resource Management, is tasked with measuring stream flows so science-based allocations can be determined.

At the Aug. 21 CWRM meeting at Kauai Community College, KIUC’s Chief Executive Officer David Bissell was asked the obvious question, “How much water flow is required to operate the two hydro plants?” His answer was “I couldn’t say,” followed by “we’ll take all we can get.” Why would KIUC conceal this essential information from CWRM?

The recipient of all the water, before and after it leaves the hydro plants, is land developer Grove Farm.

KIUC has paid the state $37,200 yearly as its permit requires, but Grove Farm has no permit, pays nothing, and sells water to the Kauai Department of Water for $2 million a year.

Failure to enforce public trust law has mounting cultural and environmental impacts, too. At the Oct. 16 CWRM meeting on Oahu, KIUC Communications Director Beth Tokioka told the commission KIUC does cultural studies but “have not found any cultural practices that have been inhibited” by dewatering almost every stream flowing off of Mt. Waialeale. This will be news to every hula practitioner in Hawaii and worldwide, who early on is taught by their kumu a reverence for the waters of Kane, the Great, Sacred Wailua. Ceremonial use is common practice, and it is constitutionally protected.

The historical record suggests that, prior to massive water diversion by the sugar barons, and guided by the aha moku system, a thousand acres were planted in taro in the Wailua watershed. Water rights for taro growers are constitutionally protected.

The December BLNR meeting will focus on how much water, if any, should be diverted out of the streams at the Blue Hole. Hui Ho’opula Na Wai o Puna is a hui that represents Kauai taro farmers, the fishing community, cultural practitioners and kuleana land owners. They and their attorneys from Earth Justice will be at that meeting calling for full restoration of free-flowing rivers and streams and the perpetuation of a living Native Hawaiian culture.

BLNR is accepting comments by email at blnr.testimony@hawaii.gov up to Dec. 13. In your email reference RP 7340.

... 

*Kip Goodwin* is a resident of Wailua.
Operations Division Report for the Month of November 2018

Personnel

- Congratulations to Peter Sapinoso retired effective November 30, 2018.

Source and Storage

- Maintenance Workers continued cleaning of various remote facilities island-wide. Works included clearing of vegetation and drainage as well as repair and construction of structures and facilities.

- Water Plant Operators performed routine inspection and maintenance at all sites including valve maintenance, piping repair and replacement, chlorination equipment maintenance, and mixing of sodium hypochlorite.

- Kekaha Shaft/Well refurbishment contract on-going. DOW personnel flushing and sampling/testing the well.

- Waipao Valley Well refurbishment contract on-going.

- Hanamā'ulu Wells 1 & 2 abandonment contract on-going.

- Electrical workers performed routine electrical maintenance at all sites including SCADA radio troubleshooting, electrical wiring for motor controls, lighting repair and replacement.

- Auto mechanics performed routine maintenance of all DOW vehicle and equipment including light, medium and heavy vehicles as well as construction equipment and generators.

Distribution

- Operations Division Field Section crews continue to perform live taps and routine leak repair of service laterals and mainlines. Field Section personnel assisted for the tie-in of 1 development project; and responded to and completed thirty three (33) leak repair work orders.

- Field Section personnel installed/relocated three (3) service laterals.

- Operations personnel continue coordinating with FEMA on completion and submittal of documents as well as site inspections of damaged facilities.

- We received a total of 78 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including complaints of no water, complaints of low pressure, high pressure, calls requesting remote site/facility grounds
and vegetation maintenance, calls for assistance in shutting off the water meter, calls reporting damaged meter box and cover, reports of leaking or damaged fire hydrants and report of white milky water. Work orders were generated and all calls resolved. Leak after the meter needs to be addressed by the customer.

**Fleet, Inventory, Warehouse and Baseyard Area**

- For the month of November, a total of one hundred fifty eight (158) work orders were issued for Operations Division. Works included: electrical repairs and maintenance; automotive repairs and maintenance including power generator maintenance; Hawai'i one call requests for markings; water meter installation and replacement; service lateral installations; leak repairs; well, tank site and PRV maintenance; replace damaged meter boxes; repair defective meters; replace damaged or leaking hydrant; door-to-door customer notifications for tie-ins of new lines to existing lines as well as notifications regarding scheduled repairs; callouts due to customer complaints/reports; meter replacement requests; Hawai'i One Call relative to contractor’s requests for markings.

- For the month of November 2018, thirty four (34) Hawaii One Call requests for markings were received. Also, 42 meters were either replaced, repaired, issued or installed.

- A consultant for the Baseyard Renovation - Preliminary Engineering Report and Assessment was selected, finalizing costs and fund transfer from Operations to Engineering.

VPR/ein

Attachments: Overtime Chart
              Leak Report Chart
              Production/Billing Chart

Work Orders by Job Reason Code for Selected Date Range

11/01/2017 to 11/30/2018

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>10</td>
<td>LEAK-CALOU</td>
<td>LEAK CALL OUT</td>
</tr>
<tr>
<td>3</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>103</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>126</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
</tbody>
</table>

Work Orders by Job Reason Code

- LEAK-BOX: 28 (10.4%)
- LEAK-CALOU: 10 (3.7%)
- LEAK-CUST: 3 (1.1%)
- LEAK-CUST: 103 (38.1%)
- LEAK-S/L: 126 (46.7%)

Total: 100.0%
Work Orders by Job Reason Code for Selected Date Range

11/01/2017 to 11/30/2018

# of W/O's | Job Reason Code | Description
--- | --- | ---

Number of Leak Repairs per Month

Number of Leak Repairs


Legend:
- LEAK-BOX
- LEAK-CALOU
- LEAK-CUST
- LEAK-MAIN
- LEAK-S/L
<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Produced (Kgals.)</td>
<td>373,942</td>
<td>350,459</td>
<td>369,875</td>
<td>316,833</td>
<td>321,327</td>
<td>351,030</td>
<td>367,094</td>
<td>377,075</td>
<td>386,875</td>
<td>379,321</td>
<td>370,788</td>
<td>354,625</td>
<td>2,827,634</td>
</tr>
<tr>
<td>Customer Meter Read (Kgals.)</td>
<td>332,876</td>
<td>322,236</td>
<td>323,671</td>
<td>292,441</td>
<td>295,052</td>
<td>293,328</td>
<td>322,593</td>
<td>329,262</td>
<td>377,682</td>
<td>325,351</td>
<td>326,689</td>
<td>306,129</td>
<td>2,511,459</td>
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<tr>
<td>Waterloss (Kgals.)</td>
<td>41,066</td>
<td>28,223</td>
<td>46,204</td>
<td>24,392</td>
<td>26,275</td>
<td>57,703</td>
<td>44,501</td>
<td>47,813</td>
<td>9,193</td>
<td>53,970</td>
<td>44,099</td>
<td>48,496</td>
<td>316,175</td>
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<tr>
<td>Waterloss (%)</td>
<td>11.0</td>
<td>8.1</td>
<td>12.5</td>
<td>7.7</td>
<td>8.2</td>
<td>16.4</td>
<td>12.1</td>
<td>12.7</td>
<td>2.4</td>
<td>14.2</td>
<td>11.9</td>
<td>13.7</td>
<td>11.2</td>
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<tr>
<td>Waterloss ($)</td>
<td>52,441</td>
<td>36,041</td>
<td>59,002</td>
<td>31,148</td>
<td>33,553</td>
<td>73,686</td>
<td>56,827</td>
<td>61,057</td>
<td>68,919</td>
<td>56,315</td>
<td>61,929</td>
<td>403,756</td>
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<tr>
<td>Waterloss (gal/con/day)</td>
<td>61.01</td>
<td>43.33</td>
<td>66.50</td>
<td>36.24</td>
<td>38.73</td>
<td>87.85</td>
<td>56.83</td>
<td>71.03</td>
<td>14.11</td>
<td>80.18</td>
<td>65.52</td>
<td>74.45</td>
<td>39.58</td>
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</tbody>
</table>

**Monthly Water Produced, Customer Meter Read and Waterloss Comparison For Calendar Year 2017/2018**

**VOLUME (Kgals)**

- Nov-17: 373,942
- Dec-17: 350,459
- Jan-18: 369,875
- Feb-18: 316,833
- Mar-18: 321,327
- Apr-18: 351,030
- May-18: 367,094
- Jun-18: 377,075
- Jul-18: 386,875
- Aug-18: 379,321
- Sep-18: 370,788
- Oct-18: 354,625
- Total Year: 2,827,634

**Produced (Kgals.)**

- Nov-17: 332,876
- Dec-17: 322,236
- Jan-18: 323,671
- Feb-18: 292,441
- Mar-18: 295,052
- Apr-18: 293,328
- May-18: 322,593
- Jun-18: 329,262
- Jul-18: 377,682
- Aug-18: 325,351
- Sep-18: 326,689
- Total Year: 2,511,459

**Waterloss (Kgals.)**

- Nov-17: 41,066
- Dec-17: 28,223
- Jan-18: 46,204
- Feb-18: 24,392
- Mar-18: 26,275
- Apr-18: 57,703
- May-18: 44,501
- Jun-18: 47,813
- Jul-18: 9,193
- Aug-18: 53,970
- Sep-18: 44,099
- Oct-18: 48,496
- Total Year: 316,175

**Waterloss (%)**

- Nov-17: 11.0
- Dec-17: 8.1
- Jan-18: 12.5
- Feb-18: 7.7
- Mar-18: 8.2
- Apr-18: 16.4
- May-18: 12.1
- Jun-18: 12.7
- Jul-18: 2.4
- Aug-18: 14.2
- Sep-18: 11.9
- Oct-18: 13.7
- Total Year: 11.2

**Waterloss ($)**

- Nov-17: 52,441
- Dec-17: 36,041
- Jan-18: 59,002
- Feb-18: 31,148
- Mar-18: 33,553
- Apr-18: 73,686
- May-18: 56,827
- Jun-18: 61,057
- Jul-18: 68,919
- Aug-18: 56,315
- Sep-18: 61,929
- Oct-18: 403,756
- Total Year: 403,756

**Waterloss (gal/con/day)**

- Nov-17: 61.01
- Dec-17: 43.33
- Jan-18: 66.50
- Feb-18: 36.24
- Mar-18: 38.73
- Apr-18: 87.85
- May-18: 56.83
- Jun-18: 71.03
- Jul-18: 14.11
- Aug-18: 80.18
- Sep-18: 65.52
- Oct-18: 74.45
- Total Year: 39.58
MANAGER’S UPDATE

December 28, 2018

Pursuant to Board Policy No. 3

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

(1) FIFTH AMENDMENT TO CONTRACT NO. 520, JOB NO. 10-01, WP2020 #ANI-01 PIPELINE REPLACEMENT FROM KĪLAUEA TO "ANINI, KĪLAUEA-KALIHIWAI-'ANINI WATER SYSTEM FOR AN ADDITIONAL 120 CALENDAR DAYS AND REDUCTION IN SCOPE IN THE AMOUNT OF $67,000.00

FUNDING:
NO ADDITIONAL FUNDS REQUESTED

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<th>Account No.</th>
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<tr>
<td>Acct Description:</td>
<td>BAB/Eng/Admin/Capital Outlay</td>
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<tr>
<td>Funds Available:</td>
<td>$800,760.00</td>
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<tr>
<td>Contract No.</td>
<td>520</td>
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<tr>
<td>Vendor:</td>
<td>Fukunaga and Associates, Inc.</td>
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<tr>
<td>Contract Amount</td>
<td>$750,760.00</td>
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<td>5 % Contingency</td>
<td>$0.00</td>
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<tr>
<td>Total Funds Certified to Date</td>
<td>$ 750,760.00</td>
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Amendment:
- First Amendment: $<475.00>
- Second Amendment: $41,367.00
- Third Amendment: $0.00
- Fourth Amendment: $0.00
- Fifth Amendment: <$67,000.00>

Total Amendment: <$26,108.00>

Contract Amount to Date: 724,652.00

BACKGROUND:
Contract NTP Date: 12/6/10
Original Contract End Date: 7/3/11
First Amendment End Date: 12/31/14
Second Amendment End Date: 8/25/16
Third Amendment End Date: 3/22/17
Fourth Amendment: NTP 8/11/17; End Date: estimated 12/29/18
Fifth Amendment: 120 days from NTP
New Contract End Date: Estimate 5/4/19
Unanticipated delays in the design phase have caused the work to proceed at a pace slower than anticipated. Additional contract time is needed to complete the design. It is anticipated that the requested additional 120 days to the contract time is enough time to have the various agencies approve the plans. The contract is currently on stop work to allow time to complete the 5th amendment to the contract before the current contract expires. The projected current contract end date is 12/29/18.

The Department is not planning on constructing this project in the near future. Due to the project not being constructed soon, the services during construction and NPDES permit for Phase 1 and the corresponding fees are being removed from the contract.

It is the DOW staff’s opinion that Fukunaga and Associates, Inc. has made sufficient progress to the project to recommend approval for extending the project completion date an additional 120 days.

Re-Certification of plans and obtaining new permits will be required in the future prior to construction taking place.

(2) FIRST AMENDMENT TO CONTRACT NO. 625, JOB NO. PE#2017-3
PROJECTING FUTURE RAINFALL AND EVAPOTRANSPIRATION STUDY FOR AN ADDITIONAL 180 CALENDAR DAY TIME EXTENSION WITH NO ADDITIONAL FUNDING

FUNDING:

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<tr>
<th>Account No.</th>
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<tbody>
<tr>
<td>Acct Description</td>
<td>WU/Plan/Admin/Professional Services</td>
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<tr>
<td>Funds Available</td>
<td>(Encumbered Funds)</td>
<td>$184,735.00</td>
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<table>
<thead>
<tr>
<th>Contract No.</th>
<th>625</th>
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<tbody>
<tr>
<td>Vendor</td>
<td>UH - Office of Research Services</td>
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<tr>
<td>Contract Amount</td>
<td>$184,735,00000</td>
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<tr>
<td>5% Contingency</td>
<td>$0.00</td>
<td>none</td>
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<tr>
<td>Total Funds Certified</td>
<td>$184,735.000</td>
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First Amendment:

| Contract Time Extension for an additional 180 Calendar Days | $0.00 |   |
| Total First Amendment | $0.00 |   |
| Contract Amount to Date | $116,701.08 |   |
| Fund Balance | (Encumbrance Balance) | $68,033.92 |   |

BACKGROUND:
Contract NTP Date: 12/23/2016
Original Contract End Date: 12/23/2018
New Contract End Date if Contract Time Extension: 06/21/2019
Notice to proceed was issued on December 23, 2016. Contract completion date is December 23, 2018. The project has not been completed to date. A request was made via email dated November 2, 2018 by Pao-Shin Chu researcher requesting a first time extension to extend the Contract an additional 180 calendar days.

Substantial and valuable work has been completed by our Researcher Pao-Shin Chu toward completing this contract.

The dynamical downscaling is a complicated task and running high resolution numerical model on climate time scale is very time consuming, even using the state of the art supercomputer located in Colorado. There were periods of extensive supercomputer maintenance and breakdowns causing delays in schedule. Additional work to complete the study includes simulating evaporation for future climate; investigate rainfall simulation between the 2041-60 and 2061-80 to determine whether rainfall has increased or decreased, and where the change occurs. Similarly, determine change in island evaporation from 2041-60 to 2061-80.

(3) CONTRACT NO. 675 #GS-2019-6 FOR THE FURNISHING AND DELIVERY OF A HEAVY DUTY TWO POST LIFT, TIRE CHANGER AND WHEEL BALANCER AWARDED TO MILLER INDUSTRIES, INC. IN THE AMOUNT OF $60,664.00

FUNDING:

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<tr>
<th>Account No.</th>
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<tbody>
<tr>
<td>Acct Description</td>
<td>WU/Ops/Capital Outlay – Expansion/Equipment</td>
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<td>Contract No.</td>
<td>675</td>
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<td>Vendor</td>
<td>King Auto Center</td>
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<td>Contract Amount</td>
<td>$ 60,664.00</td>
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<td>5% Contingency</td>
<td>Not applicable</td>
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<tr>
<td>Total Funds Certified</td>
<td>$ 60,664.00</td>
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<tr>
<td>Fund Balance</td>
<td>$ 70,656.05</td>
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BACKGROUND:

The Department procured the purchase of a heavy duty two post lift, tire changer, and wheel balancer for the Operations Division Plant Section Fleet Maintenance. This purchase will enable the auto mechanics to perform tire changes, wheel balances, and a variety of in house repair and preventative maintenance tasks. The newly gained ability shall reduce the amount of money spent on outside services for vehicle maintenance. Having a second lift will provide for additional work area and decrease the down time for vehicles due to equipment failures.
(4) CONTRACT NO. 676, #GS-2019-5 FOR THE FURNISHING AND DELIVERY OF ONE (1) SUPERCAB PICKUP TRUCK WITH LIFTGATE AND ACCESSORIES AWARDED TO GILL ISLAND MOTORS, INC. IN THE AMOUNT OF $51,263.92

**FUNDING:**

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<th>Account No.</th>
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<tr>
<td>Acct Description</td>
<td>WU/Ops/Capital Outlay – Expansion/Equipment</td>
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<tr>
<td>Funds Available</td>
<td><em>Verified by WWC</em> $70,656.05</td>
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<td>Contract No.</td>
<td>676</td>
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<td>Vendor</td>
<td>Gill Island Motors, Inc.</td>
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<tr>
<td>Contract Amount</td>
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<tr>
<td>5% Contingency</td>
<td>Not applicable</td>
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<tr>
<td>Total Funds Certified</td>
<td>$51,263.92</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>$19,392.13</td>
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**BACKGROUND:**
The Department procured the purchase of a pickup truck for the Operations Division Field Superintendent. This purchase will provide for a vehicle that will allow the Field Superintendent to perform the duties of the position which include but are not limited to standby duty, response to emergency calls, transportation of parts and materials, and overall supervision of the Operations Field Section for pipeline repairs and maintenance. This position is newly created and filled and never before had an assigned vehicle. The contract with Gill Island Motors, Inc. is for Item No. 1 of this bid solicitation, they did not provide a bid for Item No. 2.

(5) CONTRACT NO. 677, JOB NO. 19-04 AS NEEDED SURVEYING SERVICES AWARDED TO ESAKI SURVEYING AND MAPPING, INC. IN THE AMOUNT OF $20,000.00

**FUNDING:**

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**BACKGROUND:**
The Department occasionally needs the services of a professional land surveyor to perform unanticipated surveying tasks. Each as-needed surveying contract has a length of 2 years, then the services are re-procured.

The Department is executing a new As-Needed Surveying contract for $20,000.00 with $1,000.00 for contingency.

Esaki Surveying and Mapping, Inc. has been selected to provide the as-needed surveying services. No additional funding is required to be approved to execute the proposed contract.

**WAIVER RELEASE & INDEMNITY APPLICATIONS:**
None

**STAFF REPORTS - FY 17-18:**

**PERSONNEL MATTERS**
*December 14, 2018*

**RECRUITMENT AND POSITION ACTIONS**

**Construction Management Division**
1. Civil Engineer III #2351. As of 12/14/2018, submitted action to re-describe position.
2. Civil Engineer V #2355. As of 12/14/2018, pending eligibles list.

**Engineering Division**
1. Civil Engineer II #2458. As of 12/14/2018, selectee declined job offer.

**Fiscal Division**
1. Accountant I #2488. As of 12/14/2018, pending eligibles list.
2. Customer Service Representative I #2433. As of 12/14/2018, DHR to re-post recruitment announcement.
3. Meter Reader & Field Collections Supervisor #2308. As of 12/14/2018, pending eligibles list.

**Operations Division**
1. Assistant Water Plant Operator #2312. As of 12/14/2018, pending eligibles list.
2. Construction and Maintenance Worker I #2401. As of 12/14/2018, DHR reviewing request for re-description.
3. Construction and Maintenance Worker II #2487. As of 12/14/2018, DHR reviewing request for re-description.
5. Heavy Vehicle and Construction Equipment Mechanic I #2469. As of 12/14/2018, working with DHR to finalize selection.
6. Lead Pipefitter #2412 & 2434. As of 12/14/2018, pending additional names on eligibles list.
7. Maintenance Worker II #2452. As of 12/14/2018, pending eligibles list.
Hires, Separations and Position Changes:

Pursuant to Board Policy No. 24

CONVEYANCE OF WATER FACILITIES $98,819.12

<table>
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<th>Date</th>
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<td>12/28/2018</td>
<td>Jennifer Susan Riddall</td>
<td>2-7-004:022</td>
<td>Omao</td>
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CUSTOMER CARE AND BILLING (CC&B) SYSTEM UPDATE:

At the October 26, 2018 Board meeting the Board approved additional funds necessary for the Request for Proposal Customer Care and Billing Cloud Hosting and Support, which allows for the Department to enter into a contract with Prithibi Consulting Services. The Department is currently working towards executing a contract with Prithibi and expects that it will be executed at the December Board meeting.

Background:
On October 3, 2016, the Department of Water (DOW) moved to our own billing system; Oracle Customer Care & Billing (CC&B). We have since upgraded the system and it is currently on version 2.5.0.2. The Department finds that the need to convert CC&B to a hosted solution is critical to the DOW’s operations to ensure that the billing system is functioning reliably. In addition, a hosted solution will allow for I.T. Staff to focus on the day to day operations of the DOW.

If the Department chose to forego the Cloud Hosting and Support, the cost just to renew our current Oracle products is approximately $170,000. While this amount would include upgrades, it would not include project management, technical support for upgrades and updates, and it would not include additional payment options or an online Customer Service Portal. In addition, our current version of CC&B would only be supported by Oracle until 2020 and the DOW would need to hire a consultant to help with the upgrade. Such an upgrade is estimated to cost over $800,000 and would also require additional staff time to assist with the testing.

There are no other viable options to pursue at this time which would provide reliable support for the Billing system prior to December 2018. The Department’s existing contract for CC&B management and technical support will end in December 2018 and without technical support the DOW could potentially lose functionality of the entire CC&B billing system. The repercussions of losing support for the billing system could be far reaching as the Department may not have a reliable means to accurately collect and track payments for the 21,700+ customers actively being billed. The DOW would also miss an opportunity to implement a customer service portal and provide long-awaited payment options to our customers such as credit card payments.

The proposal for cloud-hosting includes upgraded project management and other items which would benefit the department and increase our customer’s payment options. These benefits include, but are not limited to: a customer support portal which allows customers to view their account information online, the ability for customers to make payments via credit card, and the option for customers to download a payment application for mobile devices.
I.T. STRATEGIC PLAN UPDATE:

Background:
BRIO came to the DOW October 1-5, 2018 and met with all Division Heads and requested staff from each division. BRIO conducted interviews and obtained feedback, determined requirements, and learned what and how divisions worked. BRIO presented their preliminary recommendations to the I.T. Steering Committee and Manager on October 4, 2018. It is anticipated that Brio will present their draft final recommendations to the DOW in early January and will then incorporate any feedback from the Department into their final recommendations which will be presented to the Board. This is anticipated to occur in the January 2019 Board meeting. The Department intends to initiate implementation of the I.T. Strategic Plan in the first quarter of 2019.

GIS:
Mapping for the following water systems has been completed and has been released to the Department’s GIS users: Anahola / ‘Anini / Hā'ena-Wainiha / Hanalei / Kīlauea / Lāwa‘i-Omao / Kalâheo / Kōloa-Poipu / Wailua-Kapa‘a / Hanapēpē-‘Ele‘ele / Waimea-Kekaha.

I.T. is currently working on Puhi-Lihue-Hanamaulu system and it is approximately 70% complete. I.T. is targeting completing this work within the next month.

I.T. is concurrently working on collecting GPS points island wide, primarily for the purpose of locating all 21,700+ water meters in the DOW’s system. We have collected approximately 60% of all the meters on the island to date and are targeting a goal of 99.0% identification within this fiscal year. This will better enable the meter readers and billing staff to locate and address any water meter related matters, ultimately providing improved customer service.

The DOW’s GIS license is expired and the County no longer provides for concurrent licensing. I.T. has subsequently installed a new license for individuals who have requested it. In December the I.T. section’s GPS device, which is three years old, stopped working and will be replaced as soon as possible.

IT Infrastructure:
I.T. continues to work with Hawaiian Tel and has generated a Telephone Change Request to take over a circuit we obtained through LavaNet. I.T. has placed an order to replace our frame relay circuit. Working with Hawaiian Tel, we came up with an Ethernet Dedicated Internet Access (DIA) plan. Because this affects our SCADA remote users, there will be a need for modification of our SCADA network.

Help Desk Update for November 2018:
- October No. of Received Tickets: 139
- October No. of Resolved Tickets: 120
- Avg Response Time (hrs): 17:30
- Avg Resolution Time (hrs): 14:29

To date, I.T. has received 683 requests and has 27 Open Tickets.

Miscellaneous:
- I.T. purchased Adobe Acrobat and has started installing Adobe Acrobat for the Department.
- Varidesk units have been set up for the Accounting, Billing, Construction Management, and Administration divisions. Operations division will be next. These units provide for employees to either sit or stand at their work station, which can improve health and productivity.
FACILITIES RESERVE CHARGE GRACE PERIOD – REQUEST FOR EXCEPTION FOR KUKUIʻULA DEVELOPMENT COMPANY UPDATE

Kukuiʻula Development Company LLC’s (hereinafter “Kukuiʻula”) submitted a request dated June 19, 2018 regarding a request for an exception to the Department of Water Rules & Regulations. Specifically, the request was for an exception to Part 5 Facilities Reserve Charge, Section IV Collection and Refund of FRC, Subsection 6.d. Facilities Reserve Charge Paid Prior to Enactment of Part 5 Rules. The Manager & Chief Engineer carefully reviewed the request and the Rules, and in consultation with the Board of Water Supply and DOW staff, provided an exception to the current FRC grace period deadline of November 29, 2018. The exception provides a 100% offset to the Facilities Reserve Charge as Kukuiʻula has constructed all source, storage, and off-site transmission required per its Water Master Plan. This determination supersedes the previous determinations provided on October 18, 2018.

The Manager met with a representative from Kukuiʻula on December 13, 2018 to work towards an equitable solution to address the costs associated with the ongoing operation and maintenance of the water infrastructure that has been constructed per Kukuiʻula’s Water Master Plan and conveyed to the Department of Water. The Manager will be developing the alternatives discussed with Kukuiʻula and anticipates presenting an update for these alternatives by next month.

MAHALO BOARD OF WATER SUPPLY FROM THE MANAGER
The Manager & Chief Engineer extends his warmest wishes for this Holiday season to the Board of Water Supply! Mahalo nui loa for all of your support and hard work throughout a very challenging and very successful year in 2018!

MJA

Mgrrp/Manager’s Update (12-28-18):mja