A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES:
   - Review and approval of:
     Regular Board Meeting – January 23, 2014
   - Review and approval of:
   - Review and approval of Executive Session:
     Executive Session – January 23, 2014

E. CORRESPONDENCE/ANNOUNCEMENTS

F. OLD BUSINESS
   1. Manager’s Report No. 12-56 - Determination of Reasonable Benefit from Expansion Project Impact Fees Without Establishing Benefit Zones, Public Hearing Results
   2. Manager’s Report No. 13-19 – Discussion and approval of Assistant Chief of Operations, Position #2400 Table of Organization

G. NEW BUSINESS
   1. Manager’s Report No. 14-28 - Request Board Approval of the Volunteer Agreement with Mike Fernandes for Grounds Maintenance of the DOW Nonou 0.2 MG Tank Site
   2. Manager’s Report No. 14 – 29 - Reallocate Funds for Job No. 05-02 (HW-12), Drill and Test Wainiha Well No. 4 back to Build America Bond (BAB) Fund

NOTE: If you need an ASL Interpreter, materials in an alternate format, or other auxiliary aid support, please contact Edie at 245-5406 or email: eineumiller@kauaiwater.org at least seven (7) calendar days before the meeting.


6. Manager’s Report No. 14 – 33 – Discussion and approval of Accountant II, Position #2498 Table of Organization

7. Chairperson’s Report - Discussion and action steps concerning selection process for a new Manager and Chief Engineer of the Kaua‘i County Water Department


H. REPORTS

MONTHLY

1. Statement of Kaua‘i County Water Department’s Revenues and Expenditures

2. Report by the Public Relations Specialist on Public Relations Activities


4. Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department

I. 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).

1. Pursuant to Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated January 23, 2014. This consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item.

2. Pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to provide the Board with a briefing regarding the Re-Establishment of Assistant Chief of Operations - Position #2400. This briefing and consultation with the Board counsel involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item.

3. Pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to provide the Board with a consultation regarding the process of hiring a new Manager and Chief Engineer. This briefing and consultation with the Board counsel involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item.
J. TOPICS FOR NEXT WATER BOARD MEETING (March 2014)
1. Draft FY 14-15 Budget
2. Manager’s Report No. 14 – XX – New Board Policy proposed draft language for Delegating Routine actions from the Water Board to the DOW’s Manager and Chief Engineer regarding Right of Entry

K. TOPICS FOR FUTURE WATER BOARD MEETINGS (April 2014)
1. Manager’s Report No. 13-7 - Part 2 Section IX of the Rules, Adjustment of Bills for Undetected Leaks and Unforeseen Damages Proposed Amendments, Public Hearing Results
2. Manager’s Report No. 14-24 - Part 4 Section I of the Rules, General Use Rates Proposed Amendments, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
3. Manager’s Report No. 11-28 – Part 5 of the Rules, Facilities Reserve Charge – New Rule, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
4. Manager’s Report No. 14 – XX - Board discussion and possible action for Unaccounted Water

L. UPCOMING EVENTS
1. Workshop – Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements for the Department of Water, Līhu'e, Kaua'i, Hawai'i (Date Pending)
2. Public Hearing – Part 2, Section IX of the Rules, Adjustment of Bills for Undetected Leaks and Unforeseen Damages Proposed Amendments (Date Pending)
3. AWWA 2014 Hawaii Section Conference, O‘ahu, HI (May 6-9, 2014)
4. AWWA 2014 Conference, Boston, MA (June 8-12, 2014)
5. Make a Splash, Project WET (September 18, 2014 Tentative)
6. HWWA 2014 Conference, Kaua'i, HI (October 15-17, 2014)

M. NEXT WATER BOARD MEETING
1. Thursday, March 27, 2014, 10:00 a.m.
2. Thursday, April 24, 2014, 10:00 a.m.
3. Thursday, May 22, 2014, 10:00 a.m.
4. Thursday, June 26, 2014, 10:00 a.m.

N. ADJOURNMENT
MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, January 23, 2014

The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, January 23, 2014. Chairperson Clyde Nakaya called the meeting to order at 10:10 a.m. The following Board members were present:

BOARD: Mr. Clyde Nakaya, Chairperson
Mr. Randall Nishimura
Mr. Michael Dahilig
Mr. Hugh Strom
Mr. Larry Dill
Mr. Sherman Shiraishi

EXCUSED/ABSENT: Mr. Raymond McCormick

Quorum was achieved with 6 members present at the time of roll call.

STAFF: Mr. Kirk Saiki
Mr. Val Reyna
Ms. Marites Yano
Mr. Dustin Moises
Ms. Regina Flores
Mr. Keith Aoki
Ms. Kim Tamaoka
Mr. Jeff Mendez
Ms. Sandi Nadatani-Mendez
Ms. Mary-jane Garasi
Deputy County Attorney Andrea Suzuki

GUESTS: Mr. Mike Miyahira, Department of Health, Safe Drinking Water Branch
Mr. Alain Carey, Department of Health, Safe Drinking Water Branch
Mr. Hartwell Blake, private citizen

ACCEPTANCE OF AGENDA
Chair Nakaya ordered the agenda to be rearranged. Old Business, Item No. 2 Manager’s Report 14-16 – Part 4 Section VII, Facilities Reserve Charge, Proposed Rule Amendments was deleted from the agenda and Manager’s Report No. 14-19–Billing Dispute–Mr. Hartwell Blake moved to Item No. 1.

Mr. Dahilig moved to accept Chair Nakaya’s order to rearrange the agenda and to move up Manager’s Report No. 14-19 – Billing Dispute – Mr. Hartwell Blake to Item No. 1; seconded by Mr. Nishimura; with no objections, motion was carried with 6 Ayes.

MEETING MINUTES
Review and approval of:
Regular Board Meeting – December 19, 2013

Mr. Dahilig moved to approve the Regular Board Meeting Minutes of December 19, 2013; seconded by Mr. Dill; with no objections, motion was carried with 6 Ayes.
Review and approval of:
Rules Committee Meeting – October 4, 2013

Commission Support Clerk will make a correction on the 4th paragraph from the bottom of Page 2 to read: “Chair Dahilig and Mr. Shiraishi agreed that perjury is a crime.”

Mr. Dahilig moved to approve the Rules Committee Meeting Minutes as amended of October 4, 2013; seconded by Mr. Nishimura; with no objections, motion was carried with 6 Ayes.

Rules Committee Meeting – October 10, 2013

Mr. Dahilig moved to approve the Rules Committee Meeting Minutes of October 10, 2013; seconded by Mr. Nishimura; with no objections, motion was carried with 6 Ayes.

Review and approval of:
Special Board Meeting – September 17, 2013

Mr. Nishimura moved to approve the Special Board Meeting Minutes of September 17, 2013; seconded by Mr. Dahilig; with no objections, motion was carried with 6 Ayes.

Special Board Meeting – November 14, 2013

Mr. Nishimura moved to approve the Special Board Meeting Minutes of November 14, 2013; seconded by Mr. Dahilig; with no objections, motion was carried with 6 Ayes.

Review and approval of:
IT Workshop – December 9, 2013

Mr. Nishimura requested a Point of Order if there was action on the IT Workshop. Only the minutes were to be approved.

Mr. Nishimura moved to approve the IT Workshop minutes of December 9, 2013; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 Ayes.

Review and approval of Executive Session:
Executive Session – December 19, 2013

Chair Nakaya announced that the Executive Session minutes will be reviewed in Executive Session.

E. **CORRESPONDENCE/ANNOUNCEMENTS**

NONE

F. **BOARD COMMITTEE REPORTS**

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


   Mr. Dill reported that the Finance Committee anticipated recommendation to the Full Board at the February 27, 2014 meeting.

2. *Manager’s Report No. 14-24* – Review and discussion and possible action on Proposed Amendments to Part 4, Section 1, General Use Rates
Commission Support Clerk requested a Point of Order that Manager’s Report No. 14-24 – Review and discussion and possible action on Proposed Amendments to Part 4, Section 1, General Use Rates would be discussed under Old Business, Item No. 6 at this meeting.

Mr. Dill reported the Finance Committee would present the recommendations to the Full Board under Old Business Item No. 6 at this meeting.

Mr. Nishimura moved to receive the Finance Board Committee report; seconded by Mr. Strom; with no objections, motion was carried with 6 Ayes.

G. OLD BUSINESS


Mr. Dahilig recused himself for Manager’s Report No. 14-19 - Billing Dispute – Mr. Hartwell Blake.

Waterworks Controller, Ms. Yano indicated that an adjustment was previously made to Mr. Blake for $854.95 based on the DOW Rules & Regulations, Part 2, and Section IX. There were no other adjustments that could be made based on Section IX.

Mr. Hartwell Blake provided his testimony.

Mr. Blake does not dispute what the bill was. Under the there was nothing based on Mr. Blake’s situations that fit. He recalled that the rules mentioned a category for “Other.” “Other” would give the Board the leeway to set discretion if appropriate.

After calling Public Works for underground breakage and two (2) plumbers, they could not find anything that caused the leaks. Mr. Blake found a pipe under the lychee tree that had a wet spot and a hole where the pigs were rooting.

Mr. Blake understood that that leaks inside a property are the homeowner’s responsibility.

DISCUSSION:

Waterworks Controller Ms. Yano commented that she worked on the water bill investigation.

There was no other rule to give Mr. Blake more of a credit. Mr. Nishimura was unsure if the irrigation PVC pipe was deep enough for the pigs.

Mr. Dill moved to waive the Attorney/Client privilege to release the opinion; seconded by Mr. Shiraishi; with no objections, motion was carried with 5 Ayes, 1 Recused.

Deputy County Attorney Andrea Suzuki read part of the opinion - The Department issued an opinion approved by the County Attorney and understood the specific question to Mr. Blake whether or not the adjustment mentioned for “unforeseen” circumstances would allow something different than the calculation mentioned in the first part of the rule. The opinion mentioned a general principal of statutory interpretation that says laws of the same matter on the same subject must be construed in reference to each other.
A legislative body generally uses a particular work with a consistent meaning in a given context. For example, a later act can be regarded as a legislative interpretation of (an) earlier act in the sense that it aids in ascertaining the meaning of the words as used in their contemporary setting, and is therefore entitled to great weight in resolving any ambiguities and doubts.

The Department’s interpretation was because the rule leaves out what an adjustment is, any adjustment later in that particular part of the rule referenced the calculation of adjustment … (inaudible).

Mr. Blake thanked the Board for their time and effort on the matter.

RECEIVED FOR THE RECORD

JAN 23 2014
CONFIDENTIAL

COUNTY OF KAUA‘I

OFFICE OF THE COUNTY ATTORNEY

CONFIDENTIAL
Attorney-Client Communication
and/or Attorney Work-Product

January 9, 2014

TO: Sherman Shiraishi
   Vice Chair
   Board of Water Supply, County of Kaua‘i

FROM: Andrea A. Suzuki
   Deputy County Attorney

SUBJECT: Interpretation of Department of Water Rules and Regulations Regarding Adjustment of Bills for Undetected Leaks and Unforeseen Damages

This memo is in response to a request by Board Vice Chair Sherman Shiraishi to provide an interpretation of Part 2, Section IX(1) of the Department of Water Rules and Regulations; specifically, whether this office interprets the rule to allow for an alternative adjustment calculation for a high water bill for “unforeseen circumstances” other than the adjustment already laid out in the rule.

Short Answer: The rule does not allow for an alternative adjustment calculation for a high water bill for unforeseen circumstances; the calculation for adjustment that is allowed for unforeseen circumstances is as laid out in the sentence preceding that describing “unforeseen circumstances”.

Regular Meeting: Thursday, January 23, 2014 - Page 4 of 20
Discussion: Part 2, Section IX "Adjustment of Bills for Undetected Leaks and Unforeseen Damages" states that:

(1) The Department will reduce high water bills caused by undetected leaks in the consumer's supply pipe by one half of the excess over the consumer's normal bill based on the previous six months' average. Adjustments will also be allowed where the high water bill was caused by some unforeseen circumstance such as a storm, flood, explosion, fire and others.

At issue is whether the "[a]djustment" described in the second sentence references a different adjustment calculation than what the first sentence describes.

Parimateria is a general principal of statutory interpretation that says laws of the same matter on the same subject must be construed in reference to each other. See generally Erlenbauch v. U. S., 409 U.S. 239, 243-44, 93 S. Ct. 477, 480, 34 L. Ed. 2d 446 (1972). Specifically, "[t]he rule of parimateria—like any canon of statutory

Sherman Shiraishi, Vice Chair
Page 2
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construction—is a reflection of practical experience in the interpretation of statutes: a legislative body generally uses a particular word with a consistent meaning in a given context. Thus, for example, a 'later act can . . . be regarded as a legislative interpretation of (an) earlier act . . . in the sense that it aids in ascertaining the meaning of the words as used in their contemporary setting,' and 'is therefore entitled to great weight in resolving any ambiguities and doubts.' Id.

In this instance, the Rule lays out the exact method of calculation of adjustment under the title "Adjustment of Bills for Undetected Leaks and Unforeseen Circumstances". Using the principle of parimateria, any adjustment allowed for unforeseen damages would be calculated in accordance with what is already stated in this section of the Rules.

If you have any other questions, please do not hesitate to ask.

ANDREA A. SUZUKI
Deputy County Attorney

APPROVED:

ALFRED B. CASTILLO, JR.
County Attorney
Mr. Nishimura moved to accept *Manager’s Report No. 14-19* - Billing Dispute – Mr. Hartwell Blake to disallow the additional credit to Mr. Blake; seconded by Mr. Dill; with no objections, motion was carried with 5 Ayes, 1 Recused, Mr. Dahilig.


**BACKGROUND:**

*Acting* Manager Mr. Saiki reported that the rules were sent to the Small Business Regulatory Review Board (SBRRB) which was approved unanimously. The recommendation is to adopt Part 2 Section IX of the DOW’s Rules & Regulations and allow the Department to schedule a public hearing for the proposed rule change.

Mr. Shiraishi moved to make two changes in Part 2 Section IX of the Rules:
- **Item #1, 1st sentence** - *The Department will “may” reduce high water bills …*
- **Item #3, 1st sentence** - *An adjustment in a high water bill will be allowed only if the consumer exercises diligence in repairing and stopping the leak within one week after that the consumer …*

Motion Failed for a lack of a 2nd.

The Board agreed that after the public hearing the rules could be amended.

Mr. Shiraishi moved to accept *Manager’s Report No. 13-7* – Proposed Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages and for the Department to schedule a Public Hearing; seconded by Mr. Nishimura; with no objections, motion was carried with 6 Ayes.


Mr. Nishimura moved to approve *Manager’s Report No. 14-18* – Review, discussion and possible action of Board Policy No. 3 – Expenditure of Water Utility Funds Proposed New Language and that separate polices for expenditures of funds from Debt Service Fund (DSF) and Emergency Reserve Fund (ERF) be drafted and presented to the Board; seconded by Mr. Dill.

**DISCUSSION:**

Mr. Dahilig would not support Board Policy No. 3 because it could be handled case-by-case rather than memorialized by a rule.

Mr. Nishimura pointed out that Section 5 would be based on a case-by-case basis which Mr. Dahilig understood.

*Supermajority* in Section 5 was reworded: “to a minimum of five (5) members of the Board.”

Mr. Nishimura withdrew his motion.
Mr. Dill withdrew his 2nd motion.
Mr. Nishimura moved to amend the motion that the Department shall draft language for separate policies for expenditures of funds on the Debt Service Fund (DSF) and Emergency Reserve Fund (ERF) for review and approval by the Board; seconded by Mr. Dill; with no objections, motion was carried with 6 Ayes.

Mr. Shiraishi moved to approve Manager’s Report No. 14-18 and to change “Supermajority” in Section 5 insert “to a minimum of five (5) members of the Board”; seconded by Mr. Nishimura; with no objections, motion was carried with 5 Ayes, 1 Nay.

Item No. 7 states that expenditures from the DSF and EFR shall be guided by separate policies approved by the Board to manage each respective fund. Currently there are no policies in place.


BACKGROUND:
Construction Project Management Officer, Dustin Moises recommended the Board approve and authorize submission of SRF loan application and identify the dedicated source(s) of revenue which will fund the construction of the project and repayment of the loan with interest due to the recent $1.684M grant availability and provide written approval based on the option chosen in order to submit the loan application and execute final agreement in a timely manner.

The Board would authorize the Board Chair to sign the loan application before it is submitted. Approved authorization does not commit the Board or Department to fund the project from the SRF loan.

At 10:49 a.m., Mr. Shiraishi exited the meeting.

At 10:50 a.m., Mr. Dahilig exited the meeting.

Status of the Project:
- RFP did not go out on December 20, 2013
- Possible advertisement on February 27th
- Open bid proposals in April

Total Funding to date: (refer to report for details)
- Spent $914,000 on the master plan and design
- Construction estimate at the time of report was approximately $8M

At 10:53 a.m. Mr. Shiraishi and Mr. Dahilig re-entered the meeting.

Mr. Moises received the engineer’s estimate of $9.7M (high end) which was conservative. The estimate may be between $8M and 9.5M.

The loan application requirement for balances must state how much SRF loan is requested and what the different fund balances are for the Department.

Balances:
- The BAB balance available for this project is $6,482,762.00. At the last budget cycle, the Board dollar funded the project. The entire balance that could go to the building went into the total balance of BAB which was not allocated to any project.
- Current Water Utility CIP Reserve fund balance available is $12,798,232.00.
- The State (DOH) stated this project will be provide a Green Energy Grant via the Drinking Water State Revolving Fund loan program.

Option 1: SRF Loan with BAB Funding ($8.8M)
*SRF Loan amount = $4.949 M (Based on approved water rate study SRF loan amounts)
BAB = $3.851M
*Dollar Value includes $1.684M Green Energy Grant

$4.949M was based on the Board approved water rate study. The study projected for fiscal year on how much money the Board can take from SRF loans. $4.949M carried the projections after funding was taken for Wailua House lots and Kahili Well. Option 1 would take the balance for the construction project at $8.8M using the BAB fund.

Option 2: SRF Loan with Water Utility Funding ($8.8M)
*SRF Loan amount = $4.949 M (Based on approved water rate study SRF loan amounts)
W/U = $3.851M
*Dollar Value includes $1.684M Green Energy Grant

$4.949M SRF loan the difference is in Water Utility.

Option 3: Full SRF Funding
*SRF Loan amount = $8.8 M (Above $4.949M approved water rate study SRF loan amounts)
*Dollar Value includes $1.684M Green Energy Grant

If the Department took the amount of loan amount projected in the water rate study, DOW would get the same grant amount but interest rates would differ. The higher the loan amount would decrease the interest rates. ($8M loan, 0% interest with a 1% administrative fee.) The actual grant is $800,000 more than the long term debt over the life of the loan with the $1.7M Green Energy Grant.

Based on the water utility and recent water rate increase, projected in the rate study included the new building (Line Item 31 is Li‘u‘e Baseyard Improvements.) From the projected water rate study, $1.7M came from the water rates.

Grove Farm Sewer plans and the sewer agreement have been executed by Grove Farm. Use Permit were approved by the Planning Department.

Mr. Mike Miyahara, DOH SDWB and Mr. Alain Carey, SDWB State Fund Loan Engineer provided an overview of the SRF program. The SDWB oversees regulated public water systems statewide under the Federal Safe Drinking Water Act and the Kaua‘i Department of Water systems.

Mr. Carey presented the “Overview of the Drinking Water State Revolving Fund” handout which was Received for the Record. Topics in handout include:

- What is the DWSRF?
- How Can the SRF Benefit You?
How is SRF Flexible?

How Can the SRF Benefit You?

1. Cost savings mean you can construct more now and also acts as a stimulus to your local economy
2. Wide range of eligible projects
3. Significant flexibility
4. Revolving nature means available funds are always increasing
5. State management means hands-on assistance to help you get to construction

DWSRF Project Eligibility

Green Project Reserve

Current Loan Rates in Hawai'i (until June 30, 2014)

Actual Example of Savings (SRF Loan Rate/savings = $3,430,214 @ 26% on lower interest rate)

What is the DWSRF?

- Drinking Water State Revolving Fund
- Provides low-cost financing for drinking water infrastructure projects
  - Loans required to be below market rate
  - Principal forgiveness lowers cost further
  - 20 year loan term; 30 year terms available to disadvantaged systems

Final Thoughts
This fiscal year allocated $1.7M of principle forgiveness funds which the new building qualifies for. The net total paying on $8M would be paying less than what is paid for construction of the building.

At 11:02 a.m., Mr. Nishimura exited the meeting.

At 11:03 a.m., Mr. Nishimura re-enters the meeting.

Mr. Carey confirmed that if the Department authorizes to submit the loan application, would not bind the Department.
Mr. Carey indicated that the application time frame to be submitted is up to one (1) year before construction starts.

A commitment letter from the SDWB to commit funds to start construction is a binding commitment. Loan approval would be given less than one (1) week from time the application is submitted. Mr. Carey has confirmed that money is already allocated to the project.

Mr. Moises explained why he did not submit the loan application one (1) year in advance because the Department was initially using SRF instead of BAB until the grant came in.

Other time frame includes:
- February - advertisement would begin.
- It takes 6 weeks to prep construction with prices.
- April present prices to the Board for approval.
- If Board approved - Award of the project – May or June
- Break ground – this summer

Mr. Miyahara mentioned that if financing is bundled at $8M, the financing could be 1%.

Mr. Moises recommended Option 3 as the best option for the Department for full SRF funding at the 1% interest rate, which Acting Manager Mr. Saiki concurs.

Mr. Miyahara pointed out that if the project stays on schedule, it shows good faith for the program. Grants are awarded to the best performing counties, which Kaua‘i is.

Mr. Moises clarified the $4.949M was not SRF for the building it was for the SRF loan in general and any CIP project. The $7.9M was projected for water utility funds for the building.

The additional debt service semi-annually is $484,000
Total interest for $850,000 divided by 20 years = $41,000/year

Mr. Shiraishi moved to approve Manager’s Report No. 14-20 - Water Plan 2020 Project PLH-39, Lihue Baseyard Improvements for the Department of Water, Lihu‘e Water System, Lihu‘e, Kaua‘i, Hawai‘i, SRF loan application to authorize submission of the SRF loan application for Option 3: *Full SRF Funding for $8.8M; seconded by Mr. Strom.

*Note: Option 3: Full SRF Funding
*SRF Loan amount = $8.8M (Above $4.949M approved water rate study SRF loan amounts)
*Dollar Value includes $1.684M Green Energy Grant

DISCUSSION:
Mr. Dahilig would not support the motion. The budget was approved last year and the Board was going to have a serious discussion whether or not to have the building. The Board should make a definite position to spend money on a non-generating building. The Department has concerns on raising the FRC rates and to balance the books. Mr. Dahilig questions if the Board wants to send the message on taking additional debt to build a building with water infrastructure.
Mr. Moises has done his job but Mr. Dahilig stated the Board has not done their job. He inquired if the loan is approved, is the Board implying to go ahead with the building? Do we have the money to pay back the loan?

Mr. Strom agrees with Mr. Dahilig to apply for the loan but the Board needs to resolve the building issue the next two months.

Mr. Shiraishi thought that the building was approved and that is why the Department is proceeding of getting bids and downsizing which caught him by surprise.

Mr. Moises commented that he would come back to the Board for approval after the bid process are received. The project was in the Water Plan 2020 and an approved Master Plan. An approved budget was never received.

Mr. Nishimura is aware that the building is required. The big issue was when the building went from $6M to $8+M based on the increase in water rates and potential increases in FRC. He was unsure if the building is the best plan and was unaware if the Department has taken a serious look at the scope.

The Department has never answered the question posed by Mr. Nishimura on what can be built for $6M. The $2M difference could be used for pipelines.

Mr. Nishimura would support the loan application portion. DOH may not be looking at 1% for financing on $8M to get the lower financing rate.

Chair Nakaya inquired if the Department applies for the loan application for $8.8M and the actual cost is $6M, would the interest rate be on the lower amount?

Mr. Miyahara confirmed the loan application interest would be based on the lower amount. The cash flow is available and DOH is expected to fund the building.

Mr. Carey explained that all loan amounts come with a 10% contingency, which can be added to the loan amount. Bundling could include: construction management and consultant design.

At 11:30 a.m., Mr. Shiraishi exited the meeting.

Chair Nakaya understood Mr. Nishimura’s concern but would like to proceed with the process. The project will be on the next agenda regarding definite plans on the building for the Board’s final decision.

At 11:33 a.m. Mr. Shiraishi re-entered the meeting.

When Mr. Moises provides the Board with the bid offers in April/May, if the bids are $10M or $6M, the Board is not obligated to take the loan.

Mr. Strom requested to see previous Board minutes relating to PLH-39, Līhu'e Baseyard Improvements.

Mr. Moises indicated that something could be built but would not meet the Department’s needs.
Mr. Dill commented that the Board is clear that they are on a reserve judgment to approve the project until the bids are in and that is why the project was dollar funded. Mr. Dill also supports the loan application. He would like to see that the project is panning out based on the interest payments for the project.

Mr. Moises agreed to conduct a Workshop before the Board’s final decision regarding the new building.

Mr. Shiraishi moved to approve Manager’s Report No. 14-20 - Water Plan 2020 Project PLH-39, Lihue Baseyard Improvements for the Department of Water, Lihue Water System, Lihue, Kaua‘i, Hawai‘i, SRF loan application to authorize submission of the SRF loan application for Option 3: *Full SRF Funding for $8.8M; seconded by Mr. Strom; with no objections, motion was carried with 5 Ayes, 1 Nay.


At 11:38 a.m., Mr. Strom exited the meeting.

Acting Manager Mr. Saiki recommended that the Board adopt Part 4 Section 1 of the DOW’s Rules & Regulations and allow the Department to move forward with a no effect impact statement to the Small Business Regulatory Review Board (SBRRB).

The only change is a word change from “Blocks” to “Tiers.” The existing rules uses Blocks that describes the rate structure. Customer Care & Billing (CC&B) uses the word “Tiers.”

Mr. Dill moved to approve Manager’s Report No. 14-24 - Part 4 Fixing Rates for Water Service, Section I General Use Rates, Proposed Rule Amendments to change the language of the rules from “Blocks” to “Tiers” for the rate structure to be in line with CC&B billing system; seconded by Mr. Shiraishi; with no objections, motion was carried with 5 Ayes.

H. NEW BUSINESS

1. Board Committee Appointments for 2014

Chair Nakaya ordered that the Rules Committee members would remain the same: Rules Chair Mr. Dahilig, Mr. McCormick, and Mr. Shiraishi. The Finance Committee members are Finance Chair Dill, Mr. Strom and Chair Nakaya was replaced by Mr. Nishimura.


BACKGROUND:
Acting Manager Mr. Saiki recommended that the Board allow the Department to continue to follow the provisions set forth in the County of Kaua‘i Take Home Vehicle Policy 2013 Edition. The Department has been working with the County and complying with their requirements.

Chief of Operations, Mr. Val Reyna explained qualified non personal use vehicles are for repairs and will not be taxed. The employees who do not meet the qualifications of non-personal use vehicles are aware that they will be taxed.
Mr. Nishimura recommended that the Department follow the Comprehensive Vehicle Policy draft (8/13).

Mr. Dahilig moved to approve Manager’s Report No. 14-25 - Review and discussion of County Vehicle Policy and for the Department to follow the Comprehensive Vehicle Policy draft (8/13); seconded by Mr. Nishimura; with no objections, motion was carried with 5 Ayes.

3. Manager’s Report No. 14-26 – Belt Collins Hawai‘i LLC, 6th Contract Amendment for Job No. 02-14 Kapa‘a Homesteads 0.5 Million Gallon Storage Tank and Kapahi 1.0 Million Gallon Storage Tank and Connecting Pipelines Wailua-Kapa‘a Water System, Kapa‘a Kaua‘i, Hawai‘i

Mr. Dahilig moved to approve Manager’s Report No. 14-26 – Belt Collins Hawai‘i LLC, 6th Contract Amendment for Job No. 02-14 Kapa‘a Homesteads 0.5 Million Gallon Storage Tank and Kapahi 1.0 Million Gallon Storage Tank and Connecting Pipelines Wailua-Kapa‘a Water System, Kapa‘a Kaua‘i, Hawai‘i; seconded by Mr. Dill; with no objections, motion was carried with 5 Ayes.


Mr. Nishimura moved to approve Manager’s Report No. 14-27 - Right of Entry Agreement between the Kaua‘i Board of Water Supply and Hawaiian Telcom, Inc. affecting TMK: 4-3-8-002:018, Hanamā‘ulu, Kaua‘i, Hawai‘i; seconded by Mr. Dahilig; with no objections, motion was carried with 5 Ayes.

I. REPORTS
MONTHLY

1. Statement of Kaua‘i County Water Department’s Revenues and Expenditures

PRESENTATION:
Ms. Yano presented the Budget Status Summary from November 2013 and a Progress Status Report on the Final Audit and the final copy of the Single Audit Report.

Mr. Dahilig moved to receive the Statement of Kaua‘i County Water Department’s Revenues and Expenditures; seconded by Mr. Dill; with no objections, motion was carried with 5 Ayes.

2. Report by the Public Relations Specialist on Public Relations Activities

PRESENTATION:
Ms. Tamaoka presented the Public Relations Specialist on Public Relations Activities.

Press Releases:
December 10th – The Department announced road closures in Wailua Houselots Dec. 11th to Dec. 20th, to allow Goodfellow Brothers Inc. to resurface roads.

December 13th – Employees prepared 60 gifts for the Salvation Army’s Angel Tree program.

December 13th – The Department announced intermittent road closures for Olohena Road, west of the Waipouli Road intersection, Dec. 16th to Dec. 24th for Koga Engineering & Construction Inc., to repave a section of the
road affected by the recent waterline installation and assisted the Department of Public Works with underlying groundwater damage.

December 16th – The Department announced a water conservation request for the Eleele and Hanapepe area. Storage wells were affected by an electrical outage from a storm that occurred Dec. 15th.

December 18th – The Department announced an upcoming community outreach meeting from 6 to 8 p.m., on Jan. 27, at Kapa’a Middle School’s dining room, regarding Water Plan 2020 Kahili Horizontal Directional Drilled Well.

December 24th – The Department announced an upcoming public hearing on Jan. 23. The hearing is regarding the establishment of benefit zones relating to the collection and expenditure of development impact fees.

December 30th – The Department announced Mr. Randy Nishimura’s final Board meeting and send off, and the Board’s 2014 officers.

Honolulu Star Advertiser:
December 10th – “Kaua’i County to resurface roads in Wailua Houselots”

The Garden Island:
Online – December 16th – “Water conservation request for Eleele, Hanapēpē”
December 23rd – “DOW announces meeting on well project”

Kahili Horizontal Directional Drilled Well – Community Outreach Meeting
December 18th - Press Release submitted to the County and all media outlets
December 18th – Press Release published on www.kauai.gov
December 23rd – Published The Garden Island article

Calendar Event submitted to The Garden Island and For Kauai Magazine on Dec. 30th
- Published on www.thegardenisland.com since Jan. 1st
- Published on www.forkauaionline.com since Jan. 3rd

Submitted an ongoing PSA request to KONG radio, FM97 and H. Hawaii Media on Dec. 30th and Jan. 21st. Reminder Press Release submitted to the County and all media outlets on Jan. 21st.

Published on the Department’s Facebook page Jan. 8, 21 and 27.

Employee Council (EC): The EC hosted a community service project dinner for the KEO Homeless Shelter and Women In Need on Dec. 16th at the Pua Loke Arboretum

Miscellaneous:
- Make-A-Splash 2014 letters were sent to all Kauai elementary schools regarding the tentative festival date and applications for financial assistance.
- PR attended a Kauai Habitat for Humanity blessing ceremony for Eleele Iluna Subdivision Phase II, on Jan. 17th.
- PR will assist management as needed with the Public Hearing regarding “Benefit Zones,” on Jan. 23rd.

Mr. Dahilig moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Dill; with no objections, motion was carried with 5 Ayes.

PRESENTATION:
Mr. Reyna explained that initial meetings regarding SOP 36 were done with Fiscal. SOP 36 submitted in the Board packet was not finalized. The issue of staff having the ability to have access the system and changing inventory would be eliminated with appropriate controls in place.

Mr. Dill moved to receive the Chief of Operation’s Summary Report on Monthly Operational Activities Report; seconded by Mr. Nishimura; with no objections, motion was carried with 5 Ayes.

4. Manager’s Monthly Update Regarding Activities of Note of the Kaua’i County Water Department

PRESENTATION:
Acting Manager and Chief Engineer highlighted the following:
1. Personnel Matters - Accountant IV interviews and a selection was made. CE V previously hired will be moving back to the mainland.
2. IT Strategic Plan – Waterworks Info. Tech. Officer, Mr. Mendez distributed a handout.

Mr. Nishimura moved to “Receive for the Record” the Water Financial Information System Redeployment Update, dated January 23, 2014; seconded by Mr. Dill; with no objections; motion was carried with 6 Ayes.

RECEIVED FOR THE RECORD

Water Financial Information System Redeployment Update
January 23, 2014

Progress to Date

- Selected Dynamics GP software with Paramount Procurement module.
  - This is an updated version of the current product being used. Its functionality was analyzed and shown to be satisfactory. Significant cost and time are saved by redeploying the existing product.
- Developed a new streamlined Chart of Accounts
  - Division Managers will use the new Chart of Accounts for the 2015 budget starting in about 2 months.
- Completed a review and simplification of Accounting/Finance business processes.
  - These to be used for software configuration
- Selected a hosted system configuration with local back-up.
  - Cost for the hosted system compare favorably with other options.
  - The local back up provides system access if Internet connection to the mainland is lost.
**Brio Consulting Contract Status**

- Completed Information Technology Master Plan in January 2013
  - Identified 10 projects to be completed over 6 years for between $1.3M to $3.3M
  - The ITMP estimated the Financial Information System between $310K to $600K
- $200K system design contract project begun in October
- $300K amendment required to complete procurement of hardware, software, configuration services, training and reports
  - These funds currently budgeted under IT strategic planning and fiscal upgrade of FIS
- New item- First year hosting fees are an additional $70K. Subsequent years hosting $45K/yr.
  - Note that these include current software maintenance fees that are currently $12K/yr

**Board Action Requested**

- None for amendment to fund system configuration ($300K)
- Approval of $70K budget reallocation for first year hosting option

Mr. Mendez reported that the contract amendment will be submitted in February to implement the upgraded system. The recommendation is to keep the upgraded system on the server or have someone else be the host.

Brio consultant, Ms. Nancy Learner reported staff will see the software soon and is ahead of schedule. The chart of accounts will be shown in the draft budget.

*At 11:56 a.m., Mr. Hugh re-entered the meeting.*

Mr. Nishimura moved to receive Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 Ayes.

a. Report of the BAB Bond pay down as of December 2013

Mr. Nishimura moved to receive Report of the BAB Bond pay down as of December 2013; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 Ayes.

**QUARTERLY**

1. Quarterly Update on Project Status
   a. Construction Management Division Status

Mr. Moises confirmed to do a Workshop on the new building for the Board members.

Several Water Plan 2020 projects will close including Kapa‘a Homesteads pipeline. Wainiha Tank, Waipouli Main, Wailua Houselots, Waipouli and Olohena Roads are almost completed.

No new construction projects have been procured during the past year. Procurement was cancelled for Kapa‘a Wainiha Well 4 construction (previously approved by the Board). Many new projects are currently being worked on.
Mr. Dahilig moved to receive the Construction Management Division Status; seconded by Mr. Dill; with no objections, motion was carried with 6 Ayes.

b. Engineering Division Design Status

Ongoing projects have not been approved due to unexpected snags. By the 2nd quarter, many projects will be approved.

Mr. Aoki will provide an update on LO-19 – Piwai Micro turbine project in the next Quarterly report.

KP-05 project – Po'ipu 245 1M gallon tank was not budgeted for the current fiscal year. The project was proposed by DOW management to be done after the budget was approved. Also, the project was dollar funded for this fiscal year; no site has been selected and no funding requested to date.

Mr. Nishimura moved to receive the Engineering Division Design Status; seconded by Mr. Strom; with no objections, motion was carried with 6 Ayes.

K. TOPICS FOR NEXT WATER BOARD MEETING  (February 2014)

MONTHLY
4. Manager’s Report No. 14-28 - Request Board Approval of the Volunteer Agreement with Mike Fernandes for Grounds Maintenance of our Nonou 0.2 MG Tank Site
5. Correspondence from Ms. Kacy Chatfield on behalf of Mr. Christopher Singleton, dated January 15, 2014 regarding TMK (4) 4-6-006:017
6. IT Staffing Report Update (incorporate in Manager’s Update) (RN)
7. Board discussion and possible action on the process of Hiring a new Manager and Chief Engineer
8. Board discussion and possible action for Unaccounted Water
9. Board Policy draft language for discussion and possible action on Debt Service Fund
10. Board Policy draft language for discussion and possible action on Emergency Reserve Fund

L. TOPICS FOR FUTURE WATER BOARD MEETINGS

4. Draft FY 14-15 Budget (March 2014)
UPCOMING EVENTS
1. Public Hearing on Benefit Zones (January 23, 2014, 6:00 pm, DOW Board Room)
2. Community Outreach Meeting (January 27, 2014, 6:00 pm, Kapa‘a Middle School Dining Room/Cafeteria)
   Water Plan 2020 Kahili High Level Well Energy Savings Project, Cost Savings Analysis
3. AWWA 2014 Hawaii Section Conference, O‘ahu, HI (May 6-9, 2014)
4. AWWA 2014 Conference, Boston, MA (June 8-12, 2014)
5. Make a Splash, Project WET (September 18, 2014 Tentative)
6. HWWA 2014 Conference, Kaua‘i, HI (October 15-17, 2014)

NEXT WATER BOARD MEETING
1. Thursday, February 27, 2014, 10:00 a.m.
2. Thursday, March 27, 2014, 10:00 a.m.
3. Thursday, April 24, 2014, 10:00 a.m.
4. Thursday, May 22, 2014, 10:00 a.m.

Mr. Dahilig moved to go into Executive Session; seconded by Mr. Strom; with no objections, motion was carried with 6 ayes. (Roll Call Vote: RN, SS, HS, LD, MD, CN)

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).

1. Pursuant to Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the Office of the County Attorney requests an Executive Session with the Board to provide the Board with a briefing on Jennings Pacific, LLC, vs. Board of Water Supply of the County of Kauai, David R. Craddick in his official capacity as Manager and Chief Engineer of the County of Kauai Department of Water et. al., Civil No. 12-1-0284 (Fifth Circuit Court) and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item. [Not entertained]

2. Pursuant to Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this session is to review the legal opinion submitted by the Deputy County Attorney regarding interpretation of the Department’s Leak Rebate rules and to consider the release of the opinion to the public. This consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board as they relate to agenda item G(3). [Not entertained]

3. Pursuant to Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated December 19, 2013. This consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item.

Mr. Nishimura moved to approve the Executive Session minutes dated December 19, 2013; seconded by Mr. Dill; with no objections, motion was carried with 6 Ayes.
O. ADJOURNMENT

Mr. Dahilig moved to adjourn the Regular Board meeting at 12:21 p.m.; with no objections.

Respectfully Submitted,                      Approved,

Edie Ignacio Neumiller            Hugh A. Strom
Commission Support Clerk            Secretary – Board of Water Supply
The Board of Water Supply, County of Kaua‘i, met in Public Hearing at the Board Conference Room in Līhu'e on Thursday, January 23, 2014. Chairperson Clyde Nakaya called the meeting to order at 6:00 p.m. On roll call, the following answered present:

**BOARD:**
- Mr. Clyde Nakaya, Chairperson
- Mr. Randall Nishimura
- Mr. Hugh Strom
- Mr. Larry Dill
- Mr. Sherman Shiraishi *(entered at 6:01 p.m.)*

**ABSENT/EXCUSED:**
- Mr. Raymond McCormick
- Mr. Michael Dahilig

Quorum was achieved with 5 members present at the time of roll call.

**STAFF:**
- Mr. Kirk Saiki
- Mr. Keith Aoki
- Ms. Marites Yano
- Mr. Dustin Moises
- Ms. Kim Tamaoka
- Ms. Regina Flores
- Ms. Anne Parrott
- Ms. Mj Garasi
- Deputy County Attorney Andrea Suzuki

**GUESTS:**
- Mr. Hal Parrott, private citizen

Chair Nakaya read the following at the start of the public hearing. “A public hearing was held, Thursday, January 23, 2014 regarding Benefit Zones which will be more specifically, stated when the public hearing notice is read shortly.”

The Commission Support Clerk requested a Point of Order to read the Notice of Public Hearing – Benefits Zones as follows:

§46–144 Collection and expenditure of impact fees. Collection and expenditure of impact fees assessed, imposed, levied, and collected for development shall be reasonably related to the benefits accruing to the development. To determine whether the fees are reasonably related, the impact fee ordinance or board rule shall provide that:
(2) Collection and expenditure shall be localized to provide a reasonable benefit to the development. A county or board shall establish geographically limited benefit zones for this purpose; provided that zones shall not be required if a reasonable benefit can be otherwise derived. Benefit zones shall be appropriate to the particular public facility and the county or board. A county or board shall explain in writing and disclose at a public hearing reasons for establishing or not establishing benefit zones;

Legal counsel Andrea Suzuki read and explained the procedures that applied to this hearing.

**PUBLIC HEARING PROCEDURES**

(“Board will follow the following procedure as laid out in the Benefit Zones of the Department of Water, County of Kaua‘i Rules and Regulations in holding this public hearing....”)

1. **Presentation by Department on its findings of the Proposed Benefit Zones**
   This Board approved the no Benefit Zones at the January 26, 2012 Board Meeting. First, the Department will make a presented on the declaration on no Benefit Zones.

2. **Questions by Board to Department Regarding Presentation**
   The Department will then answer any questions Board may have regarding Department’s presentation.

3. **Take Public Testimony**
   If you wish to testify, please fill out the request to testify signature list. Anyone testifying is entitled to the floor only when recognized by the presiding officer. Anyone with written testimony may be given priority at the discretion of the presiding officer. The presiding officer shall then grant to persons who have not registered time to speak following the registered speakers.

   Regarding your testimony:
   - Please state your name, address, and organization you’re representing and if you are registered lobbyist.
   - Please limit your comments to subject matter of today’s public hearing
   - Anyone testifying shall refrain from direct questioning of the Board and shall direct any remarks or questions to the chair.
   - Anyone speaking may be subsequently subject to questioning by the Board. Questions by the Board shall be permitted only at the discretion of the presiding officer.
4. Regarding Public Testimony

a. **Three minute rule:** Three minute rule will be followed regarding all testimony. Please limit your initial testimony to three minutes. This will give everyone who wants to say something an opportunity to testify. If you don’t complete your testimony within three minutes, you will be given another opportunity to complete what you want to say after everyone has had a chance to testify.

If you have not completed your testimony on the second go-around, you’ll then be given another chance to finish your testimony after everyone in the second round of testimony has had a chance to testify. The presiding officer may restrict or terminate the speakers’ right to the floor for intemperate or abusive behavior or language.

b. The Board shall not be bound by technical rules of evidence.

Thank you! **Any questions?**

**Chair Nakaya read the following**. “The public hearing is now open. The purpose of this hearing is for the Board of Water Supply to hear testimony on the declaration on no Benefit Zones.

Mr. Nishimura requested a Point of Order for the Department to explain the presentation.

Chair Nakaya asked the Department to make its presentation on its findings, and to allow questions of Staff Findings by the Board.

**BACKGROUND:**

*Acting* Manager & Chief Engineer Kirk Saiki explained the reasons for not establishing geographically limited Benefits Zones:

1. Water Plan 2020 projects benefit the entire water system
2. The current operations of the Department reflect the fact that the entire County water system is one system
3. Not establishing benefit zones allows for a more equitable and proportionate impact fee

Mr. Dill questioned if the other county Board of Water Supply have established Benefit Zones.

*Acting* Manager & Chief Engineer answered “no.”

**Chair Nakaya read the following** “Now we will begin public testimony. Are there any written materials that have been submitted or that anyone wishes to submit without speaking?” *If so, Chairperson will ask them to be read on record by the Secretary.*

The Commission Support Clerk did not receive any written testimony from the public.
Chair Nakaya read the following. “I will now call upon persons signed up on the sign in sheet.” After public testimony of those registered are taken, Chairperson said: “Is there anyone else who has not spoken and wishes to?”

After all public testimony was taken, Chairperson closes the hearing and says: “There being no further testimony, I will close the public testimony portion of the public hearing.

At 6:06 p.m. Chair Nakaya adjourned the Public Hearing meeting regarding the declaration on no Benefit Zones.

Respectfully Submitted,                          Approved,

Edie Ignacio Neumiller                          Hugh A. Strom
Commission Support Clerk                      Secretary – Board of Water Supply
Correspondence
Board of Water Supply  
County of Kauai – Department of Water  
4398 Pua Loke Street  
Lihu’ e, Hawai’ i 96766

Subject:  
Community Outreach Meeting  
Water Plan 2020 Kahili High Level Well Energy Savings Project: Cost Savings Analysis

To Whom It May Concern:

Aloha! We are here for a ‘Community Outreach Meeting’ in reference to the 28-page report, prepared by Plasch Econ Pacific LLC, which “evaluates the costs of various water source alternatives based on component costs and other information assembled by Oceanit and the Mears Group Inc” (TGI 12/23/13 – pA8).

Listed are three alternatives in the Plasch Econ Pacific LLC report for County of Kauai – Department of Water; of the following:

- “Continuing to supply water from the current water-supply system”
- “Modifying the Waiahi Water treatment Plant by adding a solar farm & related improvements to reduce energy costs”
- “Moving forward with the horizontal well”

The most logical is to move forward with a ‘Solar Farm’ to reduce energy costs.

It is illogical & irrational to pursue drilling into the headwaters of sacred Wai’a‘ale‘ale. We urge the Board of Water Supply – County of Kauai – Department of Water to stop the flow of funding to this pastime… Ludicrous, is what it is for the Department of Water to spend any more money in the diversion of spending monies into the proposal of horizontal drilling into revered headwaters of pristine Wai’a‘ale‘ale and surroundings.

We deeply appreciate the consciousness in upholding the people’s wish; in keeping what is hallowed, blessed and revered as an investment in clean water for future generations as it has triumphed – remaining intact – as created; [without domination from the Board of Water Supply – County of Kauai – Department of Water].

It is with great pleasure; we believe that the Board of Water Supply will “Stay the Course” respect and uphold the will of the people. Mahalo for preservation for what is pololei (correct) and remaining true to the will of the people; as well, to maintain: Ua Mau Ke Ea O Ka ‘Aina I Ka Pono.

Sincerely with ALOHA,

Bonnie P. Bator and ‘Ohana
Old Business
MANAGER’S REPORT No. 12-56

February 27, 2014

Re: Determination of Reasonable Benefit from Expansion Project Impact Fees Without Establishing Benefit Zones, Public Hearing Results

Benefit Zones

§46-144 Collection and expenditure of impact fees. Collection and expenditure of impact fees assessed, imposed, levied, and collected for development shall be reasonably related to the benefits accruing to the development. To determine whether the fees are reasonably related, the impact fee ordinance or board rule shall provide that:

(2) Collection and expenditure shall be localized to provide a reasonable benefit to the development. A county or board shall establish geographically limited benefit zones for this purpose; provided that zones shall not be required if a reasonable benefit can be otherwise derived. Benefit zones shall be appropriate to the particular public facility and the county or board. A county or board shall explain in writing and disclose at a public hearing reasons for establishing or not establishing benefit zones;

RECOMMENDATION:
The Department can assess expansion project impact fees without establishing benefit zones.

BACKGROUND:
On January 23, 2014, the Board convened a Public Hearing to receive public comments and testimony on the Department’s determination that reasonable benefit can be provided to developments without establishing benefit zones. There were no attendees, comments, or testimonies from the public.

Respectfully submitted,

Kirk Saiki, P.E.
Acting Manager and Chief Engineer

MANAGER’S REPORT No. 13-19 (12/20/12)

February 27, 2014

Re: Re-Establishment of Assistant Chief of Operations – Position #2400

RECOMMENDATION:
This report has been written for information purposes only. Unless otherwise directed by the Board, the Department will consider the Assistant Chief of Operations an established position that can be filled.

BACKGROUND:
In December 2012, the Department requested that the Board re-establish the position of Assistant Chief of Operations. The request was prompted by a November 2009 letter requesting Leave Without Pay to Certain Appointed Positions via Executive Order 03-02. The Department Manager approved the request on November 2009. Between November 2009 and December 2012 the position was abolished by the Department. The County’s Department of Personnel Services informed the Department that the positions should not have been abolished if the person could return to the position.

At the December 2012 Board Meeting the Board was briefed on the re-establishment of the Assistant Chief of Operations position. Following this Board Meeting the revised Operations Division organization chart was signed by the Board Chairperson on December 20, 2012.

Respectfully submitted,

Kirk Saiki, P.E.
Acting Manager and Chief Engineer

Operations Division – Table of Organization signed by Board Chairperson, Daryl Kaneshiro dated December 20, 2012

MANAGER'S REPORT No.13-19

December 20, 2012

Re: Request for Board Approval for the Re- Establishment of Assistant Chief of Operations - Position #2400

RECOMMENDATION:
Board approval is requested for the re- establishment of the Assistant Chief of Operations Position #2400. As Manager of the Department of Water, upon reviewing the needs of the Department, it is necessary at this time to implement Executive Order 03-02 and Civil Services Rules §8-8(d)(1). This is in the best interest of the Department at this time.

There are eleven Operations Division positions funded and vacant this Fiscal Year. The current budget shows ample funding at this time to appropriate monies to the Assistant Chief of Operations position. Thus, no additional funding is required for this action and no additional positions will be created.

Attached is the Operations Division Table of Organization identifying the location of the Assistant Chief of Operation's position. The position reports to the Chief of Operations.

Note: Along with the re- establishment of the Assistant Chief Operations position, the Water Field Superintendent position will be abolished. This position is currently funded at $36K.

It is recommended that the Board approve this Request for the Re- Establishment of Assistant Chief of Operations - Position #2400:

FUNDING: Salaries # 15

OPERATIONS:
   Assistant Chief of Operations Approx. $78,000

BACKGROUND:
A letter of request to apply for Leave Without Pay to Certain Appointed Positions via Executive Order 03-02 was submitted to me, which I approved in November 2009. Subsequent to that action the position was abolished. Department of Personnel Services (DPS) is saying the position should not have been abolished as long as the person could return to the position. It is within my authority to implement action at this time. In order to do so, the Assistant Chief of Operations position must be re-established.
Manager's Report No. 13-19
Page 2 of 2
December 20, 2012

Respectfully submitted,

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

DM: ein

Mgrept/December2012/13-19 Request for Board Approval for the Re-Establishment of Assistant Chief of Operations - Position #2400
(12-20-12): ein

Attached: Operations Division Table of Organization

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**REGULAR BOARD MEETING: Thursday, December 20, 2012**

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<tr>
<th>Board's Decision:</th>
<th>APPROVED</th>
<th>DENIED</th>
<th>DEFERRED</th>
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Notations: NONE

Board Members Present: Chair, Daryl Kaneshiro, Randall Nishimura, Roy Oyama, Clyde Nakaya, Michael Dahilig

Board Members Absent & Excused: Larry Dill, Ray McCormick
New Business
DEPARTMENT OF WATER
County of Kaua‘i

“Water has no Substitute – Conserve It!”

MANAGER’S REPORT No. 14-28

February 27, 2014

Re: Agreement to Allow Mr. Michael Fernandes to resume his Volunteer Services by maintaining the Department’s (inactive) Nonou 0.2 MG Tank Site, Wailua, Kaua‘i

RECOMMENDATION: It is recommended that the Board approve the attached annual Agreement allowing Mr. Michael Fernandes to continue providing voluntary site maintenance of the (inactive) 0.2 MG Nonou Tank Site through the County’s Adopt-A-Park Program located at Wailua Houselots, more particularly on Tax Map Key: (4) 4-1-009-019.

FUNDING: No funding required for this action.

BACKGROUND: Mr. Fernandes has been maintaining a portion of the Department’s old Nonou Tank site located in Wailua Houselots for nearly twenty years through what he claims was an informal mutual agreement in 1998 with a former Department Water Manager. The year 2007 was when Mr. Fernandes initially expressed official interest in continuing the maintenance of the Department’s old Nonou Tank Site. He was interested in keeping the Department’s tank site maintained because he has the lease for the adjacent pasture lands. Mr. Fernandes has fenced the area between the old tank site and surrounding properties and has indicated that the fence would need replacement due to the age of the current fence. The Department’s old Nonou Tank has not been in active use for approximately 26 years as it was replaced by the 2.0 MG Nonou Tank in 1981, but the site may be put back into service in the future.

Mr. Fernandes discontinued the volunteer services for calendar year 2013. After meeting with the Department of Water Chief of Operations and Water Plant Superintendent at the site on January 2014, Mr. Fernandes decided to resume volunteer services with no change from previous agreements.

Although the Board is not required to sign the agreement, maintenance of the tank site is generally left to the Department’s staff and therefore Board’s approval of having Mr. Fernandes continue the maintenance of the tank site is requested.

This is to request Board approval to allow Michael Fernandes to continue his volunteer services by maintaining the Department’s inactive Nonou 0.2 MG Tank Site. Mr. Fernandes’ annual agreement will start once all parties have signed.

OPTIONS:
1. Approve – This will allow Mr. Fernandes to continue to preserve and maintain DOW’s Nonou Tank site with no funding required.
2. Disapprove – The DOW will continue to maintain the site as they have been doing for the past 2012-2013 calendar year.
Respectfully submitted,

Kirk Saiki, P.E.
Acting Manager and Chief Engineer

Attachment: Agreement for Individual Voluntary Services – Michael Fernandes

VR/mjg

Mgrnp/February 2014/14-28 Agreement to Allow Mr. Michael Fernandes to resume his Volunteer Services by maintaining the Department’s (inactive) Nonou 0.2 MG Tank Site, Wailua, Kaua‘i (2-27-14):mjg
THIS AGREEMENT is between the BOARD OF WATER SUPPLY, County of Kauai, State of Hawaii, whose mailing address is P.O. Box 1706, Lihue, Hawaii 96766 (hereafter “BOARD”) and Michael Fernandes, whose address is 411 Pua Road, Kapaa, Hawaii 96746 hereafter (“Volunteer”).

WHEREAS, Volunteer desires to maintain the grounds surrounding the Board’s Nonou 0.2 MG Tank Site located in Wailua Houselots, Wailua, Hawaii on Tax Map Key No. (4) 4-1-009:019; and

WHEREAS, since the Nonou 0.2 MG Tank Site is currently not in use, the Board finds that it would be in the public interest to have Volunteer assist the Board with grounds maintenance at the Nonou 0.2 MG Tank Site for a limited time;

NOW THEREFORE, for good and valuable consideration as set forth in this agreement, the parties agree to the following terms and conditions:

1. Volunteer will assist the Board with the grounds maintenance at the Nonou 0.2 MG Tank, which will include the removal of weeds and debris from the said tank site, repair and maintenance of fencing, as necessary, removal of trees or shrubs with consent of the Chief of Operations and any additional work that may be done by mutual agreement between the Volunteer and the Board’s Chief of Operations.

2. Volunteer shall not permit commercial activity, including the sale of any items or advertising of commercial products, to be conducted in conjunction with the maintenance of the site, undertake or permit fund-raising activities at the site, permit anyone to possess, display, use or consume alcoholic beverages or illegal drugs at the site, permit any temporary or permanent residence to occur at the site, and permit or use the site as a pasture.

3. The Board will conduct periodic site visits and inspection of the said tank site to ensure that proper maintenance is being done. If it is determined that proper maintenance is not taking place, the Board will notify the Volunteer in writing of the problem(s) and will provide suggestions to correct the problem(s). The Volunteer will be allowed a reasonable time to correct the problem. If the Volunteer fails to correct the problem, the Board may revoke this Agreement.

4. Volunteer agrees to perform its volunteer services in a safe and reasonable manner. It is the Volunteer’s responsibility to become acquainted with the procedures and tools necessary to perform the tasks necessary to maintain the said site.
5. Volunteer understands that he will not receive any compensation for the above work and that Volunteer is NOT considered to be an employee of the Department of Water, County of Kauai, for any purpose and that Volunteer understands that his service is not creditable for leave accrual or any other employee benefits. Volunteer acknowledges that there are inherent risks and dangers associated with the maintenance of the said tank site.

6. Volunteer understands that his/her services are governed by the applicable portions of Section 90 of the Hawaii Revised Statute.

7. The terms of this Agreement will commence on and shall terminate on . Either party may terminate this Agreement after providing the other party with five (5) days written notice.

8. Volunteer shall comply with all applicable federal, state, and county laws, ordinances, codes, rules and regulations as the same may be amended from time to time that in any way affect the Volunteer’s performance of this Agreement.

9. Volunteer understands that he/she is personally liable for any negligent acts or omissions that cause personal injury or property damage. Volunteer also agrees to defend, hold harmless and indemnify the County of Kaua‘i, Board, its officers, employees and agents from any claims or actions arising out of any acts or omissions by Volunteer.

10. For purpose of this Agreement, the term “Board of Water Supply, County of Kaua‘i” and “Board” shall mean the Board of Water Supply and Department of Water of the County of Kaua‘i, its officers and employees.

11. This Agreement may be amended only in writing signed by both the Board and the Volunteer.

In WITNESS WHEREOF, the parties hereto have caused this agreement to be executed this day of February 2014.

VOLUNTEER: ___________________________ BOARD OF WATER SUPPLY COUNTY OF KAUA’I

_________________________ ___________________________
  Michael Fernandes             Clyde Nakaya, Chairperson
AGREEMENT FOR INDIVIDUAL VOLUNTARY SERVICES

On this ___. day of ___, 2014, before me personally appeared ________________
___________
____ who is personally known to me
____ whose identity I proved on the basis of ____________________________
____ 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.

Notary Public, State of Hawaii

Notary’s Name: Debra Calaycay Peay
My commission expires: 10-16-2015

On this ___ of ________, 2014, before me appeared Clyde Nakaya, to me personally
known, who, being by me duly sworn, and that said officer is the Chairperson of the COUNTY
OF KAUAI, BOARD OF WATER SUPPLY, and that the foregoing instrument was signed on
behalf of said Board, by authority of said Board, and that said officer acknowledged said
instrument to be the free act and deed of said Board, and that said Board has no corporate
seal.

Notary Public, State of Hawaii

Notary’s Name: Debra Calaycay Peay
My commission expires: 10-16-2015
Name: Michael Fernandes        Phone: 822-3674/652-6017

ADDRESS: 411 Pua Road, Kapa‘a, HI 96746

DURATION OF AGREEMENT: START: ________________ END: ________________

I understand that I will not receive any compensation for the above work and that volunteers are NOT considered to be employees of the Board of Water Supply, County of Kaua‘i for any purpose, and I understand that volunteer service is not creditable for leave accrual or any other employee benefits. I also understand that either the Board of Water Supply, County of Kaua‘i, or I may cancel this agreement at any time by notifying the other party. I acknowledge that there are inherent risks and dangers associated with this activity and in particular have noted those risks listed below.

I understand that I will be assisting the Board of Water Supply, County of Kaua‘i, in maintaining the grounds surrounding the Nonou 0.2 MG Tank Site located in Wailua Houselots, Wailua, Kaua‘i, Hawai‘i at Tax Map Key No. (4) 4-1-009:019. I will be responsible for my equipment and supplies. I will be responsible for all aspects of the actual work project, and the safe use and proper care of hand tools including, but not limited to: Machetes, Saws, Hand Axes, Prybars, Sledge Hammers, Gardening and Painting Equipment.

I am in good physical shape, and will be self-sufficient while at the work project site. I have informed the Board of Water Supply, County of Kaua‘i, of any mental, physical and/or medical conditions that may increase the risk of harm to myself or others while engaging in the activities described in this document. I understand I should wear footwear with good traction and should have clothing suitable for work in both rainy, wet, and hot, dry conditions, when working in the field. I understand that the duration of the project may be less than eight hours in length; however, in the even of inclement weather the work day may be either shortened or extended at the discretion of the Board of Water Supply, County of Kaua‘i. These and other activities will be taking place in potentially remote areas. I am aware that there are inherent risks and dangers associated with field work. They include but are not limited to:

- gusty winds;
- sharp and or slippery rocks;
- stinging or biting insects and spiders;
- steep drop-offs;
- portable or no bathroom facilities
- paint fuel and oil fumes;
- thorny plants/potentially dense vegetation;
- lack of reliable communication;
- no telephones;
• work on, in or near water;  
• no potable (drinking) water  
• rugged terrain;  
• sharp tools;  
• lack of medical facilities;  
• wild animals;  
• wet and slippery roads;  
• herbicides;  
• work in a hunting area  
• steep and slippery trail and river crossings;  
• flash floods;  
• steep and slippery trail and river crossings;  
• harsh weather conditions, ranging from hot and humid to wet and cold;  
• diseases caused by water, air, or animal vectors.

I will be personally liable for any negligent acts or omissions that cause personal injury or property damage to myself or others, and I agree to defend, hold harmless and indemnify the County of Kaua‘i and the Board of Water Supply, County of Kauai, from any claims or actions arising out of any acts or omissions I may commit.

For purposes of this Agreement, the term “Board of Water Supply, County of Kaua‘i” and “Board” shall mean the Board of Water Supply, and Department of Water of the County of Kaua‘i, its officers and employees. The term “County of Kauai” shall mean the County of Kauai, its officers and employees.

I hereby volunteer my services as described above, to assist the Board of Water Supply, County of Kaua‘i in its authorized work.

____________________________________    _________________________  
Signature of Volunteer      Date

Based upon the above agreement and understanding, the Board of Water Supply, County of Kaua‘i agrees, while this arrangement is in effect, to accept your services as a volunteer.

____________________________________    ______  
Clyde Nakaya, Chairperson      Date

02/27/14  
Board of Water Supply, County of Kaua‘i
MANAGER’S REPORT NO. 14-29

February 27, 2014

Re:  Reallocate Funds for Job No. 05-02 (HW-12), Drill and Test Wainiha Well No. 4 back to Build America Bond (BAB) Fund

RECOMMENDATION: It is recommended that the Board reallocate the previously approved funds for the subject project construction back into the BAB fund total balance.

FUNDING:

HW12, Wainiha/Haena Well – Drill & Test (BAB) $ 750,000.00
Additional Funds Approved, (BAB) October 2013 Board Meeting $ 217,400.00
Total Approved Funding: $ 967,400.00

BALANCE REMAINING (prior to subject fund reallocation)
BAB Fund Balance $21,176,178.57

Total to be relocated to BAB Fund Balance $ 967,400.00
New BAB Fund Balance $22,143,578.57

BACKGROUND:

SCOPE OF WORK: This project consists of furnishing all materials, labor, tools equipment, and appurtenances required to drill and develop a well at the Wainiha Well No. 4 site. The site is located at the existing Wainiha 0.10 MG tank along Powerhouse Road.

The construction proposal selection committee recommended negotiating services with the sole proposer on the project. According to the selection committee summary of qualifications, the contractor’s proposal reflected the capability of completing the drilling and testing at the Wainiha site and were aware of the possible problems and delays that might be encountered during construction.

After the Board approved the additional funding in October 2013, the Construction Management Division negotiated a revised price with the sole proposer with various scoping changes in an amount near $780,000. This was a reduction of $140,000 from the original proposal price with little sacrifice to the overall DOW source facility needs. However, before awarding the construction contract to the proposer, the DOW Construction Management Division asked the DOW Engineering Division to verify that the land owner (Robinson family) would be okay with the design as proposed. After various discussions between DOW Engineering Division with the Robinson family over the past few months, it was discovered that the family was not involved with the original design and requested additional items to be designed for the well site such as a retaining wall near the access road. Due to the design and land owner issues, it was decided that the best approach to
the situation would be to cancel the well construction procurement at this time and reprocure construction once DOW Engineering Division has finalized plans with landowner approval.

Thus, it is recommended the Board reallocate all project funds to the BAB total balance.

OPTIONS: N/A

Respectfully submitted,

Dustin Moises, P.E.
Construction Project Management Officer

CONCURRED:

Kirk Saiki, P.E.
Acting Manager & Chief Engineer

DM: ein

Mgrp/February 2014/14-29 Reallocate Funds for Job No. 05-02 (HW-12), Drill and Test Wainiha Well No.4 back to Build America Bond (BAB) Fund (2-27-14): ein
MANAGER’S REPORT No. 13-30

February 27, 2014

Re: Proposed Deferral of July 2014 Water Rate Increase

RECOMMENDATION:
It is recommended that the Board considers deferring the July 1, 2014 Water Rate Increase.

FUNDING: NONE

BACKGROUND:
The Department of Water completed a 5 year Water Rate Study in 2011 and implemented water rate increases as approved by the Board on January 1, 2012, July1, 2012, and July1, 2013. The 4th and last water rate increase is scheduled on July 1, 2014. There’s no water rate increase on the 5th year which is July 1, 2015.

The Department’s budget for FY 2013-2014 had a CIP Reserve of $12.9M while FY 2012-2013 budget had a $3.4 CIP Reserve, an increase of $9.5M. This CIP Reserve line item represents DOW’s unrestricted/unassigned fund balance available for new encumbrances, assuming the revenues are realized as projected and expenditures are maintained as budgeted. To date, our budget estimates are within projections and there are no new planned encumbrances at this time.

As we present the options below, the board is advised to take consideration of our declining FRC funds. Our year to date collections of FRC receipts indicate shortfall in the next FY 2014-2015. This will require transfer of funds from the DOW’s General Fund to FRC fund to service FRC’s allocated annual debt service estimated @ $2.5M.

OPTIONS:
Option 1 – Defer for 12 months - FY 2014 – 2015 No Increase in Water Sales Revenues
Option 2 – Defer for 6 months –1.5M increase in Water Sales Revenues -FY 2014 – 2015

It is recommended that the Board considers Option 2, Defer for 6 months and subject to review.

Respectfully submitted,

Marites Yano
Waterworks Controller

CONCURRED:

Kirk Saiki
Acting Manager and Chief Engineer
MANAGER’S REPORT No. 14-31

February 27, 2014

Re: Contract No. 560, IT Review and Assessment, Strategic Planning and Implementation, Fiscal Staffing Update

RECOMMENDATION: It is recommended that the Board approves the DOW to move forward with the implementation of Great Plains Financial System from version 2010 to version 2013. The staff is well aware of the timeline and is determined to meet the deadline of July 1, 2014. During the IT Workshop in December, the board requested a staffing update before moving forward with this strategic plan to ensure that the DOW has proper staffing and capabilities to meet the plan’s go live date.

Ms. Tess Yano met with her staff and verified the willingness to put in the hours to get the new system on-line within the designated timeline. Let it be known that additional pay most likely will be incurred in the form of overtime to ensure that we meet this deadline.

Although the deadline is soon, the implementation will be a somewhat easier transition because we will just be upgrading to a newer version. All accounting staff is already familiar with using the Microsoft Dynamics Great Plains system.

The goal is to have it on-line and using the financial system to prepare the budget process for the next fiscal year. Training and support are scheduled to begin immediately to ensure a smooth transition and also that staff are prepared to begin developing the FY 14-15 budget using the new chart of accounts. The Board will be able to monitor budget status (budgeted amount, expenditures to date and encumbrances) if we proceed with the implementation process. The new business processes developed will help streamline staff activities and improve efficiency once the new system is in place.

BACKGROUND: On December 9th, BRIO held a Workshop for the Board to explain Phase 1 of the current contract, which included the redevelopment of the chart of accounts and the re-implementation of the financial system. BRIO also wanted to get feedback from the Board regarding goals and expectations for the upcoming year. BRIO has since completed phase 1, which included a new chart of accounts, business diagrams (workflows) for several of our business process, and determining our system infrastructure for the hosted system.

The Board has already approved the funding for FY13-14 to implement the upgrade of our Financial Package.

OPTIONS: N/A
Respectfully submitted,

Jeff Mendez
Waterworks Information Technology Officer

CONCURRED:

Kirk Saiki, P.E., C.E.M.
Acting Manager and Chief Engineer

Attachment: Task Description/Staff Hours

Mgrrp/February 2014/ Feedback from Staff before Implementation of Upgraded Financial Package (2-27-14).ein
## Task Description

<table>
<thead>
<tr>
<th>Task ID</th>
<th>Task Description</th>
<th>Hours</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1F</td>
<td>Prepare and scrub data loading spreadsheets - GL, Trial Balance, Vendor Master, Open Payables, and Fixed Assets</td>
<td>84</td>
<td>Data review (individual)</td>
</tr>
<tr>
<td></td>
<td>Compile and verify configuration specs</td>
<td>8</td>
<td>Document review (individual)</td>
</tr>
<tr>
<td></td>
<td>Configure GP 2013 (GL, Budget, Bank Reconciliation, GP PO, Encumbrances, AP with EFT, Fixed Assets, Interfund Management) and Load DOW data</td>
<td>4</td>
<td>Periodic review (Individual)</td>
</tr>
<tr>
<td></td>
<td>Develop income statement report, balance sheet report, and budget status report.</td>
<td>8</td>
<td>Report review (Designated SMEs)</td>
</tr>
<tr>
<td></td>
<td>Technical review and testing against DOW business processes (acceptance of GP configuration)</td>
<td>60</td>
<td>Group review and testing session</td>
</tr>
<tr>
<td>Task 1G</td>
<td>Set up environment and run initial upgrade on legacy data (to historical reference &quot;company&quot;)</td>
<td>16</td>
<td>Group review session</td>
</tr>
<tr>
<td></td>
<td>Review system and provide overview of new features and functions (no customization).</td>
<td>10</td>
<td>Group discussion</td>
</tr>
<tr>
<td></td>
<td>Determine and execute strategy and schedule for technical upgrade (proceed on GP2013 immediately or re-migrate following close of FY13-14 books)</td>
<td>60</td>
<td>Group review and testing session</td>
</tr>
<tr>
<td>Task 1H</td>
<td>Acquire licenses and install software on new Production server(s)</td>
<td>12</td>
<td>Same time requirement as prior budgeting process (no &quot;new&quot; hours)</td>
</tr>
<tr>
<td></td>
<td>Configure per DOW business process requirements</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technical review and testing against DOW business processes (acceptance of Paramount configuration)</td>
<td>12</td>
<td>Group review and testing session</td>
</tr>
<tr>
<td>Task 1I</td>
<td>Create budget development spreadsheets and train users</td>
<td>4</td>
<td>Brief group discussion</td>
</tr>
<tr>
<td></td>
<td>Trial load into development environment</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Update with adopted budget</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lock adopted budget and begin tracking adopted versus current budget.</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Task 1J</td>
<td>Develop training materials</td>
<td>80</td>
<td>Group and individual training sessions</td>
</tr>
<tr>
<td></td>
<td>Conduct process-based training</td>
<td>80</td>
<td>Support provided as OJT (while staff are performing their regular duties)</td>
</tr>
<tr>
<td></td>
<td>Production cutover, including final data migration</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Post go-live support</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>General project management and communication</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td><strong>196</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Average Hours per SME (Assume 5 SMEs)</strong></td>
<td><strong>39.2</strong></td>
<td></td>
</tr>
</tbody>
</table>
DEPARTMENT OF WATER
County of Kaua‘i

"Water has no Substitute – Conserve It!"

MANAGER’S REPORT No. 14 - 32

February 27, 2014

Re: Emergency Repairs Contract for Kalaheo Deepwell No. 1

RECOMMENDATION:
It is recommended that the Board approve a contract for the subject emergency repair project. This emergency work is necessary as this well is one of only two sources of water for the Kalaheo Water System service area. Having a backup water source at all times is prudent as the Lawai-Kalaheo Booster will not be able to provide enough water to meet the demand.

FUNDING:
Funds for the subject project are available through Account No. 106b - CIP Reserve Fund

Account 106b Budget: CIP Reserve Fund $12,623,232.00

Oasis Water Systems, Inc. Bid: $29,383.77

Contingency: 1,469.19

Funds Requested on Emergency Procurement: $85,000.00

Fund Certified ($85,000.00)

Funds Remaining $12,538,232.00

BACKGROUND:
It was determined by our staff on or about January 29, 2014, that the Kalaheo Deepwell #1 is inoperable due to a suspected broken shaft. It is necessary to immediately remove the submersible pump/motor assembly from the well to investigate and inspect the extent of damage, purchase replacement parts and reinstall the pump/motor assembly. The contractor is to remove the deepwell pump assembly unit consisting of: 870+ feet of 8” diameter pipe column, 350HP vertical hollow shaft motor, 1-1/4” brass airline & 1-1/4” PVC sounding tubes; 1-15/16” diameter stainless steel shaft; an 11” diameter 19 stage Peerless pump bowl assembly with strainer; and stainless steel shaft couplings and sleeves. The contractor is to furnish the replacement parts and reinstall the unit.

During construction, the contractor shall inspect the piping and all appurtenances for damage and recommend or replacement to the Department since the extent of damage due to the suspected broken shaft is unknown until the pump assembly is retrieved and
inspected. As such replacement parts and materials including labor that is in addition to what was quoted will be extra and paid via change order hence, the amount being requested is larger than the quote submitted.

The contractor, Oasis Water System, is being selected for this work as they have the necessary equipment and personnel available on-island to perform the work in the shortest possible time. Oasis Water System is willing and able to mobilize their rig the same day as the Notice To Proceed. Oasis Water System has completed several such jobs for the Department of Water in recent years and has proven capable of this type of work.

**OPTIONS:** N/A

Respectively Submitted:  

[Signature]
Chief, Operations Division

Funding Availability Confirmation:  

[Signature]
Waterworks Controller

APPROVED:  

[Signature]
*Acting Manager and Chief Engineer*

2/13/14  
Date

Attachment:  

Emergency Procurement Request Form

STATE PROCUREMENT OFFICE
EMERGENCY PROCUREMENT REQUEST

1. TO: Chief Procurement Officer

2. FROM: Kaua'i Department of Water, Operations Division

Pursuant to §103D-307, HRS, and Subchapter 10, Chapter 3-122, HAR, the Department requests approval for the following:

3. Date: 1/30/2014

4. After the fact: [ ] YES  [x] NO

5. Nature of the Emergency
   It was determined by our staff on or about 1/29/14, that Kalaeo Deepwell #1 is inoperable due to a suspected broken shaft. It is necessary to immediately remove the pump/motor assembly from the well, replace damaged components and reinstall the pump/motor assembly in the well. This emergency work is necessary as this well is one of the only two sources of water for the Kalaeo Water System service area. We find it prudent to have a backup water source at all times.

   Address: PO Box 507
   Hanalei, HI 96714

7. Price: $85,000.00

8. Description of goods, services, or construction to be purchased
   Contractor to remove the deepwell pump assembly unit consisting of: 870 ft of 8" dia. pipe column, 350HP vertical hollow shaft motor, 1-1/4" brass air line & 1-1/4 PVC sounding tube; 1-15/16" dia. stainless steel shaft; an 11" dia. 19 stage Peerless pump bowl assembly with strainer; & stainless steel shaft couplings and sleeves. Contractor responsible for replacement of damaged components.

9. Reason for Vendor Selection
   Oasis Water System is being selected for this work as they have the necessary equipment and personnel available on the island to perform this work in the shortest time possible (mob rig same day). Oasis has completed several such jobs for the Department in recent years and has proven to be capable of this type of work.

10. Direct questions to: Ryan Smith
    Phone: 245-5436

11. I certify that the information provided above is to the best of my knowledge, true and correct.

   [Signature] 1/30/14

   Department Head or Designee  Date

12. Chief Procurement Officer's comments:

13. [ ] APPROVED  [ ] DISAPPROVED  [Signature] 1/30/14
    Chief Procurement Officer  Date

14. E.F.No. ___

SPO-02 (Rev. 09/30/2005)
DEPARTMENT OF WATER
County of Kaua‘i

“Water has no Substitute – Conserve It!”

MANAGER’S REPORT No. 14-33
February 27, 2014

Re: Discussion and approval of Accountant II, Position #2498 Table of Organization

RECOMMENDATION:
It is recommended that the Board remove the stipulation on the previous approval of Accountant II position that says “approve with the stipulation to revert position back to the organization (Meter Reader/Field Collection Representative II) when the position is no longer needed.

FUNDING:
No Change - Approved 2013 Budget for Salaries – Fiscal Division
15. Salaries
   Accountant II ........................................................................................................... $31,599.00
   <Expended> ........................................................................................................... $ 0.00
   Available ............................................................................................................... $31,599.00

BACKGROUND:
The Department submitted and the Board approved in June, 2011 a revised organizational chart which included a new position, Meter Reader/Field Collection Representative II. The new position was requested in anticipation of the increased volume of transactions in Billing due to then upcoming conversion of Customer Account System (CAS) to Customer Care & Billing (CC&B) and frequency of billing from bi-monthly to monthly billing.

On the December 2011 board meeting, the department re-submitted a Revised Fiscal Organizational Chart and the Board approved to delete the Meter Reader/Field Collection Representative II and replace it with an Accountant II position “with stipulation to revert back the position to the organization when it is no longer needed”. This position change request was submitted because the Department found the urgent need of having the Accountant II position assist the Accountant IV keep up with the increased volume of work load. It was also anticipated at that time that the Accountant IV was nearing retirement and the Department found the urgent need to have someone learn the Accountant IV job while providing additional support to the then multiplied work load in the billing section. The Accountant IV administers the billing section, Supervises 4 Meter Readers and 4 Customer Service Representatives (CSR). In addition to reviewing bill segment errors, Hi/Lo Meter Readings, request for refunds, leak adjustments, profiles, create and dispatch field activities for Meter Readers, responding to customers for various reasons is another huge task. The Billing section generates sales and receives payments every day and reconciling these transactions alone requires another full time position.

The Accountant IV retired on October 1, 2013 before the Fiscal’s reorganization was approved by Department of Personnel (DPS) that was effective December 3, 2013. The Department filled the Accountant IV position on February 1, 2014 and deferred hiring the Accountant II position after conducting the interviews. We request the Board to remove the stipulation “that the Accountant II will revert back to the original position” and approve the Accountant II position to become a permanent position. The Department has learned, through the implementation of the CC&B billing system, that an Accountant II will be more useful than a Meter Reader/Field Collection Representative II. This position
will process monthly reconciliations of sales entries, payments, deposits, review refunds, leak adjustment requests, support the CSR’s and Meter Reader/Field collectors of the billing division and to prepare management and financial reports using the principles and practices of government accounting. This position will also reconcile all undetected usage requests during its investigative phase before submitting them to the supervisor (Accountant IV)/Controller for final approval.

The Accountant II recruitment interviews have been completed in January pending selection expiring March 19, 2014.

Options
1. **Approve** This will allow the DOW to choose qualified candidates from the approved list before expiration.

2. **Disapprove** The DOW will continue to fall behind in our reconciliation of sales entries which has been a finding on our audit records for the past two (2) fiscal years.

Respectfully submitted,

Marites Yano  
Waterworks Controller

CONCURRED:

Kirk Saiki, P.E.  
*Acting* Manager and Chief Engineer

Attachments:  
Record of Classification Request & Action  
Minutes from Kaua‘i Board of Water Regular Board meeting dated December 22, 2011  
*pages 50-67 & 80-81 transcripts*

KS/mjg

Mgrp 14-33/February 2014/Discussion and approval of Accountant II, Position #2498 Table of Organization (2-27-14):mjg
COUNTY OF KAUA'I
DEPARTMENT OF PERSONNEL SERVICES
LIHUE', KAUA'I, HAWAII 96766
June 27, 2012
(Date)

To: Director of Personnel Services, County of Kaua‘i
From: David R. Craddick, Manager and Chief Engineer
Subject: Record of Classification Request and Action

DEPARTMENT/AGENCY REQUEST

Department/Division: Water / Fiscal
Position Number: NEW

Present Class
Title, BU, SR/BC: Accountant II, BU-13, SR-22

Requested Class
Title, BU, SR/BC: Accountant II, BU-13, SR-22
This position is needed to independently perform professional accounting work in the maintenance of the Billing System and reviews and analyzes the fiscal data. Supervises Billing support staff.

Reason For Request:

How services were formerly provided:
Position number(s): N/A
Position title(s): N/A
Incumbent(s): N/A

Appointing authority: ____________________________
Department Head or Designee

Attachments:
- Position Description
- Table of Organization (current or applicable organizational unit)

DPS Form 420 (rev. 10-10)
County of Kaua'i

Position Description

1. For specific information on preparing position descriptions, please review the Department of Personnel Services (DPS) Personnel Procedures, Chapter A4.401, Preparation of Position Descriptions.

2. This form is a basic Word Table. To navigate around the form, use the TAB key to move forward, and SHIF'TAB to move backward, or use your mouse to move to a specific field.

3. Complete every item; if not applicable, so indicate. Press F1 for Help with each item.

4. Be accurate. This is an official document upon which classification determinations will be based. In addition, it may be utilized for other personnel related processes, including performance evaluations.

5. When saving the document, the file name should include the position number followed by date (m-d-yy) in parentheses, e.g., 001 (10-10-10).

6. To complete processing, submit the completed position description through appropriate channels. Incomplete forms may be returned for completion.

7. By submitting this position description, the Appointing Authority certifies that the information provided herein is accurately described and the duties and responsibilities are consistent with the approved organization chart.

8. This position description is not considered official until action is taken by the Director of Personnel Services.

<table>
<thead>
<tr>
<th>Present Class</th>
<th>Accountant II</th>
<th>Department</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present Pay Range</td>
<td>SR-20</td>
<td>Division</td>
<td>Fiscal Division / Billing Section</td>
</tr>
<tr>
<td>Present Class Code</td>
<td>2073</td>
<td>FLSA</td>
<td>Not-covered</td>
</tr>
<tr>
<td>Position Status</td>
<td>Permanent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F/T ☒ P/T ☐ # Hrs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immediate Supervisor</td>
<td>Position No. 2304</td>
<td>Class Title and Pay Range</td>
<td>Accountant IV, SR-24</td>
</tr>
<tr>
<td>License or Certificates required to perform the essential functions of this position</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment or tools regularly operated or used. (For trucks, provide GVW, TARE weight &amp; license number.)</td>
<td>Operate general office machines, calculator, adding machine, computer, copy machine, fax machine.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Work Requirements</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Department of Personnel Services: Use Only

Allocation:
Class Code:
Pay Range:
Effective:
BU:
Supervisory:
Act 64:
Other:
PPD:
Reference:
Appointing Authority:
Classification Approved:
Date:
DESCRIPTION OF THE MAJOR DUTIES AND RESPONSIBILITIES ASSIGNED OR DELEGATED TO THIS POSITION.
List only those duties that are part of the regular work of this position throughout the year. List the duties in order of importance or frequency and combine related details. Environmental and physical demands, hazards, and/or unusual isolation involved in the performance of the work must be identified for each duty or group of duties. Opposite each description of a duty or group of duties, enter the approximate percentage of time devoted to that work. Percentages of time for all duties and responsibilities must total 100%.
Enter in the last column, the appropriate ADA indicator(s) as shown below:
(1) The performance of this function is the reason that the job exists.
(2) The number of other employees available to perform this function is limited.
(3) This function is highly specialized, and employee is hired for special expertise or ability to perform this function.

<table>
<thead>
<tr>
<th>#</th>
<th>Description of Duties and Responsibilities</th>
<th>% of Time</th>
<th>ADA Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Provides assistance to the Accountant IV on the Billing system (current and new system).</td>
<td>25%</td>
<td>1, 2</td>
</tr>
<tr>
<td></td>
<td>Assist the Accountant IV in the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Review and Reconcile Daily/Monthly Postings of Payments and Deposits.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Review and Reconcile Revenue Source - Application of Payments and Deposits.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Review and Reconcile Daily/Monthly Adjustments</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Prepare Distribution summary for GL posting.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. Review Field Activity Reports and Field Collector assignments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Supervises Billing support staff concerned with revenue control records. Classifies codes and creates posting controls for pre-audits.</td>
<td>20%</td>
<td>1, 2</td>
</tr>
<tr>
<td>4</td>
<td>Involved in making studies and estimates of department's financial revenues and operating costs and assists in working out allocation of funds to various programs and activities. Develops and refines billing procedures, meter inventory and report records.</td>
<td>20%</td>
<td>1, 2</td>
</tr>
<tr>
<td>6</td>
<td>Maintains revenue budget control.</td>
<td>6%</td>
<td>1, 2</td>
</tr>
<tr>
<td>6</td>
<td>Performs other related duties as required.</td>
<td>6%</td>
<td></td>
</tr>
</tbody>
</table>

Department Head Signature: [Signature]

Employee's Signature: [Signature]
MS. SUZUKI: No. 5.

CHAIRMAN OYAMA: Oh, yeah. No. 5, 12-53.

Yeah.

MR. CRADDICK: On this item here, after the last item, at first I was little inclined to maybe drop this one. But something else that I prefer not to go into right now is occurring within the water department that could make another part of this action just as critical as that purchasing position. And it's listed on here. It says it's a new position, but it's not really a new position. We're reallocating a meter reader field collector representative position to this accountant III position, which would be an understudy to our accountant IV in customer service.

And I would have to say, I think that it's important to do now. So I'm still asking to go forward this with item here if you could see your way clear.

And we'll still, you know, I think, come back about this purchasing IV because we haven't submitted it to personnel yet. We've said we need one. Whether it's here in engineering, we can maybe talk a little bit. That was something I didn't really talk about with staff, and it's something that we could talk about later on.

So this is not really the item for that, even
though it shows it. It's as though you were assuming you approved the other one, and I just want to go back and talk a little bit more with staff about that issue.

But this particular one, reallocating this meter reader supervisor position for this accountant II position is what we really kind of need to move forward on today if you can see your way clear to do that without getting into the details as to the specifics driving it.

CHAIRMAN OYAMA: Okay. Any questions?

MR. CRADDICK: And maybe the motion could be, rather than an accountant II, just make it a motion to approve reallocating the existing position to an understudy to the current head of the customer service section so that we have some flexibility in making the position description. Maybe it doesn't necessarily have to be an accountant but certainly somebody who knows how to implement the new system.

CHAIRMAN OYAMA: So under this section, where would that fall right now?

MR. CRADDICK: The whole customer service section is under accounting the right now, and it is under an accountant IV right now. And I guess there's a lot of history with that accountant IV position, but for customer service you really need an accountant there. I
don't know. You know, that's some discussion that we need to have going forward. But we definitely need somebody to understudy what goes on there or it would be helpful anyways so that we're not caught when the position is vacated. Because as we're talking there earlier as we were going through my review, this is one position that could leave any time they wanted.

MR. KANESHIRO: So by approving the proposed fiscal table of organization and -- I mean, wouldn't that change? It would change, right?

MR. CRADDICK: Well, you know, you can call it -- right now we call it an accountant II. But if we talk about it as a position that is an understudy to the accountant IV to learn some of those things that are done in that position that are relevant to the new computer system, the accountant IV was with Sandi from our IT section has been -- those have been the two primary people learning that.

A lot of people in the accounting section are going to have to learn to deal with that new system. And whether we call it an accountant II position or not, I guess is a thing. We're calling it accountant II here. But if the motion is made that we can get a -- reallocate this meter reader. If you look at the second page, you can see what we're deleting there. It says,
Meter reader field collection. That's already an existing vacant position. So we're not -- even though the next thing says we're creating a new position, we're actually reallocating this position to that.

And when and if this accountant IV got finished, and this person might get the job, they might not get the job, but at least we have somebody who we had an understudy that could do the job if that person decided to leave right away until we filled the position.

Then once that's all worked out, then that position would go away and this other one would come back. So it's kind of a little bit of, you know, we're calling it a new position, but in fact it's a reallocation of an existing one that's just not filled.

MR. NAKAYA: Is the deletion of this field collector going to affect the collection department?

MR. CRADDICK: Do the meter readers, they report to Mel, too?

MS. YANO: They report to Mel.

MR. CRADDICK: Okay. So, yeah, it's all in the same section.

MR. NAKAYA: Is the deletion of this position, will it affect their job? I mean, their --

MS. YANO: This is vacant right now.
MR. NAKAYA: Pardon me?

MR. CRADDICK: The position is vacant right now.

MS. YANO: This is vacant.

MR. NAKAYA: Okay. I assume you had that position there because at one time, I guess, you need four field collectors.

MR. CRADDICK: No, no. We got the board to approve that position in the last budget in anticipation of going into this new system and billing monthly, and just some events have come up as of recent that make it more important to get an understudy going and --

MR. NAKAYA: So again, my question is, it's not going to affect the field collector by deleting this position?

MS. YANO: It's not because we're not actually deleting one position. We're just changing it into --

MR. NAKAYA: Yeah. Well, I'm just asking you, my thinking with this one field collector is not going to affect the other field collectors or they're going to be working more hours or whatever?

MS. YANO: No, no.

MR. NAKAYA: Okay. That's all.

MR. CRADDICK: Until we go to monthly
reading, which keeps getting pushed back by Honolulu Board of Water Supply. So it's kind of beyond our control there, but right now it's pushed back to July, and we're here.

MR. KANESHIRO: So what's going to happen when you get to that point? Are you going to put another meter reader back inside?

MR. CRADDICK: Well, two things could happen. One, the accountant IV position could be vacant or it could not be -- might not be vacant. If it's not vacant and the person who has learned the job for six months, possibly we could put it back the way it is right now. I mean, they wouldn't need to go for years and years trying to learn that position.

MR. NAKAYA: So then our accountant II person would become a field collector, is that what you're saying?

MR. CRADDICK: No, no, no, no, no. Well, that's the nature. If you take a position that's -- you know, we don't intend to keep that position around long. So if the person did not get that IV job and it was somebody within the water department and they couldn't go back to their other job, that would be a problem. But we would probably try and work it out so that they could go back to their other job if they didn't get the
job. I mean, we wouldn't be promising them that they would get the job just because they're doing the understudy work.

CHAIRMAN OYAMA: Okay. Ready to go?

MR. KANESHIRO: So I'm not certain what motion there is to put on the floor now.

MR. CRADDICK: Well, but what I ask is if you would make the motion such that if an understudy position be created or reallocated from the existing meter reader position, and I think that will allow us to, first of all, determine does it, first of all, need to be an accountant position. Because if it doesn't need to be an accountant position, we might be able to call it something else. But we could at least -- we know the board doesn't mind doing this, and then we can flesh it out a little bit better and get an actual position description of what the duties of that person was going to be, and maybe we're only TAing different people into that position.

It sounds like Tess wants it full time.

MR. KANESHIRO: We need some clarification.

MS. YANO: We could probably ask for accountant II, but then when we write the job description, the personnel department could come back to us and recommend a different --
MR. CRADDICK: Something.

MS. YANO: -- position based on the description that we have submitted to them. So I would probably -- such as going on with what is being asked here is accountant II.

MR. KANESHIRO: So again. I didn't get the last part.

MS. YANO: Keep the accountant II.

MR. KANESHIRO: So keep the accountant II position?

MS. YANO: Yeah. And then personnel could give us a different recommendation with job descriptions.

MR. KANESHIRO: At which time come back to the board --

MS. YANO: And rename the position.

MR. KANESHIRO: -- to just make those changes to the organizational chart?

MR. CRADDICK: Well, what she's saying is, is we go in with an accountant II position. But because the position description or the duties that we have, we're surmising that personnel may say, Oh, no, this isn't an accountant II position, this is something else. And that's why I'm kind of asking you not to make it accountant II position specific where we have some
flexibility if that happens.

But if it helps in the decision, I'm just
telling you that's what may happen and you just might
end up coming back here again to approve something else
that personnel finally approves.

But it may be much simpler just doing
accountant II because right now the position is there,
the description is all there. It's probably something
that we can easily get by personnel, and speed is kind
of of the essence here right now, I think, if we don't
want to go till June still looking for an understudy.
The position may be vacant by then. You never know.

MR. NAKAYA: Can you explain your last --
your last paragraph. The proposal would be delayed.
Okay. It has been budgeted for 38,000 for the field
collector.

MS. YANO: Yes.

MR. NAKAYA: But accountant II salary range
is from 42 to 62 thousand.

MS. YANO: Yes.

MR. NAKAYA: And the change -- the minimum
change is 4,000 annually, but there will be no change in
the salary budget. There's an increase of $4,100.

MR. CRADDICK: The position's been vacant
all this year. So if you pay somebody a little bit
more, you're still not going to use the budget up by the end of the year.

MR. NAKAYA: Can you repeat?

MR. CRADDICK: Okay. We budgeted --

MS. YANO: 37.

MR. CRADDICK: Let's say 10 -- $40,000.

Half the year has done by. We haven't used any of it yet. So if we have to pay the next person $12,000.

MR. NAKAYA: You just only -- okay.

MR. CRADDICK: Yeah, you're only using $12,000. You're not --

MS. YANO: We're not asking for additional funding for this year.

MR. CRADDICK: Yeah.

MR. NAKAYA: Next year.

MR. CRADDICK: Maybe next year. Maybe.

MR. NAKAYA: Okay.

MR. CRADDICK: But I will say it's not intended to keep this position permanently once the accountant IV position -- if and when it is vacated and that position is filled, this one would revert back to the meter reader. It's not a permanent change in the accounting. So if you want to make your motion subject to that proviso, then that's --

MR. McCORMICK: So you're going to change
it from a meter reader to an accountant II.

MR. CRADDICK: Yeah.

MR. McCORMICK: And then when this accountant IV position --

MR. CRADDICK: Here, here.

MR. McCORMICK: -- here becomes vacant --

MR. CRADDICK: When I say here, it's the one doing the customer service work. Not the one doing the --

CHAIRMAN OYAMA: Yeah, right here.

MR. CRADDICK: Yes. Not the one doing the accounting work on that right-hand side of the chart over here. There's two of them right there.

MR. McCORMICK: And then later on it's going to become a meter reader again?

MR. CRADDICK: Yes, yes. Because for the long haul, that's really what we need. If we go to monthly reads, there will be more work permanently in that area.

MS. YANO: We could probably reassess after when the Loihi project is in place where the additional workload is really needed in the office or on the field collection.

MR. NAKAYA: So the purpose of this is to have someone trained backup for the accountant IV?
MS. YANO: Yes.

MR. CRADDICK: That's right.

MR. NAKAYA: Okay. In the event of the -- so accountant IV position is going to be vacated really not on year or whatever, is that what you're saying?

MS. YANO: Yeah, we don't know when, but we're anticipating that it could happen any time. So we want to make sure that somebody is trained in that area just in case.

MR. NAKAYA: Okay. And you're saying that there's no guaranteeing that this person will step into that position. So if you hire someone else for the accountant IV position, what's going to happen to the person that you guys hired as an accountant II?

MR. CRADDICK: If we got the position in-house, then the trick would be to keep the position they came from open also.

MR. NAKAYA: Again, but give someone else --

MR. CRADDICK: And maybe you don't put somebody permanently in there. Maybe there's three or four people that want to try that job. So you TA different people into that position to learn it. So you have more than one person that can do the job. So when you do a recruitment, you know, you've got a pool of
people to select from, not just one.

MR. NAKAYA: Okay.

CHAIRMAN OYAMA: It's kind of confusing because actually you want to have somebody in place for this position in case you have somebody moving out, right?

MR. CRADDICK: That's correct.

CHAIRMAN OYAMA: So you want someone to be trained to fill that position?

MR. CRADDICK: That's right, yeah, that's right.

CHAIRMAN OYAMA: But you don't have the approval of this yet?

MR. CRADDICK: No.

CHAIRMAN OYAMA: That's why it's confusing.

MR. CRADDICK: What we're doing right now is, Sandi is kind of stepping in and helping out. I mean, quite frankly, she's our primary backup right now if anything goes on with Mel. She's not even in that section, not even an accountant, and yet she's the primary -- she's been going to all the trainings over in Honolulu, probably one of the most qualified right now to do it.

CHAIRMAN OYAMA: That's good to hear.

Break the silence for a while. That's what I'm trying
to do. But the silence didn't come. But that's good.

So okay. Board members, you're hearing the whole gamut. Any more questions, you should ask. I didn't catch on that, too.

MR. KANESHIRO: So again, then we should keep the accountant II position open, right?

MR. CRADDICK: That's what Tess is saying, and that will work. That will work, yeah.

MR. KANESHIRO: Well, you know, with for me, I'm all, as a board member, for any one of our employees to advance into another position. But I'm not certain now what position to keep, because one is saying that the accountant II and --

MR. CRADDICK: All I'm saying is if we go in with an accountant II, I'm speculating on what may happen with personnel services when we go in with the position description. They may come back and say, Oh, this isn't an accountant II job. This is some other job.

And then we've got to come back to the board again. So I'm trying to avoid coming back to the board again by getting a more generic approval right now.

But if that's confusing, just go with what's here, and we'll go to personnel with this and see what happens. You never know. They might approve it. But
Sandi obviously is not an accountant II.

MR. KANESHIRO: Well, I would like to word it in a way that it's a possibility for advancement for whoever it is.

MR. CRADDICK: Yes, yes, I understand.

MR. KANESHIRO: Accountant II, whatever position.

MR. CRADDICK: Yeah, and that's fine.

MR. KANESHIRO: Because that's the whole world of the employees. If you work here, you want to be able to advance. You want to be able to, you know, get up there and do that.

MR. CRADDICK: That's kind of where I'm coming from.

MR. KANESHIRO: So how would I appropriately put that wording into this position? And that's what I'm trying to grapple with.

MR. CRADDICK: Just if you allow us to reallocate this meter reader position to there with a similar pay range to understudy the accountant IV position.

MR. KANESHIRO: Okay.

CHAIRMAN OYAMA: Got it.

MR. KANESHIRO: I think I got it.

MR. CRADDICK: With the proviso that it
reverts backwards once the work is done, the need for it no longer exists.

MR. KANESHIRO: Okay.

CHAIRMAN OYAMA: I'm ready for the action. Which way you want to vote? Up to you, Mr. Kaneshiro.

MR. McCORMICK: I'm still trying to figure out how to word it. Can we just recommend it as is here?

MR. CRADDICK: You can, you can. That's the simple way to do it.

MR. McCORMICK: I'm a pretty simple guy. Okay. Mr. Chair, I recommend that we approve Manager's Report 12-53, the table of organization, fiscal division.

CHAIRMAN OYAMA: Okay. Motion to approve the Manager's Report 12-53.

Any second?

MR. McCORMICK: With the provision that it revert back after this position is no longer needed.

CHAIRMAN OYAMA: Okay.

MR. McCORMICK: It's getting muddier.

CHAIRMAN OYAMA: I'm getting puzzled, too.

MR. McCORMICK: Maybe we ought to just let it be.

MR. CRADDICK: The only thing I can say is
I had some previous discussion with the missing board member today, and I know he was supporting it provided that was in there. And so I'm trying to -- without him being here trying to incorporate his concern in it without saying that. But it's now said.

I mean, I have the same concern, too. You know, whether it's a board member's concern or not. I mean, I don't want to be creating new positions that we don't need for the long haul. And so, I mean, this is my recommendation to do it, too. I should have thought about it when I did this and it was thought out.

CHAIRMAN OYAMA: Because my concern is not making a position and then a couple months later, change it again.

MR. CRADDICK: Well, it won't be a couple months, I don't think. But let's hope it's not a couple of months.

MR. McCORMICK: Can we do this? Can we go back to the drawing board and fix this where we can understand it, and I'll withdraw my motion?

CHAIRMAN OYAMA: So we can defer it.

MR. McCORMICK: Defer it, I guess.

CHAIRMAN OYAMA: You want to defer it?

MR. McCORMICK: I'm just saying I'm not fully clear.
Would deferring it have a major impact on the department?

MR. CRADDICK: It could. I could.

MR. KANESHIRO: Can we defer it until the end of this meeting where you can work on it? And then --

MR. CRADDICK: Could, yeah.

MS. YANO: Yeah, I could make it better.

MR. CRADDICK: We could do that, too.

MR. KANESHIRO: And then we can carry on another.

CHAIRMAN OYAMA: Okay. Mr. McCormick move to defer this report.

Any second to it?

MR. KANESHIRO: To the end of the agenda.

I second that.

CHAIRMAN OYAMA: Seconded by Mr. Kaneshiro.

Any discussion?

I have a strong feelings, but that's the way it is. That is what is happening or what he wants done, and I don't want to say anything irregular. So that's my position and discussion.

All in favor say aye.

Opposed no.

Motion carried.
MR. CRADDICK: Yes.

CHAIRMAN OYAMA: And then M., upcoming events. We've got the AWWA, ACE 12. That's June 10 to the 14th, Dallas, Texas.

And next next water board meetings; we have Thursday, January 26th, 2012, 10:00 a.m.; then Thursday, February 23rd, 2012, 10:00 a.m.; Thursday, March 22nd, 2012, 10:00 a.m.; and Thursday, April 26th, 2012, 10:00 a.m.

Everybody okay with that? Okay.

And that's it. Ready for adjournment.

MR. CRADDICK: No, no, no, no, 53, back to 53.

MR. KANESHIRO: We've got to come back to the organizational chart.


MR. McCORMICK: I make a motion on Manager's Report 12-53. Motion is to allow the department to move forward with the position redescription or reallocation with the stipulation that this action revert back to the current organization once the accountant IV position is filled.

CHAIRMAN OYAMA: Is that it? Any second?

MR. KANESHIRO: I'll second.
CHAIRMAN OYAMA: Okay. Seconded by Kaneshiro.

Any discussion to the motion?

If not, all in favor say aye.

Opposed no.

Hearing none, motion carried. Thank you.

Now we are ready for adjournment, right?

So we are adjourned. Thank you very much.

(Concluded at approximately 2:33 p.m., December 22, 2011.)

* * * * *
STATE OF HAWAII  
)  
) ss.
COUNTY OF KAUA\118
I, TERRI R. HANSON, RPR, CSR 482, do hereby certify:

That on Thursday, December 22, 2011, at 10:18 a.m. that the foregoing REGULAR MEETING, County of Kauai, Board of Water Supply, was held;

That the foregoing proceedings were taken down by me in machine shorthand and were thereafter reduced to typewritten form under my supervision; that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings had in the foregoing matter.

I certify that I am not an attorney for any of the parties hereto, nor in any way concerned with the cause.

DATED this 7th day of January, 2012, in Kapaa, Hawaii.

__________________________________________
TERRI R. HANSON, CSR 482
Registered Professional Reporter
DEPARTMENT OF WATER
County of Kaua‘i

“Water has no Substitute – Conserve It!”

CHAIRPERSON’S REPORT

February 27, 2014

Re: Discussion and Action Steps Concerning Selection Process for New Manager and Chief Engineer of the Kaua‘i County Water Department

Pursuant to Kaua‘i County Charter 2012, Article XVII, Section 17.04. Staff. The board shall appoint an engineer duly registered under Hawai‘i State laws pertaining to registration of engineers. He shall be known as the manager and chief engineer and shall be the head of the department. He shall have had a minimum of five years of training and experience in an engineering position, at least three years of which shall have been in a responsible administrative capacity. He shall have the powers and duties prescribed by the board.

Given the resignation of David R. Craddick as Manager and Chief Engineer of the Department of Water effective January 31, 2014, the Board must begin discussion on action steps necessary to engage a new Manager and Chief Engineer.

Previously, it took the Kaua‘i Board of Water Supply (KBowS) from 2006-2009 to recruit Mr. Craddick into the Manager and CE position. Provided for your information is a summary timeline:

BACKGROUND:
- In 2006, the Board authorized the Department to recruit in which the DOW did not receive any applicants.
- In 2007, 4 applicants received.
- In 2008, the KBowS initiated a committee to further work on the next steps of the recruitment of a new water manager, which now is referred as the Special Manager Recruitment Committee. The Sub-Committee of the Whole reported their recommendations of a personal services contract, which shall include but not limited to drafting the position description, compiling the benefits package, draft the RFP(request for proposal), to advertise, conduct interviews, and to report to the Board and to get Board approval of the selected individual resulting in contract CPS Human Resources Services for 120 calendar days with Amy Day costing the Kaua‘i Board of Water a total of $58,500.00. The Kaua‘i BowS was assisted by Mr. Kawate from the County Attorney’s office to draft the Contract. The contract supplied the KBowS with 41 applicants resulting with the KBowS selecting the top 4 applicants at that time in which the Board did not move forward with hiring any of those applicants.
- In January of 2009, the KBowS directed staff to follow-up and submit an advertisement to extend the open recruitment for the vacant Manager’s position from February 6, 2009 to March 6, 2009. During this time, the Board received 2 applicants with one resulting with David Craddick appointed on May 22, 2009.

Because of this lengthy process it is prudent for the Board to discuss necessary actions and direction to recruit for a new Manager and Chief Engineer.

---4398 Pea Loke Street, Lihue, Kaua‘i, Hawai‘i or P. O. Box 1701, Lihue, HI 96766-5706---
Phone No. (808) 245-5400 – Administration FAX No. (808) 246-8628 – Engineering/Fiscal/Shop FAX No. (808) 245-5813
OPTIONS:

1. **Internal Search Recruitment** – Utilizing the same process of recruitment as administered within the capacity of the DOW’s Human Resources Coordinator

   **Pros:**
   - Least Expensive

   **Cons:**
   - The DOW’s Human Resources Coordinator oversees and conducts all Departmental HR activities including recruitment. The activity to focus on hiring for the Manager and Chief Engineer will affect the needed focus in other Departmental HR responsibilities & would impact efficiency.
   - Less resources are available within the Internal HR realm for this level of recruitment.

2. **Solicitation of an External Search Firm** – The DOW does not have any statement of qualifications within the listed Professional Services for FY13-14, but can proceed to draft a RFP to manage the recruitment process

   **Pros:**
   - A private firm would have this recruitment as their primary focus with a contracted end date
   - Broader range of resources

   **Cons:**
   - Higher cost.

Respectfully submitted,


Clyde Nakaya
Chairperson

Attachment: Position Description – Manager & Chief Engineer, BOWS COK (5-18-62)

mjg
Mgrp/February 2014/ Discussion and Action steps concerning Selection Process for new Manager and Chief Engineer of the Kauai County Water Department (2-27-14):mjg
DEPARTMENT OF CIVIL SERVICE
COUNTY OF KAUAI

POSITION DESCRIPTION

4. REQUESTED ACTION
   New Position-Initial Appointment ( )  Change in Duties and Responsibilities-Relocation ( )  Reclassification-Review ( )  Effective Date
   Requested Class Allocation
   Salary Range

5. DUTIES OF THE POSITION

  Interprets policies of the Board of Water Supply; organizes, develops and coordinates the work program of the department including the engineering and business functions; prepares budget requests; determines work priorities; plans and directs surveying and mapping; directs the abstracting and preparation of legal documents required for the acquisition of property, rights-of-way and easements for water systems; directs major long-range planning and research studies and collaborates with engineers and geologists on design problems; plans and directs the design and construction of water systems, including appurtenant structures as reservoirs, tanks and pumping facilities; determines the location and basic design; reviews plans, estimates, specifications and contract documents for approval; directs the preparation of technical reports; negotiates for lands and pipeline easements for tank, reservoir and building sites; access roads and pipeline rights-of-way; attains all governmental hearings relating to water resources, irrigation, and reclamation; confers with governmental officials, contractors, design engineers and the general public on the problems of water system projects; prepares data for rate studies relating to the extension and expansion of the county water system; supervises all in-service programs; prepares data for the floating of bonds or the borrowing of money necessary to finance projects of the Board of Water Supply; prepares technical correspondence; prepares all reports required by the Board of Water Supply; prepares agendas for board meetings.

6. (Any other information, notes, attached materials, etc.)

7. FOR CIVIL SERVICE USE ONLY

   ACTION TAKEN
   Re: Date of Action
   To: Class
   Effective Date
   Manager: Chief Engineer
   Date of Reassignment
   Reassignment
   Salary Range
   Date of Action

DEPARTMENT COPY

See Other Side

PEADON DIAZ

Supervisory Responsibilities:

Larry Mishikawa, Deputy Manager-Engineer

Other Responsibilities:

Nature of Supervision:

General

Form and Content:

Employee: [Signature]

Date: 4-10-62

Statement of Immediate Supervisor:

Work Experience:

Kind and Length in Years:

A combination of education and experience substantially equivalent to graduation from an accredited college or university with major work in engineering and five years of professional engineering experience, including or supplemented by three years of engineering administrative experience, and registration as a professional engineer.

Knowledge, Skills, and Abilities:

Knowledge of principles and practices of waterworks management; principles and practices involved in the engineering, design, construction and maintenance of water supply systems; laws, rules and regulations pertinent to waterworks operations; principles, methods, equipment and materials necessary for the proper functioning of a waterworks system; precautionary measures and hazards involved in the work; principles and practices of administration.

Ability to plan, lay out, coordinate and direct the work of subordinates; initiate and maintain a water supply system; maintain cooperative relationships with other public agencies on matters pertaining to a waterworks system; deal tactfully and effectively with employees and the public; prepare reports; prepare budget requests.

Physical Requirements:

Persons seeking appointment to positions in this class must meet the health and physical condition standards deemed necessary and proper for performance of the duties.

Prefered/Non-Preferred

Any Additional Conditions:

Chairman, Board of Water Supply, County of Kauai
MANAGER’S REPORT No. 14 - 34
February 27, 2014

Re: 2nd Contract Amendment for Contract No. 560, IT Review and Assessment, Strategic Planning and Implementation

RECOMMENDATION:
The Second Contract amendment for Contract 560 with BRIO is for the total amount of $370,000 in which the Department has availability to fund $300K. It is recommended that the Board approve the additional amount of $70,000 from the CIP Reserve Fund (Option 1).

FUNDING:
Account No. 103, Admin and Fiscal (Water Utility Fund)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract No. 560</td>
<td>$84,000.00</td>
</tr>
<tr>
<td>First Amendment</td>
<td>$210,000.00</td>
</tr>
<tr>
<td>Total Funds Certified for Contract No. 560</td>
<td>$294,000.00</td>
</tr>
</tbody>
</table>

**Second Amendment – TOTAL FUNDING NEEDED**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account 103 (ADMIN), Financial Information System – (FIS) Software &amp; Implementation</td>
<td>$250,000.00</td>
</tr>
<tr>
<td>Account 103 (FISCAL), Implementation of a computerized billing and accounting system (for system upgrades, enhancements, customization, and Phase III – Project Accounting</td>
<td>$50,000.00</td>
</tr>
</tbody>
</table>
| Total Funds Certified for Second Amendment (Budgeted)                        | $300,000.00| <$300,000.00>

Total Funding Balance for Account 103 (Admin and Fiscal) $0.00

**Additional funding needed for 2nd Amendment Board Approval**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
</table>
| IT Master Plan – Hosting and Replication Service                             | $70,000.00| <70,000.00>

Funds Available from CIP Reserve $12,538,232.00

Funds Remaining from CIP Reserve $12,468,232.00

BACKGROUND:
The Department completed an internal analysis of IT requirements in March 2012 and subsequently retained a consultant to continue the strategic planning effort and assist staff in developing a master plan for the next six (6) years. The plan includes 10 initiatives, eight of which are recommended to start within the next three (3) fiscal years. This plan was received by the Board on February 28, 2013. The Board requested that staff prepare operating and capital budget recommendations for plan implementation for the next three (3) fiscal years, which was received at the March Board meeting.

Amendment 1 included developing a new chart of accounts, an evaluation of continuing with our existing FIS application (Microsoft Dynamics) or move forward with a different application system.
and creating business diagrams for our business processes. Solutions to Host in the cloud was also evaluated.

Included in this amendment is the implementation of upgrading our current system to the latest version (GP Dynamics 2013), configuration and data migration and Budget development. It also includes having our Financial System hosted in the cloud and replication services. The goal of this amendment is to have a GO LIVE date of July 1, 2014.

**OPTIONS:**

**Option 1:** Great Plains Implementation with Hosted and Replication Services $370K.

*Pros:* Host site will manage the server with all updates and upgrades, which will free up approximately 20-30 hours per month of IT time. This option also provides replication to a local server internally on our network, so if internet is down, we could continue to work on a local server.

*Con:* Have to pay additional fees for hosting and replication services

**Option 2:** Great Plains Implementation installed on a locally installed server on DOW Business LAN $300K.

*Pros:* Will have a local server that will always be running regardless of internet issues.

*Cons:* have to be fully managed and up-to-date from IT Staff

Respectfully Submitted,

Jeff Mendez
IT Info Tech Officer

**CONCURRED:**

Kirk Saiki, P.E.
*Acting* Manager & Chief Engineer

JM:mg

Mgrrp/February 2014/ IT Review and Assessment, Strategic Planning and Implementation, Contract Amendment No. 2 for Contract 560 with Brio (2-27-14):mg
Staff Reports
## DEPARTMENT OF WATER
### Budget Status Summary
#### December 31, 2013

### I. WATER UTILITY FUND

<table>
<thead>
<tr>
<th>Category</th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td></td>
<td></td>
<td>$26,657,175.42</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$2,061,298.38</td>
<td>$18,003,416.08</td>
<td>$18,003,416.08</td>
</tr>
<tr>
<td>TOTAL RESOURCES:</td>
<td></td>
<td></td>
<td>$44,660,591.50</td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td>$1,312,995.88</td>
<td>$16,831,362.51</td>
<td>$16,831,362.51</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td></td>
<td></td>
<td>$16,831,362.51</td>
</tr>
<tr>
<td>Ending Balance</td>
<td></td>
<td></td>
<td>$27,829,228.99</td>
</tr>
</tbody>
</table>

### II. FACILITIES RESERVE CHARGE

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$2,663,693.54</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$88,766.62</td>
</tr>
<tr>
<td>TOTAL RESOURCES:</td>
<td>$3,303,085.17</td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td>$5,600.00</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$65,961.00</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$3,237,124.17</td>
</tr>
</tbody>
</table>

### III. WATERWORK BUILD AMERICA PROJECT FUND

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$26,029,967.39</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$810,329.81</td>
</tr>
<tr>
<td>TOTAL RESOURCES:</td>
<td>$24,292,269.34</td>
</tr>
</tbody>
</table>

**Total - All Funds at December 31, 2013**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$55,358,622.50</td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
WATER UTILITY FUND
December 31, 2013

REVENUES:
Cash on hand-Unrestricted as of July 1, 2013  $ 24,257,175.42
Cash on hand-Restricted (Emergency Reserve)  $ 2,400,000.00
Add: Revenues To Date  $ 18,003,416.08

Sub-Total  $ 44,660,591.50

EXPENDITURES:
Less: Expenditures to Date  $ 16,831,362.51

BALANCE AT THE END OF THE MONTH  $ 27,829,228.99

SHORT TERM INVESTMENTS - WATER UTILITY FUND
BANK OF HAWAII

CENTRAL PACIFIC BANK

FIRST HAWAIIAN BANK

T30020197  0.12000% INT. DUE 01/29/14 $ 1,200,000.00

MERRILL-LYNCH

CUSIP#   C313378KS9  0.5200% INT. DUE 04/06/15 $ 1,000,000.00
CUSIP#   C3136G1XH7  0.7000% INT. DUE 11/18/16 $ 1,000,000.00
CUSIP#   C313385SE7  0.1520% INT. DUE 01/24/14 $ 998,500.00

SUB-TOTAL FOR PAGE A  $ 4,198,500.00
<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>Interest Rate</th>
<th>Due Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>36160JGY8</td>
<td>Multi-Bank</td>
<td>1.20000%</td>
<td>07/13/15</td>
<td>150,000.00</td>
</tr>
<tr>
<td>3134G32T6</td>
<td>Multi-Bank</td>
<td>0.77000%</td>
<td>12/28/17</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>3136GOQA2</td>
<td>Multi-Bank</td>
<td>0.75000%</td>
<td>07/19/17</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>3136GOTV3</td>
<td>UBS</td>
<td>0.60000%</td>
<td>01/26/16</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>C3136GOX9</td>
<td>UBS</td>
<td>0.75000%</td>
<td>04/26/17</td>
<td>1,998,000.00</td>
</tr>
<tr>
<td>C3136G1BT5</td>
<td>UBS</td>
<td>0.80000%</td>
<td>03/21/16</td>
<td>992,790.28</td>
</tr>
<tr>
<td>C3134G4EF1</td>
<td>UBS</td>
<td>1.00000%</td>
<td>02/13/17</td>
<td>1,000,000.00</td>
</tr>
</tbody>
</table>

**Total Short-Term Investments - Water Utility** $11,339,290.28

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH ON HAND WITH TREASURER - COK</td>
<td>12/31/13</td>
<td>$3,870,757.08</td>
</tr>
<tr>
<td>CASH ON HAND-FHB Checking (EP)</td>
<td>12/31/13</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>CASH ON HAND-BOH Savings</td>
<td>12/31/13</td>
<td>$8,704,209.68</td>
</tr>
<tr>
<td>CASH ON HAND-FHB Blackrock T-FUND (Sweep Acct)</td>
<td>12/31/13</td>
<td>$4,476,874.45</td>
</tr>
<tr>
<td>CASH ON HAND - FHB Savings</td>
<td>12/31/13</td>
<td>$25,832.13</td>
</tr>
</tbody>
</table>

**Total** $27,829,228.99

### Trust Fund

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH ON HAND WITH TREASURER - COK</td>
<td>12/31/13</td>
<td>$320,000.00</td>
</tr>
<tr>
<td>CASH ON HAND-FHB Savings Trust Fund</td>
<td>12/31/13</td>
<td>$520,914.04</td>
</tr>
<tr>
<td>TRUST FUND RECEIPTS</td>
<td>12/31/13</td>
<td>(840,914.04)</td>
</tr>
</tbody>
</table>

**Total** $-

---

**December Claims Payable** $934,262.72

**Due to FRC** $311,489.09

**Due to Trust Fund** $14,961.00

**Water Utility Fund Cash Balance at the End of the Month** $27,829,228.99
# DEPARTMENT OF WATER
## County of Kauai
### JULY 1, 2013 TO JUNE 30, 2014
#### December 31, 2013

## WATER UTILITY FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEG. CASH BALANCE-Unrestricted</td>
<td>$24,257,175.42</td>
<td>$14,408,733.34</td>
<td>$2,057,413.13</td>
<td>53%</td>
<td>$12,788,470.66</td>
</tr>
<tr>
<td>BEG. CASH BALANCE-Restricted</td>
<td>$2,400,000.00</td>
<td>$2,400,000.00</td>
<td>$2,400,000.00</td>
<td>100%</td>
<td>$0</td>
</tr>
<tr>
<td>Water Sales</td>
<td>$27,197,204.00</td>
<td>$14,408,733.34</td>
<td>$2,057,413.13</td>
<td>53%</td>
<td>$12,788,470.66</td>
</tr>
<tr>
<td>Prior Year Receipts</td>
<td>$60,000.00</td>
<td>$60,000.00</td>
<td>$60,000.00</td>
<td>0%</td>
<td>$60,000.00</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$85,000.00</td>
<td>$31,263.59</td>
<td>$3,885.25</td>
<td>37%</td>
<td>$53,736.41</td>
</tr>
<tr>
<td>County Service Charge</td>
<td>$1,630,230.00</td>
<td>$1,630,230.00</td>
<td>$1,630,230.00</td>
<td>100%</td>
<td>$0</td>
</tr>
<tr>
<td>State Revolving Fund</td>
<td>$4,611,752.00</td>
<td>$3,235,031.50</td>
<td>$-</td>
<td>70%</td>
<td>$1,376,720.50</td>
</tr>
<tr>
<td>Other Receipts</td>
<td>$2,749,907.00</td>
<td>$1,709.07</td>
<td>$-</td>
<td>0%</td>
<td>$2,748,197.93</td>
</tr>
<tr>
<td>OTHER - BAB Subsidy</td>
<td>$649,257.45</td>
<td>$326,678.58</td>
<td>$-</td>
<td>50%</td>
<td>$322,578.87</td>
</tr>
<tr>
<td>FRC Debt Service Payback</td>
<td>$2,495,227.00</td>
<td>$2,495,227.00</td>
<td>$2,495,227.00</td>
<td>100%</td>
<td>$0</td>
</tr>
<tr>
<td>Grant, Drought Mitigation</td>
<td>$230,000.00</td>
<td>$230,000.00</td>
<td>$230,000.00</td>
<td>100%</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$66,365,752.87</td>
<td>$18,003,416.08</td>
<td>$2,061,298.38</td>
<td>48%</td>
<td>$48,362,336.79</td>
</tr>
</tbody>
</table>

## DISBURSEMENTS:

<table>
<thead>
<tr>
<th>SALARIES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>County over charge to payroll</td>
<td>$5,555,763.70</td>
<td>$2,312,681.37</td>
<td>$384,339.59</td>
<td>42%</td>
<td>$3,243,082.33</td>
</tr>
<tr>
<td>Salaries - DOW</td>
<td>$100,000.00</td>
<td>$355.20</td>
<td>177.60</td>
<td>0%</td>
<td>$99,644.80</td>
</tr>
<tr>
<td>Provision for Accrued Vacation</td>
<td>$1,630,230.00</td>
<td>$1,630,230.00</td>
<td>$1,630,230.00</td>
<td>100%</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL SALARIES</td>
<td>$5,655,763.70</td>
<td>$2,313,036.57</td>
<td>$384,517.19</td>
<td>36%</td>
<td>$3,342,727.13</td>
</tr>
</tbody>
</table>

## NORMAL EXPENDITURES

<table>
<thead>
<tr>
<th>ADMINISTRATIVE OFFICE and ENGINEERING:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>$293,540.00</td>
<td>$106,121.97</td>
<td>$15,212.21</td>
<td>36%</td>
<td>$187,418.03</td>
</tr>
<tr>
<td>Postage and Printing</td>
<td>$141,000.00</td>
<td>$43,831.91</td>
<td>$7,319.36</td>
<td>31%</td>
<td>$97,168.09</td>
</tr>
<tr>
<td>Office Equipment Maintenance</td>
<td>$(40,000.00)</td>
<td>$(16,455.61)</td>
<td>$(726.08)</td>
<td>8%</td>
<td>$(140,044.39)</td>
</tr>
<tr>
<td>Con 559 Four Winds Group MMIS Phases I &amp; II</td>
<td>$(40,000.00)</td>
<td>$(917.66)</td>
<td>$(9,000.00)</td>
<td>33%</td>
<td>$(27,417.66)</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>----------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>---</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>27</td>
<td>Open FRC Accounts Listing Contractual Services</td>
<td>$ (25,000.00)</td>
<td>$ 77,918.06</td>
<td>$ 11,590.23</td>
<td>14%</td>
</tr>
<tr>
<td>27a</td>
<td>Con 521 R. W. Beck Inc. Financial Management Planning &amp; Rate Analysis</td>
<td>$ 8,008.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>27b</td>
<td>Con 506 R. W. Beck Inc. FRC Study for DOW</td>
<td>$ 1,205.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>27c</td>
<td>PO-38966, Kauai Water Shed Alliance</td>
<td>$ 75,000.00</td>
<td>$ 75,000.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>27d</td>
<td>Con 535 Fukunaga &amp; Assoc. WRP 01 FY 05-06, Kauai Water Use &amp; Developmnt Plan update</td>
<td>$ 515,460.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>27e</td>
<td>USGS Joint Funding Agrmt. Water Monitoring Program for the period 10/1/11-9/30/12</td>
<td>$ 7,837.50</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>27f</td>
<td>UH Rainfall Study (2 years $80K and $70K)</td>
<td>$ 113,507.16</td>
<td>$ 49,291.66</td>
<td>-</td>
<td>43%</td>
</tr>
<tr>
<td>27g</td>
<td>Special Counsel Services</td>
<td>$ 25,000.00</td>
<td>$ 15,341.58</td>
<td>-</td>
<td>31%</td>
</tr>
<tr>
<td>27h</td>
<td>Consultant-Re-establish Open FRC Accounts</td>
<td>$ 40,000.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>28</td>
<td>Travel and Incidentals - Board</td>
<td>$ 25,228.00</td>
<td>$ 1,605.87</td>
<td>-</td>
<td>6%</td>
</tr>
<tr>
<td>29</td>
<td>Travel and Incidentals - Staff</td>
<td>$ 43,820.00</td>
<td>$ 11,386.21</td>
<td>-</td>
<td>26%</td>
</tr>
<tr>
<td>30</td>
<td>Bank Analysis Fee Collector’s Commission</td>
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<td>31</td>
<td>Miscellaneous</td>
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<td>Auditing Fee</td>
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<td>32c</td>
<td>Annual Audit Contract No. 537 KMH, LLP</td>
<td>$ 59,600.00</td>
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<td>33</td>
<td>In-Service Training</td>
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<td>34</td>
<td>Supplies - Office &amp; Eng.</td>
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<td>Con 531 Limtiaco Co, Inc. Public Relations Services</td>
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<td>36.3</td>
<td>Project WET - Source Protection Education</td>
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<td>37</td>
<td>Computer Support and Supplies</td>
<td>$ 86,500.00</td>
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<td>38</td>
<td>Microlab Materials and Supplies</td>
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**Total** | **$ 3,059,081.16** | **$ 596,582.73** | **$ 76,644.92** | **$ 2,462,498.43** |
<table>
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<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
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<tr>
<td>40</td>
<td>Vehicle - Materials &amp; Service</td>
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<td>Utilities</td>
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<td>43</td>
<td>Meter Parts</td>
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<td>43a</td>
<td>Electrical Parts</td>
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<td>44a</td>
<td>Misc. - Tapping Team</td>
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<tr>
<td>44b</td>
<td>Misc. - Drought Mitigation</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>45</td>
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<td>45.1</td>
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<td>Materials and Supplies</td>
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<td>Collective Bargaining Items</td>
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<td>Pump Electrical</td>
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<td>Purchase of Water</td>
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<td>59</td>
<td>Safe Drinking Water</td>
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<td>TOTAL OPERATIONS:</td>
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<td>$589,466.16</td>
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<td></td>
<td>6,816,442.80</td>
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<td>589,466.16</td>
<td>3,877,658.66</td>
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<td>INSURANCE AND EMPLOYEE BENEFITS:</td>
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<td>60</td>
<td>Insurance and Bonds</td>
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<td>Retirement System</td>
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<td>63</td>
<td>FICA Taxes - Employer's</td>
<td>425,015.92</td>
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<td>64</td>
<td>Health, Life, &amp; Dental (EUTF)</td>
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<td>Unemployment Compensation</td>
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<p>|       | 2,178,322.45 | 621,452.69 | 0.00 | 1,556,869.76 |</p>
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
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<tbody>
<tr>
<td>Health &amp; Life Insurance - Retirees &amp; OPEB</td>
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<td><strong>TOTAL NORMAL EXPENDITURES:</strong></td>
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<td>Hanapepe River Crossing</td>
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<td>Hanapepe 27&quot; Steel Pipe</td>
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<td>Waipuna Hmstde Well #3</td>
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<td>Ornellas 0.2 MG Tank</td>
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<td>16&quot; W/L Along Kuhio Hwy</td>
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<td>PH I Stable 1.0 MG Tank</td>
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<td>Waha, Wawae &amp; Niho Rds</td>
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<td>DOW Bond</td>
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<td>Series 2010A</td>
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<td>FmHa $300,000 @5%</td>
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<td>93 20 year Bond</td>
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<td><strong>$8,580,514.59</strong></td>
<td><strong>$5,304,646.73</strong></td>
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<td><strong>41%</strong></td>
<td><strong>$17,024,851.84</strong></td>
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**PROOF**

<p>| | | | | | |
| | | | | | |
| <strong>$28,799,354.70</strong> | <strong>$11,774,502.86</strong> | <strong>$1,050,628.27</strong> | | | <strong>$17,024,851.84</strong> |</p>
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
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<td>102 Expenditures, OPS</td>
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<td>0%</td>
<td>$ 2,100,000.00</td>
</tr>
<tr>
<td>128 Emergency Reserve</td>
<td>$ 3,600,000.00</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$ 3,600,000.00</td>
</tr>
<tr>
<td><strong>PAGE 5 SUBTOTALS</strong></td>
<td>$ 27,186,938.97</td>
<td>$ 178,250.72</td>
<td>$ 54,492.50</td>
<td></td>
<td>$ 27,008,688.25</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>-----------------------------</td>
<td>---</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>107</td>
<td>102,500.00</td>
<td>4,842.24</td>
<td>5%</td>
<td>$97,657.76</td>
<td></td>
</tr>
<tr>
<td>499</td>
<td>102,500.00</td>
<td>4,842.24</td>
<td>5%</td>
<td>$97,657.76</td>
<td></td>
</tr>
<tr>
<td>540</td>
<td>Century Computers 12,245.67</td>
<td>-</td>
<td>0%</td>
<td>$12,245.67</td>
<td></td>
</tr>
<tr>
<td>561</td>
<td>79,860.00</td>
<td>-</td>
<td>0%</td>
<td>$79,860.00</td>
<td></td>
</tr>
<tr>
<td>586</td>
<td>63,068.49</td>
<td>62,637.87</td>
<td>99%</td>
<td>$430.62</td>
<td></td>
</tr>
<tr>
<td>587</td>
<td>13,600.00</td>
<td>42,100.00</td>
<td>66%</td>
<td>$35,325.00</td>
<td></td>
</tr>
<tr>
<td>588</td>
<td>51,100.00</td>
<td>-</td>
<td>0%</td>
<td>$51,100.00</td>
<td></td>
</tr>
<tr>
<td>591</td>
<td>12,309.00</td>
<td>3,000.00</td>
<td>24%</td>
<td>$9,309.00</td>
<td></td>
</tr>
<tr>
<td>601</td>
<td>8,326.68</td>
<td>8,326.68</td>
<td>100%</td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td>607</td>
<td>3,149.40</td>
<td>-</td>
<td>0%</td>
<td>$3,149.40</td>
<td></td>
</tr>
<tr>
<td>609</td>
<td>23,838.45</td>
<td>14,050.14</td>
<td>59%</td>
<td>$9,788.31</td>
<td></td>
</tr>
<tr>
<td>610</td>
<td>125,200.00</td>
<td>-</td>
<td>0%</td>
<td>$125,200.00</td>
<td></td>
</tr>
<tr>
<td>634</td>
<td>28,420.00</td>
<td>15,930.00</td>
<td>56%</td>
<td>$12,490.00</td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>---------------------------------</td>
<td>---------------------------</td>
<td>---</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>638</td>
<td>18,228.00</td>
<td>-</td>
<td></td>
<td>0%</td>
<td>$18,228.00</td>
</tr>
<tr>
<td>647</td>
<td>1,447.00</td>
<td>-</td>
<td></td>
<td>0%</td>
<td>$1,447.00</td>
</tr>
<tr>
<td>651</td>
<td>540,235.78</td>
<td>-</td>
<td></td>
<td>0%</td>
<td>$540,235.78</td>
</tr>
<tr>
<td>668</td>
<td>5,210.47</td>
<td>-</td>
<td></td>
<td>0%</td>
<td>$5,210.47</td>
</tr>
<tr>
<td>694</td>
<td>30,000.00</td>
<td>2,500.00</td>
<td>$2,500.00</td>
<td>8%</td>
<td>$27,500.00</td>
</tr>
<tr>
<td>696</td>
<td>50,000.00</td>
<td>-</td>
<td></td>
<td>0%</td>
<td>$50,000.00</td>
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<tr>
<td>699</td>
<td>33,370.49</td>
<td>8,923.99</td>
<td>$8,923.99</td>
<td>27%</td>
<td>$24,446.50</td>
</tr>
<tr>
<td>700</td>
<td>56,213.69</td>
<td>25,980.51</td>
<td>$10,101.68</td>
<td>46%</td>
<td>$30,233.18</td>
</tr>
<tr>
<td>702</td>
<td>1,549,438.00</td>
<td>80,650.00</td>
<td>$74,100.00</td>
<td>5%</td>
<td>$1,468,788.00</td>
</tr>
<tr>
<td>707</td>
<td>115,567.17</td>
<td>-</td>
<td></td>
<td>0%</td>
<td>$115,567.17</td>
</tr>
<tr>
<td>709</td>
<td>215,143.80</td>
<td>58,761.80</td>
<td>$106,367.00</td>
<td>27%</td>
<td>$58,761.80</td>
</tr>
<tr>
<td>710</td>
<td>11,602.26</td>
<td>-</td>
<td></td>
<td>100%</td>
<td>$11,602.26</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>---</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Con 560, EMA Inc. IT Review &amp; Assessment</td>
<td>221,500.00</td>
<td>46,930.00</td>
<td>$ 46,930.00</td>
<td>21%</td>
<td>$ 174,570.00</td>
</tr>
<tr>
<td>Con 561, Goodfellow Brothers Job 02-19; WK-12; Main Replacement, Kuhio Hwy, Wailua</td>
<td>904,722.53</td>
<td>703,998.03</td>
<td>78%</td>
<td>$ 200,724.50</td>
<td></td>
</tr>
<tr>
<td>Con 564, R. Electric, Inc. Furnish &amp; Install, reduced Voltage soft starters, Power Factor Correction Capacitors, Surge Protective Devices.</td>
<td>51,150.35</td>
<td>51,150.35</td>
<td>100%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Con 566, Koga Engineering &amp; Job 04-03, WK-30, Pipeline replacement along Waipouli Rd &amp; Olomana Road</td>
<td>1,281,071.70</td>
<td>576,123.70</td>
<td>45%</td>
<td>$ 704,948.00</td>
<td></td>
</tr>
<tr>
<td>Con 569, Inter Pacific Motors, Inc. (1) 2WD Truck w/Cab &amp; Chassis with Service Body, underdeck with PTO Air Compressor</td>
<td>99,160.98</td>
<td>-</td>
<td>0%</td>
<td>$ 99,160.98</td>
<td></td>
</tr>
<tr>
<td>Con 570, Glenmount Global Solutions, Inc., SCADA Server System Replacement and Upgrade</td>
<td>8,212.47</td>
<td>164,234.53</td>
<td>100%</td>
<td>$ 8,212.47</td>
<td></td>
</tr>
<tr>
<td>Con 571, Allied Machinery Trailer mounted 125 KVA Emergency Diesel Generator</td>
<td>72,395.37</td>
<td>72,395.37</td>
<td>100%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Con 573 Pacific Pipe Co. GS-2013-5 Hydrants &amp; Appurtenances</td>
<td>291,094.10</td>
<td>291,094.10</td>
<td>100%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Con 577 Oasis Water Systems EP-2013-1 Emergency Replace Pump &amp; Motor Lawai Well #2</td>
<td>14,158.90</td>
<td>10,416.60</td>
<td>14%</td>
<td>$ 77,178.62</td>
<td></td>
</tr>
<tr>
<td>8/28/13 (106 + 103) Con 575 Midpac Auto Center (1) SUV 4Dr 4WD &amp; (2) $WD Extended Cab Pickup Truck</td>
<td>120,001.00</td>
<td>-</td>
<td>0%</td>
<td>$ 120,001.00</td>
<td></td>
</tr>
<tr>
<td>Con 568 Okahara &amp; Associates Job 12-04; HE-14 Hanapepe Elelele BP Replace</td>
<td>92,000.00</td>
<td>-</td>
<td>0%</td>
<td>$ 92,000.00</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL CAPITAL EXPENDITURES:** 37,566,398.18 5,056,859.65 262,367.61 32,509,538.53

**TOTAL SALARIES, NORMAL EXPENDITURES, DEBT REQUIREMENTS AND CAPITAL EXPENDITURES:** 66,365,752.88 16,831,362.51 1,312,995.88 25% 49,534,390.37
STATEMENT OF REVENUES AND EXPENDITURES
FACILITIES RESERVE CHARGE FUND
December 31, 2013

REVENUES:
Cash on hand as of July 1, 2013 $ 2,663,693.54
Add: Revenues To Date $ 639,391.63
Sub-Total $ 3,303,085.17

EXPENDITURES:
Less: Expenditures To Date $ 65,961.00

BALANCE AT THE END OF THE MONTH $ 3,237,124.17

SHORT TERM INVESTMENTS-FRC
BANK OF HAWAII
CUSIP# $ -

CENTRAL PACIFIC BANK
CUSIP# $ -

FIRST HAWAIIAN BANK
CUSIP# T30020279 0.12000% INT. DUE 02/14/14 $ 500,000.00

MERRILL LYNCH
CUSIP# $ -

MULTI-BANK
CUSIP# 402194CU6 2.50000% INT. DUE 12/23/13 $ 240,000.00
CUSIP# 70455AAG5 2.30000% INT. DUE 12/31/12 $ 245,000.00
CUSIP# 92705SAE3 1.50000% INT. DUE 06/07/13 $ 248,000.00
CUSIP# 063420AX1 1.80000% INT. DUE 09/25/18 $ 249,000.00
CUSIP# 02005Q6M0 1.10000% INT. DUE 09/16/16 $ 248,000.00

TDI (CSA)
CUSIP# $ -

VINING SPARKS

TOTAL SHORT-TERM INVESTMENTS - FRC $ 1,730,000.00

CASH ON WITH TREASURER - COK 12/31/13 $ 399,557.42
CASH ON HAND - FHB Savings (30-288435) 12/31/13 $ 1,107,566.75
Due from WU
Due to WU
December Claims paid in December $ 10,200.00
Less: CLAIMS FOR December 2013 $ (10,200.00) $ 1,507,124.17

CASH BALANCE AT THE END OF THE MONTH $ 3,237,124.17
### Facilities Reserve Charge

<table>
<thead>
<tr>
<th>Cash Receipts</th>
<th>Budgeted Receipts</th>
<th>Actual Receipts To Date</th>
<th>Receipts For the Month</th>
<th>%</th>
<th>Balance of Budget Over Actual Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash Balance</strong></td>
<td>$2,663,693.54</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>$2,663,693.54</td>
</tr>
<tr>
<td>4a Facilities Reserve Charge</td>
<td>$1,500,000.00</td>
<td>$485,600.00</td>
<td>$92,000.00</td>
<td>32%</td>
<td>$1,014,400.00</td>
</tr>
<tr>
<td>5a Interest Earned</td>
<td>$12,000.00</td>
<td>$13,786.52</td>
<td>$1,366.62</td>
<td>115%</td>
<td>$(1,786.52)</td>
</tr>
<tr>
<td>5b BAB Subsidy</td>
<td>$278,253.09</td>
<td>$140,005.11</td>
<td>$88,766.62</td>
<td>14%</td>
<td>$3,814,555.00</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>$4,453,946.63</td>
<td>$639,391.63</td>
<td>$88,766.62</td>
<td>14%</td>
<td>$3,814,555.00</td>
</tr>
</tbody>
</table>

### Capital Expenditures

<table>
<thead>
<tr>
<th>Capital Expenditures</th>
<th>Budgeted Amount</th>
<th>Total Actual Expenditures To Date</th>
<th>Expenditures For The Month</th>
<th>%</th>
<th>Balance of Budget Over Total Actual Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 FRC CIP</td>
<td>$150,003.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$150,003.00</td>
</tr>
<tr>
<td>301b FRC Fund Balance</td>
<td>$1,532,886.75</td>
<td>$ -</td>
<td>0%</td>
<td>$1,532,886.75</td>
<td></td>
</tr>
<tr>
<td>301c FRC Debt Service</td>
<td>$2,495,227.21</td>
<td>$ -</td>
<td>0%</td>
<td>$2,495,227.21</td>
<td></td>
</tr>
<tr>
<td>302 Contract #322 GMP Assoc. Inc. Job 87-1 Poipu Storage Tank</td>
<td>$2,050.00</td>
<td>$ -</td>
<td>0%</td>
<td>$2,050.00</td>
<td></td>
</tr>
<tr>
<td>304 WK-21 Contract #345 Fukunaga &amp; Assoc. Job 98-33 Wailua Well 3 08/01/99</td>
<td>$10,500.00</td>
<td>$ -</td>
<td>0%</td>
<td>$10,500.00</td>
<td></td>
</tr>
<tr>
<td>318 Con 457 Kodani &amp; Assoc Inc H-8 HW-12 Job 05-02 Drill &amp; Test Wainiha Well No. 4</td>
<td>$110,905.00</td>
<td>$65,961.00</td>
<td>$5,600.00</td>
<td>59%</td>
<td>$44,944.00</td>
</tr>
<tr>
<td>CAPITAL EXPENDITURES</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------</td>
<td>-----------------------------------</td>
<td>-----------------------------</td>
<td>---</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>03/31/08 (301, 301b) Con 488 HDR Engineering WK-39 Kapaa Hmstds Well No. 4 Drill &amp; Test</td>
<td>$111,950.00</td>
<td>$ -</td>
<td>0%</td>
<td>$111,950.00</td>
<td></td>
</tr>
<tr>
<td>1/28/13 (301) Con 567 Esaki Surveying &amp; Mapping, Inc.; Job 12-2, WK-23 UH Experimental Stn 605’ Tank</td>
<td>$40,425.00</td>
<td>$ -</td>
<td>$40,425.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$4,453,946.96</td>
<td>$65,961.00</td>
<td>$5,600.00</td>
<td>$4,387,985.96</td>
<td></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
BOND - BAB FUND
December 31, 2013

REVENUES:

Cash on hand as of July 1, 2013 $23,782,661.67
Accrued Interest Income at 6/30/13 $2,247,305.72
Add: Revenues To Date $26,029,967.39

Sub-Total $26,029,967.39

EXPENDITURES:

Less: Expenditures To Date $1,737,698.05

BALANCE AT THE END OF THE MONTH $24,292,269.34

SHORT TERM INVESTMENTS - BOND

BANK OF HAWAII

FIRST HAWAIAN BANK

CUSIP# 1062140 0.6340% INT. DUE 12/29/15 $22,300,000.00

TOTAL SHORT-TERM INVESTMENTS - BOND $22,300,000.00

CASH ON HAND WITH TREASURER - COK 12/31/13 (163,331.61)

BAB Bond Interest Earned with Bond Company 10/31/13 2,247,305.44
Claims Paid in December 2013 718,625.32
LESS CLAIMS FOR December 2013 12/31/13 (810,329.81) $1,992,269.34

BALANCE AT THE END OF THE MONTH $24,292,269.34
## BUILD AMERICA BONDS (BABs) - FUND

### % Budget Elapsed

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 23,782,661.67</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>$ 23,782,661.67</td>
</tr>
<tr>
<td>Interest Income, Accrued</td>
<td>$ 2,247,305.72</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>$ 2,247,305.72</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>$ -</td>
</tr>
<tr>
<td>Interest Income, Accrued</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>$ -</td>
</tr>
<tr>
<td>Project Resources</td>
<td>$ 100,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 100,000.00</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES</strong></td>
<td><strong>$ 26,129,967.39</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ -</strong></td>
<td></td>
<td><strong>$ 26,129,967.39</strong></td>
</tr>
</tbody>
</table>

### CAPITAL EXPENDITURES:

<table>
<thead>
<tr>
<th>CAPITAL AMOUNT</th>
<th>BUDGETED TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-01 BOND - BAB, CIP</td>
<td>$ (23,795.00)</td>
<td>$ (0.28) $ 21,419,873.85</td>
<td>$ -</td>
</tr>
<tr>
<td>Encumbered Projects</td>
<td>$ (603,320.00)</td>
<td>$ 754,500.00</td>
<td>$ -</td>
</tr>
<tr>
<td>218 5/11/2010 CON 513 Jennings Pacific, LLC Job No. 02-18, WK - 32 Kapaa Hmstds Pipe Repl</td>
<td>$ 57.00</td>
<td>$ -</td>
<td>0% $ 57.00</td>
</tr>
<tr>
<td>220 6/30/10 CON 516 Unlimited Builders, LLC Job No. 03-02, HW-02, Wainiha Booster Pump Stn</td>
<td>$ 924,290.38</td>
<td>$ 303,291.99 $ 29,621.52</td>
<td>33% $ 620,998.39</td>
</tr>
<tr>
<td>221 9/30/10 Con 520 (201-01) Fukunaga &amp; Associates Job # 10-01, Ani-01a Pipeline Repl - Anini RD</td>
<td>$ 241,960.00</td>
<td>$ 75,360.00 $ 75,360.00</td>
<td>31% $ 166,600.00</td>
</tr>
<tr>
<td>222 9/30/10 Con 519 (201-01) Park Engineering Job # 10-02, Upsizing of the Kaumualii Hwy. 16’</td>
<td>$ 14,102.70</td>
<td>$ -</td>
<td>0% $ 14,102.70</td>
</tr>
</tbody>
</table>

### TOTAL EXPENDITURES

| TOTAL EXPENDITURES         | $ 22,727,468.65 | $ 376,651.99 | $ 104,981.52 | 2% $ 22,348,816.66 |

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**DEPARTMENT OF WATER**
County of Kauai
**STATUS OF THE BUDGET**
JULY 1, 2013 TO JUNE 30, 2014
December 31, 2013
## BUILD AMERICA BONDS (BABs) - FUND

**% Budget Elapsed**: 50.00%

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Con 405 3rd n 4th Amm Kodani &amp; Associates, Inc. Job 02-19, KW-12 Waipouli Main Repl Wailua-Kapaa</td>
<td>$3,651.28</td>
<td>$1,900.00</td>
<td>52%</td>
<td>$1,751.28</td>
<td></td>
</tr>
<tr>
<td>6/28/11 Con 409 Esaki Surveying &amp; Mapping, Inc.; Job 02-16, WK-36, P/L replace - Wailua</td>
<td>$23,264.35</td>
<td>$ -</td>
<td></td>
<td>$23,264.35</td>
<td></td>
</tr>
<tr>
<td>Con 529 (201-01) Oceanic Company, Inc. Job 02-08, HE-08 Rehabilitation of Eleele Twin 0.4 MG Steel Tanks</td>
<td>$433,425.72</td>
<td>$377,823.97</td>
<td>87%</td>
<td>$55,601.75</td>
<td></td>
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<tr>
<td>Con 440 Kodani &amp; Associates, Inc. Kilauea 1.0 MG Tank and Pipeline, Ph I (fr W/U)</td>
<td>$86,040.20</td>
<td>$57,890.00</td>
<td></td>
<td>$28,150.20</td>
<td></td>
</tr>
<tr>
<td><strong>SUB - TOTAL</strong></td>
<td><strong>$546,381.55</strong></td>
<td><strong>$437,613.97</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$108,767.58</strong></td>
<td></td>
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<tr>
<td>CAPITAL EXPENDITURES:</td>
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<td>EXPENDITURE S FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
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<tr>
<td>Con 530 (201-01)</td>
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<tr>
<td>Earthworks Pacific</td>
<td></td>
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<tr>
<td>Job 02-19, WK-12</td>
<td>$ 211,787.34</td>
<td>$ 53,561.04</td>
<td>25%</td>
<td>$ 158,226.30</td>
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</tr>
<tr>
<td>Waipouli Main Replace</td>
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<tr>
<td>Con 427 (201-01)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Belt Collins Hawaii, Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job 02-14, Kapaa Hmstds</td>
<td>$ 25,817.34</td>
<td>$ -</td>
<td>0%</td>
<td>$ 25,817.34</td>
<td></td>
</tr>
<tr>
<td>0.5 MG Storage Tank &amp; Kapahi 1.0 MG Storg Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Con 427 (201-01)</td>
<td></td>
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<tr>
<td>Belt Collins Hawaii, Ltd.</td>
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</tr>
<tr>
<td>Job 02-14, Kapaa Hmstds</td>
<td>$ 25,922.00</td>
<td>$ -</td>
<td>0%</td>
<td>$ 25,922.00</td>
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<tr>
<td>0.5 MG Storage Tank &amp; Kapahi 1.0 MG Storg Tank</td>
<td></td>
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<tr>
<td>Con 533 (201-01)</td>
<td></td>
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<tr>
<td>Job K-01, K-12, Kalaheo 1111' and 1222' Water System Improvements</td>
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<tr>
<td>Job 10-02, MOA Dept of Transportation/Kiewit-Kaumualii Hwy widening, Anonui Rd and Lihue Mill Bridge.</td>
<td>$ 151,027.27</td>
<td>$ 603,320.00</td>
<td>$ 603,320.00</td>
<td>399%</td>
<td>$ (452,292.73)</td>
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<td>Con 536, Esaki Surveying &amp; Mapping, Inc., Job 11-02, PLH-01a Replace Grove Farm Tanks #1 &amp; #2</td>
<td>$ 198,023.00</td>
<td>$ -</td>
<td>0%</td>
<td>$ 198,023.00</td>
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<tr>
<td>Con 544, HONUA Engineering, Job 11-04 (L-08, L-10) Water Main Replacement &amp; Service Improvement</td>
<td>$ 29,654.95</td>
<td>$ -</td>
<td>0%</td>
<td>$ 29,654.95</td>
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<tr>
<td>6/28/2011 (201-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>237</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>6/28/11 Con 512 - Architects Hawaii, Ltd., Job No. PLH-39; Lihue Baseyard Improvements for DOW</td>
<td>$ 1,542.70</td>
<td>$ 1,466.25</td>
<td>95%</td>
<td>$ 76.45</td>
<td></td>
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<td>TOTAL EXPENDITURES</td>
<td>$ 24,329,773.62</td>
<td>$ 1,474,613.25</td>
<td>$ 708,301.52</td>
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<td>$ 22,855,160.37</td>
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<td>CAPITAL EXPENDITURES:</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURE S TO DATE</td>
<td>EXPENDITURE S FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
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</tr>
<tr>
<td>Con 542, (201-01)</td>
<td>$686,705.12</td>
<td>$234,658.93</td>
<td>$102,028.29</td>
<td>34%</td>
<td>$452,046.19</td>
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<tr>
<td>Maki Ridge Facilities Rehab &amp; Princeville Interconnection Plan</td>
<td></td>
<td></td>
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<tr>
<td>Con 543, (201-01)</td>
<td>$75,615.00</td>
<td>$5,520.00</td>
<td></td>
<td>7%</td>
<td>$70,095.00</td>
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<td>Oceant Laboratories, Inc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 457, (201-01)</td>
<td>$32,430.00</td>
<td>$-</td>
<td></td>
<td>0%</td>
<td>$32,430.00</td>
</tr>
<tr>
<td>Kodani &amp; Associates Inc.</td>
<td></td>
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<td></td>
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<tr>
<td>Con 550 (201-01)</td>
<td>$81,340.00</td>
<td>$-</td>
<td></td>
<td>0%</td>
<td>$81,340.00</td>
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<tr>
<td>Honua Engineering, Inc.</td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Con 551, (201-01)</td>
<td>$202,766.65</td>
<td>$-</td>
<td></td>
<td>0%</td>
<td>$202,766.65</td>
</tr>
<tr>
<td>Esaki Surveying &amp; Mapping, Inc</td>
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<td></td>
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<tr>
<td>Con 429, (201-01)</td>
<td>$94,222.00</td>
<td>$-</td>
<td></td>
<td>0%</td>
<td>$94,222.00</td>
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<tr>
<td>Esaki Surveying &amp; Mapping, Inc.</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Con 428 Brown &amp; Caldwell</td>
<td>$23,795.00</td>
<td>$22,905.87</td>
<td></td>
<td>$889.13</td>
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<tr>
<td>Job 03-02 Wainiha Pump Stn + Haena Steel Tank HW-02+03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>UA#2155 State of Hawaii</td>
<td>$603,320.00</td>
<td>$-</td>
<td></td>
<td>$603,320.00</td>
<td></td>
</tr>
<tr>
<td>Job 10-02, MOA Dept of Transportation/Kiewit-Kaumualii Hwy Improvements, Lihue Mill Bridge to Rice Street.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$26,129,967.39</td>
<td>$1,737,698.05</td>
<td>$810,329.81</td>
<td>$24,392,269.34</td>
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</tbody>
</table>
### BILLED REVENUES COMPARATIVE REPORT
#### AS OF JANUARY, FY 2012, 2013 & 2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$1,724,579</td>
<td>$2,346,892</td>
<td>$2,389,827</td>
<td>$42,935</td>
<td>1.83%</td>
</tr>
<tr>
<td>August</td>
<td>$3,660,136</td>
<td>$4,399,666</td>
<td>$4,918,306</td>
<td>$518,640</td>
<td>11.79%</td>
</tr>
<tr>
<td>September</td>
<td>$5,753,515</td>
<td>$6,828,224</td>
<td>$7,671,889</td>
<td>$843,665</td>
<td>12.36%</td>
</tr>
<tr>
<td>October</td>
<td>$7,408,261</td>
<td>$9,056,386</td>
<td>$9,818,946</td>
<td>$762,560</td>
<td>8.42%</td>
</tr>
<tr>
<td>November</td>
<td>$9,166,600</td>
<td>$11,423,911</td>
<td>$12,376,080</td>
<td>$952,169</td>
<td>8.33%</td>
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<tr>
<td>December</td>
<td>$10,693,795</td>
<td>$13,338,790</td>
<td>$14,285,570</td>
<td>$946,779</td>
<td>7.10%</td>
</tr>
<tr>
<td>January</td>
<td>$12,400,040</td>
<td>$16,163,728</td>
<td>$16,437,541</td>
<td>$273,813</td>
<td>1.69%</td>
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</tbody>
</table>

#### BILLED REVENUES COMPARATIVE CHART

As of January, FY 2012, 2013 & 2014

1 revenue comparison
<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>Cum. Inc (Dec)</th>
<th>% of Inc (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$1,564,012</td>
<td>$1,964,915</td>
<td>$2,594,170</td>
<td>$629,255</td>
<td>32%</td>
</tr>
<tr>
<td>August</td>
<td>$3,564,618</td>
<td>$4,275,571</td>
<td>$5,157,089</td>
<td>$881,518</td>
<td>21%</td>
</tr>
<tr>
<td>September</td>
<td>$5,250,808</td>
<td>$6,370,743</td>
<td>$7,551,676</td>
<td>$1,180,934</td>
<td>19%</td>
</tr>
<tr>
<td>October</td>
<td>$7,221,874</td>
<td>$9,006,500</td>
<td>$10,458,869</td>
<td>$1,452,369</td>
<td>16%</td>
</tr>
<tr>
<td>November</td>
<td>$8,905,488</td>
<td>$11,197,586</td>
<td>$12,235,628</td>
<td>$1,038,042</td>
<td>9%</td>
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<tr>
<td>December</td>
<td>$10,706,608</td>
<td>$13,332,029</td>
<td>$14,412,589</td>
<td>$1,080,560</td>
<td>8%</td>
</tr>
<tr>
<td>January</td>
<td>$12,254,208</td>
<td>$15,496,524</td>
<td>$16,359,772</td>
<td>$863,248</td>
<td>6%</td>
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</table>

CASH RECEIPTS COMPARATIVE REPORT
AS OF JANUARY, FY 2012, 2013 & 2014

Cash Receipts Comparative Chart
As of January, FY 2012, 2013 & 2014
### FY 2012 to FY 2014

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>CUM. INC (DEC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>349,500</td>
<td>436,238</td>
<td>391,161</td>
<td>-45,077</td>
</tr>
<tr>
<td>August</td>
<td>748,067</td>
<td>797,837</td>
<td>774,839</td>
<td>-22,998</td>
</tr>
<tr>
<td>September</td>
<td>1,172,622</td>
<td>1,213,013</td>
<td>1,191,526</td>
<td>-21,487</td>
</tr>
<tr>
<td>October</td>
<td>1,507,452</td>
<td>1,597,947</td>
<td>1,520,781</td>
<td>-77,166</td>
</tr>
<tr>
<td>November</td>
<td>1,857,997</td>
<td>1,996,810</td>
<td>1,865,830</td>
<td>-130,980</td>
</tr>
<tr>
<td>December</td>
<td>2,164,504</td>
<td>2,302,086</td>
<td>2,154,495</td>
<td>-147,591</td>
</tr>
<tr>
<td>January</td>
<td>2,505,086</td>
<td>2,755,898</td>
<td>2,472,004</td>
<td>-283,894</td>
</tr>
</tbody>
</table>

### WATER CONSUMPTION COMPARATIVE CHART

**As of January, FY 2012, 2013 & 2014**

**Billions**

- **FY 2012**
- **FY 2013**
- **FY 2014**

3 consumption (000 gallons)
PR SPECIALIST REPORT

February 27, 2014

Press Releases:

- **Released January 21, 2014** – The Department announced an upcoming community outreach meeting from 6 pm to 8 p.m., on Jan. 27, at Kapaa Middle School’s dining room. The meeting was regarding the Cost-Savings Analysis Report for the Kahili Horizontal Directional Drilled Well.

- **Released January 31, 2014** – The Department announced the completion of a capital rehabilitation project for the Wainiha-Haena water system. The project’s improvements included the rehabilitation of a 100,000-gallon steel tank, a new booster pump building, a new electrical and control system, new connecting waterlines and drainage, SCADA upgrades, security enhancements, access improvements and landscaping.

Blackboard Connect CTY Messages:

- **Sent January 26, 2014** – The Department announced repairs were being made to a water main break in Wailua Homesteads. The break occurred around 4:30 a.m. and repairs were completed around 11:30 a.m. Updates were sent through the County of Kauai’s facebook webpage.

- **Sent January 28, 2014** – The Department announced a water outage to a portion of Halelani Village, due to a broken valve. The water outage occurred from approximately 11:30 a.m. to 2 p.m. Updates were sent through the County of Kauai’s facebook webpage.

Published Articles:

- **January 22, 2014** – “Kahili well public meeting on tap,” by TheGardenIsland.com (see attached)

- **January 29, 2014** – “No well. No way.” by Chris D’Angelo, The Garden Island (see attached)

- **February 1, 2014** – “Kauai Captured,” by Dennis Fujimoto, The Garden Island (see attached)

- **February 2, 2014** – “Wainiha-Haena water system renovations completed,” TheGardenIsland.com (see attached)

Published Letters to Editor:

- **January 31, 2014** – “Sometimes, aloha just doesn’t work,” by Gail Rosen, Lihue (see attached)

- **January 31, 2014** – “Water conservation, not drilling, the answer,” by Bonnie P. Bator, Anahola (see attached)

- **February 2, 2014** – “Too many red flags on ‘Kahili Well’ plan,” by Jay Perreira, Lihue (see attached)
Kahili Horizontal Directional Drilled Well – Community Outreach Meeting
The Department held a community outreach meeting regarding the Cost-Savings Analysis Report for the Kahili HDD Well, on Jan. 27, at the Kapaa Middle School dining room. The Department did not receive any public comments specifically on the Cost-Savings Analysis Report. The meeting’s planning team met on Thursday, Jan. 30, to review and assess the outcome of the meeting.

Water Conservation Advisory Group (WCAG):

Project Water Education for Teachers (WET):
Kim Tamaoka met with Dan Chang, State Department of Health Safe Drinking Water Branch, to discuss the Department’s existing contract to develop and implement a statewide Project WET for Source Water Protection Education. Dan advised Kim that a plan and schedule should be presented at their next meeting on February 26. Kim has registered to attend the 2014 Project WET conference, “Sustaining the Blue Planet 2014: Global Water Education Conference” in Bozeman, Montana, from June 23 to 27, 2014.

Employee Council (EC):
Kim Tamaoka and Kevin Pongasi will represent the Department on the EC this year. The EC held a meeting on Thursday, Feb. 13. Debbie Ponce from Personnel presented the County’s new Customer Service Mission Statement, which will be officially released in the County’s revived employee newsletter in March. She also announced the County’s request for suggestions on a new Value Statement by Feb. 28. The EC requested members to think about volunteering for EC committees and officer positions, and to also familiarize themselves with the EC By-Laws. The EC Appreciation Luncheon has been scheduled for Thursday, April 17. EC meetings will be scheduled every second Thursday of each month.

Miscellaneous:
• Yearbook Updated – The 2014 Employee Yearbook was completed in January. In an effort to go green, a digital copy was posted onto the Department’s Intranet, and one hard copy was printed per division for employees to view at their leisure.
• Hygiene Supplies Drive for Homeless Veterans – The Department donated 353 Project WET Hand Sanitizers to the Kauai RSVP-sponsored Hygiene Supplies Drive on Friday, Jan. 17.
• Career Day – Dustin Moises and Kim Tamaoka attended King Kaumualii Elementary School’s Career Day on Monday, Feb. 3. Dustin gave a presentation about the Department and Civil Engineering to approximately 40 fifth grade students. Kalani Dabin, Russell Coyaso and Darren Galas cleaned and transported the Department’s mini excavator to the school for the students to view.
• Logo Orders – PR ordered 100 new vehicle decals for the Department’s vehicles and equipment. PR also ordered a new batch of employee uniforms, and is working on a new SOP which will provide information on the Department’s uniform policy and procedure.
Respectfully submitted,

Kim Tamaoka
Public Relations Specialist

KT:ein

Attachments:
- TGI, “Kahili well public meeting on tap,” dated January 22, 2014
- TGI, “Kauai Captured,” dated February 1, 2014

Mgrp/PR Specialist Report (2-27-14):ein
Kahili well public meeting on tap

KAPAA – The Department of Water will hold a community outreach meeting 6 to 8 p.m. Jan. 27 at the Kapaa Middle School dining room.

The DOW will present the cost-savings analysis report for the proposed Kahili Horizontal Directional Drilled Well, and receive comments from the public.

The report, prepared by Plasch Econ Pacific LLC, evaluates the costs of various water-source alternatives based on component costs and other information assembled by Oceanit and the Mears Group Inc.

A copy of the report is available at www.kauaiwater.org Mailed copies will be sent upon request at a required fee for the copy and postage.

Info: Kim Tamaoka at 245-5455 or ktamaoka@kauaiwater.org

© 2014 Thegardenisland.com. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.
KAPAA — Officials with the Kauai Department of Water came out Monday in hopes of discussing the cost-savings analysis report for the Kahili Horizontal Directional Drilled Well Project.

They never got a chance.

Instead, the aggressive crowd of more than 100 that showed up ran the show, forcing facilitators to shut down the meeting before it even started and sending a loud-and-clear message back to the DOW and its Board of Water Supply.

“You. Ain’t. Drilling!” yelled Louise Sausen of Haena, an outspoken opponent of the project.

Monday’s meeting was the latest speed bump in the saga surrounding the estimated $60 million project, which proposes drilling a 12,000-foot-long, high-elevation well in one of four locations near Mount Kahili. DOW says the project would allow the department to access high-level water, and that the cost of doing so would be made up in savings over the next 25 years.

But community members — at least those in attendance Monday — aren’t interested.

Echoing previous meetings, some voiced concerns about disrupting Kauai’s sacred mountains. Others said the proposal is an attempt to take water rights from the people of Hawaii.

“If you drill this, we’re going to prosecute you,” said Kekaha resident Dayne Aipoalani, who said he’s the Alii Nui (high chief) of the Polynesian Kingdom of Atooi.

Since he started working on the project, DOW Acting Manager and Chief Engineer Kirk Saiki said people often approach him with two questions.

First, why is the department doing the project? He said the DOW has a responsibility, and obligation, to look for new water sources.
“It could be as simple as, you know, knowing where we have productive wells and drilling other wells, or it could be complicated like this project,” he said. “But that’s part of what we do. We go and we identify potential sources.”

The second question usually asked of Saiki, he said, is whether the DOW is actually going to drill the well?

In September, the board unanimously voted that the DOW’s contractors get started on an economic feasibility study, one that would justify moving forward with a full-scale environmental impact statement.

Now that the study is complete, Saiki said it is up to the department and board to decide whether to proceed with the EIS.

If they don’t, the project would be suspended.

“Right now, all we’re doing is looking at the project on paper,” Saiki said. “Are we going to drill the well? I don’t know. We haven’t determined that.”

His comment sent the meeting into a downward spiral, with community members shouting over one another.

“We’re telling you you’re not,” Sausen said. “You’re not drilling the well.”

“No wells!” another woman shouted.

At the beginning of the meeting, facilitator Diane Zachary, president of the Kauai Planning and Action Alliance, attempted to set some ground rules, including keeping comments to the cost-savings analysis report — which the department never actually presented — and being respectful of each other.

“I know that you’ll do that,” Zachary said.

She was wrong. Voices raised. Threats were made.

At one point, Aipoalani jumped out of his seat and approached the front of the room, questioning who Zachary, Saiki and others really were.

“I don’t recognize you guys on this land,” he said. “We in charge of this land, not you guys. You know who I am? I’m Alii Nui … You guys don’t have our permission. OK? We going to protect this, whatever it takes. You guys can call you guys’ police, you guys’ DLNR. But they gonna have to come see me, and us. We are the federal marshals of Hawaii. We going to protect all this.”

Then Zachary asked whether anyone in the room actually came to hear about the cost-savings report.

“No!” echoed through the room.

Shortly after, a representative of the Kingdom of Atooi posed his own question: “How much of you guys want to shut this project down?”

Cheers of approval filled the Kappa Middle School cafeteria, while rain poured down outside.
“That’s what we came to tell you,” Sausen said. “No drilling. Period. Sorry, it ain’t gonna happen.”

Finally, with emotions running high and no police officers to keep the situation under control, a visibly shaken Zachary closed the meeting, drawing cheers from the crowd.

But not before Aipoalani got a final say.

“It’s not funny. It’s not funny being desecrated in these lands. It’s not funny being oppressed. It’s not funny when you don’t listen to us,” he said. “If you don’t hear us, you will never hear our children. That’s why today we stand for our children and our people.”

Kauai County Councilwoman JoAnn Yukimura said she attended the meeting hoping to learn about the report and project.

“Although I wasn’t able to stay for the whole thing, what I saw made me very sad because it looked like a community that was not able to talk civilly and with aloha about a very important issue,” she said.

In an emailed statement Tuesday, Saiki said the DOW was “disappointed” that it did not receive public comments on the cost-savings report.

“However, we do take what was said at the meeting seriously and we are willing to meet with individuals who are open to sharing their cultural knowledge and concerns with us,” he said. “We want to remind the public that the project is still in the preliminary stage and input is very important.”

No other public outreach meetings on the report have been scheduled and it is unclear whether the cost-savings analysis will be on the agenda for the board’s Feb. 27 meeting.

The 28-page report, released last month and prepared by Plasch Econ Pacific LLC, “evaluates the costs of various water-source alternatives,” according to a DOW release. Those alternatives include continuing to supply water from the current water-supply system, with no significant changes or upgrades, modifying the Waiahi Water Treatment Plant by adding a solar farm and related improvements to reduce energy costs and moving forward with the horizontal well.

Of the three alternatives, the report found that the well project would be the least expensive.

To view the report or for more information, visit www.kauaiwater.org.

• Chris D’Angelo, environmental reporter, can be reached at 245-0441 or cdangelo@thegardenisland.com.

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Posted in Local on January 29, 2014 2:00 am. | Tags: Kirk Saiki, Louise Sausen, Board Of Water Supply, Dayne Aipoalani, Hawaii, Diane Zachary, Water Supply, Kauai,

17 comments:
More people.... more buildings.... more water.... where does it end? I know that expecting NO growth is not reasonable but a slowdown is in order. How about we spend more money renovating and putting people in the Buildings already existing here. There is a huge outflow of water from KIUC... i can only pray it's saltwater... although I've never heard of an Intake in the ocean at Port allen

The people can beat this with logic and by asking the right questions. Scare tactics will most likely fail.

JP, Thanks for lending some authority to your comment. I respect that. Your initial comment also reads differently to me now.

Part of the unfortunate problem here is the distraction from detail that results from reading about people acting like thugs and the emotional reaction that naturally produces.

It may be a futile wish; but, I hope to learn more information like yours as this develops.

Natives? Really? Did you just get off a plane?
Pete, your comments are so off based it's not even funny. I never said anything to the effect that nobody knows what they are doing. I do know a little something about this project. I was on the selection committee that reviewed the proposals. Myself along with the committee sat through the presentations from the two contractors. I know exactly what's going on, I worked at DOW and the manager that spearheaded this project was fired. Oh, I'm sorry, the county press release said he retired. He claimed we could drill the well for 12 million dollars. Low bid was 36 million. Huge red flags all over this project. Now they say $60 million. The fact is that when asked what the effects to streams and rivers would be, the contractors responded, "there may be a drop in stream and river levels but we just don't know for sure". I wouldn't call the suction theory accurate but drawdown is a reality. FYI, I didn't support The Bill.

**Log In** to report.
**Link**

The "natives" have a right to be angry. They made their point. These meetings with their "controlling" tactics are so superficial and frustrating! I was not there but I stand with the natives of this land who should have standing.

**Log In** to report.
**Link**

JP, Nobody from the DOW or anyone ranching at the base of Mt. Kahili, or even myself, who lived in the house closest to that Grove Farm well for years, knows anything about the watershed around Mt. Kahili. Really? is that what you're saying? Really? Do you actually think there is even a smidgen of science behind surfer51's "suction effect?" Really? Do you support Dayne da Thug perhaps 'cause he's on your side? Really? Let me tell you about your side and the Cult of Fear on Kauai. It's made up of those with Metathesiophobia- fear of change. "OMG, let's study GMOs, smart meters, and Safeway's new center for an additional 20 years, because after all, we don't know anything for certain and that will keep anything from changing. There are therapists on Kauai that can help you!

**Log In** to report.
**Link**

truthislaw posted at 7:29 pm on Wed, Jan 29, 2014.
Joanne Yukimura, you and the likes of you have sucked the aloha out of life as we know it here. You should not even be allowed to speak that word out of your mouth. I like what Dayne did. I think we need more meetings like that. Especially since the state has no jurisdiction over these lands and the need for more water is only to bring more occupiers here.

- Log In to report.
- Link

**Eagle 6** posted at 4:58 pm on Wed, Jan 29, 2014.

Posts: 126

Eagle 6  
- Log In to report.
- Link

**JP** posted at 2:57 pm on Wed, Jan 29, 2014.

Posts: 6

Pete, Grove Farm did that a long time ago and today we cannot tell, or nobody really studied what the difference is, doesn't mean there is or was no effect. The fact is that the Department cannot say with any certainty what the drawdown will cause. If they tap the right vein, Grove Farms well output could be severely reduced. I'm glad people like surfer51 are realizing that there is a potential for irreparable damage, the cost is too high. The department currently has a tunnel in Kipu, the water flows 24/7 to Puhi and they dump it in the valley because there is surface water in it, it's been dumping for years and years, millions and millions of gallons, WASTED. So we drill another tunnel and same thing happens, surface water intrusion, DOH says no go. We dump the water too? Make any sense?

- Log In to report.
- Link

**PeteAntonson** posted at 1:55 pm on Wed, Jan 29, 2014.

Posts: 1644

Grove Farm drilled a horizontal well at the base of Mt. Kahili decades ago. It has produced 24/7 ever since. They increased the outflow with larger pipes in the 90's. Mt. Kahili, and the ridge, has been the same as it ever was. Surfer51's imagined suction process is one of the funniest things ever to come out of the antiscience Cult of Fear! How much of you guys believe that one!

- Log In to report.
- Link

**AnonyMouse** posted at 11:10 am on Wed, Jan 29, 2014.

Posts: 440
What some folks don’t get is that logic rules the day, not emotions. Oh, wait. It was emotions and not logic that got the GMO bill passed. My bad.

- Log In to report.
- Link

**UncleAina** posted at 8:47 am on Wed, Jan 29, 2014.

Posts: 361

Why would we drill a hole two miles long to get water when we have the Wailua River and perfectly good wells all over the island? Seems like the guys at DOW are just looking for some way to justify their job.

- Log In to report.
- Link

**ZeroSeven** posted at 8:40 am on Wed, Jan 29, 2014.

Posts: 41

NO DRILL! More water for the chemical companies who polluted our ground water with their pesticides? Get them out! This is a rouse and a shibai.

Respect the Land, the People, and Integrity and Soul of Kauai

- Log In to report.
- Link

**JP** posted at 7:17 am on Wed, Jan 29, 2014.

Posts: 6

Can someone from the Department of Water tell the public how much tax dollars has been spent on this project to date?

- Log In to report.
- Link

**Coconut wireless** posted at 6:54 am on Wed, Jan 29, 2014.

Posts: 26

Congratulations Kauai. We are now leading the charge in the break down of society. Unbelievable. Dispicable. Joanne should be sad, she helped Hooser get us to this point and I am not sure if there is a way back from the downward spiral they have set in motion.

- Log In to report.
- Link
All the government and business people are missing the point of those that oppose your drilling project. All the talk about money savings is of no interest to those that truly love this island. Drilling the well will change Waialeale FOREVER and it could never be fixed. Do any of you remember how high the water level used to be in the wet cave near Kee Beach? It has dropped (my guess) about 15-20 feet or more. If they put holes in the mountain and pump it out, it might create a suction that drains the mountain, has that ever been considered? The business people are talking about cost savings, those opposed only think of the pollution and demise of Kauai. There are millions of gallons of water flowing into the ocean everyday. Why not utilize some of that before drilling into the sacred Waialeale!
Kauai Captured for Saturday, February 1, 2014

Dennis Fujimoto/The Garden Island

CAPT_hands WELL.jpg

The audience responds with a show of hands to a question of horizontal directional drilling during the Dept. of Water public meeting on cost savings analysis report, Monday night at the Kapaa Middle School cafeteria.
WAINIHA — Department of Water officials announced the completion of a $1.6 million capital rehabilitation project for the Wainiha–Haena water system.

“As part of the department's 2020 plan, this project was integral in continuing to provide the Wainiha–Haena area with reliable water service into the future,” said Dan Kittredge, DOW’s project manager.

The project involved a number of improvements including the rehabilitation of a 100,000-gallon steel tank, a new booster pump building, a new electrical and control system, new connecting waterlines and drainage, Supervisory Control and Data Acquisition upgrades, security enhancements, access improvements and landscaping.

Unlimited Builders LLC was the contractor for the job.

The Wainiha–Haena improvements are part of DOW's Water Plan 2020, a comprehensive long-range plan to replace or repair aging infrastructure so customers can continue to be provided with safe and affordable water.

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Posted in Local on Sunday, February 2, 2014 12:30 am.
Sometimes, aloha just doesn’t work

This letter is in response to the article in Wednesday’s paper about the lack of aloha at the DOW meeting on the proposed well project. I have admired JoAnn Yukimura’s tenacity in flushing out a subject until she gets to the root of the matter and then making her decision on the basis of what she sees as good for this island. However, I do not agree with her for wanting aloha at the meeting from Hawaiians who are finally standing up for their rights and their land. I am glad that they are fighting for their ancestors not to be dug up by people who reside here or by businesses on the Mainland who use Kauai land to their advantage.

Do you not remember Captain Cook and the sailors who followed, spreading disease that the Hawaiians had no way to ward off and so many died? They were greeted with aloha and you know what that got them!

Do you not remember the missionaries that came over and told them that their beliefs, clothing, language and traditions were not correct. They were greeted with aloha and we know what that got them!

Then the children of the missionaries bought land for peanuts from the Hawaiians and they were treated with aloha. You know what that got them!

In this century, on Kauai, we have companies that are again spreading illness and disease to the Kauaian people in the form of pesticides. Should the Hawaii people be talking to them with aloha?

How about the new dairy that is coming here? Will we have urine and feces flooding our waters when there is a bad storm. Should they be treated with aloha?

I could go on but I think you get my message.

The time for aloha is over until we start treating Hawaiian people with the dignity they deserve.

So I say fight on Hawaiians and get what you deserve. Then you can worry about aloha.

I respect Joanne but the aloha spirit must come from us until the Hawaiians don’t feel cheated and betrayed any longer.

I say to all Hawaiians, fight on. I don’t know whether you will ever have the power to get what you want, but I hope so.

Gail Rosen, Lihue

Water conservation, not drilling, the answer

Arriving late at the Department of Water community meeting Jan. 28, the first person I saw walking from the meeting, I asked “What’s happening?” When he told me the meeting was shut down, I hugged him. He
asked, “Don’t you remember me?” My reply, “You look familiar.” He told me that he was Chris from The Garden Island. I gave him a copy of the comment I had prepared and mailed to DOW. It kept with choosing one of the three alternatives: to move forward with a “solar farm” to reduce energy costs.

Occurring: April (2013), scoping meeting for the Environmental Impact Statement on DOW’s Kahili Horizontal Directional Drilled Well. The estimated cost: $80 million. Then manager of DOW, David Craddick, invited public comments on the energy efficiency and sustainability of Kauai’s water system. My comment: There isn’t any DOW policy on water conservation. It’s logical and cost effective, which raises some questions:

Doesn’t DOW have a responsibility and obligation to implement water conservation?

DOW is preparing an Environmental Impact Statement. Why are they (DOW) accepting authority?

Is this a case of the fox guarding the hen house?

Consequently, headlines sway/persuade: “Water plan meeting turns combative” (TGI, April 2013)

“Angry crowd shuts down DOW meeting on drilling project” (TGI, 1/29/14).

Past troublemakers like Jesus, Samuel Adams, Benjamin Franklin, John Hancock, Patrick Henry, Paul Revere, Gandhi, Malcolm X, and Dr. Martin Luther King Jr. are now remembered in a positive light.

According to the U.S. Bureau of Labor Statistics, humans use 1 percent of fresh water on Earth. It’s a limited resource. Water conservation helps to ensure that available water supplies are used in the most efficient ways possible. Local, regional and federal governments ought to practice and encourage water conservation.

Global climate change may pose even greater threats to our water supply.

Local municipal water conservation is typically carried out by local utilities or governments. Why not Kauai DOW?

Bonnie P. Bator, Anahola

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Posted in Mailbag, Homepage on Friday, January 31, 2014 12:00 am. | Tags: Heather Devin, John Zwiebel, Bonnie P. Bator, Gail Rosen, Jim Saylor

- **onegeaeme** posted at 12:00 pm on Fri, Jan 31, 2014.

Thank you, Bonnie P. Bator. You are absolutely correct. Please, all of you, find and watch HOME. This excellent documentary will open your eyes and your minds to the problems we, here on Kauai, the State, the country, the world are facing. These are facts not fictions. Other documentaries Blue Gold and The Cost of Coke are mind boggling, too.
Gail Rosen, your letter is factual and sad. But remember Chris Hedges: "Rebel don't Revolt." Letter writing is good.

John Zwiebel, add me o the list. My contribution will be small but enough small contributions will win the d'ay.

Bettejo Dux

**manongindashadow** posted at 7:29 am on Fri, Jan 31, 2014.

Gail, with the dairy coming. I'm sure the farmer will put up cattle fences to keep away cows getting to our waters. Also, our feral and wild animals may leave urine and feces in the wild in our waters up stream.

**Eagle 6** posted at 5:02 am on Fri, Jan 31, 2014.

Gail Rosen, I get your message. It's one of passive aggressive race baiting. The ignorant, threatening in your face hatred around here doesn't need prodding from you. We are all Americans, with the same rights. The kind of "fight" your supporting has NO happy ending. I think you need to visit an active war zone to see the realities of endless division

**PeteAntonson** posted at 2:09 am on Fri, Jan 31, 2014.

So, we have not one; but, two apologists for the thug led mob behavior at the DOW meeting!

One is so caught up in playing the "White Man's Burden" victim card and the "we're saving the world" card that she serenely grants entitlement for meyhem.

The other actually suggests that Ghandi and MLK would have stomped up to facilitator shouting with intimidation like Dayne Aipoalani did. Now there is a student of History!

This was uncivilized mob rule and you can't put a positive spin on that!

**John Zwiebel** posted at 1:16 am on Fri, Jan 31, 2014.

There is a rumor that the water rights for the horizontal drilling are going to go to a private company. Is that true?
Too many red flags on ‘Kahili Well’ plan

No Well. No Way. The Department of Water’s “Kahili Well” project is seriously flawed, in my opinion. By flawed, I mean using what I think is common sense. It doesn’t add up to me. The project was spearheaded by former manager David Craddick. I worked at DOW at the time, 2011, and was put on the panel to select the contractor. First question I asked him was, “How much will this cost?” His response, “We have about $12 million and we can drill the well with that.”

Long story short, after the two contractors flew to Kauai from the Mainland and made their presentations for us and answered our questions, the low bid was something like $34-36 million and the other bid was over $40 million. Big red flag for me. Another red flag for me was that when asked how the well would affect current stream and river levels, the contractors response was, we don’t really know. A stream bed could dry up, we could create a blowout through the side of the mountain and have a waterfall where there was none before. Yet another problem for me is the name, Kahili. It is a tactic to stay away from the name Waialeale. David Craddick insisted “We are not drilling Waialeale.”

Look at the maps they provided, mind you the ones that were altered after the King Kaumualii School meeting and the consultant was publicly blamed in The Garden Island newspaper for providing incorrect information ... and on and on.

Jay Perreira

Lihue

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Operations Division Report for the Month of January 2014

Personnel

- Interview for vacant pipefitter position scheduled for February pending finalization of revised interview questions and format.
- Interview for vacant pipefitter position tentatively scheduled for February pending finalization of revised interview questions and format.

Source and Storage

- Kalaheo Deepwell #1 is not in service due to suspected broken shaft. Emergency procurement paperwork are completed and a contract needs to be executed so troubleshooting and repairs can commence.
- Repair of access road to Paua Valley Well, Paua Valley Tanks and Kekaha Shaft that was severely damaged by heavy rains on December 15th was completed.
- Chief of Operations and Plant Superintendent met with Mr. Michael Fernandes to discuss Mr. Fernandes’ resumption of volunteer cleaning and maintaining of the Nonou Tank site at the end of Kaulana Road in Wailua Houselots. There will be no change to agreement documents previously signed and approved by the Board.
- Lawai Valley Well emergency repair parts and materials arrived on island and construction commenced. Completion is anticipated by mid-February.
- Piwai Well #3 starter and motor saver were repaired.
- Kalepa Ridge Well motor saver was repaired.
- Hanapepe Wells A & B motor savers were repaired.
- Moloa Tank was painted due to graffiti.
- The chlorination room was completed at the Lawai Well #22 pumphouse site. Remaining items are to install the roll-up door and repair the dump to waste box.
- Construction of unlined detention pond for Koloa Well F dump to waste was completed.

Distribution

- Operations crews continue to perform leak repair of service laterals and mainlines including those that were damaged by contractors performing work for Water Plan 2020 as well as assist Water Plan 2020 project management section in operating valves.
- Assisted other Divisions in preparing water outage notifications by preparing the paper handouts and delivering such notices door-to-door.
- Operations Division personnel performed five (5) live taps to connect new service laterals.
- Forty five (45) water meters were issued for new installations and replacement requests.
- Field Crews continue in-house replacement of 2” distribution line along Hehi Road in Hanamaulu. Out of the 1,837 feet of pipeline, 360 feet had been replaced. Work is done as time permits while the crews continue with their regular emergency response, service lateral and meter installation duties.
Fleet, Inventory, Warehouse and Baseyard Area

- We received a total of 36 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including seven (7) called-in complaints of no water and low pressure while one (1) call was received for cloudy water and three (3) calls were received for tall grass at Nonou Tank site.
- We received four new replacement vehicles and placed them into operation: two (2) Ford F-150 4x4, one (1) Ford Explorer, and one (1) Ford F-450 w/ Utility Body.
- CK2048 had the compressor repaired and two (2) tires replaced.
- The Takeuchi Excavator TB175 had its bucket repaired, broken while performing Paua Valley road repairs.
- CK1964 refurbished bed to remove rust and add protective bed liner.
- CK1816 repaired non-functioning strobe light.
- CK2049 replaced two (2) worn tires.
- Plate compactor - replace broken belt and service.
- Performed routine servicing on five (5) fleet vehicles.
- Repaired/Replaced lights on maintenance and auto warehouses.
- For the month of January, a total of four hundred thirty six (436) work orders were issued for Operations Division. Works included: electrical repairs and maintenance; automotive repairs and maintenance including power generator maintenance; water meter installation and replacement; service lateral installations; leak repairs; well, tank site and PRV maintenance; replace damaged meter boxes; replace damaged or leaking hydrant; door-to-door customer notifications for tie-ins of new lines to existing lines; callouts due to customer complaints/reports.
- Of the 207 work orders issued in December, 154 were completed.
- For the month of January 2014, twenty two (22) Hawaii One Call requests for markings were received and completed.
- Shields were installed on perimeter lights of the Administration Building, Mechanic Shop and Operations Building. The shields will remain year-round in anticipation of the shearwater fledgling season.
- Mid-year inventory of parts and materials commenced.
- While clearing and mowing shrubs and bushes on the vacant lot across the microlab, operations personnel found a dead body of an adult male and called police.

Respectfully submitted,

Valentino P. Reyna
Chief, Operations Division

VPR:ein

Attachments: Overtime Chart
             Leak Report Chart

County Of Kauai - DEPARTMENT OF WATER
Operations Division: Plant & Field
Total Hours for the Month
For the Period: January 2012 to January 2014
Work Orders by Job Reason Code for Selected Date Range

01/01/2013 to 01/31/2014

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
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<tbody>
<tr>
<td>11</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
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<tr>
<td>3</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>87</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>102</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
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Work Orders by Job Reason Code

![Pie chart showing the distribution of work orders by job reason code.]

Number of Leak Repairs per Month

![Line graph showing the number of leak repairs per month from January 2013 to January 2014.]{leak-repairs.png}
MANAGER’S UPDATE

February 27, 2014

MANAGER’S UPDATE for February 2014

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

(1) RE: 1st Amendment to Contract No. 520 with Fukunaga & Associations, Inc. for Job No. 10-01, #ANI-01, Pipeline Replacement from Kīlauea to 'Anini, Filauea-Kalihiwai- 'Anini Water System, Kīlauea, Kaua'i, Hawai'i

FUNDING:
NO ADDITIONAL FUNDS REQUIRED

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First Contract Amendment:

A. Management and Prime Responsibility $4,000.00
B. Archaeological Monitoring Plan $8,025.00
C. Ethnographic Study $34,100.00
D. SMA Permit Deduct ($24,000.00)
E. Shoreline Setbacks Deduct ($22,600.00)

Total for First Contract Amendment ($475.00)

Contingency ($475.00)

Amended Contract Amount $750,285.00

BACKGROUND:
The Contractor, Fukunaga and Associates, Inc., submitted a letter to State Historic Preservation Division (SHPD) on November 14, 2013 requesting a review and determination regarding the completion of an archaeological inventory survey (AIS) for Phase II and the archaeological requirements for the Kaliihiwai stream crossing for Phase I of the Kīlauea to 'Anini Pipeline Replacement Project area. Based upon the information received by SHPD, it was determined that an archaeological monitoring plan (AMP) and an ethnographic survey were required for both Phases I and II of the project.

The State Historic Preservation Division (SHPD) required an Archaeological Monitoring Plan and Ethnographic Survey. The contractor will prepare and submit the report to the SHPD/DLNR as required for their review and approval prior to the construction of the project.

In addition, on October 2012 the County of Kaua'i Planning Department has provided determinations that a Special Management Area (SMA) permit and a Shoreline Setback Variance were not subject to the requirements of Ordinance No. 887 and HRS 205A-22.
Therefore, this portion of scope of work, Special Management Area (SMA) and Shoreline Setback Variance, for the amount of $46,600.00 will be deducted from the total contract amount.

We reviewed the proposal of Fukunaga & Associates, Inc. for additional engineering services of $46,125.00 and find this acceptable.

**PUMP INSTALLATION PERMITS:**
None

**WAIVER RELEASE & INDEMNITY APPLICATIONS:**
None

**PERSONNEL MATTERS UPDATE**

*February 11, 2014*

**RECRUITMENT AND POSITION CHANGES**

**Operations Division**
1. Assistant Chief of Water Operations #2400. Interview held. The Assistant Chief of Water Operations position will be on the February 2014 Board Agenda.
2. Equipment Operator II #2408. Pending list of eligibles.
3. Heavy Vehicle and Construction Equipment Mechanic I #2469. Interview to be scheduled.
5. Pipefitter Helper #2410. Interviews to be scheduled.
7. Waterworks Electronics/Plant Electrical Tradesperson I #2311. Pending list of eligibles.
8. Plant Electrician Helper #2432. Pending list of eligibles.

**Fiscal Division**
1. Accountant II #2498 (Billing Section). Interviews held on January 9, 2014. The Accountant II position will be on the February 2014 Board Agenda.
4. Procurement Specialist IV #2497. Job announcement on continuous recruitment. Pending eligibles list.
5. Billing Services Assistant (Short Term Position). Interviews are scheduled for February 13, 2014. DOW needs the short term Billing position support as we proceed to fill the vacant Customer Service Representative I. This requires funding for the short term Billing position to be maintained into April 2014. With the CSR I position vacant, there is sufficient funding to supplement the short term Billing position salary.

**Engineering Division, Construction Management (CM) Division, Water Quality Division and Water Resources & Planning Division**
2. Civil Engineer II #2458. DOW reviewing duties.
3. Civil Engineer V #2358. Pending eligibles list.
4. Project Assistant #2484 re-description. Pending DPS review.
5. Waterworks Project Manager #2351 re-description. Pending DPS review.
8. Chief of Water Resources and Planning #2460. Eligibles list received.

Administration
1. Clerical Assistant (Community Relations). Pending position number assigned by DPS.
3. HR Coordinator #2489. Pending DPS review.
4. Private Secretary #E-35. Pending DPS review.

SUMMARY OF WARRANT VOUCHERS PAID – January 31, 2014
Warrant vouchers were paid in the amount of $4,217,870.88
Please see attached Warrant Vouchers Report.

STAFF REPORTS - FY 14-15:
Conveyance of Water Facility:
1. Triana Sau Yan Chang & Derek Tin Who Chang
   TMK: 4-1-06:038 Wailua
   $12,000.00
   Total $12,000.00

CC&B BILLING SYSTEM UPDATE:
February 20, 2014

On January 22, 2014 DOW along with HBWS and Maui BWS reached a milestone with CC&B being our one year anniversary of the implementation of the new billing system.

January – June 2014 Focus is to continue “Transition” Scope of work and achieve steady state, which includes: Knowledge transfer/training, updating processes, wrapping up on reports, prep for Year-end audit and New rates for Fiscal Year (FY) 2014-2015.

As part of on-going steady state adjustments, consecutive System Estimated bills have been reduced from 3 to 2 months. No sizeable increase in Bill Segment errors.

The Department will need to provide rate increases for FY 2014-2015 by March 7, 2014. HBWS also needs to know ASAP if any new rate/structure will be implemented this upcoming FY.

Removal of Small Readings – Sandi worked with HBWS to test the removal of the small meter readings from CC&B. Testing and User Acceptance has been done, just waiting for HBWS to propagate PROD with the appropriate coding.

Foreign Address update: Still had some issues, HBWS will be sending Kauai the addresses that need to be fixed. Sandi will work on getting these addresses fixed.

Kauai is still receiving Meter Read Download Errors, these errors would cause the meter to not be read. HBWS will run and provide a query of all meters missing the Secondary ID number to be fixed for all meters.

Password Enhancements implementation for Kauai has been completed.
Phase 3 will be implemented after Phase II which will include Summary Billing, Low Groundwater Condition, and Web Services.

On June 14, 2013 the department implemented eBill & eStatement where our customers can view their bills online. On January 13, 2014, 410 customers have signed up with eBill and eStatement and 128 out of the 410 customers have elected to receive their bill electronically thereby saving the department paper and postage. As of February 20th, 455 customers have signed up with eBill and eStatement and 147 customers have elected to receive their bills electronically.

Staff is continuing to verify meter reads to make sure the transponders are still working; they have also been filtering those who registered illegal usage from meters who are properly activated. During the past 3 months period, billing staff has created 30+ Meter Exchange Field Activities to replace meters because of various reasons. Sandi & the meter readers continue to locate meters that need replacement and create meter exchange field activities that are forwarded to Operations to replace.

**IT STRATEGIC PLAN UPDATE:**

The Department of Water completed an internal analysis of IT requirements (Long Term Computer Plan by Jeff Mendez) in March 2012. Six consultants were invited to take this plan and develop a master plan. Subsequently the department retained a consultant (EMA – Contract 560) to continue the strategic planning effort and assist staff in developing a master plan for the next six (6) years. Phase 1 of this contract (the master plan) was authorized in 2012 and completed in January 2013. Phase 2 of the contract provides for design and implementation services to be defined and funded via amendments.

The Master Plan includes 10 initiatives, eight of which are recommended to start within the next three (3) fiscal years. This plan was received by the Board on February 28, 2013. The Board requested that staff prepare operating and capital budget recommendations for plan implementation for the next three (3) fiscal years, which was received at the March 2013 Board meeting.

The first initiative defined in the IT Master Plan was the redevelopment of our chart of accounts and the reimplementation of our financial system. This initiative was given top priority because of issues raised by our auditor and because of ongoing difficulties with financial reporting. Contract 560 was amended in May 2013 to begin work on Initiative #1. Under the first amendment, we created a new chart of accounts that will improve efficiency and simplify the communication of financial data and budget status. We designed new accounting processes and controls, and we evaluated technical alternatives for the financial information system. Prior to starting work on Amendment 1, Nancy Lerner (lead consultant for EMA) formed her own company (Brio Consulting), and contract 560 was assigned to Brio. The design phase of Initiative #1 is completed and now we are moving into the implementation phase.

As Amendment 1 for Contract 560 is substantially complete, Amendment 2 has been created to implement the new system and transition to the new chart of accounts and the new processes and controls, including more efficient and timely reporting of budget status. This amendment includes multiple implementation tasks: upgrade to the latest software version; system configuration to support the new chart of accounts, processes and controls; support for development of a FY 2014-15 budget that uses the new chart of accounts; and training and support in the new practices and the new environments. It also includes transition to a hosted solution that provides ongoing software administration with multiple secure back-ups, including nightly replication to a local server so that we are able to continue working even if we lose our internet connection.

The goal of this amendment is to introduce the new practices and software in a phased approach so that all the technology is in place and staff are trained before the start of FY 2014-15. The amendment also includes post go-live support and coaching once we move into the new fiscal year.
2014 LEGISLATIVE SESSION UPDATE:
The DOW is currently tracking the following Bills during this legislative session. These are currently live bills.

HB1103 – Relating to Impact Fees – The impact fee is utilized to help pay for required infrastructure improvements which are associated with the water meter. With the amendment, this would give the Counties the authority to collect the impact fee at the time of subdivision, which at times, may be years before a building permit is applied for.

The DOW has been working on this since the 2013 Legislative Session and currently waiting for a hearing for this year.

HB1969 – Relating to Water Royalties - Assesses $1 royalty for every 1000 gallons pumped from the State's aquifers. Dedicates revenues to offset water system project costs.

The DOW has submitted testimony along with Hawai'i County and the Honolulu Board of Water in opposition of this bill which will cause a result in an economic hardship for families, businesses and any entity that utilizes water. Our customers already pay, through their rates, for the maintenance of water system infrastructure that they utilize and the operations of the Department of Water which includes water resource planning.

SB2667 – Relating to State Water Code - Requires a private person or entity to obtain a permit to withdraw ground water in certain counties. Establishes certain counties as a designated water management area.

The DOW has submitted testimony in opposition of this bill. The proposed amendment to establish certain counties as a designated water management area by population is not consistent with the existing provisions set forth in the Section 174C-41 of the Hawaii Revised Statues. Currently, the State can establish a designated management area only after it has conducted scientific investigations and research to reasonably determine that water resources in the area may be threatened. Establishing designated water management areas by population appears subjective and does not consider the condition of the water resources in the area.

In accordance with the provisions set forth in Section 174C-84 of the Hawaii Revised Statues, all well construction and well pump installation must apply for and receive a permit from the State Commission on Water Resource Management (CWRM) before constructing and operating the well. The proposed amendment to Section 174C-48 of the Hawaii Revised Statues will require another permit for ground water withdrawals. It is our opinion that the information provided for well construction permit, pump installation permit, and the monthly reports to CWRM should be adequate to determine the condition of water resources.

The proposed amendments will adversely impact our county by increasing project completion times and costs due to the additional permits and water management area designation.

SB3094 – Relating to Counties - Empowers counties to impose and enforce liens upon premises served for unpaid water or sewer charges after an opportunity to be heard under chapter 91, HRS. Repeals the authority of each county to take over from the State existing waterworks systems and sewer systems and to enlarge, develop, and improve the same.
The DOW submitted testimony in favor of this bill. KDOW collects approximately $1.8 million in water bills per month. Although a vast majority of the water bills are paid on time and most delinquent bills are successfully collected using conventional methods of notifications and payment plans, there are delinquent accounts that remain in the collection process for a long time. KDOW can have as much as $400,000 delinquent bills that are in arrears past 120 days. A delinquent bill that cannot be collected becomes a burden that must be made up KDOW and KDOW customers.

The collection process, which may include taking legal action, can be labor intensive and costly. Also, the collection process costs can exceed the amount collected. The ability to place a lien against a property after due process is given should reduce the collection times and costs.

AFFORDABLE HOUSING UPDATE:
Update will be provided after the next Task Force Meeting is held.

Respectfully submitted,

Kirk Saiki, P.E.
Acting Manager and Chief Engineer

KS:mjc

## DEPARTMENT OF WATER

**Summary of Warrant Vouchers Paid**  
**January 31, 2014**

### WATER UTILITY FUND

- Other Expenses, Department of Water  
  - Capital Expenditures: $1,080,811.41
- Other Expenses, Department of Water  
  - Normal Expenditures: $3,088,114.62
- **TOTAL WATER UTILITY FUND**: $4,168,926.03

### BOND FUND

- **TOTAL BOND FUND**: $-

### F R C FUND

- FRC REFUNDS: $4,600.00
- KODANI & ASSOCIATES, INC.: $2,675.00
- **TOTAL FRC FUND**: $7,275.00

### BOND - BAB

- MEI CORPORATION: $41,669.85
- **TOTAL BAB BOND FUND**: $41,669.85

- **TOTAL CLAIMS PAYABLE**: $4,217,870.88

### WATER UTILITY FUND

1/31/14 AP: $4,168,926.03

- **BOND FUND**: $-

### F R C FUND:

1/31/14 AP: $7,275.00

- **BOND - BAB:**

1/31/14 AP: $41,669.85

- **BANK TRANSFER -**

$4,217,870.88

- **Bank Transfer Adjustments:**

$4,217,870.88

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**TOTAL NORMAL EXPENDITURES**

$3,092,714.62
February 27, 2014 BOARD MEETING
WATER UTILITY FUND
DEPARTMENT OF WATER
January 31, 2014

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WATER UTILITY FUND

| CON   | 560 BRIOS CONSULTING                             | 711         | $109,880.00 |
| CON   | 577 OASIS WATER SYSTEMS, INC.                   | 722         | $63,262.02  |
| CON   | 575 KUHIO AUTO GROUP LLC                        | 723         | $120,001.00 |
| CON   | 562 GOODFELLOW BROTHERS, INC.                   | 697         | $766,177.85 |
| **CONTRACT PAYMENTS - WU**                        |             | **$1,059,320.87** |

TOTAL WATER UTILITY - CAPITAL EXPENDITURES $1,080,811.41

BOND

| CONTRACT PAYMENTS - BOND:                         | $ -         |

FRC

| CON   | 457 KODANI & ASSOCIATES, INC.                   | 318         | $2,675.00  |
| **FRC PAYMENTS**                                |             | **$2,675.00** |

BOND - BAB

| CON   | 542 MEI CORPORATION                             | 239         | $41,669.85 |
| **CONTRACT PAYMENTS - BAB**                      |             | **$41,669.85** |

TOTAL CAPITAL EXPENDITURES $1,125,156.26
2010 Bond Encumbrance and Spend Down Status (Dollars)

Thousands of Dollars

- BAB Balance
- Remaining to Encumber

Actual vs. Projected