BOARD OF WATER SUPPLY of the COUNTY OF KAUA'I

REGULAR MEETING
Second Floor, Microbiology Lab Bldg
Kauaʻi County Department of Water
4398 Pua Loke Street, Līhuʻe, Kauaʻi, Hawaiʻi 96766

THURSDAY, FEBRUARY 19, 2015

10:00 a.m.

Or soon thereafter

A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES
   Review and approval:
   Regular Board Meeting – January 22, 2015

   Review and approval of Executive Session:
   Executive Session – January 22, 2015

E. CORRESPONDENCE/ANNOUNCEMENTS
   1. Correspondence from Ms. Malia Finazzo-Krueger and Ms. Hannah Finazzo-Krueger, dated
      January 27, 2015 regarding, Ke Kula Pono LLC, Class IV Zoning Permit Z-IV-2015-01, Use
      Permit, U-2015-01, TMK: 4-2-009-018

F. BOARD COMMITTEE REPORTS

G. OLD BUSINESS

H. NEW BUSINESS
   1. Manager’s Report No. 15-22 – Discussion and Possible Action to Procure Solicitation of a
      DOW Owned Customer Information System (CIS) for Billing & Collection
   2. Manager’s Report No. 15-23 – Discussion and Possible Action on the Board’s Requests for
      background comments and recommendations from the Department regarding Class IV Zoning
      Permit Application Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center, TMK:4-2-9:18, Ke Kula Pono, LLC. (Maria Finazzo-Krueger, Owner)
   3. Manager’s Report No. 15-24 – Discussion and Approval of the Right of Entry Agreement for
      S-2009-13, S-2009-14, S-2009-15, Waiola Subdivision Phase I, II and III, Affecting the
      Following Landowners in Līhu'e, Kaua'i, Hawai'i:
         a. Grove Farm Properties, Inc. of TMK: (4) 3-3-003:041, Līhu'e, Kaua'i, Hawai'i

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.
4. **Manager’s Report No. 15-25** – Discussion and Possible Action on the Grant of Easement for Ala Kukui’ula Phase 2A (S-2004-45), Po'ipu, Kaua‘i, Affecting the Following Landowner:
   a. Kukui’ula Development Company (Hawaii) LLC affecting TMK(s): (4) 2-6-015:001 (por.) and (4) 2-6-15:015 (por.) and (4) 2-6-015:016 (por.)

5. **Manager’s Report No. 15-26** – Discussion and Possible Action on the Grant of Easement for Large Lot 32 – Phase 1 (S-2013-07), Po'ipu, Kaua‘i, Affecting the Following Landowner:
   a. Kukui’ula Development Company (Hawaii) LLC affecting TMK(s): 2-6-19:048 (por.) and 2-6-19:049 (por.)
   b. ABP-EWP Development LLC affecting TMK: 2-6-19:047 (por.)

6. **Manager’s Report No. 15-27** - Discussion and Approval of Safe Drinking Water State Revolving Fund (DWTLRF) for DW4- 00-0011, Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase I), Līhu'e Water System, Līhu'e, Kaua‘i, Hawai‘i

7. Draft Budget for Fiscal Year 2015-2016
   a. Fiscal Year 2015 – 2016 Draft Operating Budget
   b. Fiscal Year 2015 – 2016 Draft Capital Outlay Budget

I. **STAFF REPORTS**

**MONTHLY**

1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures
   a. January Monthly Summary Budget

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

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

4. Discussion and Receipt of the Manager and Chief Engineer’s Monthly Update Regarding Activities of Note of the DOW
   a. Report of the BAB pay down as of January 2015

J. **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 Hawai‘i Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated January 22, 2015. 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 Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is for the Office of the County Attorney to provide the Board with a briefing and request authority for a possible settlement proposal in a claim filed by Lyle Otsuka obo Banyan Harbor AOAO on October 15, 2014 for damages allegedly caused by a water leak. This briefing and 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.

3. Pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is for the Office of the County Attorney to provide the Board with a briefing regarding liabilities involved policies relating to providing water service outside of the water zone. This briefing and 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

K. TOPICS FOR NEXT WATER BOARD MEETING (March 2015)
1. Employee of the Year Resolution
2. Discussion and Possible Action on Board Policy No. 17, Payment of Telephone Charges

L. TOPICS FOR FUTURE WATER BOARD MEETINGS
1. Manager’s Report No. 11-28 – Discussion and Possible Action regarding Part 5 of the Rules, Facilities Reserve Charge – Proposed New Rule, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
2. Manager’s Report No. 14-24 – Discussion and Possible Action regarding 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. Discussion and Possible Action of Proposed Delegation of a Meter Restriction Board Policy No. 30

M. UPCOMING EVENTS
1. AWWA Annual Conference, Anaheim, CA (June 7-10, 2015)
2. DOW Make a Splash Water Festival (September 24, 2015)
3. HWWA Hawaii Section, Honolulu, HI (October 14-16, 2015)

N. NEXT WATER BOARD MEETING
1. Thursday, March 19, 2015, 10:00 a.m.
2. Thursday, April 23, 2015, 10:00 a.m.
3. Thursday, May 21, 2015, 10:00 a.m.
4. Thursday, June 18, 2015, 10:00 a.m.

O. ADJOURNMENT
Draft Minutes
MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, January 22, 2015

The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, January 22, 2015. Chair Shiraishi called the meeting to order at 10:00 a.m. The following Board members were present:

BOARD:  Mr. Sherman Shiraishi, Chair  
         Mr. Clyde Nakaya, Vice Chair  
         Ms. Laurie Ho  
         Mr. Hugh Strom  
         Mr. Larry Dill (entered meeting at 10:06 a.m.)

EXCUSED:  Mr. Raymond McCormick  
           Mr. Michael Dahilig

Quorum was achieved with 4 members present at the time of roll call.

STAFF:  Mr. Kirk Saiki  
         Mr. Val Reyna  
         Ms. Marites Yano  
         Mr. Dustin Moises  
         Mr. Keith Aoki  
         Mr. Eddie Doi  
         Mr. Joel Bautista  
         Ms. Kim Tamaoka  
         Ms. Sandi-Nadatani Mendez  
         Ms. Mary-jane Akuna  
         Deputy County Attorney, Andrea Suzuki

GUESTS:  Ms. Malia Finazzo-Krueger, Ke Kula Pono  
         Ms. Hannah Finazzo-Krueger, Ke Kula Pono  
         Mr. Klayton Nakaahiki, County Housing Agency

ACCEPTANCE OF AGENDA
Mr. Nakaya moved to approve Board Chair Shiraishi’s request to reorder the Agenda to move up Item #E1 - Correspondence from Ms. Malia Finazzo-Krueger, Ke Kula Pono LLC, dated December 12, 2014, regarding Class IV Zoning Permit Z-IV-2015-01, Use Permit U-2015-01, Tax Map Key No. 4-2-009-018 as amended; seconded by Ms. Ho; with no objections, motion was carried with 4 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS
   1. Correspondence from Ms. Malia Finazzo-Krueger, Ke Kula Pono LLC, dated December 12, 2014, regarding Class IV Zoning Permit Z-IV-2015-01, Use Permit U-2015-01, Tax Map Key No. 4-2-009-018

   Ms. Malia Finazzo-Krueger and Ms. Hannah Finazzo-Krueger, Ke Kula Pono provided their testimony.

Ms. Malia Finazzo-Krueger is the owner/teacher with Ke Kula Pono, an educational Hawaiian cultural group. Ke Kula Pono is a family child care facility and is licensed through the Department of Human
Services for six (6) children. A Public Hearing was held in August 2014 which approved a Use Permit contingent on the Department of Water’s (DOW) approval. The Planning Department classified Ke Kula Pono as Residential R4 zoning. If the child care facility has more than six (6) children, Ms. Finazzo-Krueger would apply for the Use Permit. If the Use Permit is granted, she would be allowed to have up to 11 children at her facility.

There is a concern with Ke Kula Pono that complying with the Department’s fire flow requirements will be costly and they were not sure if DOW was going to classify the property as commercial which requires more water flow than residential use. Ms. Finazzo-Krueger questioned why the DOW has not approved her request and would like the DOW to waive the condition for a Use Permit.

Chair Shiraishi referenced Ms. Finazzo-Krueger’s correspondence packet and did not see a report from the DOW on their recommendations. He referred the correspondence packet to the Department for comments and recommendation.

At 10:06 a.m., Mr. Dill entered the meeting.

Mr. Strom commented that this is a permitting issue and not a DOW issue. He asked if Ms. Finazzo-Krueger spoke to the Fire Department.

Ms. Finazzo-Krueger stated the document identified the property as Residential R4. After receiving a table from the DOW, it classified the property as stores, retail stores, shopping centers, hotels and hospitals. This would require the property to flow 2,000 GPM in the fire hydrant. Currently the property is flowing 849 GPM.

Ms. Hannah Finazzo-Krueger mentioned receiving approval from the Fire Department and was told by DOW the Fire Department can override. According to the Fire Department this information was not correct. The Fire Department has already done an entire inspection of the facility.

Chair Shiraishi requested to have a copy of the Planning Department’s Tentative Approval, then DOW would know what the other county agencies recommended and what the Department could recommend to the Board.

Mr. Dill stated that he has seen day care centers fall under the school classification. He recommended the applicant hire a Fire Protection Engineer to help them meet the fire protection requirements. Under the Rules for DOW, it does not allow this type of use.

Ms. Finazzo-Krueger has researched the options of providing the fire flow of 2,000 GPM and that would require her to change all the pipelines all the way to Kuamoo Road, which is expensive. A water sprinkler system in the room would cost over $10,000 and is also not affordable. She has already spoken to the Fire Protection Engineer who is also expensive. She asked if it may be possible to have an addendum that would not put the facility in a large category.

Mr. Nakaya moved to receive the correspondence from Ms. Malia Finazzo-Krueger, Ke Kula Pono LLC, dated December 12, 2014, regarding Class IV Zoning Permit Z-IV-2015-01, Use Permit U-2015-01, Tax Map Key No. 4-2-009-018 and to be referred to the Department for comments and recommendations; seconded by Ms. Ho; with no objections, motion was carried with 5 ayes.
Chair Shiraishi requested background comments and recommendations from the Department and applicant regarding the Ruling. Safety concerns may be the problem with the Department’s requirements regarding not deviating usage.

MEETING MINUTES

Review and approval:
Regular Board Meeting – December 18, 2014

Mr. Dill moved to approve the Regular Board Meeting Minutes of December 18, 2014; seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

Review and approval of Executive Session:
Executive Minutes – December 18, 2014

Mr. Dill moved to approve the Executive Session Minutes of December 18, 2014; seconded by Mr. Strom; with no objections, motion was carried with 5 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS

2. Correspondence from Mr. Tom H. Shigemoto, Vice President A&B Properties, Inc., dated January 7, 2015, regarding Reallocation of Water Commitment from Eleele Industrial Park Subdivision, TMK: (4) 2-1-001:051, to 28-acre Eleele Urban Residential Development (4) 2-1-001:Por.3 Eleele, Koloa, Kaua‘i, A&B Properties, Inc. – Owner

Mr. Nakaya moved to receive the correspondence from Mr. Tom H. Shigemoto, Vice President A&B Properties, Inc., dated January 7, 2015, regarding Reallocation of Water Commitment from Eleele Industrial Park Subdivision, TMK: (4) 2-1-001:051, to 28-acre Eleele Urban Residential Development (4) 2-1-001:Por.3 Eleele, Koloa, Kaua‘i, A&B Properties, Inc. – Owner; seconded by Ms. Ho; with no objections, motion was carried with 5 ayes.

F. BOARD COMMITTEE REPORT

None

G. OLD BUSINESS


BACKGROUND:
Manager Saiki stated the Department developed a method of charging for larger meters for multi-family and resort development. This method has been reviewed and is acceptable to Consultant, Louis Berger. The Department also met with Finance Chair, Mr. Dill and discussed the proposed draft. The draft was modified and is being finalized and being checked for legality.

DISCUSSION:
The Department is on track for the July 1st deadline and will provide the Board with a final Facilities Reserve Charge (FRC) summary to be reviewed by the Finance Committee.

Mr. Dill moved to receive the Manager’s Report No. 14-16 - Part 4 Fixing Rates for Water Service, Section VII Facilities Reserve Charge – Update (2); seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

H. NEW BUSINESS

1. Manager’s Report No. 15-20 - Grant of Easement for Rice Camp Senior Housing Offsite Improvements, Līhu‘e, Kaua‘i, Affecting the Following Landowners
DISCUSSION:
Construction Project Management Officer, Mr. Moises commented that common width of a DOW easement is 5 feet to 10 feet on either side of the pipe (which allows for machine access). This easement is 10 feet wide (5 feet on each side of lateral).

Mr. Dill clarified that Hoala Street is a county road which is part of the parcel and suggested to make sure there is no land locked easement.

Klayton Nakaahiki, County Housing Agency provided his testimony.

Mr. Nakaahiki clarified that the previous parcel was on two (2) separate TMK’s. Now the parcels are consolidated and are under one (1) TMK. Hoala Road falls within the parcel; not a separate county road; the county owns the property.

DOW would follow up with County Housing on the land locked easement issue.

DISCUSSION:
Mr. Dill commented that DOW has affected easement rights within the county road right of ways. Hoala Street is not a county road right of way. He did not know if Hoala Street would be dedicated to the county in the future. Mr. Dill recommended the Department check if there are necessary easement rights on Hoala Street and to confirm access.

Mr. Nakaahiki mentioned the county addressed the walkability by putting in sidewalks along Hoala Street.

Mr. Moises questioned the consolidated lot/easement past the lot. Is there a county road way pass Rice Camp on Hoala Road? Mr. Dill stated the map shows Līhu'e Court Townhomes are on the Rice Camp parcel.

Mr. Dill commented to proceed with the Certificate of Completion.

Mr. Dill moved to approve Manager’s Report No. 15-20 - Grant of Easement for Rice Camp Senior Housing Offsite Improvements, Līhu'e, Kaua'i, Affecting the Following Landowners, a) County of Kaua'i., affecting TMK(s): (4) 3-6-04:09, Līhu'e, Kaua'i, Hawai'i b) Rice Camp Partners LP, affecting TMK(s): (4) 3-6-04:09, Līhu'e, Kaua'i, Hawai'i; seconded by Mr. Nakaya, with no objections, motion was carried with 5 ayes.

1. Manager’s Report No. 15-21 - Discussion and Possible Action to Transfer Funds for Solicitation GS-2015-2, Furnishing and Delivery of One (1) Supercab Medium Duty Pickup Truck with Utility Body and Accessories, and One (1) 2-Wheel Drive 16,500 GVWR Cab and Chassis with Service Body, Underdeck PTO Air Compressor and Accessories

BACKGROUND:
Manager Saiki recommended the Board approve the transfer of funds from the Capital Outlay-Rehabilitation and Replacement/Equipment to the Capital Outlay - Expansion/Equipment.

Chief of Operations, Mr. Val Reyna explained the vehicle to be purchased will be used by the Water Service /Leak Detection investigator. Operations received a bid greater than $32,000 over the budget at the beginning of the year. The specifications were revised and was re-bid. The re-bid, although lower
by $12,000, was still $20,000 over budget. There was only one (1) bid; the first bidder did not bid the second time. Mr. Dill encouraged the Department not to be restrictive with the specifications to get multiple bids.

Mr. Reyna informed the Board that there was a savings realized by the Department from the bid of another vehicle purchased this year that will be used to fund this vehicle. The transfer will not affect Rehabilitation and Replacement Project budgets.

Mr. Strom inquired how the initial budget number was developed.

Mr. Reyna stated the budget was based on similar previous purchases.

A CDL is not required which was confirmed with the State Department of Transportation.

Mr. Dill moved to approve Manager’s Report No. 15-21 - Discussion and Possible Action to Transfer Funds for Solicitation GS-2015-2, Furnishing and Delivery of One (1) Supercab Medium Duty Pickup Truck with Utility Body and Accessories, and One (1) 2-Wheel Drive 16,500 GVWR Cab and Chassis with Service Body, Underdeck PTO Air Compressor and Accessories; seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

I. STAFF REPORTS

MONTHLY

1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures
   a. December Monthly Summary Budget

DISCUSSION:

Mr. Dill referenced the Fiscal Report handout for December Monthly Budget Summary Highlights as follows:

Facilities Reserve Charge (FRC) ~ Collections is down by 61% (2nd bullet) - Mr. Dill asked when the FRC collections are projected for the budget year; did DOW anticipate the FRC increase to be in place? Water Works Controller, Ms. Yano responded and said the FRC revenue estimate was based in part on the anticipated FRC rate increase. Mr. Dill stressed that FRC should be in place by July 1, 2015.

YTD Capital expenses remain at $327,000, way below the cumulative capital budget of $22.5M YTD (last bullet) - Mr. Dill commented the Department is required to continue to proceed with the capital projects.

Mr. Nakaya moved to receive the Kaua‘i County Water Department’s Statement of Revenues and Expenditures, a) December Monthly Summary Budget; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

Mr. Dill thanked the Department, Ms. Yano and Ms. Sandi Nadatani-Mendez for presenting a clearer presentation of the Budget Summary.

Chair Shiraishi noticed the Board’s request to add Compensated Vacation, Sick Leave, and Compensated Comp Time were all added to Salaries & Wages as presented in the Budget Summary.

2. Discussion and Receipt of the Report by the Public Relations Specialist on Public Relations Activities
Ms. Ho 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.

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

Mr. Dill moved to “Receive for the Record” the Overtime Chart for Operations; seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

**BACKGROUND:**
At the request of Chair Shiraishi and Mr. Dill, Chief of Operations, Val Reyna included in his report the Island-wide Unbilled Water for the period 7-1-2014 to 1-1-2015 which was at 11%. Based on the Standard Operating Procedures (SOP), the Operations Division is below the 15% threshold. Investigations in Anahola showed 39.5% for December of unbilled water and YTD 31% unbilled water. Anahola is a smaller water system but had a large amount of unbilled water. The Operations crew checked for leaks, investigated the Department’s source meters and customer meters (at random). Customer meters were 99% to 100% accurate. The source meters were 95% accurate with the help of new strap-on meters that checks accuracy.

The Operations crew also found a leaky hydrant. When repairs were completed, the crew noticed a 17% reduction in unbilled consumption. The trend from the Supervisory Control & Data Acquisition (SCADA) system was compared before and after repair and overnight reservoir levels unbilled water reduced to 17% which equates to approximately 31% unbilled for December. When Operations contacted the Fire Department, there was a fire that used 2 to 4 hours of fire flow which was unbilled.

The Operation crews observed more than one hydrant had pipe wrench marks around the valves, which may indicate illegal use of hydrant water.

**DISCUSSION:**
Mr. Reyna commented that Unbilled Water fiscal YTD in Anahola is 19M gallons of water. Operations also installed correlators on the valves. The investigations are done daily by the leak detection person by checking valve-to-valve and hydrant-to-hydrant listing possible leaks. One (1) small leak and one (1) larger leak was found after a meter that was billed.

The trending graph would show a fire event and could estimate how much water was used. With the SCADA data leaks with major usage could be caught. The graph would not show drastic changes unless there is a specific time of the event that Operations was aware of or if the Fire Department was using a hydrant.

Mr. Reyna mentioned the goal is to remain 11% based on the SOP; island-wide, Kaua'i is at 15%. Chair Shiraishi read an article in the Op Flow Magazine that showed 11% nationwide is a good figure and that there is always room for improvement.

Deputy County Attorney, Andrea Suzuki commented that this was discussed with the Board and the Department on what the figure should be. The former Manager previous showed data for water systems this size should be at 14.8%.
Chair Shiraishi noted that once Anahola’s unaccounted water is pinned down, this will improve and lower the percentage. Once the new billing system is in place, it will be able to track unaccounted water.

Ms. Yano shared the dollar value on 19M gallons of water YTD equated to $75,000.

Mr. Strom suggested to include in the report the accuracy testing of each water system. The goal is for Operations to investigate all the water systems that are over 15%.

Ms. Ho commented if there is an advantage to the Department on using the new meters. Manager Saiki responded by saying the new meters would be for the advantage of the homeowner and it would not be an advantage to the Department.

Chair Shiraishi thanked Mr. Reyna for addressing the Board’s concerns on unbilled water.

Mr. Nakaya moved to receive the Chief of Operation’s Summary Report on Operational Activities; seconded by Mr. Strom; the Manager and Chief Engineer’s Monthly Update Regarding Activities of Note for the DOW; seconded by Mr. Strom; with no objections; motion was carried with 5 ayes.

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

At 11:02 a.m., Mr. Nakaya exits the meeting.

BACKGROUND:
Manager Saiki highlighted the following:

1) Personnel Matters – Update:
   Assistant Water Plant Operator – Position filled effective January 5, 2015.
   Clerk Dispatcher II – Filled in January.
   Pipefitter Helper – Filled two (2) positions in January.
   Engineering - CEV – In the process of scheduling interviews.
   Water Resources & Planning Division – Received eligible list.

2) Affordable Housing Plan – Update:

Manager Saiki met and informed Mr. Tom Shigemoto, A&B that there was sufficient water source, storage and transmission capacity for the affordable housing (0.12 MGD) portion of the project. Mr. Shigemoto also agreed that DOW will not be solely allocating the 0.12 MGD to his project. If A&B came in today with a formal request for water outside the service area, the Department could give A&B the water.

REFERENCES:
Currently there is no SOP regarding service outside the service area. The following questions were posed by the Board members:

Mr. Strom asked - What if someone else comes in and is requesting water outside the service area?
Chair Shiraishi asked – Is there a precedence to use against the Department in the future?

Water outside the service area will be put on the agenda to be discussed with the full Board.
3) **Legislative - Update:** Manager Saiki and Civil Engineer, Eddie Doi went to the opening of the legislature yesterday and spoke to the Kaua‘i representatives about the Department’s Capital Improvement Projects (CIP).

*At 11:09 a.m., Mr. Nakaya re-entered the meeting.*

Kaua‘i representatives inquired if the Department should have a consultant/lobbyist which was used two (2) years ago. The representatives are willing to help the Department to move the projects in. The Department’s meeting with the Kauai legislators is separate from the county due to different issues. The CIP was submitted to the county.

Mr. Dill added it would be an advantage for the county and the DOW to go together if there was an affordable housing project and water infrastructure to support the project. State CIP projects are prioritized. The cost of the county’s lobbyist was $10K.

Of the projects lobbied for in the past, it is unknown if projects were successfully funded. In 2013, the Department had a lobbyist and received funds for the Kilauea project; no funds were received for 2014. There is no action on the Department’s recommendation for this year. Funds are available in Professional Services if the Department decides to request for a lobbyist according to Private Secretary, Mj Akuna.

Mr. Strom was at the legislature also and said there would be a 33-36% budget cut across the board in every department in the state. Some programs may disappear due to positions that cannot be filled.

**Vacancy discussion:**
Chair Shiraishi asked how vacancies are filled. Does the Department have plans for retirements? How do the employees let the Manager know they plan to retire? Do they give a two (2) week notice?

Manager Saiki said most employees do not give a two (2) week notice. The retired employee’s position is the hardest to fill because they get paid out over time. During that time, the Department cannot fill the position which might take up to six (6) months.

Ms. Yano explained the hiring process can begin as soon as the notice of retirement is received. After the employee has been paid their retirement pay, the position can be filled. Sometimes the employee changes their mind and doesn’t retire and if the job was posted before the employee retired, there would be two people for one job.

On Mr. Moises quarterly status report, Chair Shiraishi mentioned that 20 months have pass and three (3) vacancies have not been filled. A letter has been drafted to HR earlier this week as a follow up. If the Department does not hear back from HR, the Department will send a letter to the Civil Service Commission. Manager Saiki stated before a letter is sent to the Civil Service Commission, he will meet with the HR Director on the status of the vacancies. The Department has also sent HR follow up memos monthly and made monthly calls.

Mr. Strom suggested at Board meetings we should look at each Department section and to come up with Position Descriptions (PD) and a wage evaluation compared to the industry statewide. Part of the recruitment is not having updated PD’s and proper compensation for wages. Based on the current PD’s and compensation, the Department would not attract qualified applicants. Improvement on PD’s and compensation can also be used across the county.
Manager Saiki commented that there is nothing that can be done about compensation. Applicants for other positions can be found except for Engineering. It would be challenging to adjust an Engineer’s CEV pay who has a Professional Engineering (PE) license. The Engineer’s PD can be reassessed but their pay may not be any higher. Entry level pay is low when a person is hired and the base pay is even lower. Mr. Strom would like to see equality and fairness across the Department.

Chair Shiraishi understood Mr. Strom’s suggestion but the Board would have to deal with the Collective Bargaining Agreement (CBA). Chair Shiraishi will work with Mr. Strom on his suggested study on the needs of the Department, to consider updating Position Descriptions (PD), proper compensation across the Department and a succession plan.

Manager Saiki commented that there is a staffing issue because Engineering is understaffed and can’t get the projects out. Chair Shiraishi agreed that the positions need to be filled and that the Department needs to follow up with HR.

Mr. Moises added that historically there has only been three (3) Engineers to do Design but eventually it will be a matter of time when projects go out. Being the only Engineer in Construction Management (CM) will be a challenge. Mr. Moises also mentioned eight (8) years ago the Department discussed goals to attract and attain staff.

Mr. Strom suggested to revisit the Strategic Plan in order to move the Department forward and to update it every three (3) years. An internal champion needs to report on the status every month to adopt a Strategic Plan.

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

4. Manager’s Goals – Update, Item #4 - Mr. Nakaya and Mr. Strom will meet on the State Management Mentoring Grant.

Mr. Nakaya moved to receive the Manager and Chief Engineer’s Monthly Update Regarding Activities of Note for the DOW; seconded by Ms. Ho; with no objections, motion was carried with 4 ayes.

a. Report of the BAB pay down as of December 2014

Mr. Nakaya moved to receive the Report of the BAB pay down as of December 2014; seconded by Ms. Ho; with no objections, motion was carried with 4 ayes.

At 11:34 a.m., Mr. Dill re-entered the meeting.

QUARTERLY (October – December 2014)

1. Discussion and Receipt of the DOW’s Quarterly Project Status Update
   a. Construction Management Division Status

BACKGROUND:
Mr. Moises is working on the following Construction Management (CM) projects:
- Water line designs with State Department of Transportation.
- Haleko Road – Public Works was commended for working quickly on the design with Mr. Moises and the consultants.
- Construction - The dust screen for the Lihu'e Baseyard Improvements will be done next week.
- Maka Ridge – Will get the building permit; met with MEI Corporation to finalize payment next week.
Mr. Dill moved to receive the DOW’s Quarterly Project Status Update for the Construction Management Division Status; seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

b. Engineering Division Design Status

BACKGROUND:
Civil Engineer, Mr. Aoki is currently working on the following Design projects:
- Negotiations on the Hanapēpē Stream project.
- Eight (8) new private projects were submitted this quarter.
- Six (6) design projects to be completed this fiscal year.

DISCUSSION:
Mr. Dill wanted to make sure there is coordination on the 'Anini bridge crossing water line #2 replacement. Mr. Aoki stated additional funding will be requested to cross the bridge. The pipe will be placed on the side of the bridge. Mr. Aoki is already working with Public Works.

Chair Shiraishi brought up Exhibit A (in the Manager’s Update report) which are Designs that will be completed the end of this fiscal year.

Mr. Moises mentioned that if the design projects go out this fiscal year, within 3 months, the projects would be in construction. It would be a challenge for one person to work on construction projects. An on-call/as needed CM is budgeted at $50K which will go fast. Mr. Moises would need $500K to complete projects and it would be beneficial to hire an Engineer to run multiple projects.

Mr. Strom added if projects are State Revolving loan (SRF), it would allow Engineering or CM to be attached to each project to assist the Department with initial issues. This person could help train while the Department is still recruiting. Mr. Moises already met with the Department of Health (DOH) and none of the projects are SRF funded. Only the Līhu'e Baseyard Improvements project is SRF and the Department is trying to spend down the bond funds. The final SRF loan agreement will be signed soon.

Mr. Strom suggested to see if the SRF can be modified.

Mr. Nakaya moved to receive the DOW’s Quarterly Project Status Update for the Engineer Division Design status; seconded by Ms. Ho; with no objections, motion was carried with 5 ayes.

c. Water Resources & Planning Status

BACKGROUND:
Civil Engineer, Mr. Doi summarized the following for Water Resources & Planning (WRP):
- WRP worked on completing the Facility Reserve Charge (FRC) which goes through a process with other entities that takes time. To meet the deadline, completing the FRC will first go through WRP before it goes to the Board and then to the Small Business Regulatory Review Board (SBRRB). If SBRRB has comments, it goes back to the Board, then to Public Hearing. If there are substantive changes, it will go back to SBRRB and then back to the Board. Deputy County Attorney, Andrea Suzuki currently has the FRC for legal review. The FRC would not be ready to go to SBRRB in February. She is reviewing different methods for similar uses. WRP will present a timeline on the FRC process at the next Board meeting.
- A couple of meter restrictions were lifted because they were not restricted by the Board.

Mr. Dill asked what prompted the rescinding of the restrictions?

Mr. Doi stated the previous restriction for Kōloa was imposed by the previous Manager and for lack of action WRP decided to lift the restriction. Līhu'e-Puhi is treated as one (1) system WRP rearranged the
pumps and put a pump on standby and another as primary pump. One (1) standby could be used instead of two (2) standbys for one water system.

The Board requested WRP provide a list of source and storage water restrictions that were Board approved and Department approved.

Mr. Dill moved to receive the DOW’s Quarterly Project Status Update for the Water Resources & Planning Status; seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

**J. 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 Hawai‘i Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated December 18, 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. (Approved in open session)

At 11:52 a.m., Deputy County Attorney, Andrea Suzuki read the following Executive Session language:

2. Pursuant to Hawai‘i 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 a request from the County of Kaua‘i Council. 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 request.

Mr. Nakaya moved to go into Executive Session; seconded by Mr. Dill; with no objections, motion was carried with a show of the Board members hands – 5 ayes.

At 12:22 p.m., Chair Shiraishi called the Regular Board meeting back to order.

**K. TOPICS FOR NEXT WATER BOARD MEETING (February 2015)**

1. Manager’s Report No. 11-28 – Discussion and Possible Action regarding Part 5 of the Rules, Facilities Reserve Charge – Proposed New Rule, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
3. Discussion and Possible Action regarding the New Billing System Proposal
4. Discussion and Possible Action regarding the DOW Strategic Plan, Performance Audit and Succession Planning (include Performance & Goals)

**L. TOPICS FOR FUTURE WATER BOARD MEETINGS**

1. Manager’s Report No. 14-24 – Discussion and Possible Action regarding 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)
2. Discussion and Possible Action of Proposed Delegation of a Meter Restriction Board Policy No. 30
   - Provide policy for water demands for any project or affordable housing projects outside the service area (include source, storage, and transmission).
3. Employee of the Year Resolution
4. Proposed FY15-16 Budget
M. UPCOMING EVENTS
1. AWWA Annual Conference, Anaheim, CA  (June 7-10, 2015)
2. HWWA Hawai‘i Section Conference, Honolulu, HI  (October 14-16, 2015)

N. NEXT WATER BOARD MEETING
1. Thursday, February 19, 2015, 10:00 a.m.
2. Thursday, March 19, 2015, 10:00 a.m.
3. Thursday, April 23, 2015, 10:00 a.m.
4. Thursday, May 21, 2015, 10:00 a.m.

O. ADJOURNMENT

Mr. Dill moved to adjourn the Regular Board Meeting at12:30 p.m.; seconded by Mr. Strom; with no objections, motion carried with 5 ayes.

Respectfully submitted,

Edie Ignacio Neumiller
Commission Support Clerk

Approved,

Laurie Ho
Secretary – Board of Water Supply
Correspondence
ATTENTION: Chairperson-Mr. Sherman Shiraishi, Board and Employees of Department of Water

Project Name: Ke Kula Pono LLC, Malla Finazzo-Krueger & Hannah Finazzo-Krueger
Class IV Zoning Permit Z-IV-2015-01
Use Permit U-2015-01
Tax Map Key No.: 4-2-009:018

Background:

In August, 2014, the Planning Department approved Ke Kula Pono for a Use Permit to allow the business to operate a small Group Child Care Facility at the owners’ residence in Wailua Homesteads. The permit was contingent upon approval from all relevant departments (Fire, Engineering, Health, Building, and Water). At the present moment, all departments (Water Department excluded) have provided written documentation indicating that Ke Kula Pono has satisfied any additional requirements necessary to ensure the health, safety, peace, morals, comfort and general welfare to both neighborhood and persons residing within dwelling. Ke Kula Pono has gone to great lengths to ensure that all business conducted at this residence has a primarily positive impacts upon the surrounding neighborhood and environment. There will be and has been no construction to the existing property, the single-family home will be utilized as-is.

In a public hearing that occurred on August 26, 2014, the Planning department along with the Fire, Health and Engineering Departments all approved for Ke Kula Pono to receive a Use Permit. In reviewing the original recommendations, the Planning Commission staff suggested an additional condition (condition #9) be added to ensure compliance with Section 8-3.2 stating “That the applicant provide written approval from all agencies including Building Division prior to commencement of the proposed use.

Requested outcome:

We request that the Department of Water Board review our conditions to ensure that appropriate conditions have been requested of the Ke Kula Pono. We feel that the Department may be incorrect in the assessment that the existing facilities along Kuamo’o Road are inadequate to provide the recommended fire flow demands of the proposed Use Permit. This incorrect application has severe consequences for both home-based small businesses in the Wailua Homestead area, as well as for the children and families who utilize this Child Care Center.

The conditions placed upon Ke Kula Pono’s Use Permit by the Department of Water are prohibitively expensive, and we feel that the department has wrongly classified this child care center as a “School” (the Land Use category includes retail stores, shopping centers, hotels, and hospitals), thus requiring us to upgrade the hydrant fire flow from its current flow to 2000 GPM. Our child care center has an educational focus for its students, however it is licensed by Department of Human Services as a child-care facility (allowing a maximum of 11 students), and not as a school which would require licensure by the Department of Education. We believe the appropriate Land Use would be to maintain the current category of a Single-Family Home.
Additionally, we agree that safety is the upmost concern, it is our understanding that by consulting with National Fire Protection Company, that the current fire flow is adequate for the existing single-family home located on the property. NFP indicates that fire flow requirements are dependent upon the structure, rather than its use or the number of people residing in and/or using the property. NFP indicates that the current fire flow available is more than adequate to provide fire protection for the existing structure, regardless of the number of people who are using it.

**Supporting Information**

Please find attached the following supporting information:

1. Planning Commission's report of approval

2. Updated comments from: DPW Engineering-Michael Moule, Chief, Engineering Department, District Environmental Health Program-Gerald Takamura, Chief, Fire Preventions-County of KauaʻI-Daryl Date, Captain

3. Director's Report (Planning Department from Public Hearing-August 26, 2014)


5. Fire Hydrant Flow Calculations done with Joe Arakaki-supervisor of National Fire Protection Company. This calculator is based on established Hazen-Williams formulas and is provided for convenience and estimation purposes only.

Malia Finazzo-Krueger, MA
AUG 29 2014

Malia Finazzo-Krueger
Ke Kula Pono LLC
5697 Olalo Road
Kapaa, HI 96746

Subject:  Class IV Zoning Permit Z-IV-2015-01
Use Permit U-2015-01
Tax Map Key: (4) 4-2-009:018
Kapaa, Kauai
Malia Finazzo-Krueger, Applicant

Dear Malia,

This letter memorializes the action taken by the Kaua‘i Planning Commission effective September 26, 2014 concerning approval of the above subject permit, as amended. Approval, per your consent, is subject to the following conditions:

1. The Group Child Care Center shall be operated as represented. Any changes to the proposed development or use shall be subject to review by the Planning Director. The Director reserves the right to forward request to alter or change the proposed development to the Planning Commission should there be any potential design or visual impacts that could not be mitigated, or because of anticipated impacts that may adversely impact the environment or the safety and welfare of the community.

2. In order to minimize adverse impacts on Federally Listed Threatened Species, Newells Shearwater, and other endangered seabirds, any exterior lighting on the proposed structures shall be shielded and downward facing.

3. The Applicant shall implement to the extent possible sustainable building techniques and operational methods for the project, such as Leadership in Energy and

An Equal Opportunity Employer
Environmental Design (L.E.B.D.) standards or another comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system, and strategies. All such proposals shall be reflected on the plans submitted for building permit review.

4. The Applicant shall develop and utilize Best Management Practices (BMPs) during all phases of development in order to minimize erosion, dust, and sedimentation impacts of the project to abutting properties.

5. The Planning Commission reserves the right to revise, add, or delete conditions of approval in order to address or mitigate unforeseen impacts the project may create, or to revoke the permits through the proper procedures should conditions of approval not be complied with or be violated.

6. The Applicant is advised that additional government agency conditions may be imposed. It shall be the Applicant’s responsibility to resolve those conditions with the respective agencies.

7. The Applicant shall provide off-street parking for all employees and comply with the Department of Public Works Engineering Division in regards to driveway design.

8. The Applicant shall submit to the Planning Commission a biannual status report to address compliance with permit conditions. Additionally, the status report shall address any traffic impacts and concerns raised by the community. The status report shall be submitted every two years from the date of approval of the permits by the Planning Commission.

9. The Applicant shall provide written approval from all agencies, including Building Division prior to commencement of the proposed use.

Sincerely Yours,

MICHAEL A. DAHILIG, Clerk
Kaua‘i Planning Commission
TO: Michael A. Dahilig, Planning Director (Jody)          Date: August 27, 2014

SUBJECT: Class IV Zoning Permit Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center, Tax Map Key: (4) 4-2-009:018, Ke Kula Pono, LLC (Maria Pinazzo-Krueger, Owner)  PW 08.14.176

FROM: DPW - Engineering

FOR YOUR COMMENTS (pertaining to your department):

We reviewed the parking plan and drop-off and pick-up plan provided by the applicant by letter dated August 14, 2014. The plans are acceptable. We have no further comments.

If you have any questions, contact Stanford Iwamoto at 241-4896.

Very truly yours,

MICHAEL MOULE, P.E.
Chief, Engineering Division

SI/MM
cc: Design and Permitting
Mr. Michael Dahilig, Director
County of Kauai
Planning Department
4444 Rice Street, Suite A473
Lihue, HI 96766

Dear Mr. Dahilig

SUBJECT: Class IV Zoning Permit: Z-IV-2015-1
Use Permit: U-2015-1
Applicant: Ke Kula Pono LLC. (Maria Finazzo-Krueger, Owner)
TMK: (4)4-2-9:18

I received a telephone call from Ms. Maria Finazzo-Krueger yesterday afternoon requesting that I send a correspondence to the County of Kauai, Planning Department, regarding the subject application.

The group child care center has been inspected and issued a license for its operation by the Department of Human Services. During their inspection of the facility they found the ventilation to be adequate. The Department of Health is satisfied with the Department of Human Services inspection results and has no concerns regarding this zoning and use permit.

Should you have any questions, please call me at 241-3323.

Sincerely,

Gerald N. Takamura, Chief
District Environmental Health Program Kaua‘i

GNT: DTT
FW: Ke Kula Pono
2 messages

Jody Galinato <jgalinato@kauai.gov>
To: Ke Kula Pono LLC <kekulapono@gmail.com>

Tue, Jan 27, 2015 at 12:33 PM

YEAH!

Jody Galinato
Planner
County of Kauai
4444 Rice Street, Suite A-473
Lihue, HI 96766

From: Daryl Date
Sent: Tuesday, January 27, 2015 11:55 AM
To: Jody Galinato
Subject: Ke Kula Pono

Aloha Jody

A fire inspection was conducted at the Ke Kula Pono preschool on October 3, 2015.
No violations were found.

Daryl Date
Fire Prevention Captain
County of Kauai
Pilikoi Building
4444 Rice St., Suite 315
Lihue, HI 96766

Phone: 808-241-4982

Cell: 808-645-6353

---

Kekulapono LLC <kekulapono@gmail.com>  
To: Jody Galinato <jgalinato@kauai.gov>  

FINALLY!!! Yay!!!  

Sent from my iPhone  
[Quoted text hidden]
COUNTY OF KAUA‘I
PLANNING DEPARTMENT
LIHU‘E, KAUA‘I

DIRECTOR'S REPORT

Date of Receipt of Completed Application: July 7, 2014
Date of Director’s Report: August 12, 2014
Date of Public Hearing: August 26, 2014
60th Day September 5, 2014

PROJECT: Class IV Zoning Permit Z-IV-2015-01
Use Permit U-2015-01

APPLICANT: Ke Kula Pono, LLC., Applicants

FINDINGS

LOCATION: At 5697 Ohelo Road, Kapaa, Hawaii

TAX MAP KEY: 4-2-009:018 AREA: 10,007 sq. ft.
ZONING: Residential (R-4) SLUD: Urban
GEN. PLAN: Residential Community EXIST. USE: Residential

I. ACTIONS REQUIRED:

Pursuant to Section 8-4.9 of the Kaua‘i County Code (K.C.C.), a Use Permit is required to allow group child care facility within the Residential District.

Pursuant to Section 8-3.2(f)(1)(A), a Class IV Zoning Permit is a procedural requirement when a Use Permit is required for development in the Residential Zoning District.
II. **PROJECT DESCRIPTION AND USE:**

The applicant is proposing to convert a portion of an existing residence into a group child care center. Currently, the Applicant is limited to six or fewer children. The square footage of the existing child care center would allow a maximum of 12 children ages 3 to 5 years old. Initially, Ke Kula Pono will start with less than 10 students and may add students up to the allowable number of 12 students.

As represented, this facility will provide a pre-school/junior kindergarten program Monday thru Friday from 8am to 2pm with an option for families to utilize an extended day program from 2pm to 4pm.

The residence is occupied by the Applicant and shall remain occupied by the Applicant during the operation. The Applicant is the only employee.

The rear portion of the home is dedicated to the child care facility. The lot size is 10,007 sq. ft. and fenced. There is also a private entrance to the facility accessed from the side yard along with interior access through the existing residence.

The plans and elevations of the proposed structures are attached. (See attached application for further description of the project)

III. **LEGAL REQUIREMENTS:**

This report is being transmitted to the Applicant and Planning Commission in order to satisfy the requirements of Section 8-3.1(f)(3) of the Kauai County Code, relating to the provision of the Planning Director’s report and recommendation on the subject proposal within sixty (60) days of the filing of a completed application. The Applicant has provided a 30 day extension to the 60 day requirement. (See Exhibit "A")

In accordance with Section 8-3.1(f)(4), the public hearing for this matter is scheduled on August 26, 2014.

In accordance with Section 8-3.1(f)(4), the Applicant shall notify at least 85% of the property owners of all parcels within 300 feet from the nearest point of the premises involved in the application of the subject permits’ application, the proposed use, and the corresponding public hearing date.

IV. **APPLICANT'S REASONS/JUSTIFICATION:**

Please refer to application.
V. **FINDINGS:**

**Property Information**

The subject property is located at the intersection of Ohelo Road and Kuumoo Road. The Applicant is currently licensed for six or fewer children and wishes to increase the number of children to a maximum of 12 ages 3 years to 5 years.

Staff conducted a site inspection on July 18, 2014 to verify that the proposed use was consistent with the application as submitted.

The subject property is located within the Residential (R-4) Zoning District, and all surrounding properties are also zoned the same (R-4).

**Parking/Access**

All pick-ups and drop-offs will be conducted on-site from the driveway on Ohelo Road. No parking or access will be allowed from Kuumoo Road. The Applicant is proposing to continually monitor compliance to conditions imposed and stagger pick-up and drop-offs, if warranted.

**Flood Zone**

The subject property is located outside of the flood zone.

**Existing Land Use Permits**

The home was originally built in 1967. A deck addition and garage wall were permitted in 1983 (Z-18-83). Also, a permit for a shade house was issued in 2004 (Z-1056-04).

VI. **AGENCY COMMENTS:**

Sec attached as Exhibit “B”.

VII. **PRELIMINARY EVALUATION:**

In evaluating the proposed development to allow a group child care home in a residential district, the following should be considered:

**General Plan**

The intent of Section 2.1 of the Kaua‘i General Plan, Vision for Kaua‘i 2020, defines two of the Community Values that apply to this project as follows:
• "Diverse job and business opportunities so that people of all skill levels and capability can support themselves and their families”
• "Support for our youth, educating them to succeed."

Small business is the foundation of Kaua‘i’s economy, employing the largest percentage of the population. Diversifying the economy is a major theme of the Kaua‘i Vision 2020.

Section 4.5 Supporting Businesses and Jobs for Kaua‘i Residents and Section 4.5.1 Policy state

(a) Support and encourage the development of a wide range of small businesses, including home-based businesses.
(c) Strengthen the public education system in order to equip Kaua‘i’s children, teens, college students, and adults with the knowledge and skills needed to obtain a well-paying job or start a business.

Use Permit

Pursuant to Section 8-3.2 of the KCC, the purpose of the “use permit” procedure is to assure the proper integration into the community of uses which may be suitable only in specific locations in a district, or only under certain conditions, or only if the uses are designed, arranged or conducted in a particular manner, and to prohibit such uses if the proper integration cannot be assured.

Section 8-3.2(c)(1)(2) states that a Use Permit may be granted only if the Planning Commission finds that the use in the particular case is a compatible use and is not detrimental to health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood of the proposed use, or detrimental or injurious to property and improvement in the neighborhood or to the general welfare of the community, and will not cause any substantial harmful environmental consequences on the land of the applicant or on other lands or waters, and will not be inconsistent with the intent of this Chapter and the General Plan.

A Use Permit may be granted only if the Planning Commission finds that the use meets the following criteria:

• the use must be a compatible use;
• the use must not be detrimental to persons or property in the area;
• the use must not cause substantial environmental consequences; and
• the use must not be inconsistent with the intent of the Comprehensive Zoning Ordinance (CZO) and General Plan.

The Planning Commission may impose conditions on the permit involving any of the following matters: location, amount and type and time of construction, type of use, its
maintenance and operation, type and amount of traffic, off-street parking, condition and width of adjoining roads, access, nuisance values, appearance of the building, landscaping, yards, open areas and other matters deemed necessary by the Planning Commission.

In addition to evaluating the proposed project relative to the foregoing criteria, the following aspects are being considered:

Development Standards

As proposed, the project complies with the building setback and height requirements for development within the Residential (R-4) District, as stipulated in the Comprehensive Zoning Ordinance (CZO). Interior renovations are planned.

The Applicant shall provide off-street parking for all employees and meet the Department of Public Works Engineering Division’s guidelines for driveway design.

In order to minimize the potential impacts to surrounding properties, the Applicant should institute the “Best Management Practices” to insure that the operation of this facility does not generate impacts that may affect the health, safety, and welfare of those in the surrounding area of the proposal.

Agency Comments

The Applicant should resolve and comply with all agency requirements as recommended in the permit application review.

CONCLUSION:

Based on the foregoing findings and evaluation, it is hereby concluded that through proper mitigative measures, the proposed use can be considered and it should not have any significant adverse impacts to the environment nor the surrounding neighborhood. Furthermore, the proposal is generally in compliance with the criteria outlined for granting of a Use Permit and Class IV Zoning Permit. Additionally, the need for this facility is supported by the Kaua‘i General Plan.

The Applicant should institute the “Best Management Practices” to insure that the operation of this facility does not generate impacts that may affect the health, safety, and welfare of those living or working in the surrounding area of the proposal.

The Applicant shall implement to the extent possible sustainable building techniques and operational methods for the project.
PRELIMINARY RECOMMENDATION:

Based on the foregoing, it is recommended that Class IV Zoning Permit Z-IV-2015-1 and Use Permit U-2015-1 could be considered for approval, subject to the following conditions:

1. The Group Child Care Center shall be operated as represented. Any change to the proposed development or use shall be subject to review by the Planning Director. The Director reserves the right to forward requests to alter or change the proposed development to the Planning Commission should there be any potential design or visual impacts that could not be mitigated, or because of anticipated impacts that may adversely impact the environment or the safety and welfare of the community.

2. In order to minimize adverse impacts on Federally Listed Threatened Species, Newells Shearwater, and other endangered seabirds, any exterior lighting on the proposed structures shall be shielded and downward facing.

3. The applicant shall implement to the extent possible sustainable building techniques and operational methods for the project, such as Leadership in Energy and Environmental Design (L.E.E.D.) standards or another comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system, and strategies, which may include but is not limited to recycling, natural lighting, extensive landscaping, solar panels, low-energy fixtures, low energy lighting and other similar methods and techniques. All such proposals shall be reflected on the plans submitted for building permit review.

4. The Applicant shall develop and utilize Best Management Practices (BMPs) during all phases of development in order to minimize erosion, dust, and sedimentation impacts of the project to abutting properties.

5. The Planning Commission reserves the right to revise, add, or delete conditions of approval in order to address or mitigate unforeseen impacts the project may create, or to revoke the permits through the proper procedures should conditions of approval not be complied with or be violated.

6. The Applicant is advised that additional government agency conditions may be imposed. It shall be the Applicant’s responsibility to resolve those conditions with the respective agencies.

7. The Applicant shall provide off-street parking for all employees and comply with the Department of Public Works Engineering Division in regards to driveway design.

8. The Applicant shall submit to the Planning Commission a biennial status report to address compliance with permit conditions. Additionally, the status report shall
address any traffic impacts and concerns raised by the community. The status report shall be submitted every two years from the date of approval of the permits by the Planning Commission.

The Planning Commission is further advised that this report does not represent the Planning Department’s final recommendation in view of the forthcoming public hearing process scheduled for August 26, 2104 whereby the entire record should be considered prior to decision making. The entire record should include but not be limited to:

a. pending government agency comments;

b. testimony from the general public; and,

c. the Applicant’s response to the Planning Director’s Report and recommendation as provided herein.

By

Jody Galinato
Planner

Approved & Recommended to Commission

By

Michael A. Dahilig
Director of Planning

Date 8.6.14
RE: Director's Report Supplement #1
Class IV Zoning Permit Z-IV-2015-01
Use Permit U-2015-01
Tax Map Keys (4) 4-2-009:018
Ke Kula Pono, LLC, Applicant

REQUEST: Submittal of Agency Comments

APPLICANT: Maria Finazzo-Krueger, Owner

Additional Findings

Staff received the following:

• Agency comments from County of Kauai Fire Dept. dated August 5, 2014
• Agency comments from State Department of Health dated July 30, 2014
• Agency comments from County of Kauai DPW – Engineering dated July 30, 2014
• Agency comments from County Department of Water dated August 18, 2014

By: Michael A. Dahilig, Director

By: Jody Galinato, Planner

Date: 8/20/14
Fire Hydrant Flow Calculator

© 1994 Will Lame

- Use the tab key to navigate.
- Tab between each box to update the calculation.
- Be sure to tab past your final entry for a correct calculation.

| Static: 110 | psi before flowing |
| Residual: 45 | psi while flowing |
| Pitot: 18 | pitot gage reading |
| Diameter: 2.5 | size of opening tested |

This hydrant is flowing: 712
Projected available hydrant flow: 849
2nd Static: 0
2nd Residual: 0

The main can be expected to flow about: NaN

GPM from the test outlet
GPM Note 1
Secondary psi before flowing
Secondary psi while flowing
GPM

Notes:

1. Projected available flows calculated at 20 psi residual, or ½ the static pressure for low pressure hydrants having static pressures of less than 40 psi.

2. This calculator is based on established Hazen-Williams formulas and is provided for convenience and estimation purposes only. The author and FireHydrant.org express no warranty for its suitability for any particular purpose.

**Click for** Legal Disclaimer

Unless otherwise noted, all contents of these WWW pages © FireHydrant.org

*Site Design: FireHydrant.Org Volunteers* - webmaster@firehydrant.org
October 1, 2014

Ms. Malia Finazzo-Krueger
5697 Ohelo Road
Kapaa, HI 96746

Dear Ms. Finazzo-Krueger:

Subject: Fire Flow Data Regarding Hydrant Flow Test of Hydrant R-4 (TMK: 4-2-09:018),
Ohelo Road, Wailua Homesteads, Kauai

This is in regard to your request on September 2, 2014 for available hydrant flow test data at the
nearest hydrant to TMK: 4-2-09:018 which is Hydrant R-4 along Ohelo Road. Our records
show that a hydrant flow test was done on Hydrant R-4 on June 24, 1996. The results of the
hydrant flow test were:

<table>
<thead>
<tr>
<th>Static Pressure</th>
<th>102 pounds per square inch (psi)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residual Pressure</td>
<td>30 psi</td>
</tr>
<tr>
<td>Pitot Reading</td>
<td>14 psi</td>
</tr>
</tbody>
</table>

Flow (Q) = 697 gallons per minute (gpm)

The above information is our most current data on the fire hydrant flow test done on
Hydrant R-4 and reflects conditions at the time of the test. Actual flows available will be
dependent on the conditions of the water system at the time of flow. Present conditions may
have changed. The Department of Water will not be liable for the information provided and it
should be used at your discretion.

The hydrant flow test data is for the sole purpose of the Department of Water’s system planning
and any use of this information is at the discretion of the user. The Department accepts no
responsibility for your use of the information.

If you have any questions, please contact Ms. Regina Flores at (808) 245-5418

Sincerely,

Edward Doi
Water Resource and Planning Division

FH R-4, 4-2-09:018, T-16480, Malia Finazzo-Krueger/KK:lo0
New Business
DEPARTMENT OF WATER  
County of Kaua‘i  

“Water has no Substitute – Conserve It!”

MANAGER’S REPORT No. 15-22  
February 19, 2015  

Re: Discussion and Possible Action to Procure Solicitation of a DOW Owned Customer Information System (CIS) for Billing & Collection  

RECOMMENDATION:  
The Department of Water (“DOW”), County of Kauai recommends that the Board of Water Supply for the County of Kauai (“Board”) approve the DOW’s request to start the procurement process for an in house billing program in lieu of the existing arrangement with the Honolulu Board of Water Supply (“HBWS”).  

BACKGROUND:  
The DOW’s customer billing services has been provided by the HBWS since the late 1980’s. A 1983 DOW annual report indicated there were approximately 10,800 metered consumers at that time. A subsequent 2004 DOW annual report indicated there were approximately 20,300 customers billed bi-monthly or the equivalent of around 10,150 bills monthly. Today, DOW has approximately 21,000 metered consumers.  

HBWS and DOW’s previous agreement dated September 1, 2004 enabled the DOW to use the existing HBWS Customer Information System (“CIS”) software. This agreement was amended three (3) times until it expired on September 30, 2014.  

On January 2012, a new Customer Care & Billing (“CC&B”) system was implemented by HBWS. HBWS included the DOW in the CC&B implementation process. This conversion changed bi-monthly billing frequency into monthly billing. With CC&B in place, a new agreement between HBWS and DOW was signed effective October 1, 2014. The agreement terms also included a new cost allocation method that allows HBWS to charge a proportionate share of technical support and license fee immediately and capital recovery costs for the new CC&B effective July 1, 2017. The estimated annual proportionate cost for the DOW to stay with HBWS’ CC&B starts from $100K per year and may go higher every year. This doesn’t include the capital recovery costs of $660,080 which is amortized over seven (7) years or roughly an additional annual cost of $94,000 to DOW.  

Today, the DOW has approximately 21,000 meters billed monthly. This is 200% increase from 2004. Although HBWS continues to offer the use of CC&B billing services to the DOW, the DOW believes now is the time to move forward with our own billing system. A new system that is owned by the DOW will allow staff to pull reports and troubleshoot problems without the delay currently being experienced.  

The DOW took the initiative of collecting basic information from other billing solution providers for a comparative analysis. There were two (2) merchants that presented their CIS software with
the DOW including the users who would benefit from the actual product. The DOW billing and accounting staff, including Chief of Operations were amazed to see new features that can cost effectively increase productivity and improve efficiency, control and response times. One of the main features of the new CIS software is the ability to retrieve data or create reports that are often needed in our day to day operations. Currently, this is done through a Request for Change (“RFC”) process submitted through DOW Information Technology (“IT”) to HBWS which presently are often not addressed right away by the host provider due other numerous issues of their own and/or their perceived priority obligations to other users. This inevitably causes delay for DOW and as a result each DOW employee’s productivity and efficiency is compromised.

COST & BENEFIT COMPARISON:
The current HBWS system is costing DOW about $150K a year. The in-house billing system being recommended herein which would include the implementation of an automated “lockbox system” for collecting customer payments would cost the DOW about the same. The in house billing system may require the addition of one half full time employee (1/2 FTE) which, however, would be far outweighed by the other benefits of having the in house system, i.e. greater efficiency, more quick response software features, better control, reporting and monitoring of accounts, much quicker in response resulting in quicker and more accurate and timely reporting and avoidance of delays now experienced in dealing with HBWS as we are not their top priority. In other words, in the long run, it is both cost effective and efficient and provides DOW with a much greater level of control and thus improved service to our customers.

The attached worksheet is a comparative cost analysis between a new billing system and the existing HBWS hosted CC&B. If DOW is to keep the 10 year agreement with HBWS, DOW will pay HBWS $660K of capital recovery cost in addition to license fees, HBWS hardware and software support fees that run around $100K initially and may increase annually. If DOW procures and implements a new billing system, the initial capital cost for DOW may run from a low $700K to a high $1M. Maintenance and license fees will cost the department around $75K or higher annually. As illustrated, the costs are comparable although it is yet to be determined if additional staffing is required to maintain our own billing system. Information gathered from two different merchants indicated that one may require additional staff hours while the other won’t require no more than what is presently required to process the billing cycle now, especially if and/or when we implement a lockbox system for collection.

Based on the foregoing, we strongly believe that the benefits of owning our own CIS for billing and collection far exceeds the benefits of staying with HBWS’ CC&B.

It is therefore hereby recommended that the Board approve the DOW’s request to start the procurement process of a new billing solution for the DOW. This will allow the DOW to procure and solicit a Request for Proposals (“RFP”) before the end of FY 2015. If approved, funding for implementation will be requested for the new budget year in FY 2015-2016.

OPTIONS:
1. Approve
   Pros: DOW can take ownership of a billing solution; complete implementation before July 1, 2017, the day HBWS would otherwise start charging a 7 year amortization of Capital recovery cost.
Pros: New program will allow staff to provide real-time data which may increase efficiency and productivity within the Billing Division.

Cons: Increased cost in staff time for training.

2. Disapprove
Pros: Status Quo

Cons: DOW pays a capital recovery cost of an investment that DOW doesn’t have any ownership interest; Ad hoc reporting and data retrieval is limited and dependent on the reaction time of the host provider (HBWS).

Respectfully submitted,

Marites Yano
Waterworks Controller

CONCURRED:

Kirk Saiki, P.E.
Manager and Chief Engineer

Attachment: Comparative Cost Analysis

Mgmrp/February 2015/15-22 Discussion and Possible Action to Procure Solicitation of a DOW Owned Customer Information System (CIS) for Billing & Collection (2-19-15):ein
## Cost Analysis Comparison

**New Billing System Vs. HBWS Cost Allocation**

### DOW New Billing System (high $1M)

<table>
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<tr>
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<td>$1,000,000.00</td>
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<td>Project Implementation (includes software license)</td>
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<td>Overtime Hours (Training &amp; Implementation - Existing Staff)</td>
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<td>Estimated Annual Operating Cost</td>
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<td>$75,600.00</td>
<td>$79,380.00</td>
<td>$83,490.00</td>
<td>$87,516.00</td>
<td>$91,892.00</td>
<td>$96,487.00</td>
<td>$101,311.00</td>
<td>$106,377.00</td>
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<td>ANNUAL COST</td>
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### HBWS Cost Allocation

#### CIS Software Support - Application Systems Development Branch
- Hardware Replacement Costs (5 year life)
- CIS Hardware Support Costs (OBJ4110-4130, Assume 1/2 hr per day)
- CIS Software Licenses
- Oracle CC&B (FY2014-272,400 budget)
- Annual operating cost (excludes Capital Recovery Allocation)

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<tr>
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<td>Capital Recovery Allocation (9.25% of $7.136 Million)</td>
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Note: Per my discussion with HBWS, CIS Support Costs allocation may change if one of the other utility users terminate their agreement with HBWS. It is to my knowledge that other know utility users are also contemplating on procuring their own billing system.
MANAGER’S REPORT No. 15-23

February 19, 2015

Re: Discussion and Possible Action on the Board’s Requests for background comments and recommendations from the Department regarding Class IV Zoning Permit Application Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center, TMK:4-2-9:18, Ke Kula Pono, LLC. (Maria Finazzo-Krueger, Owner)

RECOMMENDATION:

It is recommended that the Board support the Department’s recommendation as shown in the Department’s responses to the Planning Department dated August 8, 2014 and January 9, 2015 (See Exhibit 1). These comments are based on the Department’s determination that the proposed project identified in Use Permit U-2015-1, Group Child Care Center falls within “Land Use – Schools, Retail Stores or Shops, Shopping Centers, Hotels, and Hospitals” as shown in “Table 100-19A – Fire Flow Requirements” as shown in the “County of Kauai Department of Water 2008 AMENDMENTS to the 2002 Water System Standards” (See Exhibit 2).

FUNDING:

Not applicable.

BACKGROUND:

The Department of Water (DOW) reviews water service requests/inquires, building permit applications, Subdivision-Zoning-SMA-Use-Special Permit applications (received from the Planning Department) to determine if there is adequate domestic and fire flow demands available and also check to see if proposed developments meet other applicable requirements of the DOW.

Maria Finazzo-Krueger (Owner) applied for a Class IV Zoning Permit Application Z-IV-2015-1, Use Permit U-2015-1 for a Group Child Care Center (Ke Kula Pono, LLC) on TMK:4-2-9:18 (See Exhibit 3).

The DOW reviewed the Use permit for the Group Child Care Center and determined that the existing water system facilities could not provide adequate fire flow demands required for the proposed Group Child Care Center. Therefore, the DOW comments for the proposed developed included upgrading existing water transmission mains to provide adequate fire flow demands as identified in “Table 100-19A of the County of Kauai Department of Water 2008 Amendments to the 2002 Water System Standards”. The DOW’s responses to the Planning Department are shown in our letters dated August 8, 2014 and January 9, 2015.

DOW reasoning:

- The existing parcel is zoned R-4 (residential allowing four dwellings per acre, fireflow for zoning designation R-4 is 750 gpm).
- The applicant is applying for a Use Permit to allow the proposed Group Child Care Center in the R-4 zoning designated area. The Use Permit is required to allow Group Child Care Facility within the Residential District.
- The applicants application identifies this Group Child Care Center will specialize in providing Preschool and/or Junior Kindergarten education experiences for children (ages 3-5 years old).
- The Department has concluded that the proposed Use Permit application for the Group Child Care Center falls within the “Land Use category of Schools, Retail Stores or Shops, Shopping Centers,
Hotels, and Hospitals as shown in Table 100-19-A FIRE FLOW REQUIREMENTS FOR THE COUNTY OF KAUAI” as identified in the “County of Kauai Department of Water 2008 Amendments to the 2002 Water System Standards”.

Addition support for the DOW’s reasoning:

- The application for a use permit allows the DOW to review and comment on the proposed project and use Table 100-19A to determine fire flow requirements.
  a. Table 100-19A identifies “schools” as 2,000 gpm.
  b. No separate distinction for day-care centers.
- The Kauai County zoning ordinance Table 8-2.4 page 31, shows “School and day-care centers” in the same category 8-2.4(f) (13) both require a use permit in residential zones. (See Exhibit 4)
- PER DOW WSS:
  a. Definition of School: Under the 2008 Amendments to the 2002 Water System Standards 2(e), the DOW can utilize the CZO in interpreting the Land use classifications identified in Table 100-19A. Again, the DOW determined that the project site is a day care, which under Table 8-2.4 (f) (13) is grouped with school and will require a Use Permit.
- PER CZO:
  a. Definition of Day Care: Any facility which complies with the State of Hawaii licensing requirements where seven or more children under the age of 18 are cared for without overnight accommodation at any location other than their normal place of residence.
  b. Definition of School: Kindergarten through 12th grade school or any portion thereof.
- DOW contacted the DOW County of Hawaii and the Honolulu Board of Water Supply (See Exhibit 5 for respective responses). Both DOW County of Hawaii and Honolulu Board of Water Supply Applicant can also do “Alternative Method” for satisfying fire flow as shown in Exhibit 2.

OPTIONS:

Option 1: Agree with the applicant that the DOW may be incorrect in the assessment that the existing facilities along Kuamoo Road are inadequate to provide the recommended fire flow demands for the proposed Use Permit.

Option 2: Support the Department’s recommendation as shown in the Department’s responses to the Planning Department dated August 8, 2014 and January 9, 2015.

Respectfully submitted,

Edward Doi
Civil Engineer
Water Resources and Planning Division
CONCURRED:

Kirk Saiki, P.E.
Manager and Chief Engineer

Attachments:
- Location Map, TMK: 4-2-09:018 Ke Kula Pono LLC, Maria Finazzo-Krueger, Group Child Care Center
- Exhibit 1 - Class IV Zoning Permit Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center, TMK: 4-2-09:018, dated 8-14-14
- Exhibit 2 – County of Kaua‘i, Department of Water, 2008 Amendments, effective 12-5-08
- Exhibit 3 – Class IV Zoning Permit Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center, TMK: 4-2-09:018, dated 7-11-14
- Exhibit 4 – Sec. 8-2.4 Uses in Districts
- Exhibit 5 – Memo from Civil Engineer, Edward Doi regarding Fireflow for Preschools in Residential Zones, dated 1-14-15

Mgrrp/February 2015/15-23 - Discussion and Possible Action on the Board’s Requests for background comments and recommendations from the Department regarding Class IV Zoning Permit Application Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center, TMK:4-2-9:18, Ke Kula Pono, LLC. (Maria Finazzo-Krueger, Owner) (2-19-15):ein
DATE: January 8, 2015

TO: Planning Department
    Michael Dahilig, Director (Jody)

SUBJECT: Class IV Zoning Permit Z-IV-2015-1, Use Permit U-2015-1, Group Child Carence Center,
          TMK: 4-2-09:018, Ke Kula Pono, L.L.C. (Maria Piazso-Krueger, Owner)

DOW COMMENTS:

The Department of Water (DOW) has concerns regarding the availability of the recommended fireflow demands, backflow of water into our system, and the increase of water demand associated with this Class IV Zoning Permit Z-IV-2015-1, Use Permit U-2015-1, for a group child care center to TMK: 4-2-09:018.

The existing transmission facilities along Kuamoo Road are not adequate to provide the recommended fireflow demands of the proposed development. In accordance with the DOW's Rules and Regulations, the requirements of Table 100-10A shall apply when an application is made for any neighborhood business/schools. Table 100-10A identifies fire flow requirements for neighborhood business/schools land use designation as 2,000 gallons per minute.

We recommend to the Planning Department that any approval of the proposed Class IV Zoning Permit Z-IV-2015-1 and Use Permit U-2015-1 Application be conditioned; whereby, the applicant shall be required to:

1. Submit detailed water demand calculations along with the proposed water meter size for the proposed project for the DOW's review and approval. The Department's comments may change depending on the approved water demand calculations.

2. Prepare and receive DOW's approval of construction drawings for the necessary water system facilities and construct said facilities. These facilities shall include but not be limited to:
   a) A 12-inch mainline extension approximately 12,245 feet in length and an 8-inch mainline extension approximately 690 feet in length. The 12-inch shall connect to the existing 12-inch mainline on Oloheana Road, running south approximately 12,245 feet along Puuopae Road, Opaekia Road, Kamalu Road and Kuamoo Road. The 8-inch mainline shall begin at the end of the new 12-inch mainline extension along Kuamoo Road and continue approximately 690 feet to the proposed development.
   b) The interior plumbing with the appropriate backflow prevention device.
   c) The fire service connection.
   d) The domestic service connection, if applicable.

3. Pay the applicable charges in effect at the time of payment to the Department. At the present time, these charges shall include but not be limited to the Facilities Reserve Charge (FRC) which is based on the approved meter size.

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

5. Be made aware that any request for additional water meters or an increase in water meter size will be dependent on the adequacy of the source, storage, and transmission facilities existing at that time.

Edward Doi
Water Resources and Planning Division

Z-IV-2015-1 Ke Kula Pono-Piazzo-Krueger-Childcare Center Rev. 1/8/15

Exhibit 1
DATE: August 14, 2014
TO: Planning Department
      Michael Dahilig, Director (Judy)
SUBJECT: Class IV Zoning Permit Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center,
         TMK: 4-2-09:018, Ke Kula Pono, LLC (Maria Pinaza-Kuykendall, Owner)

DOW COMMENTS:
The Department of Water (DOW) has concerns regarding the availability of the recommended fire flow
requirements for the proposed fire flow demands, backflow of water into our system, and the increase of water demand associated with this Class IV

The existing transmission facilities along Kaua'i Road are not adequate to provide the recommended fire flow demands of the proposed development. In accordance with the DOW’s Rules and Regulations, the requirements of Table 100-13A shall apply when an application is made for any neighborhood business/schools. Table 100-13A identifies fire flow requirements for neighborhood business/schools and use designation as 2,000 gallons per minute.

We recommend to the Planning Department that any approval of the proposed Class IV Zoning Permit
Z-IV-2015-1 and Use Permit U-2015-1 Application be conditioned whereby, the applicant shall be required to:

1. Submit detailed water demand calculations along with the proposed water meter size for the proposed project for the DOW’s review and approval. The Department’s comments may change depending on the approved water demand calculations.

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

3. Pay the applicable charges in effect at the time of payment to the Department. At the present time, these charges shall include but not be limited to the Facilities Reserve Charge (FRC) which is based on the approved meter size.

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

5. Be made aware that any request for additional water meters or an increase in water meter size will be dependent on the adequacy of the source, storage, and transmission facilities existing at that time.

Edward Doi
Water Resources and Planning Division
2-IV-2015-1 Ke Kula Pono – Pinaza-Kuykendall Childcare Center (Jill) 8/14/14

Exhibit 1
COUNTY OF KAUAʻI

DEPARTMENT OF WATER

2008 AMENDMENTS

to the 2002 Water System Standards
adopted by the
Hawaii County Department of Water Supply,
City and County of Honolulu Board of Water Supply,
Kauai County Department of Water, and
Maui County Department of Water Supply
THESE AMENDMENTS to the 2002 Water System Standards adopted by the Hawaii County Department of Water Supply, City and County of Honolulu Board of Water Supply, Kauai County Department of Water, and Maui County Department of Water Supply revise and modify various provisions of the 2002 Standards and should therefore be considered part of the these Standards.

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

EFFECTIVE DATE: December 5, 2008

WYNNE M. USHIGOME

ACTING MANAGER & CHIEF ENGINEER
Department of Water, County of Kaua‘i, Hawai‘i
AMENDMENTS

to the 2002 Water System Standards

As used in these Amendments:

"2002 Standards" means the 2002 Water System Standards adopted by the
Hawaii County Department of Water Supply, City and County of Honolulu Board of
Water Supply, Kauai County Department of Water, and Maui County Department of
Water Supply.

"2005 Amendments" means the County of Kauai Department of Water's 2005
amendments and revisions to the 2002 Standards.

"Amendments" means

"Administrative rule" means the administrative rules and regulations of the
Department of Water of the County of Kauai, Hawaii.

"County" means the County of Kauai, Hawaii.

"Department" or "Water Department" means the Water Department of the
County of Kauai.

"K.C.C." or "Kauai County Code" means the Kauai County Code 1987, as
amended.

"H.R.S." means Hawaii Revised Statutes, as amended.

"Manager" means the Kauai County Water Department's Manager and Chief
Engineer.

"State" means State of Hawaii.

Further, the following rules of construction shall apply to these 2005 Amendments:

Number. Words in the singular or plural number signify both the singular and
plural number.

The following section, tables, and other provisions within the 2002
Standards are hereby amended and revised as follows:

1. **Table 100-10 "TYPES AND SIZE OF MAIN VALVES"**. Table 100-10 is
hereby revised by adding the following annotation:

For Kauai only: Butterfly valves shall not be used as a standard type of main valve.

Exhibit 2
2. **Table 100-19 “FIRE FLOW REQUIREMENTS”**: Table 100-19 is hereby deleted from the 2002 Standards and replaced in its entirety as follows. Any and all references in the 2002 Standards to Table 100-19 shall mean this Table 100-19A:

**Table 100-19A FIRE FLOW REQUIREMENTS FOR COUNTY OF KAUA'I**

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<th>LAND USE</th>
<th>FLOW (GPM) / DURATION (HOURS) / FIRE HYDRANT SPACING (FEET)</th>
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<td>250 / 1 / 500</td>
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<td>Rural</td>
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<tr>
<td>Single Family</td>
<td>See Note (b) below</td>
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<tr>
<td>Duplex</td>
<td>See Note (b) below</td>
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<tr>
<td>PUD Townhouses, Apartments</td>
<td>See Note (b) below</td>
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<td>Schools, Retail Stores or Shops, Shopping Centers, Hotels, and Hospitals</td>
<td>2,000 / 2 / 350</td>
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<tr>
<td>Industry</td>
<td>3,000 / 3 / 350</td>
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</table>

**ANNOTATIONS TO TABLE 100-19A:**

(a) "GPM" means gallons per minute.

(b) Fire Flow, Duration, and Fire Hydrant Spacing shall be dictated by the following zoning district designations described in the Kaua‘i County Code.

- R-2: 500/1/500
- R-4: 750/2/500
- R-6: 1000/2/500
- R-10: 1250/2/350
- R-20: 1500/2/350
- RR-10: 1500/2/350
- RR-20: 2000/2/350

(c) On dead end streets, the last fire hydrant shall be located at one-half (½) the spacing distance for fire hydrants from the last house/unit (frontage property line or to the driveway or access for the property).

(d) Spacing of fire hydrants shall be measured along the roadway.

(e) The Department may utilize State and County statutes, codes, administrative rules and other authoritative sources of law in interpreting the land-use classifications described in Table 100-19A. These legal authorities include, but are not limited to, chapters 8 (Comprehensive Zoning Ordinance) and 9 (Subdivision Ordinance) of the Kaua‘i County Code, and H.R.S. chapter 205.

Amendments to the 2002 Water System Standards
Effective December 6, 2008
Page 4 of 13
(f) General applicability of Table 100-19A: exceptions thereto. Unless otherwise specifically adverted to in this annotation (f), the 2002 Standards, or the Department’s administrative rules, the requirements of Table 100-19A shall apply to all County subdivision applications and actions, all County zoning and use permit applications, all requests for variances, all requests for building permit approval from the Department, all requests for water service from the Department, and all other actions which may fall under the jurisdiction of the Department.

As used in this annotation (f), the terms “dwelling unit” and “lot” shall have the meanings ascribed to them in K.C.C. Sec. 8-1.5.

The requirements of Table 100-19A are minimum standards; the Department may, in consultation with the Kaua‘i County Fire Department, determine that additional or more stringent fire flow, flow duration, and hydrant spacing requirements are appropriate and necessary in certain cases because of heightened fire safety concerns.

(i) Building permit approval for first and second dwelling units; Applications for first and second ¾” water meters. When County building permit approval is sought from the Department for the first and second dwelling units only on an existing lot of record, the requirements of Table 100-19A shall not apply. However, the requirements of Table 100-19A shall apply when County building permit approval is sought from the Department for any dwelling unit in excess of the second dwelling unit on an existing lot of record.

When application is made for a first or second five-eighth inch (¾”) water meter only to serve an existing lot of record, the requirements of Table 100-19A shall not apply. However, the requirements of Table 100-19A shall apply when application is made for any five-eighth inch (¾”) water meter to serve an existing lot of record in excess of the second ¾” water meter. The foregoing exception for ¾” water meters shall not apply to applications for any other size water meters.

(ii) Alternative methodology for satisfying fire protection requirements for non-residential structures. Where County building permit approval is sought from the Department for any structure other than a home, house, or dwelling unit, an applicant may utilize the alternative methodology described in this Paragraph (ii) of Annotation (f) in lieu of satisfying the requirements of Table 100-19A.

As used in this Paragraph (ii) of Annotation (f), “Fire Chief” or “Chief” means the Fire Chief of the County of Kaua‘i. “On-site” means on the lot to which the building permit appertains. “Off-site” means off and away from the lot to which the building permit appertains.

Under this Paragraph (ii) of Annotation (f), an applicant need not satisfy the requirements of Table 100-19A if:

(A) The applicant submits a written analysis signed by a professional engineer licensed under H.R.S. Chapter 464, in which the engineer certifies that the existing off-site water system, together with the addition of on-site fire mitigation measures, satisfy the fire protection standards.
requirements of the National Fire Protection Association (hereafter “NFPA”);

(B) The professional engineer submitting the required certification possesses, at the time the certification is provided, a minimum of three years engineering experience as a licensed professional engineer in responsible charge of fire protection engineering work or has experience, in the Department’s judgment, equivalent to such engineering work; and

(C) The applicant submits the written analysis described in Subparagraph (A) of this Paragraph (ii) to both the Water Department and the County Fire Chief, and the Fire Chief approves [does not reject] the sufficiency of the applicant’s fire mitigation measures.

The Chief may approve [reject] the sufficiency of the applicant’s fire mitigation measures if the Chief determines that:

- The measures are sufficient [insufficient] relative to the structures to be built on the lot, or the uses which will occur in conjunction with the proposed structures, or both; or
- The measures are sufficient [insufficient] to prevent the spread of any potential on-site fire to off-site structures or uses, or both, surrounding or adjacent to the lot.

In evaluating the sufficiency of any mitigation measures, the Fire Chief may consider the Fire Code of the County of Kaua‘i, the codes and standards of the NFPA, the International Code Council’s Uniform Fire Code (as may be amended from time to time), and other nationally-recognized fire protection codes or standards, or both.

The Fire Chief may approve [reject] the sufficiency of the applicant’s measures no later than one-hundred twenty (120) calendar days after the Chief has determined in writing that the applicant has submitted a complete written analysis to the Chief. The burden shall be on the Applicant to provide the Chief with a complete written analysis.

If the Chief approves [rejects] the sufficiency of the applicant’s measures, the Chief shall so inform the Water Department, who shall in turn inform the applicant of the approval [rejection].

The Applicant shall have the burden of proving to the Water Department that the professional engineer submitting the certification described in this Paragraph (ii) of Annotation (f) has the necessary qualifications described in Subparagraph (B) of this Paragraph (ii).
(iii) Minor interior additions and alterations: changes in ownership or commercial use. The requirements of Table 100-19A shall not apply when an application is made under Chapter 8 of the Kaua'i County Code for a County use or zoning permit, or a variance, if:

(A) The application is to permit a change from an existing, legal commercial use to another legal, commercial use;

(B) The application is to allow a change in the ownership of a permittee; or

(C) The application is to permit the minor repair, reconstruction, redesign, renovation, or renewal of any part of the interior of an existing building, which does not affect the structural integrity of the building, and which also does not add any square footage to the building or its footprint, or both.

3. **Sec. 105.04 “ACCESS ROAD.”**: Item No. 2 only is hereby deleted and replaced in its entirety as follows:

2. Maximum grade of 15%. (for Kaua'i only).

4. **Sec. 202.01 “GENERAL.”**: Paragraph F “Bolts and Nuts.” of Sec. 202.01 is hereby deleted and replaced in its entirety as follows:

F. Bolts and Nuts. All bolts and nuts shall be either silicon bronze (ASTM F467 and F468) or “Cor-Ten”, U.S.S. alloy, “Mayari”, Bethlehem Steel, or approved equal, ASTM 325, Type 3. All bolts and nuts shall be silicon bronze only if submerged in water. Bolts and nuts installed shall be compatible in strength and material characteristics. Bolts shall protrude beyond the nuts and protrusion shall be a minimum of 1/8 inch but shall not exceed 1/2 inch.

5. **Sec. 202.02 “MECHANICAL JOINT.”**: The fourth paragraph only of Paragraph A “General.” of Sec. 202.02 is hereby deleted and replaced in its entirety as follows:

Silicon bronze (ASTM F467 and F468) or “Cor-Ten”, U.S.S. alloy, “Mayari”, Bethlehem Steel, or approved equal, ASTM 325, Type 3 bolts and nuts shall be used for all mechanical joints. All bolts and nuts shall be silicon bronze only if submerged in water.

6. **Sec. 202.04 “FLANGED JOINT.”**: The fourth paragraph only of Paragraph A “General.” of Sec. 202.04 is hereby deleted and replaced in its entirety as follows:

The bolts used for all flanged joints shall protrude beyond the nuts by a minimum of 1/8-inch but shall not exceed 1/2 inch. Should the bolts protrude more than 1/2 inch, the bolts shall be machine cut before installation. Bolts shall be with cut threads and American Standard heavy hexagon heads. Nuts shall be compatible with the bolts in strength and material characteristics. Nuts shall be hexagon. Bolts and nuts for flanges shall conform to one of the following:
FROM: Michael A. Dahilig, Director  
TO:  

SUBJECT: Class IV Zoning Permit Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center, Tax Map Key: (4) 4-2-9;18, Ke Kula Pono LLC. (Maria Finazzo-Krueger, Owner)  

%%%

☑ Department of Transportation - STP  
☑ DOT-Highway, Kauai  
☑ DOT-Airports, Kauai (info only)  
☑ DOT-Ports & Harbors, Kauai (info only)  
☑ State Department of Health  
☑ State Department of Agriculture  
☑ State Office of Planning  
☑ State Dept. of Business & Economic Development  
☑ State Land Use Commission  
☑ DLNR- Historic Preservation Division  
☑ DLNR- Land Management  
☑ DLNR- Forestry & Wildlife  
☑ DLNR- Aquatic Resources  
☑ DLNR- CCCL  
☑ DPW-Engineering  
☑ DPW-Wastewater  
☑ DPW-Building  
☑ DPW-Solid Waste  
☑ Department of Parks & Recreation  
☑ Fire-Department  
☑ County Housing-Agency  
☑ County Economic Development  
☑ KHPRC  
☑ Kauai Civil Defense  
☑ U.S. Postal Department  
☑ UH Sea Grant  
☑ Other:  

FOR YOUR COMMENTS (pertaining to your department):  

This matter is scheduled for a public hearing before the County of Kauai Planning Commission on AUG 26 2014 at the Lihue Civic Center, Moikeha Building, Meeting Room 2A-2B, 4444 Rice Street, Lihue, Kauai, at 9:00 am or soon thereafter.

If we do not receive your agency comments within one (1) month from the date of this request, we will assume that there are no objections to this permit request. Mahalo!
Project Description

Used Permit
Zone: Class IV Permit
Group Child Care Center (Ke Kula Pono LLC)
Owner/Teacher: Maria "Malig" Pinazzo-Krueger
5697 OHIBLO RD,
Kapa'a, Hawaii 96746
T-M-K: 4-4-2-9-18

Ke Kula Pono LLC
kekulpawn@gmail.com

April 23, 2014

Exhibit 3
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EXHIBIT B - Letters of Support
EXHIBIT C - Photos of Facility
EXHIBIT D - Deed
EXHIBIT E - Maps and Drawings of Facility

Exhibit 3
Introduction

The following proposal is for a USE PERMIT for a Group Child Care Center at a private residence in Wailua Homesteads.

Ke Kula Pono will be a child care center which focuses on early childhood development and preschool education for children ages 3-5 years old, on the island of Kaua‘i. Hawaiian culture is incorporated into the language and literacy based curriculum that focuses on preparing the children for their educational journey.

It is Ke Kula Pono’s greatest intention to provide a safe and positive introduction into education, which meets and/or exceeds standards set by the Department of Planning, Department of Human Services, and the expectations of our students and families.
Chapter 1- Proposed Use

Ch 1.1 Proposed Use:

Ke Kula Pono, LLC proposes to use a residential home as a Group Child Care Center which specializes in providing Preschool and/or Junior Kindergarten educational experience for children (ages 3-5 years old) and their families on the Island of Kauai.

Ch 1.2 Number of Children:

Based upon an initial review of the Department of Human Services regulations, Ke Kula Pono can serve a maximum of 12 children given the available space. A DHS worker reviewed the residential Tax Map Key and confirmed that approximately 12 children would be allowed per the available space. Ke Kula Pono is committed to providing outstanding service to its students. KKP will start with less than 10 students, and may add students up to the allowable number at the discretion of the administration.

Ch 1.3 Hours of Operation:

The days and hours of operation will be Monday-Friday, 8am -2pm with an option for families to utilize an extended day program (2pm-4pm)

Ch 1.4 Daily Schedule:

A typical day would consist of:

Regular Day Schedule (M-F 8:00am-2:00pm)

Arrivals, Parent/Child Time, Center Time, Bathroom, Music, Morning Business/ Large-group time(Common Core Language and Literacy), Bathroom, Story Time, Morning Snack and Center Time, Music and Movement, Bathroom, Outdoor play, Bathroom, Lunch, Quiet story, Nap, Afternoon snack, Outdoor Play, Parent Pick up.

Extended Day Schedule (M-F 2:00-4:00pm)

Afternoon Snack, outdoor time which may include art activity, music/dance, free play, etc.

Ch 1.5 Financial Aid:

There are many financial aid resources available for parents and Ke Kula Pono will provide information and referral to these resources as necessary. Ke Kula Pono will work together with families and financial aid institutions as needed in order to support the child’s educational success. The following organizations will be available for families to contact in need of financial assistance:

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Exhibit 3
Keiki 'O Ka 'Aina (http://www.koka.org/) - (808)845-3454
Child Care Connections-Arbor Restoration Care (http://patchhawaii.org/) 245-2193
Puaahi Keiki Scholars 245-8070
Queen Lili'uokalani Children Center (http://qlcc.org/units.htm) - 245-1873.

~6~

Exhibit 3
Chapter 2-Owner/Teacher (Applicant)/Property Description

Ch. 2.1 Owner/Teacher (applicant):
Malia Finazzo-Krueger is the primary owner of Ke Kula Pono, LLC, the applicant for the Use Permit. Malia has over 16 years of teaching experience with ages ranging from 3-adult. She holds a M.S. in Initial Teaching from Gonzaga University, a B.A. in Psychology from Chaminade College, and a Child Development Associates Credential. In addition to her extensive educational background, she is also CPR and First-Aid Certified and has been a trainer for PATCH with certification completion in many areas of PATCH. Malia is a well-known and respected educator in the community of Kauai, and has worked intensively for highly respected educational institutions throughout the island. A resume with job descriptions are attached for review in EXHIBIT A. Letters of support and recommendation for the proposed use permit will be available upon request.

Ch. 2.2 Subject Property Description:
The location of this Group Child Care Center will be at 5697 Ohelo Rd Kapa’a, Hawai‘i 96746, the primary residence of property and business owner. The home is located on a 10,000+ square-foot corner lot in a residential neighborhood, sharing a property boundary with one neighbor. To the north is Kimo‘o Road (adjacent to vacant farmland and The Sleeping Giant Mountain). To the South is a property boundary shared with a neighbor who has been informed and is in support of the proposed use. To the East is Ohelo Road (adjacent to a neighbor who has been informed and is in support of the proposed use). To the west is a County Easement. Applicable maps and drawings of the facility will be further discussed in Chapter 2, with attachments of such items to be found in EXHIBIT E.

The Group Child Care Center shall occupy two attached large rooms in the rear of the house. The facility has a private entrance off the main room, which will allow for easy access into the back yard play area. There are 3 additional doorways that access the main house, so in the event of an emergency children and staff would be able to exit through the front door of the main home.

The play area is a grassy yard which is fully enclosed with a tall fence. Two latched gates allow adult access into the facility for pick-up/drop-off and for supervised excursions.

Photos of the home and areas to be utilized as facility are attached as EXHIBIT C.

Malia Finazzo-Krueger is the co-owner of the property. Deed is attached as EXHIBIT D. A letter of support from the other property co-owner is attached in EXHIBIT B.
Chapter 3 - Land Use/Designation of the Property

Ch 3.1 Location:

5697 Ohelo Rd Kapa‘a, Kaua‘i, Hawai‘i 96746. Subdivision: Wailua Terrace, District: Kawaihau. Tax Map Key, Building Sketch, Location Map and a Google Earth map are attached as EXHIBIT E.

Ch 3.2 Designation:

The property, 5697 Ohelo Rd Kapa‘a, Hawai‘i 96746, is located in a Residential Zone (R-4).
Chapter 4 – Community Demand and Support

Ch 4.1 Demand:

Current market studies indicate that a Group Child Care Center with a focus on Early Childhood Development and Education is a desirable addition to the Wailua/Kapa’a area and would benefit the community. Additionally, administration has spoken to residents of the Ohelo/Waiula homestead area and there appears to be positive support for this venture.

Ch 4.2 Ke Kula Pono LLC-Why choose this school?

Ke Kula Pono is a Group Child Care Center which focuses on early childhood development and education for preschool education for children on the island of Kaua‘i. Hawaiian culture is incorporated into the language and literacy based curriculum that focuses on preparing the children for their educational journey. Utilizing a blend of Hawai‘i Preschool Content Standards and Hawai‘i Common Core State Standards ensures that Ke Kula Pono students are entering kindergarten with the skill and knowledge base to succeed.
Chapter 5 — Subject Property Permitted Use

Ch 5.1 Building Development:

Construction does not need to be done to the property prior to proposed use. Scheduled maintenance and improvements will be completed by the homeowners as deemed necessary.

Ch 5.2 Utilities for Subject Property:

The business is capable of utilizing property utilities. No further utilities are needed other than what is provided already. Kitchen facilities are not needed as children will be bringing their own food items that have already been prepared.

Ch 5.3 Access and Parking:

Access and parking maps are included in EXHIBIT E. Ke Kula Pono policies and procedures highlight the following important notes regarding parking and access to the facility:

- Do not block roadways or driveways
- Do not double park
- Please use designated KKP parking areas
- Do not allow young children to exit the vehicle unassisted
- Please ensure safety of yourself and children when loading/unloading near the street
- Refrain from leaving any children unattended in your vehicle

Exhibit 3
Chapter 6 – Impacts on Surrounding Area

Ch 6.1 Traffic Impact:
Ke Kula Pono will provide specific direction to families regarding parking and access to the facility. Due to the low number of facility attendees, there is no notable increase in traffic impact anticipated. KKP will continually assess traffic impact, including parking and access, and is able to make minor adjustments (such as offering a staggered drop off schedule) should issues arise.

Ch 6.2 Noise Levels:
Ke Kula Pono will include both indoor and outdoor learning environments. Children at KKP are supervised and participate in structured learning and play. While there will be some increase in noise levels from children playing, singing, talking, etc., we do not expect the noise level will be detrimental to the surrounding area.

Ch 6.3 Solid Waste Disposal:
Ke Kula Pono will utilize existing refuse collection services at the property, and if necessary (though unlikely) utilize the county dump for additional solid waste disposal. Environmental impact and the concept of “Reduce, Reuse, and Recycle” will be introduced and modeled for children and families participating in KKP programming.

Exhibit 3
Chapter 7-Compliance with Use Permit Standards

7.1 Compatibility with Surrounding Area:

The subject property has been evaluated by Ke Kula Pono administration and purchased by property owners because of its excellent use compatibility with the surrounding area. The facility itself provides homeowners with separate entrance and living spaces from the educational area, while allowing maximum use and access to important facility areas such as the backyard, parking, and walkways. The location of the facility with regards to the surrounding area is well-suited for the proposed use. There are a number of educational and exploratory areas close to the property that can be utilized for educational excursions (with the consent and support for parents). The location on a main road in Wailua allows for easy locating and access for parents and families, while the large fenced in back yard allows for safe outdoor learning and play for children. As mentioned previously, and as evidenced by EXHIBIT E, there is overwhelming support for the proposed use by both Wailua Homestead and Obeloh Road residents.

Additionally, EXHIBIT E provides letters of recommendation and support from well-respected educational professionals and institutions on Kauai, who understand and support the use and permitting of this Group Child Care Facility and Ke Kula Pono’s focus on providing excellence in early education.

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Exhibit 3
Chapter 8 – Conclusion

Ch 8.1 – In Closing

It is Ke Kula Pono’s greatest hope that with the review of the above detailed information that a Use Permit will be issued to allow the operation of a Group Child Care Center in the residence of owner/operator Malla Finazzo-Krueger. Ke Kula Pono administration has an excellent track record of understanding and abiding by all applicable laws and restrictions, and is undertaking the proposed use with the full intention of continuing to meet and/or exceed the requirements set forth by Department of Planning, Department of Health, etc. Ke Kula Pono is committed to providing a safe, positive, early education experience for its children and families.

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Exhibit 3
(2) Hanapēpē Planning Area:
   ZM-200
   ZM-H200 (Hanapēpē)  1" - 1000'
   1" - 400'

(3) Kōloa-Po'ipū Planning Area:
   ZM-300  1" - 1000'
   ZM-KL300 (Kalāheo)  1" - 400'
   ZM-LW300 (Lāwa'i)  1" - 400'
   ZM-KO300 (Kōloa)  1" - 400'
   ZM-KU300 (Kukui'ula)  1" - 400'
   ZM-PO300 (Po'ipū)  1" - 400'
   ZM-OM300 (Omao)  1" - 400'

(4) Līhu'e-Kapa'a Planning Area:
   ZM-500  1" - 1000'
   ZM-WH500 (Wailua Homesteads)  1" - 400'
   ZM-WA500 (Wailua)  1" - 400'
   ZM-WP500 (Wailua - Waipouli)  1" - 400'
   ZM-KP500 (Kapa'a – Keālia)  1" - 400'
   ZM-KH500 (Kapa'a Homesteads)  1" - 400'
   ZM-NW400 (Nāwiliwili)  1" - 400'
   ZM-LI400 (Līhu'e)  1" - 400'
   ZM-HM400 (Hanamā'ulu)  1" - 400'
   ZM-P400 (Puhi)  1" - 400'

(5) Kilauea Planning Area:
   ZM-600  1" - 1000'
   ZM-AN600 (Anahola)  1" - 400'
   ZM-KL600 (Kilauea)  1" - 400'

(6) Hanalei Planning Area:
   ZM-700  1" - 1000'
   ZM-HA700 (Hanalei Town)  1" - 200'
   ZM-PR700 (Princeville)  1" - 400'

(b) Maps indicating Constraint Districts for each of the six (6) planning areas will be at the same scale as the maps at a scale of one inch (1") equals one thousand feet (1000'). Current copies of all maps shall be kept in the office of the Planning Department. Other maps and development plans may be adopted to accommodate special requirements of a particular area.

Sec. 8-2.4 Uses in Districts.

The following table designates allowable uses in the various zonings districts, and whether the specific uses require a Use Permit within the zoning districts permitted.
<table>
<thead>
<tr>
<th>Sec.</th>
<th>USE</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial</th>
</tr>
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<tr>
<td>8-2.4(f) (9)</td>
<td>Museums, libraries and public services and facilities</td>
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<tr>
<td>8-2.4(f) (10)</td>
<td>Private and public utilities and facilities, other than maintenance and storage of equipment, materials, and vehicles</td>
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<td>8-2.4(f) (11)</td>
<td>Project developments in accordance with Article 10 of this Chapter</td>
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<td>8-2.4(f) (12)</td>
<td>Retail shops and stores</td>
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<td>8-2.4(f) (13)</td>
<td>School and day-care centers</td>
<td>U</td>
<td>U</td>
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<tr>
<td>8-2.4(f) (14)</td>
<td>Transportation terminals and docks</td>
<td>U</td>
<td>U</td>
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<td>8-2.4(f) (16)</td>
<td>Three (3) or more multiple family dwelling units upon a parcel of record as of June 30, 1980, in the R-1, R-2, R-4, or the R-6 District</td>
<td>U</td>
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<td></td>
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<td>8-2.4(f) (16)</td>
<td>Three (3) or more single family attached dwelling units upon a parcel of record as of June 30, 1980, in the R-1, R-2, R-4 or the R-6 District</td>
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<tr>
<td>8-2.4(f) (17)</td>
<td>Residential care homes</td>
<td>U</td>
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<tr>
<td>8-2.4(f) (18)</td>
<td>Adult Family Group Living Home</td>
<td>U</td>
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<tr>
<td>8-2.4(f) (19)</td>
<td>Any other use or structure which the Planning Director finds to be similar in nature to those listed in this Section and appropriate to the District</td>
<td>U</td>
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<td>8-2.4(g) (1)</td>
<td>Accessory structures and uses</td>
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<td>8-2.4(g) (2)</td>
<td>Apartment hotels</td>
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<td></td>
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<td>8-2.4(g) (3)</td>
<td>Automobile service and storage</td>
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<td>8-2.4(g) (4)</td>
<td>Barber shop and beauty shop</td>
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<td>8-2.4(g) (5)</td>
<td>Commercial recreation</td>
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<td>8-2.4(g) (9)</td>
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</tr>
</tbody>
</table>
Thank you very much Joel!!! Right on

From: Bautista, Joel
Sent: Wednesday, January 14, 2015 11:24 AM
To: Doi, Edward
Subject: Fireflow for Preschools In Residential Zones

Hi Mr. Doi,

As requested, I contacted Honolulu Board of Water Supply and Department of Water, County of Hawaii to determine how each respective agency handles the fireflow requirements for Use/Zoning Permits regarding Preschools in residential zones.

On January 14, 2015 I spoke with Ryan (Engineer) from the Department of Water, County of Hawaii and he informed me:

- Their requirement is 2000 gpm fireflow for preschools in residential zones (Table 100-19A)
- They treat them like a School
- There is no special zoning for preschools
- Ryan has personally seen Charter School projects in residential zones and the requirement is 2000 gpm (Table 100-19A)

On January 14, 2015 I spoke with Robert Chun (Engineer) from the Honolulu Board of Water Supply and he informed me:

- Their requirement is 2000 gpm fireflow for preschools in residential zones (Table 100-19A)
- They treat them like a School
- There is no special zoning for preschools

Please let me know if you need any additional information regarding this issue and thank you for your time, kind sir.

Mahalo,
Joel O. Bautista
Civil Engineer
Kauai Department of Water
Phone: (808)245-5441
Email: jhautista@kauaiwater.org
Website: www.kauaiwater.org
MANAGER’S REPORT No. 15-24

February 19, 2015

Re: Discussion and Approval of the Right of Entry Agreement for S-2009-13, S-2009-14, S-2009-15, Waiola Subdivision Phase I, II and III, Affecting the Following Landowners in Līhu‘e, Kaua‘i, Hawai‘i:

a. Grove Farm Properties, Inc. of TMK: (4) 3-3-003:041, Līhu‘e, Kaua‘i, Hawai‘i

RECOMMENDATION:
It is recommended that the Board approve the Right of Entry documents; whereby, the above landowners, grant to the Board of Water Supply, County of Kauai, a right of entry, on, over and under that certain parcel of land located as specified above in Līhu‘e, Kauai, Hawaii, for the following work:

1. The OWNER does hereby grant the BOARD, its officers, agents and employees, a right-of-entry over and across the SUBJECT PROPERTY for the purposes of conducting all necessary inspections for and on behalf of the BOARD, and, if appropriate, for constructing, maintaining, conducting water meter readings on, and repairing any and all facilities and improvements for the conveyance of potable water to the lots which will result from the said Subdivision Application No. S-2009-13; S-2009-14; S-2009-15, Waiola Subdivision Phase I, II, III.

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

2. The BOARD shall indemnify and hold the OWNER harmless against loss or damage to the SUBJECT PROPERTY and the lots which will result from the said Subdivision Application No. S-2009-13; S-2009-14; S-2009-15, Waiola Subdivision Phase I, II, III, or the property of others, and from liability for injury or death to any person, when such loss, damage, injury or death is caused by the negligent act of the BOARD, or its officers, agents and/or employees, in exercising the rights under this Agreement.

FUNDING: Not applicable.

BACKGROUND:
Grove Farm Companies anticipates starting construction of the various phases of Waiola Subdivision in the near future. The Right of Entry will allow the Department of Water to access the site during construction until the water facilities are conveyed to the Department of Water.
Respectfully submitted,

Dustin Moises, P.E.
Construction Project Management Officer

CONCURRED:

Kirk Saiki, P.E.
Manager and Chief Engineer

Attachment: Right of Entry Agreement for S-2009-13, S-2009-14, S-2009-15, Waiola Subdivision Phase I, II and III, Affecting the Following Landowners in Līhu'e, Kaua'i, Hawai'i: a. Grove Farm Properties, Inc. of TMK: (4) 3-3-003:041, Līhu'e, Kaua'i, Hawai'i

Mgrp/February 2015/15-24 Discussion and Approval of the Right of Entry Agreement for S-2009-13, S-2009-14, S-2009-15, Waiola Subdivision Phase I, II and III, Affecting the Following Landowners in Līhu'e, Kaua'i, Hawai'i: a. Grove Farm Properties, Inc. of TMK: (4) 3-3-003:041, Līhu'e, Kaua'i, Hawai'i
LAND COURT SYSTEM

REGULAR SYSTEM

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

TO:

DEPARTMENT OF WATER
POST OFFICE BOX 1706
LIHUE, KAUAI, HAWAII 96766

T-12966/S-2009-13; S-2009-14; S-2009-15

RIGHT-OF-ENTRY AGREEMENT
for

TMK: (4) 3 - 3 - 0 0 3 : 0 4 1 ;

THIS RIGHT OF ENTRY made as of the _________ day of ___________________. ,
by and between

GROVE FARM PROPERTIES INC.

whose mailing address is:

3-1850 Kaumualii Highway Lihue, Kauai, Hawaii 96766

and whose business address is:

3-1850 Kaumualii Highway Lihue, Kauai, Hawaii 96766

and its successors and assigns, hereinafter called the "OWNER", and the BOARD OF WATER
SUPPLY, COUNTY OF KAUAI, a political subdivision of the State of the Hawaii, whose mailing
address is Post Office Box 1706, Lihue, Kauai, Hawaii 96766, and its successors and assigns,
hereinafter called the "BOARD",

S-2009-13; S-2009-14; S-2009-15
Walo Subdivision Phase I, II, III

1 3-3-03:041
WITNESSETH:

The OWNER owns that certain real property(ies) situated at ___Lihue___ District, Island and County of Kauai, State of Hawaii, more particularly identified as Kauai Tax Map Key No. TMK: (4) 3 - 3 - 0 0 3 : 0 4 1 ; (hereinafter called "SUBJECT PROPERTY", and as described in the map attached hereto as ___Exhibit "A" & Exhibit "B"___ and made a part hereof, hereinafter called the "map"; and

The SUBJECT PROPERTY is currently being processed under Subdivision Application Nos. _S-2009-13; S-2009-14; S-2009-15, Waiala Subdivision Phase I, II, III_ for subdivision, into a number of separate lots, before the Planning Commission of the County of Kauai; and

The OWNER is required, pursuant to the Rules and Regulations of the BOARD, to construct and/or to install certain improvements for the conveyance of potable water to the lots which will result from said Subdivision Application No.: _S-2009-13; S-2009-14; S-2009-15, Waiala Subdivision Phase I, II, III_, pursuant to certain standards established and adopted by said BOARD; and

At the time of the completion of the required improvements for Subdivision Application No. _S-2009-13; S-2009-14; S-2009-15, Waiala Subdivision Phase I, II, III_, the OWNER intends to dedicate and/or convey the roadway, being Lot No. _1518-C_ as depicted on the subdivision maps on file with the Planning Commission, to the County of Kauai and all other necessary water fixtures, facilities, and works to the BOARD, which dedication and/or conveyance cannot be accomplished until such time that certifications and inspections of completed work have been conducted by the County of Kauai and the BOARD;

The OWNER desires that the BOARD, through its officers, agents, and employees, be allowed to conduct all necessary inspections of the work being done pursuant to the said Subdivision Application No. _S-2009-13; S-2009-14; S-2009-15, Waiala Subdivisions Phase I, II, III_ in order to ensure that said work meets the standards of the BOARD,
NOW, THEREFORE, the parties hereto agree and promise as follows:

1. The OWNER does hereby grant the BOARD, its officers, agents and employees, a right-of-entry over and across the SUBJECT PROPERTY for the purposes of conducting all necessary inspections for and on behalf of the BOARD, and, if appropriate, for constructing, maintaining, conducting water meter readings on, and repairing any and all facilities and improvements for the conveyance of potable water to the lots which will result from the said Subdivision Application No. S-2009-13; S-2009-14; S-2009-15, Waiola Subdivision Phase I, II, III.

2. The BOARD shall indemnify and hold the OWNER harmless against loss or damage to the SUBJECT PROPERTY and the lots which will result from the said Subdivision Application No. S-2009-13; S-2009-14; S-2009-15, Waiola Subdivision Phase I, II, III, or the property of others, and from liability for injury or death to any person, when such loss, damage, injury or death is caused by the negligent act of the BOARD, or its officers, agents and/or employees, in exercising the rights under this Agreement.

3. The OWNER hereby warrants and covenants with the BOARD that it is the OWNER of the SUBJECT PROPERTY and has the full right and authority of enter into this Agreement.

4. The term of this right-of-entry shall commence upon the execution of the same by the OWNER, and shall automatically expire, without the submission or presentation of any documents to that effect, at such time that the OWNER executes either: (a) a Grant of Easement with respect to that portion of the SUBJECT PROPERTY which the BOARD deems necessary for the purposes designated and described in paragraph (1) above and a Conveyance of Water Facilities for those improvements and facilities deemed necessary by the BOARD, or (b) a Dedication Deed in favor of the County of Kauai, by which the OWNER conveys, for public roadway and related purposes, the roadway lot depicted on the subdivision maps on file with the Planning Commission, together with all improvements and appurtenances thereon.
5. The term "OWNER", wherever used herein, includes the OWNER and the OWNER's successors and assigns. The term "BOARD", wherever used herein, shall include the BOARD, its officers, agents, employees, and successors, and assigns.

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

OWNER:  
GROVE FARM PROPERTIES INC.  
a Hawaii Corporation

By: David Hinazumi  
Its: Vice-President

OWNER:  
GROVE FARM PROPERTIES INC.  
a Hawaii Corporation

By: Blanche R. Matsuyama  
Its: Treasurer

APPROVED:

Manager & Chief Engineer  
Department of Water
STATE OF HAWAII  
COUNTY OF KAUAI  

On this ______ day of ______________________, 2015, before me appeared
__________________________________________________________, to me personally known, who, being by
me duly sworn, did say that said officer is the ___________________________ of the
COUNTY OF KAUAI, BOARD OF WATER SUPPLY, and that the foregoing instrument was
signed on behalf of said Department, and said officer acknowledged said instrument to be the free
act and deed of said Department, and that said Department has no corporate seal.

____________________________________________________________
Notary Public, State of Hawaii

Name of Notary: ____________
My Commission expires: ______________

Doc Date: No date on Agrmnt
Notary Name: Mary-Jane Akuna
Doc Description: Right of Entry Agreement for Grove Farm Properties, Inc.
Doc Stamp: 02/19/2015

Mary-Jane Akuna  Date
On this 14th day of JANUARY, 2015, before me appeared David Hinazumi, to me personally known, who, being by me duly sworn or affirmed, did say that he is the Vice-President of GROVE FARM PROPERTIES INC., a Hawaii Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Officers acknowledged said instrument to be the free act and deed of said corporation.

Sharyl E. Lam Yuen
Notary Public, State of Hawaii
Name of Notary: Sharyl E. Lam Yuen
My Commission expires: 12/16/2017
STATE OF HAWAI'I   
)  
) ss.  
COUNTY OF KA'UAI  
)  

On this 14th day of JANUARY, 2015, before me appeared  
Blanche R. Matsuyama  

who, being by me duly sworn or affirmed, did say that she is the  
Treasurer of GROVE FARM PROPERTIES INC., a Hawaii Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Officers acknowledged said instrument to be the free act and deed of said corporation.

[Signature]

Name of Notary: Sharyl E. Lam Yuen  
My Commission expires: 12/16/2017  

[Stamp]  
Sharyl E. Lam Yuen  
Notary Public, State of Hawaii  

[Stamp]  
Fifth Circuit, State of Hawaii  
NOTARY CERTIFICATION
Exhibit A

All of that certain parcel of land situate at Lihue, District of Puna, Island and County of Kauai, State of Hawaii, described as follows:

Lot 1518-C, area 238.738 acres, as shown on Map 138, filed with Land Court Application No. 1087 of Grove Farm Company, Incorporated.

Being a portion of the land described in Certificate of Title No. 534,040 issued to Grove Farm Properties, Inc., a Hawaii corporation.
MANAGER’S REPORT No. 15-25

February 19, 2015

Re: Discussion and Possible Action on the Grant of Easement for Ala Kukui’u‘ula Phase 2A (S-2004-45), Po'ipū, Kaua'i, Affecting the Following Landowner:

a. Kukui‘ula Development Company (Hawaii) LLC affecting TMK(s): (4) 2-6-015:001 (por.), (4) 2-6-015:015 (por.) and (4) 2-6-015:016 (por.)

RECOMMENDATION:
It is recommended that the Board approve the Grant of Easement document; whereby, the above landowners, grant to the Board of Water Supply, County of Kaua'i, easements “28” and “29”, and “U-1” on, over and under that certain parcel of land located TMK: 2-6-15:15 (por.), 2-6-15:16 (por.) and 2-6-15:01 (por.) as specified above in Po'ipū, Kaua'i, Hawai'i, for the following work:

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

Further, the GRANTEE (DOW) shall indemnify and save the GRANTOR (Kukui‘ula Development Company (Hawaii) LLC) harmless from and against all damage to the GRANTOR’s property and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

OPTIONS: Not approving easement.

FUNDING: Not applicable.

BACKGROUND:
Owner installed new facilities which included 6”, 8”, and 12” waterlines with fire hydrants, blow off assemblies, cleanouts, water laterals and appurtenances. The facilities are on private property (non conveyed County roads) which requires an easement in favor of DOW.

Respectfully submitted,

Dustin Moises, P.E.
Construction Project Management Officer

CONCURRED:

Kirk Saiki, P.E.
Manager and Chief Engineer

Attachments: Grant of Easement for Ala Kukui‘ula Phase 2A (S-2004-45), Po'ipū, Kaua'i, affecting Kukui‘ula Development Company (Hawaii) LLC affecting TMK(s): (4) 2-6-015:001 (por.), (4) 2-6-015:015 (por.) and (4) 2-6-015:016 (por.)
Return by Mail ( ) Pickup (X) To:
Department of Water
P.O. BOX 1706
Lihue, Hawai‘i 96766

Tax Map Key No.: (4) 2-6-015-001 (por.)

GRANT OF EASEMENT
for
TMK: (4) 2-6-015:001 (por.)

THIS INDENTURE is made on this 19th day of February, 2015, by and between KUKUIULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company, whose mailing address is 2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I, whose mailing address is Post Office Box 1706, Lihue, Hawaii 96766 (hereafter “GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-015:001 (por.); District: Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Ala Kukuula Phase 2A (S-2004-45); SUBDIVISION NO.: S-2004-45, and more particularly described in Exhibit A and Exhibit B which is attached and incorporated by reference into this grant of easement (hereafter “easement area”).
RESERVING, HOWEVER, UNTO GRANTOR, and their tenants and licensees, the right to use the easement area for any purpose in common with the GRANTEE and others to whom GRANTOR grants any rights in the easement area, and to allow others to use the easement area, and the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under, across, along, upon, in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement. Whenever this Grant of Easement refers to “materially interfere with the exercise of GRANTEE’s rights under this easement,” any use of the easement area as of the date of this Grant of Easement and any utility lines installed as of the date of this Grant of Easement do not “materially interfere with the exercise of the GRANTEE’s rights under this easement.”

This easement is granted for the reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to any governmental authority. In any such event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part.

SUBJECT, HOWEVER, to that certain Amended and Restated Community Charter for Kukui‘ula, dated September 4, 2012, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-46320954, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

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

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

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;
4. That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

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

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

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

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

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR or the Association will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietors and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

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

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

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

Manager & Chief Engineer
Department of Water, County of Kaua‘i

OWNER:

KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

Name: Richard L. Allerecht
Its: President

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I

By: Sherman Shiraishi
Its: Chairperson
STATE OF HAWAII  }  
COUNTY OF KA‘UAI  }

On this ___2nd___ day of ___FEBRUARY___, 2015, before me personally appeared
RICHARD L. ALBRECHT, to me personally known, who, being by me duly sworn, did say that
he is the ___PRESIDENT___ of ___KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC___,
a Hawaii Limited Liability Company, and he executed this ___7___-page ___GRANT OF EASEMENT___,
undated at the time of notarization, in the ___5th___ Circuit of the State of Hawaii; and that the
foregoing instrument was signed on behalf of said ___LIMITED LIABILITY COMPANY___ and
RICHARD L. ALBRECHT acknowledged said instrument to be the free act and deed of said
LIMITED LIABILITY COMPANY, which has no seal.

[Signature]
Shelly Gerardo

NOTARY PUBLIC, State of Hawaii
My Commission expires: December 25, 2015
STATE OF HAWAII
COUNTY OF KAUAI

On this day of 19th, 2015, before me appeared Sherman Shiraiishi, to me personally known, who, being by me duly sworn, did say that said officer is the Chairperson of the COUNTY OF KAUA'I, BOARD OF WATER SUPPLY; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name: Mary-Jane Akuna
Notary Public, State of Hawaii
My commission expires: 03-30-2018

(Official Stamp or Seal)
Exhibit A

EASEMENT U-1
FOR ACCESS AND UTILITY PURPOSES

Affecting Lot 1 of Kukui'ula Large-Lot Subdivision III, being also a portion of Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Kekuaiwa no M. Kekuanoea.

Situated at Koloa (Makai), Koloa, Kona, Kauai, Hawaii.

Beginning at the Southwest corner of this easement, being also an azimuth and distance of 79° 14' 0.57 feet to a corner on the North side of Lot 15 (Ala Kukui'ula) of Kukui'ula Large-Lot Subdivision III, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIANA" being 8,009.03 feet South and 15,856.81 feet East thence running by azimuths measured clockwise from true South:

1. 169° 14' 65.00 feet along the remainder of Lot 1 of Kukui'ula Large-Lot Subdivision III;
2. 259° 14' 80.00 feet along same;
3. 349° 14' 65.00 feet along same;
4. 79° 14' 80.00 feet along Lot 15 (Ala Kukui'ula) of Kukui'ula Large-Lot Subdivision III, to the point of beginning and containing an area of 5,200 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
January 29, 2015

TMK: (4) 2-6-015: 001 (Portion)

ERIK S. KANESHIRO

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS
601 KUAI STREET, SUITE 201
HONOLULU, HI 96813-3031

1879 WAIKIKI BEACH DRIVE, SUITE A
WAIKIKI, HI 96815

133 PAGUA STREET, SUITE 213
HONOLULU, HI 96813

ImageryDB: 29400424
Return by Mail ( ) Pickup (X) To:
Department of Water
P.O. BOX 1706
Lihue, Hawai‘i 96766

This document contains ______ pages.

Tax Map Key No.: (4) 2-6-015: 015 (por.) & 016 (por.)

GRANT OF EASEMENT
for
TMK: (4) 2-6-015: 015 (por.) & 016 (por.)

THIS INDEBTURE is made on this 19th day of February, 2015, by and between
KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company,
whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I, whose mailing address is Post Office Box 1706, Lihue, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESS:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-015: 015 (por.) &
016 (por.); District: Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Ala Kukui‘ula Phase 2A (S-2004-
RESERVING, HOWEVER, UNTO GRANTOR and the Kukui‘ula Community Association, a non-profit Hawaii corporation (the “Association”), and their tenants and licensees, the rights set forth herein, including but not limited to the right to use the easement area for any purpose in common with GRANTEE and others to whom GRANTOR or the Association grants any rights in the easement area, and to allow others to use the easement area, and the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR or the Association deem necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement. Whenever this Grant of Easement refers to “materially interfere with the exercise of GRANTEE’s rights under this easement,” any use of the easement area as of the date of this Grant of Easement and any utility lines installed as of the date of this Grant of Easement do not “materially interfere with the exercise of the GRANTEE’s rights under this easement.”

This easement is granted for the reading of water meters and for the construction, installation, re-installation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to any governmental authority. In any such an event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part.

SUBJECT, HOWEVER, to that certain Amended and Restated Community Charter for Kukui‘ula, dated September 4, 2012, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-46320954, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR and the Association under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

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

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

ImunageDB:2940120.5
3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

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

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

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

This Paragraph No. 5 though, shall not prevent the GRANTOR, the Association or any others to whom the GRANTOR or the Association grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

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

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR or the Association may, without the consent or joiner of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR or the Association will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR,” “GRANTEE,” and “Association” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms
shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

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

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

{signatures on following page}
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

Manager & Chief Engineer
Department of Water, County of Kaua‘i

OWNER:

KUKUI‘ULA DEVELOPMENT COMPANY
(HAWAII), LLC, a Hawaii limited liability company

Name: Richard L. Alcocer
Its: President

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAUAI

By: Sherman Shiraishi
Its: Chairperson
STATE OF HAWAII  )
) SS:
COUNTY OF KAUA'I  )

On this 2nd day of FEBRUARY, 2015, before me personally appeared
RICHARD L. ALBRECHT, to me personally known, who, being by me duly sworn, did say that
he is the PRESIDENT of KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC,
a Hawaii Limited Liability Company, and he executed this 7-page GRANT OF EASEMENT,
undated at the time of notarization, in the 5th Circuit of the State of Hawaii; and that the
foregoing instrument was signed on behalf of said LIMITED LIABILITY COMPANY and
RICHARD L. ALBRECHT acknowledged said instrument to be the free act and deed of said
LIMITED LIABILITY COMPANY, which has no seal.

[Signature]

Shelly Gerardo

NOTARY PUBLIC, State of Hawaii
My Commission expires: December 25, 2015
STATE OF HAWAII
COUNTY OF KAUAI

) ss.

On this day of 19th, 2015, before me appeared Sherman Shiraishi, to me personally known, who, being by me duly sworn, did say 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 Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name: Mary-Jane Akuna
Notary Public, State of Hawaii
My commission expires: 03-30-2018

(Official Stamp or Seal)

Doc Date: February 19, 2015 # Pages: 18
Notary Name: Mary-Jane Akuna  Ffifth Circuit

Grant of Easement of Water Facilities for Kukuiula
Development Company, LLC for Mapani Stand
TMK (4)2-6-015:15 & 016
02/19/2015

Mary-Jane Akuna  Date
Exhibit A

KUKUI'ULA LARGE LOT SUBDIVISION, III

EASEMENT 28
FOR ACCESS AND UTILITY PURPOSES

Being all of Lot 15 of Kukui'ula Large Lot Subdivision, III, being also a portion of Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Kekua'wi No M. Kekuanaca.

Situate at Koloa Makai and Lawai, Koloa, Kona, Kauai, Hawaii

Beginning at the Northeast corner of this easement, being also the Northwest corner of Lot 16 of Kukui'ula Large Lot Subdivision, III the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIWA" being 6,050.38 feet South and 16,435.08 feet East, and running by azimuths measured clockwise from true South:

1. 24° 07' 30" 60.00 feet along Lot 16 of Kukui'ula Large Lot Subdivision, III;

2. 114° 07' 30" 132.61 feet along Lot 13 of Kukui'ula Large Lot Subdivision, III;

   Thence along Lot 13 of Kukui'ula Large Lot Subdivision, III, on a curve to the left with a radius of 395.00 feet the chord azimuth and distance being:

3. 96° 40' 45" 236.84 feet;

4. 79° 14' 00" 191.02 feet along Lot 13 of Kukui'ula Large Lot Subdivision, III;

   Thence along Lot 13 of Kukui'ula Large Lot Subdivision, III, on a curve to the right with a radius of 455.00 feet the chord azimuth and distance being:

5. 104° 26' 15" 387.52 feet;

6. 129° 30' 30" 136.92 feet along Lot 13 of Kukui'ula Large Lot Subdivision, III;

-1-

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
CIVIL ENGINEERS • SURVEYORS
601 BURKHART STREET, SUITE 601
HONOLULU, HI 96817-5031
1871 WAI'ALI ROAD, SUITE A
WAIKAU, MAUI, LOWHARDS1
120 PANAMA STREET, SUITE 219
Hilo, Hilo, Hilo, HI 96720

ImageDB:2540120.5
Thence along Lot 13 of Kukui'ula Large Lot Subdivision, III, on a curve to the left 395.00 feet the chord azimuth and distance being:

7. 120° 05' 00" 131.18 feet;

8. 110° 31' 30" 172.53 feet along Lot 13 of Kukui'ula Large Lot Subdivision, III;

Thence along Lot 13 of Kukui'ula Large Lot Subdivision, III, on a curve to the right with a radius of 755.00 feet the chord azimuth and distance being:

9. 123° 26' 15" 337.43 feet;

10. 136° 21' 00" 294.11 feet along Lot 13 of Kukui'ula Large Lot Subdivision, III;

Thence along Lots 13 and 14 of Kukui'ula Large Lot Subdivision, III, on a curve to the left with a radius of 270.00 feet the chord azimuth and distance being:

11. 92° 38' 30" 373.13 feet;

12. 48° 56' 00" 294.73 feet Lot 14 of Kukui'ula Large Lot Subdivision, III;

Thence along Lot 14 of Kukui'ula Large Lot Subdivision, III, on a curve to the right with a radius of 430.00 feet the chord azimuth and distance being:

13. 64° 56' 20" 237.13 feet;

14. 170° 56' 40" 60.00 feet along Lot 14 of Kukui'ula Large Lot Subdivision, III;
Thence along Lot 1 of Kukui'ula Large Lot Subdivision, III, on a curve to the left with a radius of 370.00 feet the chord azimuth and distance being:

15.  244° 56' 20"  204.04 feet;
16.  228° 56' 00"  294.73 feet along Lot 1 of Kukui'ula Large Lot Subdivision, III;

Thence along Lot 1 of Kukui'ula Large Lot Subdivision, III, on a curve to the right with a radius of 330.00 feet the chord azimuth and distance being:

17.  272° 38' 30"  456.05 feet;
18.  316° 21' 00"  294.11 feet along Lot 1 of Kukui'ula Large Lot Subdivision, III;

Thence along Lot 1 of Kukui'ula Large Lot Subdivision, III, on a curve to the left with a radius of 695.00 feet the chord azimuth and distance being:

19.  303° 26' 15"  310.51 feet;
20.  290° 31' 30"  172.53 feet along Lot 1 of Kukui'ula Large Lot Subdivision, III;

Thence along Lot 1 of Kukui'ula Large Lot Subdivision, III, on a curve to the right with a radius of 455.00 feet the chord azimuth and distance being:

21.  300° 05' 00"  151.11 feet;
22.  309° 38' 30"  136.92 feet along Lot 1 of Kukui'ula Large Lot Subdivision, III;
Thence along Lot 1 of Kukui'ula Large Lot Subdivision, III, on a curve to the left with a radius of 395.00 feet the chord azimuth and distance being:

23.  284° 26' 15"  336.42 feet;

24.  259° 14' 00"  191.02 feet along Lot 1 of Kukui'ula Large Lot Subdivision, III;

Thence along Lot 1 of Kukui'ula Large Lot Subdivision, III, on a curve to the right with a radius of 455.00 feet the chord azimuth and distance being:

25.  276° 40' 45"  272.82 feet;

26.  294° 07' 30"  132.61 feet along Lot 1 of Kukui'ula Large Lot Subdivision, III to the point of beginning and containing an area of 4.130 acres.

Description Prepared By:
AUSTIN, TSUTSUMI & ASSOCIATES, INC.

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
January 29, 2015

TMK: (4) 2-6-015: 015

-4-
KUKUI'ULA LARGE LOT SUBDIVISION, PHASE III

BASEMENT 29
FOR ACCESS AND UTILITY PURPOSES

Being all of Lot 16 of Kukui'ula Large Lot Subdivision, III, being also a portion of Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Keku'aiwi No M. Kekuanaca.

Situate at Koloa Makai and Lawai, Koloa, Kona, Kauai, Hawaii

Beginning at the Northwest corner of this easement, being also the Southeast corner of Lot 1 of Kukui'ula Large Lot Subdivision, III the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIWA" being 8,050.38 feet South and 16,435.88 feet East, and running by azimuths measured clockwise from true South:

1. 294° 07' 30" 107.25 feet along Lot 2 of Kukui'ula Large Lot Subdivision, III;

   Thence along Lot 2 of Kukui'ula Large Lot Subdivision, III, on a curve to the left with a radius of 375.00 feet the chord azimuth and distance being:

2. 267° 01' 45" 341.61 feet;

3. 239° 56' 00" 140.02 feet along Lot 2 of Kukui'ula Large Lot Subdivision, III;

   Thence along Lot 2 of Kukui'ula Large Lot Subdivision, III, on a curve to the right with a radius of 680.00 feet the chord azimuth and distance being:

4. 250° 59' 30" 260.86 feet;

5. 262° 03' 00" 252.86 feet along Lot 2 of Kukui'ula Large Lot Subdivision, III;

-1-

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS + SURVEYORS

A

HONOLULU, HAWAII 96817-5001

MCCULLOUGH STREET, SUITE E

YUREKUAI, HAWAII 96793

MEO, HAWAII 96790

ImageryDB:2940120.5
Thence along Lot 2 of Kukui‘ula Large Lot Subdivision, III, on a curve to the left with a radius of 395.00 feet the chord azimuth and distance being:

6. 250° 33’ 00” 157.50 feet;
7. 239° 03’ 00” 164.22 feet along Lot 2 of Kukui‘ula Large Lot Subdivision, III;

Thence along Lot 2 of Kukui‘ula Large Lot Subdivision, III, on a curve to the right with a radius of 530.00 feet the chord azimuth and distance being:

8. 251° 28’ 00” 227.92 feet;
9. 263° 53’ 00” 233.56 feet along Lot 2 of Kukui‘ula Large Lot Subdivision, III;

Thence along Lot 2 of Kukui‘ula Large Lot Subdivision, III, on a curve to the left with a radius of 270.00 feet the chord azimuth and distance being:

10. 250° 28’ 00” 125.30 feet;
11. 237° 03’ 00” 342.67 feet along Lots 2 and 3 of Kukui‘ula Large Lot Subdivision, III;

Thence along Lot 3 of Kukui‘ula Large Lot Subdivision, III, on a curve to the right with a radius of 1030.00 feet the chord azimuth and distance being:

12. 259° 43’ 30” 794.14 feet;
13. 202° 24’ 00” 155.78 feet along Lot 3 of Kukui‘ula Large Lot Subdivision, III;
14. 270° 34’ 22” 149.82 feet along Lot 3 of Kukui‘ula Large Lot Subdivision, III;
15. 282° 24’ 00” 170.60 feet along Lot 3 of Kukui‘ula Large Lot Subdivision, III;

-2-
Thence along Lot 3 of Kukui’ula Large Lot Subdivision, III, on a curve to the left with a radius of 40.00 feet the chord azimuth and distance being:

16. 237° 24' 00" 56.57 feet;

17. 12° 24' 00" 160.00 feet along Lot 19 of Kukui’ula Large Lot Subdivision, III;

Thence along Lot 11 of Kukui’ula Large Lot Subdivision, III, on a curve to the left with a radius of 40.00 feet the chord azimuth and distance being:

18. 147° 24' 00" 56.57 feet;

19. 102° 24' 00" 226.12 feet along Lot 11 of Kukui’ula Large Lot Subdivision, III;

20. 109° 31' 30" 80.62 feet along Lot 11 of Kukui’ula Large Lot Subdivision, III;

21. 102° 24' 00" 169.74 feet along Lot 11 of Kukui’ula Large Lot Subdivision, III;

Thence along Lots 11, 17 and 13 of Kukui’ula Large Lot Subdivision, III, on a curve to the left with a radius of 97.00 feet the chord azimuth and distance being:

22. 79° 43' 30" 747.88 feet;

23. 57° 03' 00" 342.67 feet along Lot 13 of Kukui’ula Large Lot Subdivision, III;
Thence along Lot 13 of Kukui'ula Large Lot Subdivision, III, on a curve to the right with a radius of 330.00 feet the chord azimuth and distance being:

24. 70° 28' 00" 153.14 feet;

25. 83° 53' 00" 233.56 feet along Lot 13 of Kukui'ula Large Lot Subdivision, III;

Thence along Lot 13 of Kukui'ula Large Lot Subdivision, III, on a curve to the left with a radius of 470.00 feet the chord azimuth and distance being:

26. 71° 28' 00" 202.12 feet;

27. 59° 03' 00" 164.22 feet along Lot 13 of Kukui'ula Large Lot Subdivision, III;

Thence along Lot 13 of Kukui'ula Large Lot Subdivision, III, on a curve to the right with a radius of 455.00 feet the chord azimuth and distance being:

28. 70° 33' 00" 181.42 feet;

29. 82° 03' 00" 252.86 feet along Lot 13 of Kukui'ula Large Lot Subdivision, III;

Thence along Lot 13 of Kukui'ula Large Lot Subdivision, III, on a curve to the left with a radius of 620.00 feet the chord azimuth and distance being:

30. 70° 59' 30" 237.04 feet;

31. 59° 56' 00" 140.02 feet along Lot 13 of Kukui'ula Large Lot Subdivision, III;

-4-

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
CIVIL ENGINEERS • SURVEYORS

ImageDB:2940120.5
Thence along 13 of Kukui'ula large Lot Subdivision, III, on a curve to the right with a radius of 435.00 feet the chord azimuth and distance being:

32. 87° 01' 45" 396.27 feet;
33. 114° 07' 30" 107.25 feet along Lot 13 of Kukui'ula Large Lot Subdivision, III;
34. 204° 07' 30" 60.00 feet along Lot 15 of Kukui'ula Large Lot Subdivision, III to the point of beginning and containing an area of 5.262 acres.

Description Prepared By:

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
January 29, 2015

TMK: (4) 2-6-015: 016

-5-
MANAGER’S REPORT No. 15-26

February 19, 2015

Re: Discussion and Possible Action on the Grant of Easement for Large Lot 32 – Phase 1 (S-2013-07), Po‘ipū, Kaua‘i, Affecting the Following Landowners:

a. Kukui‘ula Development Company (Hawaii) LLC affecting TMK(s): (4) 2-6-19:48 (por.) and (4) 2-6-19:49 (por.)

b. ABP-EWP Development LLC affecting TMK: (4) 2-6-19:47 (por.)

RECOMMENDATION:
It is recommended that the Board approve the Grant of Easement document; whereby, the above landowners, grant to the Board of Water Supply, County of Kaua‘i, easements “U-1” and “U-2”, and “AU-1” on, over and under that certain parcel of land located TMK: 2-6-19:48 (por.) , 2-6-19:49 (por.) and 2-6-19:47 (por.) as specified above in Po‘ipū, Kaua‘i, Hawai‘i, for the following work:

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

Further, the GRANTEE (DOW) shall indemnify and save the GRANTOR (Kukui‘ula Development Company (Hawaii) LLC & ABP-EWP Development LLC) harmless from and against all damage to the GRANTOR’s property and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

OPTIONS: Not approving easement.

FUNDING: Not applicable.

BACKGROUND:
Owners installed new facilities which included 6” and 8” waterlines with fire hydrants, blow off assemblies, cleanouts, water laterals and appurtenances. The facilities are on private property (non conveyed County roads) which requires an easement in favor of DOW.

Respectfully submitted,

Dustin Moises, P.E.
Construction Project Management Officer
CONCURRED:

Kirk Saiki, P.E.
Manager and Chief Engineer

Attachments: Grant of Easement for Large Lot 32 – Phase 1 (S-2013-07), Po'ipū, Kaua'i, Affecting the Following Landowners
a. Kukui'ula Development Company (Hawaii) LLC affecting TMK(s): 2-6-19:48 (por.) and 2-6-19:49 (por.)
b. ABP-EWP Development LLC affecting TMK: 2-6-19:47 (por.)

Mgrp/February 2015/15-26 Grant of Easement for Large Lot 32 – Phase 1 (S-2013-07), Po'ipū, Kaua'i, Affecting the Following Landowners: a Kukui'ula Development Company (Hawaii) LLC affecting TMK(s): 2-6-19:48 (por.) and 2-6-19:49 (por.) and b. ABP-EWP Development LLC affecting TMK: 2-6-19:47 (por.)
Return by Mail ( ) Pickup ( X ) To:
Department of Water
P.O. BOX 1706
Lihue, Hawai‘i 96766

This document contains _____ pages.

Tax Map Key No.: (4) 2-6-019-048 (por.)

---

**GRANT OF EASEMENT**

For

TMK: (4) 2-6-019-048 (por.)

THIS INDENTURE is made on this 19th day of February, 2015, by and between
KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company,
whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I, whose mailing address is Post Office Box 1706, Lihue, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-019-048 (por.);
District: Koloa, Kaua‘i, Hawaii; PROJECT NAME: Large Lot 32 – Phase 1 (S-2013-07);
SUBDIVISION NO.: S-2013-07, and more particularly described in Exhibit A and Exhibit B which is
RESERVING, HOWEVER, UNTO GRANTOR, and their tenants and licensees, the right to use the easement area for any purpose in common with the GRANTEE and others to whom GRANTOR grants any rights in the easement area, and to allow others to use the easement area, and the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under, across, along, upon, in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement. Whenever this Grant of Easement refers to “materially interfere with the exercise of GRANTEE’s rights under this easement,” any use of the easement area as of the date of this Grant of Easement and any utility lines installed as of the date of this Grant of Easement do not “materially interfere with the exercise of the GRANTEE’s rights under this easement.”

This easement is granted for the reading of water meters and for the construction, installation, re-installation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to any governmental authority. In any such event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part.

SUBJECT, HOWEVER, to that certain Amended and Restated Community Charter for Kukui‘ula, dated September 4, 2012, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-46320954, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

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

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

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;
4. That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

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

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

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

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

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR or the Association will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

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

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

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

[Signature]
Manager & Chief Engineer
Department of Water, County of Kaua‘i

OWNER:

[Signature]
KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

Name: Richard L. Albrecht
Its: President

ACCEPTED:

[Signature]
BOARD OF WATER SUPPLY, COUNTY OF KAUAAI

By: Sherman Shiraishi
Its: Chairperson
STATE OF HAWAII

COUNTY OF KAUA’I

On this 2nd day of FEBRUARY, 2015, before me personally appeared
RICHARD L. ALBRECHT, to me personally known, who, being by me duly sworn, did say that
he is the PRESIDENT of KUKUI’ULA DEVELOPMENT COMPANY (HAWAII), LLC,
a Hawaii Limited Liability Company, and he executed this 7-page GRANT OF EASEMENT,
undated at the time of notarization, in the 5th Circuit of the State of Hawaii; and that the
foregoing instrument was signed on behalf of said LIMITED LIABILITY COMPANY and
RICHARD L. ALBRECHT acknowledged said instrument to be the free act and deed of said
LIMITED LIABILITY COMPANY, which has no seal.

Shelly Gerardo
NOTARY PUBLIC, State of Hawaii
My Commission expires: December 25, 2015
STATE OF HAWAII
COUNTY OF KAUA‘I

On this day of February 19, 2015, before me appeared Sherman Shiraishi, to me personally known, who, being by me duly sworn, did say that said officer is the Chairperson of the COUNTY OF KAUA‘I, BOARD OF WATER SUPPLY; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name: Mary-jane Akuna
Notary Public, State of Hawaii
My commission expires: 03-30-2018

(Official Stamp or Seal)
KUKUI'ULA PARCEL CC WEST SUBDIVISION

EASEMENT U-1
FOR ACCESS AND UTILITY PURPOSES

Affecting Lot 15 of Kukui'ula Parcel CC West Subdivision, being also a portion of Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Kekuaia no M. Kekuaanaa.

Situate at Koloa, Kona, Kauai, Hawaii.

Beginning at the South corner of this easement, being also an azimuth and distance of 222° 19' 58" 88.75 feet from a corner on the Northwest side of Lot 14 (Ike Kai Street) of Kukui'ula Parcel CC West Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIWA" being 7,975.25 feet South and 15,235.11 feet East thence running by azimuths measured clockwise from true South:

1. 128° 27' 20.00 feet along the remainder of Lot 15 of Kukui'ula Parcel CC West Subdivision;
2. 218° 27' 44.00 feet along same;
3. 308° 27' 20.00 feet along same;

Thence along Lot 14 (Ike Kai Street) of Kukui'ula Parcel CC West Subdivision, on a curve to the left with a radius of 978.00 feet, the chord azimuth and distance being:
4. 38° 26' 36" 44.00 feet to the point of beginning and containing an area of 887 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Koloa, Kona, Kauai, Hawaii
January 29, 2015

TMK: (4) 2-6-019: 032 (Portion)
GRANT OF EASEMENT
for
TMK: (4) 2-6-019:049 (por.)

THIS INDENTURE is made on this 19th day of February, 2015, by and between KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company, whose mailing address is

2700 Ke Alaaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, whose mailing address is Post Office Box 1706, Lihue, Hawaii 96766 (hereafter “GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of land located generally at Koloa District, Kaua'i, Hawaii, Tax Map Key No. (4) 2-6-019:049 (por.); District: Koloa, Kaua'i, Hawaii; PROJECT NAME: Large Lot 32 — Phase 1 (S-2013-07); SUBDIVISION NO.: S-2013-07, and more particularly described in Exhibit A and Exhibit B which is attached and incorporated by reference into this grant of easement (hereafter “easement area”).
RESERVING, HOWEVER, UNTO GRANTOR, and their tenants and licensees, the right to
use the easement area for any purpose in common with the GRANTEE and others to whom GRANTOR
grants any rights in the easement area, and to allow others to use the easement area, and the right to grant
to governmental entities, any public or private utility and/or any other person or entity, additional
easement rights over, under, across, along, upon, in and through the easement area as GRANTOR deems
necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the
exercise of the GRANTEE's rights under this easement. Whenever this Grant of Easement refers to
"materially interfere with the exercise of GRANTEE's rights under this easement," any use of the
easement area as of the date of this Grant of Easement and any utility lines installed as of the date of this
Grant of Easement do not "materially interfere with the exercise of the GRANTEE's rights under this
 easement."

This easement is granted for the reading of water meters and for the construction, installation, re-
installation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and
other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed
the right of ingress and egress at any time to, from, and through the easement areas, with or without
vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

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

SUBJECT, HOWEVER, to that certain Amended and Restated Community Charter for
Kukui'ula, dated September 4, 2012, recorded in the Bureau of Conveyances of the State of Hawaii as
Document No. A-46320954, as amended, restated, and supplemented, and as may be hereafter amended,
restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits
accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree,
and promise as follows:

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

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

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

ImanageDB:2940114.4
4. That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

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

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

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

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

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR or the Association will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

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

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

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

[Signature]
Manager & Chief Engineer
Department of Water, County of Kaua'i

OWNER:

KUKUPULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

[Signature]
Name: Richard Albrecht
Its: President

APPROVAL AS TO FORM AND LEGALITY

[Signature]
Deputy County Attorney

ACCEPTED:

BOARD OF WATER SUPPLY, COUNTY OF KAUA'I

[Signature]
By: Sherman Shiraishi
Its: Chairperson
STATE OF HAWAII)
COUNTY OF KAUAI)

On this __2nd__ day of __FEBRUARY__, 2015, before me personally appeared

RICHARD L. ALBRECHT__, to me personally known, who, being by me duly sworn, did say that he is the __PRESIDENT__ of __KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC__, a Hawaii Limited Liability Company, and he executed this __7__-page __GRANT OF EASEMENT__, undated at the time of notarization, in the __5th__ Circuit of the State of Hawaii; and that the foregoing instrument was signed on behalf of said __LIMITED LIABILITY COMPANY__ and RICHARD L. ALBRECHT acknowledged said instrument to be the free act and deed of said __LIMITED LIABILITY COMPANY__, which has no seal.

\[Signature\]
Shelly Gerardo

NOTARY PUBLIC, State of Hawaii
My Commission expires: December 25, 2015
On this day of February 19, 2015, before me appeared Sherman Shiraishi, to me personally known, who, being by me duly sworn, did say that said officer is the Chairperson of the COUNTY OF KAUA'I, BOARD OF WATER SUPPLY; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name: Mary-Jane Akuna
Notary Public, State of Hawaii
My commission expires: 03-30-2018

(Official Stamp or Seal)
Exhibit A

KUKUI'ULA PARCEL CC WEST SUBDIVISION
BASEMENT U-2
FOR ACCESS AND UTILITY PURPOSES

Affecting Lot 16 of Kukui'ula Parcel CC West Subdivision, being also a portion of Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Kekuaia no H. Kekuanoa.

Situate at Koloa, Kona, Kauai, Hawaii.

Beginning at the West corner of this easement, being also an azimuth and distance of 222° 18' 18" 93.73 feet from a corner of the Northwest side of Lot 16 of Parcel CC West Subdivision, also along the Southeasterly side of Lot 14 (Ike Kai Street) of Kukui'ula Parcel CC West Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "MAHIWA" being 8,002.62 feet South and 15,269.58 feet East thence running by azimuths measured clockwise from true South:

Along Lot 14 (Ike Kai Street) of Kukui'ula Parcel CC West Subdivision, on a curve to the left with a radius of 1,022.00 feet, the chord azimuth and distance being:

1. 218° 26' 36" 44.00 feet;
2. 308° 27' 20.00 feet along the remainder of Lot 16 of Kukui'ula Parcel CC West Subdivision;
3. 38° 27' 44.00 feet along same;
4. 128° 27' 20.00 feet along same to the point of beginning and containing an area of 873 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

Koloa, Kona, Kauai, Hawaii
January 29, 2015

TMK: (4) 2-6-015: 032 (Portion)
MAP SHOWING EASEMENTS U-1 AND U-2
AFFECTING LOTS 15 AND 16
OF KUKULA PARCEL CC WEST SUBDIVISION
BEING A PORTION OF R.P. 9714,
L.C. AW. 7714-B, AP. 2
TO M. KEKUANAOA
SITUATED AT KOLOA (MAKAI), KOLOA, KONA, KAUAI, HAWAII

NOTES:
1. COORDINATES AND ALTIMETRY SHOWN ON THIS MAP ARE REFERENCED TO
   GENTENIMENT SURVEY TRANSMISSION STATIONS "WAIKIKI L2.
2. EASEMENT U-1 FOR UTILITY PURPOSES AFFECTING LOT 15 IN FAVOR OF
   KOLOA HCL BLDG. & HCL AES, AND APPOINTMENT OF WATER
   SUPPLY = 666 SQ. FT.
3. EASEMENT U-2 FOR UTILITY PURPOSES AFFECTING LOT 16 IN FAVOR
   OF KOLOA HCL BLDG. & HCL AES, AND APPOINTMENT OF WATER
   SUPPLY = 666 SQ. FT.

DRAWN: 10-2-01
REV: 10-4-01
REV: 02-08-22
DRAFTED: 02-08-22

I.A. AUSTIN, TOUSSAIS & ASSOCIATES, INC.
ENGINEERS, SURVEYORS & PLANNERS
HAWAII

1/17' = 1'-0"
1/32" = 1'-0"

Page 133
Return by Mail ( ) Pickup ( X ) To: 
Department of Water 
P.O. BOX 1706 
Lihu'e, Hawai'i 96766

This document contains ____ pages.

Tax Map Key No.: (4) 2-6-019-047 (portion of former Large Lot 32, identified as (4) 2-6-019-032)

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GRANT OF EASEMENT
for
TMK: (4) 2-6-019:047

THIS INDENTURE is made on this 19th day of February, 2015, by and between ABP-EWP DEVELOPMENT LLC, a Hawaii limited liability company, whose mailing address is

126 Riverfront Lane, Drawer 2770
Avon, Colorado 91620

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I, whose mailing address is Post Office Box 1706, Lihue, Hawaii 96766 (hereafter “GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-019:047 (portion of former Large Lot 32, identified as (4) 2-6-019-032); District: Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Large Lot 32 – Phase 1 (S-2013-07); SUBDIVISION NO.: S-2013-07, and more particularly described in Exhibit A and Exhibit B which is attached and incorporated by reference into this grant of
easement (hereafter "easement area").

RESERVING, HOWEVER, UNTO GRANTOR and the Kukui'ula Community Association, a non-profit Hawaii corporation (the "Association"), and their tenants and licensees, the rights set forth herein, including but not limited to the right to use the easement area for any purpose in common with GRANTEE and others to whom GRANTOR or the Association grants any rights in the easement area, and to allow others to use the easement area, and the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR or the Association deem necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE's rights under this easement. Whenever this Grant of Easement refers to "materially interfere with the exercise of GRANTEE's rights under this easement," any use of the easement area as of the date of this Grant of Easement and any utility lines installed as of the date of this Grant of Easement do not "materially interfere with the exercise of the GRANTEE's rights under this easement."

This easement is granted for the reading of water meters and for the construction, installation, re-installation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

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

SUBJECT, HOWEVER, to that certain Amended and Restated Community Charter for Kukui'ula, dated September 4, 2012, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-46320954, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR and the Association under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

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

2. That the GRANTEE shall indemnify and save the GRANTOR and the Association, and their respective successors and assigns, harmless from and against all damage to the GRANTOR's property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;
3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

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

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

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

This Paragraph No. 5 though, shall not prevent the GRANTOR, the Association or any others to whom the GRANTOR or the Association grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

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

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR or the Association may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR or the Association will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR,” “GRANTEE,” and “Association” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms
shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

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

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

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

Manager & Chief Engineer
Department of Water, County of Kaua'i

OWNER:

ABP-EWP DEVELOPMENT LLC,
a Hawaii limited liability company
By: East West Kauai Development I, LLC, a
Hawaii limited liability company, its Manager
By: HF Management, LLC, a Colorado limited liability company, its Member
By: Andrew Sutton
Its: Vice President

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAUAI

By: Sherman Shiraishi
Its: Chairperson
STATE OF HAWAII

) SS:
CITY & COUNTY OF HONOLULU

) 

On this 14th day of January, 2015, before me personally appeared ___ANDREW SUTTON___,
to me personally known, who, being by me duly sworn, did say that he is the ___VICE PRESIDENT_
of ___HF Management, LLC, a Colorado limited liability company, Member of East West Kauai_Development I, LLC, a Hawaii limited liability company, Manager of ABP-EWP_DEVELOPMENT LLC, a Hawaii limited liability company___, and he executed this ___13___-page
GRANT OF EASEMENT___, undated at the time of notarization, in the ___1st___ Circuit of the State of
Hawaii; and that the foregoing instrument was signed on behalf of ___ABP-EWP DEVELOPMENT LLC___ and ___ANDREW SUTTON___ acknowledged said instrument to be the free act and deed of
said ___ABP-EWP DEVELOPMENT LLC___, which has no seal.

Pamela Simon
NOTARY PUBLIC, State of Hawaii
STATE OF HAWAII
COUNTY OF KAUA'I

On this day of February 19 2015, before me appeared Sherman Shiratsuchi, to me personally known, who, being by me duly sworn, did say that said officer is the Chairperson of the COUNTY OF KAUA'I, BOARD OF WATER SUPPLY; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name: Mary-Jane  Akuna
Notary Public, State of Hawaii
My commission expires: 03-30-2018

(Official Stamp or Seal)
Exhibit A

KUKUI'ULA PARCEL CC WEST SUBDIVISION
BASEMENT AU-1
FOR ACCESS AND UTILITY PURPOSES

Affecting all of Lot 14 (Ike Kai Street and Malino Nei Place) of Kukui'ula Parcel CC West Subdivision, being also a portion of Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Kekuanaoa.

Situate at Kōloa, Kona, Kauai, Hawaii.

Beginning at the Northeast corner of this parcel of land, being also the Northwest corner of Lot 16 of Kukui'ula Parcel CC West Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WANIANA" being 7,675.51 feet South and 15,397.81 feet East thence running by azimuths measured clockwise from true South:

Along Lot 16 of Kukui'ula Parcel CC West Subdivision, on a curve to the left with a radius of 26.00 feet, the chord azimuth and distance being:

1. 01° 20' 15" 29.01 feet;

2. 31° 18' 37.43 feet along same;

Thence along same, on a curve to the right with a radius of 1,022.00 feet, the chord azimuth and distance being:

3. 39° 07' 207.15 feet;

4. 44° 56' 67.72 feet along same;

Thence along same, on a curve to the left with a radius of 50.00 feet, the chord azimuth and distance being:

5. 35° 11' 16.93 feet;

6. 25° 26' 35.36 feet along same;
Thence along same, on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being:

7. 351° 34' 23" 22.29 feet;

Thence along same, on a curve to the right with a radius of 1,122.00 feet, the chord azimuth and distance being:

8. 333° 13' 05" 599.88 feet;

Thence along same, on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being:

9. 315° 06' 12" 22.15 feet;

Thence along same, on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:

10. 6° 23' 30" 79.68 feet;

Thence along Lot 1 of Kukui‘ula Parcel CC West Subdivision, on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:

11. 129° 13' 30" 49.17 feet;
Thence along Lot 2 of Kukui'ula Parcel CC West Subdivision, on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:

12. 167° 34' 30"
    0.59 feet;

13. 168° 00'
    69.45 feet along same;

Thence along Lots 2 to 10, inclusive, of Kukui'ula Parcel CC West Subdivision, on a curve to the left with a radius of 1,078.00 feet, the chord azimuth and distance being:

14. 150° 07' 30"
    661.77 feet;

15. 132° 15'
    116.07 feet along Lots 10 to 12, inclusive, of Kukui'ula Parcel CC West Subdivision;

Thence along Lot 12 of Kukui'ula Parcel CC West Subdivision, on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:

16. 155° 44' 30"
    31.89 feet;
Thence along Lot 13 of Kukui‘ula Parcel CC West Subdivision, on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:

17. 212° 58’ 44.43 feet;

Thence along Lot 15 of Kukui‘ulaParcel CC West Subdivision, on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:

18. 312° 41’ 10” 73.06 feet;

Thence along same, on a curve to the left with a radius of 20.00 feet, the chord and azimuth distance being:

19. 345° 27’ 40” 21.91 feet;

20. 312° 15’ 58.92 feet along same;

Thence along same, on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being:

21. 278° 19’ 30” 22.32 feet;

22. 244° 24’ 35.30 feet along same;

Thence along same, on a curve to the left with a radius of 50.00 feet, the chord azimuth and distance being:

23. 234° 40’ 16.91 feet;

24. 224° 56’ 67.79 feet along same;

Thence along same, on a curve to the left with a radius of 978.00 feet, the chord azimuth and distance being:

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25. 219°  07'  198.23 feet;
26. 213°  18'  37.43 feet along same;

Thence along same, on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being:

27. 165°  05'  12''  29.83 feet;

Thence along Lot 15 (Ala Kukui'ula) of Kukui'ula Large-Lot Subdivision III, on a curve to the right with a radius of 395.00 feet, the chord azimuth and distance being:

28. 303°  15'  27''  87.84 feet;
29. 309°  38'  30''  0.61 feet along same, to the point of beginning and containing an area of 64,234 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
Description Prepared By:

ERIK S. KINASESHI
Licensed Professional Land Surveyor
Certificate No. 5826

Honolulu, Hawaii
April 21, 2014

TMK: (4) 2-6-019: 032 (Portion)

-5-
MANAGER’S REPORT No. No. 15-27

February 19, 2015

Re: Discussion and Approval of Safe Drinking Water State Revolving Fund (DWTLRF) for DW400-0011, Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase I), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i

RECOMMENDATION:
It is recommended that the Board approve and execute the final agreement between the Board of Water Supply, County of Kaua'i for State Revolving Fund Loan for the Construction of Drinking Water Project Loan from Drinking Water Treatment Revolving loan fund Project No. DW400-0011.

Further, the BOARD shall be aware of item 22. within the agreement related to defense and indemnification;

22. DEFENSE AND INDEMNIFICATION - The BOARD shall defend, indemnify, and save harmless the State of Hawaii, the DIRECTOR, and their officers, employees, and agents from and against any and all actions, claims, suits, damages, and costs arising out of or resulting from the acts or omissions of the BOARD or the BOARD's officers, employees, agents, contractors, subcontractors occurring during or in connection with the performance of the BOARD's services under this Agreement, unless the action or claim involves an act or omission solely of the State or the DIRECTOR, their officers, employees, or agents.

STATUS OF PROJECT:
We are currently in the construction phase of the project. The DWTLRF application written approval by the Board of Water which authorized the Loan Application and identified the dedicated source(s) of revenue which will fund the project and repayment of the loan with interest was done at the November 2013 board meeting. The DOW has now completed all remaining requirements for the Final loan agreement to be executed at this time.

FUNDING: No additional funding required at this time.
Total funding approved is $11M. The breakdown of approved funding is $4M from DWSRF with $2,005,798 being principal forgiveness. The remaining balance is $7M from BAB fund.

Once the final loan agreement is executed, the DOW can request and receive reimbursements related to the loan.

BACKGROUND:
Although the Board previously approved the use of DWSRF funds for the project, this manager’s report is required due to the defend and indemnification clause.
Respectfully submitted,

Dustin Moises, P.E.
Construction Project Management Officer

CONCURRED:

Kirk Saiki, P.E.
Manager and Chief Engineer

Attachment: Agreement with the Board of Water Supply, County of Kaua'i for State Revolving Fund Loan for the Construction of Drinking Water Project Loan from Drinking Water Treatment Revolving Loan Fund, Project No. DW400-0011, Project Title: PLH-39, Lihu'e Baseyard Improvements for the Department of Water
AGREEMENT WITH THE BOARD OF WATER SUPPLY, COUNTY OF KAUAI
FOR STATE REVOLVING FUND LOAN
FOR THE CONSTRUCTION OF DRINKING WATER PROJECT
LOAN FROM DRINKING WATER TREATMENT REVOLVING LOAN FUND
Project No. DW400-0011

Project Title: PLH-39, Lihue Basyard Improvements for the Department of Water

THIS AGREEMENT, made and entered into as of the 15th day of December, 2014, by and between the DIRECTOR OF THE DEPARTMENT OF HEALTH, STATE OF HAWAII (hereinafter the "DIRECTOR"), and the BOARD OF WATER SUPPLY OF THE COUNTY OF KAUAI (hereinafter the "BOARD") (The DIRECTOR and the BOARD are collectively the "parties"). The BOARD has jurisdiction over the Department of Water of the County of Kauai, which is a semi-autonomous agency of the County of Kauai consisting of the BOARD, a manager and chief engineer, and the necessary staff. The BOARD has the power to contract, borrow, and to sue and be sued in its own name, and has its principal office at 4398 Pua Loke Street, Lihue, Hawaii 96766. The undersigned parties WITNESS THAT:

WHEREAS, under sections 340E-31 through 340E-41, Part III of Chapter 340E, Hawaii Revised Statutes (H.R.S.), the
DIRECTOR and his delegates are authorized in part to make loans for facilitating compliance with applicable national primary drinking water regulations and otherwise further the goal of providing safe drinking water to the public;

WHEREAS, under sections 340E-31 through 340E-41, Part III of Chapter 340E, H.R.S., the DIRECTOR and his delegates administer the Drinking Water Treatment Revolving Loan Fund (DWTRLF) (also known as the Drinking Water Fund under Chapter 340E, H.R.S.; and the Drinking Water State Revolving Fund or DWSRF under Chapter 11-65, Hawaii Administrative Rules (HAR));

WHEREAS, the BOARD has made an application for a loan related to the construction of the Project, hereinafter described, and said Project has been determined by the DIRECTOR to be eligible for a loan pursuant to applicable federal and state laws, rules, regulations, guidance, and the Operating Agreement for Activities and Functions in Managing the DWTRLF Program between the State of Hawaii and the United States Environmental Protection Agency, Region IX; and

WHEREAS, the DIRECTOR has authorized the loan funds for the Project;

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. DEFINITIONS Unless the context in this Agreement
indicates another meaning, the following terms shall have the following meaning:


b. "Construction Cut-off Date" means the date the project is capable of initiating operations as determined by the DIRECTOR. The date determined by the DIRECTOR controls in case of conflict.

c. "Debt Service" means the amount of money necessary to pay interest and principal, and loan fees on an outstanding debt in accordance with the required contributions to an amortization schedule loan.

d. "Initiation of Operation" means the date specified by the BOARD on which use of the project begins for the purpose for which it was planned, designed and built.

e. "Payment" means the loan funds paid to the BOARD based on the BOARD's DWTRLF payment request.

f. "Project" means the activities or tasks concerning a safe drinking water facility described in
the application and financed pursuant to this Agreement.

g. "Repayment" means the loan funds paid by the BOARD to the DIRECTOR.

h. "Semiannual" means occurring every six (6) months.

Words defined in this section will, hereinafter, be in bold print.

2. PROJECT DESCRIPTION The Project, PLH-39, Lihue Baseyard Improvements for the Department of Water, DW400-0011, consists of the construction of a 2-story, approximately 15,000 sf administration building, furnishing and equipment, 65 at-grade parking and a loading zone, access roads and walkways, site and landscape improvements, water, sewer and electricity infrastructure and connections, asphalt paving, permeable pavement, photovoltaics, solar hot water, electric vehicle charging stations, rain catchment systems, and appurtenances, as particularly described in the loan application of the BOARD and the plans and specifications approved by the DIRECTOR.

3. ESTIMATED COST OF CONSTRUCTION The estimated cost of the construction is TEN MILLION, SIX HUNDRED SIXTY-ONE THOUSAND, EIGHT HUNDRED NINETEEN AND 14/100 DOLLARS ($10,661,819.14), and the estimated total eligible cost of the ADM. SERV. OFFICE

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construction project is TEN MILLION, SIX HUNDRED SIXTY-ONE THOUSAND, EIGHT HUNDRED NINETEEN AND 14/100 DOLLARS ($10,661,819.14). Pursuant to Section 1452(a)(2) of the Safe Drinking Water Act, 42 U.S.C. § 300j-12(a)(2), the only items eligible for DWTRLF participation will be those items specified as "eligible" in a Plans and Specifications Approval Letter dated March 3, 2014. The Project Budget, which is the breakdown of the total eligible cost, is attached hereto as Exhibit "A" and made a part hereof.

4. LOAN AMOUNT

a. The DIRECTOR shall loan the BOARD a total amount not to exceed FOUR MILLION DOLLARS ($4,000,000) which shall be paid from DWTRLF Appropriation Account S-344-H.

b. The Director has authorized a portion of the total loan amount in Section 4.a to be forgiven. The total principal forgiveness portion of the loan will not exceed TWO MILLION, FIVE THOUSAND, SEVEN HUNDRED NINETY-EIGHT DOLLARS ($2,005,798). The loan interest and loan fee rate shall be zero per cent (0.0%) interest. The principal forgiveness portion of the loan shall be disbursed in its entirety before the interest accruing portion of the loan.
5. **COMPLETION OF THE PROJECT** The BOARD shall proceed with and complete construction of the Project in accordance with Project plans and specifications approved by the DIRECTOR. The BOARD shall maintain progress of the Project as specified on the Project Schedule. The Project Schedule is attached hereto as Exhibit "B" and made a part hereof.

6. **NOTIFICATION** Whenever, under the terms of this Agreement, a notice, a report, payment, repayment, or loan fee is required to be given by one party to another, such notice, report, payment, repayment, or loan fee shall be directed to the Departments specified below, at the addresses given, unless a party gives a notice in writing to the other party that another individual has been designated to receive such communications:

Safe Drinking Water Branch Chief
Hawaii State Department of Health
919 Ala Moana Boulevard #308
Honolulu, Hawaii 96814
Telephone: (808) 586-4258
Telefax: (808) 586-4370

Manager and Chief Engineer
Department of Water
County of Kauai
P.O. Box 1706
Lihue, Hawaii 96766
Telephone: (808) 245-5400
Telefax: (808) 245-8628

7. **LOAN FEE**

a. The BOARD shall pay the DIRECTOR a semiannual
loan fee which shall be computed based on the outstanding principal balance, and be payable on, the same dates that corresponding repayments of the principal and interest on the loan are due. The semiannual loan fee is calculated by taking zero and fifty one-hundredth per cent (0.50%) of the outstanding principal balance at the time the semiannual repayment is due.

b. Each loan fee shall be paid when the semiannual repayment is due, as specified in subsections 11.a and 11.b of this Agreement. A forty-five (45) day grace period shall be allowed.

c. Following the final loan payment, a Loan Repayment Amortization and Fee Schedule shall be mailed to the BOARD to accurately reflect the repayment and loan fee amounts due under this Agreement.

d. The BOARD shall pay the loan fee by check or warrant, made payable to the STATE OF HAWAII, DIRECTOR OF THE DEPARTMENT OF HEALTH, and delivered to the address as specified in section 6.

e. In the event circumstances prevent the BOARD from complying with this section, the DIRECTOR shall be entitled to collect interest from the BOARD on the
amount of the loan fee at the effective rate of TWELVE per cent (12%) simple interest per year commencing on the first day following the repayment due date and ending on the date of the check or warrant issued by the BOARD.

8. **PAYMENTS** The loan amount shall be paid as follows:

a. Funds from the loan amount shall be paid on a monthly basis to the BOARD upon receipt of proper and acceptable payment requests from the BOARD.

b. The BOARD shall not request payment for any Project cost until such cost has been incurred and is due and payable to Project contractors, although it is agreed that actual payment of such cost by the BOARD is not required as a condition for submitting the payment request.

c. The BOARD's payment request shall be submitted to the DIRECTOR on a monthly basis and include the following:

(1) Copies of the invoices or claims, and costs summary sheet with signatures certifying the invoices from the Construction Management firm and the Contractor as submitted to the BOARD for
payment.

(2) The BOARD's estimate of per cent of completion of the Project to justify the progress payment requested.

(3) A spreadsheet summarizing contractor's invoices, consultant's invoices, administration costs, and total eligible and ineligible costs. The spreadsheet is commonly known as the "Combined Voucher Register and Expenditure Distribution Journal."

d. Payment to the BOARD's contractor(s) remains the responsibility of the BOARD.

e. The DIRECTOR's obligation to pay any sum to the BOARD under any provision of this Agreement is contingent upon the availability of sufficient funds to permit the payments provided for herein. In the event that sufficient funds do not become available for reasons beyond the reasonable control of the DIRECTOR, such as failure of the federal or state government to appropriate funds necessary for payments of loan amounts, the DIRECTOR shall not be obligated to make any payments to the BOARD under this Agreement. If any payments which are otherwise due to the BOARD under
this Agreement are deferred because of unavailability of sufficient funds, such payments will promptly be made to the BOARD when sufficient funds do become available.

9. **WITHHOLDING OF LOAN PAYMENTS** The DIRECTOR may withhold all or any portion of the loan amount provided for by this Agreement in the event that:

   a. The BOARD has violated, or threatens to violate, any term, provision, condition, or commitment of this Agreement; or

   b. The BOARD fails to maintain progress toward completion of the **Project** in accordance with the **Project** Schedule; or

   c. Any costs incurred after the **construction cut-off date** shall be ineligible for DWRLEF loan funding.

10. **INTEREST** The loan interest rate is zero and fifty one-hundredth per cent (0.50%) per annum.

   Interest begins to accrue from the date of the State issued warrant or check for each loan amount paid to the BOARD.

11. **REFINANCE OF LOAN** The loan, including interest shall be repaid as follows:

   a. The BOARD shall repay the loan amount,
together with all interest accruing thereon, in thirty-nine (39) semiannual installments, with the first repayment due one year after the date of the Notice to Proceed or the date of this Agreement, whichever is later, for this construction Project. The actual repayments will be based on payments made to the BOARD. The last semiannual installment of principal and interest shall be repaid to the DIRECTOR not later than twenty (20) years after the date of the Notice to Proceed or the date of this Agreement, whichever is later.

b. In the event that the Notice to Proceed is used to determine the first repayment due date for the project and the Notice to Proceed date falls on the 1st through the 14th day of the month, the Director shall use the 15th day of the previous month as the due date; if the Notice to Proceed date falls on the 15th through the 31st day of the month, the DIRECTOR shall use the 15th day of the month in which the Notice to Proceed date falls as the basis for the repayment due date.

c. The semiannual repayments shall be based on the following calculations:

(1) Calculate the repayment amount using the
formula below for a standard fully amortized loan with equal **semiannual repayments**.

\[
R - P = \frac{i}{1-(i+1)^n}
\]

i = Interest rate  
P = Balance of the principal amount paid to the BOARD  
R = **Repayment** amount  
n = Term, thirty-nine (39) semiannual installments less the number of repayments made.

(2) The actual interest accrued during the year shall be applied to the **repayment** amount. The remaining amount of repayment shall be applied to the principal.

d. The BOARD shall repay the principal and interest on or before each **semiannual** due date. A forty-five (45) day grace period shall be allowed.

e. Following the final loan **payment**, a Loan **Repayment Amortization and Fee Schedule** shall be mailed to the BOARD to accurately reflect the repayment of principal, interest, and loan fee amounts due under this Agreement.

f. The BOARD may, with the DIRECTOR'S prior approval, at any time prepay the loan and such prepayment will be applied to the principal of the
loan. The prepayment amount will not reduce the amount of the *semiannual repayment*. The term of the loan, however, will be reduced and a revised Loan Repayment Amortization and Fee Schedule will be sent to the BOARD.

g. The BOARD shall repay the principal and interest by check or warrant, made payable to the STATE OF HAWAII, DIRECTOR OF THE DEPARTMENT OF HEALTH, and delivered to the address as specified in section 6.

h. In the event circumstances prevent the BOARD from complying with this section, the DIRECTOR shall be entitled to collect interest from the BOARD on the amount of the *semiannual repayment* at the effective rate of TWELVE per cent (12%) simple interest per year commencing on the first day following the repayment due date and ending on the date of the check or warrant issued by the BOARD.

12. **SECURITY AND DEFAULT**

   a. The DIRECTOR shall not approve new loan applications from the BOARD if any current loan is in default. A default is deemed to exist if repayments or loan fees on current loans are not paid when due, if the BOARD fails to fulfill its obligations under this
Agreement, or if the BOARD becomes financially insolvent.

b. In the event the BOARD fails to remit the semiannual repayments or loan fees as established in the Loan Repayment Amortization and Fee Schedule, the DIRECTOR shall deliver by certified mail a written notice of such failure to the BOARD. In the event the BOARD fails to cure repayment or loan fee delinquency within thirty (30) days after the receipt of such notice, the DIRECTOR shall notify the Attorney General of the State of Hawaii of the default of the BOARD.

c. As security for this Project loan, interest, and loan fee the BOARD pledges its full faith and credit. This agreement and the loan payments made under it are secured by net revenues of the BOARD. This agreement and the loan payments made under it constitute a lien and charge upon the BOARD’s net revenues; provided that any such lien or charge shall be junior and subordinate to any revenue bonds issued by the BOARD pursuant to Chapter 49, HRS, as amended.

The BOARD covenants that it shall exercise its revenue bond, revenue, assessment, and other authority as needed, to the extent allowed by law, to pay the
semiannual repayments and loan fees under this agreement. As needed, the BOARD shall establish, increase and collect such fees and taxes and make such adjustments to raise funds sufficient to repay the loan and pay loan fees under this agreement. The BOARD pledges its full faith and credit, and covenants to exercise that authority as needed, to the extent allowed by law. The Resolution No. 15-03 approving this Project loan is attached as Exhibit "D."

d. The BOARD represents that it has exercised due regard for operation and maintenance expenses and the debt service requirements of any lien obligations and any other outstanding obligations pledging the gross revenues of the BOARD, and the BOARD has not obligated itself to set aside and pay more for semiannual repayments and loan fees under this agreement than in its judgment will be available over and above its operation and maintenance expenses, other debt service obligations, or other obligations.

e. The foregoing pledges are the BOARD's "dedicated sources of revenue" under 42 U.S.C. § 300j-12 (f)(1)(C), 40 C.F.R. § 35.3550(k), and H.R.S. § 340E-37(b)(3).
f. In addition to all rights and remedies provided by the laws of the State of Hawaii, the BOARD agrees that in the event the BOARD defaults in repayments or loan fee payments to be made to the DEPARTMENT OF HEALTH as required by this Agreement or defaults in the observance or performance of any other provisions of this Agreement, the DIRECTOR shall be entitled to an order or a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the BOARD and its officers to observe and perform any covenant, condition, or obligation prescribed in this Agreement.

g. No delay or omission to exercise any right or power shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

13. PROJECT PROCUREMENT The BOARD shall:

a. Procure the architectural/engineering services in accordance with Chapter 103D of the Hawaii
Revised Statutes and County of Kauai, Department of Water Supply Consultant Selection Procedures.

b. Procure the construction contractor(s) in accordance with Chapter 103D of the Hawaii Revised Statutes.

c. Contractors debarred, suspended, or voluntarily excluded from participating in federally assisted programs shall not be considered.

d. Award the prime construction contract for the Project no later than ninety (90) days after receipt of the Pre-Award offer. The BOARD shall promptly submit a copy of the Notice to Proceed to the DIRECTOR.

e. Provide the DIRECTOR an executed copy of the contract between the BOARD and contractor(s).

f. Provide certification to the DIRECTOR that affirmative steps, in accordance with 40 C.F.R. section 35.3145(d), were taken to encourage participation of small, minority, and women's business enterprises in Project construction and documentation of the intended use of such enterprises therein. The BOARD is deemed as "grantee" for the application here of this federal regulation.

14. INSURANCE
a. The BOARD shall ensure that contractor(s) obtain and keep in force the following until the construction cut-off date:

   (1) Performance and payment bonds for the full amount of the contracts.

   (2) Insurance against customary risks during the period of construction shall also be provided.

   (3) Builder's risk or similar types of insurance in an amount equal to the full replacement cost of the Project, to the extent that such insurance is obtainable for the duration of the construction period against any one or more of such risks.

b. The BOARD shall acquire and maintain, upon the initiation of operation, any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended, for the useful life of the Project. This condition shall not be applicable if the Project location is outside the boundaries of a special flood hazard area delineated on a Flood Hazard Boundary Map of Flood Insurance Rate Map which has been issued by the Federal Emergency Management Agency. This condition shall not be applicable if the total value of
improvements insurable under the National Flood Insurance Act is less than $10,000.

c. As documentation of insurance coverage, the BOARD shall submit to the DIRECTOR copies of the bonding and insurance certifications or policies.

15. **CONSTRUCTION ACTIVITIES** The BOARD shall promptly notify the DIRECTOR in writing of:

a. Any proposed change in scope of the **Project**. No change will be undertaken until written notice of the proposed change has been provided to the DIRECTOR and the DIRECTOR has given written approval for such change.

b. Any construction change order when the change will increase construction costs. The BOARD is responsible for additional costs that are ineligible for loan funding or when the loan funds are unavailable.

c. Cessation of all major construction work on the **Project** where such cessation of work is expected or does extend for a period of thirty (30) days or more.

d. Any circumstance, combination of circumstances, or condition which is expected to or does delay completion of construction for a period of
ninety (90) days or more beyond the estimated date of completion of construction previously provided to the DIRECTOR.

e. Completion of construction of the Project.

16. ARCHEOLOGICAL AND HISTORICAL PRESERVATION Should the discovery of potential archaeological or historical resource occur during construction, all works in the area of the find will stop and the construction consultant shall be called in to evaluate the situation and make recommendations to the State Historic Preservation Officer, Department of Land and Natural Resources, State of Hawaii. Said Historic Preservation Officer shall determine what shall be necessary for construction to proceed.

17. RECORDS MAINTENANCE, RETENTION, AND ACCESS The BOARD shall maintain, retain, and allow access to the Project records in accordance with 40 C.F.R. section 31.42 (the BOARD is deemed the "grantee" for the application here of this federal regulation) and in the following manner:

    a. Establish an official file for the construction phase which shall document all significant actions regarding the Project.

    b. Establish accounts to record all amounts received and expended on the Project, including all

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loan funds received under this Agreement.

c. Establish accounts to record all income received for the Project, specifically including any income attributable to loan amounts received under this Agreement.

d. Establish an accounting system which will depict final total costs of the Project, including both direct and indirect costs. The accounting system shall conform to Generally Accepted Accounting Principles (GAAP) as contained in "Codification of Governmental Accounting and Financial Reporting Standards" as published by Governmental Accounting Standards Board.

e. Establish such accounts and maintain such records as may be necessary for the DIRECTOR to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations.

f. Allow the DIRECTOR, the Comptroller of the State of Hawaii, the federal granting agency, the Comptroller General of the United States, and any of their authorized representatives, the committees (and their staffs) of the Congress and Legislature of the State of Hawaii, and the Legislative Auditor of the
State of Hawaii, to have the right of access to any book, document, paper, file, or other record of the BOARD (and of any of its subcontractors) that is related to the performance of the provisions under this Agreement in order to conduct an audit or other examination or to make excerpts and transcripts for the purpose of monitoring and evaluating the BOARD's performance of the provisions and the BOARD's program, management, and fiscal practices to assure the proper and effective expenditure of funds under this Agreement. The right of access shall not be limited to the required retention period but shall last as long as the records are retained.

g. The BOARD shall retain all records related to the BOARD's performance of the provisions under this Agreement for at least three (3) years after the date of submission of the BOARD's final expenditure report, except that if any litigation, claim, negotiation, investigation, audit, or other action involving the records has been started before the expiration of the three-year period, the BOARD shall retain the records until completion of the action and resolution of all issues that arise from it, or until the end of the
regular three-year retention period, whichever occurs later.

18. **PROJECT ACCESS** The BOARD shall ensure that the Environmental Protection Agency and the DIRECTOR, or any authorized representative thereof, will have access to the Project site at all reasonable times during Project construction and thereafter for the useful life of the Project. Inspections may be unannounced.

19. **REPORTS** The BOARD shall submit to the DIRECTOR by December 31st of each year, an Annual Report of debt service and loan fees of the Project during the course of the loan repayment period. These reports shall summarize all income and expenses (operating and non-operating) of the Project for the year and include any revisions to the projected income and expenses for the remainder of the loan repayment period. The purpose of these reports is to update the DIRECTOR on the BOARD’s financial status.

20. **AUDITS** The BOARD shall conduct an annual audit performed by an independent auditor in accordance with Office of Management and Budget (OMB) Circular No. A-133, "Audits of State, Local Governments, and Non-Profit Organizations" (June 1997), and the Single Audit Act of 1984, PL 98-502, as amended (31 U.S.C. secs. 7501-7). Audits may be conducted in
conjunction with the BOARD's annual audit.

The BOARD shall deliver to the DIRECTOR the audit report annually.

21. **INDEPENDENT CONTRACTOR STATUS AND RESPONSIBILITIES**

In the performance of the provisions required under this Agreement, the BOARD shall be an "independent contractor" with the authority and responsibility to control and direct the performance and details of the work required under this Agreement; however, the DIRECTOR shall have a general right to inspect work in progress to determine whether, in the DIRECTOR's opinion, the provisions are being performed by the BOARD in accordance with the provisions of this Agreement. All persons hired or used by the BOARD shall be the BOARD's employees and agents and the BOARD shall ensure that such persons are qualified to engage in the activity in which they participate. The BOARD shall be responsible for the accuracy, completeness, and adequacy of any and all work performed by the BOARD's employees and agents and shall ensure that all applicable licensing and operating requirements of the state, federal, and county governments and all applicable accreditation and other standards of quality generally accepted in the field of the BOARD's activities are complied with and satisfactorily met. Furthermore, the BOARD intentionally, voluntarily, and knowingly assumes the sole and
entire liability (if any such liability is determined to exist) for its employees and agents or to other persons for all loss, damage, or injury caused by the BOARD's employees and agents in the course of their employment. The mere participation in the performance of provisions under this Agreement shall not constitute nor be construed as employment with the State of Hawaii and shall not entitle the BOARD or the BOARD's employees, agents, or subcontractors to vacation, sick leave, retirement, worker's compensation, or other benefits afforded state employees by statute. The BOARD shall be responsible for payment of applicable income, social security, and any other federal, state, or county taxes and fees.

22. **DEFENSE AND INDEMNIFICATION** The BOARD shall defend, indemnify, and save harmless the State of Hawaii, the DIRECTOR, and their officers, employees, and agents from and against any and all actions, claims, suits, damages, and costs arising out of or resulting from the acts or omissions of the BOARD or the BOARD's officers, employees, agents, contractors, or subcontractors occurring during or in connection with the performance of the BOARD's services under this Agreement, unless the action or claim involves an act or omission solely of the State or the DIRECTOR, their officers, employees, or agents.

23. **ASSIGNMENTS** The BOARD shall not assign any part
or all of the provisions to be performed under this Agreement without the prior written consent and approval of the DIRECTOR. The DIRECTOR may condition any consent and approval upon such terms and provisions that the DIRECTOR may deem necessary. Furthermore, no assignment of claims for money due or to become due to the BOARD under this Agreement shall be effective unless the assignment of such claims is first approved by the DIRECTOR and the Comptroller of the State of Hawaii.

24. COMPLIANCE WITH LAWS, REGULATIONS, ETC. The BOARD shall:

a. Comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements to include, but not be limited to, the "List of Federal Laws and Authorities (Federal 'Cross-Cutting' Authorities)" as identified in Exhibit "C" and made a part hereof. In particular, no person performing work under this Agreement, including any subcontractor, employee, or agent of the BOARD, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

b. Conduct an environmental review of the project that meets the requirements of the U.S.
Environmental Protection Agency's 40 C.F.R. Section 35.3140(b) and H.R.S. Chapter 343.

c. Comply with the Wage Rate requirements established in rules issued by the U.S. Department of Labor to implement the Davis-Bacon Wage Act and other related acts. All laborers and mechanics employed by contractors and subcontractors on the project, funded directly by or assisted in whole or in part by this Loan, shall be paid wages to conform to the prevailing wage rates established for the locality by the U.S. Department of Labor under the Davis-Bacon Act, 29 C.F.R. Part 5, section 5.5.

25. **LOBBING** No portion of this loan shall be used for lobbying or propaganda purposes as prohibited by 18 U.S.C.A. Section 1913, or section 607(a) of PL 96-74, 93 Stat. 575 (Sept. 29, 1979).

26. **WAIVERS OF VIOLATIONS** It is expressly understood and agreed that no waiver granted by the DIRECTOR on account of any violation of any promise, term, or condition of this Agreement shall constitute or be construed in any manner as a waiver of the promise, term, or condition or of the right to enforce the same as to any other or further violation.

It is further expressly understood and agreed that the
failure of the DIRECTOR to insist upon the strict compliance with any term, provision, or condition of this Agreement shall not constitute or be deemed to constitute a waiver or relinquishment of the DIRECTOR's right to enforce the same in accordance with this Agreement.

27. **DISPUTES** Any dispute arising out of this Agreement, which is not disposed of by mutual agreement within thirty (30) calendar days, shall, unless both the BOARD and the DIRECTOR mutually agree to an arbitration, be decided by the DIRECTOR or his designated representative, who shall reduce the decision to writing and mail or otherwise furnish a copy of the decision to the BOARD. The decision of the DIRECTOR, or his designated representative, or the agreed upon arbitrator(s), shall be final and conclusive. Pending final decision of such a dispute, the BOARD shall proceed diligently with the performance of the provisions under this Agreement in accordance with the DIRECTOR's requests. The BOARD shall pay for any DIRECTOR's expenses, including legal fees and collection fees, arising from nonpayment or late repayments of principal, interest, and loan fees of this Agreement.

28. **MODIFICATION OF AGREEMENT** Any modification, alteration, or change to this Agreement, including modification of the provisions to be performed, increase (subject to the
availability of funds) or decrease in the amount of the loan, shall be made only by written supplemental agreements executed by the parties.

29. TERMINATION OF AGREEMENT

a. This Agreement may be terminated by the DIRECTOR upon written notice to the BOARD during construction of the Project, or thereafter at any time prior to complete repayment of principal, interest and payment of loan fees by the BOARD, upon violation by the BOARD of any material provision of this Loan Agreement after such violation has been called to the attention of the BOARD and after failure of the BOARD to bring itself into compliance with the provisions of this Agreement within a reasonable time.

b. In the event of such termination under Section 29.a, above, the BOARD agrees, upon demand, to immediately repay to the DIRECTOR an amount equal to the current balance due on the loan, including accrued interest and loan fees.

30. SEVERABILITY In the event that any provision of this Agreement is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Agreement.
31. EFFECTIVE AND TERMINATION DATES The effective date of this Agreement is the date first above written. This Agreement remains in effect for the useful life of the Project, or until the date of the final loan repayment and loan fee payment are received, whichever period is longer, unless this Agreement is sooner terminated or extended.

32. AUTHORIZATION The parties certify that their undersigned representatives are fully authorized to enter into this Agreement, to execute it on behalf of the parties, and to legally bind the parties to its terms.
IN VIEW OF THE ABOVE, the parties execute this Agreement by their signatures, to be effective as of the date first above written.

DEPARTMENT OF HEALTH,
STATE OF HAWAI'I

By ___________________________
Its Director of Health

BOARD OF WATER SUPPLY
DEPARTMENT OF WATER,
COUNTY OF KAUA'I

By ___________________________
Its Chairperson

APPROVED AS TO CONTENT:

[Signature]
Manager and Chief Engineer
DEPARTMENT OF WATER,
COUNTY OF KAUA'I

APPROVED AS TO FORM:

[Signature]
Deputy Attorney General
STATE OF HAWAI'I

APPROVED AS TO FORM AND LEGALITY:

[Signature]
County Attorney
COUNTY OF KAUA'I
PROJECT BUDGET

The BOARD and the DIRECTOR acknowledge that the actual cost of
the Project has not been determined as of the effective date of
this Agreement. Project cost adjustments may be made as a
result of construction bidding or mutually agreed upon Project
changes. The final cost shall be established after all Project
costs are reviewed subsequent to the Project final construction
inspection. Changes in Project costs may also occur as a result
of the BOARD's Project audit or an independent audit under the
Single Audit Act. Until this Agreement is amended, the BOARD
agrees to the following estimates for the Project cost:

1. Architectural engineering basic fees
   (Design allowance) $ 

2. Other architectural engineering fee

3. Project inspection fees - CM

4. Construction and project improvement
   (Unlimited Construction Services, Inc.) 10,661,819.14

5. Equipment

6. Total (Lines 1 through 5) 10,661,819.14

7. Less: Ineligible Exclusions

8. Add: Contingencies

9. Total Eligible Project Amount 10,661,819.14

10. DWTRLF loan requested of Line 9 4,000,000.00

11. BOARD share 6,661,819.14

12. Other shares

13. Total project costs (Lines 10,11,&12) $10,661,819.14

   Exhibit "A"

ADM. SERV. OFFICE
LOG NO. 15-058
PROJECT SCHEDULE

A. Notice to Proceed (Actual) 1/5/2015

B. Completion of Construction 1/4/2017

C. Project Duration from start to finish (months) 24

Exhibit "B"

ADM. SERV. OFFICE
LOG NO. 15-058
LIST OF FEDERAL LAWS AND AUTHORITIES
(FEDERAL "CROSS-CUTTING" AUTHORITIES)

Federal Law in effect when the Agreement is signed shall apply. References below from years of publication and page numbers may have been superseded.

ENVIRONMENTAL:

- CLEAN AIR ACT, 42 U.S.C.A. sec. 7506(c)
- COASTAL BARRIER RESOURCES ACT, 16 U.S.C.A. secs. 3501-3510
- COASTAL ZONE MANAGEMENT ACT OF 1972, 16 U.S.C.A. secs. 1451-1464
- ENDANGERED SPECIES ACT 16 U.S.C.A. secs. 1531-1543
- ENVIRONMENTAL JUSTICE, EXECUTIVE ORDER 12898
- FARM LAND PROTECTION POLICY ACT, 7 U.S.C.A. secs. 4201-4209
- FISH AND WILDLIFE COORDINATION ACT, 16 U.S.C.A. secs. 661-664
- NATIONAL HISTORIC PRESERVATION ACT OF 1966, 16 U.S.C.A. secs. 470-470w-6
- PROTECTION OF WETLANDS, EXECUTIVE ORDER 11990, as amended by EXECUTIVE ORDER 12608, reprinted in 42 U.S.C.A. sec. 4321 app. at 244-245

Exhibit "C"

-1-
- SAFE DRINKING WATER ACT, 42 U.S.C.A. secs. 300f-300j-9

ECONOMIC:
- FEDERAL PROCUREMENT, CLEAN WATER ACT, sec. 508, 33 U.S.C.A. sec. 1368

SOCIAL LEGISLATION:
- AGE DISCRIMINATION ACT, 42 U.S.C.A secs. 6101-6107
- DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1993 Public Law 102-389

Exhibit "C"
-2-

ADM. SERV. OFFICE
LOG NO. 15-058


- DISADVANTAGED BUSINESS ENTERPRISE RULE, 2008, 40 C.F.R. Part 33

MISCELLANEOUS AUTHORITY:


- PRESERVATION OF OPEN COMPETITION AND GOVERNMENT NEUTRALITY TOWARDS CONTRACTOR'S LABOR RELATIONS ON FEDERAL AND FEDERALLY FUNDED CONSTRUCTION PROJECTS - EXECUTIVE ORDER NO. 13202 (2001), AS AMENDED BY EXECUTIVE ORDER NO. 13208 (2001)


Exhibit "C"
-3-

ADM. SERV. OFFICE
LOG NO. 15-058
TABLE OF CONTENTS

AGREEMENT FOR STATE REVOLVING FUND LOAN
FOR THE CONSTRUCTION OF DRINKING WATER PROJECT,
LOAN FROM STATE DRINKING WATER TREATMENT REVOLVING LOAN FUNDS

Project No. DW400-0011

Project Title: PLH-39, Lihue Baseyard Improvements for the
Department of Water

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<td>5. Completion of the Project</td>
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<td>32. Authorization</td>
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Signature Page

Exhibit A. Project Budget
Exhibit B. Project Schedule
Exhibit C. List of Federal Laws and Authorities
(Federal "Cross-Cutting" Authorities)
Exhibit D. BOARD OF WATER SUPPLY, COUNTY OF KAUAI
Resolution No. 15-03

ADM. SERV. OFFICE
LOG NO. 15-058
RESOLUTION NO. 15-03
(2014-15)
Resolution No. 15-03, SRF Funding (08-25-14 Board Meeting)

APPROVING THE RECEIPT AND EXPENDITURE OF MONIES FOR:

DW400-0011 PLH-39, Lihue Baseyard Improvements for the Department of Water:

FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AND AUTHORIZING THE MANAGER AND CHIEF ENGINEER TO REDUCE, REPLACE, ALLOCATE UP TO $4,000,000.00, THE AMOUNT CURRENTLY ENCUMBERED BY CONTRACT AND PROJECTED FOR FUTURE CONSTRUCTION, PLUS CHANGE ORDER AMENDMENTS IN THE FORM OF LOAN AGREEMENTS BETWEEN THE STATE OF HAWAII (State) AND BOARD OF WATER SUPPLY, COUNTY OF KAUA'I (Board)

WHEREAS, Hawaii Revised Statutes Sections 340E-31 through 340E-41 establish a drinking water treatment revolving loan fund, also known as the Drinking Water State Revolving Fund, for the purpose of protecting and improving drinking water quality by financing eligible projects consistent with applicable federal and state laws; and

WHEREAS, the State Department of Health may execute a loan for each of the Projects; and

WHEREAS, the Department of Water, County of Kauai (DOW) capital budgets for Fiscal Years ended June 30, 2015, appropriated monies for contracts for construction of the following project: PLH-39, Lihue Baseyard Improvements, more generally known as DW400-0011 PLH-39, Lihue Baseyard Improvements for the Department of Water, in the amount of $4,000,000.00 and DOW has encumbered monies for the projects listed above; and

WHEREAS, under Article XVII of the Kauai County Charter, expressly and by implication, the Board is the governing body of the DOW and the Board warrants that it has the full authority to manage, control, and operate the waterworks of the County of Kauai, and all waterworks finances property; and

WHEREAS, the Board and DOW also have broad authorities over County waterworks and facilities under the authorities granted to Counties and their Boards of Water Supply by Hawaii Revised Statutes Sections 46-1.5 (19) and (23), and Chapter 54; and to the extent that such statutes are not superseded by the County Charter’s provisions; and

WHEREAS, the Board, to the extent permitted by law, may request and consent to the pledge of revenues for the construction and acquiring of capital improvements, and the Board warrants that it has such authority for these Projects; and

WHEREAS, for the purpose of this Resolution, any loan from the DWSRF shall constitute an obligation of the DOW; therefore,

BE IT RESOLVED by the Kauai County Board of Water Supply, State of Hawaii:

1. That the Board Chair is authorized to enter into loan agreements with the State of Hawaii for the projects mentioned in paragraph 2 below, and

2. That the Manager and Chief Engineer of DOW is hereby authorized to reduce or replace up to $4,000,000.00 in funds advanced by the DOW to undertake the following projects: PLH-39, Lihue Baseyard Improvements, more generally known as DW400-0011 PLH-39, Lihue Baseyard
RESOLUTION NO. 15-03
(2014-15)
Resolution No. 15-03, SRF Funding (09-25-14 Board Meeting)

Improvements for the Department of Water: in the form of loan agreements between the State and the Board, and

3. That the receipt and expenditure of loan monies from the DWSRF for the Project is hereby approved; and

4. That the monies received as loans be used to reduce or replace funds advanced by the DOW to undertake the Projects; and

5. That the monies received as loans and the resulting debt service be included as a part of DOW debt service with annual payments budgeted according to the debt service schedule to be provided by the State; and

6. That the funds borrowed by the DOW are to be held to the same accounting standards as funds borrowed through the issuance of bonds; and

7. That the Board and DOW further pledge sufficient DOW revenue to provide security for repayment of the loan, plus interest, pursuant to the loan agreement; and

8. That the Board and DOW pledge it shall exercise their revenue bond, revenue, assessment, and other authority as needed, to the extent allowed by law, to pay the semiannual repayments and any loan fees under these loan agreements. As needed, the Board and DOW shall establish, increase and collect such fees, assessments, and revenues and make such adjustments to raise funds sufficient to repay the loans and pay any loan fees under these loan agreements, as permitted by law; and

9. BE IT FURTHER RESOLVED that this Resolution shall take effect upon the adoption thereof, and that the Secretary be directed to provide certified copies of this Resolution to the Manager and Chief Engineer of the DOW, Controller of DOW, Kauai County Mayor, and the Director of the State Department of Health.

Approved as to Form and Legality:

[Signature]
Andrea Suzuki
Deputy County Attorney,
County of Kauai

BOARD OF WATER SUPPLY

[Signature]
Clyde Nakaya, Chairperson
4398 Pua Loke Street
Lihue, Hawaii 96766

Resolution 15-03, SRF Funding for PLH-39 Lihue Basyard Improvements
09-25-14 Regular Board Meeting
Page 2 of 3

ADM. SERV. OFFICE
LOG NO. 15-058
Exhibit "D"
-2-

Page 187
RESOLUTION NO. 15-03
(2014-15)
Resolution No. 15-03, SRF Funding (09-25-14 Board Meeting)

CERTIFICATION OF ADOPTION

DW400-0011 PLH-39, Lihue Baseyard Improvements for the Department of Water;

FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AND
AUTHORIZING THE MANAGER AND CHIEF ENGINEER TO REDUCE, REPLACE,
ALLOCATE UP TO $4,000,000.00, THE AMOUNT CURRENTLY ENCUMBERED BY
CONTRACT AND PROJECTED FOR FUTURE CONSTRUCTION, PLUS CHANGE ORDER
AMENDMENTS IN THE FORM OF LOAN AGREEMENTS BETWEEN THE STATE OF
HAWAII (State) AND BOARD OF WATER SUPPLY, COUNTY OF KAUA'I (Board)

It is hereby certified that the foregoing resolution was adopted by the Kauai County Board of
Water Supply, State of Hawaii, at its meeting held September 25, 2014, by the following vote:

APPROVED: Clyde Nakaya, Laurie Ho, Hugh Strom, Ray McCormick,
Sherman Shiraishi
Total: 5

DISAPPROVED:
Total: 0

ABSENT: Larry Dili, Mike Dahilig
Total: 2

TOTAL: 7

CERTIFICATION

The undersigned hereby certifies that the foregoing Resolution is a true and correct copy of
Resolution No. 15-03, adopted at the meeting of the Kauai Board of Water Supply, duly held on
the 25th day of September, 2014.

Kirk Saiki, P.E.
Acting Manager & Chief Engineer
H. NEW BUSINESS

7. Draft Budget for FY 2015-2016

   a. Fiscal Year 2015 – 2016
      Draft Operating Budget

   b. Fiscal Year 2015 – 2016
      Draft Capital Outlay Budget
Staff Reports
Fiscal Report: January, 2015

Monthly Budget Summary Highlights:

- Cumulative Water Sales Revenue is the same as last year's January revenue.
  - Total Revenue is down 9%. Major revenue items that affect the decrease are:
    - FRC Collections which remains negative at 60%.
    - Revenue from Public Fire Protection, 100% negative because this is non-monetary revenue that is only recorded at yearend.
    - Federal & State Grants, (72%).
- Operating Expenses excluding Depreciation & Amortization is $11.3 Million (M) or 66% burn rate out of $17M YTD budget.
- Net Operating Income before Depreciation & Amortization is $7.2 M or $3.8 M over projection. The increase in net Operating Income is due to lesser operating expenses incurred or paid from the YTD budget.
- Net Operating Income is $3 M after depreciation & amortization expenses of $4.2 M.
- Paid $4 M out of $4.5 M annual Debt Principal budget.
- YTD Capital expense is $1 M out of $26 M YTD capital budget.

Water Consumption - 3 Years Comparative Chart:

January water usage was 5mg lower this year as compared with last year of the same month and a decrease of 130mg YTD.

Other Fiscal Ongoing Activities/Initiatives:

1. Financial Accounting System (FAS) Implementation effective July 1, 2014; this is the 7th month of post implementation.
2. Facilitated FY 2015-2016 budget preparation and meetings were conducted with each budget manager by divisions. Prepared initial draft of proposed FY 2015-2016 budget. Each division head is now using the new budget format system introduced by the IT consultants.
3. Prepared project cost analysis for a new billing system. Submitted to DOW Board for review and recommending approval to procure new billing system.
4. SOP No. 51 – Charges for Restoration of Water Service – Revision is being drafted to update the charges.
5. Formed Committee to evaluate Statement of Qualifications (SOQ) received for professional services to conduct water rate study for the next 5 years. Current Water Rate Study ends June 30, 2016.
### I. OPERATING BUDGET

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<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
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<td><strong>Revenue</strong></td>
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<td>Water Sales</td>
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<td>$2,445,813.91</td>
<td>$2,477,789.36</td>
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<td>Revenue from Public Fire Protection</td>
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<td>Other Water Revenue</td>
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<td>FRC-Facility Reserve Charge</td>
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<td>Net increase in Fair Value of Investments</td>
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<td>Gain or Loss on Disposal of Capital Assets</td>
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<td>416.67</td>
<td>(15,526.48)</td>
<td>(15,543.15)</td>
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<td>Gain or Loss from the Retirement of Decc</td>
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<td><strong>Total Revenue</strong></td>
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<td>($301,735.49)</td>
<td>$20,421,250.67</td>
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**Employee-Related Expenses**

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<th>YTD Actual</th>
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<td>Overtime</td>
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<td>Unemployment Compensation</td>
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<td>75,470.99</td>
<td>(1,804.32)</td>
<td>$515,668.55</td>
<td>$518,868.27</td>
<td>($3,199.72)</td>
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</tr>
<tr>
<td><strong>Total Employee-Related Expenses</strong></td>
<td>$741,277.52</td>
<td>$746,373.33</td>
<td>$619,533.59</td>
<td>($128,839.74)</td>
<td>$5,521,857.07</td>
<td>$4,345,415.45</td>
<td>$986,441.62</td>
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</tbody>
</table>

**Contracts & Services**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Services-General</td>
<td>186,832.80</td>
<td>205,612.80</td>
<td>22,335.74</td>
<td>187,563.09</td>
<td>$1,582,829.68</td>
<td>$467,821.34</td>
<td>1,015,008.34</td>
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<tr>
<td>Professional Services-Accounting &amp; Auditing</td>
<td>8,770.50</td>
<td>9,770.50</td>
<td>9,770.50</td>
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<tr>
<td>Other Services-General</td>
<td>13,669.16</td>
<td>13,669.16</td>
<td>9,021.93</td>
<td>4,647.23</td>
<td></td>
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</tr>
<tr>
<td>Other Services-Billing Costs</td>
<td>41,280.00</td>
<td>41,280.00</td>
<td>27,440.90</td>
<td>13,839.10</td>
<td>$288,590.00</td>
<td>$69,438.49</td>
<td>$219,151.51</td>
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<tr>
<td>Public Relations-General</td>
<td>26,541.67</td>
<td>26,541.67</td>
<td>10,345.04</td>
<td>10,196.03</td>
<td>$165,791.65</td>
<td>$39,515.04</td>
<td>$126,276.61</td>
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<tr>
<td>Public Relations-Procurement Advertising</td>
<td>833.33</td>
<td>833.33</td>
<td>833.33</td>
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<td></td>
<td></td>
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<tr>
<td><strong>Communication Services</strong></td>
<td>10,504.99</td>
<td>10,504.99</td>
<td>8,921.94</td>
<td>1,583.05</td>
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<tr>
<td><strong>Freight and Postage</strong></td>
<td>2,041.66</td>
<td>2,041.66</td>
<td>1,904.56</td>
<td>137.06</td>
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<tr>
<td><strong>Rentals and Leases</strong></td>
<td>14,916.66</td>
<td>14,916.66</td>
<td>7,514.65</td>
<td>7,402.01</td>
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<tr>
<td><strong>Insurance</strong></td>
<td>30,000.00</td>
<td>30,000.00</td>
<td>12,986.67</td>
<td>27,013.33</td>
<td>$210,000.00</td>
<td>$204,261.59</td>
<td>$5,738.41</td>
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<tr>
<td>County Service Charge</td>
<td>165,803.50</td>
<td>165,803.50</td>
<td>160,624.50</td>
<td>5,179.00</td>
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<tr>
<td>Repairs and Maintenance-Water System</td>
<td>24,166.66</td>
<td>61,666.66</td>
<td>61,614.00</td>
<td>5,174.00</td>
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<td>Recaps and Maint-Non Water System</td>
<td>45,768.32</td>
<td>47,768.32</td>
<td>52,226.67</td>
<td>4,458.35</td>
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<tr>
<td><strong>Total Contracts &amp; Services</strong></td>
<td>$772,129.28</td>
<td>$633,629.28</td>
<td>$546,655.79</td>
<td>$448,404.79</td>
<td>$320,023.78</td>
<td>$321,390.92</td>
<td>$3,367.14</td>
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</table>

Footnotes:

- Revised YTD Budget = Original Budget + Revised Budget - Actual
- YTD Actual = Revised YTD Budget - Variance
- Variance % = (Actual - Revised YTD Budget) / Revised YTD Budget * 100%
<table>
<thead>
<tr>
<th>Department of Water, County of Kauai</th>
<th>Monthly Budget Summary vs. Actual</th>
<th>SUMMARY</th>
<th>10/31/2015</th>
</tr>
</thead>
</table>

### Exceptional Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Variance</th>
<th>FY 2015</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015 &amp; FY 2016 Kalaeu Emergency</td>
<td>3,818.45</td>
<td>(3,818.45)</td>
<td></td>
<td>499,215.00</td>
<td>229,458.98</td>
<td>269,756.02</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>FY 2015 Kalaeu</td>
<td>3,818.60</td>
<td>(3,818.60)</td>
<td></td>
<td>110,387.20</td>
<td>(110,387.20)</td>
<td>159,368.74</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Exceptional Expenses</strong></td>
<td>7,637.05</td>
<td>(7,637.05)</td>
<td></td>
<td>499,215.00</td>
<td>339,846.26</td>
<td>159,368.74</td>
<td>32%</td>
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</tbody>
</table>

### Fuel & Utilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Variance</th>
<th>FY 2015</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Services</td>
<td>328,686.45</td>
<td>328,686.45</td>
<td>0.00</td>
<td>2,100,666.62</td>
<td>1,875,320.14</td>
<td>275,146.48</td>
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<tr>
<td>Fuel</td>
<td>23,943.78</td>
<td>23,943.78</td>
<td>0.00</td>
<td>172,743.52</td>
<td>16,217.54</td>
<td>156,525.98</td>
<td>40%</td>
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<tr>
<td><strong>Total Fuel &amp; Utilities</strong></td>
<td>352,622.23</td>
<td>352,622.23</td>
<td>0.00</td>
<td>2,273,410.16</td>
<td>1,991,437.68</td>
<td>281,972.48</td>
<td>9%</td>
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</table>

### Bulk Water Purchase

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Variance</th>
<th>FY 2015</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Water Purchase</td>
<td>172,680.50</td>
<td>172,680.50</td>
<td>0.00</td>
<td>1,210,623.50</td>
<td>932,356.46</td>
<td>277,667.04</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Bulk Water Purchase</strong></td>
<td>172,680.50</td>
<td>172,680.50</td>
<td>0.00</td>
<td>1,210,623.50</td>
<td>932,356.46</td>
<td>277,667.04</td>
<td>23%</td>
<td></td>
</tr>
</tbody>
</table>

### Office & Operating Supplies

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Variance</th>
<th>FY 2015</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Supplies</td>
<td>3,833.33</td>
<td>3,833.33</td>
<td>0.00</td>
<td>12,261.85</td>
<td>12,261.85</td>
<td>0.00</td>
<td>0%</td>
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</tr>
<tr>
<td>Operating Supplies</td>
<td>96,730.22</td>
<td>96,730.22</td>
<td>0.00</td>
<td>8,749.92</td>
<td>8,749.92</td>
<td>0.00</td>
<td>0%</td>
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</tr>
<tr>
<td>Books, Subscriptions and Dues</td>
<td>3,032.07</td>
<td>3,032.07</td>
<td>0.00</td>
<td>69,085.66</td>
<td>69,085.66</td>
<td>0.00</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Books, Subscriptions and Dues - Board</td>
<td>1,000.00</td>
<td>1,000.00</td>
<td>0.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>0.00</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Office &amp; Operating Supplies</strong></td>
<td>105,704.62</td>
<td>105,704.62</td>
<td>0.00</td>
<td>83,093.38</td>
<td>83,093.38</td>
<td>0.00</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

### Training, Travel & Meeting Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Variance</th>
<th>FY 2015</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and Development</td>
<td>8,894.55</td>
<td>8,894.55</td>
<td>0.00</td>
<td>67,261.85</td>
<td>67,261.85</td>
<td>0.00</td>
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</tr>
<tr>
<td>Travel and Per Diem</td>
<td>4,628.32</td>
<td>4,628.32</td>
<td>0.00</td>
<td>32,398.28</td>
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<tr>
<td>Travel and Per Diem - Board</td>
<td>1,724.16</td>
<td>1,724.16</td>
<td>0.00</td>
<td>12,261.85</td>
<td>12,261.85</td>
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<td>0%</td>
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<tr>
<td>Meeting Expense</td>
<td>3,983.31</td>
<td>3,983.31</td>
<td>0.00</td>
<td>69,085.66</td>
<td>69,085.66</td>
<td>0.00</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Meeting expense - board</td>
<td>1,750.00</td>
<td>1,750.00</td>
<td>0.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>0.00</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Training, Travel &amp; Meeting Expenses</strong></td>
<td>20,980.34</td>
<td>20,980.34</td>
<td>0.00</td>
<td>151,862.42</td>
<td>151,862.42</td>
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### Debt Service

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Variance</th>
<th>FY 2015</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Expense</td>
<td>341,268.42</td>
<td>341,268.42</td>
<td>0.00</td>
<td>2,388,876.94</td>
<td>2,318,499.95</td>
<td>70,387.99</td>
<td>3%</td>
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</tr>
<tr>
<td><strong>Total Interest Expense</strong></td>
<td>341,268.42</td>
<td>341,268.42</td>
<td>0.00</td>
<td>2,388,876.94</td>
<td>2,318,499.95</td>
<td>70,387.99</td>
<td>3%</td>
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</table>

### Total Operating Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Variance</th>
<th>FY 2015</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,280,266.47</td>
<td>2,280,266.47</td>
<td>0.00</td>
<td>16,959,294.84</td>
<td>11,246,913.80</td>
<td>5,712,381.04</td>
<td>34%</td>
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### Net Operating Income (Loss) Before Depreciation & Amortization

<table>
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<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Variance</th>
<th>FY 2015</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>$614,776.52</td>
<td>$496,951.63</td>
<td>$117,824.89</td>
<td>$1,491,024.84</td>
<td>$719,095.00</td>
<td>$3,461,956.03</td>
<td>$7,236,623.25</td>
<td>$3,774,667.22</td>
<td>109%</td>
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</table>

### Depreciation & Amortization

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Variance</th>
<th>FY 2015</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>542,311.22</td>
<td>542,311.22</td>
<td>0.00</td>
<td>3,842,155.77</td>
<td>3,842,155.77</td>
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<tr>
<td>Amortization</td>
<td>52,047.78</td>
<td>52,047.78</td>
<td>0.00</td>
<td>387,083.02</td>
<td>387,083.02</td>
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</tr>
<tr>
<td><strong>Total Depreciation &amp; Amortization</strong></td>
<td>594,359.00</td>
<td>594,359.00</td>
<td>0.00</td>
<td>4,229,238.79</td>
<td>4,229,238.79</td>
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</table>

### Net Operating Income (Loss)

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Variance</th>
<th>FY 2015</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>$614,776.52</td>
<td>$496,951.63</td>
<td>$117,824.89</td>
<td>$1,491,024.84</td>
<td>$3,461,956.03</td>
<td>$7,236,623.25</td>
<td>$3,774,667.22</td>
<td>109%</td>
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*Monthly Budget Summary vs. Actual 2 of 3*
*Report Formatted Created by: S. Nakamura*
*21/10/2015 2:42 PM*
<table>
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<tr>
<th></th>
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<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>YTD Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Operating Proceeds</td>
<td>166,696.67</td>
<td>166,696.67</td>
<td>(166,696.67)</td>
<td></td>
<td>1,106,666.69</td>
<td>226,381.09</td>
<td>(941,285.62)</td>
<td>(81%)</td>
</tr>
<tr>
<td>Transfers Out(In) to Other Funds</td>
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</tr>
<tr>
<td>Debt Principal Payment</td>
<td>372,051.33</td>
<td>210,582.07</td>
<td>210,582.07</td>
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<td>4,035,845.84</td>
<td>4,036,645.84</td>
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</tr>
<tr>
<td>Net Proceeds (Expenditures)</td>
<td>606,381.86</td>
<td>453,036.23</td>
<td>411,105.56</td>
<td>(41,930.67)</td>
<td>591,977.08</td>
<td>(803,880.19)</td>
<td>(1,395,857.26)</td>
<td>(236%)</td>
</tr>
<tr>
<td>II. CAPITAL BUDGET</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Capital Projects (See Attached for Details)</td>
<td>3,347,425.91</td>
<td>3,366,829.30</td>
<td>628,847.81</td>
<td>2,740,981.49</td>
<td>25,864,770.90</td>
<td>666,115.80</td>
<td>24,908,655.10</td>
<td>96%</td>
</tr>
</tbody>
</table>
### Department of Water, County of Kauai
**Monthly Budget Summary vs. Actual**
SUMMARY
1/31/2015

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>FY 2015</th>
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<tbody>
<tr>
<td></td>
<td>Original Budget</td>
<td>Revised Budget</td>
</tr>
<tr>
<td>Capital Projects (See Attached for Details):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Utility - Capital Projects (See Attached for Details)</td>
<td>769,767.61</td>
<td>780,767.61</td>
</tr>
<tr>
<td>FRC Special Trust Fund - Capital Projects (See Attached for Details)</td>
<td>382,137.56</td>
<td>382,137.56</td>
</tr>
<tr>
<td>BAB Fund - Capital Projects (See Attached for Details)</td>
<td>1,929,607.11</td>
<td>1,854,590.80</td>
</tr>
<tr>
<td>SRF Loan Fund - Capital Projects (See Attached for Details)</td>
<td>345,833.33</td>
<td>333,333.33</td>
</tr>
<tr>
<td>Total Capital Projects (See Attached for Details)</td>
<td>3,347,425.61</td>
<td>3,339,328.30</td>
</tr>
<tr>
<td>Capital Projects (See Attached for Details)</td>
<td>January</td>
<td>FY 2015</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td></td>
<td>Original Budget</td>
<td>Revised Budget</td>
</tr>
<tr>
<td></td>
<td>138,191.67</td>
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<td>10-20-00-604-033 - WU-Job 13-07 - Kiloea D Repairs</td>
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Total Capital Projects (See Attached for Details) | 789,757.61 | 789,757.61 | 785,585.11 | 5,964,391.27 | 286,323.04 | 5,878,068.23 | 95%
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<tr>
<th>Capital Projects (See Attached for Details):</th>
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<td>Total Capital Projects (See Attached for Details)</td>
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Monthly Budget Summary vs. Actual 1 of 1
Report Format Created by: S. Nataanai
Page 197
### Department of Water, County of Kauai
#### Monthly Budget Summary vs. Actual

**32**

1/31/2015

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

<table>
<thead>
<tr>
<th>Original Budget</th>
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<th>Actual</th>
<th>Variance</th>
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Total Capital Projects (See Attached for Details)

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
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<tr>
<td>1,852,887.11</td>
<td>1,864,390.80</td>
<td>132,799.08</td>
<td>1,731,791.72</td>
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Department of Water, County of Kauai
Monthly Budget Summary vs. Actual
60
1/31/2016

<table>
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<th>Capital Projects (See Attached for Details):</th>
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<td>60-21-00-604-114- SRF-Cns-ALL-R-X-YY PHH-39a Lihue Baseyard Improvmts</td>
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<td>60-20-00-603-143- SRF-Eng-11-13 PLH-03 DRILL &amp; DEV HORIZONTAL WELLS</td>
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<th>January</th>
<th>FY 2016</th>
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<td>12,500.00</td>
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<td>345,833.33</td>
<td>333,333.33</td>
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<td>Month</td>
<td>FY 2013</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------</td>
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<tr>
<td>July</td>
<td>$2,346,892</td>
</tr>
<tr>
<td>August</td>
<td>$4,399,666</td>
</tr>
<tr>
<td>September</td>
<td>$6,828,224</td>
</tr>
<tr>
<td>October</td>
<td>$9,056,386</td>
</tr>
<tr>
<td>November</td>
<td>$11,423,911</td>
</tr>
<tr>
<td>December</td>
<td>$13,338,790</td>
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<td>January</td>
<td>$16,163,728</td>
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**AFS error in billing AJE $288,133**
# CASH RECEIPTS COMPARATIVE REPORT

As of January FY 2013, 2014 & 2015

<table>
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<tr>
<th></th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>Cum. Inc (Dec)</th>
<th>% of Inc (Dec)</th>
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</thead>
<tbody>
<tr>
<td>July</td>
<td>$1,964,915</td>
<td>$2,594,170</td>
<td>$2,288,104</td>
<td>$306,066</td>
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</tr>
<tr>
<td>August</td>
<td>$4,275,571</td>
<td>$5,157,089</td>
<td>$4,704,550</td>
<td>$452,539</td>
<td>-9%</td>
</tr>
<tr>
<td>September</td>
<td>$6,370,743</td>
<td>$7,551,676</td>
<td>$7,539,105</td>
<td>$12,572</td>
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</tr>
<tr>
<td>October</td>
<td>$9,006,500</td>
<td>$10,458,869</td>
<td>$10,008,958</td>
<td>$449,911</td>
<td>-4%</td>
</tr>
<tr>
<td>November</td>
<td>$11,197,586</td>
<td>$12,235,628</td>
<td>$11,856,591</td>
<td>$379,037</td>
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<tr>
<td>December</td>
<td>$13,332,029</td>
<td>$14,412,589</td>
<td>$14,469,704</td>
<td>$57,115</td>
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<td>$16,359,772</td>
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### Cash Receipts Comparative Chart

**As of January, FY 2013, 2014 & 2015**

- **FY 2013**
- **FY 2014**
- **FY 2015**

---

2 receipts
METERED CONSUMPTION (000 GALLONS) MONTHLY COMPARATIVE CHART
As of January FY 2013, 2014 & 2015
(expresssed in thousands)

<table>
<thead>
<tr>
<th></th>
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<th>FY 2014</th>
<th>FY 2015</th>
<th>INC (DEC)</th>
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<td>436,238</td>
<td>391,161</td>
<td>343,770</td>
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<tr>
<td>August</td>
<td>361,599</td>
<td>383,678</td>
<td>374,728</td>
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<tr>
<td>September</td>
<td>415,176</td>
<td>416,687</td>
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<td>384,934</td>
<td>329,255</td>
<td>322,278</td>
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<td>November</td>
<td>398,863</td>
<td>345,049</td>
<td>320,209</td>
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<tr>
<td>December</td>
<td>305,276</td>
<td>288,665</td>
<td>321,339</td>
<td>32,674</td>
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<tr>
<td>January</td>
<td>453,812</td>
<td>317,509</td>
<td>312,153</td>
<td>-5,356</td>
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MONTHLY CONSUMPTION COMPARATIVE CHART
For FY 2013, 2014 & 2015

3 12 mo. consumption comp
## YTD Consumption (000 Gallons) Comparative Report
As of January FY 2013, 2014 & 2015
(expressed in thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>CUM. INC (DEC)</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>July</td>
<td>349,500</td>
<td>391,161</td>
<td>343,770</td>
<td>-47,391</td>
<td>-12%</td>
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<td>August</td>
<td>748,067</td>
<td>774,839</td>
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<td>September</td>
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<td>1,520,781</td>
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**AFS error in billing AJE**

288,133                           288,133

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## Water Consumption Comparative Chart
As of January, FY 2013, 2014 & 2015
PR SPECIALIST REPORT
February 19, 2015

Press Releases & Connect CTY notifications
All press releases and Connect CTY messages reported below were also published on the Department’s Facebook and Twitter social media pages.

• A press release and Connect CTY message was sent on January 13th, to notify customers located on the western-side of Wawae Road, between Puuawai Road and Kikala Road, in Kalaheo, of a scheduled water shutdown on January 15th from 9 a.m. to 2 p.m. Door to door notices were delivered by the operations division. The shutdown allowed DOW’s contractor to connect a new water line to Kalaheo’s water system. The press release was announced on local radio stations.

• A press release was sent on January 20th, to notify the public of a one lane closure on January 22th, from 8:30 a.m. to 2 p.m., to a portion of Poipu Road, located between Paanau Road and Lopaka Paipa Boulevard. The lane closure was necessary for the Department to survey the area for distribution line improvements. Water services were not affected. The press release was announced on local radio stations.

• A press release and Connect CTY message was sent on January 23, to notify Wainiha customers of a water conservation request that day from 11 a.m. to 1 p.m., in relation to Kauai Island Utility Cooperative’s scheduled power outage. Residents and businesses located on Wainiha Powerhouse Road, Ananalu Road and Anahulu Road were asked to limit water consumption to essential uses only, as electrical power outages disrupt the DOW’s well pumping sites. Water conservation was requested in order to avoid a water outage. The press release was announced frequently on local radio stations.

• A press release and Connect CTY message was sent at 10:30 a.m., on January 23th, to notify customers in the Waipake, Kilauea area of an immediate water conservation request, due to an electrical power outage. Residents and businesses located on Kapuna Road, Koolau Road and Kuhio Highway (between Kapuna Road and Koolau Road) were asked to limit water consumption to essential uses only. The press release was published on hawaiinewsnow.com (Attached) and announced frequently on local radio stations.

  o A press release and Connect CTY message update was sent on January 23th, to notify residents in the Waipake, Kilauea area that the water conservation request had been lifted as of 3:30 p.m. Power was restored to the area’s well site.

• A press release and Connect CTY message was sent at 7 a.m., on February 3rd, to notify Wainiha and Haena customers of an immediate water conservation request due to an electrical power outage at the area’s well and tank site. Residents and businesses were asked to limit water consumption to essential uses only, in order to avoid a water outage. The press release was published on hawaiinewsnow.com (Attached) and announced frequently on local radio stations.
A press release and Connect CTY message update was sent on February 3, to notify Wainiha and Haena residents that the water conservation request had been lifted as of 1:30 p.m. Power was restored to the area’s well and tank site.

- A press release was sent on February 9th, to notify the public of a one lane closure on February 12th, from 8:30 a.m. to 2 p.m., to a portion of Poipu Road, located north of the Poipu roundabout. The lane closure was necessary for the Department to conduct a service lateral repair.

**Project WET for Source Water Protection Education Grant**
Two schools responded to the Department’s invitation to conduct Make a Splash mini-festivals in Hilo. At the time of this report, one school has scheduled to hold the festival on Friday, March 6th. Plans to coordinate these mini-festivals continue, and the Department is in communication with the assembled committee, volunteers and participating schools.

**Conservation**
An article and advertisement about saving water in the bathroom was published in Kauai Family Magazine’s Spring 2015 edition. *(Attached)*

The Department participated in King Kaumualii Elementary School’s Career Day on February 4th. Kim Tamaoka and Carl Arume gave presentations to approximately 36 fourth grade students. Carl shared information about water quality, and briefly demonstrated how tests for bacteria in the water are conducted. Kim shared about the different jobs within the Department and the importance of water conservation and education. All students were given a recyclable bag, pencil and a “Career in the Water Industry” brochure.

New logo items (shower timers and display table cloths) were ordered and received.

**Miscellaneous:**
- Visited the Department’s Surface Water Treatment Plant, Hanamaulu control valve site, and Puhi Well site, to learn more about the Department’s water plant operations. Mahalo to David Okamoto for his time and shared knowledge.
- Scheduled an interview between Midweek Kauai and Kirk Saiki for an article feature on the Department and on Kirk’s new appointment as manager and chief engineer.
- Scheduled the 12th Annual Make a Splash Water Festival for Thursday, September 24, 2015.
- Completed the January-February “As the Water Flows” employee newsletter.

Respectfully submitted,

Kim Tamaoka
Public Relations Specialist

KT:Ein

Attachments: “Kauai residents asked to conserve water,” by Hawaii News Now
KAUAI (HawaiiNewsNow) - Kauai's Department of Water would like Wainiha and Haena residents to conserve water on Tuesday because of an electrical power outage at the area's well and tank site.

Residents and businesses should limit water consumption to essential uses only in order to avoid a water outage. This includes cooking, bathing and flushing the toilet.

DOW asks that residents refrain from car washing and to turn off automatic outdoor irrigation and sprinkler systems.

For more information, call (808) 245-5455.

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Start Small: Save Water In The Bathroom

By Kim Tarnoka

When it comes to conserving water, a little goes a long way. So don't be overwhelmed with the many water saving tips you may come across. If you want to make a difference, it's OK to start small. Choose one area of your house and make the extra effort there. Here are some simple tips on how you can save water in the bathroom.

**IN THE SHOWER AND BATHTUB**
- Install water-saving shower heads or flow restrictors. (Savings: Up to 75% per shower)
- Limit showers to 5 minutes. (Savings: 21 gallons)
- Keep tub baths to a minimum. (Savings: 24 gallons)

**AT THE SINK**
- Turn off the water while shaving. (Savings: 3 gallons per minute)
- Check bathroom faucets and pipes for leaks. (Savings: 0.2 gallons per minute or 8.640 gallons per month)

**TOILETS**
- Make every flush count. Don't use the toilet as an ashtray or wastebasket. (Savings: 3.5 to 5 gallons per flush)
- Check your toilet for leaks. See how in our ad below. (Savings: Possibly hundreds of gallons)

For full descriptions on how to save water in the bathroom, visit www.kauaiwater.org or call (808) 245-5455.

---

**Auwē Leaky Toilet**

Check your toilet for leaks!
Put a few drops of food coloring in your toilet tank. If coloring appears in the toilet bowl without flushing, you have a wasteful leak that should be repaired at once.

**Savings:** Possibly hundreds of gallons of water!

For more water-saving tips visit www.kauaiwater.org

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The H Hawaii Media-Kauai Family

Mahalo for letting our family be a part of yours
DEPARTMENT OF WATER
County of Kaua‘i

“Water has no Substitute – Conserve It!

Operations Division Report for the Month of January 2015

Personnel

- Clerk Dispatcher and two (2) Pipefitter Helpers started this month.

Source and Storage

- Maintenance Workers performed routine repair and maintenance of front office/admin facilities.
- Continue cleaning of various remote facilities island-wide.
- Water Plant Operators performed routine inspection and maintenance at all sites including valve maintenance, piping repair and replacement, chlorination equipment maintenance, and mixing of sodium hypochlorite.
- Electrical workers performed routine electrical maintenance at all sites including SCADA radio troubleshooting, electrical wiring for motor controls, lighting repair and replacement.
- Contract 594 for Lāwa‘i Well No. 1 Repair is being executed.
- DOW Claim No. P949280533 was filed against KIUC for damages to our Waipake Booster Pump due to unstable voltage from KIUC’s transformer. Damaged equipment: motor savers, SCADA Pack, Communication Module.

Distribution

- Operations Division Field Section crews continue to perform routine leak repair of service laterals and mainlines.
- Field Section personnel responded to and completed 37 leak repair work orders.
- Field Section personnel continued in-house distribution line replacement along Hehi Road in Hanamaulu.
- Field Section personnel performed live taps to install water service connections.
- 17 water meters were issued and installed. 9 water meters were repaired.
- We received a total of 40 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including 5 called-in complaints of no water, 2 complaints of low pressure and 2 calls reporting air in water line. Work orders were generated and all calls resolved. Leaks after the meter needs to be addressed by the customer.

Fleet, Inventory, Warehouse and Baseyard Area

- For the month of January, a total of one hundred eighty six (186) 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 as well as notifications regarding scheduled repairs; callouts due to customer complaints/reports; meter replacement requests; contractor’s requests for markings. Of the 186 work orders, 146 were completed, 23 are scheduled and 17 are on planning stage.

- For the month of January 2015, twenty seven (27) Hawaii One Call requests for markings were received and twenty one (21) were completed.

**Island-wide Unbilled Water for the period 7/1/2014 to 2/1/2015:**

<table>
<thead>
<tr>
<th>Source Data (gallons)</th>
<th>Average Flow (MGD)</th>
<th>Billed (gallons)</th>
<th>Unbilled (gallons)</th>
<th>Percent Unbilled (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,644,370.16</td>
<td>12.30</td>
<td>2,342,619</td>
<td>301,751.16</td>
<td>11.41</td>
</tr>
</tbody>
</table>

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 2013 to January 2015

[Graph showing the breakdown of hours worked, time off, and overtime over the period from January 2013 to January 2015.]

- Regular Hours Worked
- Time Off (Leaves n Holiday)
- Overtime Hours
- TOTAL HOURS
### Work Orders by Job Reason Code for Selected Date Range

**01/01/2014 to 01/31/2015**

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>5</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>99</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>115</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
</tbody>
</table>

#### Work Orders by Job Reason Code

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

- **LEAK-BOX**: 16 (6.8%)
- **LEAK-CUST**: 5 (2.1%)
- **LEAK-MAIN**: 99 (42.1%)
- **LEAK-S/L**: 115 (48.9%)

**Total**: 100.0%

#### Number of Leak Repairs per Month

![Line graph showing number of leak repairs per month from 1/2014 to 1/2015.]

- LEAK-BOX
- LEAK-CUST
- LEAK-MAIN
- LEAK-S/L

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MANAGER’S UPDATE

February 19, 2015

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

(1) Re: Contract No. 587 to Oasis Water Systems, Inc. for the repair of Kilauea Well #1 in the amount of $79,827.30

FUNDING:
Account No. 10-40-30-560-000 WU/Ops/Source/Repairs and Maintenance-Water System

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pump Replacement Program</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>Contract #587, Kilauea Well #1 Repair</td>
<td>($125,000.00)</td>
</tr>
<tr>
<td>Account Balance/Funds Available</td>
<td>$375,000.00</td>
</tr>
</tbody>
</table>

New Contract: Oasis Water Systems, Inc. $76,026.00

5% Contingency $3,801.30

Total Funds Certified $79,827.30 ($79,827.30)

Total Account Balance $295,172.70

BACKGROUND:
The deepwell submersible pump at Lāwaʻi Well No. 1 has failed and is suspected to have a burnt motor based on troubleshooting performed by the Department. Lāwaʻi Well No. 1 is one of two water sources for the Lāwaʻi area. The Lāwaʻi water system has some inherent redundancy built in as it is interconnected with the Kalāhea and Piwai water systems. The remaining Lāwaʻi Well No. 2 was recently refurbished in March 2014 and is able to handle the daily water system demands. The existing Lāwaʻi Well No. 1 was installed in 2003 and has been in operation for the past 11 years. Due to its age we will replace the existing submersible pump/motor with a new submersible pump/motor.

The contractor, Oasis Water Systems, Inc., is being selected for this work as they submitted the lowest quote as shown on the attached bid tabulation. Oasis Water Systems, Inc. has completed similar jobs for the Department of Water in recent years and has proven capable of this type of work.

WAIVER RELEASE & INDEMNITY APPLICATIONS:

<table>
<thead>
<tr>
<th>Applicant</th>
<th>TMK Location &amp; Building permit</th>
<th>Performance Bond Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NONE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STAFF REPORTS - FY 14-15:

PERSONNEL MATTERS UPDATE

February 9, 2015
RECRUITMENT AND POSITION ACTIONS

Operations Division
1. Automotive Mechanic I #2449. As of 2/9/2015, pending referred list of eligibles from Department of Human Resources (DHR).
2. Clerk Dispatcher II #2403. Position filled 1/16/2015.
7. Senior Account Clerk #2602. New position description assigned position number effective 1/1/2015.
9. Water Plants Superintendent #2490. As of 2/9/2015, pending eligible candidates list.
10. Waterworks Electronics/Plant Electrical Tradesperson I #2311. As of 2/9/2015, pending eligible candidates list.

Fiscal Division
2. Accountant I (Accounting) #2488. As of 2/9/2015, pending eligible list from DHR.
3. Accountant I (Accounting) #2448. As of 2/9/2015, DHR reviewing position re-description.
5. Accountant IV (Accounting) #2303. As of 2/9/2015, DHR reviewing position re-description.

Construction Management Division
1. Project Assistant #2484. DHR approved re-description to Project Manager.
2. Water Inspector II #2483. DHR approved re-description to Supervising Waterworks Inspector.
3. Waterworks Project Manager #2351. Re-description review by DHR maintained position as Waterworks Project Manager.

Engineering Division
1. Civil Engineer II #2458. As of 2/9/2015, DOW reviewing position level.
2. Civil Engineer V #2358. Interview scheduled for 2/13/2015.
3. Civil Engineer V #2476. Vacant. No action.

Water Resources & Planning Division
1. Chief of Water Resources and Planning #2460. As of 2/9/2015, referred list of eligible candidates received.
2. Civil Engineer I #NEW. As of 2/9/2015, DOW working with DHR to assign position number.
3. Engineering Drafting Technician III #2352. As of 2/9/2015, DHR reviewing position re-description.

Administration
1. Clerical Assistant (Community Relations) #2499. As of 2/9/2015, pending eligible candidates list.
3. Private Secretary #E-35. As of 2/9/2015, DHR reviewing position re-description.
4. Procurement Specialist IV #2497. As of 2/9/2015, vacant and no action.
5. Secretary #2354. As of 2/9/2015, DHR reviewing position re-description.
6. Senior Clerk #2474. As of 2/9/2015, DHR reviewing position re-description.

SUMMARY OF WARRANT VOUCHERS – January 31, 2015 $1,545,008.32
CONVEYANCE OF WATER FACILITIES – $800,025.75

<table>
<thead>
<tr>
<th>Date</th>
<th>Parties</th>
<th>TMKs</th>
<th>Location</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2/19/2015</td>
<td>Kukui‘ula Development Company (Hawai‘i) LLC</td>
<td>TMK: 2-6-015:001</td>
<td>Po‘ipu</td>
<td>$439,348.00</td>
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<td></td>
<td></td>
<td>TMK: 2-6-015:015</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>TMK: 2-6-015:016</td>
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<tr>
<td>2/19/2015</td>
<td>Kukui‘ula Development Company (Hawai‘i) LLC</td>
<td>TMK: 2-6-019:047</td>
<td>Po‘ipu</td>
<td>$184,416.00</td>
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<tr>
<td>2/19/2015</td>
<td>Kaua‘i Habitat for Humanity, Inc.</td>
<td>TMK: 2-1-001:052</td>
<td>Eleele</td>
<td>$143,425.63</td>
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<tr>
<td>2/19/2015</td>
<td>Area K. LLC</td>
<td>TMK: 5-3-009:003</td>
<td>Anini</td>
<td>$11,479.93</td>
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<tr>
<td>2/19/2015</td>
<td>Eric D. Kauai</td>
<td>TMK: 4-6-011:065</td>
<td>Kapaa</td>
<td>$9,850.00</td>
</tr>
</tbody>
</table>

CC&B BILLING SYSTEM UPDATE:

February 12, 2015, Submitted by Information Tech. Specialist, Sandi Nadatani-Mendez

Release 8 is Tentatively Scheduled for February 13, 2015, users have been notified.

HBWS is requesting all islands to provide any rate increases or structural changes. The only change that Kauai will have will be the Power Adjustment Cost which was relayed to HBWS.

Kauai has some Request for Change pending with HBWS. We are requesting our General Ledger Accounts be updated in CC&B to reflect our new Chart of Accounts. We are awaiting a cost analysis for this update. We also have a change in to add a Lock Box for our mail payments and is working with both HBWS and BOH to move forward with this implementation. We hope to have it completed and implemented before the end of this Fiscal Year.

On June 14, 2013 the department implemented eBill & eStatement where our customers can view their bills online. As of February 12, 2015 we have 973 Accounts have been setup with eBill & eStatement out of that 368 of them have elected to receive their bill electronically thereby saving the department paper & postage.

IT STRATEGIC PLAN UPDATE:

February 12, 2015, Submitted by Waterworks Info. Tech. Officer, Jeffery Mendez

Cloud Update for our Financial Information System:

After long consideration, it is recommended to move from a hosting service (cloud) agreement with McGladrey LLP for the Great Plains Financial Information System (FIS) back to a local hosted environment.

Although the hosting services fared well with minimal issues, going forward, the cost to keep the FIS in the cloud is too costly at this time.

We are looking at other feasible solutions for keeping it in the cloud, but for the near future, we will be moving our FIS back onto our local area network.

DOW’S WATER COMMITTEE UPDATE:
The WATER Committee has nominated the following water bucks winners for calendar year 2014.

• 1st Quarter Water Bucks Winner – Russel Yonahara & Peter Sapinoso
• 2nd Quarter Water Bucks Winner – Cleve Shigematsu
• 3rd Quarter Water Bucks Winner – Kim Tamaoka
• 4th Quarter Water Bucks Winner – Jeff Mendez

AFFORDABLE HOUSING UPDATE:
No significant affordable housing activities or meetings.

2015 Legislative Session UPDATE:
The Manager and Chief Engineer along with Water Resources and Planning Engineer, Mr. Eddie Doi attended the opening legislative session at the state capitol on January 21st 2015. After successful meetings held with Representative Tokioka, Kawakami, and Morikawa to propose the DOW’s CIP priority project lists, HB1274/SB1232 was introduced during the opening legislative session and referred to the House Committee of Finance on February 2, 2015. This bill appropriates the funding for the DOW’s priority 1, Eleele-Hanapēpē Waterline project and priority 2, Kapa’a’s Water Storage Tank Project.

MANAGER’S GOALS UPDATE (est.12/18/14):
The Board approved the Manager and Chief Engineer’s goals and responsibilities. The Manager’s goals are as follows:

1. Complete Facilities Reserve Charge (FRC) effective July 1, 2015.
   Update: The FRC proposed fee structure is being reviewed by the DOW’s County Attorney.

2. Complete and pass the American Water Works Association (AWWA) Distance Learning Certificate Program courses one (1) year from enrollment. Enrollment must be within 30 days from December 18, 2014.
   a) Management & Supervision Certificate Program
   b) Infrastructure Management Certificate Program
   Update 02/19/15: The Manager is currently 30 days in. Once completed, the Manager will register for the Infrastructure Management Certificate Program.
   Update 01/22/15: The Manager and Chief Engineer has registered for the Management and Supervision Certificate Program on Friday, January 16th and scheduled to complete within ninety (90) days.

   Update: Training has been completed.

4. Pending details on how to apply for the State Management Mentoring Grant.
   Update: This goal is pending review by the Board.

5. Provide clear Manager Reports to the Board, providing background, options and recommendations.
   Update: Ongoing. All Manager’s Reports excluding updates, Grant of Easement includes a background along with options and recommendations for the Board.
6. Provide Manager’s Reports to the Board by the Friday prior to the Agenda meeting with the exception of the financial reports at the time of posting.  
   **Update:** On-going. The packets were distributed on the Thursday, prior to the scheduled agenda meeting.

7. Respond to grievances within 30 days.  
   **Update 02/19/15:** Step 2 was held at the Department of Human Resources (DHR) on Friday, February 6, 2015.  
   **Update 01/22/15:** UPW Step Grievance #AD-14-05 received on the morning of December 31, 2014. DOW responded to the Step 1 Grievance in the afternoon of December 31, 2014.

8. Establish monthly reports for non-revenue water.  
   **Update:** Please refer to Operations Monthly Report.

9. Provide timetable to complete the basic GIS model based upon current funding by May 2015.  
   **Update:** Kirk will follow up with the IT section to see where this is at.

10. Obtain Human Resources (HR) / Department of Personnel Services (DPS) approval for current Table of Organization. Minimize changes on the Table of Organization.  
    **Update:** On-going.

11. Recommend top projects by January 22, 2015 Board meeting as listed.

   - Department will refer to the Bond and FRC list for discussion first on when the projects could be completed. 
   - Target projects in Design & Construction which will be discussed with the Board on which projects will be prioritized.  
   - Include justification with targets on design and construction.

   a) 10 Source Projects - Include justification for 10 source projects for generating non-revenue and FRC revenue.  
   b) 5 Storage Projects.  
   c) 10 Transmission Projects.  
   d) 30 Distribution/Replacement Projects.  
   e) Cost Savings/Demand Reduction Projects.  

   **Update 02/19/2015:** We are currently reviewing/negotiating submitted extra work/cost by several of our consultants. These involve the Kilauea 1.0 MG (Puu Pane) tank, Anini waterline, Kalaheo System Improvements, and Wainiha Well No. 4. The Department may need to request additional funds for these projects in the near future, pending the outcome of our review/negotiations.

The State recertified our Weke, Anai, Mahimahi and He’e Road (Hanalei) waterline plans after requested changes were made. The plans were submitted to PW for review/approval. The RFP is expected to be completed next week (this week relative to the board meeting date). The County has indicated that the MOA must be completed before the County will issue permits for the project. This will allow the DOW to bid out the project before the MOA with the County is actually completed. It is expected that the Department will be able to bid out for construction this month.
8” Main Replacement Halewili Road: The design is basically done except for the completion of the Use and Occupancy agreement (UOA) that the State required to be completed prior to starting construction. The State has informed us that they should be finished drafting the UOA soon. When the draft is done, they will send it to the DOW for review.

Update 01/22/2015: Exhibit A includes two tables. The first table identifies the six (6) projects that the Department is confident will have designs completed in Fiscal Year 2014-2015. The second table identifies seven (7) design projects that may be completed by the end of the calendar year 2015. It is also noted if the projects will increase system capacity and if they are included on the Build America Bond (BAB) project list.

Exhibit B identifies design projects by five (5) categories and is listed by priority. The categories include: Source; Storage; Transmission; Replacement/Distribution; and Cost Savings or Demand Reducing projects.

The proposed design budget for 2015-2016 includes projects based on priority determined by the DOW. The DOW considered several factors in prioritizing the projects. The factors include: health and safety, increase system capacity, and repair and replacement projects that are needed for the Department to continue providing excellent service to our customers. The factors considered for the projects are noted in the exhibit, along with identifying if they will increase the system capacity and if they are included on the BAB project list.

The projects and priorities are re-evaluated each year in determining the order in which they are planned to be done.

12. Deferred – Complete design of top 10 projects by the end of FY 2014-15. Based on No. 11
Update: Based on No. 11 above.

Respectfully submitted,

Kirk Saiki, P.E.
Manager and Chief Engineer

KS/mja

Mgrrp/Manager’s Update (02-19-15):mja

Warrant Vouchers for Period Ending January 31 2015
Manager’s Goals No. 11 Exhibit A & Exhibit B
ALL FUNDS
SUMMARY OF WARRANT VOUCHERS
FOR PERIOD ENDING
1/31/2015

WATER UTILITY FUND
Other Expenses - Normal Expenditures
TOTAL WATER UTILITY FUND

$1,545,008.32
1,545,008.32

FRC FUND

BOND FUND

SRF FUND
TOTAL SRF FUND

491,847.23
### ALL FUNDS
#### SUMMARY OF WARRANT VOUCHERS
##### FOR PERIOD ENDING
##### 1/31/2015

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refund - Revenues from Water Sales</td>
<td>6,394.36</td>
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<tr>
<td>Salaries and Wages</td>
<td>619,533.59</td>
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<tr>
<td>Professional Services - General</td>
<td>22,239.74</td>
</tr>
<tr>
<td>Other Services - General</td>
<td>4,841.33</td>
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<tr>
<td>Other Services - Billing Costs</td>
<td>27,440.99</td>
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<td>Public Relations - General</td>
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<td>Communication Services - Office</td>
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<td>Communication Services - Operations</td>
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<td>Freight and Postage Services</td>
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<td>Rentals and Leases</td>
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<td>Utility Services - Operations</td>
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<td>Repairs and Maintenance - Water System</td>
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<td>Repairs and Maintenance - Other Than Water System</td>
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<td>Office Supplies</td>
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<td>Operating Supplies</td>
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<tr>
<td>Exceptional Expenses</td>
<td>7,437.05</td>
</tr>
<tr>
<td>Fuel</td>
<td>7,943.53</td>
</tr>
<tr>
<td>Bulk Water Purchase</td>
<td>121,724.54</td>
</tr>
<tr>
<td>Books, Publications, Subscriptions, and Membership</td>
<td>173.21</td>
</tr>
<tr>
<td>Books, Publications, Subscriptions, and Membership - Board</td>
<td>74.00</td>
</tr>
<tr>
<td>Training and Development</td>
<td>6,337.32</td>
</tr>
<tr>
<td>Travel and Per Diem</td>
<td>1,274.80</td>
</tr>
<tr>
<td>Travel and Per Diem - Board</td>
<td>1,039.60</td>
</tr>
<tr>
<td>Meeting Expense</td>
<td>20.27</td>
</tr>
<tr>
<td>Meeting Expense - Board</td>
<td>774.39</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>169,387.96</td>
</tr>
<tr>
<td>Debt Principal Repayment</td>
<td>210,582.07</td>
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</tbody>
</table>

**TOTAL NORMAL EXPENDITURES**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,545,008.32</td>
</tr>
</tbody>
</table>
ALL FUNDS
SUMMARY OF WARRANT VOUCHERS
FOR PERIOD ENDING
1/31/2015

CAPITAL PROJECTS - REHAB & REPLACE - DESIGN

CAPITAL PROJECTS - REHAB & REPLACE - CONSTRUCTION

FRC CAPITAL PROJECTS - EXPANSION - DESIGN

FRC CAPITAL PROJECTS - EXPANSION - CONSTRUCTION

BOND CAPITAL PROJECTS - REHAB & REPLACE - DESIGN

BOND CAPITAL PROJECTS - EXPANSION - DESIGN

BOND CAPITAL PROJECTS - EXPANSION - CONSTRUCTION

SRF CAPITAL PROJECTS REHAB & REPLACE - DESIGN

SRF CAPITAL PROJECTS REHAB & REPLACE - CONSTRUCTION
SRF-Cns-ALLR-X-YY PLH-39a-Lihue Baseyard Imprvmts

TOTAL SRF CAPITAL PROJECTS REHAB & REPLACE - CONSTRUCTION 491,847.23

TOTAL SRF CAPITAL PROJECTS 491,847.23

TOTAL CAPITAL EXPENDITURES 491,847.23
MANGER'S GOALS EXHIBIT A

Designs (6) that Engineering is confident to be completed by the end of fiscal year 2014-2015

<table>
<thead>
<tr>
<th>WP 2020 No.</th>
<th>PROJECT</th>
<th>Increase System Capacity</th>
<th>On BAB Project List</th>
<th>% Complete (design)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KOLOA WELL &quot;D&quot; REPAIRS</td>
<td>no</td>
<td></td>
<td>85%</td>
</tr>
<tr>
<td>2</td>
<td>KOLOA WELLS 16A &amp; 16B WELL, SITE AND BUILDING IMPROVEMENTS</td>
<td>no</td>
<td>yes</td>
<td>85%</td>
</tr>
<tr>
<td>3</td>
<td>KOLO ROAD MAIN REPLACEMENT (KILAUEA SCHOOL)</td>
<td>yes</td>
<td></td>
<td>95%</td>
</tr>
<tr>
<td>4</td>
<td>8&quot; WATER MAIN REPLACEMENT HALEWILI ROAD</td>
<td>no</td>
<td>yes</td>
<td>99%</td>
</tr>
<tr>
<td>5</td>
<td>WEKE, ANAE, MAHI MAHI AND HE'E ROADS 6&quot; and 8&quot; MAIN REPLACEMENT (2,760')</td>
<td>yes</td>
<td>yes</td>
<td>97%</td>
</tr>
<tr>
<td>6</td>
<td>KOLO ROAD 8&quot; (1,700') &amp; OMAO 6&quot; (6,200') MAIN REPLACEMENTS</td>
<td>yes</td>
<td>yes</td>
<td>90%</td>
</tr>
</tbody>
</table>

Designs (7) that may be completed by the end of calendar year 2015

<table>
<thead>
<tr>
<th>WP 2020 No.</th>
<th>PROJECT</th>
<th>Increase System Capacity</th>
<th>On BAB Project List (yes/no)</th>
<th>% Complete (design)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CONSTRUCT KAPAA HOMESTEAD 313 TANK, 1.0 MG</td>
<td>yes</td>
<td>yes</td>
<td>90%</td>
</tr>
<tr>
<td>2</td>
<td>Kapaa Homesteads Well No. 4</td>
<td>yes</td>
<td>yes</td>
<td>90%</td>
</tr>
<tr>
<td>3</td>
<td>Wainiha Well No. 4</td>
<td>yes</td>
<td>yes</td>
<td>75%</td>
</tr>
<tr>
<td>4</td>
<td>Equipment and Material Bin Roof with PV System</td>
<td>no</td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>5</td>
<td>Construct Kilauea 466 Tank, 1.0 MG</td>
<td>yes</td>
<td>yes</td>
<td>60%</td>
</tr>
<tr>
<td>6</td>
<td>Construct Kalaeo Kukuiolono 0.5 MG Tank</td>
<td>yes</td>
<td>yes</td>
<td>75%</td>
</tr>
<tr>
<td>7</td>
<td>REPLACE GROVE FARM TANKS #1 &amp; #2</td>
<td>yes</td>
<td>yes</td>
<td>85%</td>
</tr>
</tbody>
</table>
## Legend for Justification of Projects

1 = Health and Safety Reasons/ Operational Need  
2 - FRC Generating  
3 = Design in Progress

Prioritized by Five(5) Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source projects</td>
<td>10</td>
</tr>
<tr>
<td>Storage Projects</td>
<td>5</td>
</tr>
<tr>
<td>Transmission Projects</td>
<td>10</td>
</tr>
<tr>
<td>Replacement/Distribution Projects</td>
<td>30</td>
</tr>
<tr>
<td>Cost Savings/Demand Reduction Projects</td>
<td></td>
</tr>
</tbody>
</table>

### SOURCE PROJECTS - (10)

<table>
<thead>
<tr>
<th>Source Project</th>
<th>Description</th>
<th>Increase System Capacity</th>
<th>Justification</th>
<th>BAB Listed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 PLH-42</td>
<td>Construct Kokolau Tunnel WTP, 400 gpm (feasibility study)</td>
<td>yes</td>
<td>2, 3</td>
<td></td>
</tr>
<tr>
<td>2 PLH-36</td>
<td>Kapaia SWTP Expansion, 1.0 MGD</td>
<td>yes</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3 H-08</td>
<td>Drill &amp; Dev Hanalei Well, 300 gpm</td>
<td>no</td>
<td>2, 3</td>
<td>yes</td>
</tr>
<tr>
<td>4 WK-39</td>
<td>Kapaa Hmstds well #4</td>
<td>yes</td>
<td>2, 3</td>
<td>yes</td>
</tr>
<tr>
<td>5 WKK-02</td>
<td>Drill &amp; Dev New Kilauea Well (No. 3 or No. 4), 700 gpm</td>
<td>yes</td>
<td>2, 3</td>
<td></td>
</tr>
<tr>
<td>6 HW-12</td>
<td>Drill &amp; Dev Wainiha/Hā'ena Well, 100 gpm</td>
<td>yes</td>
<td>2, 3</td>
<td>yes</td>
</tr>
<tr>
<td>7 K-01</td>
<td>Kalaheo 1111' &amp; 1222' Water System Improvements (Well)</td>
<td>yes</td>
<td>2, 3</td>
<td>yes</td>
</tr>
<tr>
<td>8 KP-20</td>
<td>Drill &amp; Dev Koloa Well G</td>
<td>yes</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>9 LO-7</td>
<td>Drill &amp; Dev Omao Well</td>
<td>yes</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>10 KW-28</td>
<td>Renovate Kekaha Shaft (5842-02) &amp; 12&quot; D.I. (Amfac Shaft)</td>
<td>yes</td>
<td>2</td>
<td>yes</td>
</tr>
</tbody>
</table>

### STORAGE PROJECTS (5)

<table>
<thead>
<tr>
<th>Storage Project</th>
<th>Description</th>
<th>Increase System Capacity</th>
<th>Justification</th>
<th>BAB Listed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 PLH-01a</td>
<td>Replace Grove Farm Tanks #1 &amp; #2</td>
<td>yes</td>
<td>1, 2, 3</td>
<td>yes</td>
</tr>
<tr>
<td>2 K-01</td>
<td>Kalaheo 1111' &amp; 1222' Water System Improvements (0.5 MG Tank and pipeline)</td>
<td>yes</td>
<td>1, 2, 3</td>
<td>yes</td>
</tr>
<tr>
<td>3 WK-08</td>
<td>Construct Kapaa Homesteads 313 Tank, 0.9MG</td>
<td>yes</td>
<td>2, 3</td>
<td>yes</td>
</tr>
<tr>
<td>4 WKK-15</td>
<td>Construct Kilauea 466 Tank, 1.0 MG</td>
<td>yes</td>
<td>2, 3</td>
<td>yes</td>
</tr>
<tr>
<td>5 K-05a</td>
<td>Construct Kalaheo Kukuiolono 0.5 MG Tank</td>
<td>yes</td>
<td>2, 3</td>
<td>yes</td>
</tr>
</tbody>
</table>

### TRANSMISSION PROJECTS (10)

<table>
<thead>
<tr>
<th>Transmission Project</th>
<th>Description</th>
<th>Increase System Capacity</th>
<th>Justification</th>
<th>BAB Listed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 WKK-9</td>
<td>Kolo Road Main Replacement (Kilauea School)</td>
<td>yes</td>
<td>1, 2, 3</td>
<td></td>
</tr>
<tr>
<td>2 Ani-01b</td>
<td>Anini and Kaliihiwai Road 6&quot; Main (5300')</td>
<td>1, 3</td>
<td>yes</td>
<td></td>
</tr>
<tr>
<td>3 PLH-35b</td>
<td>18&quot; Cane Haul Road Main (Maalo, Ehiku, Kūhi‘ō)</td>
<td>yes</td>
<td>1, 2</td>
<td>yes</td>
</tr>
<tr>
<td>4 HE-10</td>
<td>Hanapepe Road 6&quot; Main Replacement</td>
<td>1, 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 PLH-27</td>
<td>Kūhi‘ō Hwy (Hardy, Oxford) 16&quot; Main Replacement (1,680')</td>
<td>yes</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>6 WK-25</td>
<td>Kūhi‘ō Hwy (N. Papaloa to Waikae Canal) 16&quot; Main Replacement</td>
<td>yes</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>
**Legend for Justification of Projects**

1 = Health and Safety Reasons/ Operational Need
2 = FRC Generating
3 = Design in Progress

Prioritized by Five (5) Categories

<table>
<thead>
<tr>
<th>Source projects</th>
<th>Storage Projects</th>
<th>Transmission Projects</th>
<th>Replacement/Distribution Projects</th>
<th>Cost Savings/Demand Reduction Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>5</td>
<td>10</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>

**TRANSMISSION PROJECTS (10) Cont'd**

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Description</th>
<th>Increase System Capacity</th>
<th>Justification</th>
<th>BAB Listed</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Kīlauea Tanks 1 &amp; 2, Pukalani Place, 16&quot; Main Replacement (8,050')</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Akea Rd to Hanapepe Well A 8&quot; Main Replacement (11,329')</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Kūhi'ō Hwy 6&quot; main Replacement (7,000')</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Keālia Road 12&quot; Main Replacement (1,940')</td>
<td>1, 2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**REPLACEMENT/DISTRIBUTION PROJECTS (30)**

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Description</th>
<th>Justification</th>
<th>BAB Listed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Weke, Anae, and He'e Roads 6&quot; and 8&quot; Main Replacement (2,760)</td>
<td>yes</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>2</td>
<td>Lāwai'i 6&quot; &amp; 8&quot; Main Replacement (6,400')</td>
<td>yes</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>3</td>
<td>MCC, Chlorination Facilities, Koloa Well &quot;16-A&quot; &amp; &quot;E&quot;, &quot;16-B&quot; Site and Bldg. Improvements</td>
<td>1, 3</td>
<td>yes</td>
</tr>
<tr>
<td>4</td>
<td>Eleele booster pump rehab</td>
<td>no</td>
<td>1, 3</td>
</tr>
<tr>
<td>5</td>
<td>Rehabilitate Jelly Factory B.P. Sta. (3-250 gpm)</td>
<td>no</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Rehabilitate Paua Valley Tank #1, 0.5 MG Concrete</td>
<td>no</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Rehabilitate Puupilo Steel Tank, 0.125 MG</td>
<td>no</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>8&quot; Water Main Replacement Halewili Road</td>
<td>no</td>
<td>1, 3</td>
</tr>
<tr>
<td>9</td>
<td>Rehabilitate Moelepe Tunnel &amp; Improve Access Road</td>
<td>no</td>
<td>1, 3</td>
</tr>
<tr>
<td>10</td>
<td>Hanamā'ulu main (Hoohana Street) replacement</td>
<td>yes</td>
<td>1, 2</td>
</tr>
<tr>
<td>11</td>
<td>Install gate Valves on hydrant Laterals, Po'ipū Road</td>
<td>no</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Makanui Road Main Replacement</td>
<td>no</td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>Koloa 6&quot; &amp; 12&quot; Main Replacement (13,756') (Wailani &amp; Waihohonou Road)</td>
<td>yes</td>
<td>1, 2</td>
</tr>
<tr>
<td>14</td>
<td>Hoona &amp; Pane Rd 6&quot;, Hoonani Rd 12&quot; Main Replacement</td>
<td>yes</td>
<td>1, 2</td>
</tr>
<tr>
<td>15</td>
<td>Generator shelters and electrical Improvements for Wells</td>
<td>no</td>
<td>1</td>
</tr>
</tbody>
</table>
### Legend for Justification of Projects

1. Health and Safety Reasons/Operational Need
2. FRC Generating
3. Design in Progress

#### Prioritized by Five (5) Categories

1. Source projects - 10
2. Storage Projects - 5
3. Transmission Projects - 10
4. Replacement/Distribution Projects - 30
5. Cost Savings/Demand Reduction Projects

<table>
<thead>
<tr>
<th>REPLACEMENT/DISTRIBUTION PROJECTS (30) Cont’d</th>
<th>Increase System Capacity</th>
<th>Justification</th>
<th>BAB Listed</th>
</tr>
</thead>
<tbody>
<tr>
<td>16   WK-11a Upper Wailua House lots Main Replacement</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>17   HE-03b Hanapepe Well A MCC, Chlorination Facilities</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>18   HE-03c Hanapepe Well B MCC, Chlorination Facilities</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>19   HE-6 Hanapepe Wells A and B stream crossing</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>20   Replace Hanamā‘ulu booster pump station</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>21   WK-13 Kapaa Town 8&quot; main replacement</td>
<td>yes</td>
<td>1, 2</td>
<td></td>
</tr>
<tr>
<td>22   PLH-26 Isenberg/Camp A 6&quot; &amp; 8&quot; Main Replacement</td>
<td>yes</td>
<td>1, 2</td>
<td></td>
</tr>
<tr>
<td>23   Admin building renovations</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>24   HW-04 MCC, Chlorination Facilities, Hā‘ena Well 66 &amp; Wainiha Well 67 &amp; 2</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>25   KW-09b MCC, Chlorination Facilities, Replace Paua Valley Well w/ submersible</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>26   K-13 Puuawai, Poohiwi, Wawae Road 8&quot; Main Replacement (5,500’)</td>
<td>yes</td>
<td>1, 2</td>
<td></td>
</tr>
<tr>
<td>27   KP-19 Koloa Well C 18&quot; Main Replacement</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>28   KW-22b MCC, Chlorination Facilities, Waimea Well &quot;2&quot;</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>29   LO-05a MCC, Chlorination Facilities, Lāwa‘i Wells No. 1 (22) &amp; No. 2</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>30   PLH-06 MCC, Chlorination Facilities, Puhi Well 1 (KCC)</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

#### COST SAVINGS/DEMAND REDUCING

- Photovoltaic system installation on proposed roof over equipment and materials bins: no 1
- Hanapepe-Eleele Connecting Pipeline: no 1
- Toilet/Washing Machine Retrofit program Island wide. Subject to WSDF being in place: no 1