A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES
   Review and approval of:
   Regular Board Meeting – January 26, 2018

E. CORRESPONDENCE/ANNOUNCEMENTS

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS

G. OLD BUSINESS

H. NEW BUSINESS
   1. Manager’s Report No. 18-91 - Request Board Approval of Resolution No. 18-03, (2/18), Employee of the Year, Reynold Abigania, Groundskeeper, Operations Division

   2. Manager’s Report No. 18-92 - Request Board Approval of Resolution No. 18-04, (2/18), Employee of the Year, Bryan Wienand, Civil Engineer V, Engineering Division

   3. Manager’s Report No. 18-93 - Discussion and Possible Action for Board Approval to enter a Memorandum of Understanding No. 2294 between the Hawai‘i Department of Transportation and the Board of Water Supply, County of Kaua‘i for the Hawai‘i Department of Transportation’s Maalo Road Resurfacing, Mile Post 1.0 to Mile Post 2.0, Project No. 583A-01-18M
I. **CONSENT CALENDAR**

1. *Manager’s Report No. 18-94* - Discussion and Possible Action for the Board to approve a Right of Entry letter from Grove Farm Company, Inc. for Job No. 18-01, that will allow the Department to abandon Hanamā’ulu Well No. 1 and Hanamā’ulu Well No. 2, affecting the following:
   a. Grove Farm Company, Inc., TMK: (4) 3-8-018:001 Hanamā’ulu, Kaua‘i, Hawai‘i

2. *Manager’s Report No. 18-95* – Discussion and Possible Action to approve multiple Right of Entry Agreements with private owners that will allow the Department of Water to relocate and/or reconnect water meters for Job No. 15-07 WP2020 Project No. HE-10 (Reorganize Water System: Hanapēpē Road 6-Inch Main Replacement) affecting the following:

3. *Manager’s Report No. 18-96* - Discussion and Possible Action to approve a Grant of Easement for the former Līhu‘e Courthouse Renovations with the County of Kaua‘i Board of Water Supply affecting the following Landowner:
   a. State of Hawai‘i, Department of Accounting and General Services, TMK: (4)3-6-005:001, Līhu‘e, Kaua‘i, Hawai‘i

4. *Manager’s Report No. 18-97* – Discussion and Possible Action on Grant of Easement for Reduced Pressure Detector Assembly and Water Meter Plan for Lot 8-A, TMK: (4) 5-010:001, Kapaa, Kaua‘i affecting the following Landowner:
   a. Aloiau, Inc. affecting TMK: (4) 5-010:001, Kapaa, Kaua‘i, Hawai‘i

J. **STAFF REPORTS**

**MONTHLY**

1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures
   a. 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 2018
K. EXECUTIVE SESSION

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

L. TOPICS FOR NEXT WATER BOARD MEETING (March 2018)

1. Draft Budget for Fiscal Year 2018-2019
   a. Fiscal Year 2018 - 2019 – Draft Operating Budget
   b. Fiscal Year 2018 - 2019 – Draft Capital Outlay Budget

2. Discussion and Possible Action to hire a consultant to provide a Policy in the Development of Priorities for the Current Rate Study & 2018-2019 Budget Process for:
   a. Capital Budget
   b. Operating Budget
   c. Reserves
   d. Debt


4. Discussion and Possible Action on Proposed Board Policy for Delegating Routine Actions from the Water Board to the Department of Water’s Manager and Chief Engineer regarding Right of Entry

5. Discussion and Possible Action on Utility Agreement No. 2257 between the State of Hawai‘i Department of Transportation and the Board of Water Supply, County of Kaua‘i for the upcoming Hanapēpē River Bridge, Kaumuali‘i Highway, Route 50, HI STP SR50 (1) Project, Hanapēpē, Kaua‘i Hawai‘i Water System Improvements

M. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Workshop presentation regarding the Long Range Plan of the Department of Water’s former Administration Building

N. UPCOMING EVENTS

1. AWWA Conference, Las Vegas, Nevada (June 11 – 14, 2018)
2. Make a Splash, Project Wet (September 20, 2018)
3. HWWA & HRWA Conference, Līhu'e, HI (November 7 – 9, 2018)

O. NEXT WATER BOARD MEETING

1. Friday, March 23, 2018, 10:00 a.m.
2. Friday, April 27, 2018, 10:00 a.m.
3. Friday, May 25, 2018, 10:00 a.m.
4. Friday, June 22, 2018, 10:00 a.m.

P. ADJOURNMENT
The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu‘e on Friday, January 26, 2018. Chair Beth Tokioka called the meeting to order at 10:04 a.m. The following Board members were present:

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

**EXCUSED:** Mr. Michael Dahilig

Quorum was achieved with 6 members present at Roll Call.

**STAFF:** Mr. Kirk Saiki
Mr. Valentino Reyna
Mr. Edward Doi
Mrs. Jonell Kaohelaulii
Mr. Dustin Moises
Mr. Carl Arume
Deputy County Attorney Mahealani Krafft

Ms. Christine Erorita

**GUEST(s):** Mr. Hall Parrott, Private Citizen
Ms. Maren Ansmendez, Esaki Surveying & Mapping

**C. ACCEPTANCE OF AGENDA**
Mr. Dill moved to reorder the Agenda to move up New Business No. 1, Manager’s Report 18-89; seconded by Mr. Canute; with no objections, motion carried with 6 ayes.

**H. NEW BUSINESS**
1. *Manager’s Report No. 18-89* - Discussion and Possible Action on the Grant of Easement for the 8-Inch Waterline along Puu Road, Kōloa, Kaua‘i, Hawai‘i Affecting the Following Landowner:
   a. Walter D. McBryde Trust affecting TMK: (4) 2-3-005:021

**BACKGROUND:**
Manager Saiki mentioned that the Department recommended the approval of the Grant of Easement for the 8-Inch Waterline along Puu Road, Kōloa.

**DISCUSSION:**
Mr. Dill questioned if there was a water meter installed that was not being used? Chief of Construction Management Mr. Moises explained this was related to the Phillips project, the old water line that is being conveyed and closing out the Certificate of Completion (COC).
Ms. Maren Ansmendez, Esaki Surveying & Mapping provided her testimony.

Ms. Ansmendez thanked the Department of Water (DOW) and Mr. Dustin Moises in assisting Esaki Surveying & Mapping in finalizing the last housekeeping issues on the water line and getting the COC.

Mr. Shiraishi moved to approve Manager’s Report No. 18-89 - Discussion and Possible Action on the Grant of Easement for 8-Inch Waterline along Puu Road, Kōloa, Kaua‘i, Hawai‘i Affecting the Following Landowner: a. Walter D. McBryde Trust affecting TMK: (4) 2-3-005:021; seconded by Mr. Canute; with no objections, motion carried with 6 ayes.

D. MEETING MINUTES
   Review and approval of:
   Regular Board Meeting – December 22, 2017
   Mr. Canute moved to approve the Regular Board Meeting minutes of December 22, 2017; seconded by Mr. Tabata; with no objections, motion carried with 6 ayes.

   Special Board Meeting – December 8, 2017
   Mr. Canute moved to approve the Special Board meeting minutes of December 8, 2017; seconded by Mr. Tabata; with no objections, motion carried with 6 ayes.

   Review and approval of:
   Executive Session – December 22, 2017
   Mr. Tabata moved to approve the Executive Session minutes of December 22, 2017; seconded by Mr. Shiraishi; with no objections, motion carried with 6 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS
   1. Selection of an Acting Manager and Chief Engineer

   Chair Tokioka announced the Board selected Mr. Steve Kyono as the Acting Manager and Chief Engineer effective February 12th for three months during the transition for a permanent Manager and Chief Engineer. The Board is excited to have Mr. Kyono provide stability for the DOW.

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS
   1. Discussion and Receipt of the Permitted Interaction Group Report for the Recruitment and Recommendation of a Manager and Chief Engineer

   Chair Tokioka mentioned the recruitment of a Manager and Chief Engineer will be posted two (2) times in media outlets and on line starting Sunday, January 28th, in the Honolulu Star Advertiser and The Garden Island (County website, DOW website, AWWA & HWWA websites and Midweek O‘ahu and Midweek Kaua‘i publications). Recruitment Deadline: March 16th but may be extended pending Professional Engineer (P.E.) certification for Hawai‘i. The Permitted Interaction Group will reconvene before March 16th to consider extending the recruitment deadline if needed.

G. OLD BUSINESS
   1. Manager’s Report No. 18-65 (Update) - Discussion and Possible Action on Part 2 Rules and Regulation for Water Service Connections to address Landlord and/or Property Managers and Tenant issues
      a. Section I – Definitions
      b. Section III – Conservation Measures and Interruption of Water Supply
      c. Section IV – Elevation Agreement, Pressure Controls
      d. Section V – Application for Water Service and Service Connection
BACKGROUND:
Manager Saiki mentioned at previous Board meetings, there was a discussion regarding protecting the Department against tenants who leave town with unpaid water bills. Without doing a Rule change, the Board suggested to review and increase the deposit amount. The Department looked at the island as a whole with an average water bill of $210.00 (all meter sizes). If 6 inch meter owners are paying $210.00, this would not cover a portion of water. The Department recommended Option 1, a tiered structure of a 5/8 inch meter = $210.00.

DISCUSSION:
Waterworks Controller Mrs. Yano indicated that the current deposit is $90.00 for all delinquent 5/8” water meter users who are easier to collect from compared to commercial users. Based on the computer system, termination of service is 90 days; Fiscal then prepares for meter cuts. Larger delinquencies occur when there are leaks on the property (exemptions).

Comments from:
Mr. Canute – There are hardships with deposits for rent and utilities.
Mr. Dill – New hook up users with Kaua‘i Island Utility Coop get their ($200) deposit back after one year with a good billing history.
Mr. Shiraishi – Refunding $210.00 after one year will not cure an initial hardship.
Mr. Tabata - opposed Option 1 or any increases.

Chair Tokioka said if the Department deviates from Part 2, the Department would be in violation. Mrs. Yano said the Department only collects for three months. Chair commented the Rules could be revised to make sure the Department is compliant. (Refer to Page 25 No. 5 on current Rules).

Option 2: Increase tenant’s deposit to $210.00 for all meter sizes, using the 5/8” meter average water bill as the basis for the amount.

Mr. Shiraishi moved to approve Option 2 in Manager’s Report No. 18-65 (Update) - Discussion and Possible Action on Part 2 Rules and Regulation for Water Service Connections to address Landlord and/or Property Managers and Tenant issues; seconded by Ms. Ho; with no objections, motion carried with 5 ayes and 1 nay (LT).

H. NEW BUSINESS (Cont’d)
2. Manager’s Report No. 18-90 - Discussion and Possible Action to Begin the Design Procurement Solicitation for Job No. 18-2, Island-Wide Rehabilitation of Department of Water’s Storage Tanks in the amount of $650,000.00
   a. Puhi 5 Tank: 0.5 MG, within the Puhi-Līhu'e-Hanamā‘ulu Water System
   b. Paanau #1: 0.25 MG, within the Koloa-Po'ipū Water System
   c. Maha‘ulepu Tank #1: 1.5 MG, within the Koloa-Po'ipū Water System
   d. Makaleha Tank: 1.0 MG, within the Wailua-Kapa‘a Water System
   e. Kaua'i Inn Tank: 0.25 MG, within the Puhi-Lihue-Hanamahulu Water System
   f. Nonou Tank: 2.0 MG, within the Wailua-Kapa‘a Water System

BACKGROUND:
Deputy Manager Mr. Wienand commented on the discovery of Polychlorinated Biphenyls (PCB) in the Paua Valley Tank led the Department to look at concrete tanks around the island prior to 1980. Staff inspected and tested 16 tanks with no visual indication of PCB. The 16 tanks have been prioritized by Civil Engineer Mr. Aoki and Mr. Fujikawa according to Operational needs and Water Resources & Planning.
Funding for the first six (6) tanks is needed to test for PCB with additional funding for design & research to rehab the tanks (to avoid an impact to the system if taken off line). Funding does not include the cost of rehab, relining or coating of the tank. If PCB is detected, it would require a cost and subsequent testing by the Environmental Protection Agency (EPA).

The scope has been identified and solicitation of funds is approved. Completion for procurement and a consultant would be in four months. An option is to test all six tanks at the same time since PCB is not anticipated to be found. If three tanks are tested with PCB, all three tanks would be taken off line which would be an operational hardship.

Water Microbiologist Mr. Arume took samples of tanks built around the same time that had no PCB. One tank had a leak with a black lining that had an oily scum layer. As a precaution, consultants tested the tank which came up positive with PCB.

EPA is a mandated testing has started for Phase 2 and Phase 5 every three years to run different contaminants at all sources. Paua Valley Tank had visual flacking and oily sheen. Mr. Dill applauded the Department for being proactive in the testing.

Mr. Dill moved to approve Manager’s Report No. 18-90 - Discussion and Possible Action to Begin the Design Procurement Solicitation for Job No. 18-2, Island-Wide Rehabilitation of Department of Water’s Storage Tanks in the amount of $650,000.00; seconded by Ms. Ho; with no objections, motion carried with 6 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

BACKGROUND:
Waterworks Controller Mrs. Yano reported the Department is ahead of revenue collections due to the increase of water consumption and more customers. Refer to Page 44, Item V for Ongoing Fiscal projects.

Received – 6 members

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

BACKGROUND:
Information Specialist Mrs. Kaohelaulii explained that the Kaua‘i Family Magazine is a quarterly publication that goes to the schools and other locations.

Received – 6 members

3. Discussion and Receipt of the Chief of Operation’s Summary Report on Operational Activities
BACKGROUND:
Chief of Operations Mr. Reyna highlighted two charts on the Monthly Water Consumption charts for 2016 & 2017. Water loss for 2016 = 12.5% water loss; water loss for 2017 = 10.4% water loss, and saved $118,000 for the year. Operations was aggressive with leak repairs and leak detection.

DISCUSSION:
A single digit percentage is the standard industry goal. Manager Saiki mentioned that the numbers do not reflect the water loss in the system; numbers monitor water loss. Mr. Reyna will prepare a graph on the last 12 months data average of water loss for future reports.

Received – 6 members

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

BACKGROUND:
Manager Saiki highlighted the following:

Water Quality Report (Page 73) reflected information from Mr. Arume’s Water Quality report.

Update on Kapaia 18” water line:
Deputy Manager Wienand reported on:
• Draft Environmental Assessment (DEA) was completed and mailed yesterday to the Environmental Quality Control before the January 29th deadline.
• DEA to be published February 8th of the Environmental Notice. There will be a 30 day public comment period. Design will be completed in a few weeks. After the public comment period on the second week of March, the design could be signed off. If there are public comments, the drawings will not be signed off.
• This is a low bid solicitation
• Project should be out before the June 30th deadline for State funds. Chair Tokioka thanked the Deputy Manager, Deputy Attorney Krafft and other staff who worked on meeting the deadlines for this process.

Use and Occupancy Agreement:
The UOA is with the State for abandoning existing pipe in the highway.
➢ Agreement is pending approval with the State requesting a waiver for abandoning existing pipe with DOT. Approval letter was signed July 2017.
➢ Deputy Manager Wienand will send a copy of the letter requesting a waiver to Mr. Dill who agreed to follow up.

Claims Report:
Deputy County Attorney Krafft said the Claims Report was missing in the Manager’s Update.
➢ Two Claims for vehicle damages will be amended on the February report in the amount of: $2,274.02 and $2,698.05.

Received – 6 members

a. Report of the BAB pay down as of December 2017

Received – 6 members
QUARTERLY (October – December 2017)
1. Discussion and Receipt of the DOW’s Quarterly Project Status Update
   a. Construction Management Division Status

BACKGROUND:
Chief of Construction Management Mr. Moises highlighted the following in the Executive Summary:
1. Mr. Moises continues to assist Engineering Division with design review.
2. Procurement process is changing to low bid to meet the June 30th encumbrances; Request for Proposal (RFP) is lengthy. Kapaia water line, Hanapēpē water line, and Kapa’a Well No. 4 will go to low bid. Mr. Moises acknowledged Deputy Manager Wienand and Mr. Keith Aoki for a good job on providing good EA comments for Kapaia project.
3. Line Item – Project Management Software (Page 81) – A pilot project will be rolled out on the Eleele Booster Replacement project early 2018; Notice To Proceed (NTP) will be given out later this month; fully implemented the end of this fiscal year. Mr. Moises thanked Information Technology Officer Mr. Jeff Mendez and Information Technology Specialist, Mrs. Sandi Nadatani-Mendez for the PM software.

DISCUSSION:
Kapaia Haul Cane Road 18” Water Main (Page 87) - *Optimistic estimate at this time – DOW Construction Management (CM) will procure no more than six projects per year or have more than 6 active project due to staffing capabilities. Mr. Shiraishi questioned if this would affect the efforts in encumbering funds? Mr. Moises mentioned optimistic and efforts are to try and to wait for the results from the EA. Mr. Moises said it is an option to hire a consultant for other projects could be done in house. CM is hiring a CE III to be reallocated to a CE V and an Inspector. Mr. Moises will continue to use a supplement CM and two “as needed” CM open contracts that could be pulled. The June 2018 anticipated NTP has items that might be beyond internal controls. If the EA is challenged in court, then the funds may not be encumbered but should be covered.

Received – 6 members

b. Engineering Division Design Status

BACKGROUND:
Deputy Manager Wienand highlighted the following State funded projects;
1. Kapaia Cane Haul Road – (covered earlier).
2. Hanapēpē Eleele Connecting Pipeline is on track to be completed; drawings were mailed for signatures. Engineering sent a request to waive the requirement (UOA) for execution of construction; a low bid will expedite solicitation.
3. Kapa’a Homesteads 325’ Two (2) 0.5 MB Tanks – drain line to be finalized in two weeks; the well is complete; template for the low bid is being updated for procurement.

Other Updates:
1. Kalâheo Water System Improvements – Civil Engineer Mr. Eric Fujikawa pushed this project along. Design is 95% completed; ready for construction this summer. Projects will be staggered during solicitation.
2. Hanalei Water Line Improvements – The archeological monitoring plan is complete; ready for construction.
3. Hā‘ena 0.2 MG Storage Tank – To be completed in May 2018.
4. Kīlauea Wells, Monitoring Control Center (MCC) – To be completed May 2018.
5. Rehab Paua Valley Tank – is moving along.
6. Kukuiolono 0.5 MG Tank – progress with land agreement.
7. Kīlauea Storage Tank – need use permits, approved last month; contract should be executed soon.

**DISCUSSION:**
Mr. Shiraishi inquired about WK-8 Kapa’a Homestead 325’ Tanks and Two 0.5MG Tanks (Page 107). Package A/drain line and Package B/tank design. He asked why is Packet B going to finish the 3rd Quarter when it has been in design for a long time? Deputy Manager Wienand explained the prioritizing of the drain line to make sure it can be finished effective February. Kapa’a Well No. 4 has State funds appropriated. Package A/drain line is necessary to package together for construction. In August, the consultant was asked to prioritize the drain line. The well and the drain line will be done first. There was a six month gap for the consultant to focus on the drain line to be done within 180 days which is on track. The next 180 days to August to finish design of the tanks is at the 90% to 95% level.

Mr. Shiraishi was familiar with this before he came on the Board and has clients who are adjacent to the project lot. He thought the tank design would have been completed by now. Deputy Manager Wienand said State funding for the well could be encumbered this year.

Chair Tokioka appreciated Deputy Manager Wienand stepping into this position and to work together with Mr. Steve Kyono during the transition. The Board is working quickly to fill the Manager and Chief Engineer position.

Received – 6 members

c. Water Resources & Planning Division Status

**BACKGROUND:**
Chief of Water Resources and Planning (WRP) Mr. Doi highlighted that building permits are picking up based on the economy. WRP has gotten used to the new electronic filing system and mentioned that better equipment may be needed. February 1st the new electronic building permit software begins County wide.

**DISCUSSION:**
Mr. Tabata mentioned public and agency software trainings have already begun. The Board would like to know if there is any hardware or software needed to improve the permit processing with WRP.

Updating Water Zone Codes (Page 116) – Water zones are the pressure areas. WR&P are cross checking and correcting the water zone codes that are tied to the meter. Water zone code updates will be conveyed to the Billing Section. The zones are being identified for source, storage tracking to determine the capacity of the tank.

Received – 6 members

**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).*
K. **TOPICS FOR NEXT WATER BOARD MEETING (February 2018)**
   1. Request Board Approval of Resolution No. 18-03, (2/18), Employee of the Year, Reynold Abigania, Groundskeeper, Operations Division
   2. Request Board Approval of Resolution No. 18-04, (2/18), Employee of the Year, Bryan Wienand, Deputy Manager, Department of Water

L. **TOPICS FOR FUTURE WATER BOARD MEETINGS**
   1. Discussion and Possible Action on Proposed Board Policy for Delegating Routine Actions from the Water Board to the Department of Water’s Manager and Chief Engineer regarding Right of Entry
      - Will be worked on and to possibly move up for February Board meeting.
   2. Workshop presentation regarding the Long Range Plan of the Department of Water’s former Administration Building
   3. Discussion and Possible Action on Utility Agreement No. 2257 between the State of Hawai‘i Department of Transportation and the Board of Water Supply, County of Kaua‘i for the upcoming Hanapōpō River Bridge, Kaumuali‘i Highway, Route 50, HI STP SR50 (1) Project, Hanapōpō, Kaua‘i Hawai‘i Water System Improvements
      - Move up to Topics for February if report is ready.
      - Mr. Dill will follow up if there are any delays on this project. (CFL Federal lands project). Traffic to be open by March. Utility agreement has not been received yet.
      a. Fiscal Year 2018 - 2019 – Draft Operating Budget
      b. Fiscal Year 2018 - 2019 – Draft Capital Outlay Budget
   5. Discussion and Possible Action to hire a consultant to provide a Policy in the Development of Priorities for the Current Rate Study & 2018-2019 Budget Process for: (March 2018)
      a. Capital Budget
      b. Operating Budget
      c. Reserves
      d. Debt
      - Waterworks Controller, Ms. Yano will prepare information in Fiscal’s February Monthly Staff report.
      - Prepare full presentation at the March Regular Board Meeting on the adoption of Fiscal policies.
   6. Audit Committee Report (Update) on the Performance Audit
      - Schedule Audit Committee meeting

M. **UPCOMING EVENTS**
   1. AWWA, HWWA, HWEA Joint Conference, Honolulu, Hawaii (February 6 – 8, 2018)
   2. AWWA Conference, Las Vegas, Nevada (June 11 – 14, 2018) M. Dahilig, L. Tabata & T. Canute to attend
   3. Make a Splash, Project Wet (September 20, 2018)
   4. HWWA & HRWA Conference, Lihu‘e, Hawaii (November 7 – 9, 2018)

N. **NEXT WATER BOARD MEETING**
   1. Friday, February 23, 2018, 10:00 a.m.
   2. Friday, March 23, 2018, 10:00 a.m.
   3. Friday, April 27, 2018, 10:00 a.m.
   4. Friday, May 25, 2018, 10:00 a.m.
   5. Audit Committee Meeting on the Status of the Performance Audit (Pending)
As past Chairperson, Mr. Shiraishi acknowledged Manager Saiki’s last meeting and thanked him for his service to the Board.

O. **ADJOURNMENT**

Ms. Ho moved to adjourn the Regular Board meeting at 11:19 a.m.; seconded by Mr. Canute; with no objections, motion carried with 6 ayes.

Respectfully submitted,  

Approved,

Edith Ignacio Neumiller  
Commission Support Clerk

Thomas Canute  
Secretary – Board of Water Supply
New Business
MANAGER’S REPORT No. 18-91

February 23, 2018

Re: Request Board Approval of Resolution No. 18-03, (2/18), Employee of the Year, Reynold Abigania, Groundskeeper, Operations Division

It is requested that the Board approve Resolution 18-03, (2/18), and congratulate Employee of the Year Reynold Abigania, Groundskeeper, Operations Division

Respectively submitted,

[Signature]

Steven Kyono, P.E.
Acting Manager and Chief Engineer

SK/ein

Attachment: Resolution 18-03 Employee of the Year, Reynold Abigania, Groundskeeper, Operations Division

Mngrp/February 2018/18-91/Request Board Approval of Resolution No. 18-03, (2/18), Employee of the Year, Reynold Abigania, Groundskeeper, Operations Division (2-23-18):ein
RESOLUTION NO. 18-03
(2/18)

COUNTY OF KAУAI
DEPARTMENT OF WATER
Employee of the Year
REYNOLD ABIGANIA
MAHALO
2017

WHEREAS, REYNOLD ABIGANIA, has been selected by his peers as the Department of Water’s 2017 Outstanding Employee of the Year; and

WHEREAS, Reynold became the newest member of the Operations Division when he joined the Department of Water in September 2016 after more than twenty (20) years with the private sector performing golf course maintenance and irrigation;

WHEREAS, being the newest member of Operations did not deter Reynold from performing above and beyond expectations;

WHEREAS, over the past year, Reynold has kept the grounds of the Department’s baseyard, parking area, and new administration building presentable and well maintained;

WHEREAS, Reynold showed that he understood the team concept and did not limit his work to grounds keeping and maintenance but also made himself available in assisting the maintenance workers and the meter mechanic;

WHEREAS, Reynold is an avid outdoorsman who likes golfing, fishing, hunting, or relaxing at the beach with family on his days off;

WHEREAS, Reynold immediately gained the respect of his co-workers due to his hairstyling, expertise, unselfishness, and easy-to-get-along with manners;

WHEREAS, Reynold has proven that he is a competent, responsible, dedicated, employee by making sure that all his tasks and responsibilities are taken cared of;

WHEREAS, Reynold has demonstrated sustained excellent performance and dependability as an Operations Division team member and Department of Water employee; now, therefore

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAУA’I, STATE OF HAWAI’I that it acknowledges and appreciates the contributions of REYNOLD for his outstanding dedication and loyalty and congratulate him upon being chosen to receive the 2017 Outstanding Employee of the Year Award.

CONGRATULATIONS REYNOLD

____________________________________
Beth Tokioka, Chairperson

____________________________________
Thomas Canute, Secretary
MANAGER’S REPORT No. 18-92

February 23, 2018

Re: Request Board Approval of Resolution No. 18-04, (2/18), Employee of the Year, Bryan Wienand, Civil Engineer V, Engineering Division

It is requested that the Board approve Resolution 18-04, (2/18), and congratulate Employee of the Year Bryan Wienand, Civil Engineer V, Engineering Division

Respectfully submitted,

Steven Kyono, P.E.
Acting Manager and Chief Engineer

SK/ein

Attachment: Resolution 18-04 Employee of the Year, Bryan Wienand, Deputy Manager

Mgrp/February 2018/18-92/Request Board Approval of Resolution No. 18-04, (2/18), Employee of the Year, Bryan Wienand, Civil Engineer V, Engineering Division (2-23-18):ein
RESOLUTION NO. 18-04

COUNTY OF KAUA‘I
DEPARTMENT OF WATER
Employee of the Year

BRYAN WIENAND
MAHALO
2017

WHEREAS, BRYAN WIENAND, has been selected by his peers as the Department of Water’s 2017 Outstanding Employee of the Year; and

WHEREAS, BRYAN joined the DOW on August 17, 2015 bringing with him 3-1/2 years of government experience with the City and County of Honolulu Environmental Services monitoring Waste Water Treatment Plants and 6 years of experience as a design engineer for HDR Engineering, Inc.; and

WHEREAS, BRYAN loves the outdoors and fell in love with Kaua’i after visiting Kaua’i and decided that he wanted to live on Kaua’i; and

WHEREAS, BRYAN fulfilled his wish to live on Kaua’i by accepting to work at the DOW; and

WHEREAS, BRYAN who grew up in Pittsburgh, is a true lifetime Pittsburgh Steelers, Pittsburgh Penguins, and Pittsburgh Pirates fan, who to this day has a Pittsburgh Steelers “Terrible Towel” up on his wall as a sign of his total support and dedication to the Steelers; and

WHEREAS, Bryan was so happy that he decided to get married before starting his job at the DOW and to this day is happily married to a beautiful wife, Tiffany; and

WHEREAS, BRYAN has shown enthusiasm and dedication to his job which has helped the Engineering Division to complete designs of Department Water Plan 2020 projects; and

WHEREAS, BRYAN loves to save the Department money by being a tough negotiator with contracts; and

WHEREAS, BRYAN has shown a talent and skill in moderating discussions and meetings; and

WHEREAS, BRYAN has provided good customer service to both external and internal customers; and

WHEREAS, BRYAN loves to travel the world and be adventurous and recently traveled to Europe on his honeymoon; and

WHEREAS, while on his honeymoon, he still took the time to take pictures of fire hydrants from different countries in Europe and sent the pictures of the hydrants to the DOW, as an example of his enthusiasm and dedication to his job; and

WHEREAS, it is good to be able to say in this resolution that BRYAN is still married, even though his focus was not 100% on his wife during their honeymoon; and

WHEREAS, BRYAN has demonstrated sustained excellent performance and dependability as an employee of the Department of Water; now, therefore

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I, STATE OF HAWAII that it acknowledges and appreciates the contributions of BRYAN for his outstanding dedication and loyalty and congratulate him upon being chosen to receive the 2017 Outstanding Employee of the Year Award.

CONGRATULATIONS BRYAN

____________________________
Beth Tokioka, Chairperson

____________________________
Thomas Canute, Secretary

Page 18
MANAGER’S REPORT No. 18-93

February 23, 2018

Re: Discussion and Possible Action for Board Approval to enter a Memorandum of Understanding No. 2294 between the Hawai‘i Department of Transportation and the Board of Water Supply, County of Kaua‘i for the Hawai‘i Department of Transportation’s Maalo Road Resurfacing, Mile Post 1.0 to Mile Post 2.0, Project No. 583A-01-18M

RECOMMENDATION:
It is recommended that the Board enter a Memorandum of Understanding No. 2294 for the Hawai`i Department of Transportation’s Maalo Road Resurfacing, Mile Post 1.0 to Mile Post 2.0, Project No. 583A-01-18M.

Further, Board approval is specifically requested of the indemnification provisions in the Memorandum of Understanding No. 2294, wherein the Board agrees to indemnify and hold harmless, the State, from any and all liabilities which may arise from Department of Water Supply acts or omissions relating to such pipelines or facilities.

FUNDING: N/A.

BACKGROUND:
The Hawaii Department of Transportation (HDOT) is proposing to resurface a portion of Maalo Road from mile post 1.0 to mile post 2.0. The improvements of this project require the adjustment of approximately four (4) water manhole frames and covers and six (6) water standard valve boxes at an estimated cost of $19,000.00. The frames, covers and valve boxes shall be adjusted flush to the new roadway elevation at no cost to the Department of Water (DOW). Furthermore, if DOW provides inspection services for the aforementioned work, the cost of such services shall be borne by the State.

The Board is being asked to execute Memorandum of Understanding No. 2294 (MOU) because there is an indemnification clause incorporated into the MOU.

OPTIONS:
Option 1: Approve Memorandum of Understanding No. 2294.
Pro: This will allow HDOT to adjust the estimated four water manhole frames and covers and six water standard valve boxes at no cost to DOW.
Con: None.

Option 2: Do not approve Memorandum of Understanding No. 2294.
Pro: None.
Con: Not approving the submittal of Memorandum of Understanding No. 2294 would prevent HDOT from adjusting the water manhole frames and covers and water valve boxes to be flush with the new roadway elevation.
Respectfully submitted,

Keith Aoki, P.E.
Engineering Division

CONCURRED:

Steven Kyono, P.E.
Acting Manager and Chief Engineer

KA/ein

Attachments: Memorandum of Understanding No. 2294
Exhibit A

Mgrp/February 2018/18-93/Discussion and Possible Action for Board Approval to enter a Memorandum of Understanding No. 2294 between the Hawai'i Department of Transportation and the Board of Water Supply, County of Kaua'i for the Hawai'i Department of Transportation’s Maalo Road Resurfacing, Mile Post 1.0 to Mile Post 2.0, Project No. 583A-01-18M (2-23-18):ein
Mr. Kirk Saiki, Manager and Chief Engineer
Department of Water Supply
County of Kauai
P. O. Box 1706
Lihue, Hawaii 96766

Attention: Mr. Keith Aoki

Dear Mr. Saiki:

Subject: Memorandum of Understanding No. 2294 for Maalo Road Resurfacing, Mile Post 1.0 to Mile Post 2.0, Project No. 583A-01-18M

Please endorse this Memorandum of Understanding No. 2294 for the subject project and return the original for our files. The improvements of this project require the adjustment of approximately four (4) Water Manhole Frames and Covers and six (6) Water Standard Valve Boxes at an estimated cost of $19,000.00. The frames, covers and valve boxes shall be adjusted flush to the new roadway elevation at no cost to the Department of Water Supply. Furthermore, if the Department of Water Supply provides inspection services for the aforementioned work, the cost of such services shall be borne by the State.

This letter of endorsement covers the above-mentioned work only. Other relocation/adjustment work that may occur will require additional plans, estimate and agreement acceptable to all parties concerned.

Enclosed is a set of plans and specifications for the adjustment of approximately four (4) Water Manhole Frames and Covers and six (6) Water Standard Valve Boxes works to be incorporated as part of our contract documents. If the above requirements and the enclosed Exhibit A are acceptable, your approval is requested.

Your prompt attention to this matter will be greatly appreciated since this project is scheduled to be advertised for bids in June 2018.
EXHIBIT A

1. Any facilities of the DEPARTMENT OF WATER SUPPLY not affected or relocated under this Memorandum of Understanding No. 2294 but which are situated within the right-of-way of this project may continue to remain in place upon the express condition, however, that the provisions of paragraphs 2 and 3 below, shall be applicable to said facilities.

2. The DEPARTMENT OF WATER SUPPLY shall bear all costs of servicing and maintaining its facilities and shall not perform such work from the through traffic lanes during peak traffic and high volume hours, except in emergencies and then only under the condition that such work shall be performed most expeditiously and with least possible interference with free flow of traffic and safe operation of highway facilities.

3. The cost of any future removal, relocation, replacement, reconstruction or adjustment of the utility facilities of the DEPARTMENT OF WATER SUPPLY, due to construction, reconstruction or maintenance of the highway, shall be borne by the DEPARTMENT OF WATER SUPPLY /or the STATE in accordance with the provisions of Section 264-33, Hawaii Revised Statutes.

4. The DEPARTMENT OF WATER SUPPLY and the STATE shall not be responsible nor liable for any injury, death or damage arising or growing out of the acts or omissions of the other party in their performance of work covered by this Memorandum of Understanding No. 2294.

5. Construction notes for DEPARTMENT OF WATER SUPPLY shall be included in the contract plans.

6. Approval of this Memorandum of Understanding No. 2294 shall be valid for a period of one year from the date of notification of approval. In the event construction does not commence within this one year period, the STATE will be required to resubmit
construction plans and another Memorandum of Understanding No. 2294 for the DEPARTMENT OF WATER SUPPLY’s review and approval.

7. When applicable, at its own expense, the DEPARTMENT OF WATER SUPPLY will be required to remove any of its underground facilities which it constructs, in the event the utility abandons the use of the facilities, unless the STATE consents in writing to allow abandonment in place. Notwithstanding any such consent by the STATE for abandonment in place, the DEPARTMENT OF WATER SUPPLY agrees to be responsible for the removal costs and any costs of clean-up and remediation for any pollution or contamination caused by the facilities, if such action becomes necessary in the future. The DEPARTMENT OF WATER SUPPLY further agrees to indemnify and hold harmless, the STATE, from any and all liabilities which may arise from DEPARTMENT OF WATER SUPPLY acts or omissions relating to such pipelines or facilities.

8. Pursuant to regulations and requirements of the Federal Highway Administration (FHWA) and Hawaii state law, the DEPARTMENT OF WATER SUPPLY is prohibited from assigning or subleasing any facilities that are allowed to be abandoned in place in the highway right-of-way without the express permission of, and arrangements with the STATE or unless such assignment or sublease is required by law. The DEPARTMENT OF WATER SUPPLY shall give the STATE ten (10) days prior written notice of any use by third parties of DEPARTMENT OF WATER SUPPLY facilities that DEPARTMENT OF WATER SUPPLY is required by law to allow. Any unauthorized use of DEPARTMENT OF WATER SUPPLY’s facilities by any other utility or third party is strictly prohibited.

9. The reference/file number for this endorsement shall be Memorandum of Understanding No. 2294.
In response to this request, please reply to the attention of Bernie Vargas, Engineering Section, Kauai District, Highways Division and reference letter number HWY-K 4.170402 as noted above. Should you have any questions, please call Bernie Vargas at (808) 241-3918 or email at bernie.p.vargas@hawaii.gov.

Sincerely,

LARRY DILL, P.E.
District Engineer
Kauai District
Highways Division

RECOMMENDED FOR APPROVAL

Kirk Saiki
Manager and Chief Engineer

APPROVED AS TO FORM
AND LEGALITY

Mahealani Krafft
Deputy County Attorney

bv:

Enclosure
Consent Calendar
MANAGER’S REPORT No. 18-94

February 23, 2018

Re: Discussion and Possible Action for the Board to approve a Right of Entry letter from Grove Farm Company, Inc. for Job No. 18-01, that will allow the Department to abandon Hanamā'ulu Well No. 1 and Hanamā'ulu Well No. 2, affecting the following:

a. Grove Farm Company, Inc., TMK: (4) 3-8-018:001 Hanamā'ulu, Kaua‘i, Hawai‘i

RECOMMENDATION:

It is recommended that the Board approve the Right of Entry letter from Grove Farm Company, Inc., the land owner, to proceed with the construction work involved with properly abandoning Hanamaulu Wells #1 and #2 in Hanamā'ulu, Kaua‘i, Hawai‘i.

Further, Board approval is specifically requested of the indemnification provisions in the Right of Entry letter from Grove Farm Company, Inc. (Grove Farm) wherein (1) the Board shall at all times use due care for public safety and hereby agree with Grove Farm that should anyone claiming by or through the BWS, institute a suit, action at law or make any claim against Grove Farm, for or by reason of damage, loss or injury, or death to persons or property or both which may result in any way from said purpose or while on said premises, BWS shall indemnify Grove Farm and further agree to indemnify and hold harmless Grove Farm against any claim for damages, compensation or otherwise, and to reimburse or make good any loss or damages or costs that Grove Farm may have to pay if any litigation arises on account of any claims made by any person while upon said premises because of reasons arising from this right of entry.

FUNDING: N/A.

BACKGROUND:

The Department of Water (DOW) is proposing to abandon Hanamā'ulu Wells #1 and #2. Both wells are located on TMK 3-8-018:001. This property is owned by Grove Farm. DOW has been in contact with Grove Farm to execute a right of entry agreement and Grove Farm provided a Right of Entry agreement for DOW to agree and sign so DOW will have permission to enter onto the property to complete the well abandonment project.

Funding for the Hanamā'ulu Wells #1 and #2 Abandonment project was approved at the November 22, 2017 Board Meeting in Manager’s Report No. 18-81.

OPTIONS:

Option 1: Approve the Right of Entry letter.

Pro: The right-of-entry will allow the DOW the right to enter onto Grove Farm land to abandon Hanamā'ulu Wells #1 and #2.

Con: None.
Option 2: Do not approve the Right of Entry letter.

Pro: None.

Con: Not approving the Right-of-Entry letter would prevent the DOW from acquiring rights to enter onto Grove Farm land to abandon Hanamā'ulu Wells #1 and #2. This will significantly delay the project.

Respectfully submitted,

Keith Aoki, P.E.
Engineering Division

CONCURRED:

Steven Kyono, P.E.
Acting Manager and Chief Engineer

Attachment: Right of Entry form from Grove Farm
RIGHT-OF-ENTRY PERMIT

To: Board of Water Supply of the County of Kauai

P. O. Box 1706, Lihue, Kauai, Hawaii 96768

Your request for a right of entry to the properties of Grove Farm Company, Incorporated, or any of its affiliates (including without limitation Mahaulepu Farm, LLC, Haupu Land Company, LLC, Halii Moe, Inc., Visionary, LLC dba Lihue Land Company) or any of its subsidiaries, hereinafter collectively referred to as "Grove Farm," is hereby granted subject to the following conditions and covenants to be kept, observed and performed by you:

1. The purpose of this right of entry is for access for the purposes of properly abandoning Hanamaulu Well #1 and Hanamaulu Well #2 (Department of Land and Natural Resources, Commission on Water Resource Management well numbers 0022-001 and 5823-009, respectively) for Job No. 18-01, Hanamaulu Well #1 and #2 Abandonment, Hanamaulu, Kauai, Hawaii. The right of entry shall be an area over and across that certain property situated, lying, and being at Hanamaulu, Kauai, Hawaii at Tax Map Key No. 3-8-018-001. The project locations are illustrated in the map attached hereto as Exhibit "A" and made a part hereof.

2. You shall at all times use due care for public safety and hereby agree with Grove Farm that should anyone claiming by or through the BWS institute a suit, action at law or make any claim against Grove Farm, for or by reason of damage, loss or injury, or death to persons or property or both which may result in any way from said purpose or while on said premises, BWS shall indemnify Grove Farm and further agree to indemnify and hold harmless Grove Farm against any claim for damages, compensation or otherwise, and to reimburse or make good any loss or damages or costs that Grove Farm may have to pay if any litigation arises on account of any claims made by any person while upon said premises because of reasons arising from this right of entry.

2.1 Grove Farm shall give BWS prompt written notice (a "Claim Notice") of any losses or discovery of facts on which Grove Farm intends to base a request for indemnification. In no event shall BWS be liable for any losses that result directly from a delay in providing a Claim Notice, which delay materially prejudices the defense of the related claim. Each Claim Notice must contain a description of the claim and the nature and amount of the related losses (to the extent that the nature and amount of the losses are known at the time). Grove Farm shall furnish promptly to BWS, at its written request, copies of all papers and official documents received in respect of any losses and provide reasonable assistance in obtaining any such necessary documentation to the BWS to defend against a claim or loss.

3. This permit is personal and may not be assigned or in any manner transferred in whole or in part.

4. You shall procure, at your sole cost and expense, and shall keep in force at all times while this Agreement is in effect a policy of general liability insurance, covering, without limitation, bodily injury, death or property damage, advertising injury and personal injury, premises and operations, products and completed operations, contractual liability, independent contractors coverage and motor vehicle coverage, with reasonable limits, arising out of any occurrence attributable to access and use of the property by you and/or any of your agents. Said policy shall include coverage for all liabilities assumed by you under this Agreement. Said policy shall be with an insurance company or companies authorized to do business in the State of Hawaii and not objected to by Grove Farm, shall name Grove Farm, its affiliates (including Mahaulepu Farm, LLC, Haupu Land Company, LLC, Halii Moe, Inc., Visionary, LLC dba Lihue Land Company), and its subsidiaries as additional insured. A current certificate of said policy shall be deposited with Grove Farm, together with evidence of payment of the premiums thereon.

5. This permit may be canceled by oral or written notice at any time and for any reason, given a minimum notice period of 7 calendar days, at the sole discretion of Grove Farm or its authorized agent(s).

6. You shall agree that the right herein granted shall be exercised solely for the purpose herein stated; and further you shall observe all laws and rules of the State of Hawaii and the County of Kauai and such rules as may be stipulated by Grove Farm; and, provided further, that you shall enter only those areas designated herein.

7. You shall further agree to: I) SHALL NOT INTERFERE WITH AGRICULTURAL ACTIVITY, RECREATIONAL TOURS OR ANY OTHER ACTIVITY BEING CONDUCTED ON THE PROPERTY; II) USE EXTREME CARE AND CONSIDERATION OF OTHERS WHILE ON THE PROPERTY; III) A LOST KEY CHARGE OF $500 WILL BE ASSESSED.
8. It is understood and agreed that this permit, unless sooner revoked, shall automatically and without notice expire on the ______ day of _____________ 2018.

AGREED AND ACCEPTED

on ____________________________

__________________________________
(Signature)

__________________________________
(Print)

APPROVED

Manager and Chief Engineer

GROVE FARM COMPANY, INCORPORATED

By: ______________________________

__________________________
Its

By: ____________________________

__________________________
Its

Date: __________________________
DEPARTMENT OF WATER
County of Kaua‘i

“Water has no Substitute – Conserve It!”

MANAGER’S REPORT No. 18-95

February 23, 2018

Re: Discussion and Possible Action to approve multiple Right of Entry Agreements with private owners that will allow the Department of Water to relocate and/or reconnect water meters for Job No. 15-07 WP2020 Project No. HE-10 (Reorganize Water System: Hanapēpē Road 6-Inch Main Replacement) affecting the following:


RECOMMENDATION:
It is recommended that the Board approve the following Right of Entry (ROE) agreements whereby, the owners and/or trustees grant to the Board of Water Supply (BWS), County of Kaua‘i, its officers, employees, contractors, subcontractors, and agents, a Right of Entry, over, under, and across the following TMKs: (4) 1-8-08:051 all for purposes of the construction, installation, reinstallation, maintenance, repair, and removal of water pipelines and related meters, valves, and other associated waterworks facilities appurtenances and any and all necessary appurtenances as part Job No. 15-07 WP2020 Project No. HE-10 (Reorganize Water System: Hanapēpē Road 6-Inch Main Replacement), Hanapēpē, Kaua‘i, Hawai‘i.

Further, BWS approval is specifically requested of the indemnification provision in these agreements; wherein, the BWS agrees to “…indemnify and hold harmless the Grantor from and against any claims for injuries or damages of any kind occasioned, in whole or in part, by Grantee’s, negligent actions or omissions arising out of its exercise of this Right-of-Entry.”

FUNDING: N/A.

BACKGROUND:
The County of Kaua‘i, Department of Water (DOW) is proposing to replace aging water mains along Hanapēpē Road between Moi Road and Kona Road with the upcoming project Reorganize Water System: Hanapēpē Road 6-Inch Main Replacement. This project will improve the DOW’s water system’s reliability, service, and fire-flow capacity.

As part of the project, the DOW will be reconnecting existing water meter services to the new water main, including relocating existing water meters located in private property to the County right of way. The DOW and its contractors are required to obtain a ROE from private landowners to relocate and/or reconnect new water meter services to private plumbing located on the subject properties.
The owners of each privately owned parcel have indicated they are willing to grant the BWS a temporary ROE and if applicable, a subsequent Grant of Easement (GOE) after or near the end of construction. The Department will submit a Manager’s Report for the subsequent GOEs at a future BWS Board meeting.

The Board previously approved a similar Manager’s Report in December, 2017 for 17 Right of Entry agreements for this project. The DOW may also be requesting Board approval of up to seven (7) additional ROEs for this project at a future Board meeting, depending on whether any of the remaining private owners respond to the DOW’s continued requests for ROE.

**OPTIONS:**

**Option 1: Approve the Right of Entry agreement.**

Pros: This will allow the DOW to access the property for construction purposes for the project and relocate meters out of private property and/or reconnect the relocated services to private plumbing located in private property.

Cons: None.

**Option 2: Do not approve the Right of Entry agreement.**

Pros: None.

Cons: The Department will not be able to access the property for construction purposes for the project to relocate meters out of private property and/or reconnect the relocated services to private plumbing located in private property. Existing water service will not be maintained until the owner can reconnect their own plumbing.

Respectfully submitted,

Keith Aoki, P.E.
Engineering Division

**CONCURRED:**

Steven Kyono, P.E.
Acting Manager and Chief Engineer

KA/BW/ein

Attachments: Right of Entry Agreements:
1. (4) 1-8-08:051; Paul Y. Nozaki and Sue Kajihara-Nozaki, Co-trustees of the Paul Y. Nozaki Trust, Lyle N. Nozaki, Nancy A. Nozaki, and Sidney M. Nozaki and Suzanne E. Nozaki, Co-trustees of the Sidney M. Nozaki Trust and the Suzanne E. Nozaki Trust

Mgrrp/February 2018/Discussion and Possible Action to approve multiple Right of Entry Agreements with private owners that will allow the Department of Water to relocate and/or reconnect water meters for Job No. 15-07 WP2020 Project No. HE-10 (Reorganize Water System: Hanapepe Road 6-Inch Main Replacement) affecting the following: a. Paul Y. Nozaki and Sue Kajihara-Nozaki, Co-trustees of the Paul Y. Nozaki Trust, Lyle N. Nozaki, Nancy A. Nozaki, and Sidney M. Nozaki and Suzanne E. Nozaki, Co-trustees of the Sidney M. Nozaki Trust and the Suzanne E. Nozaki Trust, TMK: (4) 1-8-08:051, Hanapepe, Kauai'i, Hawaii'i, Hanapepe, Kauai'i, Hawaii'i (2-23-18):ein
RIGHT-OF-ENTRY

THIS INDENTURE made this ___________ day of ______________, 20__, by and between PAUL Y. NOZAKI AND SUE KAJIHARA-NOZAKI, CO-TRUSTEES OF THE PAUL Y. NOZAKI TRUST, LYLE N. NOZAKI, NANCY A. NOZAKI, SIDNEY M. NOZAKI AND SUZANNE E. NOZAKI, CO-TRUSTEES OF THE SIDNEY M. NOZAKI TRUST dated September 29, 2011, and SUZANNE E. NOZAKI AND SIDNEY M. NOZAKI, CO-TRUSTEES OF THE SUZANNE E. NOZAKI TRUST dated September 29, 2011, whose mailing address is 3347 Esther Street, Honolulu, HI 96815 and P.O. Box 10081, Hilo, HI 96721, (hereinafter, the “Grantor”), and the BOARD OF WATER SUPPLY of the County of Kaua‘i, whose mailing address is 4398 Pua Loke Street, Lihu‘e, Kaua‘i, Hawai‘i 96766 (hereinafter, the “Board”).

WITNESSETH:

For and in consideration of the sum of One Dollar ($1.00) to the Grantor paid, the receipt whereof is hereby acknowledged, the Grantor does hereby grant to the Board, its officers, employees, contractors, subcontractors, and agents (hereinafter collectively the “Grantee”), a temporary construction Right-of-Entry subject to the following terms and conditions:

1. The Right-of-Entry shall be an area over and across that certain property situated, lying, and being at Hanapēpē, Kaua‘i, Hawai‘i at Tax Map Key No. 1-8-08:051.
2. The Right-of-Entry shall be used by the Grantee for the purposes of the construction, installation, reinstallation, maintenance, repair, and removal of water pipelines and related meters, valves, and other associated waterworks facilities appurtenances and any and all necessary appurtenances for Job No. 15-07, Water Plan 2020 Project No. HE-10 – Reorganize Water System: Pipeline Connection Hanapēpē and ‘Ele‘ele.
3. The Grantee shall indemnify and hold harmless the Grantor from and against any claims for injuries or damages of any kind occasioned, in whole or in part, by Grantee’s negligent actions or omissions arising out of its exercise of this Right-of-Entry.
4. This Right-of-Entry shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
5. The Grantor warrants and covenants with the Board that Grantor is the fee simple owner of the property upon which the Right-of-Entry is located, has full right to convey said right-of-entry, and will warrant and defend the Right-of-Entry granted herein against all adverse claims.
6. This Right-of-Entry may be executed in counterparts. Each counterpart shall be executed by one or more parties hereinafter 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.
7. The term of this right-of-entry shall commence upon the execution of the same by the parties hereto and shall terminate upon the Grantee’s completion of the entire work described in paragraph 2 above and the Grantee will notify the Grantor of such completion.

ROE-Job No. 15-07
Reorganize Water System: Pipeline Connection Hanapēpē and ‘Ele‘ele
work described in paragraph 2 above and the Grantee will notify the Grantor of such completion.

8. Upon termination of the Right-of-Entry, the Grantee shall remove all of its equipment from the Property and reasonably restore the Property to a condition similar to that which existed prior to the Grantee's work thereon.
GRANTOR(S):

PAUL Y. NOZAKI
Co-trustee of THE PAUL Y. NOZAKI TRUST

SUE KAIJHARA-NOZAKI
Co-trustee of THE PAUL Y. NOZAKI TRUST

LYLE N. NOZAKI

NANCY A. NOZAKI

SIDNEY M. NOZAKI
Co-trustee of the SIDNEY M. NOZAKI TRUST dated September 29, 2011

SUZANNE E. NOZAKI
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011

SUZANNE E. NOZAKI
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011

SIDNEY M. NOZAKI
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011
STATE OF HAWAI‘I
CITY AND COUNTY OF HONOLULU

On this 6th day of December, 2017, in the 1st Circuit, State of Hawai‘i, before me personally appeared Paul Y. Nozaki, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the Right of Entry, dated undated, and consisting of 10 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

[Signature]
Notary Public, State of Hawai‘i
Name of Notary: Colleen Isom (Affix Seal)
My Commission expires: 04/21/2021

STATE OF HAWAI‘I
CITY AND COUNTY OF HONOLULU

On this 5th day of December, 2017, in the 1st Circuit, State of Hawai‘i, before me personally appeared Sue Kajihara-Nozaki, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the Right of Entry, dated undated, and consisting of 10 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

[Signature]
Notary Public, State of Hawai‘i
Name of Notary: Colleen Isom (Affix Seal)
My Commission expires: 04/21/2021

[ROE-Job No. 15-07]
Reorganize Water System: Pipeline Connection Hanapēpē and ‘Ele‘ele
GRANTOR(S):

PAUL Y. NOZAKI
Co-trustee of THE PAUL Y. NOZAKI TRUST

SUE KAJIHARA-NOZAKI
Co-trustee of THE PAUL Y. NOZAKI TRUST

LYLE N. NOZAKI

NANCY A. NOZAKI

SIDNEY M. NOZAKI
Co-trustee of the SIDNEY M. NOZAKI TRUST dated September 29, 2011

SUZANNE E. NOZAKI
Co-trustee of the SIDNEY M. NOZAKI TRUST dated September 29, 2011

SUZANNE E. NOZAKI
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011

SIDNEY M. NOZAKI
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011
STATE OF HAWAII

COUNTY OF HAWAI‘I

On this ___ day of AUGUST, 2017 in the 2nd Circuit, State of Hawai‘i, before me personally appeared Lyle Nozaki, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the Right of Entry, dated ___ and consisting of ___ pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawai‘i
Name of Notary: Sandra Tokunaga
My Commission expires: ___

ROE-Job No. 15-07
Reorganize Water System: Pipeline Connection Hanapōpē and ‘Ele’ele
GRANTOR(S):

PAUL Y. NOZAKI  
Co-trustee of THE PAUL Y. NOZAKI TRUST

SUE KAJIHARA-NOZAKI  
Co-trustee of THE PAUL Y. NOZAKI TRUST

LYLE N. NOZAKI

NANCY A. NOZAKI

SIDNEY M. NOZAKI  
Co-trustee of the SIDNEY M. NOZAKI TRUST dated September 29, 2011

SUZANNE E. NOZAKI  
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011

SUZANNE E. NOZAKI  
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011

SIDNEY M. NOZAKI  
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011
STATE OF California ss.
COUNTY OF Sacramento

On this 22 day of July, 2017 in the Circuit, State of California, before me personally appeared Nancy A. Noraki, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the Bond of hectar supply, dated 7/22/17 and consisting of 2 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

[Signature]
Notary Public, State of California
Name of Notary: S.L. Cervantes
My Commission expires: Nov. 16, 2018

ROE-Job No. 15-07
Reorganize Water System: Pipeline Connection Hanapēpē and 'Ele'ele
CALIFORNIA JURAT WITH AFFIANT STATEMENT

☐ See Attached Document (Notary to cross out lines 1–6 below)
☐ See Statement Below (Lines 1–6 to be completed only by document signer[s], not Notary)

_________________________________________  __________________________________________
Signature of Document Signer No. 1           Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of (Sacramento)

Subscribed and sworn to (or affirmed) before me on this 22 day of July, 2017, by

Date  Month  Year

(1) Nancy A. Nozaki

(and (2) _______)

Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature

Signature of Notary Public

Seal
Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Right of Entry  Document Date: 7/22/17
Number of Pages: 2  Signer(s) Other Than Named Above: N/A

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GRANTOR(S):

PAUL Y. NOZAKI
Co-trustee of THE PAUL Y. NOZAKI TRUST

SUE KAJIHARA-NOZAKI
Co-trustee of THE PAUL Y. NOZAKI TRUST

LYLE N. NOZAKI

NANCY A. NOZAKI

SIDNEY M. NOZAKI
Co-trustee of the SIDNEY M. NOZAKI TRUST dated September 29, 2011

SUZANNE E. NOZAKI
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011

SUZANNE E. NOZAKI
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011

SIDNEY M. NOZAKI
Co-trustee of the SUZANNE E. NOZAKI TRUST dated September 29, 2011
STATE OF HAWAI‘I )
COUNTY OF Hawaii ) ss.

On this 2nd day of August, 2017 in the 3rd Circuit, State of Hawai‘i, before me personally appeared Sidney Nozaki, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the __________ of _____, dated __________ and consisting of 10 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

[Signature]
Notary Public, State of Hawai‘i
Name of Notary: Anuhea Chang
My Commission expires: 7-10-19

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

On this 2nd day of August, 2017 in the 3rd Circuit, State of Hawai‘i, before me personally appeared Suzanne Nozaki, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the __________ of _____, dated __________ and consisting of 10 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

[Signature]
Notary Public, State of Hawai‘i
Name of Notary: Anuhea Chang
My Commission expires: 7-10-19

ROE-Job No. 15-07
Reorganize Water System: Pipeline Connection Hanapēpē and ‘Ele‘ele |
STATE OF HAWAI‘I

COUNTY OF Hawai‘i}

ss.

On this 2nd day of August, 2017 in the 3rd Circuit, State of Hawai‘i, before me personally appeared Sidnei Nozaki, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the Right of Entry

undated

and consisting of 10 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawai‘i
Name of Notary: Anuhea Chang
My Commission expires: 9.19.19

STATE OF HAWAI‘I

COUNTY OF Hawai‘i}

ss.

On this 2nd day of August, 2017 in the 3rd Circuit, State of Hawai‘i, before me personally appeared Suzanne Nozaki, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the Right of Entry

undated

and consisting of 10 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawai‘i
Name of Notary: Anuhea Chang
My Commission expires: 9.19.19

ROE-Job No. 15-07
Reorganize Water System: Pipeline Connection Hanapēpē and ‘Ele‘ele
APPROVED:

[Signature]
Manager and Chief Engineer

APPROVED AS TO FORM
AND LEGALITY:

[Signature]
Deputy County Attorney

GRANTEE:

BOARD OF WATER SUPPLY, COUNTY
OF KAUA‘I

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

________________________________
Notary Public, State of Hawai’i
Name of Notary: ___________________ (Affix Seal)
My Commission expires: ______________
MANAGERS REPORT No. 18-96

February 23, 2018

Re: Discussion and Possible Action to approve a Grant of Easement for the former Līhu'e Courthouse Renovations with the County of Kaua'i Board of Water Supply affecting the following Landowner:
   a. State of Hawai'i, Department of Accounting and General Services, TMK: (4) 3-6-005:001, Līhu'e, Kaua'i, Hawai'i

RECOMMENDATION:
It is recommended that the Board approve the Grant of Easement document; whereby, the above landowners, grant to the Board of Water Supply, County of Kaua'i, easement “W-1” on, over and under that certain parcel of land located TMK: (4) 3-6-005:001 as specified above in Līhu'e, Kaua'i, Hawai'i, for the following work:

1. Right, privilege and authority to construct, use, maintain, repair, replace, and remove water transmission pipeline, in, over, under and across that certain parcel of land (“easement area”) situate at Kalapaki, Līhu'e, Kaua'i, Hawai'i, being identified as “Perpetual Non-Exclusive Water Pipeline Easement, Easement W-1” containing an area of 180 square feet, more particularly described in Exhibit “A” and delineated on Exhibit “B,” both of which are attached hereto and made parts hereof, said exhibits being respectively, a survey description and survey map prepared by the Survey Division, Department of Accounting and General Services, State of Hawai'i designated C.S.F. No. 25,629 and dated September 11, 2017, TOGETHER WITH the rights of ingress and egress to and from the easement area for all purposes in connection with the rights hereby granted.

Further, the GRANTEE shall at all times with respect to the easement area use due care for public safety and agrees to release, indemnify, defend, and hold the Grantor harmless from and against any claim or demand for loss, liability, or damage, including claims for bodily injury, wrongful death, or property damage, arising out of or resulting from: 1) any act or omission on the part of the Grantee relating to the Grantee’s use, occupancy, maintenance, or enjoyment of the easement area; 2) any failure on the part of the Grantee to maintain the easement area and sidewalks, roadways and parking areas adjacent thereto in the Grantee’s use and control, and including any accident, fire or nuisance, growing out of or caused by any failure on the part of the Grantee to maintain the easement area in a safe condition; and 3) from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the Grantee’s non-observance or non-performance of any of the terms, covenants, and conditions of this grant of non-exclusive easement or the rules, regulations, ordinances and laws of the federal, state, municipal or county governments.

The Grantee shall not cause or permit the escape, disposal or release of any hazardous materials except as permitted by law. Grantee shall not allow the storage or use of such materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such materials except to use in the ordinary course of Grantee’s business, and then only after written notice is given to Grantor of the identity of such materials and upon Grantor’s consent which consent may be withheld at Grantor’s sole and absolute discretion. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by Grantee, then the Grantee shall be responsible for the reasonable costs thereof. In addition, Grantee shall execute affidavits, representations and the like from time to time at Grantor’s request concerning Grantee’s best knowledge.
and belief regarding the presence of hazardous materials on the easement area placed or released by Grantee.

The Grantee agrees to release, indemnify, defend, and hold Grantor harmless, from any damages and claims resulting from the release of hazardous materials on the easement area occurring while Grantee is in possession, or elsewhere if caused by Grantee or persons acting under Grantee. These covenants shall survive the expiration or earlier termination of this easement. For the purpose of this easement “hazardous material” shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule or bylaw, whether existing as of the date hereof, previously enforced, or subsequently enacted.

**FUNDING:** N/A.

**BACKGROUND:**
As part of the Construction Plans for the former Līhu'e Courthouse Renovations project, the above owner installed a 4” RPDA. The RPDA facilities are on private property which requires an easement in favor of DOW.

**OPTIONS:**

**Option 1:** Approve as recommended.
- **Pro:** Project can be completed as designed. New 4” Reduced Pressure Detector Assembly (RPDA) will be installed.
- **Con:** None as it was designed and planned this way.

**Option 2:** Do not approve easement.
- **Pro:** None at this point.
- **Con:** Project won’t be completed as designed. RPDA will remain uninstalled.

Respectfully submitted,

Dustin Moises, P.E.
Chief of Construction Management

**CONCURRED:**

Steven Kyono, P.E.
*Acting* Manager and Chief Engineer

DM/JB/ein

Attachment: Grant of Easement, State of Hawai'i, Department of Accounting and General Services, TMK: (4) 3-6-005:001, Līhu'e, Kaua'i, Hawai'i

Mgrp/Febuary 2018/18-96/Discussion and Possible Action to approve a Grant of Easement for the former Līhu'e Courthouse Renovations with the County of Kaua'i Board of Water Supply affecting the following Landowner: a) State of Hawaii, Department of Accounting and General Services, TMK: (4) 3-6-005:001, Līhu'e, Kaua'i, Hawai'i (2-23-18):ein
GRANT OF NON-EXCLUSIVE EASEMENT

THIS INDENTURE, made and entered into this _____ day of _____________, 20___, by and between the STATE OF HAWAII, by its Board of Land and Natural Resources, hereinafter referred to as the "Grantor," and the Department of Water, County of Kauai, whose address is 4398 Pua Loke Street, Lihue, Hawaii 96766, hereinafter referred to as the "Grantee."

WITNESSETH THAT:

The Grantor, pursuant to Section 171-95(a)(3), Hawaii Revised Statutes, for good and valuable consideration, the receipt of which is hereby acknowledged, and of the terms, conditions, and covenants herein contained, and on the part of the Grantee to be observed and performed, does hereby grant unto the Grantee, the following non-exclusive and perpetual easement rights:

Right, privilege and authority to construct, use, maintain, repair, replace and remove water transmission pipeline,
in, over, under and across that certain parcel of land ("easement area") situate at Kalapaki, Lihue, Kauai, Hawaii, being identified as "Perpetual Non-Exclusive Water Pipeline Easement, Easement W-1," containing an area of 180 square feet, more particularly described in Exhibit "A" and delineated on Exhibit "B," both of which are attached hereto and made parts hereof, said exhibits being respectively, a survey description and survey map prepared by the Survey Division, Department of Accounting and General Services, State of Hawaii, designated C.S.F. No. 29,629 and dated September 11, 2017, TOGETHER WITH the rights of ingress and egress to and from the easement area for all purposes in connection with the rights hereby granted.

TO HAVE AND TO HOLD the easement rights unto the Grantee, its successors and assigns, in perpetuity, SUBJECT, HOWEVER, to the following terms, conditions and covenants:

1. The Grantee shall at all times with respect to the easement area use due care for public safety and agrees to release, indemnify, defend, and hold the Grantor harmless from and against any claim or demand for loss, liability, or damage, including claims for bodily injury, wrongful death, or property damage, arising out of or resulting from: 1) any act or omission on the part of the Grantee relating to the Grantee's use, occupancy, maintenance, or enjoyment of the easement area; 2) any failure on the part of the Grantee to maintain the easement area and sidewalks, roadways and parking areas adjacent thereto in the Grantee's use and control, and including any accident, fire or nuisance, growing out of or caused by any failure on the part of the Grantee to maintain the easement area in a safe condition; and 3) from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the Grantee's non-observance or non-performance of any of the terms, covenants, and conditions of this grant of non-exclusive easement or the rules, regulations, ordinances, and laws of the federal, state, municipal or county governments.

2. The Grantor reserves unto itself, its successors and assigns, the full use and enjoyment of the easement area and to grant to others rights and privileges for any and all purposes affecting the easement area, provided, however, that the rights herein reserved shall not be exercised by the Grantor and similar grantee(s) in any manner which interferes unreasonably with the herein Grantee in the use of the easement area for the purposes for which this easement is granted.

3. All improvements placed in or upon the easement area by the Grantee shall be done without cost or expense to the
Grantor and shall remain the property of the Grantee and may be removed or otherwise disposed of by the Grantee at any time; provided, that the removal shall be accomplished with minimum disturbance to the easement area which shall be restored to its original condition, or as close thereto as possible, within a reasonable time after removal.

4. Upon completion of any work performed in or upon the easement area, the Grantee shall remove therefrom all equipment and unused or surplus materials, if any, and shall leave the easement area in a clean and sanitary condition satisfactory to the Grantor.

5. This easement or any rights granted herein shall not be sold, assigned, conveyed, leased, mortgaged, or otherwise transferred or disposed of, directly or by operation of law, except with the prior written consent of the Grantor.

6. The Grantee shall keep the easement area and the improvements thereon in a safe, clean, sanitary, and orderly condition, and shall not make, permit or suffer, any waste, strip, spoil, nuisance or unlawful, improper, or offensive use of the easement area.

7. Should future development necessitate a relocation of the easement granted herein, or any portion thereof, the relocation shall be accomplished at the Grantee's own cost and expense; provided, however, that if other lands of the Grantor are available, the Grantor will grant to the Grantee without payment of any monetary consideration, a substitute easement of similar width within the reasonable vicinity of the original alignment, which substitute easement shall be subject to the same terms and conditions as that herein granted and as required by law.

8. The Grantee covenants, for itself, its successors and assigns, that the use and enjoyment of the land herein granted shall not be in support of any policy which discriminates against anyone based upon race, creed, sex, color, national origin, religion, marital status, familial status, ancestry, physical handicap, disability, age or HIV (human immunodeficiency virus) infection.

9. The Grantee, in the exercise of the rights granted herein, shall comply with all of the requirements of the federal, state, and county authorities and shall observe all county ordinances and state and federal laws, rules and regulations, now in force or which may hereinafter be in force.
10. These easement rights shall cease and terminate, and the easement area shall automatically be forfeited to the Grantor, without any action on the part of the Grantor, in the event of non-use or abandonment by the Grantee of the easement area, or any portion thereof, for a consecutive period of one (1) year.

11. The Grantee shall, upon termination or revocation of this easement peaceably deliver unto the Grantor possession of the premises, together with all improvements existing or constructed thereon or Grantee shall remove such improvements and shall restore the premises to its original state, or as close thereto as possible, within a reasonable time and at the expense of the Grantee, at the option of the Grantor. If the Grantee does not remove the improvements or restore the premises to the satisfaction of the Grantor, the Grantor may effect such action and the Grantee agrees to pay all costs and expenses for such action. Furthermore, upon the termination or revocation of this easement, should the Grantee fail to remove any and all of Grantee's personal property from the premises, after notice thereof, the Grantor may remove any and all of Grantee's personal property from the premises, and either deem the property abandoned and dispose of the property or place the property in storage at the cost and expense of Grantee and the Grantee does agree to pay all costs and expenses for disposal, removal, or storage of the personal property. This provision shall survive the termination of the easement.

12. In case the Grantor shall, without any fault on its part, be made a party to any litigation commenced by or against the Grantee as a result of this grant of non-exclusive easement (other than condemnation proceedings), the Grantee shall pay all costs, including reasonable attorney's fees and expenses incurred by or imposed on the Grantor; furthermore, the Grantee shall pay all costs, including reasonable attorney's fees and expenses, which may be incurred by or paid by the Grantor in enforcing the covenants and conditions of this grant of non-exclusive easement, or in the collection of delinquent rental, fees, taxes, and any and all other applicable charges attributed to said easement area.

13. The Grantee shall not cause or permit the escape, disposal or release of any hazardous materials except as permitted by law. Grantee shall not allow the storage or use of such materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such materials, nor allow to be brought onto the easement area any such materials except to use in the ordinary course of
Grantee's business, and then only after written notice is given to Grantor of the identity of such materials and upon Grantor's consent which consent may be withheld at Grantor's sole and absolute discretion. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by Grantee, then the Grantee shall be responsible for the reasonable costs thereof. In addition, Grantee shall execute affidavits, representations and the like from time to time at Grantor's request concerning Grantee's best knowledge and belief regarding the presence of hazardous materials on the easement area placed or released by Grantee.

The Grantee agrees to release, indemnify, defend, and hold Grantor harmless, from any damages and claims resulting from the release of hazardous materials on the easement area occurring while Grantee is in possession, or elsewhere if caused by Grantee or persons acting under Grantee. These covenants shall survive the expiration or earlier termination of this easement.

For the purpose of this easement "hazardous material" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or bylaw, whether existing as of the date hereof, previously enforced, or subsequently enacted.

14. Time is of the essence in this agreement and if the Grantee shall abandon the premises, or if this easement and premises shall be attached or taken by operation of law, or if any assignment is made of the Grantee's property for the benefit of creditors, or if Grantee shall fail to observe and perform any of the covenants, terms, and conditions contained in this easement and on its part to be observed and performed, and this failure shall continue for a period of more than sixty (60) calendar days after delivery by the Grantor of a written notice of breach or default, by personal service, registered mail or certified mail to the Grantee at its last known address and to each mortgagee or holder of record having a security interest in the premises, the Grantor may, subject to the provisions of section 171-21, Hawaii Revised Statutes, at once re-enter the premises, or any part, and upon or without the entry, at its option, terminate this easement without prejudice to any other remedy or right of action for any preceding or other breach of contract; and in the event of termination, at the option of
Grantor, all improvements shall remain and become the property of the Grantor or shall be removed by Grantee.

15. The Grantor reserves the right to withdraw the easement for public use or purposes, at any time during this grant of easement upon the giving of reasonable notice by the Grantor and without compensation.

16. The Grantee shall not mortgage or pledge the premises, any portion, or any interest in this easement without the prior written approval of the Chairperson of the Board of Land and Natural Resources and any mortgage or pledge without such approval shall be null and void.

17. In the event the Grantor seeks to forfeit the privilege, interest, or estate created by this easement, each recorded holder of a security interest may, at its option, cure or remedy the default or breach within sixty (60) calendar days, from the date of receipt of the Grantor's notice, or within an additional period allowed by Grantor for good cause, and add the cost to the mortgage debt and the lien of the mortgage. Upon failure of the holder to exercise its option, the Grantor may: (a) pay to the holder from any moneys at its disposal, including the special land and development fund, the amount of the mortgage debt, together with interest and penalties, and secure an assignment of the debt and mortgage from the holder or if ownership of the privilege, interest, or estate shall have vested in the holder by way of foreclosure, or action in lieu thereof, the Grantor shall be entitled to the conveyance of the privilege, interest, or estate upon payment to the holder of the amount of the mortgage debt, including interest and penalties, and all reasonable expenses incurred by the holder in connection with the foreclosure and preservation of its security interest, less appropriate credits, including income received from the privilege, interest, or estate subsequent to the foreclosure; or (b) if the property cannot be reasonably reassigned without loss to the State, then terminate the outstanding privilege, interest, or estate without prejudice to any other right or remedy for any preceding or other breach or default and use its best efforts to redisseminate the affected land to a qualified and responsible person free and clear of the mortgage and the debt secured; provided that a reasonable delay by the Grantor in instituting or prosecuting its rights or remedies shall not operate as a waiver of these rights or to deprive it of a remedy when it may still otherwise hope to resolve the problems created by the breach or default. The proceeds of any redisposable shall be applied, first, to reimburse the Grantor for costs and expenses in connection with the redisposable; second, to discharge in full
any unpaid purchase price or other indebtedness owing the Grantor in connection with the privilege, interest, or estate terminated; third, to the mortgagee to the extent of the value received by the State upon redisposition which exceeds the fair market value of the land as previously determined by the State's appraiser; and fourth, to the owner of the privilege, interest, or estate.

18. The Grantee shall not construct, place or maintain any building or structure over or upon the easement area, except for the purposes described in this grant.

19. The Grantee shall comply with all applicable federal and state environmental impact regulations.

20. The Grantee shall maintain and employ debris, pollution and contamination control measures, safeguards and techniques to prevent debris, pollution or contamination to the ocean waters, streams or waterways resulting from the Grantee's, its invitee's, or its agent's use, maintenance, repair and operation of the easement area, and shall take immediate corrective action in the event of such pollution or contamination to immediately remove the cause of such pollution or contamination, and shall immediately clean the easement area and its surrounding waters of such pollutant or contaminant and restore to the Grantor's satisfaction the areas affected by such pollution or contamination, all at the Grantee's own cost and expense.

21. The easement area is encumbered by Governor's Executive Order No. 4448 to the State of Hawaii, Department of Accounting and General Services, and therefore this grant of easement is subject to the State of Hawaii Governor's approval. Said approval was obtained on November 20, 2017.

22. The easement area is encumbered by Governor's Executive Order No. 4448 to the State of Hawaii, Department of Accounting and General Services, and therefore this grant of easement is subject to the State of Hawaii, Department of Accounting and General Services' approval. Said approval was obtained on December 14, 2017.
IN WITNESS WHEREOF, the STATE OF HAWAII, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and the parties hereto have caused this Indenture to be executed as of the day, month, and year first above written.

Approved as amended by the Board of Land and Natural Resources at its meeting held on July 28, 2017.

APPROVED AS TO FORM:

[Signature]

AMANDA J. WESTON
Deputy Attorney General

Dated: February 12, 2018

STATE OF HAWAII

By

SUZANNE D. CASE
Chairperson
Board of Land and Natural Resources

GRANTOR

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

By

BETH TOKIOKA
Its Chairperson

GRANTEE

APPROVED:

[Signature]

MAHEALANI M. KRAFFT
Deputy County Attorney

APPROVED AS TO FORM AND LEGALITY:

[Signature]

STEVEN KYONO, P.E.
Acting Manager & Chief Engineer
County of Department of Water, Kauai
STATE OF HAWAII

) SS.
COUNTY OF KAUAI

On this ______ day of ____________, 2018, in the 5th Circuit, State of Hawaii, before me personally appeared BETH TOKIOKA, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person is the Chairperson for the Board of Water Supply, County of Kauai executed Grant of Non-Exclusive Easement for TMK: (4) 3-6-005:001 dated ________________ and consisting of ____ pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawaii

Name of Notary: ________________

My commission expires: ___________
PERPETUAL NON-EXCLUSIVE WATER PIPELINE EASEMENT

EASEMENT W-1

Kalapaki, Lihue, Kauai, Hawaii

Being a portion of Royal Patent 4480, Land Commission Award 7713, Apana 2, Part 1 to V. Kamamalu conveyed by the following:

A. Deed: County of Kauai to Territory of Hawaii dated November 25, 1936 and recorded in Liber 1350, Page 432 (Land Office Deed 5521).

B. Deed: Lihue Plantation Company, Limited to Territory of Hawaii dated June 4, 1938 and recorded in Liber 1443, Page 441 (Land Office Deed 5933).

Being also a portion of Lihue State Office Building Lot, Governor’s Executive Order 4448.

Beginning at the northeast corner of this easement and on the west side of Umi Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station “KALEPA” being 8905.20 feet South and 2657.43 feet West, thence running by azimuths measured clockwise from True South:-
1. Along the west side of Umi Street on a curve to the right with a radius of 370.00 feet, the chord azimuth and distance being: 33° 32' 28"
   10.00 feet;

2. 123° 32' 28" 18.00 feet along the remainder of Lihue State Office Building Lot, Governor's Executive Order 4448;

3. 213° 32' 28" 10.00 feet along the remainder of Lihue State Office Building Lot, Governor's Executive Order 4448;

4. 303° 32' 28" 18.00 feet along the remainder of Lihue State Office Building Lot, Governor's Executive Order 4448 to the point of beginning and containing an AREA OF 180 SQUARE FEET.

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

By: [Signature]
Gerald Z. Yonashiro
Land Surveyor

Compiled from map and desc. furn. by Esaki Surveying & Mapping, Inc. Said map and desc. have been examined and checked as to form and mathematical correctness but not on the ground by the Survey Division.
PERPETUAL NON-EXCLUSIVE WATER PIPELINE EASEMENT
EASEMENT W-1
Kalapaki, Lihue, Kauai, Hawaii
EXHIBIT "B"

Scale: 1 inch = 10 feet

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII
DEPARTMENT OF WATER  
County of Kaua‘i  

"Water has no Substitute – Conserve It!"

MANAGER’S REPORT No. 18-97

February 23, 2018

Re: Discussion and Possible Action on Grant of Easement for Reduced Pressure Detector Assembly and Water Meter Plan for Lot 8-A, TMK: (4) 5-010:001, Kapa’a, Kaua‘i, Hawai‘i affecting the following Landowner:

a. Aloiau, Inc. affecting TMK: (4) 5-010:001, Kapa’a, Kaua‘i, Hawai‘i

RECOMMENDATION:

It is recommended that the Board approve the Grant of Easement document; whereby, the above landowners, grant to the Board of Water Supply, County of Kaua‘i, easement “W-2” on, over and under that certain parcel of land located TMK: (4) 5-010:001 as specified above in Kapa’a, Kaua‘i, Hawai‘i, for the following work:


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

FUNDING: N/A.

BACKGROUND:

As part of the Reduced Pressure Detector Assembly and Water Meter Plan for Lot 8-A project, the above owner installed a 6-inch RPDA. The RPDA facilities are on private property which requires an easement in favor of Department of Water.

OPTIONS:

Option 1: Approve as recommended.
Pro: Project can be completed as designed. New 6-inch Reduced Pressure Detector Assembly (RPDA) will be installed.

Con: None as it was designed and planned this way.

Option 2: Do not approve easement.
Pro: None at this point.

Con: Project won’t be completed as designed. RPDA will remain uninstalled.
Respectfully submitted,

Dustin Moises, P.E.
Chief of Construction Management

CONCURRED:

Steven Kyono, P.E.
*Acting* Manager and Chief Engineer

DM/KB/ein

Attachment: Grant of Easement, Aloiau, Inc. affecting TMK: (4)-5-010:001, Kapa'a, Kaua'i, Hawai'i

Mgrp/February 2018/18-97/Discussion and Possible Action on Grant of Easement for Reduced Pressure Detector Assembly and Water Meter Plan for Lot 8-A, TMK: (4)-010:001, Kapa'a, Kaua'i, Hawai'i affecting the following Landowner: a) Aloiau, Inc. affecting TMK: (4)-5-010:001, Kapa'a, Kaua'i, Hawai'i (2-23-18):ein
LAND COURT SYSTEM

REGULAR SYSTEM

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

DEPARTMENT OF WATER

4398 PUA LOKE STREET

LIHUE, KAUA'I, HAWAII 96766

GRANT OF EASEMENT

for

TMK: (4) 4 - 5 - 0 1 0 : 0 0 1:

THIS INDENTURE is made on this ________ day of _____________________, 2018, between:

Aloiau, Incorporated

whose principal place of residence is:

46-144 Ohala Street

Kāne'ohe, O'ahu, Hawai'i

and whose mailing address is

46-144 Ohala Street

Kāne'ohe, O'ahu, Hawaii

46744

Water Meter Plan for Lot 8-A

Aloiau, Incorporated / Harold Aloiau

Page 63
(hereafter "GRANTOR") and the **BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I**, whose mailing address is 4398 Pua Loke Street, Līhu‘e, Kaua‘i, Hawai‘i 96766 (hereafter "GRANTEE");

**WITNESSETH:**

**THAT IN CONSIDERATION** of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE an easement in perpetuity on, over, and under that certain parcel of land located generally at Kawaihau District, Kaua‘i, Hawai‘i, **Tax Map Key No.** (4) 4-5-0 1 0 0 0 0 1; **Project Name:** Reduced Pressure Detector Assembly and Water Meter Plan for Lot 8-A, **Subdivision No.:** Not Applicable, and more particularly described in Exhibit "A" which is attached and incorporated by reference into this grant of easement (hereafter "easement area").

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

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

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

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

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

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

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

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

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

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

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

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

[Remainder of this page was intentionally left blank]
OWNER:
Aloiau, Incorporated

By: Harold Aloiau
Its: President Tresurer

On this 25th day of January, 2018, in the First Circuit, State of Hawaii, before me appeared Harold Aloiau, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, being by me duly sworn or affirmed, did say that such person is the President of Aloiau, Incorporated executed Grant of Easement for TMK: (4) 4-5-0-1
0:0 0 1 dated undated and consisting of 2 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, have been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawaii
Name of Notary: Maria M. Ruiz
My Commission expires: 12/05/2020
APPROVED:

Kirk Saiki, P.E.
Manager & Chief Engineer
Department of Water, County of Kaua‘i

APPROVED AS TO FORM
AND LEGALITY:

[Signature]
Mahealani M. Krafft
Deputy County Attorney

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

By: Beth Tokioka
Its: Chairperson

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

On this ___ day of ___________________ , 2018 in the ___ Circuit, State of Hawai‘i, before me personally appeared __________________, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person is the Chairperson for the Board of Water Supply, County of Kaua‘i executed Grant of Easement for TMK: (4) 4 - 5 - 0 1 0 : 0 0 1 dated ______________ and consisting of ___ pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of ___________________
Name of Notary: _______________________ (Affix Seal)
My Commission expires: _______________
Staff Reports
FISCAL REPORT: MONTHLY SUMMARY HIGHLIGHTS – JANUARY, 2018

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

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

<table>
<thead>
<tr>
<th></th>
<th>BUDGET</th>
<th>VS</th>
<th>EXPENSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td>$18,895,564.15</td>
<td></td>
<td>$13,361,738.10</td>
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<tr>
<td>Debt Principal Payment</td>
<td>4,294,226.81</td>
<td></td>
<td>4,233,422.66</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>14,965,882.27</td>
<td></td>
<td>1,797,811.85</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$38,155,673.23</td>
<td></td>
<td>$19,392,972.61</td>
</tr>
</tbody>
</table>

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

- Total Revenue as of January, 2018 was 8% below projection.
  - Water sales of $17.6 million (M) was $800 thousand (“K”) or 5% above projection.
  - Other Water Revenue- Receipts of $193K exceeded projection by $47K or 32%.
  - Capital Contributions: Cash contributions including Federal & State Grants - $502K.
  - Investment Income & Net Increase in FV of Investments - $214K
  - Miscellaneous Revenues - $300K.

OPERATING EXPENSES: VARIANCE = BUDGET LESS ACTUAL EXPENSES; POSITIVE INDICATES LESS SPENDING THAN PLANNED.

- YTD Operating Expenses before depreciation and amortization was $13.4M. Total spending was $5.5M less than planned or budgeted; a positive variance of 29%.
  - Employee Related Expenses –$5.2M with a 16% positive variance.
  - Contracts & Services – $3M with a 56% positive variance.
    - Professional & Other Services, Insurance, Repairs and Maintenance for both water and non-water systems are the main items contributing to the 56% positive variance.
  - Exceptional Expenses – None.
  - Fuel & Utilities – $1.68M.
  - Bulk Water Purchase – $953K; 9% positive variance.
  - Office & Operating Supplies – $394K, 33% positive variance.
  - Training, Travel & Meeting Expenses – $51.4K.
  - Debt Service – Interest Expense - $2.1M.
  - Depreciation & Amortization (non-cash expenses) is $4.3M.

NET OPERATING INCOME:

- Net Operating Income before depreciation and amortization - $5.9M.
DEPARTMENT OF WATER
County of Kaua‘i

“Water has no Substitute – Conserve It!”

- Net Operating Income after depreciation & amortization was $2.11M.

**NON-OPERATING PROCEEDS & DISBURSEMENTS**

- SRF Loan Proceeds – None
- FRC – Facility Reserve Charge - Receipts of $418,755
- YTD Debt Principal Payment is $4,233,422.66

**CAPITAL PROJECTS BUDGET: YTD DISBURSEMENTS = $1,797,811.85**

- Capital Projects: Water Utility Fund - $647.5K
- Capital Projects: FRC Fund – $120.8K
- Capital Projects: BAB Fund - $1.03M
- Capital Projects: SRF Loan Fund - None.

**II. FY 2017 – 2018 ENCUMBERED FUNDS (SEE ATTACHED)**

- FY 2017 – 2018 Certification of Funds – $7,171,414.66

**III. COMPARATIVE CHARTS:**

**METERED CONSUMPTION:**

- January, 2018 metered consumption –322 million gallons (mg); increased by 5.5 mg as compared from the same month of FY 2017.
- Year to Date (YTD) metered consumption as of 1/31/18 –2,500 mg; YTD increase of 114 mg as compared from the same month of FY 2017.

**IV. COMPARATIVE BALANCE SHEET:**

* Statement of Net Positions as of January 31, 2018 & 2017. See attached.

**V. OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:**

- Five (5) years Water Rate Study – The DOW staff will be submitting their recommendations to the Board on March 23, 2018 board meeting.
- Proposed Budget for FY 2018- 2019 – draft proposals are being consolidated; the proposed draft will be submitted for March board agenda.
- Budget Program Solution.
- CC&B hosting solution – draft RFQ is under review.
- IT Steering Committee was organized consisting of Division Heads; Meeting schedule are: 1st and 3rd Thursdays every month.
- Water audit – working with Ops and Water Resources; Calendar 2017 Water Audit Report is due July 1, 2018.
- FY 2017 – 2018 Year end audit is upcoming; IT Audit kick off meeting schedule is being worked on.

Respectfully submitted,

Marites Yano
Waterworks Controller
Fiscal report 1/2018
## OPERATING BUDGET

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. OPERATING BUDGET</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Water Sales</td>
<td>$2,398,372.00</td>
<td>$2,399,372.00</td>
<td>$2,282,399.39</td>
<td>($116,992.61)</td>
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<tr>
<td>Revenue from Public Fire Protection</td>
<td>176,836.50</td>
<td>176,836.50</td>
<td>177,744.50</td>
<td>930.00</td>
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<td>Other Water Revenue</td>
<td>20,683.30</td>
<td>20,683.30</td>
<td>12,707.55</td>
<td>(6,180.00)</td>
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<tr>
<td>Federal Grants</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>State Grants</td>
<td>370,833.33</td>
<td>370,833.33</td>
<td>(370,833.33)</td>
<td>(0%)</td>
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<td>Capital Contributions</td>
<td>77,948.25</td>
<td>77,948.25</td>
<td>60,604.57</td>
<td>(17,343.68)</td>
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<tr>
<td>Net Increase in Fair Value of Investments</td>
<td>(2,000.00)</td>
<td>(2,000.00)</td>
<td>(12,674.06)</td>
<td>(12,674.06)</td>
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<tr>
<td>Investment Income</td>
<td>14,500.00</td>
<td>14,500.00</td>
<td>28,115.54</td>
<td>13,615.54</td>
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<td>Gain or Loss on Disposal of Capital Assets</td>
<td>416.67</td>
<td>416.67</td>
<td>290,974.25</td>
<td>(30,458.32)</td>
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<td>Gain or Loss from the Retirement of Debt</td>
<td>41,567.75</td>
<td>41,567.75</td>
<td>9,484.07</td>
<td>3%</td>
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<td><strong>Employee-Related Expenses</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages (Includes Leaves &amp; CTO)</td>
<td>509,708.58</td>
<td>509,708.58</td>
<td>421,584.35</td>
<td>88,124.23</td>
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<td>Temporary Assignment</td>
<td>4,782.17</td>
<td>4,782.17</td>
<td>4,598.57</td>
<td>(183.60)</td>
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<td>Overtime</td>
<td>40,916.87</td>
<td>40,916.67</td>
<td>32,416.48</td>
<td>8,500.19</td>
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<td>Statue</td>
<td>15,132.84</td>
<td>15,132.84</td>
<td>17,820.90</td>
<td>2,688.06</td>
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<td>FICA</td>
<td>44,284.00</td>
<td>44,284.00</td>
<td>34,886.60</td>
<td>9,397.40</td>
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<td>Retirement Contribution</td>
<td>142,343.41</td>
<td>142,343.41</td>
<td>83,880.48</td>
<td>58,462.93</td>
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<td>Life &amp; Health Insurance</td>
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<td>43,010.92</td>
<td>30,279.70</td>
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<td>Workers Compensation</td>
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<td>1,250.00</td>
<td>1,250.00</td>
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<td>Unemployment Compensation</td>
<td>8,750.00</td>
<td>8,750.00</td>
<td>8,750.00</td>
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<td><strong>Total Employee-Related Expenses</strong></td>
<td>884,929.50</td>
<td>884,929.50</td>
<td>730,354.16</td>
<td>154,575.32</td>
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<td><strong>Contracts &amp; Services</strong></td>
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<td>Professional Services-General</td>
<td>312,650.01</td>
<td>312,650.01</td>
<td>124,357.35</td>
<td>188,292.66</td>
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<td>Professional Services-Accounting &amp; Auditing</td>
<td>10,000.00</td>
<td>10,000.00</td>
<td>10,000.00</td>
<td>0.00</td>
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<td>Other Services-General</td>
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<td>5,932.17</td>
<td>6,632.81</td>
<td>(700.64)</td>
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<td>Other Services-Billing Costs</td>
<td>17,221.50</td>
<td>17,221.50</td>
<td>11,121.84</td>
<td>6,099.66</td>
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<td>Public Relations-General</td>
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<td>7,737.50</td>
<td>2,156.25</td>
<td>5,581.25</td>
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<td>Procurement Advertising</td>
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<td>833.33</td>
<td>349.00</td>
<td>484.33</td>
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<td>Communication Services</td>
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<td>9,973.33</td>
<td>4,230.83</td>
<td>5,742.50</td>
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<td>Freight and Postage</td>
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<td>1,260.00</td>
<td>304.84</td>
<td>955.16</td>
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<td><strong>Total Contracts &amp; Services</strong></td>
<td>720,069.33</td>
<td>720,069.33</td>
<td>344,267.74</td>
<td>375,801.59</td>
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<td><strong>May 2018</strong></td>
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<tr>
<td>Revised YTD Budget</td>
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<tr>
<td>YTD Actual</td>
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<tr>
<td>Variance</td>
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<tr>
<td>Variance %</td>
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<td></td>
<td>January</td>
<td>FY 2018</td>
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<td>----------------------------</td>
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<td></td>
<td>Original Budget</td>
<td>Revised Budget</td>
<td>Actual</td>
<td>Variance</td>
</tr>
<tr>
<td><strong>Exceptional Expenses</strong></td>
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<tr>
<td>FY2014 &amp; FY2015 Kahanao Emergency</td>
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<td>FY 2015 Kilauea</td>
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<tr>
<td>Abandoning Hanamalu Wells 1 &amp; 2</td>
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<td></td>
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<tr>
<td><strong>Total Exceptional Expenses</strong></td>
<td>200,000.00</td>
<td>200,000.00</td>
<td>200,000.00</td>
<td>100%</td>
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<tr>
<td><strong>Fuel &amp; Utilities</strong></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Utility Services</td>
<td>231,128.33</td>
<td>231,128.33</td>
<td>233,440.47</td>
<td>(2,312.14)</td>
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<td>Fuel</td>
<td>9,025.00</td>
<td>9,025.00</td>
<td>5,797.13</td>
<td>3,227.67</td>
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<td><strong>Total Fuel &amp; Utilities</strong></td>
<td>240,153.33</td>
<td>240,153.33</td>
<td>239,237.60</td>
<td>1,915.73</td>
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<td><strong>Bulk Water Purchase</strong></td>
<td></td>
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<tr>
<td>Bulk Water Purchase</td>
<td>150,048.00</td>
<td>150,048.00</td>
<td>145,048.20</td>
<td>4,999.80</td>
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<td><strong>Total Bulk Water Purchase</strong></td>
<td>150,048.00</td>
<td>150,048.00</td>
<td>145,048.20</td>
<td>4,999.80</td>
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<tr>
<td><strong>Office &amp; Operating Supplies</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Supplies</td>
<td>1,833.33</td>
<td>1,833.33</td>
<td>1,071.84</td>
<td>761.49</td>
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<td>70,670.62</td>
<td>35,494.52</td>
<td>35,176.03</td>
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<tr>
<td>Books, Subscriptions and Dues</td>
<td>2,543.34</td>
<td>2,543.34</td>
<td>400.00</td>
<td>2,143.34</td>
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<tr>
<td>Books, Subscriptions and Dues - Board</td>
<td>85.42</td>
<td>85.42</td>
<td>85.42</td>
<td>85.42</td>
</tr>
<tr>
<td><strong>Total Office &amp; Operating Supplies</strong></td>
<td>75,132.91</td>
<td>75,132.91</td>
<td>36,966.36</td>
<td>38,166.55</td>
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<tr>
<td><strong>Training, Travel &amp; Meeting Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training and Development</td>
<td>9,048.34</td>
<td>9,048.34</td>
<td>6,135.95</td>
<td>2,912.39</td>
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<tr>
<td>Travel and Per Diem</td>
<td>8,445.00</td>
<td>8,445.00</td>
<td>6,440.52</td>
<td>2,004.48</td>
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<tr>
<td>Travel and Per Diem - Board</td>
<td>1,877.50</td>
<td>1,877.50</td>
<td>1,064.61</td>
<td>812.89</td>
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<tr>
<td>Meeting Expense</td>
<td>850.00</td>
<td>850.00</td>
<td>650.00</td>
<td>200.00</td>
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<tr>
<td>Meeting Expense - Board</td>
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<td>828.33</td>
<td>94.01</td>
<td>734.32</td>
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<td><strong>Total Training, Travel &amp; Meeting Expenses</strong></td>
<td>20,849.17</td>
<td>20,849.17</td>
<td>12,291.84</td>
<td>8,557.33</td>
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<tr>
<td><strong>Debt Service</strong></td>
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<tr>
<td>Interest Expense</td>
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| Total Capital Projects (See Attached for Details) | 996,647.93 | 996,647.93 | 2,030.00 | 998,617.93 | | | |

| 9,049,150.34 | 647,469.33 | 8,401,681.01 | 93% |
### Capital Projects (See Attached for Details):

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<td>20-20-00-605-154 FRC-Eng-ALLE-Drill &amp; Test Kilauea Well #3</td>
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<td>20-20-00-605-155 FRC-Eng-ALLE-Wainiha Well #4</td>
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<tr>
<td>20-21-00-605-029 FRC-Cns-56%E-09-01 Yamada Tank Cleanwell, Conn Pip</td>
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<td>20-21-00-605-161 FRC-Cns-Hanaapepe River Bridge Kaunualli Hwy</td>
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<tr>
<td><strong>Total Capital Projects (See Attached for Details)</strong></td>
<td><strong>70,766.67</strong></td>
<td><strong>70,766.67</strong></td>
<td><strong>70,766.67</strong></td>
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### FY 2019

<table>
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<tr>
<th>FY 2019</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
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<tbody>
<tr>
<td>Revised YTD Budget</td>
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<tr>
<td>YTD Actual</td>
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<tr>
<td>Variance %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 20,800.00 | 20,800.00 | 100% |
| 43,750.00 | 43,750.00 | 100% |
| 47,869.00 | 47,869.00 | 100% |
| 26,632.00 | 26,632.00 | 100% |
| 111,550.00 | 4,786.21 | 107,163.79 | 96% |
| 7,212.24 | 7,212.24 | 100% |
| 46,200.00 | 46,200.00 | 100% |
| 236,447.23 | 116,033.46 | 120,413.77 | 51% |
| 175,000.00 | 175,000.00 | 100% |
| 46,666.65 | 46,666.65 | 100% |
| 1.00 | 1.00 | 100% |
| 183,760.00 | 183,760.00 | 100% |
| **948,478.12** | **120,819.67** | **825,658.45** | **87%** |

Page 77
### Capital Projects (See Attached for Details):

<table>
<thead>
<tr>
<th>Project Number</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>
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<tbody>
<tr>
<td>30-20-05-606-101 BAB-Eng-ALLR-10-01 Ani-01a Anini &amp; Kalilewa Rd 6-</td>
<td>76,420.25</td>
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<td>680,129.51</td>
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<td>30-20-05-604-110 BAB-Eng-ALLR-11-04 LO-10 Lawal 6thInch Main Rplcmn</td>
<td>23,667.50</td>
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<td>35,767.90</td>
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<td>100%</td>
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<td>30-20-05-604-112 BAB-Eng-ALLR-11-02 PLH-01a Grove Farm Tanks 1 &amp; 2</td>
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<td>81,340.00</td>
<td>81,340.00</td>
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<td>30-20-05-604-115 BAB-Eng-ALLR-11-08 WK-01 Refab Montepio Tunnel</td>
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<td>32,430.00</td>
<td>32,430.00</td>
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<td>30-20-05-605-104 BAB-Eng-ALLR-05-02 HW-12 Drill Waimea-Hanau Well</td>
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<td>89,030.03</td>
<td>100,455.50</td>
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<td>30-20-05-605-116 BAB-Eng-ALLR-02-14 WK-08 Kapaa Homesteads Tank</td>
<td>37,305.00</td>
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<td>37,305.00</td>
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<tr>
<td>30-20-05-605-120 BAB-Cns-ALLE-02-06WKK15-Kilauea 466 Tank Puu Panu</td>
<td>121,223.10</td>
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<td>80,730.85</td>
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<td>30-20-05-605-125 BAB-Eng-85%E-02-01 Land for Kukuiolono Tank Site</td>
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<td>94,222.00</td>
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<td>30-20-05-605-139 BAB-Eng-ALLE-02-11 M-02 100K Tnk &amp; Pipelne Molaa</td>
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<td>30-21-05-606-017 WU-Cns-18N Cane Haul Road Main</td>
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<td>26,643.75</td>
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<td>30-21-05-606-107 BAB-Cns-ALLR-11-07 KP-08-MCC Chlor KoloaWell16-A,E</td>
<td>149,833.33</td>
<td>149,833.33</td>
<td>149,833.33</td>
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<td>3,025,833.35</td>
<td>3,025,833.35</td>
<td>79%</td>
<td>79%</td>
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<tr>
<td>30-21-05-606-114 BAB-Cns-ALLR-PLH-39a-Lhue Baseyard Phase I</td>
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<td>3,025,833.35</td>
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<td>104,444.53</td>
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<td>30-21-05-605-029 BAB-09-01 Yamada Tank Cleanwell, Conn Pip</td>
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<td>30-21-05-605-118 BAB-Cns-ALLE-WK-39 Drill Kapaa Homestead Well 4</td>
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<td>70,833.33</td>
<td>70,833.33</td>
<td>70,833.33</td>
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<td><strong>Total Capital Projects (See Attached for Details)</strong></td>
<td><strong>220,472.91</strong></td>
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<td><strong>289,477.91</strong></td>
<td><strong>43,745.00</strong></td>
<td><strong>4,970,253.81</strong></td>
<td><strong>1,029,602.85</strong></td>
<td><strong>3,040,760.96</strong></td>
<td><strong>79%</strong></td>
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<td>BAB</td>
<td>FRC</td>
<td>TOTALS</td>
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<td>Utilitec, Inc.</td>
<td>WU bill mail processing and mailing services</td>
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<td>7/6/2017</td>
<td>618</td>
<td>Prithibi</td>
<td>As needed Technical Support &amp; CC&amp;B Oracle Upgrade.</td>
<td>10-02-10-540-010</td>
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<td>7/27/2017</td>
<td>642</td>
<td>Wong's Equipment And Service, LLC</td>
<td>Solicitation GS 2017-4, Furnishing and Delivery of Noise Leak Logger System</td>
<td>10-40-00-604-999</td>
<td>CO</td>
<td>35,489.77</td>
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<td>427</td>
<td>Belt Collins Hawaii, Ltd.</td>
<td>Amendment 9, Job. No. 02-14, Kapaa Homesteads 0.5MG Storage Tank &amp; Kapahi 1.0 MG Storage Tank &amp; Connecting Pipelines, Wailua-Kapaa Water System</td>
<td>30-20-00-605-116</td>
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<td>8/3/2017</td>
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<td>Valley Isle Motors, Ltd.</td>
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<td>8/3/2017</td>
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<td>Valley Isle Motors, Ltd.</td>
<td>Solicitation GS 2017-2, Furnishing and Delivery of 2 vehicles</td>
<td>10-40-00-605-999</td>
<td>CO</td>
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<td>8/11/2017</td>
<td>644</td>
<td>Unlimited Construction Services, Inc.</td>
<td>Job no. 11-07, WP 2020, KP-09, MCC Chlorination Facilities, Koloa Well 16A &amp; 16B site building improvements</td>
<td>30-21-00-604-107</td>
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<td>Unlimited Construction Services, Inc.</td>
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<td>9/18/2017</td>
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<td>Derricks Well Drilling &amp; Pump Services, LLC</td>
<td>CO #1, Job. # 17-05, Puhi Well 5A Repairs</td>
<td>10-40-50-560-000</td>
<td>OE</td>
<td>49,849.56</td>
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<td>9/18/2017</td>
<td>645</td>
<td>R.M. Towill Corporation</td>
<td>Job. No. 17-11, WP 2020, No. WKK-2, Drill and Develop New Kilauea Well No. 3, Kilauea, Kauai, HI</td>
<td>20-20-00-605-154</td>
<td>CO</td>
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<td>11/7/2017</td>
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<td>King Auto Center</td>
<td>GS 2018-1, Furnishing and delivery f one SUV 4-door 4 wheeled drive</td>
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<td>11/29/2017</td>
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<td>Oasis Water Systems</td>
<td>Job No. 17-03, Kekaha Shaft 12 Replacement (Revised to include Contingency)</td>
<td>10-40-00-604-999</td>
<td>CO</td>
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<td>12/22/2017</td>
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<td>Kauai Air Conditioning</td>
<td>AC 2017 - 2018; To furnish the services and maintenance of DOW’s various air conditioning units.</td>
<td>10-01-10-561-000</td>
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<td>12/22/2017</td>
<td>648</td>
<td>Kauai Air Conditioning</td>
<td>AC 2017 - 2018; To furnish the services and maintenance of DOW’s various air conditioning units.</td>
<td>10-40-60-561-000</td>
<td>OE</td>
<td>10,000.00</td>
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<td>12/22/2017</td>
<td>649</td>
<td>WASA Electrical Services, Inc.</td>
<td>Job. No. 12-04; WP 20020 HE-14, Hanapepe- Eleele Booster Pump Replacements</td>
<td>10-21-00-604-035</td>
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<td>12/22/2017</td>
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<td>WASA Electrical Services, Inc.</td>
<td>Job. No. 12-04; WP 20020 HE-14, Hanapepe- Eleele Booster Pump Replacements</td>
<td>10-21-00-604-035</td>
<td>OE</td>
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<td>1/5/2018</td>
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<td>Kodani &amp; Associates</td>
<td>Job No. 02-06, WP 2020WKK-15, Kilauea</td>
<td>30-20-00-604-120</td>
<td>CO</td>
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<td>1/8/2018</td>
<td>650</td>
<td>Allied machinery Corp.</td>
<td>GS 2018-2, Furnishing &amp; Delivery of Bull Hog Style Shredding Attachment</td>
<td>30-20-00-604-120</td>
<td>CO</td>
<td>24,799.82</td>
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### BILLED REVENUES COMPARATIVE REPORT
For Fiscal Years 2016, 2017 & 2018

<table>
<thead>
<tr>
<th>Month</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Cum. Inc (Dec)</th>
<th>% Inc. (Dec.)</th>
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<tbody>
<tr>
<td>July</td>
<td>$2,389,827</td>
<td>$2,626,380</td>
<td>$2,760,278</td>
<td>$133,898</td>
<td>5.10%</td>
</tr>
<tr>
<td>August</td>
<td>$5,285,956</td>
<td>$5,097,118</td>
<td>$5,480,992</td>
<td>$383,873</td>
<td>7.53%</td>
</tr>
<tr>
<td>September</td>
<td>$7,743,790</td>
<td>$7,767,863</td>
<td>$8,381,960</td>
<td>$614,097</td>
<td>7.91%</td>
</tr>
<tr>
<td>October</td>
<td>$10,076,762</td>
<td>$10,231,048</td>
<td>$11,028,260</td>
<td>$797,213</td>
<td>7.79%</td>
</tr>
<tr>
<td>November</td>
<td>$12,649,063</td>
<td>$12,718,113</td>
<td>$13,685,184</td>
<td>$967,071</td>
<td>7.60%</td>
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<tr>
<td>December</td>
<td>$14,656,392</td>
<td>$14,905,179</td>
<td>$15,789,273</td>
<td>$884,094</td>
<td>5.93%</td>
</tr>
<tr>
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<td>$17,167,603</td>
<td>$18,084,865</td>
<td>$917,262</td>
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**BILLED REVENUES COMPARATIVE CHART**
As of January: FY 2016, 2017 & 2018

1. revenue comparison
CASH RECEIPTS (W/U) COMPARATIVE REPORT
For Fiscal Years 2016, 2017 & 2018

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Cum. Inc (Dec)</th>
<th>% of Inc (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$2,877,122</td>
<td>$2,036,499</td>
<td>$2,385,872</td>
<td>$349,373</td>
<td>17%</td>
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<td>August</td>
<td>$5,578,998</td>
<td>$4,881,715</td>
<td>$5,504,876</td>
<td>$623,161</td>
<td>13%</td>
</tr>
<tr>
<td>September</td>
<td>$8,342,249</td>
<td>$7,182,779</td>
<td>$8,155,772</td>
<td>$972,993</td>
<td>14%</td>
</tr>
<tr>
<td>October</td>
<td>$10,566,640</td>
<td>$9,806,314</td>
<td>$11,034,364</td>
<td>$1,228,050</td>
<td>13%</td>
</tr>
<tr>
<td>November</td>
<td>$12,935,656</td>
<td>$12,190,276</td>
<td>$13,377,231</td>
<td>$1,186,955</td>
<td>10%</td>
</tr>
<tr>
<td>December</td>
<td>$15,243,144</td>
<td>$14,510,720</td>
<td>$15,665,947</td>
<td>$1,155,227</td>
<td>8%</td>
</tr>
<tr>
<td>January</td>
<td>$17,306,718</td>
<td>$16,654,692</td>
<td>$18,226,254</td>
<td>$1,571,563</td>
<td>9%</td>
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Cash Receipts Comparative Chart
As of January: FY 2016, 2017 & 2018
METERED CONSUMPTION (000 GALLONS) MONTHLY COMPARATIVE CHART
For Fiscal Years 2016, 2017 & 2018
(expressed in thousands)

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>INC (DEC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>436,238</td>
<td>363,695</td>
<td>383,311</td>
<td>20,136</td>
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<tr>
<td>August</td>
<td>361,599</td>
<td>335,456</td>
<td>380,414</td>
<td>44,958</td>
</tr>
<tr>
<td>September</td>
<td>415,176</td>
<td>371,437</td>
<td>399,598</td>
<td>28,161</td>
</tr>
<tr>
<td>October</td>
<td>384,934</td>
<td>344,542</td>
<td>373,247</td>
<td>28,705</td>
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<tr>
<td>November</td>
<td>398,863</td>
<td>349,909</td>
<td>329,959</td>
<td>-19,950</td>
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<tr>
<td>December</td>
<td>305,276</td>
<td>304,246</td>
<td>310,680</td>
<td>6,434</td>
</tr>
<tr>
<td>January</td>
<td>453,812</td>
<td>316,392</td>
<td>321,919</td>
<td>5,527</td>
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MONTHLY CONSUMPTION COMPARATIVE CHART
As of January, FY 2016, 2017 & 2018

Note: refer to monthly summary highlights

3. 12 mo. consumption comp
## YTD METERED CONSUMPTION (000 GALLONS) COMPARATIVE REPORT

For Fiscal Years 2016, 2017 & 2018  
(expressed in thousands)

<table>
<thead>
<tr>
<th></th>
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<th>FY 2017</th>
<th>FY 2018</th>
<th>CUM. INC (DEC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>400,235</td>
<td>363,695</td>
<td>383,831</td>
<td>20,136</td>
</tr>
<tr>
<td>August</td>
<td>792,065</td>
<td>699,151</td>
<td>764,245</td>
<td>65,094</td>
</tr>
<tr>
<td>September</td>
<td>1,119,690</td>
<td>1,070,588</td>
<td>1,163,843</td>
<td>93,255</td>
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<tr>
<td>October</td>
<td>1,434,146</td>
<td>1,415,130</td>
<td>1,537,090</td>
<td>121,960</td>
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<tr>
<td>November</td>
<td>1,784,988</td>
<td>1,765,039</td>
<td>1,867,049</td>
<td>102,010</td>
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<tr>
<td>December</td>
<td>2,072,021</td>
<td>2,069,285</td>
<td>2,177,729</td>
<td>108,444</td>
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<tr>
<td>January</td>
<td>2,394,442</td>
<td>2,385,677</td>
<td>2,499,648</td>
<td>113,971</td>
</tr>
</tbody>
</table>

### YTD WATER CONSUMPTION COMPARATIVE CHART

As of January: FY 2016, 2017 & 2018

4. consumption (000 gallons)
## Assets and Deferred Outflows

<table>
<thead>
<tr>
<th></th>
<th>1/31/2018 (Unadjusted)</th>
<th>1/31/2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>9,298,960.72</td>
<td>4,693,579.91</td>
</tr>
<tr>
<td>Equity interest in pooled investments</td>
<td>5,135,201.59</td>
<td>24,808,097.17</td>
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<tr>
<td><strong>Receivables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts, net of allowance for doubtful accounts*</td>
<td>1,381,782.60</td>
<td>1,779,832.64</td>
</tr>
<tr>
<td>Due from other funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unbilled accounts</td>
<td>1,525,416.36</td>
<td>1,428,698.79</td>
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<tr>
<td>Grants and subsidies</td>
<td>296,962.89</td>
<td>72,778.40</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>80,748.87</td>
<td>72,778.40</td>
</tr>
<tr>
<td><strong>Total receivables</strong></td>
<td>3,284,910.72</td>
<td>3,281,309.83</td>
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<tr>
<td>Materials and supplies</td>
<td>1,097,060.10</td>
<td>889,994.23</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>46,614.01</td>
<td>45,614.00</td>
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<tr>
<td><strong>Total current asset</strong></td>
<td>18,862,747.14</td>
<td>33,718,595.14</td>
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<tr>
<td><strong>Restricted Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility reserve charge funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>809,451.51</td>
<td>2,029,538.29</td>
</tr>
<tr>
<td>Accounts receivable and other</td>
<td>127,269.80</td>
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<tr>
<td><strong>Total facility reserve charge funds</strong></td>
<td>936,721.31</td>
<td>2,029,538.29</td>
</tr>
<tr>
<td>Bond funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>1,812,583.64</td>
<td>2,536,225.16</td>
</tr>
<tr>
<td>Investments</td>
<td>11,956,148.78</td>
<td>12,855,213.44</td>
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<tr>
<td>Accrued interest</td>
<td>57,536.45</td>
<td>62,192.65</td>
</tr>
<tr>
<td><strong>Total bond funds</strong></td>
<td>13,826,268.87</td>
<td>15,453,631.25</td>
</tr>
<tr>
<td><strong>Total restricted assets</strong></td>
<td></td>
<td>14,762,990.18</td>
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<tr>
<td><strong>Equity Interest in Pooled Investment - Noncurrent</strong></td>
<td>39,344,320.55</td>
<td>18,015,347.00</td>
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<td><strong>Utility Plant:</strong></td>
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<tr>
<td>In service</td>
<td>333,051,852.36</td>
<td>329,591,706.07</td>
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<tr>
<td>Accumulated depreciation</td>
<td>(124,554,270.49)</td>
<td>(117,271,411.47)</td>
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<tr>
<td><strong>Total utility plant</strong></td>
<td>208,497,581.87</td>
<td>212,320,294.60</td>
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<tr>
<td>Construction work in progress</td>
<td>6,083,594.67</td>
<td>5,654,775.31</td>
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<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td>214,581,176.54</td>
<td>217,975,069.91</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>287,551,234.41</td>
<td>287,192,181.59</td>
</tr>
<tr>
<td><strong>Deferred Outflow of Resources</strong></td>
<td>6,372,573.90</td>
<td>2,961,274.74</td>
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<tr>
<td><strong>Total assets and deferred outflows of resources</strong></td>
<td>$ 293,923,808.31</td>
<td>$ 290,153,456.33</td>
</tr>
</tbody>
</table>

*Allowance for doubtful accounts

(272,083.07) (269,774.94)
## Liabilities, Deferred Inflows and Net Position

<table>
<thead>
<tr>
<th></th>
<th>1/31/2018 (Unadjusted)</th>
<th>1/31/2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>1,646,024.60</td>
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<tr>
<td>Contracts payable, including retainages</td>
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<tr>
<td>Due to/Due From Other Funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customer overpayment</td>
<td>176,787.94</td>
<td>126,343.73</td>
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<tr>
<td>Customer deposits and advances</td>
<td>418,131.05</td>
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<td>Current portion of long term debt</td>
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<td>4,717,296.00</td>
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<tr>
<td>Current portion of capital lease obligation</td>
<td>742,464.86</td>
<td>699,064.33</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
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<td>7,437,416.85</td>
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<td>Long-Term Debt</td>
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<tr>
<td>Capital Lease Obligation</td>
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</tr>
<tr>
<td>OPEB &amp; Retirement Benefits</td>
<td>16,895,311.94</td>
<td>11,973,246.16</td>
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<tr>
<td>Accrued Vacation and Compensatory Pay</td>
<td>1,327,752.86</td>
<td>1,245,154.43</td>
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<tr>
<td>Deferred Inflow of Assets</td>
<td>338,104.00</td>
<td>1,286,710.00</td>
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<tr>
<td><strong>Total liabilities and deferred inflows:</strong></td>
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<tr>
<td><strong>Net Position:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Water Utility Reserves</td>
<td>10,200,000.00</td>
<td>10,200,000.00</td>
</tr>
<tr>
<td>Restricted FRC</td>
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<td>2,029,538.29</td>
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<tr>
<td>Restricted Build American Bonds</td>
<td>13,790,225.25</td>
<td>14,887,238.42</td>
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<tr>
<td>Unrestricted</td>
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<td>27,225,945.45</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>193,831,250.65</td>
<td>188,803,199.55</td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows and net position:</strong></td>
<td>$293,923,808.31</td>
<td>$290,153,456.33</td>
</tr>
</tbody>
</table>
Public Notices and Announcements
All news releases were also published on the Department’s Facebook and Twitter social media pages.

- **Kilauea – Scheduled water service shutdown**
  - A news release was issued on Jan. 22, 2018 to notify the public that a water service shutdown was scheduled for customers located on Anini Road in Kilauea on Thursday, January 25th from 9 a.m. to 4 p.m., weather permitting. A CTY Blackboard Connect message was also sent to affected customers. The water service shutdown was scheduled in order to allow Princeville Utilities Company, Inc. to perform repairs to a leak in their water mainline. As a courtesy, a trailer-mounted water tank was provided to affected customers for essential water needs.
    - An additional news release and CTY Blackboard Connect message was issued on Jan. 24th to remind the public of the service shutdown on Anini Road scheduled for Jan. 25th.

- **Lihue – Announcement of Acting Manager and Chief Engineer, Steven Kyono**
  - A news release was issued on Jan. 25th to announce the Kauai Board of Water Supply’s (KBWS) appointment of Steven Kyono as Acting Manager and Chief Engineer for the Department of Water (DOW), effective Feb. 12, 2018. The news release also announced the resignation of current Manager, Kirk Saiki noting his last official day on February 9th.
    - An article, ‘Board of Water Supply appoints Steven Kyono as Acting Manager’ was published in the Garden Island Newspaper on Jan. 30, 2018. *(Attached)*

- **Poipu – Scheduled water service shutdown**
  - A news release was issued on February 1st to notify the public of a service shutdown scheduled for a portion of Hoonani Road in Po'ipū on Feb. 7th from 10 p.m. to 5 a.m. Feb. 8th, weather permitting. The overnight water shutdown was necessary in order to conduct repairs and improvements to the Po'ipū water system.
    - The water service outage directly affected the Sheraton Kaua‘i Resort (SKR) property.
    - DOW coordinated the scheduled shutdown information with the resort property to minimize impact on resort operations, providing advanced notice to SKR and its neighboring property, Kiahuna Plantation through direct contact with Property Manager and Director of Operations. Guest notifications were handled internally at each property.
    - As a courtesy, the Kaua‘i Visitor’s Bureau was also notified of the shutdown.

Other Media
- January 25, 2018 –The Department was mentioned in the article, “After raise, DWS official still third-highest paid in four similar positions” in the West Hawaii Today publication regarding salary information of Water Department managers across the state, including the DOW’s Manager and Deputy Manager positions. *(Attached)*
Public Relations Program
Education & Community Outreach

- Assistant Chief of Operations, Ryan Smith participated in a Career Day presentation at a Kalāheo Elementary School. He presented to three 5th grade classes, reaching over 80 students. Ryan’s presentation discussed the water cycle, groundwater and an overview of DOW operations.

- Jonell is preparing for the Department’s participation in Fix a Leak Week, in partnership with the Environment Protection Agency’s WaterSense program. A week-long social media campaign is scheduled to provide water conservation and fix a leak tips on DOW’s social media accounts. In addition, radio spots and a print advertisement in the Kaua‘i Family Magazine has been reserved. The presentation of the Mayor’s Proclamation for Fix a Leak Week has been confirmed for March 16th at the DOW. Media partners have been invited to attend.

Advertising & Media Placements

- An editorial and DOW advertisement, ‘Save Water, Don’t Waste Water, Fix a Leak today’, has been published in the Kaua‘i Family Magazine’s spring issue. (Attached)

Upcoming Community Outreach & Educational Events

- March 16, 2018 – Mayor’s Proclamation of Fix a Leak Week at DOW
- March 18 – 24, 2018 – Fix a Leak Week
- September 20, 2018 – 15th Annual Make a Splash with Project WET Festival

Project WET

DOW’s PR coordinates, conducts and facilitates Project WET Hawaii certification workshops, educational presentations and Project WET events, in addition to overseeing a network of state facilitators. DOW is the host-institution for Project WET in Hawaii and maintains an agreement with Project WET USA to utilize its award-winning water education curriculum.

Upcoming Certification Workshops

- Project WET Hawaii is hosting an Educator Workshop on Oahu on March 17, 2018. The workshop is being coordinated by Project WET facilitators from the City and County of Honolulu’s Storm Water Branch.
- Project WET Hawaii is conducting a two-day Educator Workshop on Oahu on March 19-20, 2018. The workshop is being coordinated by Project WET facilitators within the Honolulu Board of Water Supply.

Newsletter Committee

- Jonell is a member of Project WET’s newsletter committee. She attends meetings via scheduled conference call to discuss updates and articles of interest for the upcoming issues. As part of the committee, Jonell provides state updates, composes notes/articles and assists with gathering information from coordinators, nationwide.

Respectfully submitted,

Jonell S.T. Kaohelaunii
Information & Education Specialist

Attachments: “After raise, DWS official still third-highest paid in four similar positions” – West Hawaii Today
“Board of Water Supply appoints Steve Kyono as Acting Manager” – The Garden Island
“Save Water, Don’t Waste Water, Fix a Leak Today” – Kaua‘i Family Magazine

Mgrp/February 2018/ Information & Education Specialist Report (2-23-18):ein
After raise, DWS official still third-highest paid of four similar positions

KAILUA-KONA — Keith Okamoto, manager-chief engineer with the Hawaii County Department of Water Supply, got an 8 percent raise from the Water Board on Tuesday and will remain the third-highest paid person in his position across Hawaii’s four main counties.

Water Board Chair Craig Takamine said the raise was mostly tied to Okamoto’s performance, which he praised despite a year for DWS that saw a water shortage in North Kona due to rampant deep well equipment failure and usage reductions that persisted across the region for nearly an entire year.

“We feel like they’re doing a great job,” Takamine said Tuesday.

Takamine added, however, that the board evaluated similar positions across the state and determined that 8 percent raises for both Okamoto and DWS Deputy Kawika Uyehara were “fair.”

The figure factored in each man’s performance, as well as the fact that some of the highest-paid civil servants they managed within the department were making nearly as much as Okamoto and more than Uyehara.

Okamoto’s raise will nudge his salary just above $130,000 this year, while Uyehara will now be paid just under $119,000.

According to numbers provided by Takamine on Wednesday, the Honolulu Manager-Chief Engineer Ernest Lau currently earns a salary of $180,019, while Deputy Manager-Engineer Ellen Kitamura makes $169,480.

Maui’s Department of Water Supply Director Dave Taylor is paid $135,884 annually and Deputy Director Gladys Balsa makes $121,288 yearly.

Sarah Blane, who works in the Kauai County Mayor’s office, said Manager-Chief Engineer Kirk Saiki makes $119,357, while the county’s Deputy Manager-Engineer position pays $114,582 annually. The deputy position is currently vacant.
The Water Board’s decision comes on the heels of big raises for top county officials including Mayor Harry Kim, who received a raise of $30,581 to push his salary to $162,581, and Prosecuting Attorney Mitch Roth, who was awarded a bump of $39,646 that elevated his yearly pay to $153,226.

The Salary Commission, which doled out those pay hikes, noted some similar justifications as Takamine, saying top officials were making less money than their subordinates. The commission also mentioned it had been several years since many of the jobs were afforded raises.

--end of article--
Board of Water Supply appoints Steven Kyono as acting manager

LIHUE — The Kauai Board of Water Supply announces the appointment of Steven Kyono to the position of acting manager and chief engineer for the Department of Water, effective Feb. 12.

KBWS' decision to appoint an interim manager comes as a result of an upcoming position vacancy due to the resignation and relocation of its current manager and chief engineer, Kirk Saiki, which will become effective Feb. 9. Kyono will serve as acting manager while KBWS proceeds with the formal recruitment process for a manager and chief engineer through the County of Kauai Department of Human Resources.

Kyono served as Kauai's county engineer from 1986-1990. In 1991, he joined the state Department of Transportation Highways Division as Kauai district engineer, and served in that capacity until 2008. During his tenure with the county and the state, Kyono also served as an ex-officio voting member of the Kauai Board of Water Supply.

“Having spent a considerable portion of my career in public service, I consider it an honor and privilege to once again serve the people of Kauai,” Kyono said.

The Garden Island
Save water, don’t waste water, fix a leak today!

By Kauai Department of Water

Did you know? The average leaky toilet can waste about 200 gallons of water per day? That’s more than 6,000 gallons of water being wasted, per month!

Finding and fixing common household leaks; such as leaky valves and dripping faucets is an important part of being a responsible water user. These small repairs are often easy to fix and can pay for themselves in water savings on your next bill.

One way to check for household leaks is to use your water meter. Here’s how:

**Step 1:** Turn off all water access in your home; including faucets and plumbing fixtures.

**Step 2:** Locate your water meter outside, lift metal cover to view and identify the Low Flow Indicator; a small red circular dial located on the face of the meter.

**Step 3:** Monitor the Low Flow Indicator for at least 12 minutes. If the indicator spins during this time, you probably have a leak.

The Kauai Department of Water will be celebrating its annual “Fix a Leak Week” awareness event from March 19 - 23, 2018, as part of the Environmental Protection Agency’s national WaterSense program. To learn more about Fix a Leak Week, conservation tips or Department of Water services, visit www.kauaiwater.org or call the Department of Water at 245-5400.

---

**Did you know?** At a rate of one drip per second, a leaky faucet can accumulate more than 3,000 gallons of water wasted per year. That’s enough water to take more than 180 showers!

---

**Receive a FREE LEAK detection kit!**
From the Department of Water.
Visit our Lihue office & join us in honoring

**Fix a Leak Week**
March 19 to 23, 2018

**Water has no substitute...**

**Conserve it!**

---

4398 Pua Loke St.
Lihue, HI 96766
www.kauaiwater.org
Operations Division Report for the Month of January 2018

**Personnel**

- Congratulations to Reynold Abigania, 2017 Employee of the Year – Operations.
- Operations personnel attended Pumps and Motors training class sponsored by HRWA.
- Operations personnel attended Conducting Proper Workplace Investigations class sponsored by County of Kauai.

**Source and Storage**

- Maintenance Workers continued cleaning of various remote facilities island-wide. Works included clearing of vegetation and drainage as well as repair and construction of structures and facilities.
- Water Plant Operators performed routine inspection and maintenance at all sites including valve maintenance, piping repair and replacement, chlorination equipment maintenance, and mixing of sodium hypochlorite.
- Electrical workers performed routine electrical maintenance at all sites including SCADA radio troubleshooting, electrical wiring for motor controls, lighting repair and replacement.

**Distribution**

- Operations Division Field Section crews continue to perform live taps and routine leak repair of service laterals and mainlines. Field Section personnel completed three (3) live taps with two (2) pending for February; and responded to and completed forty (40) leak repair work orders.
- Field Section personnel installed three (3) service laterals.
- In the month of January, field crew did not replace any of the 3” PVC distribution line on Lokokai Road under work order C141516. As of October 2017 a total of 2,126 feet of old pipe has been replaced.
- We received a total of 67 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including complaints of no water, complaints of low pressure, high pressure, calls requesting remote site/facility grounds and vegetation maintenance, calls for assistance in shutting off the water meter, calls reporting damaged meter box and cover, reports of leaking or damaged fire hydrants and report of white milky water. Work orders were generated and all calls resolved. Leak after the meter needs to be addressed by the customer.
Fleet, Inventory, Warehouse and Baseyard Area

- For the month of January, a total of one hundred ninety nine (199) 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; repair defective meters; replace damaged or leaking hydrant; door-to-door customer notifications for tie-ins of new lines to existing lines as well as notifications regarding scheduled repairs; callouts due to customer complaints/reports; meter replacement requests; contractor’s requests for markings.

- For the month of January 2018, ninety two (92) Hawaii One Call requests for markings were received. Also, eleven (11) meters were installed, replaced and repaired.

Respectfully submitted,

Valentino P. Reyna
Chief of Water Operations

Attachments: Overtime Chart
Leak Report Chart
Produced/Billed Chart

Mgrp/February 2018/Operations Division Report for the Month of January 2018 (02-23-18):ein
<table>
<thead>
<tr>
<th>Month</th>
<th>Regular Hours Worked</th>
<th>Time Off (Leaves n Holiday)</th>
<th>Overtime Hours</th>
<th>TOTAL HOURS</th>
</tr>
</thead>
<tbody>
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<td>Jan 15</td>
<td>4,000</td>
<td>500</td>
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<td>4,600</td>
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<tr>
<td>Feb 15</td>
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<td>200</td>
<td>4,500</td>
</tr>
<tr>
<td>Mar 15</td>
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<td>200</td>
<td>150</td>
<td>4,450</td>
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<tr>
<td>Apr 15</td>
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<td>300</td>
<td>4,750</td>
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<tr>
<td>May 15</td>
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<td>250</td>
<td>4,750</td>
</tr>
<tr>
<td>Jun 15</td>
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<td>4,800</td>
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<tr>
<td>Jul 15</td>
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<td>Aug 15</td>
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<td>Sep 15</td>
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<td>Oct 15</td>
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<td>Nov 15</td>
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<tr>
<td>Dec 15</td>
<td>5,100</td>
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<td>5,250</td>
</tr>
<tr>
<td>Jan 16</td>
<td>5,200</td>
<td>200</td>
<td>300</td>
<td>5,700</td>
</tr>
<tr>
<td>Feb 16</td>
<td>5,300</td>
<td>150</td>
<td>250</td>
<td>5,700</td>
</tr>
<tr>
<td>Mar 16</td>
<td>5,400</td>
<td>100</td>
<td>200</td>
<td>5,700</td>
</tr>
<tr>
<td>Apr 16</td>
<td>5,500</td>
<td>200</td>
<td>150</td>
<td>5,850</td>
</tr>
<tr>
<td>May 16</td>
<td>5,600</td>
<td>150</td>
<td>100</td>
<td>5,850</td>
</tr>
<tr>
<td>Jun 16</td>
<td>5,700</td>
<td>100</td>
<td>50</td>
<td>5,850</td>
</tr>
<tr>
<td>Jul 16</td>
<td>5,800</td>
<td>50</td>
<td>100</td>
<td>5,900</td>
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<tr>
<td>Aug 16</td>
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<tr>
<td>Sep 16</td>
<td>6,000</td>
<td>150</td>
<td>200</td>
<td>6,350</td>
</tr>
<tr>
<td>Oct 16</td>
<td>6,100</td>
<td>200</td>
<td>250</td>
<td>6,550</td>
</tr>
<tr>
<td>Nov 16</td>
<td>6,200</td>
<td>150</td>
<td>300</td>
<td>6,650</td>
</tr>
<tr>
<td>Dec 16</td>
<td>6,300</td>
<td>100</td>
<td>350</td>
<td>6,750</td>
</tr>
<tr>
<td>Jan 17</td>
<td>6,400</td>
<td>200</td>
<td>200</td>
<td>6,800</td>
</tr>
<tr>
<td>Feb 17</td>
<td>6,500</td>
<td>150</td>
<td>150</td>
<td>6,800</td>
</tr>
<tr>
<td>Mar 17</td>
<td>6,600</td>
<td>100</td>
<td>100</td>
<td>6,800</td>
</tr>
<tr>
<td>Apr 17</td>
<td>6,700</td>
<td>200</td>
<td>250</td>
<td>7,150</td>
</tr>
<tr>
<td>May 17</td>
<td>6,800</td>
<td>150</td>
<td>300</td>
<td>7,250</td>
</tr>
<tr>
<td>Jun 17</td>
<td>6,900</td>
<td>100</td>
<td>350</td>
<td>7,350</td>
</tr>
<tr>
<td>Jul 17</td>
<td>7,000</td>
<td>150</td>
<td>400</td>
<td>7,550</td>
</tr>
<tr>
<td>Aug 17</td>
<td>7,100</td>
<td>200</td>
<td>250</td>
<td>7,550</td>
</tr>
<tr>
<td>Sep 17</td>
<td>7,200</td>
<td>150</td>
<td>150</td>
<td>7,550</td>
</tr>
<tr>
<td>Oct 17</td>
<td>7,300</td>
<td>100</td>
<td>100</td>
<td>7,450</td>
</tr>
<tr>
<td>Nov 17</td>
<td>7,400</td>
<td>150</td>
<td>50</td>
<td>7,550</td>
</tr>
<tr>
<td>Dec 17</td>
<td>7,500</td>
<td>100</td>
<td>100</td>
<td>7,600</td>
</tr>
<tr>
<td>Jan 18</td>
<td>7,600</td>
<td>150</td>
<td>50</td>
<td>7,750</td>
</tr>
</tbody>
</table>
Work Orders by Job Reason Code for Selected Date Range

01/01/2017 to 01/31/2018

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>3</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>94</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>137</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
</tbody>
</table>

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

- LEAK-BOX: 10.0%
- LEAK-CUST: 1.2%
- LEAK-MAIN: 36.2%
- LEAK-S/L: 52.7%
- Total: 100.0%

Number of Leak Repairs per Month

![Line graph showing the number of leak repairs per month for each job reason code.]

- LEAK-BOX
- LEAK-CUST
- LEAK-MAIN
- LEAK-S/L
<table>
<thead>
<tr>
<th>Month</th>
<th>Produced (Kgals.)</th>
<th>Customer Meter Read (Kgals.)</th>
<th>Waterloss (Kgals.)</th>
<th>Waterloss (%)</th>
<th>Waterloss ($)</th>
<th>Waterloss (gal/con/day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-18</td>
<td>369,875</td>
<td>323,671</td>
<td>46,204</td>
<td>12.5</td>
<td>59,002</td>
<td>66.50</td>
</tr>
<tr>
<td>Feb-17</td>
<td>356,223</td>
<td>314,457</td>
<td>41,766</td>
<td>11.7</td>
<td>53,335</td>
<td>62.05</td>
</tr>
<tr>
<td>Mar-17</td>
<td>360,851</td>
<td>306,619</td>
<td>54,232</td>
<td>15.0</td>
<td>69,254</td>
<td>89.20</td>
</tr>
<tr>
<td>Apr-17</td>
<td>387,512</td>
<td>348,781</td>
<td>38,731</td>
<td>10.0</td>
<td>49,459</td>
<td>57.54</td>
</tr>
<tr>
<td>May-17</td>
<td>354,554</td>
<td>314,701</td>
<td>39,853</td>
<td>11.2</td>
<td>49,292</td>
<td>61.18</td>
</tr>
<tr>
<td>Jun-17</td>
<td>380,135</td>
<td>355,055</td>
<td>25,080</td>
<td>6.6</td>
<td>32,027</td>
<td>37.26</td>
</tr>
<tr>
<td>Jul-17</td>
<td>427,658</td>
<td>383,966</td>
<td>43,692</td>
<td>10.2</td>
<td>55,795</td>
<td>67.08</td>
</tr>
<tr>
<td>Aug-17</td>
<td>448,372</td>
<td>380,414</td>
<td>67,958</td>
<td>15.2</td>
<td>86,783</td>
<td>100.96</td>
</tr>
<tr>
<td>Sep-17</td>
<td>433,917</td>
<td>400,670</td>
<td>33,247</td>
<td>7.7</td>
<td>42,456</td>
<td>49.39</td>
</tr>
<tr>
<td>Oct-17</td>
<td>405,489</td>
<td>373,660</td>
<td>40,646</td>
<td>7.8</td>
<td>40,646</td>
<td>48.86</td>
</tr>
<tr>
<td>Nov-17</td>
<td>373,942</td>
<td>332,876</td>
<td>52,441</td>
<td>11.0</td>
<td>36,041</td>
<td>61.01</td>
</tr>
<tr>
<td>Dec-17</td>
<td>350,459</td>
<td>322,236</td>
<td>628,131</td>
<td>10.6</td>
<td></td>
<td>43.33</td>
</tr>
<tr>
<td>Total Year</td>
<td>4,648,987</td>
<td>4,157,106</td>
<td>491,881</td>
<td></td>
<td></td>
<td>62.07</td>
</tr>
</tbody>
</table>
MANAGER’S UPDATE

February 23, 2018

Pursuant to Board Policy No. 3

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

(1) FIRST AMENDMENT TO SOLE SOURCE SS-2017-4, CONTRACT NO. 633 WITH MYTHICS, INC. FOR THE ANNUAL LICENSE RENEWAL OF ORACLE SERVICE CLOUD AND CUSTOMER CASE AND BILLING IN THE AMOUNT OF $226,280.51

FUNDING:
Account No. 10-02-10-561-000 Repairs and Maintenance – Other than Water System

| Contract No. 633: Mythics, Inc. (NTP) | $315,000.00 |
| Total Funds Certified for Contract No. 633 | $315,000.00 |

FIRST AMENDMENT
First Amendment (2nd Year of Multi-Term Contract) $226,280.51
Total Funds Requested for First Amendment $226,280.51

TOTAL CONTRACT AMOUNT TO DATE: $541,280.51

BACKGROUND:
Mythics, Inc. who is the authorized reseller of Oracle products and has been working with the Department of Water’s (DOW) Oracle Cloud Services and Customer Care & Billing (CC&B) Software. In accordance with HAR Chapter 3-122-81 No. 3, Sole Source Procurements for annual license renewal and maintenance for computer software is approved by the Procurement Policy Board.

As part of the DOW’s Memorandum of Agreement (MOA) with Maui Department of Water Supply (DWS) there is a cost sharing where the pro-rata cost for the initial year is based on DOW's existing 21,740 meters installed and DWS' 36,211 meters installed. Based on these totals, DOW’s pro-rata share is 37.5% and DWS’s pro-rata share is 62.5% of the initial licensing fees and costs.

The parties agree to share in the annual maintenance and support costs based on the proration of the number of installed active water meters in each respective county at the start of each new fiscal year.

(2) PROFESSIONAL SERVICES CONTRACT NO. 651 AWARD TO ASHFORD AND WRISTON FOR SPECIAL COUNSEL TO PROVIDE ENVIRONMENTAL, LAND USE, AND REGULATORY COMPLIANCE LITIGATION AND RELATED LEGAL SERVICES IN THE AMOUNT OF $25,000.00

FUNDING:
Acct No. 10-01-10-540-010 WU/Admin/Admin/Professional Services-General

| Funds Available for Special Counsel | $25,000.00 |
| Contract No. 651: Ashford & Wriston | $25,000.00 |
Total Funds Requested $25,000.00 ($25,000.00)

Total Fund Balance for Special Counsel $0.00

BACKGROUND:
At the November 22, 2017 Board meeting, the Board moved and approved the procurement of Special Counsel and the expenditure of funds for a total not to exceed amount of $50,000.00. However, since then, the Fiscal Division advised that the correct Special Counsel budget for FY2017-18 is $25,000.00. The contract will be for the FY2017-18 budget amount of $25,000; a request for additional funds will be made, in the event additional funds are necessary. A rate of $350 per hour for partners, $185 per hour for associates, and $150 per hour for paralegals was negotiated. The Office of the County Attorney negotiated the rate of pay and costs and finds such to be reasonable as commensurate with the level of experience and effort required.

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 16-17:

PERSONNEL MATTERS

February 8, 2018

RECRUITMENT AND POSITION ACTIONS

Administration

Construction Management Division

Fiscal Division

Operations Division
Recent Hires, Separations and Position Changes:
1. Manager and Chief Engineer. Start date 2/12/2018.

Pursuant to Board Policy No. 24

<table>
<thead>
<tr>
<th>CONVEYANCE OF WATER FACILITIES</th>
<th>$137,494.52</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/23/2018 Aloiau Inc. 4-5-010:001 Kapaa</td>
<td>$95,631.52</td>
</tr>
<tr>
<td>2/23/2018 Ma's Family Kitchen, LLC 3-6-009:016 Līhu'e</td>
<td>$21,863.00</td>
</tr>
<tr>
<td>2/23/2018 State of Hawai'i, Department of Accounting and General Services 3-6-005:001 Līhu'e</td>
<td>$20,000.00</td>
</tr>
</tbody>
</table>

CUSTOMER CARE AND BILLING (CC&B) SYSTEM UPDATE:
No update

I.T. STRATEGIC PLAN UPDATE:
February 14, 2018

Project Management:
IT continues to have weekly meetings with PMWeb.

A pilot project has begun using PMWEB, using project HE-11 ‘Elele Booster Pump Rehabilitation.

On February 12, 2018 training was done with the consultants, the Construction Management Division, and the contractors on the project on how to use the system.

Document Imaging:
Currently configuring and testing the Fiscal portal that was migrated from Document Imaging to SharePoint 2016.

IT postponed the January training to sometime this month with Fiscal to go over how to use the portal.

IT plans on shutting down Document Imaging by the end of February 2018.

IT Plan Task 4 Develop Web based GIS Viewer and Map Layers:
Mapping for the following water systems are completed and have been released to the GIS users.

Anahola / ‘Anini / Hā‘ena-Wainiha / Hanalei / Hanapēpē/Elele / Kalāheo-Kōloa / Kīlauea / Kalāheo-Kōloa (partial) / Līhu'e-Kapa’a (partial)

IT is currently working on the Kōloa-Po’ipū area (Kalāheo-Kōloa water system) and it is near completion of getting all gps points.

The GIS Model is about 75% completed.

Once the as-built drawings for the Puhi-Līhu'e-Hanamā'ulu area (Līhu'e to Kapa’a water system) are submitted, IT will be able to finalize the system.
**QUARTERLY UPDATES – (October through December 2017)**

*During the January 26, 2018 Regular Board meeting, the following County Attorney Quarterly Report was inadvertently not included.*

**Pursuant to Board Policy No. 25**

**COUNTY ATTORNEY QUARTERLY REPORT: CLAIMS SETTLED:**

<table>
<thead>
<tr>
<th>Claimant Name</th>
<th>Date of Incident</th>
<th>Filed with Office</th>
<th>Nature of Claim</th>
<th>Amount Requested</th>
<th>Settlement Amount</th>
<th>Remedial Recommendation/Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miyake, Arlene</td>
<td>05/02/2016</td>
<td>10/05/17</td>
<td>Vehicle Damage: Claimant’s vehicle was parked in the Parking Lot of the Konohiki Place, Lihue. Dept. of Water truck backed into the rear of the vehicle causing damage to bumper/trunk.</td>
<td>$2,274.02</td>
<td>$2,274.02</td>
<td>Claims Committee recommended settlement for full claim amount; submitted to Board for approval.</td>
</tr>
<tr>
<td>GEICOa/s/f Claire Curley</td>
<td>01/04/2017</td>
<td>10/31/2017</td>
<td>Vehicle Damage: GEICO a/s/f Claire Curley, claims their insured's vehicle was damaged by a County Vehicle which suddenly and without warning backed into the vehicle from a parking stall as their insured's vehicle was passing behind it.</td>
<td>$2,698.05</td>
<td>$2,698.05*</td>
<td>Submitted to Claims Committee for review on 01/04/2018.</td>
</tr>
</tbody>
</table>

*As of the January 26, 2018 Regular Board Meeting, this claim has been accepted and paid by the Department.*

Respectfully submitted,

Steven Kyono, P.E.
*Acting* Manager and Chief Engineer

Attachments: 2010 BAB Spend Down Report as of January 2018

SK/MJA

Mgrrp/Manager’s Update (02-23-18):mja