A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES: Regular Meeting – May 13, 2010

E. CORRESPONDENCE/ANNOUNCEMENTS


F. BOARD COMMITTEE REPORTS

1. Report of the Finance Committee of the Kaua’i County Board of Water Supply

   a. Claims Payable

G. OLD BUSINESS

1. Request Board Approval on the Following Amendments to the Rules And Regulations, Part 4, Fixing Rates for the Furnishing of Water Service in the County of Kaua’i (Manager’s Rep. No. 10-16)

   a. Section I – General Use Rates (Proposed Block Changes)
   b. Section II – Bulk Rates (Paragraph 1)
   c. Section III – Agriculture Rates (Addition of Backflow Preventer Requirement)
   d. Section IV – Shipping Rates (Paragraph 3)
   e. Section V – Private Fire Service Charges (usage based on area ratio)
H. **NEW BUSINESS**

1. *Manager's Report No. 10-83* - Request Board Approval of the following documents from the following applicant for their respective projects:

   a. Right of Entry Agreements for Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, Hanalei, Kaua‘i, for a portion of:

      (1) TMK: (4) 5-5-008:010, Hanalei, Kaua‘i: Craig Wisen
      (2) TMK: (4) 5-5-008:005, Hanalei, Kaua‘i: Ursula Lamberson, Trustee for the Ursula Lamberson Trust

   b. Right of Entry Agreement for Kawamura Farms, Lihu‘e, Kaua‘i

   c. Conveyance of Water Facility from Robert S. Bradford Jr. and Marilyn C. Bradford, for the Installation of 2nd Single Service Lateral and Backflow Preventer for Lot 11, Unit B; TMK: (4) 5-2-017:011, Kilauea, Hanalei District, Kauai, Hawai‘i


2. *Manager's Report No. 10-84* - Request Board Approval of Resolution No. 16 (06/10) for Authorized Signatures for DOW Bank Accounts


I. **STAFF'S REPORTS**

**MONTHLY:**

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

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

3. Deputy Manager's Summary Report on Monthly Operational Maintenance

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

NOTE: Special Accommodations for persons with disabilities are available upon request five (5) days prior to the meeting date. Please call the Department of Water, County of Kaua‘i, at 245-5408 or drop by at 4398 Pua Loke Street, Lihu‘e, Kauai. Our mailing address is P. O. Box 1706, Lihu‘e, HI 96766.
J. EXECUTIVE SESSION:

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

REVIEW OF EXECUTIVE SESSION MINUTES: None

K. TOPICS FOR NEXT WATER BOARD MEETING:


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

L. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Request Board Approval of Resolution No. 1, (10/11), Budget for Fiscal Year 2010-11 (August, 2010)
2. Job Performance Evaluation of the DOW Manager and Chief Engineer (August, 2010)

M. UPCOMING EVENTS

1. AWWA National Conference in Chicago – June 20-24, 2010

N. NEXT WATER BOARD MEETINGS

1. Thursday, July 15, 2010, 10:00 a.m.
2. Thursday, August 19, 2010, 10:00 a.m.
3. Thursday, September 16, 2010, 10:00 a.m.
4. Thursday, October 21, 2010, 10:00 a.m.
5. Thursday, November 18, 2010, 10:00 a.m.
6. Thursday, December 16, 2010, 10:00 a.m.

O. ADJOURNMENT
The Board of Water Supply, County of Kaua‘i, met in regular meeting at its office in Lihu‘e on Thursday, May 13, 2010. Chairperson Randall Nishimura called the meeting to order at 10:40 a.m. On roll call, the following answered present:

**BOARD:**  Mr. Randall Nishimura, Chairperson  Mr. Ian Costa  Mr. Donald Fujimoto  Mr. Leland Kahawai  Mr. Roy Oyama (was excused and left meeting at about 12 noon)

Absent & Excused:  Mr. Dee Crowell  Mr. Raymond McCormick

**STAFF:**  Mr. David Craddick  Mr. William Eddy  Mr. Paul Ganaden  Mr. Gregg Fujikawa  Mr. Keith Fujimoto  Mr. Bruce Inouye  Ms. Faith Shiramizu  DOW’s Deputy County Attorney Andrea Suzuki  Board’s Deputy County Attorney Amy Esaki

**GUESTS:**  Mr. Eugene Jimenez, County Housing Agency Director (left at about 11:55 am)  Mr. Gary Mackler, County Housing Agency (left at about 11:55 am)  Ms. Barbara Pendragon, County Housing Agency (left at about 11:55 am)

Ms. Emi Tanihiro (left at about 10:55 am)  Ms. Karen Goo (left at about 10:55 am)

**AGENDA:**

Chair Nishimura requested to have the Resolutions 12-15 to be taken up after Correspondence and New Business H1, Presentation by the County Housing Agency to be taken up after Old Business, G1, Strategic Plan Update.

As there were no objections, the Agenda was so re-ordered by Chair Nishimura.

**MINUTES:**

Mr. Costa moved to receive the Regular Meeting Minutes of April 15, 2010, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

**CORRESPONDENCE/ANNOUNCEMENTS:**
Re: Letter from DOW to Mayor Bernard Carvalho Jr. Regarding the DOW’s Water Plan 2020 CIP Plan, Phase 1 and 2 Update Project List

Chair Nishimura explained that this was one of the Manager’s goals that was accomplished when it was sent to the Mayor’s Office on April 20, 2010.

Mr. Costa moved to receive the DOW’s letter to Mayor Carvalho, seconded by Mr. D. Fujimoto; by a unanimous vote; motion was carried.

NEW BUSINESS

The following resolutions were approved by the Board and then each resolution was read and presented to each employee at the meeting.

Re: Resolution No. 12, (09/10), Congratulations Faith Shiramizu, 2009 DOW Employee of the Year

Mr. Costa moved to approve Resolution No. 12 (09/10), Congratulations Faith Shiramizu, 2009 DOW Employee of the Year, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Resolution Nos. 13, 14, and 15, (09/10), Mahalo and Aloha Retirees Emi Tanihiro, Bruce Inouye and Karen Goo

Mr. Costa moved to approve Resolution Nos. 13, 14, and 15 (09/10), Mahalo and Aloha Emi Tanihiro, Bruce Inouye and Karen Goo, respectively, who all will be retiring from the Department of Water as of June 1, 2010, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

(Ms. Tanihiro and Ms. Goo left the meeting at about 10:55 a.m. Recess: 10:55 – 11:05 am)

OLD BUSINESS:

Re: Report from Issue Champions

Issue No. 1, Morale:

1) Fun Committee Events:

a) The Fun Committee created a list of Tentative Activities for the year 2010 which were emailed to employees and presented at the Employee Meeting on March 31st. These tentative 2010 activities include 2 hikes (Sleeping Giant and the Bike Path), 2010 Pau Hana Annual Family Cookout, 6th Annual Golf Tournament, Meal for the people at the Homeless Shelter, and gifts for the Angel Tree.

b) We are currently awaiting feedback and volunteers to move forward on some of these events.
2) **Rewards Committee:**

   a) First Quarter Water Bucks were presented to Margie Loo (Margie received 2 water bucks!), and Scott Shibuya....with Congratulations going to our Employee of the 1st Quarter: Margie Loo.

   b) The four Employee of the Quarters were automatically nominated for the Employee of the Year. There were also two additional nominations, Dustin Moises and Faith Shiramizu. A selection committee was created by drawing names from each division. This committee was then presented with the write up on each of the nominations, then given the opportunity to vote. Congratulations to Faith Shiramizu, our 2009 Employee of the Year.

   c) The Rewards Committee continues to urge all division heads and managers to actively assist with the success of this Committee’s mission, which is to reward positive behaviors to our DOW employees, for being proactive, being helpful, going the extra mile, doing outstanding work, etc. Rewards are via our Water Bucks Program, which we are already familiar with, for any employee that deserves recognition for a 'job well done'. All employees are issued 2 water bucks and will be replenished if given out. Check with Margie Loo, our new Water Bucks Coordinator, if you need an additional supply of Water Bucks. Thanks for your continued support!!

**Issue No. 2, Strong and Qualified Workforce:**

**Updated April 6, 2010**

**RECRUITMENT:**

**Ops Division:**
4. Lead Pipefitter vacancies due to promotion. Position description pending review by DPS.
5. Operations Division Account Clerk vacancy due to promotion. Pending review of updated position description by DPS.
6. Operations Re-organization pending review by DPS.

**Fiscal Division:**
2. Accountant II position description update pending review by Department of Personnel Services (DPS).

**Engineering Divisions:**
1. Civil Engineer V vacancies in Engineering and Special Projects. Interviews being scheduled.
2. Project Assistant (Special Projects Division). Interview questions being prepared.

**Administration Division:**
2. Commission Support Clerk resumés are being reviewed. Interviews pending.
Issue No. 3, Water Quality:

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

Status Of Water Plan 2020 Projects:

PROJECTS UNDER DESIGN:

1) Job 03-02, HW-03. (Phase II), Wainiha Booster and Haena Tank Renovations (Consultant: Brown & Caldwell) – Consultant preparing the revised plans and specifications to address the DOW’s review comments.

2) Job 02-18 WK-32 Phase II, Kaehulua Road Waterline (Consultant: Fukunaga & Associates)
   a. Pre-bid Meeting scheduled for April 7, 2010.

3) Job 04-02, WK-14 Phase II, Apopo Road Waterline (Consultant: Fukunaga & Associates)
   a. Pre-bid Meeting scheduled for April 7, 2010.

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

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

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

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

8) Job 02-14, WK-08, Kapahi (Ornelas) Tank (Consultant: Belt Collins)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of March 2010.
9) Job WK-39 Kapaa Homesteads Well #4 (Consultant: Hawaii Pacific Engineers)
a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of March 2010.

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

PROJECTS UNDER CONSTRUCTION:

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

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

3) Job WK-42 Phase I, 1 MG Stable Tank and Control Valves (Consultant: Tom Nance Water Resource Engineering, Contractor: Kauai Builders) – Project is 74% complete.

4) Job WK-42 Phase II, Kaapuni Road Waterline for Stable Tank (Consultant: Hawaii Pacific Engineers, Contractor: Earthworks Pacific, Inc.) – Project is 90% complete.


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

7) Job No. 05-04, KW-27, 12-Inch Waterline along Kaumualii Highway, Elepajo Road to Huakai Road, Kekaha (Consultant: Fukunaga & Associates, Contractor: Earthworks Pacific) – Project is 100% complete.

8) Job No. 05-07, K-07, Waha, Wawae, and Niho Road Main Replacement, Kalaheo (Consultant: Akinaka & Associates, Contractor: Koga Engineering & Construction, Inc.) – Project is 100% complete.

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

10) Job No. 04-06, KW-05 & KW-20, Kekaha Well B Renovations (Consultant: Engineering Solutions, Contractor: Goodfellow Bros.) – Project is 12% complete.

11) Job No. 05-01, KW-16 & KW-23, Waimea Town Waterline (Consultant: Hawaii Pacific Engineers, Contractor: Goodfellow Brothers) – Project is 17% complete.
12) Job No. 02-03, KW-14 & KW-15, 12" Waterline along Kaumualii Highway and Waimea Canyon Drive (Consultant: Park Engineering, Contractor: Koga Engineering & Construction) – Project is 0% complete. Notice to proceed issued on February 1, 2010.


Issue No. 4, Workplace Efficiencies:

Ongoing:

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

1) Jeff and Heath are in the process of setting up a Geodatabase that will contain all the different types of information that will be used for GIS. This geodatabase will contain data features, such as pipe, tanks, meters, hydrants, etc. We are also determining the attributes or information that describes these features, such as type of material.

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

2) Current GIS Update by Jeff

After some initial testing in Anini, they began working on the Anahola Water System. They have shot probably 90% of Anahola and are currently drawing in the pipe layer.

GPS shots include all valves, hydrants, tanks, pumps, and water meters. The hardest part right now is finding the maps that show the elevations for the valves.

We hope to complete Anahola by next board meeting and will shortly begin working on the Hanalei System.

Upcoming:

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

1) Still work in progress on gathering required information to input into the system.
2) Clerical training will follow to assist with updating the projects on the program.
3) Implementation of the DOW Contract Management System has been delayed with a new target implementation date of April 1, 2010.
4) Once the system works, documentation of the process would be included in the DOW’s work process manual.

b) Envision a department-wide work process manual to be compiled with documentation of any type of divisional work processes to assist with succession planning and to better internal and external customer service
1) Processes need to be reviewed and updated.
2) Will be documented using Microsoft Visio software.
3) Will setup internal meetings.

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

**Issue No. 5, Accountability:**

a) Of note, all DOW cell phone users are now all on Verizon.

Mr. Costa moved to receive the Issue Champions Update Report, seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

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

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

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

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

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

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

A. Proceeding with the trapezoidal tank at the existing Ornellas Tank site. EA being prepared.

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

A. Under construction. Completing punchlist items.

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Job No. WK-39, Kapaa Homestead Well #4:
A. Proceeding with locating the well at the existing Ornellas Tank site. EA being prepared.

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Job No. 02-24, WK-02, Akulikuli Tunnel:
A. Department will be conducting water quality testing.

Mr. Costa moved to receive the DOW Affordable Housing Update Report, seconded by Mr. Kahawaii; by a unanimous vote; motion was carried.

Re: Presentation by the County Housing Agency on our Request for an Update of the Upcoming County’s Affordable State Housing Projects

Housing Director Eugene Jimenez, Housing Development Coordinator Gary Mackler, and Housing Planner Barbara Pendragon were present at the meeting upon the request of the Water Board to give an update of the County’s upcoming affordable housing projects. Mr. Jimenez stated that Mr. Mackler and Ms. Pendragon were instrumental in compiling this presentation.

Mr. Jimenez said that he was very happy that the Department of Water has been participating with the County’s Affordable Housing Task Force (AHTF) monthly meetings. The AHTF discusses all County housing projects and any type of private affordable housing projects. Mr. Jimenez explained that the AHTF was the brainstorm of the late former Mayor Bryan Baptiste several years ago and has been very helpful to expedite some of their projects as all areas of County government are represented.

Mr. Mackler discussed that several years ago when the economy and housing were booming, former Mayor Baptiste was looking for alternative affordable housing and he looked at a few State lands to mitigate the shortage of affordable housing. Former Mayor Baptiste met with Governor Lingle and the Department of Land & Natural Resources to seek State lands and the following presentation highlights the designated State lands that were geared for the County’s proposed affordable housing projects.

- SET ASIDE FOR STATE LAND PARCELS
  - December 9, 2005: BLNR recommended a set aside for eight (8) parcels of State land for affordable housing. Two (2) parcels have been removed (Waimea & Aliomanu)
  - Six remaining State land parcels include one (1) parcel in Kekaha (TMK: 1-2-002:032) and 5 parcels in Kapaa (three along Kaapuni Road (TMK: 4-3-003:11, 4-3-003:8, & 4-3-003:7; one by Mahelona Hospital (TMK: 4-6-014:030; one by Hundley Heights)

Regular Meeting: Thursday, May 13, 2010 – Page 8 of 28
December 21, 2008: At County's request, BLNR extended set aside deadline to December 31, 2013 to meet set aside requirements for issuance of an executive order.

**EXECUTIVE ORDER (SITE CONTROL)**
- BLNR Set-Aside Requirements for Issuance of Executive Order:
  - Archaeological Survey
  - Environmental Compliance (Chapter 343)
  - Subdivision Design/Construction Plans
  - Development Plans
  - Government Permits and Approvals
  - Funding Commitments
  - Construction Contracts
  - Agreement with OHA (ceded lands)

**AGREEMENT WITH OHA**
- OHA has a statutory mandate to manage the income and proceeds from Ceded Lands granted to the State of Hawaii by Section 5(b) of the Admissions Act.
- For purposes of affordable housing placed on Ceded Lands, OHA requires at least 20% of unit density be occupied by persons of Hawaiian ancestry.
- MOU with County dated November 13, 2007 requires subdivision to reserve 20% of unit density for development by OHA for persons of Hawaiian ancestry.

**DHHL ENTITLEMENT (KEKAHA PARCEL)**
- Pursuant to the Hawaiian Homes Commission Act of 1920, DHHL has entitlement to 30% of state receipts for leasing of lands cultivated as sugar cane lands whenever such lands are set-aside for purposes other than sugar cane cultivation.
- Receipts are transferred to the Native Hawaiian Rehabilitation Fund.
- No formal agreement with DHHL exists for resolution of this entitlement.

**DEVELOPMENT POTENTIAL? (for these State lands)**
- Density Analysis
- Planning Considerations
- Site Feasibility (Consultant Contract)
- Feasibility Determination for housing development serving households ≤ 140% of Kauai Median Household Income expected in 6 to 8 months.

Mr. Mackler discussed that under the MOU, any structures on these lands can only be rented or leased because it is ceded lands. He added that each project would probably contain less than 50 units as wastewater requirements would be greater for a project 50 units or over.

He also added that these projects on State lands would have an entitlement of 20% for OHA and 30% for DHHL; therefore, there would be about 130 units in total.
Mr. Mackler stated that Ms. Pendragon has worked extensively on a spreadsheet that shows the potential criteria and constraints that affect these parcels; therefore, they are doing analysis and proceeding carefully before any funding commitments for development.

Mr. Mackler added that, in addition, they are also negotiating with their consultant to do a feasibility study for these sites. Per County Council’s request, they need to have these sites analyzed and do a comparison to see which sites have the greatest potential for affordable housing development. The tentative timeline would be that it would take about 6-8 months to complete.

On query by Mr. Costa, Mr. Mackler stated that so far there is one parcel that they are not considering as it was felt that it would be better to have the Department of Water possibly build a tank on it instead.

Mr. Mackler stated that once their consultant’s feasibility study is done and they know which sites are best to build affordable housing, they would report back to the Board on their findings.

Chair Nishimura stated that the intent of their request for an update on the County’s affordable housing projects is to ensure that the DOW is working concurrently with the County Housing Agency to support their projects.

On query by Mr. D. Fujimoto, Mr. Mackler stated that they are using the same consultant to do a water master plan study for the ‘Ele‘ele 75 acre parcel that they acquired this February, 2010, which will include water needs. This will be about a 9 month process.

On query by Mr. D. Fujimoto, Mr. Jimenez stated that their office is working on several affordable housing projects and that the ‘Ele‘ele Project could potentially have 600-800 units.

Mr. Mackler thanked Manager Craddick and Mr. Fujikawa for all the help with the financing of one of their projects, the Paanau Affordable Housing Project.

Mr. D. Fujimoto thanked the County Housing Agency staff for all they do and to let them know that the Board and staff are committed to affordable housing. Mr. Eugene Jimenez expressed their appreciation for the DOW's support and thanked the Board and staff too as it makes everyone’s job easier.

Mr. Costa moved to receive the report, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

As Mr. Crowell was absent from this meeting, Ms. Suzuki asked on his behalf the following questions:

1. Has there been any instances where the DOW prevented affordable housing from moving forward?
Mr. Jimenez replied that in the 1-1/2 years he has been in his position, there have been some delays but no prevention of any affordable housing projects.

Mr. Mackler added that he has been on staff longer and in his recollection, there were 2 times that they came to the Board for assistance and both were favorable: 1) asked for consideration to reallocate 21 units of water from the Kalepa Village Project, which originally had density for 242 units, to move it to the Lihu’e Theatre Elderly Housing Project. At that time, there was no water available in Lihu’e. The Board enthusiastically approved that request; and 2) asked for a larger water meter for the Kaua’i Economic Opportunity (KEO) Emergency Shelter Transitional Housing Project and again received a favorable response.

2. Does the Housing Agency have access to Federal funds that the DOW could use for affordable housing?

Mr. Jimenez stated that the CDBG funds does delineate which community is considered low income so it is not for a specific housing project but for the community at large.

Mr. Mackler added that there is another available grant that use to be called Special Purpose Grant which is now called the Economic Development Initiative Grant. This grant can be accessed via Senator Daniel Inouye’s Office and the application process is an easy one. Senator Inouye’s contact is Alan Yamamoto.

The Board thanked the County Housing Agency for their presentation.

Mr. Costa moved to receive this presentation, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Mr. Jimenez, Mr. Mackler and Ms. Pendragon all left the meeting at about 11:55 a.m.

Recess: 11:53 a.m. to 12 noon

BOARD COMMITTEE REPORTS:

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

Due to a possible conflict of interest, Chair Nishimura recused himself from the Claims Payables portion of the Board’s Finance Committee Report.

Re: Claims Payable
Finance Vice Chair Kahawai reported that at the May 13, 2010 Finance Committee Meeting the Committee approved the Claims Payables for a total of $820,002.01.

Mr. Costa moved to receive the Claims Payable and place on file, seconded by Mr. Oyama; by a unanimous vote; motion was carried.
Re: Proposed Budget for Fiscal Year 2010-11
Mr. Costa moved to approve the budget, seconded by Mr. Oyama.

Manager Craddick added that $10,000 will still need to be added to the budget for a legislative liaison.

Mr. Costa moved to approve the budget, as amended, and to receive the Finance Committee Report and place on file, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

Mr. Oyama was excused and left the meeting at about 12 noon.

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

Rules Chair Ian Costa reported that at the April 15, 2010 Rules Committee Meeting, the following was discussed:

Re: Committee Discussion and Possible Action on Various Proposed Rule Revisions

The Department is moving forward on correcting the errors in the proposed rule revisions and to recommend to the full Board to approve and schedule a public hearing.

Mr. D. Fujimoto moved to approve the Rules Committee Report on the proposed rule revision and to start the review process by the SBRRB and SBAC, seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

OLD BUSINESS

Re: Re-Election for 2010 Vice Chair of the Water Board

RECOMMENDATION:
It was recommended that the Board hold a re-election for the position of Vice Chair of the Water Board.

BACKGROUND:
Mr. Crowell was voted as the 2010 Vice Chair at our December 17, 2009 Board Meeting. His first term ended in December 31, 2009 but he agreed to the maximum carryover 3-month term extension of March 31, 2010. In the meantime, Mr. Crowell was nominated for his second term by the Mayor; however, he was not confirmed by the County Council until their April 14, 2010 Meeting, the day before our April 15, 2010 Board Meeting. Since there was a break in service, Chair Nishimura had this request on the May 13, 2010 Board Meeting Agenda.

Chair Nishimura opened the floor for nominations for Vice Chair for 2010 and Mr. D. Fujimoto nominated Dee Crowell. Mr. D. Fujimoto moved to close the nominations, seconded by Mr. Costa; by a unanimous vote; motion was carried.
Re: Mr. Daniel Yamaguchi - Request for Additional Adjustment to his Water Bill for Service Account No. 1003640-10107033

This matter was deferred from the April 15, 2010 Board Meeting. To reiterate the Department’s position on this matter, the following are excerpts from last Board Meeting’s report on this agenda item:

**RECOMMENDATION:**

It was recommended that the Board deny Mr. Daniel Yamaguchi’s request to dismiss the entire excess charge of $3,868.36 (correct amount is $3,788.40) or any further adjustment to his water bill than allowed per Section IX—Adjustment of Bills for Undetected Leaks and Unforeseen Damages, under Part 2 of the Department’s Rules and Regulations.

**RATIONALE:** While the department sympathizes and feels bad for what happened with the Yamaguchi’s, it is not the responsibility or fault of other rate payers to cover costs related to the fact that the line installed is a low cost line subject to easy breakage. In addition, there are many people that do not come to the Board asking for adjustment, so if there is to be a policy change it should be applied to everyone not just the people that come to the Board. On an annual basis, reimbursements for leakage are not large and amount to about one half of one percent of all revenues. One alternative is to change the rules and cover water department fixed costs for the wasted water rather than individually give some a break while others pay the costs associated with their faulty waterline construction.

Chair Nishimura stated that at the last Board Meeting, there was a motion to provide the Yamaguchi’s further adjustment but did not pass due to a lack of the necessary amount of votes.

On query by Chair Nishimura, Mr. Ganaden discussed that the Yamaguchi’s have had three (3) waterline leak problems in the past and had water bill adjustments. In light of this new information, the Board felt that they should be more vigilant about checking their waterlines.

Mr. Costa moved to support the Department’s prior recommendation to not approve any further adjustment in light of the current information and requested that the Department work with our customer to implement a payment plan for the balance owed, seconded by Mr. D. Fujimoto.

Mr. D. Fujimoto discussed that he would still want the staff to work on a process for early detection of leaks.

Manager Craddick stated that there are new gadgets that can be installed in one’s home to personally read their water meter and they could also personally install a pressure regulator to reduce their pressure. Mr. D. Fujimoto added that these would be helpful hints that could be given to our customers as part of public education.

Chair Nishimura directed the staff to write a letter to our customer on today’s results.

By a unanimous vote; motion was carried.
Re: Resolution No. 11, Notice of Clarification (MANAGER’S REPORT NO. 10-74)

Manager Craddick reported that Project No. 02-18 - Kapa’a Pipeline Project in the Bond Project list, attached as Exhibit A to Resolution No. 11, needed to be clarified. In the bond list that the Department works off of, which is separate and apart from Exhibit A, the two Kapa’a Pipeline jobs are treated as one and are identified as “02-18-“. Thus “02-18-“ technically refers to two projects with two different job numbers: WK-32 and WK-14. While these two projects are both located in Kapaa Homesteads, were designed by the same consultant (Fukunaga & Associates), were bid together, with the same opening dates and time and were considered one project on the SRF documents, they will actually be completed by two different construction contractors.

As such, the Department would like to recommend that the Board amend the adoption of Resolution No. 11 to clarify that Project No. 02-18 on Exhibit A refers to both Job Nos. WK-32 and WK-14 as shown in the new Exhibit A.

Mr. D. Fujimoto moved to approve the clarification of Resolution No. 11 to have separate projects as named, WK-32 and WK-14, seconded by Mr. Costa.

Chair Nishimura discussed a point that was brought up at a previous meeting that this project was a former SRF funded project. He has been in discussion with one of our congressional members and there was some concern that since SRF funded projects can take 2-3 years to approve, which entails hard work from our staff and the Department of Health, it may not be taken well in the future that this project was switched to be funded by our bond issue. He added that although we have $60 million now, SRF funds have always been and will continue to be a great avenue to fund our projects.

By a unanimous vote; motion was carried.

NEW BUSINESS

Re: Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, Site Plan Approval by the Department of Land and Natural Resources, State of Hawaii, (right of entry), Tax Map Key: (4)5-6-02:001, Hanalei, Kaua‘i (MANAGER’S REPORT NO. 10-75)

RECOMMENDATION:
It was recommended that the Board approve the conditions for the DLNR’s site plan approval for the Department to conduct land surveying and soil testing, required prior to proceeding with the siting and construction of the (west) Hanalei Well #2 and 0.5 million gallon tank.

Further, Board approval is specifically requested of the indemnification provision in this agreement.

FUNDING:
Not applicable at this time.
BACKGROUND:
This project includes siting for an alternate 0.5 million gallon tank and 250 gallon per minute well site for the Hanalei community, preferably on the west side of the town. After preliminary research, we have located a site on the State of Hawai‘i’s property. In order to evaluate and determine its feasibility, the Department will need to conduct the required land surveying and soil testing on the property. We have requested for a right of entry from the State and they’ve approved the request with conditions (see attached). One of the items for the approval is an indemnification condition:

“The applicant, its successors and assigns, shall indemnify and hold the State of Hawai‘i harmless from and against any loss liability, claim, or demand for property damage, personal injury, and death arising out of any act or omission of the applicant, its successors, assigns, officers, employees, contractors, and agents under this approval or relating to or connected with the granting of this approval.”

The staff reviewed DLNR’s conditions for the right of entry and find it acceptable.

Mr. K. Fujimoto added that there are about 3-4 properties that the Department would need to traverse for this project so there will be more right of entry agreements.

Mr. D. Fujimoto moved to approve the conditions for the DLNR’s site plan approval for the Department to conduct land surveying and soil testing, seconded by Mr. Costa; by a unanimous vote; motion was carried.

Re: Request Board Approval of Conveyance of Water Facility Documents

It was requested that the Board approve the following documents from the following applicants for their respective projects:

1. Conveyance of Water Facility from Blazer Enterprises, Inc. for the 2\textsuperscript{nd} Water Meter Plan for Lot 10-C; TMK: (4) 5-2-004:071, Kilauea, Hanalei District, Kauai, Hawai‘i

   It was recommended that the Conveyance of Water Facility document be approved; whereby, Blazer Enterprises, Inc., transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8” water meter, in place complete, for the 2\textsuperscript{nd} Water Meter Plan for Lot 10-C; TMK: (4) 5-2-004:071, Kilauea, Hanalei District, Kauai, Hawaii.

   Grant of Easement not required.

   Mr. Kahawai moved to approve a Conveyance of Water Facility from Blazer Enterprises, Inc., seconded by Mr. Costa; by a unanimous vote; motion was carried.
2. **Conveyance of Water Facility from Jane M. Perreira for Nakamura Estates, Units 2, 3 & 4, TMK: (4) 4-1-012:018, Wailua, Kawaihau District, Kauai, Hawaii**

   It was recommended that the Conveyance of Water Facility document be approved; whereby, Jane M. Perreira, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 2-inch copper triple service lateral for 5/8-inch water meter; one (1) each, 6-inch gate valve, including C.I. valve box and cover; and one (1) each, fire hydrant assembly w/ 1-4½" & 1-2½" outlet, in place complete, for Nakamura Estates, Units 2, 3 & 4, TMK: (4) 4-1-012:018, Wailua, Kawaihau District, Kauai, Hawaii.

   **Grant of Easement not required.**

   Mr. Kahawai moved to approve a Conveyance of Water Facility from Jane M. Perreira, seconded by Mr. Costa; by a unanimous vote; motion was carried.

3. **Grant of Easement from Koloa Creekside Estates L.P., a Texas limited partnership, for Koloa Creekside Estates, Phase I (Z-IV-2007-24), TMK: (4) 2-8-009:001, Koloa, Kauai, Hawaii**

   It is recommended that the Board approve the grant of easement whereby Koloa Creekside Estates L.P., a Texas limited partnership; grant to the Board of Water Supply, County of Kauai, perpetual easement “AU-2” on, over and under that certain parcel of land located at TMK: (4) 2-8-009:001, Koloa, Koloa District, Kauai, Hawaii, for the construction, installation, reinstallation, maintenance, repair and removal of potable water pipelines, related meters, valves, and other associated waterworks facility improvements and appurtenances, together with the right of ingress and egress at any time to, from, and through the easement area, with or without vehicles or equipment, as the Department of Water shall deem necessary for the proper operation of its water system for the Koloa Creekside Estates, Phase I (Z-IV-2007-24), TMK: (4) 2-8-009:001, Koloa, Koloa District, Kauai, Hawaii.

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

   Mr. Kahawai moved to approve the Grant of Easement from Koloa Creekside Estates L.P., including its indemnification provision, seconded by Mr. Costa; motion was carried.
Re: Conveyance of Water Facility from Koloa Creekside Estates L.P., a Texas limited partnership; for Koloa Creekside Estates, Phase I (Z-IV-2007-24). TMK: (4) 2-8-009:001, Koloa, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Koloa Creekside Estates L.P., a Texas limited partnership; transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

320 lineal feet of 6-inch Ductile Iron Waterline
80 lineal feet of 4-inch Ductile Iron Waterline
2 Ea. 12-inch Gate Valve, Including C.I. Valve Box and Cover
3 Ea. 6-inch Gate Valve, Including C.I. Valve Box and Cover
1 Ea. 2 ½-inch Cleanout
2 Ea. Fire Hydrant Assembly w/ 1-4 ½” & 1-2 ½” outlet
1 Ea. 1-inch Copper Single Service lateral for 5/8” water meter
3 Ea. 1 ½-inch Copper Double Service Lateral for 5/8” water meters


Mr. Kahawai moved to approve the Conveyance of Water Facility from Koloa Creekside Estates L.P., seconded by Mr. Costa; motion was carried.

Re: Request Board Approval of Job No. 02-19, WK-12, Waipouli Main Replacement, Lihue-Kapa Water System, Second Contract Amendment with Kodani and Associates, Inc. MANAGER’S REPORT No. 10-77

RECOMMENDATION: It was recommended that the Board approve the second contract amendment for Contract No. 405 with Kodani and Associates, Inc. in the amount of $53,600.00 and void previously approved Amendment No. 1. The revised scope of work includes:

A. Revise pre-final construction drawings, previously approved by the Department.
B. Coordinate and incorporate the County’s proposed bike path design affecting several of the project’s roads.
C. Prepare and process the necessary permits (shoreline setback, variance, etc.) for the project.
D. Prepare and process the National Pollutant Discharge Elimination System (NPDES) permit.

We further request that the Board allocate $53,600.00 from Account 106b, CIP Reserve to fund the contract amendment.

FUNDING:
Total Fund Budgeted ..................  $ 147,500.00

Contract No. 405, Kodani and Associates, Inc.,
Job No. 02-19, WK-12, Waipouli
Main Replacement ...........................  $ 147,500.00
Amendment #1. ..............................  VOID
Amendment #2. <$ 53,600.00>
Balance Required, Account No. 101b, CIP Reserve ... <$ 53,600.00>

Total Project Budget ........................................ $201,100.00

BACKGROUND:
The project consultant, Kodani and Associates, Inc. was selected to prepare the
construction drawings and specifications for the mainline replacement along
Kalokolu, Keaka, Moanalai, Fernandez, Hoi, Panahi, Niulani, Makaha and Kealoha
Roads at Waipouli.

Previously approved contract Amendment No. 1 (4/15/2010) for this project did not
include the preparation and processing of the NPDES permit.

Further, it was estimated that the consultant will need approximately 100 calendar
days from the notice to proceed for the contract amendment to complete the project
exclusive of governmental agencies’ review and approval. The Department
anticipates that the consultants should be able to complete the design by September
1, 2010 subject to timely reviews by the Department of Water and the other
governmental agencies.

Mr. Costa moved to approve the second contract amendment for Contract No. 405 with
Kodani and Associates, Inc. in the amount of $53,600.00, along with the revised scope
of work, void previously approved Amendment No. 1, and approve the allocation of
$53,600.00 from Account 106b, CIP Reserve to fund the contract amendment,
seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

Re: Delegation of Board Authority Amendment to Rules (MANAGER’S
REPORT NO. 78)

Chair Nishimura reported that this matter was approved by the Rules Committee and
forwarded to the full Board for action and was approved under Board’s Committee
Reports.

On April 19, 2010, Governor Lingle signed into law Act No. 037(10), which gives the
Board the option to delegate authority to disburse funds to its manager and chief
engineer. The specific language of that Act is as follows:

§54-25 Disbursement of fund. The county treasurer shall disburse all [moneys]
moneys of the board [of-water-supply] only upon warrants issued by the county
auditor or other county authorized signatory on accounts payable vouchers signed by
the chairperson or the acting chairperson of the board[.], except as provided herein.
The board may delegate, through rules and policies adopted pursuant to chapter 91,
its powers and duties regarding the disbursement of funds to the manager and chief
engineer.”

In accordance with the new law, the following are proposed rule drafts that would be
included in Part 1, Rules of Practice & Procedure for the Board of Water Supply for
the County of Kauai:
For Insertion under Part I, Section III:

4. The Board may delegate its administrative duties, as it relates to waterworks, either by rule or by policy, to the acting Manager and Chief Engineer of the Department.

OR

4. The Board may delegate its powers and duties regarding disbursement of funds, by way of policy adoption, to the acting Manager and Chief Engineer of the Department.

Re: Request Board Approval to Fund Job No. 02-18 Consisting of Two (2) Kapaa Pipeline Projects: a) WK-32 Kapaa Homesteads Phase I; and b) Job No. 04-02, WK-14, Vivian Heights and Kanaele Phase II (MANAGER’S REPORT NO. 79)

RECOMMENDATION:
It was requested to have the Board approve $5.528 million to fund the Kapaa pipeline project.

FUNDING:
There are two pipelines in Job 02-18... Kapaa Pipeline project in the Bond projects listing. One is WK-32 Kapaa Homesteads Phase I $2.842 million and the other is WK-14 Vivian Heights and Kanaele Phase II $2.686 million. The project is a total $5.528 million or $0.928 over the estimated bond list amount.

BACKGROUND:
Other details pertaining to each portion of the project are provided in the reports attached to this report.

This was originally one project when it was being SRF funded and has not been separated and we are continuing to show it as one project. There is no necessity to do this in the future if you would feel more comfortable separating the projects.

Mr. Costa moved to approve to fund the Kapaa pipeline project for $5.528 million, seconded by Mr. D. Fujimoto.

Mr. K. Fujimoto clarified that there are two parts to this project: Job No. 02-18, WK-32, and Job No. 04-02, WK-14, with each project having a DOW Job No. and a Water Plan 2020 Project No. It was so noted.

On query by Chair Nishimura, Manager Craddick stated that the DOW will be funding this project until the actual funding is clarified.

On query by Mr. D. Fujimoto, Deputy County Attorney Esaki stated that when bond funds are used, there has to be a clear paper trail of the payments and what funds are being used.

On query by Mr. D. Fujimoto, Waterworks Controller stated that with this bond issue, the Board’s monthly Statement of Revenues and Expenditures now includes a
separate accounting section to track the use of the bond monies. Mr. K. Fujimoto added that there is also in the Manager's Update monthly Board Report which shows what contracts the Manager awarded, and the fund balance.

Manager Craddick added and explained that there is a concern that we would still need to also use SRF (State Revolving Fund) Federal funds to ensure that Hawaii's designated allotment of Federal funds is not decreased because the State of Hawaii did not use enough of the SRF funds, which would decrease our future allotments.

Mr. D. Fujimoto was reassured with the above explanations.

On query by Chair Nishimura, Ms. Shiramizu stated that these 2 projects are still on the DOH's SRF list; therefore, if it was decided to use available SRF monies, all the DOW would need to do is to submit the proper paperwork.

On query by Chair Nishimura, Waterworks Controller Ganaden stated that if these 2 projects were to be funded by SRF funds, as per the process, the DOW would need to front the monies but these 2 projects were not budgeted for SRF funding.

Manager Craddick added that the priority now is to spend down the bond funds. He also added that with this bond the Department has now gone from a debt to asset ratio from about .28 to .37, which is starting to get to the high side for a utility of our size. Therefore, continuing debt funding, recurring costs is not a good idea, as we need to get to the point of cash fund of what we need to do in a year's time.

Mr. K. Fujimoto corrected that both of these projects should be Phase II. It was so noted.

By a unanimous vote, motion was carried.

Re: **Right of Entry Agreement from Robert Yamada, Trustee of the Saitaro Yamada Revocable Trust Agreement, Dated July 30, 1993 and the Mildred Fujiko Yamada Revocable Trust Agreement, Dated July 30, 1993 for the Future Yamada Tank Site, TMK: (4) 2-4-003:007, Poowai Road, Kalaheo, Kauai, Hawai'i (MANAGER'S REPORT NO. 80)**

It was recommended that the Board approve the Right Of Entry Agreement; whereby, Robert Yamada, Trustee of the Saitaro Yamada Revocable Trust Agreement, dated July 30, 1993 and the Mildred Fujiko Yamada Revocable Trust Agreement, dated July 30, 1993, grants to the Board of Water Supply, County of Kaua'i, a right of entry affecting Tax Map Key: (4) 2-4-003 Parcel 7 for the Department and its consultants to conduct land survey and other associated work on the property in the preparation of the environmental assessment required for the Board's acquisition of the property for the future Yamada tank site.

Further, Board approval is specifically requested of the indemnification provision in this agreement, wherein, the Board agrees to indemnify and hold harmless the Grantor from property damage and injuries to person (including death), when such damages and injuries are caused by the Department's negligence while using the area.
Chair Nishimura made a correction that the road name was misspelled as it should be Puuwai Road. It was so noted.

Mr. Costa moved to approve this Right-of-Entry from Robert Yamada, Trustee of the Saitaro Yamada Revocable Trust Agreement, dated July 30, 1993 and the Mildred Fujiko Yamada Revocable Trust Agreement, dated July 30, 1993, along with its indemnification provision, seconded by Mr. D. Fujimoto; by a unanimous vote, motion was carried.

Re:  Request Board Approval of Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, Hanalei, Kauai, Right of Entry Agreement for a Portion of Tax Map Key: (4) 5-6-002:006 from Francis Merriman (MANAGER’S REPORT No. 81)

It was recommended that the Board approve the Right of Entry Agreement; whereby, Francis Merriman, grants to the Board of Water Supply, County of Kaua‘i, a right of entry affecting a portion of tax map key: (4) 5-6-002 Parcel 6 for the Department and its consultants to access and use an unimproved road to get to the proposed Hanalei Well #2 and 0.5 million gallon tank site on tax map key: (4) 5-6-002 Parcel 1 owned by the State of Hawaii.

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

Mr. Costa moved to approve this Right-of-Entry from Francis Merriman, along with its indemnification provision, seconded by Mr. Kahawai; by a unanimous vote, motion was carried.

Re:  Job No. 02-06, WKK-15, (east) Kilauea 1.0 Million Gallon Storage Tank and Connecting Pipeline, Kilauea, Kauai, Right of Entry Agreement for a portion of Tax Map Key: (4) 5-1-005:125 from the Jacquelyn Barnard Trust, Unit B (MANAGER’S REPORT No. 82)

It was recommended that the Board approve the Right of Entry Agreement whereby B. JACQUELYN BARNARD, Trustee of the unrecorded declaration of trust known as B. JACQUELYN BARNARD TRUST, dated February 23, 2007, grants to the Board of Water Supply, County of Kaua‘i, a right of entry affecting a portion of tax map key: (4) 5-1-005 parcel 125 (Unit B) for the Department and its consultants to conduct land survey, soils testing and other associated work on the property to determine the site’s feasibility for the construction of a proposed 1.0 million gallon storage tank and water well on the site.

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

Mr. Costa moved to approve the Right-of-Entry from Jacquelyn Barnard, along with its indemnification provision, seconded by Mr. D. Fujimoto; by a unanimous vote, motion was carried.

**STAFF REPORTS**

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

Waterworks Controller Ganaden reported that a new section had been incorporated into this monthly report to the Board to show the activity on the use of the bond proceeds.

On query by Chair Nishimura, Mr. Ganaden stated that debt service is paid semi-annually.

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

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

Public Relations Specialist Faith Shiramizu gave the following report:

**Re: Public Relations Update**

**HWWA Annual Conference:** Assisting Conference Chair Sandi Nadatani when able to. Met with Kanani Aton from the Board of Water Supply in Hilo and Sandi to discuss conference possibilities based on the 2009 Conference which was held on the Big Island.

**Project WET:** While in Oregon, met with Lin Howell the Regional Director for Hawaii. He shared information, resources and experiences that will help our program here.

A Project WET Educator Workshop sponsored by KEDE was held at KCC on April 28, 2010. There were a total of 12 in attendance. Kanani (from Hilo) and Sara Bowen from the East and West Kauai Soil and Water Conservation Districts assisted with conducting the workshop.

We are working to partner on a second workshop for fifth grade teachers for early September, prior to our annual Make a Splash Water Festival. Kanani is also organizing a workshop in Hilo for mid September.

**Blackboard Connect CTY:** We have been utilizing the County’s Blackboard Connect CTY to notify customers of planned water outages. Because this
notification system has not been used a lot, we are still trying to fine tune our contact selection with Blackboard Connect. Using this notification system saves time and energy from our operations crew.

**Source Protection Plan**: Erin from National Rural Water Association has been prepping documents while she waits for the new Source Water Assessment to be completed. Once the report is done in a few weeks, Erin will be able to move quickly to complete the Source Protection Plan.

**USDA Rural Development**: Met with Ted Matsuo from USDA Rural Development (via phone) and Taani Taumalolo, the Kauai Representative, regarding grant/loan eligibility for three projects. It was determined that the DOW qualifies to receive funding, however, the eligibility for the grant portion cannot be determined until a complete application and required documents are reviewed by USDA staff. It was decided that DOW will focus our energies on one project due to personnel and time constraints.

Mr. Kahawai moved to receive the Public Relations Update and placed it on file, seconded by Mr. Costa; by a unanimous vote, motion was carried.

**Re: Deputy Manager’s Summary Report on Monthly Operational Maintenance**

Deputy Eddy reported that our Puhi Water System, which is a little more modern than our other water systems, was put to the test due to a fire in the area and seemed to fare well as the Fire Department used our water for the fire. Our Puhi deepwells was enhanced by water from our Lihue Water System and pumped about 1,800 gpm for the fire.

On query by Chair Nishimura, Deputy Eddy stated that DPS returned our approved Ops Re-org and he hoped to start the first tier of the Re-org plan soon. Manager Craddick added that the Ops Re-org plan that was approved was at lower levels than requested by the DOW. He discussed that the expertise needed for the jobs that were downgraded may be a recruitment concern.

Manager Craddick stated that the test results have not come in yet for the District Service Overseer (DSO) testing.

Mr. Costa moved to receive the Deputy Manager’s Summary Report and placed it on file, seconded by Mr. D. Fujimoto; by a unanimous vote, motion was carried.

**Re: Manager’s Update for April, 2010 to May, 2010**

**CONTRACTS AWARDED BY THE MANAGER:**

**Re: Kapa’a Pipeline Project – Job No. 02-18, Water Plan 2020 Project WK-32, Kapa’a Homesteads Pipeline Replacement, Phase II, Kapa’a Water System, Kapa’a, Kaua‘i, Hawai‘i**

Manager awarded a contract to Jennings Pacific, LLC, in the amount of $2,706,628.00
FUNDING:
Account No. 201-01, Bond – BAB .............................................................. $56,778,161.34

Contractor, Jennings Pacific LLC ........... $2,706,628.00
Contingency, approximately 5% ........... $ 135,372.00
Total .............................................................. <$ 2,842,000.00

Balance Remaining
Account No. 201-01, Bond – BAB .............................................................. $53,936,161.34

Re:  Kapa‘a Pipeline Project – Job No. 04-02, Water Plan 2020 Project WK-14, Pipeline Replacement for Vivian Heights and Kanaele Road, Phase II, Kapa‘a Water System, Kapa‘a, Kaua‘i, Hawai‘i

Manager awarded a contract to Earthworks Pacific, Inc, in the amount of $2,558,770.00.

FUNDING:
Account No. 201-01, Bond – BAB .............................................................. $59,464,161.34

Contractor, Jennings Pacific LLC ........... $2,558,770.00
(Correction: Earthworks Pacific Inc.)
Contingency, approximately 5% ........... $ 127,230.00
Total .............................................................. <$ 2,686,000.00

Balance Remaining
Account No. 201-01, Bond – BAB .............................................................. $56,778,161.34

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.

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

PERSONNEL MATTERS UPDATE:  (Updated May 6, 2010)

RECRUITMENT:
Fiscal Division:
7. Billing Section’s Data Entry Operator I Interviews will be held mid-May.
8. Accounting Section’s Accountant II and III internal departmental recruitments closed. Reviewing applications.

Operations Division:
1. Operations Division Account Clerk internal department recruitment closed. Reviewing applications.
2. Recently sent requests to DPS for a list of eligible’s for Automotive Mechanic I
Engineering Division:
1. Engineer Division's Civil Engineer V interviews completed. Selection pending.
2. Special Project Division's Project Assistant interviews scheduled for mid-May.
3. Recently sent requests to DPS for a list of eligible's for Civil Engineer VI

Administration Division:
1. Administration's Computer Systems Support Technician I, follow-up questions with candidates continuing.
2. Commission Support Clerk reference check underway interviews completed.
3. Awaiting response from DPS for our request for names to fill the Clerical Assistant (Community Relations) position.
4. Recently sent requests to DPS for a list of eligible's for Secretary
5. Six Summer Interns selected. Pending passing pre-employment drug test to be taken before the end of May.

Affordable Housing Update (Same update as the May 10, 2010 Affordable Housing Task Force Meeting was cancelled). The last Affordable Housing Task Force (AHTF) meeting was held on Monday, April 12, 2010 at Piiikoi Conference Room A, with the status of projects below.

Updates on AHTF Projects:

1. Habitat - Eleele I Luna Subdivision Phase 2 (107 lots, 1 park): Site construction for the sewer main is underway. Housing agency estimated that on-site infrastructure improvements for Phase II, Increment 1, will be bid out during summer, 2010.

2. Kauai Lagoons – Kapule Project: Water improvements have been conveyed to the Water Board. Planning will check if conveyance documents were submitted to the Planning. Housing Agency is preparing amendments to the zoning ordinance and related housing agreement to change the lease hold ownership to fee simple ownership. Housing estimates that Council may approve amendments by April, 2010.

3. Kukui'ula Employee Housing- "Gap" Housing subdivision and zoning permit. Kukuiula Development Co. will request that the County Council amend the housing agreement that is required by the Zoning Amendment ordinance this week. The Planning Commission and Planning Department is recommending against the KDC proposal.

4. Kohea Loa (Hanamauku Triangle) - Water system improvements as set forth by the WMP include offsite source, storage and transmission facilities. DR Horton is requesting meetings with DOW, Wastewater and Planning relating to the conditions.

5. Paanau Village, Phase 2: Kaua'i Housing Development Corp (KHDC) was awarded the RFQ to develop 50 units. KHDC submitted the application to the State for low income financing. If successful the project will be able to move
on. If not successful Housing Agency may have funds to complete on-site infrastructure. The current owner/subdivider, Kukuiula Development Company must bond the roadway improvements prior to final subdivision map approval and transfer of parcels to the Housing Agency.

6. ‘Ele’ele – 75 acre parcel acquisition: Housing Agency executed the purchase agreement with McBryde Sugar Co. to purchase the 75 acre parcel. The Housing Agency has hired a consultant, to prepare a master development plan that may include a water master plan element for the project.

State Land Parcels (County Affordable Housing): No report at meeting.

Next meeting is scheduled for Monday, May 10, 2010 at the Pi‘ikoi Conference Room A at 10:00AM-11AM. (Cancelled)

Legislative Update: The bills for the delegation of Board authority regarding payment voucher signing has been approved by the Governor.

Boards & Commissions Office: As of June 1, 2010, the Boards and Commissions Office will start to have on the County’s website, all of the meeting reports that are submitted as part of the agenda for the Boards and Commissions meetings. This will be in addition to the respective commission’s agenda and minutes that are already placed on the County’s website. All other boards and commissions need to follow suit soon thereafter. The Boards and Commissions Office stated that this is the next phase of County government being transparent.

AWWA, HI Section Conference: The annual AWWA, HI Section Conference will be held on O‘ahu from May 19-21, 2010 with a pre-conference workshop on May 18th. Staff attendees are: Margie Loo, Lance Nakata, Edward Doi and David Craddick and Board attendees are: Donald Fujimoto, Ian Costa, and Roy Oyama. Bill Eddy will be there for the pre-conference workshop.

Manager Craddick added that he has volunteered to be the Water Utility Trustee for the AWWA, HI Section.

Mr. D. Fujimoto moved to approve the Manager’s Update and place on file, seconded by Mr. Kahawai.

Chair Nishimura thanked the applicable staff for their hard work to finalize the budget, the bond issue and getting out our Water Plan 2020 projects as he knows how challenging it can be. He hopes that the staff can continue to have our projects move along.

By a unanimous vote; motion was carried.

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

EXECUTIVE SESSION AGENDA: None.

Review of Executive Session Minutes: March 18, 2010
Mr. Costa moved to approve the March 18, 2010 Executive Session minutes, seconded by Mr. D. Fujimoto; by a unanimous vote; motion was carried.

There was no Executive Session at this Board Meeting.

TOPICS FOR NEXT WATER BOARD MEETING:

1. Request Board Approval of Final Budget for Fiscal Year 2010-11 (June, 2010)
2. Final Approval of the Proposed Rule Amendments (June, 2010)

TOPICS FOR FUTURE WATER BOARD MEETINGS

2. Request Board Approval of Resolution No. 1, (10/11), Budget for Fiscal Year 2010-11 (August, 2010)
4. Request Board Approval of a Right of Entry for Kawamura Farms, Lihu‘e, Kaua‘i
5. Quarterly Reports:
   a. For the Board’s Information on the Kauai County Water Department Briefing on Departmental Projects (July, 2010)
   b. Strategic Plan Update: Issue Champions & Affordable Housing Reports (July, 2010)

UPCOMING EVENTS

1. AWWA, HI Section Annual Conference in Honolulu – May 19-21, 2010
2. AWWA National Conference in Chicago – June 20-24, 2010

NEXT WATER BOARD MEETINGS

1. Thursday, June 17, 2010, 10:00 a.m.
2. Thursday, July 15, 2010, 10:00 a.m.
3. Thursday, August 19, 2010, 10:00 a.m.
4. Thursday, September 16, 2010, 10:00 a.m.
5. Thursday, October 21, 2010, 10:00 a.m.

ADJOURNMENT

There being no further business, the meeting was duly adjourned at 1:00 p.m.
Respectfully submitted,

Rona Miura

Rona Miura, Secretary

APPROVED:

David R. Craddick, P.E.
Manager and Chief Engineer
June 8, 2010

Honorable Senator Daniel K. Inouye
OFFICE OF SENATOR DANIEL K. INOUYE
Attention: Mr. Alan Yamamoto
Prince Kuhio Federal Bldg., Rm. 7-212
300 Ala Moana Boulevard
Honolulu, HI 96850

Dear Senator Inouye:

Subject: State of Hawaii Department of Health (DOH) Safe Drinking Water State Revolving Fund (DWSRF) Priority List

Per your earlier concerns regarding the use of Kauai County Department of Water (DOW) recent bond float monies (Bond) to pay for projects that had been listed on State of Hawaii Department of Health (DOH) Safe Drinking Water State Revolving Fund (DWSRF) priority list, the Board instructed the Manager to meet with DOH to address potential concerns.

DWSRF projects are paid for in the following manner. A potential project(s) is submitted to DOH Safe Drinking Water Branch once a year for consideration to be placed on the DWSRF Priority List of Projects. Qualified projects are placed in rank order into the DWSRF Priority List. Up to one year before the anticipated notice to proceed construction date, the DOW may seek a commitment from DOH to fund a project from the priority list, provided that the funds are available. The DOW may fund projects internally if DWSRF funding may not be available for whatever reason. When the loan agreements are executed, the DOW submits for reimbursement from DOH out of the loan fund.

DOW met with DOH to explain how we intend to proceed with our DWSRF projects. As required by Build America Bond (BAB) covenants, DOW will not use bond proceeds to pay for DWSRF monies that we have already drawn and will not be using bond monies to pay for those reimbursements we have received to date. Those projects will remain on the books with DOH until we finish paying for them as we normally do.

There are a number of active DWSRF projects that DOW has loan agreements for. We have received some reimbursements already. We will not be asking for further reimbursements for these projects. Whatever we have drawn we will pay for normally. The balance of the work will be funded out of the Bond funds. Thus the amount of money drawn from the DWSRF will be reduced, but whatever has been drawn from DOH will remain on the books, except jobs that are near completion which we have received little to no reimbursement. We will use Bond monies to pay for the balance of the projects that have more than 75% of the costs unreimbursed, to reduce the impact on our rate payers.
Honorable Senator Daniel K. Inouye  
Subject: State of Hawaii Department of Health (DOH) Safe Drinking Water State Revolving Fund (DWSRF) Priority List  
June 8, 2010  
Page 2 of 2  

There are also a few projects that are on the DOH priority list, but for which there have been no loan applications submitted or no agreements drawn up. DOW will use Bond funds to pay for all of these projects that occur in the next three years. The impact would be for these to fall off the DOH priority list.

Kauai County DOW will continue to request for future SRF funding for implementation of future projects (beyond 3 years) that equal or exceed what is being dropped from the current list.

One of these may be a high level water project which may qualify as an energy efficiency type project, which could receive more favorable terms of financing. This potential project must be submitted to DOH for consideration to be placed on the SFY 2011 Priority List of Projects by June 10, 2010. As we discussed, the Board will continue to monitor the status of this particular project and keep you apprised of our needs.

We hope this addresses your primary concerns regarding the use of Bond funds as they may impact the DWSRF project list. If you have any questions, please contact David Craddick, Kaua‘i DOW Manager and Chief Engineer at (808) 245-5408 or myself also via the Kaua‘i DOW.

Sincerely yours,

[Signature]

Randall T. Nishimura, Chairperson  
Kaua‘i Board of Water Supply

rm  
Letters10/SRF Funding Status to Senator Inouye (6-8-10):rm
June 8, 2010

Honorable Senator Daniel K. Akaka
OFFICE OF SENATOR DANIEL K. AKAKA
Prince Kuhio Federal Bldg., Rm. 3-106
300 Ala Moana Boulevard
Honolulu, HI 96850

Dear Senator Akaka:

Subject: State of Hawaii Department of Health (DOH) Safe Drinking Water State Revolving Fund (DWSRF) Priority List

Per your earlier concerns regarding the use of Kauai County Department of Water (DOW) recent bond float monies (Bond) to pay for projects that had been listed on State of Hawaii Department of Health (DOH) Safe Drinking Water State Revolving Fund (DWSRF) priority list, the Board instructed the Manager to meet with DOH to address potential concerns.

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DOW met with DOH to explain how we intend to proceed with our DWSRF projects. As required by Build America Bond (BAB) covenants, DOW will not use bond proceeds to pay for DWSRF monies that we have already drawn and will not be using bond monies to pay for those reimbursements we have received to date. Those projects will remain on the books with DOH until we finish paying for them as we normally do.

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Honorable Senator Daniel K. Akaka

Subject: State of Hawaii Department of Health (DOH) Safe Drinking Water State Revolving Fund (DWSRF) Priority List

June 8, 2010
Page 2 of 2

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We hope this addresses your primary concerns regarding the use of Bond funds as they may impact the DWSRF project list. If you have any questions, please contact David Craddock, Kaua‘i DOW Manager and Chief Engineer at (808) 245-5408 or myself also via the Kaua‘i DOW.

Sincerely yours,

[Signature]

Randall T. Nishimura, Chairperson
Kaua‘i Board of Water Supply

rm
Letters10/10/SRF Funding Status to Senator Akaka (6-8-10):rm
BOARD REPORT

June 10, 2010

Subject: Board’s Committee Reports

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

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

   a. Claims Payable

---4398 Pua Loke Street, Lihue, Kaua‘i, Hawai‘i or P.O. Box 1706, Lihue, Hi 96766-5706---
Phone No. (808) 245-5400 – Administration FAX No. (808) 246-8628 – Engineering/Fiscal/Shop FAX No. (808) 245-5813
MANAGER’S REPORT

June 10, 2010

Re: Request Board Approval on the Following Amendments to the Rules And Regulations, Part 4, Fixing Rates for the Furnishing of Water Service in the County of Kaua’i (Manager’s Rep. No. 10-16)

a. Section I – General Use Rates (Proposed Block Changes)
b. Section II – Bulk Rates (Paragraph 1)
c. Section III – Agriculture Rates (Addition of Backflow Preventer Requirement)
d. Section IV – Shipping Rates (Paragraph 3)
e. Section V – Private Fire Service Charges (usage based on area ratio)

RECOMMENDATION:
It is requested that the Board approve the Rule Amendments of the Board of Water Supply, County of Kaua’i.

BACKGROUND:
The Public Hearing for the Amendment of Rules and Water System Standards was held twice on Thursday, January 28, 2010, and Thursday, April 15, 2010. There was no adverse testimony at both public hearings on these proposed rule amendments. Note that the public hearing notice was published in the Tuesday, December 29, 2009 issue of The Garden Island Newspaper and the Monday, March 15, 2010 issue of The Garden Island Newspaper, respectively; and we had previous concurrence from the SBRRB to move forward with these public hearings.

Attached is the post-public hearing response from the Small Business Regulatory Review Board (SBRRB), who confirmed their concurrence as there was no adverse testimony received on our proposed rule amendment at our Public Hearings, along with the proposed rule amendment in final form.

If approved, the secretary will follow up with the necessary signatures from the County Attorney and the County Clerk. Once the County Clerk signs the proposed rule amendment, it takes effect 10 days thereafter or in this case, the Rule states the effective date will be July 1, 2010.

Respectfully submitted,

[Signature]
David R. Craddick, P. E.
Manager & Chief Engineer

rm
Attachments
Mgrp/Rules Amendment Final Board Approval (6-17-10):rm
MEMORANDUM

May 10, 2010

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

From: Lynne Woods, Chairperson
      Small Business Regulatory Review Board

Subject: Proposed Amendments to Part 4 of the Rules and Regulations of the Board of Water Supply, Fixing Rates for the Furnishing of Water Service to the County of Kauai, Sections I, II, III, IV, V, VI and X

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

Please be advised that the SBRRB reviewed and approved the Department's proposed amendments to Part 4 of the Rules and Regulations of the Board of Water Supply, fixing rates for the furnishing of water service to the County of Kauai at the April 21, 2010 SBRRB meeting.

Thank you for keeping the Review Board apprised of the regulatory activity at the Department of Commerce and Consumer Affairs.
AMENDMENTS TO PART 4, FIXING RATES FOR THE FURNISHING OF WATER SERVICE IN THE COUNTY OF KAUA'I, SECTIONS I, II, III, IV, V, VI AND X OF THE RULES AND REGULATIONS OF THE BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, STATE OF HAWAII

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

SECTION 1. This Amendment to Part 4, Fixing Rates For The Furnishing Of Water Service in the County Of Kaua'i, Sections I, II, III, IV, V, VI, and X to the Rules and Regulations (hereafter “Rules”) of the County of Kaua'i Department of Water (hereafter “Department”) is made pursuant to Sec. 17.03C and D of the Kaua'i County Charter 1984, as amended, and Chapter 91, Haw. Rev. Stat., as amended.

SECTION 2. This amendment to the Department’s administrative Rules amends ten categories of fees charged to the Department’s consumers. The charges affected are: service and use charges under general use rates; private fire service charges; public fire service charges; and cost of power adjustment charges. This rule amendment also replaces the general use service charges currently imposed on the Department’s agricultural water consumers with a revised schedule of service charges applicable only to the Department’s agricultural water consumers.

SECTION 3. Now, therefore, Sections I, II, III, IV, V, VI, and X of Part 4, "FIXING RATES FOR THE FURNISHING OF WATER SERVICE IN THE COUNTY OF KAUA'I" of the Rules are hereby amended as follows:

PART 4
FIXING RATES FOR THE FURNISHING OF WATER SERVICE IN THE COUNTY OF KAUA'I

SECTION 1 - GENERAL USE RATES

1. Service Charge. For each service there shall be a charge per month imposed based on the size of the meter, or its service capacity equivalence in the case of parallel meters, as follows:

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Effective January 1, 2006</th>
<th>Effective January 1, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$ 9.00</td>
<td>$ 10.00</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>$ 12.00</td>
<td>$ 14.00</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$ 18.00</td>
<td>$ 20.00</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>$ 35.00</td>
<td>$ 40.00</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$ 55.00</td>
<td>$ 60.00</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$ 100.00</td>
<td>$ 120.00</td>
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<tr>
<td>4&quot;</td>
<td>$ 185.00</td>
<td>$ 190.00</td>
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<tr>
<td>6&quot;</td>
<td>$ 325.00</td>
<td>$ 360.00</td>
</tr>
<tr>
<td>8&quot;</td>
<td>$ 520.00</td>
<td>$ 690.00</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Effective January 1, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$ 10.00 plus first 1,000 gal. consumption = $ 10.00</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>$ 14.00 plus 2,500 gal. consumption = $ 14.00</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$ 20.00 plus 3,500 gal. consumption = $ 20.00</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>$ 40.00 plus 10,000 gal. consumption = $ 40.00</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$ 60.00 plus 12,500 gal. consumption = $ 60.00</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$120.00 plus 35,000 gal. consumption = $120.00</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$180.00 plus 175,000 gal. consumption = $200.00</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$360.00 plus 225,000 gal. consumption = $360.00</td>
</tr>
<tr>
<td>8&quot;</td>
<td>$560.00 plus 250,000 gal. consumption = $560.00</td>
</tr>
</tbody>
</table>

Page 1 of 6
2. **Use Charge.** In addition thereto, there shall be a consumption charge imposed per 1,000 gallons as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>$2.25</td>
<td>$2.45</td>
<td>$2.65</td>
<td>$2.90</td>
<td>$3.20</td>
</tr>
<tr>
<td>2nd</td>
<td>$2.70</td>
<td>$3.10</td>
<td>$3.40</td>
<td>$3.70</td>
<td>$4.00</td>
</tr>
<tr>
<td>3rd</td>
<td>$3.00</td>
<td>$4.40</td>
<td>$4.90</td>
<td>$5.40</td>
<td>$6.00</td>
</tr>
</tbody>
</table>

The 1st, 2nd, 3rd, and 4th block consumption thresholds vary with the size of each meter, and shall be as follows:

<table>
<thead>
<tr>
<th>Meter Size (inches)</th>
<th>First Rate Block (gallons) used</th>
<th>Second Rate Block (gallons) used</th>
<th>Third Rate Block (gallons) used</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>First 20,000</td>
<td>20,001 – 40,000</td>
<td>over 40,000</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>First 70,000</td>
<td>70,001 – 140,000</td>
<td>over 140,000</td>
</tr>
<tr>
<td>1&quot;</td>
<td>First 200,000</td>
<td>200,001 – 400,000</td>
<td>over 400,000</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>First 500,000</td>
<td>500,001 – 1,000,000</td>
<td>over 1,000,000</td>
</tr>
<tr>
<td>2&quot;</td>
<td>First 1,000,000</td>
<td>1,000,001 – 2,000,000</td>
<td>over 2,000,000</td>
</tr>
<tr>
<td>3&quot;</td>
<td>First 2,000,000</td>
<td>2,000,001 – 4,000,000</td>
<td>over 4,000,000</td>
</tr>
<tr>
<td>4&quot;</td>
<td>First 4,000,000</td>
<td>4,000,001 – 8,000,000</td>
<td>over 8,000,000</td>
</tr>
<tr>
<td>6&quot;</td>
<td>First 10,000,000</td>
<td>10,000,001 – 20,000,000</td>
<td>over 20,000,000</td>
</tr>
<tr>
<td>8&quot;</td>
<td>First 20,000,000</td>
<td>20,000,001 – 40,000,000</td>
<td>over 40,000,000</td>
</tr>
</tbody>
</table>

3. **Wharfage Fee.** Where applicable, the Department of Transportation’s wharfage fee shall be charged in addition to the above use and service charges.

**SECTION II - BULK RATES**

Bulk rates for specified areas may be established by the Board providing the following conditions are met:

1. The area consists of existing dwellings or business establishment[s] [more] with bulk rates built prior to September 11, 1992 [than ten (10 years old.)]

2. The system has been offered to the Board but refused because of substandard or obsolete pipeline and fixtures.

3. The lots or parcels are under diversified ownership and not under a single or limited number of owners (three (3) and less).

4. There is a savings to the Board in maintenance and operating costs in contrast to accepting the system.
5. All bulk rates shall be renegotiated biennially and may continue upon concurrence of both parties.

SECTION III - AGRICULTURAL RATES

1. Service Charge. For each agricultural service there shall be a charge per month imposed based on the size of the meter, or its service capacity equivalence in the case of parallel meters, as follows:

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Amount (per month)</th>
<th>Effective January 1, 2006</th>
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</tr>
<tr>
<td>1&quot;</td>
<td>$24.00</td>
<td>$30.00</td>
<td></td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>$46.00</td>
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<tr>
<td>8&quot;</td>
<td>$640.00</td>
<td>$800.00</td>
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</table>

<table>
<thead>
<tr>
<th>Meter Size</th>
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<td></td>
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<td></td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>$55.00</td>
<td></td>
</tr>
<tr>
<td>2&quot;</td>
<td>$90.00</td>
<td></td>
</tr>
<tr>
<td>3&quot;</td>
<td>$160.00</td>
<td></td>
</tr>
<tr>
<td>4&quot;</td>
<td>$260.00</td>
<td></td>
</tr>
<tr>
<td>6&quot;</td>
<td>$500.00</td>
<td></td>
</tr>
<tr>
<td>8&quot;</td>
<td>$800.00</td>
<td></td>
</tr>
</tbody>
</table>

2. In addition to the agricultural service charge described in this Section III, for all water drawn, where such water is used for agriculture, stock raising, or dairy farming on a commercial basis, the following consumption charge shall be imposed for each 1,000 gallons used, as of the following effective dates:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Amount (per gallon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective January 1, 2006</td>
<td>$1.05</td>
</tr>
<tr>
<td>Effective January 1, 2007</td>
<td>$1.20</td>
</tr>
<tr>
<td>Effective January 1, 2008</td>
<td>$1.30</td>
</tr>
<tr>
<td>Effective January 1, 2009</td>
<td>$1.45</td>
</tr>
<tr>
<td>Effective January 1, 2010</td>
<td>$1.60</td>
</tr>
</tbody>
</table>

3. In order to qualify for the charges and rates described in this Section III, the applicant shall file annually with the Department of Water a written application [and], shall furnish annually satisfactory proof, including State of Hawaii General Excise Tax License for the engagement of business in agriculture, stock raising or dairy farming on a commercial basis and shall have a DOW approved reduced pressure backflow preventer installed on the customers side of the meter with a current inspection certificate. The applicant for agricultural rates must agree to accepting service from the Department of Water on an interruptible basis; i.e., the Department retains the right to limit or restrict water flow for agricultural uses in the event of water shortage or in the event water service to domestic users is curtailed due to agricultural uses. The agricultural rates shall not apply to processing activities, such as canneries, mills, markets or other establishments engaged in the conversion, treatment or packaging of agricultural products.

SECTION IV - SHIPPING RATES

1. For each ship or vessel served, there shall be both an opening charge and a closing charge imposed as follows:
A. Opening and Closing Charges:

1. Charges applicable during regular Water Department working hours: $53.00

2. Charges applicable during Saturdays, Sundays, State of Hawaii holidays, and hours other than regular Water Department working hours: $123.00

2. Additionally, for all water drawn by ships and vessels, there shall be a consumption charge imposed for each 1,000 gallons of water drawn, as follows:

<table>
<thead>
<tr>
<th>Effective Dates</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2006</td>
<td>$2.70</td>
</tr>
<tr>
<td>January 1, 2007</td>
<td>$3.10</td>
</tr>
<tr>
<td>January 1, 2008</td>
<td>$3.40</td>
</tr>
<tr>
<td>January 1, 2009</td>
<td>$3.70</td>
</tr>
<tr>
<td>January 1, 2010</td>
<td>$4.00</td>
</tr>
</tbody>
</table>

3. Additionally, for all water drawn by ships and vessels, there shall be a State of Hawaii Department of Transportation wharfage fee (of $0.65), which is the current approved rate as per the Hawaii Department of Transportation Approved Rate imposed for each 1,000 gallons of water drawn.

SECTION V - PRIVATE FIRE SERVICE CHARGES

For each service connection for the sole purpose of automatic fire sprinklers or other private fire protection, there shall be a charge for a Private Fire Service Inlet Line per month based on the diameter of the inlet line connection as follows:

<table>
<thead>
<tr>
<th>Diameter</th>
<th>Effective January 1, 2006</th>
<th>Effective January 1, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two-inch (2&quot;)</td>
<td>$9.00</td>
<td>$11.00</td>
</tr>
<tr>
<td>Three-inch (3&quot;)</td>
<td>$16.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>Four-inch (4&quot;)</td>
<td>$26.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>Six-inch (6&quot;)</td>
<td>$60.00</td>
<td>$75.00</td>
</tr>
<tr>
<td>Eight-inch (8&quot;)</td>
<td>$110.00</td>
<td>$135.00</td>
</tr>
</tbody>
</table>

Effective January 1, 2008

<table>
<thead>
<tr>
<th>Diameter</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two-inch (2&quot;)</td>
<td>$11.00</td>
</tr>
<tr>
<td>Three-inch (3&quot;)</td>
<td>$20.00</td>
</tr>
<tr>
<td>Four-inch (4&quot;)</td>
<td>$35.00</td>
</tr>
<tr>
<td>Six-inch (6&quot;)</td>
<td>$75.00</td>
</tr>
<tr>
<td>Eight-inch (8&quot;)</td>
<td>$135.00</td>
</tr>
</tbody>
</table>

Consumption Charges:
Detector check and full flow meters used for the sole purpose of fire fighting will not be charged a consumption charge in the case of an actual fire that is verified in writing by the County Fire Chief stating the time the fire fighting started and ended.

Detector Check Meters:
In addition to the Private Fire Service Inlet Line Charge there will be a meter reading service charge equal to the service charge imposed in Section I, based on the detector check meter size. Any consumption, including consumption for annual line testing and line leakage, on the detector check meter will be billed at the normal rate for water service times the ratio between the area of the detector check meter cross-sectional area and the cross-sectional area of the inlet line listed below in the Area Ratio Table.

Full Flow Meters On Dual Use Lines:
In addition to the Private Fire Service Inlet Line Charge there will be a meter reading charge equal to the service charge imposed in Section I, based on the full flow meter size. Any consumption, including consumption for annual line testing and line leakage, measured on the meter will be billed at the general use rate for water in Section I. Removal of the security tag shall result in a fine of $2,000.00.
AMENDMENTS TO PART 4, FIXING RATES FOR THE FURNISHING OF WATER SERVICE IN THE COUNTY OF KAUAI,
SECTIONS I, II, III, IV, V, VI AND X
OF THE RULES AND REGULATIONS OF THE
BOARD OF WATER SUPPLY; COUNTY OF KAUAI, STATE OF HAWAII

AREA RATIO TABLE

<table>
<thead>
<tr>
<th>Diameter</th>
<th>dia ratio</th>
<th>ratio</th>
<th>dia ratio</th>
<th>ratio</th>
<th>dia ratio</th>
<th>ratio</th>
<th>dia ratio</th>
<th>ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 meter</td>
<td>10.24</td>
<td>7.1</td>
<td>4.0</td>
<td>1.8</td>
<td>3/4 meter</td>
<td>23.04</td>
<td>16.0</td>
<td>9.0</td>
</tr>
</tbody>
</table>

SECTION VI - PUBLIC FIRE SERVICE CHARGES

For each fire hydrant or standpipe connected to operating pipelines of the Department of Water, there shall be a charge imposed against the County of Kauai as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6-inch hydrant..............</td>
<td>$25.50 per month</td>
</tr>
<tr>
<td>4-inch hydrant..............</td>
<td>$9.00 per month</td>
</tr>
<tr>
<td>Standpipes less than 4-inch but greater than 2-inch......</td>
<td>$4.25 per month*</td>
</tr>
<tr>
<td></td>
<td>$31.00 per month</td>
</tr>
<tr>
<td></td>
<td>$11.25 per month</td>
</tr>
<tr>
<td></td>
<td>$5.25 per month*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6-inch hydrant..............</td>
<td>$31.00 per month</td>
</tr>
<tr>
<td>4-inch hydrant..............</td>
<td>$11.25 per month</td>
</tr>
<tr>
<td>Standpipes less than 4-inch but greater than 2-inch......</td>
<td>$5.25 per month</td>
</tr>
<tr>
<td></td>
<td>$34.00 per month</td>
</tr>
<tr>
<td></td>
<td>$12.40 per month</td>
</tr>
<tr>
<td></td>
<td>$5.75 per month</td>
</tr>
</tbody>
</table>

SECTION 5. Administrative rule material to be repealed is bracketed and stricken. New rule material is underscored twice and boldfaced. In printing this rule amendment, the brackets, bracketed material, underscoring twice, and boldface need not be included.

SECTION 6. If any provision of this rule amendment or the application thereof to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of the rule amendment, which can be given effect without the invalid provision, or application, and to this end the provisions of this rule amendment are severable.

SECTION 7. This rule amendment shall be effective July 1, 2010.

BOARD OF WATER SUPPLY
COUNTY OF KAUAI

Randall Nishimura, Chairperson

APPROVED AS TO FORM
AND LEGALITY:

DEPARTMENT OF WATER
COUNTY OF KAUAI:

Alfred B. Castillo, Jr.,
County Attorney

David R. Craddick
Manager & Chief Engineer
AMENDMENTS TO PART 4, FIXING RATES FOR THE FURNISHING OF WATER SERVICE IN THE COUNTY OF KAUAI.
BOARD OF WATER SUPPLY, COUNTY OF KAUAI, STATE OF HAWAII

Received this ______ day of

__________________________________

Peter Nakamura
County Clerk, County of Kauai

CERTIFICATION

I hereby certify that the Board of Water Supply, County of Kauai, adopted the foregoing amendments to the Rules and Regulations of the County of Kauai Department of Water on June 17, 2010 under authority of Sec. 17.03C and D of the Kauai County Charter 1984, as amended, and that the provisions of Sec. 91-3, Haw. Rev. Stat., as amended, have been satisfied, including the holding of two (2) public hearings on January 28, 2010 and April 15, 2010, and the giving of proper notice for the public hearing, which notice was advertised in The Garden Island on December 29, 2009 and March 15, 2010.

Dated at Lihue, Kauai, this 17th day of June, 2010.

__________________________________
Leland Kahawai, Secretary
BOARD OF WATER SUPPLY

CERTIFICATION OF COUNTY CLERK

I hereby certify that on ______________________, ______, I accepted for filing from the Kauai Board of Water Supply the Amendment to the Rules and Regulations adopted on the 17th day of June, 2010.

Peter Nakamura, County Clerk, County of Kauai
New Business
DEPARTMENT OF WATER
County of Kauai

"Water has no Substitute – Conserve It!"

MANAGER’S REPORT NO. 10-83:

June 8, 2010

Re: Request Board Approval of Conveyance of Water Facility Documents

We request Board’s approval of the following documents from the following applicants for their respective projects:

a. Right of Entry Agreements for Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, Hanalei, Kauai, for a portion of:
   (1) TMK: (4) 5-5-008:010, Hanalei, Kaua‘i: Craig Wisen
   (2) TMK: (4) 5-5-008:005, Hanalei, Kaua‘i: Ursula Lamberson, Trustee for the Ursula Lamberson Trust

b. Right of Entry Agreement for Kawamura Farms, Lihu‘e, Kaua‘i

c. Conveyance of Water Facility from Robert S. Bradford Jr. and Marilyn C. Bradford, for the Installation of 2nd Single Service Lateral and Backflow Preventer for Lot 11, Unit B; TMK: (4) 5-2-017:011, Kilauea, Hanalei District, Kauai, Hawaii‘i


Respectfully submitted,

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

rm
Attachments
Mgrp/COWF Cover Sheet (6-17-10):rm
MANAGER'S REPORT NO. 10-83

May 20, 2010

Re: Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, Hanalei, Kauai, Right of Entry Agreement for a portion of Tax Map Key: (4) 5-5-008:010 from Craig Wisen

It is recommended that the Board approve the Right of Entry Agreement; whereby, Craig Wisen, grants to the Board of Water Supply, County of Kauai, a right of entry affecting a portion of Tax Map Key: (4) 5-5-008 Parcel 10 for the Department and its consultants to access and use an unimproved road to get to the proposed Hanalei Well #2 and 0.5 million gallon tank site on Tax Map Key: (4) 5-6-002 Parcel 1 owned by the State of Hawaii.

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

Respectfully submitted,

[Signature]
Keith Fujimoto
Project Engineer

Concurred:

[Signature]
David R. Craddick, P.E.
Manager and Chief Engineer

Mgrp/ROE – Wisen, Craig, Hanalei Well #2 (6-17-10):rm
DEPARTMENT OF WATER
County of Kauai

"Water has no Substitute – Conserve It!"

BOARD REPORT

June 8, 2010

Re: Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, Hanalei, Kauai, Right of Entry Agreement for a portion of Tax Map Key: (4) 5-5-008:005 from Ursula Lamberson, Trustee for the Ursula Lamberson Trust

It is recommended that the Board approve the Right of Entry Agreement whereby Ursula Lamberson, Trustee for the Ursula Lamberson Trust, grants to the Board of Water Supply, County of Kaua‘i, a right of entry affecting a portion of tax map key: (4) 5-5-008 parcel 5 for the Department and its consultants to access and use an unimproved road to get to the proposed Hanalei Well #2 and 0.5 million gallon tank site on tax map key: (4) 5-6-002 parcel 1 owned by the State of Hawaii.

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

Respectfully submitted,

Keith Fujimoto
Project Engineer

Concurred:

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

MgrP/ROE – Lamberson Ursula Trust (6-17-10):rm
BOARD REPORT

June 2, 2010

Re: Right-of-Entry Agreement from Kawamura Farms, Lihue, Kauai, Hawaii

A report will be submitted at the Thursday, June 17, 2010 Board Meeting.

Respectfully submitted,

William Eddy, P. E.
Deputy Manager-Engineer

rm
Mgr/ROE – Kawamura Farms, Rep. at Mtg. (6-17-10): rm
BOARD REPORT

June 2, 2010

Re: Conveyance of Water Facility from Robert S. Bradford Jr. and Marilyn C. Bradford, for the Installation of 2nd Single Service Lateral and Backflow Preventer for Lot 11, Unit B; TMK: (4) 5-2-017:011, Kilauea, Hanalei District, Kauai, Hawaii

It is recommended that the Conveyance of Water Facility document be approved; whereby, Robert S. Bradford Jr. and Marilyn C. Bradford, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8” water meter, in place complete, for the Installation of 2nd Single Service Lateral and Backflow Preventer for Lot 11, Unit B; TMK: (4) 5-2-017:011, Kilauea, Hanalei District, Kauai, Hawaii.

Grant of Easement not required.

Respectfully submitted,

[Signature]

Keith Aoki, Engineer
Engineering Division

KA:rm
Mgrps:COWF – Bradford, Robert & Marilyn (6-17-10):rm
BOARD REPORT

June 8, 2010


It is recommended that the Conveyance of Water Facility document be approved; whereby, Arthur H. Loebl, Trustee of the Arthur H. Loebl Revocable Trust and Rhoda U. Loebl, Trustee of the Rhoda U. Loebl Revocable Trust, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8” water meter, in place complete, for the Installation of the 2nd Single Service Lateral for Lot 3; TMK: (4) 2-7-005:0139, Omao, Koloa District, Kauai, Hawaii.

Grant of Easement not required.

Respectfully submitted,

Keith Aoki, Engineer
Engineering Division

KA:rm
Mgrp/COWF – Loebl, Arthur H. & Rhoda U. (6-17-16):rm
DEPARTMENT OF WATER
County of Kauai

"Water has no Substitute – Conserve It!"

MANAGER’S REPORT NO. 84:

June 10, 2010

Re: Resolution No. 16: Authorized Signatures for DOW Bank Accounts

The submitted Resolution No. 16 authorizes two of the four listed positions, (Manager and Chief Engineer, Deputy Manager-Engineer, Waterworks Controller, and Waterworks Accountant IV) to sign bank transactions and bank agreements on behalf of the Kauai Department of Water. The listing of position titles, instead of persons, allows for minimal disruption in the event of position turnover.

The resolution also requires a minimum of two signatures for all bank transactions and specifies to what accounts money can be transferred to.

Respectfully submitted,

[Signature]

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

AS:rm
Mgrip/Res, 16 (09/10), Authorized Signatures for DOW Bank Account (6-17-10).rm
RESOLUTION NO. 16
(2009-2010)

A RESOLUTION APPROVING AUTHORIZED SIGNATORIES FOR DOW BANK ACCOUNTS

WHEREAS, the Kaua’i Board of Water Supply (KBWS) wants to control bank deposit account access and requests for services and;

WHEREAS, the Kaua’i Board of Water Supply shall officially authorize signatories for the Kaua’i Department of Water (DOW) bank deposit accounts; therefore

BE IT RESOLVED BY THE KAUAI COUNTY BOARD OF WATER SUPPLY (BOARD), STATE OF HAWAII:

SECTION 1. Authorized Signatories. That the BOARD of the DOW, hereby authorizes the personnel holding the following officer positions as DOW signatories of all DOW bank deposit accounts

1. Manager and Chief Engineer
2. Deputy Manager-Engineer
3. Waterworks Controller
4. Waterworks Accountant IV

SECTION 2. Authorization of Signatories. That any two (2) of the person(s) listed in Section 1 are hereby authorized, on behalf of the Kauai Department of Water, to execute the applications and agreements for all DOW bank deposit accounts and to enter into agreements with said bank for any related bank deposit services selected. That any two (2) of the person(s) listed in Section 1 are hereby authorized, on behalf of the Kauai Department of Water, to sign bank checks and drafts for the withdrawal of funds from all DOW bank deposit accounts and to endorse and accept checks, notes, and other paper payable to or by the DOW.

SECTION 3. Signature Requirements. That this Resolution directs the requirement of at least two (2) authorized signatures from the above Section 1’s, Authorized Signatories listing, for any and all bank transactions.

SECTION 4. Grant of Security Interest. The above signatories, when applying for business services, are authorized to grant the bank a Uniform Security Interest in all deposit accounts maintained with the bank now or in the future, to secure all payments and transfers from DOW deposit accounts, by any means, only to Kauai County Treasury accounts or other accounts authorized by State Law and any current or future indebtedness to the bank.

BE IT FURTHER RESOLVED that this Resolution shall take effect upon the adoption thereof, and the Secretary be authorized and directed to certify to the bank the adoption of this Resolution and the name(s), title(s) and signature(s) of the present holders of the positions listed in Section 1 of Kaua’i Department of Water as to the DOW Waterworks Controller, or a representative, for distribution to our applicable banks.
RESOLUTION NO. 16
(2009-2010)

A RESOLUTION APPROVING AUTHORIZED SIGNATORIES FOR DOW BANK ACCOUNTS

APPROVED AS TO FORM & LEGALITY: 

BOARD OF WATER SUPPLY

Andrea Suzuki, Deputy County Attorney
County of Kaua‘i

Randall Nishimura, Chairperson
County of Kaua‘i

CERTIFICATION OF ADOPTION

RESOLUTION NO. 16 (09/10). A RESOLUTION APPROVING THE AUTHORIZED SIGNATURES FOR DOW BANK ACCOUNTS

It is hereby certified that the foregoing resolution was adopted by the Kauai County Board of Water Supply, State of Hawaii, at its meeting held June 17, 2010, by the following vote:

APPROVED: 
DISAPPROVED: 
ABSENT: 

Total: 
Total: 
Total: 

TOTAL:

CERTIFICATION

The undersign hereby certifies that the foregoing Resolution is a true and correct copy of Resolution No. 16 (09/10), adopted at the meeting of the Kauai Board of Water Supply, duly held on the 17th day of June, 2010.

Leland Kahawai, Board Secretary
June 10, 2010

Re: Request Board Approval of A Private Water System from Falco Partners for Kahuaina Subdivision, Kīlauea, Kaua‘i

A report will be submitted at the Thursday, June 17, 2010 Board Meeting.

(Note: Falco Partners should be spelled Falko Partners.)

rm
Mgrp/Testify – Falko Partners (6-17-10): rm
STATEMENT OF REVENUES AND EXPENDITURES  
WATER UTILITY FUND  
April 30, 2010 

REVENUES:  
Cash on hand as of July 1, 2009  $ 9,011,093.72  
Add: Revenues To Date  $ 24,615,101.84  
Sub-Total  $ 33,626,195.56  

EXPENDITURES:  
Less: Expenditures to Date  $ 25,014,754.73  
BALANCE AT THE END OF THE MONTH  $ 8,611,440.83  

SHORT TERM INVESTMENTS - WATER UTILITY FUND  

BANK OF HAWAII  
TCD# 8000423145-103  0.45000% INT. DUE  05/12/11  $ 39,000.00  
TCD# 8000423145-92  0.15000% INT. DUE  12/17/09  $ 5,000.00  
TCD# 8000423145-80  2.35000% INT. DUE  01/22/10  $ 500,000.00  
TCD# 8000423145-107  0.20000% INT. DUE  02/18/11  $ 160,000.00  
TCD# 8000423145-106  0.20000% INT. DUE  01/21/11  $ 500,000.00  

CENTRAL PACIFIC BANK  

FIRST HAWAIIAN BANK  

MERRILL-LYNCH  
CUSIP# 313397XA4  0.1520% INT. DUE  05/20/10  $ 999,708.33  
CUSIP# 313396CT8  0.4300% INT. DUE  03/18/10  $ 995,771.66  

SUB-TOTAL FOR PAGE A  $ 3,199,479.99  

04-2010 WU BUDGET STATUS  
Page A
SUB-TOTAL FROM PAGE A $3,199,479.99

SHORT TERM INVESTMENTS - WATER REVENUES

MULTI-BANK

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Rate</th>
<th>INT. DUE</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>85508VAC3</td>
<td>2.70000%</td>
<td></td>
<td>11/18/13</td>
<td>98,000.00</td>
</tr>
<tr>
<td>0B610PAR4</td>
<td>4.50000%</td>
<td></td>
<td>07/27/12</td>
<td>98,000.00</td>
</tr>
<tr>
<td>31331GYT0</td>
<td>3.75000%</td>
<td></td>
<td>06/17/14</td>
<td>1,030,437.50</td>
</tr>
</tbody>
</table>

UBS

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Rate</th>
<th>INT. DUE</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3133XTW77</td>
<td>2.20000%</td>
<td></td>
<td>06/22/12</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>3133G2N8</td>
<td>2.04000%</td>
<td></td>
<td>04/29/13</td>
<td>2,000,000.00</td>
</tr>
</tbody>
</table>

$4,226,437.50

TOTAL SHORT-TERM INVESTMENTS - WATER UTILITY $7,425,917.49

CASH ON HAND WITH TREASURER - COK 04/30/10 $547,273.31

CASH ON HAND-BOH Savings 04/30/10 $1,831,553.29

CASH ON HAND - FHB Savings 04/30/10 $25,795.85

LESS: Claims to be paid on Manual Payment 05/15/10 $1,165,523.34

$8,611,440.83
## DEPARTMENT OF WATER
### County of Kauai
### STATUS OF THE BUDGET
#### JULY 1, 2009 TO JUNE 30, 2010
##### April 30, 2010

### WATER UTILITY FUND

<table>
<thead>
<tr>
<th>Cash Receipts:</th>
<th>Budgeted Receipts</th>
<th>Total Receipts to Date</th>
<th>Receipts for the Month</th>
<th>% Balance of Budget over Total Actual Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$9,011,093.72</td>
<td>$9,011,093.72</td>
<td>$1,500,533.05</td>
<td>82%</td>
</tr>
<tr>
<td>1 Water Sales</td>
<td>$18,687,900.00</td>
<td>$15,392,797.26</td>
<td>$31,097.26</td>
<td>59%</td>
</tr>
<tr>
<td>2 Net Miscellaneous Receipts</td>
<td>$112,000.00</td>
<td>$119,708.31</td>
<td>$</td>
<td>100%</td>
</tr>
<tr>
<td>3 Interest Income</td>
<td>$410,000.00</td>
<td>$241,083.90</td>
<td>$</td>
<td>59%</td>
</tr>
<tr>
<td>4 County Service Charge</td>
<td>$831,200.00</td>
<td>$</td>
<td>$</td>
<td>0%</td>
</tr>
<tr>
<td>5 State Revolving Fund</td>
<td>$33,881,000.00</td>
<td>$8,834,372.78</td>
<td>$</td>
<td>26%</td>
</tr>
<tr>
<td>5a Other Receipts</td>
<td>$</td>
<td>$27,139.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5b SCADA Private Funds</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$62,933,193.72</strong></td>
<td><strong>$33,626,195.56</strong></td>
<td><strong>$1,531,630.31</strong></td>
<td><strong>53%</strong></td>
</tr>
</tbody>
</table>

### Disbursements:

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amount</th>
<th>Total Actual Expenditures to Date</th>
<th>Expenditures for the Month</th>
<th>% Balance of Budget over Total Actual Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Salaries - DOW</td>
<td>$5,049,700.00</td>
<td>$3,597,865.03</td>
<td>$351,604.06</td>
<td>71%</td>
</tr>
<tr>
<td>Provision for Accrued Vacation</td>
<td>$50,000.00</td>
<td>$106,403.94</td>
<td></td>
<td>213%</td>
</tr>
<tr>
<td><strong>Total Salaries:</strong></td>
<td>$5,099,700.00</td>
<td>$3,704,268.97</td>
<td>$351,604.06</td>
<td>73%</td>
</tr>
</tbody>
</table>

### Normal Expenditures:

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amount</th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>19 COUNTY SERVICE CHRG</td>
<td>$831,200.00</td>
<td>$</td>
<td>$</td>
<td>0%</td>
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### Administrative Office and Engineering:

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amount</th>
<th>Total Actual Expenditures to Date</th>
<th>Expenditures for the Month</th>
<th>% Balance of Budget over Total Actual Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 Utilities</td>
<td>$218,600.00</td>
<td>$137,665.46</td>
<td>$13,237.21</td>
<td>63%</td>
</tr>
<tr>
<td>22 Postage and Printing</td>
<td>$113,000.00</td>
<td>$75,703.38</td>
<td>$5,735.45</td>
<td>67%</td>
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<tr>
<td>24 Office Equipment</td>
<td>$111,200.00</td>
<td>$78,457.46</td>
<td>$1,285.41</td>
<td>71%</td>
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<tr>
<td>24b Maintenance</td>
<td>$149,200.00</td>
<td>$78,457.46</td>
<td>$1,285.41</td>
<td>71%</td>
</tr>
<tr>
<td>05/19/06 Con 461 Four Winds Group MMIS Phases I &amp; II</td>
<td>$64,287.95</td>
<td>$25,858.32</td>
<td>$7,000.00</td>
<td>40%</td>
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</table>

04-2010 WU BUDGET STATUS
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>$884,900.00</td>
<td>$922,960.90</td>
<td>$6,659.88</td>
<td>10%</td>
<td>$793,533.99</td>
</tr>
<tr>
<td>27b</td>
<td>$58,000.00</td>
<td>$23,791.00</td>
<td>$23,791.00</td>
<td>41%</td>
<td>$34,209.00</td>
</tr>
<tr>
<td></td>
<td>$14,700.00</td>
<td>$1,608.94</td>
<td>$472.50</td>
<td>11%</td>
<td>$13,063.06</td>
</tr>
<tr>
<td>29</td>
<td>$33,400.00</td>
<td>$12,508.52</td>
<td>$1,457.50</td>
<td>37%</td>
<td>$20,891.48</td>
</tr>
<tr>
<td>30</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>#DIV/0!</td>
<td>$ -</td>
</tr>
<tr>
<td>31</td>
<td>$16,000.00</td>
<td>$8,415.15</td>
<td>$1,028.35</td>
<td>53%</td>
<td>$7,584.85</td>
</tr>
<tr>
<td>32</td>
<td>$10,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>32c</td>
<td>$66,000.00</td>
<td>$66,000.00</td>
<td>$ -</td>
<td>100%</td>
<td>$ -</td>
</tr>
<tr>
<td>33</td>
<td>$60,900.00</td>
<td>$25,329.55</td>
<td>$208.00</td>
<td>42%</td>
<td>$35,570.45</td>
</tr>
<tr>
<td>34</td>
<td>$33,000.00</td>
<td>$30,294.94</td>
<td>$2,533.32</td>
<td>92%</td>
<td>$2,705.06</td>
</tr>
<tr>
<td>35</td>
<td>$ -</td>
<td>$ -</td>
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<td>#DIV/0!</td>
<td>$ -</td>
</tr>
<tr>
<td>36</td>
<td>$76,500.00</td>
<td>$51,972.70</td>
<td>$3,063.32</td>
<td>68%</td>
<td>$24,527.30</td>
</tr>
<tr>
<td>37</td>
<td>$84,500.00</td>
<td>$23,880.27</td>
<td>$3,084.09</td>
<td>28%</td>
<td>$60,619.73</td>
</tr>
<tr>
<td>38</td>
<td>$18,500.00</td>
<td>$9,353.15</td>
<td>$1,310.55</td>
<td>51%</td>
<td>$9,146.85</td>
</tr>
<tr>
<td></td>
<td>$1,863,467.95</td>
<td>$662,302.85</td>
<td>$70,886.59</td>
<td>36%</td>
<td>$1,201,165.10</td>
</tr>
</tbody>
</table>

TOTAL ADM, OFF & ENG
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATIONS AND MAINTENANCE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Vehicle - Materials &amp; Service</td>
<td>$109,500.00</td>
<td>$73,914.54</td>
<td>$9,477.19</td>
<td>68%</td>
</tr>
<tr>
<td>41</td>
<td>Vehicle - Fuel</td>
<td>$130,200.00</td>
<td>$82,825.32</td>
<td>$8,024.51</td>
<td>64%</td>
</tr>
<tr>
<td>42</td>
<td>Utilities</td>
<td>$55,400.00</td>
<td>$43,769.27</td>
<td>$5,193.30</td>
<td>79%</td>
</tr>
<tr>
<td>43</td>
<td>Meter Parts</td>
<td>$8,000.00</td>
<td>$4,317.11</td>
<td></td>
<td>54%</td>
</tr>
<tr>
<td>43a</td>
<td>Electrical Parts</td>
<td>$26,700.00</td>
<td>$10,098.00</td>
<td>$1,487.50</td>
<td>35%</td>
</tr>
<tr>
<td>44</td>
<td>Miscellaneous</td>
<td>$5,000.00</td>
<td>$</td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>44a</td>
<td>Misc. - Tapping Team</td>
<td>$8,000.00</td>
<td>$</td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>45</td>
<td>Contractual Services</td>
<td>$455,000.00</td>
<td>$39,593.10</td>
<td>$11,434.00</td>
<td>9%</td>
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<tr>
<td>47</td>
<td>Materials and Supplies</td>
<td>$1,645,000.00</td>
<td>$141,225.77</td>
<td>$14,112.53</td>
<td>9%</td>
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<tr>
<td>48</td>
<td>Collective Bargaining Items</td>
<td>$23,500.00</td>
<td>$16,404.39</td>
<td>$2,020.53</td>
<td>70%</td>
</tr>
<tr>
<td>51</td>
<td>Pump Electrical</td>
<td>$3,000,000.00</td>
<td>$2,105,229.79</td>
<td>$216,751.21</td>
<td>70%</td>
</tr>
<tr>
<td>55</td>
<td>Purchase of Water</td>
<td>$2,249,400.00</td>
<td>$1,298,377.80</td>
<td>$124,002.84</td>
<td>58%</td>
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<tr>
<td>56</td>
<td>Chemicals</td>
<td>$36,000.00</td>
<td>$30,039.96</td>
<td>$5,194.40</td>
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<tr>
<td>59</td>
<td>Safe Drinking Water Act Program</td>
<td>$25,000.00</td>
<td>$17,495.72</td>
<td>$1,916.52</td>
<td>70%</td>
</tr>
<tr>
<td>59g</td>
<td>Contract No. 496 10/08 MWH Laboratories</td>
<td>$400,000.00</td>
<td>$17,495.72</td>
<td>$1,916.52</td>
<td>70%</td>
</tr>
<tr>
<td>59h</td>
<td>Contract No. 500 03/09 MWH Laboratories</td>
<td>$50,000.00</td>
<td>$19,200.00</td>
<td>$1,916.52</td>
<td>38%</td>
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<tr>
<td>59i</td>
<td>Contract No. 508 12/09 MWH Laboratories</td>
<td>$50,000.00</td>
<td>$13,950.00</td>
<td>$1,916.52</td>
<td>28%</td>
</tr>
<tr>
<td></td>
<td>TOTAL OPERATIONS:</td>
<td>$7,953,700.00</td>
<td>$3,926,140.77</td>
<td>$427,814.63</td>
<td>49%</td>
</tr>
</tbody>
</table>

<p>| <strong>INSURANCE AND EMPLOYEE BENEFITS:</strong> |                |                                  |                           |   |                                               |
| 60  | Insurance and Bonds   | $200,000.00 | $119,130.57 | $58,956.57 | 60% | $60,863.43 |
| 61  | Workmen's Compensation Insurance | $150,000.00 | $49,117.27 | $17,891.61 | 33% | $100,828.73 |
| 62  | Retirement System     | $764,100.00 | $535,686.69 | $26,279.68 | 70% | $228,433.31 |
| 63  | FICA Taxes - Employer's | $389,700.00 | $262,480.84 | $12,538.78 | 67% | $127,219.16 |
| 64  | Health, Life, &amp; Dental (EUTF) | $396,300.00 | $324,666.68 | $14,120.76 | 82% | $71,733.32 |</p>
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>Health &amp; Life Insurance - Retirees &amp; OPEB</td>
<td>$1,120,276.91</td>
<td>$870,013.23</td>
<td>$(33,287.55)</td>
<td>78%</td>
</tr>
<tr>
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<td>TOTAL INSURANCE &amp; EMPLOYEE BENEFITS</td>
<td>$3,020,376.91</td>
<td>$2,160,975.28</td>
<td>$129,587.40</td>
<td>72%</td>
</tr>
<tr>
<td></td>
<td>TOTAL NORMAL EXPENDITURES:</td>
<td>$13,668,744.86</td>
<td>$6,749,418.90</td>
<td>$628,268.62</td>
<td>49%</td>
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<tr>
<td></td>
<td>DEBT SERVICE REQUIREMENT:</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>80</td>
<td>SRF Loan Job 97-5 Hanapepe River Crossing</td>
<td>$109,553.00</td>
<td>$100,553.10</td>
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<td>92%</td>
</tr>
<tr>
<td>81</td>
<td>SRF Loan Job 97-6 Hanapepe 27&quot; Steel Pipe</td>
<td>$56,038.00</td>
<td>$56,037.86</td>
<td></td>
<td>100%</td>
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<tr>
<td>82</td>
<td>SRF Loan Job 98-33 WK-21 Waiula Hrsts Drk #3</td>
<td>$32,341.00</td>
<td>$32,341.00</td>
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<td>100%</td>
</tr>
<tr>
<td>83</td>
<td>SRF Loan Job 97-2 PLH-31 Lihue Steel Tanks 1 &amp; 2</td>
<td>$101,631.00</td>
<td>$102,872.13</td>
<td></td>
<td>101%</td>
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<tr>
<td>84</td>
<td>SRF Loan Job 98-6 WK-07 Ornellas 0.2 MG Tank</td>
<td>$66,465.00</td>
<td>$66,464.52</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>85</td>
<td>SRF Loan Job 97-11 WK-03 16&quot; W/L Along Kuhio Hwy</td>
<td>$189,480.00</td>
<td>$189,480.37</td>
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<tr>
<td>86</td>
<td>DOW Bond 2005 Issue</td>
<td>$214,700.00</td>
<td>$214,700.00</td>
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<td>100%</td>
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<tr>
<td>87</td>
<td>DOW Bond 2005 Series, Partial Refund 2001 Series A</td>
<td>$149,988.00</td>
<td>$149,987.50</td>
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<td>100%</td>
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<tr>
<td>88</td>
<td>SRF Loan Job 98-2 KP-07 KP-08 16&quot; W/L on Poipu Rd</td>
<td>$422,411.00</td>
<td>$422,411.27</td>
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<td>100%</td>
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<tr>
<td>89</td>
<td>SRF Loan Job WK-42 PHI Stable 1.0 MG Tank</td>
<td>-</td>
<td>$186,047.73</td>
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<tr>
<td>93</td>
<td>FmtHa $300,000 @5% 20 year Bond</td>
<td>$18,750.00</td>
<td>$2,375.00</td>
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<tr>
<td>97</td>
<td>DOW Bond 2001A Issue Series 2005A Refunded</td>
<td>$672,075.00</td>
<td>$672,075.03</td>
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<td>100%</td>
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<tr>
<td>98</td>
<td>SRF Loan Job 97-1 Kokolau Tunnel Repairs</td>
<td>$133,605.00</td>
<td>$133,605.31</td>
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<td>100%</td>
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<tr>
<td>99</td>
<td>SRF Loan Job 96-4 Kapilama Valley Well</td>
<td>$72,130.00</td>
<td>$72,130.11</td>
<td>$35,879.91</td>
<td>100%</td>
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<tr>
<td></td>
<td>TOTAL DEBT SERVICE REQ</td>
<td>$2,239,367.00</td>
<td>$2,401,080.93</td>
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<tr>
<td></td>
<td>TOTAL SALARIES, NORMAL EXPENDITURES, AND DEBT SERVICE REQUIREMENTS:</td>
<td>$21,007,811.86</td>
<td>$12,854,768.80</td>
<td>$1,015,752.59</td>
<td>61%</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>-------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>CAPITAL EXPENDITURES:</td>
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</tr>
<tr>
<td></td>
<td>$ 4,192,150.00</td>
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<tr>
<td></td>
<td>$ 4,229,500.00</td>
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<tr>
<td></td>
<td>$ 4,262,900.00</td>
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</tr>
<tr>
<td></td>
<td>$ 4,552,900.00</td>
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<tr>
<td>101 Capital Improvements</td>
<td></td>
<td>$ 4,667,900.00</td>
<td>$ 90,405.30</td>
<td>2%</td>
<td>$ 4,101,744.70</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 12,120,536.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 12,400,255.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 12,407,915.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 14,507,915.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 17,536,915.00</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>$ 18,092,415.00</td>
<td></td>
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<td></td>
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<tr>
<td>101b Capital Rehabilitation</td>
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<td>$ 29,952,415.00</td>
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<td>0%</td>
<td>$ 12,120,536.00</td>
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<tr>
<td>Misc. Other Capital</td>
<td></td>
<td>$ 351,288.00</td>
<td>$ 245,548.78</td>
<td>70%</td>
<td>$ 105,739.22</td>
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<tr>
<td>102 Expenditures, OPS</td>
<td>$ 699,099.00</td>
<td>$ 245,548.78</td>
<td>$ 28,335.00</td>
<td>23%</td>
<td>$ 251,891.01</td>
</tr>
<tr>
<td>(Lease Computers)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103 Office and Engineering</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>105 Recording Meters</td>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>$ -</td>
</tr>
<tr>
<td>106 Vehicles and Equipment</td>
<td></td>
<td>$ 168,016.88</td>
<td>$ 31,693.19</td>
<td>19%</td>
<td>$ 136,323.69</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>$ 988,472.62</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>$ 1,099,522.82</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>$ 1,073,492.62</td>
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</tr>
<tr>
<td></td>
<td>$ 1,163,104.72</td>
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<td>$ 1,324,964.72</td>
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<td>$ 1,426,657.72</td>
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<td>$ 1,475,449.42</td>
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<td>$ 1,492,544.42</td>
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<td>106b CIP Reserve Fund</td>
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<td>107</td>
<td>Purchase of Meter and Meter Boxes</td>
<td>$105,084.64</td>
<td>58%</td>
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<td>Steel Tank Reserve</td>
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<td>0%</td>
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<td>Nishimura, Katayama, 25 MG Wailua Tank</td>
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<tr>
<td>401</td>
<td>Contract #37348, Job 91-13</td>
<td>$645.08</td>
<td>0%</td>
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<td>R.M. Towill Corp., Drill Hanamau Well #1</td>
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<td>Kalepa Well #2</td>
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<tr>
<td>409</td>
<td>Contract #282, K-10</td>
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<td>0%</td>
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<td>ParEn, Inc., Job 94-3, Kalaeo 0.5 MG Tank</td>
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<td>464</td>
<td>Contract #309, Job 97-1</td>
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<td>PLH-02 SSFM Engineers, Repair Kokolau Tunnel</td>
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<td>PLH-11 PLH-31 CH2M Hill Lihue (2) Steel Tanks</td>
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<td>H-09 Nishimura, Katayama Refurbish Hanalei Tank</td>
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<td>491</td>
<td>Contract #336, Job 98-7</td>
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<td>0%</td>
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<td>K-05 M&amp;E Pacific Inc. Kukuiolono 0.2 MG Tank</td>
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<td>Contract #346, Job 97-7</td>
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<td>0%</td>
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<td>KP-06a Wagner Eng. Replace Lawai Rd. 8&quot; W/</td>
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<td>519</td>
<td>KP-01 Con. #355 Okahara &amp; Assoc., Inc Job 92-4</td>
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<td>Koloa Well &quot;F&quot; Pump</td>
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<td>520</td>
<td>WKK-14 Contract No. 356</td>
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<td>Austin, Tsubumi &amp; Assoc. Job 97-10 Kilauea Booster</td>
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<td>540</td>
<td>$12,245.67</td>
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<td>$12,245.67</td>
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<td>561</td>
<td>$64,600.00</td>
<td>$-</td>
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<td>578</td>
<td>$34,884.00</td>
<td>$28,245.00</td>
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<td>$1,147.21</td>
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<td>587</td>
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<td>$92,258.40</td>
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<td>$-</td>
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<td>$45,170.00</td>
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<td>$14,781.00</td>
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<tr>
<td>608</td>
<td>2/19/04 (101)</td>
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<td>Con 427 Belt Collins Hl Wk-08, WK-09 Job 02-14</td>
<td>$33,950.00</td>
<td>$12,900.00</td>
<td>$</td>
<td>0% $33,950.00</td>
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<td>Kapaa Hmls 0.5 MG Tank &amp; 1.0 MG Storage tank</td>
<td>$12,900.00</td>
<td>$</td>
<td>$</td>
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<tr>
<td>609</td>
<td>2/19/04 (101b)</td>
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<td>Con 429 Brown Caldwell Job 03-02 HW-02, HW-03 A-04, KW-06 Renovations: Wainiha Booster, Haena Steel Tank, Anahola 0.15 MG Tank, Kekaha Shaft</td>
<td>$64,075.50</td>
<td>$46,886.60</td>
<td>$22,911.39</td>
<td>36% $41,164.11</td>
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<td>2/27/04 (101)</td>
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<td>Con 429 Esaki Surveying M-01, M-02 Job 02-11 Moloka 50,000 Gal SS Storage Tank</td>
<td>$125,200.00</td>
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<td>9/30/04 (101)</td>
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<td>PLH-41 Contract 52243 Earthworks Pacific, Inc. Uuala &amp; Uliuli Rds; PRV, BP &amp; 6&quot; Main, Lihue</td>
<td>$50,058.47</td>
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<tr>
<td>618</td>
<td>10/19/04 (101)</td>
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<td>Con 440 Kodani &amp; Assoc. WK-15 Job 02-06 Kilauea 1.0 MG Tanks</td>
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<td>04/14/05 (101b, 106b)</td>
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<td>Con 445 Akinaka &amp; Assoc PLH-9 Job 04-04 Lihue Town Pipeline Replacement</td>
<td>$14,763.00</td>
<td>$12,320.14</td>
<td>$</td>
<td>83% $2,442.86</td>
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<td>6/30/05 (101b, 106b)</td>
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<td>Con 447 Fukunaga &amp; Assoc WK-14 Job 04-02 Vivian Heights Main Rpl</td>
<td>$60,552.00</td>
<td>$66,889.60</td>
<td>$54,761.00</td>
<td>90% $5,791.00</td>
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<td>7/12/05 (106b)</td>
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<td>Con 7295 Kodani &amp; Assoc. HE-11 Lele Rd to Salt Pond Rd 6&quot; Main Rpl</td>
<td>$7,739.38</td>
<td>$4,239.38</td>
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<td>55% $3,500.00</td>
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<td>10/20/05 (101b)</td>
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<td>WK-30 Con 450 ParEn Inc. Job 04-03 Waipouli-Olohe Rd Pipeline</td>
<td>$174,900.00</td>
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<td>9/07/05 (101b)</td>
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<td>Con 449 HI Pacific Eng Inc KW-16 Job 05-01 Wai'anae Main Replacement</td>
<td>$162,635.86</td>
<td>$66,345.86</td>
<td>$117,443.88</td>
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<td>10/25/05 (103b, 106b) Con 451 Bow Eng &amp; Dev PLH-12 Job 05-06 Eiwa, Umi, Akahi, Elua, Hardy St. 8&quot; Main Replacement</td>
<td>$ 92,520.00</td>
<td>$ 51,286.50</td>
<td>55%</td>
<td>$ 41,233.50</td>
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<td>11/16/05 (101b, 106b) Con 452 Akinaka &amp; Assoc. K-7 Job 05-07 Waha, Niho, Wawae Rds Main Repl.</td>
<td>$ 228,837.40</td>
<td>$ 12,837.40</td>
<td>6%</td>
<td>$ 216,000.00</td>
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<td>11/16/05 (101b, 106b) Con 453 Belt Collins HL PLH-30 Job 05-05 Narilili, Niulani &amp; Kupolo Main</td>
<td>$ 189,068.00</td>
<td>$ 72,952.00</td>
<td>39%</td>
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<td>01/12/06 (101b) Con 455 Fukunaga &amp; Assoc. KW-27 Job 05-04 Kaumuali Hwy 12&quot; Main Repl, Kekaha</td>
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<td>38936</td>
<td>Con 464 Kodani &amp; Assoc. &quot;As-Needed&quot; Eng, Surveying &amp; Govt Permit Services</td>
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<td>$ -</td>
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<td>5/19/06 (101, 106b) Con 460 Brown &amp; Caldwell KW-25 Job 05-03 Kapilinao 0.5 MG Tank</td>
<td>$ 35,376.00</td>
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<td>9%</td>
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<td>06/10/06 (101b) Con 462 Eng Solutions Inc KW-05 KW-20 Job 04-06 Waimea Well A &amp; Kekaha B</td>
<td>$ 97,983.28</td>
<td>$ 54,007.70</td>
<td>$ -</td>
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<td>9/21/06 (101b) Con 466 Brown &amp; Caldwell KW-28 Job 05-01 Amfac Shaft Renovation, State Well No.5842-02 Phase 1A</td>
<td>$ 256,919.33</td>
<td>$ 96,972.94</td>
<td>38%</td>
<td>$ 159,946.39</td>
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<td>01/14/08 (101) Con 484 Wagner Eng. Services Job 02-01 Kukuilono Tank Site Exchange, Kalaeo</td>
<td>$ 9,671.42</td>
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<td>6/30/08 (106, 106b) Con 490 FluidQiS, LLC SCADA Sys Consulting &amp; Maintenance Services</td>
<td>$ 100,000.00</td>
<td>$ -</td>
<td>$ -</td>
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<td>07/02/08 (101) Con 491 Kauai Builders Ltd</td>
<td>$ 2,593,926.39</td>
<td>$ 1,305,708.87</td>
<td>50%</td>
<td>$ 1,288,217.52</td>
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<td>WK-42 Phase I, 1.0 MG Stable Tank &amp; Control Valves</td>
<td>$ -</td>
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<td>674</td>
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<td>$478,394.50</td>
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<td>63%</td>
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<td>$1,277,545.00</td>
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<td>$1,924,224.04</td>
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<td>66%</td>
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<td>$15,000.00</td>
<td>$15,000.00</td>
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<tr>
<td>687</td>
<td>$2,100,000.00</td>
<td>$155,293.65</td>
<td>$155,293.65</td>
<td>7%</td>
<td>$1,944,706.35</td>
</tr>
<tr>
<td>689</td>
<td>$96,983.12</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$96,983.12</td>
</tr>
<tr>
<td>690</td>
<td>$471,250.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$471,250.00</td>
</tr>
<tr>
<td>691</td>
<td>$23,400.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$23,400.00</td>
</tr>
<tr>
<td>692</td>
<td>$279,719.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$279,719.00</td>
</tr>
<tr>
<td>USGS</td>
<td>$37,350.00</td>
<td>$18,675.00</td>
<td>$18,675.00</td>
<td>50%</td>
<td>$18,675.00</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL CAPITAL EXPENDITURES:</td>
<td>$41,925,381.86</td>
<td>$12,159,985.93</td>
<td>$662,761.09</td>
<td>$29,765,395.93</td>
<td></td>
</tr>
<tr>
<td>TOTAL SALARIES, NORMAL EXPENDITURES, DEBT REQUIREMENTS AND CAPITAL EXPENDITURES:</td>
<td>$62,933,193.72</td>
<td>$25,014,754.73</td>
<td>$1,678,513.68</td>
<td>40%</td>
<td>$37,918,438.99</td>
</tr>
</tbody>
</table>
### DEPARTMENT OF WATER
County of Kauai
STATE APPROPRIATIONS
JULY 1, 2009 TO JUNE 30, 2010
April 30, 2010

<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/27/02</td>
<td>$ 4,200.00</td>
<td>$</td>
<td></td>
<td>0%</td>
<td>$ 4,200.00</td>
</tr>
<tr>
<td>Contract #50153</td>
<td>Kodani &amp; Associates, Inc.</td>
<td>Job 02-05 Uluāla Rd (Eleele)</td>
<td>12&quot; W/I; 8' PRV, 400 gpm BP &amp; 6&quot; ML Lihue Water System</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>#######</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>$ 4,200.00</td>
<td>$</td>
<td>$</td>
<td>0%</td>
<td>$ 4,200.00</td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
FACILITIES RESERVE CHARGE FUND
April 30, 2010

REVENUES:
Cash on hand as of July 1, 2009 $ 6,123,586.08
Add: Revenues To Date $ 453,733.82
Sub-Total $ 6,577,319.90

EXPENDITURES:
Less: Expenditures To Date $ 937,100.88
BALANCE AT THE END OF THE MONTH $ 5,640,219.02

SHORT TERM INVESTMENTS-FRC
BANK OF HAWAII
CUSIP# 8000423145-99 0.1000% INT. DUE 06/30/10 $ 300,000.00

CENTRAL PACIFIC BANK
CUSIP# 8000738263 0.9000% INT. DUE 03/24/10 $ -

MERRILL LYNCH
CUSIP# 3133XVBM2 0.3750% INT. DUE 10/08/10 $ 500,000.00
CUSIP# 3136FBUU8 2.0000% INT. DUE 08/18/11 $ 1,000,000.00
CUSIP# 3133XUTF5 1.7500% INT. DUE 02/17/12 $ 500,000.00

MULTI-BANK
CUSIP# 493149BC1 2.6000% INT. DUE 12/18/09 $ 240,000.00
CUSIP# 58740XSS0 3.6500% INT. DUE 12/24/09 $ 245,000.00
CUSIP# 36160VCH2 5.0000% INT. DUE 08/06/13 $ 97,000.00
CUSIP# 88214PAJ8 5.0000% INT. DUE 08/13/13 $ 97,000.00
CUSIP# 814228BF8 4.9000% INT. DUE 12/14/09 $ -

TDI (CSA)
CUSIP# 3128X9DX7 2.1500% INT. DUE 01/13/12 $ 1,000,000.00

VINING SPARKS

TOTAL SHORT-TERM INVESTMENTS - FRC $ 3,979,000.00
CASH ON WITH TREASURER - COK 04/30/10 $ 1,072,485.76
CASH ON HAND - FHB Savings 04/30/10 $ 645,594.01
Less: CLAIMS PAYABLE PAID ON 04/15/10 $(56,860.75) $ 1,661,219.02
CASH BALANCE AT THE END OF THE MONTH $ 5,640,219.02
### FACILITIES RESERVE CHARGE

<table>
<thead>
<tr>
<th>CASH RECEIPTS</th>
<th>BUDGETED RECEIPTS</th>
<th>ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 6,123,586.08</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 6,123,586.08</td>
</tr>
<tr>
<td>(FRC Refunds)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a Facilities Reserve Charge</td>
<td>$ 499,200.00</td>
<td>$ 326,600.00</td>
<td>$ 13,800.00</td>
<td>68%</td>
<td>$ 170,600.00</td>
</tr>
<tr>
<td>5a Interest Earned</td>
<td>$ 180,000.00</td>
<td>$ 125,133.82</td>
<td>$ 987.86</td>
<td>70%</td>
<td>$ 54,866.18</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$ 6,802,786.08</td>
<td>$ 453,733.82</td>
<td>$ 14,787.86</td>
<td>7%</td>
<td>$ 6,349,052.26</td>
</tr>
</tbody>
</table>

### CAPITAL EXPENDITURES

<table>
<thead>
<tr>
<th></th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 FRC CIP</td>
<td>$ 4,133,400.00</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 4,133,400.00</td>
</tr>
<tr>
<td>301b FRC Fund Balance</td>
<td>$ 565,007.25</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 565,007.25</td>
</tr>
<tr>
<td>10/12/98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>302 Contract #322</td>
<td></td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 2,050.00</td>
</tr>
<tr>
<td>GMP Assoc. Inc Job 87-1</td>
<td></td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 2,050.00</td>
</tr>
<tr>
<td>Poipu Storage Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>08/01/99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>304 WK-21 Contract #345</td>
<td>$ 10,500.00</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$ 10,500.00</td>
</tr>
<tr>
<td>Fukunaga &amp; Assoc. Job 98-33 Waiua Well 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/28/04 (301, 301b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LO-04 Con #436 Fukunaga &amp; Assoc Inc Job 02-02</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Omao 0.5 MG Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3/8/06 (301, 301b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>318 Con 457 Kodani &amp; Assoc Inc H-8 HW-12 Job 05-02 Drill &amp; Test Wainiha Well No. 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3/31/06 (301b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>319 Con 458 Akinaka &amp; Assoc Inc Job No. A-11 Anahola Well 3 Pump, Controls &amp; Pipeline</td>
<td>$ 992.95</td>
<td>$ 992.95</td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

04.10 FRC BUDGET STATUS
<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/17/2007 (301) Con 471 PORTech Eng.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-23 Job 93-1 Wailua 250,000 MG Tank Survey</td>
<td>$28,187.00</td>
<td>$-</td>
<td>$-</td>
<td>0%</td>
<td>$28,187.00</td>
</tr>
<tr>
<td>7/19/07 (301, 301b) Con 475 TOMCO Corp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A-11 Pump, Controls, Pmp Stn &amp; Pipeline-Anahola Well #</td>
<td>$185,527.24</td>
<td>$113,233.24</td>
<td></td>
<td>61%</td>
<td>$72,294.00</td>
</tr>
<tr>
<td>01/03/08 (301) Con 427 Bell Collins Hawaii</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-08 Kapaa Hmstds 0.5 MG Tank &amp; Kapahi 1.0 MG Tank</td>
<td>$266,049.29</td>
<td>$49,117.91 $1,500.00</td>
<td></td>
<td>16%</td>
<td>$216,931.38</td>
</tr>
<tr>
<td>03/31/08 (301, 301b) Con 488 HDR Engineering</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>WK-39 Kapaa Hmstds Well No. 4 Drill &amp; Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7/2/2008 (301) Con 492 Earthwork Pacific</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>WK-42Phase II Offsite Waterline on Keaupuni Road for Stable Tank</td>
<td>$935,261.25</td>
<td>$632,382.03</td>
<td></td>
<td>68%</td>
<td>$302,879.22</td>
</tr>
</tbody>
</table>

TOTAL EXPENDITURES $6,002,786.08 $937,100.88 $56,860.75 14% $5,865,685.20
STATEMENT OF REVENUES AND EXPENDITURES
BOND FUND
April 30, 2010

REVENUES:
Cash on hand as of July 1, 2009 $ 2,021,763.28
Add: Revenues To Date $ -
Sub-Total $ 2,021,763.28

EXPENDITURES:
Less: Expenditures To Date $ 1,422,088.87

BALANCE AT THE END OF THE MONTH $ 599,674.41

SHORT TERM INVESTMENTS - BOND

BANK OF HAWAII

FIRST HAWAIIAN BANK
CUSIP# 1062110 2.2080% INT. DUE 04/08/13 $ 190,000.00

TOTAL SHORT-TERM INVESTMENTS - BOND $ 190,000.00

CASH ON HAND WITH TREASURER - COK 04/30/10 $ 411,116.18
LESS CLAIMS PAYABLE ON 05/13/10 $ (1,441.77) $ 409,674.41

BALANCE AT THE END OF THE MONTH $ 599,674.41 0.00
## DEPARTMENT OF WATER
County of Kauai
STATUS OF THE BUDGET
JULY 1, 2009 TO JUNE 30, 2010
April 30, 2010

### BOND FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 2,021,763.28</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 2,021,763.28</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$ 2,021,763.28</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 2,021,763.28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>201 Bond - CIP</td>
<td>$ 200,656.55</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 200,656.55</td>
</tr>
<tr>
<td>216 07/08/08 Con 494 Kauai Builders WK-08 Job 02-14 Kapaa Hmsstds 0.5 MC Tank &amp; WK-15 Job 03-03 Hardening of Generator Shellers at Makaleha Tank Site</td>
<td>$ 1,821,106.73</td>
<td>$ 1,422,088.87</td>
<td>$ 1,441.77</td>
<td>78%</td>
<td>$ 399,017.86</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>#=#=#=#=#=#=#=#</td>
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<td></td>
<td>$ -</td>
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<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>#=#=#=#=#=#=#</td>
<td>$ -</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$ 2,021,763.28</td>
<td>$ 1,422,088.87</td>
<td>$ 1,441.77</td>
<td>70%</td>
<td>$ 599,674.41</td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
BOND - BAB FUND
April 30, 2010

REVENUES:
Cash on hand as of July 1, 2009 $ -
Add: Revenues To Date $ 60,000,000.00
Sub-Total $ 60,000,000.00

EXPENDITURES:
Less: Expenditures To Date $ 1,276,980.16

BALANCE AT THE END OF THE MONTH $ 58,723,019.84

SHORT TERM INVESTMENTS - BOND

BANK OF HAWAII

FIRST HAWAIIAN BANK
CUSIP# 1062140 0.0300% INT. DUE 07/30/10 $ 59,000,000.00

TOTAL SHORT-TERM INVESTMENTS - BOND $ 59,000,000.00

CASH ON HAND WITH TREASURER - COK 03/31/10 $ 484,161.34
LESS CLAIMS PAYABLE ON 04/15/10 $ (741,141.50) $ (276,980.16)

BALANCE AT THE END OF THE MONTH $ 58,723,019.84
# DEPARTMENT OF WATER
COUNTY OF KAUA\u00A0I
STATUS OF THE BUDGET
JULY 1, 2009 TO JUNE 30, 2010
APRIL 30, 2010

### BUILD AMERICA BONDS (BABs) - FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>83.33%</td>
<td>$ -</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$ 60,000,000.00</td>
<td>$ 60,000,000.00</td>
<td>$ 60,000,000.00</td>
<td>100%</td>
<td>$ -</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$ 60,000,000.00</td>
<td>$ 60,000,000.00</td>
<td>$ 60,000,000.00</td>
<td>100%</td>
<td>$ -</td>
</tr>
</tbody>
</table>

### CAPITAL EXPENDITURES:

<table>
<thead>
<tr>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 58,723,019.83</td>
<td>$ 58,790,396.33</td>
<td>100%</td>
<td>$ 58,723,019.83</td>
<td></td>
</tr>
<tr>
<td>$ 60,000,000.00</td>
<td>$ 60,000,000.00</td>
<td>$ 60,000,000.00</td>
<td>0%</td>
<td>$ 58,723,019.83</td>
</tr>
<tr>
<td>Cost of Issuance:</td>
<td>$ 535,838.67</td>
<td>$ 535,838.67</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Goodfellow Brothers, Inc.</td>
<td>$ 741,141.50</td>
<td>$ 741,141.50</td>
<td>100%</td>
<td>$ -</td>
</tr>
<tr>
<td>EA-194, Emergency Work</td>
<td>$ 673,765.00</td>
<td>$ 673,765.00</td>
<td>$ 673,765.00</td>
<td>100%</td>
</tr>
<tr>
<td>5/11/2010 CON 513</td>
<td>Jennings Pacific, LLC</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>5/11/10 CON 514</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$ 60,000,000.00</td>
<td>$ 1,276,980.17</td>
<td>$ 741,141.50</td>
<td>2%</td>
</tr>
</tbody>
</table>

PROOF: $ 60,000,000.00 $ 1,276,980.17 $ 741,141.50 $ 58,723,019.83

04- 2010 BAB BUDGET STATUS
DEPARTMENT OF WATER
County of Kauai

"Water has no Substitute – Conserve it!"

PR SPECIALIST REPORT

June 17, 2010

Re: Public Relations Update

Agriculture and Environmental Awareness Day: The department once again participated in the Annual Agriculture and Environmental Awareness Day, sponsored by the Kaua‘i County Farm Bureau and the University of Hawai‘i College of Tropical Agriculture and Human Resources (CTAHR). Thank you to Carl, Koni and Scott for helping with the set up the day before and to Carl and Heather for assisting with the event itself. This year we helped the students be aware of “virtual water”, which is the amount of water it takes to produce a product. This knowledge made them much more aware of how precious water is, not just for drinking.

Project WET: KEDB is once again working as a partner on a second workshop for fifth grade teachers for early September, prior to our annual Make a Splash Water Festival. Kanani is also organizing a workshop in Hilo for mid September.

An instructor from UH Manoa College of Tropical Agriculture, Department of Natural Resources and Environmental Management, has requested to sponsor a workshop on Oahu in the fall.

Plans and organization for our Annual Make a Splash with Project WET are well on their way with the experienced assistance of Heather.

Blackboard Connect CTY: We are still refining our usage of the County’s Blackboard Connect CTY for notifying our customers of planned water outages.

Drought Mitigation: Grant funds from the State of Hawai‘i Commission on Water Resource Management Drought Mitigation Project are set to expire at the end of this calendar year. We have sent in a request for an extension as well as a request to amend the portion of the Memorandum of Agreement that pertains to the Kekaha Amfac Shaft project.

DWSRF: As the Department of Health is in the final stages of updating their Priority Project List, we have submitted projects to be considered to be added to the 2010-2011 Priority List.

Summer Intern: Welcome back to Heather Kubota, our summer intern for Public Relations! As noted above, she has jumped right into the tasks at hand.

Respectfully submitted,

Faith Shiramizu
DOW Public Relations Specialist

Operational Report – For the Month of May 2010

Personnel

• The revised Ops Division reorganization plan has been approved by DPS. Changes to the plan as proposed by DOW Admin will require re-submittal to DPS.
• The results of the April Distribution System Operator (DSO) exam were made available; three (3) of the five (5) Ops persons passed.
• We are awaiting the County’s final Furlough Plan.
• Please see the attached labor report for Operations Division as compiled by the Fiscal Division.

Source and Storage

• Our Water Plant Operators are continuing to convert existing gas chlorination disinfection systems to liquid sodium hypochlorite disinfection systems. This month they converted two (2) sites in Lawai.
• A Sanitary Survey was conducted by the Department of Health in the Kalaheo-Lawai Sub-System. This water system has three older and somewhat dilapidated water storage tank facilities. Immediate repair work will be required by DOH at these sites. Tank replacement projects for these sites are on the Bond List and are in the early planning stages.
• We solicited and received three (3) bids for the emergency replacement of the Anahola Well 90-B deep-well pump and submersible motor assembly. The lowest responsible bidder was Beylik Drilling and Pump Service in the amount of $79,050. We have proceeded to contract with them and they are shipping their pump rig to Kauai from Honolulu.
• Kalaheo Wells #1 and #2 are showing signs of imminent failure. An emergency project has been initiated to replace the pumps. Pump replacement specification are being drawn-up.

Distribution

• West Crew is well underway on the Kiowea Road (Kekaha) project to replace approximately 720’ of 2” diameter GS pipeline (circa 1924) with a new 6” diameter DI pipeline and a new fire hydrant. Completion is expected in June.
• The West/Hydrant Crew replaced two very old fire hydrants on Puuwai Road in Kalaheo. The old hydrants did not have a branch valve, so they cut-into the mainline and installed new hydrant laterals with branch valves.
• The East Crew has been revising the piping and preparing to demolish an old redwood tank in Anahola.
• See statistics of leak repairs on the attached sheet.

Ops Inventory, Warehouse and Baseyard Area

• The new driveway gate has been ordered and is being shipped from Canada. A grate for the driveway culvert has also been ordered and is being fabricated.
Work Orders by Job Reason Code for Selected Date Range

05/01/2009 to 05/31/2010

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>26</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>134</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>100</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
</tbody>
</table>

**Work Orders by Job Reason Code**

**Number of Leak Repairs per Month**
DEPARTMENT OF WATER
County of Kauai

"Water has no Substitute – Conserve it!"

MANAGER’S UPDATE

June 8, 2010

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

CONTRACTS AWARDED BY THE MANAGER:

Re: Kapa’a Pipeline Project – Job No. 02-18, Water Plan 2020 Project WK-32, Kapa’a Homesteads Pipeline Replacement, Phase II, Kapa’a Water System, Kapa’a, Kaua‘i, Hawaii‘i

Manager awarded a contract to Jennings Pacific, LLC, in the amount of $2,706,628.00

FUNDING:
Account No. 201-01, Bond – BAB ................................................................. $56,778,161.34

Contractor, Jennings Pacific LLC........................................ $2,706,628.00
Contingency, approximately 5% ................................ $ 135,372.00
Total ...................................................................................................... <$ 2,842,000.00

Balance Remaining
Account No. 201-01, Bond – BAB ................................................................. $53,936,161.34

Re: Kapa’a Pipeline Project – Job No. 04-02, Water Plan 2020 Project WK-14, Pipeline Replacement for Vivian Heights and Kaneele Road, Phase II, Kapa’a Water System, Kapa’a, Kaua‘i, Hawaii‘i (Note that this is on again to show the correct Contractor below for this project. It was inadvertently stated as Jennings Pacific on the last Manager’s Update.)

Manager awarded a contract to Earthworks Pacific, Inc, in the amount of $2,558,770.00.

FUNDING:
Account No. 201-01, Bond – BAB ................................................................. $59,464,161.34

Contractor, Earthworks Pacific Inc........................................ $2,558,770.00
Contingency, approximately 5% ................................ $ 127,230.00
Total ...................................................................................................... <$ 2,686,000.00

Balance Remaining
Account No. 201-01, Bond – BAB ................................................................. $56,778,161.34

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.

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

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PERSONNEL MATTERS UPDATE: (Updated June 10, 2010)

RECRUITMENT
Fiscal Division
2. Accounting Section - Accountant II and III positions filled.
3. Accounting Section - Accountant I position vacant. Requested DPS for a list of eligible’s.

Operations Division
1. Account Clerk internal department recruitment underway. Applications received and being reviewed.
2. Automotive Mechanic I - request for list of eligible’s sent to Personnel Department.

Special Projects Division
2. Project Assistant interviews held. Selection made pending back ground search and drug testing.

Engineering Division
1. Request for Civil Engineer VI list of eligible’s.

Administration Division
2. Commission Support Clerk position filled; Carol Beardmore started on May 26, 2010.
3. Secretary position posted. Awaiting list of eligible’s from Personnel Department.
4. Six Summer Intern positions filled.

Affordable Housing Update  
(Same update as the April 12, 2010 Affordable Housing Task Force Meeting as the May 10, 2010 meeting was cancelled. The next meeting is scheduled for Monday, June 14, 2010 so a revised report will be submitted at the June 17, 2010 Board Mtg. with the current updates.)

The last Affordable Housing Task Force (AHTF) meeting was held on Monday, April 12, 2010 at Pi‘ikoi Conference Room A, with the status of projects below.

Updates on AHTF Projects:

1. Habitat - Eleele I Luna Subdivision Phase 2 (107 lots, 1 park): Site construction for the sewer main is underway. Housing agency estimated that on-site infrastructure improvements for Phase II, Increment 1, will be bid out during summer, 2010.
2. Kauai Lagoons – Kapule Project: Water improvements have been conveyed to the Water Board. Planning will check if conveyance documents were submitted to the Planning. Housing Agency is preparing amendments to the zoning ordinance and related housing agreement to chance the lease hold ownership to fee simple ownership. Housing estimates that Council may approve amendments by April, 2010.

3. Kukui’ula Employee Housing- “Gap” Housing subdivision and zoning permit. Kukuiula Development Co. will request that the County Council amend the housing agreement that is required by the Zoning Amendment ordinance this week. The Planning Commission and Planning Department is recommending against the KDC proposal.

4. Kohea Loa (Hanamaulu Triangle) - Water system improvements as set forth by the WMP include offsite source, storage and transmission facilities. DR Horton is requesting meetings with DOW, Wastewater and Planning relating to the conditions.

5. Paanau Village, Phase 2: Kaua‘i Housing Development Corp (KHDC) was awarded the RFQ to develop 50 units. KHDC submitted the application to the State for low income financing. If successful the project will be able to move on. If not successful Housing Agency may have funds to complete on-site infrastructure. The current owner/subdivider, Kukuiula Development Company must bond the roadway improvements prior to final subdivision map approval and transfer of parcels to the Housing Agency.

6. ‘Ele‘ele – 75 acre parcel acquisition: Housing Agency executed the purchase agreement with McBryde Sugar Co. to purchase the 75 acre parcel. The Housing Agency has hired a consultant, to prepare a master development plan that may include a water master plan element for the project.

State Land Parcels (County Affordable Housing): No report at meeting.

**CAK Presentation:** Got good comments on upcoming FRC changes.

**Furlough Update:** None as of this date but may have something to report at the Board meeting.

Respectfully submitted,

[Signature]

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