A. CALL TO ORDER  

B. ROLL CALL  

C. ACCEPTANCE OF AGENDA  

D. MEETING MINUTES  

Review and approval of:  
Regular Board Meeting – February 27, 2014  
Regular Board Meeting – March 27, 2014  
Regular Board Meeting – April 24, 2014  
Workshop – March 7, 2014  
Emergency Meeting – May 28, 2014  

Review and approval of Executive Session:  
Executive Session – April 24, 2014  
Executive Session – May 22, 2014  

E. CORRESPONDENCE/ANNOUNCEMENTS  
1. Correspondence from Mr. Tom Shigemoto, Vice President, A&B Properties, Inc., dated May 12, 2014 regarding Reallocation of water commitment from Eleele Industrial Park Subdivision, TMK: (4) 2-1-001:051, to 28-acre Eleele Urban Residential Development (4) 2-1-001:Por.3 Eleele, Kōloa, Kaua‘i, A&B Properties, Inc., owner  
2. Correspondence from East & West Kaua‘i Soil & Water Conservation Districts, received June 3, 2014 regarding the 2014 Annual Report  

F. BOARD COMMITTEE REPORTS  
Report of the Finance Committee of the Kaua‘i County Board of Water Supply  
G. OLD BUSINESS
1. Manager’s Report No. 13-7 - Part 2 Section IX of the Rules, Adjustment of Bills for Undetected Leaks and Unforeseen Damages Proposed Amendments, Public Hearing Results

H. NEW BUSINESS
5. Manager’s Report No. 14-62 - Grant of Easement for Existing Water Meter for Lot 14-A-2, Meter #8103032, Kapa’a, Kauai, Affecting the Following Landowner:
   1. Melvin K Soong, affecting TMK(s): (4) 4-6-015:048, Kapa’a, Kauai, Hawaii

I. STAFF REPORTS
MONTHLY
1. Statement of Kaua’i County Water Department’s Revenues and Expenditures
2. Report by the Public Relations Specialist on Public Relations Activities
4. Manager’s Monthly Update Regarding Activities of Note of the Kaua’i County Water Department
   a. Report of the BAB Bond pay down as of May 2014

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

1. Pursuant to Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated April 24, 2014. This consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item.

2. Pursuant to Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated May 22, 2014. This consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item.
3. Pursuant to Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(5) and 92-5(a)(4), the purpose of this executive session is to investigate proceedings regarding criminal misconduct and to consult with the Board’s attorney on questions and issues pertaining to the Board’s powers, duties, privileges, immunities and liabilities as it relates to said misconduct.

K. TOPICS FOR NEXT WATER BOARD MEETING (July 2014)
   1. Board discussion and possible action for Unaccounted Water Reporting
   2. Meter Restriction Board Policy
   4. Acting Manager and Chief Engineer Job Performance Evaluation

L. TOPICS FOR FUTURE WATER BOARD MEETINGS
   1. FY 14-15 Budget Resolution (August 2014)
   2. Manager’s Report No. 14-24 - Part 4 Section I of the Rules, General Use Rates Proposed Amendments, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
   3. Manager’s Report No. 11-28 – Part 5 of the Rules, Facilities Reserve Charge – New Rule, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
   4. Source Limitation Board Policy
   5. Suggestions for Capital Improvement Projects (CIP) for 2015

M. UPCOMING EVENTS
   1. Table of Organization Workshop (Date Pending)
   2. Make a Splash, Project WET (September 18, 2014)
   3. HWWA 2014 Conference, Kaua‘i, HI (October 15-17, 2014)
   4. Annual Meeting (December 12, 2014)

N. NEXT WATER BOARD MEETING
   1. Thursday, July 24, 2014, 10:00 a.m.
   2. Thursday, August 28, 2014, 10:00 a.m.
   3. Thursday, September 25, 2014, 10:00 a.m.
   4. Thursday, October 23, 2014, 10:00 a.m.

O. ADJOURNMENT
Draft Minutes
MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, February 27, 2014

The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, February 27, 2014. Chairperson Clyde Nakaya called the meeting to order at 10:07 a.m. The following Board members were present:

BOARD: Mr. Clyde Nakaya, Chairperson
Ms. Laurie Ho
Mr. Hugh Strom
Mr. Raymond McCormick
Mr. Sherman Shiraishi
Mr. Larry Dill

EXCUSED/ABSENT: Mr. Michael Dahilig

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

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

GUESTS: Mr. Randall Nishimura, former Board Chair
Mr. Hal Parrott, Private Citizen
Deputy County Attorney, Marc Guyot

ACCEPTANCE OF AGENDA
Mr. Shiraishi moved to rearrange the agenda by moving New Business Item #4 Manager’s Report No. 14-31 - Contract No. 5360, IT Review and Assessment, Strategic Planning and Implementation, Fiscal staffing update before Item #8, Manager’s Report No. 14-34 - 2nd Amendment for contract No. 560, IT Review and Assessment, Strategic Planning and Implementation; seconded by Mr. Strom; with no objections, motion carried with 6 ayes.

Mr. Dill moved to accept the agenda as amended; seconded by Mr. Shiraishi; with no objections, motion carried with 6 ayes.

MEETING MINUTES
Review and approval of:
Regular Board Meeting – January 23, 2014
Mr. Strom moved to defer the approval of the Regular Board Meeting Minutes of January 23, 2014 due to grammar discrepancies and extended review from Board Members; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 Ayes.

**Review and approval of:**

Ms. Ho requested to correct spelling on page 2; “Procedures” not “rocedures.”

Mr. Shiraishi moved to approve the Public Hearing – Benefit Zone minutes of January 23, 2014 as amended; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

**Review and approval of Executive Session:**
Executive Minutes – January 23, 2014

Mr. Shiraishi moved to approve the Executive Session minutes of January 23, 2014; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

**E. CORRESPONDENCE/ANNOUNCEMENTS**

Mr. Shiraishi moved to receive correspondence from Ms. Bonnie Bator, dated January 27, 2014 regarding Community Outreach Meeting, Water Plan 2020 Kahili High Level Well Energy Savings Project: Cost Savings Analysis; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

**F. OLD BUSINESS**
1. Manager’s Report No. 12-56 - Determination of Reasonable Benefit from Expansion Project Impact Fees without Establishing Benefit Zones, Public Hearing Results

**BACKGROUND:**
On January 23, 2014, a Public Hearing was held with no opposition to the Determination of Reasonable Benefit from Expansion Project Impact Fees without Establishing Benefit Zones.

*Acting* Manager and Chief Engineer, Mr. Saiki recommended the Department assess expansion project impact fees without establishing benefit zones.

Mr. Dill moved to receive *Manager’s Report No. 12-56* - Determination of Reasonable Benefit from Expansion Project Impact Fees without Establishing Benefit Zones, Public Hearing Results with the amendment stating there was one (1) attendee, Mr. Hal Parrott; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 ayes.

**G. NEW BUSINESS**
1. *Manager’s Report No. 14-28* - Request Board Approval of the Volunteer Agreement with Mike Fernandes for Grounds Maintenance of the DOW Nonou 0.2 MG Tank Site
BACKGROUND:

Acting Manager and Chief Engineer, Mr. Saiki recommended that the Board approve the annual Agreement allowing Mr. Michael Fernandes to continue providing voluntary site maintenance of the (inactive) Nonou 0.2 MG Tank Site, in Wailua. Mr. Fernandes has done the site maintenance for the past 20 years except for a one year gap. Mr. Fernandes has agreed to start the site maintenance again.

The Board discussed the following items:

- Tank is abandon and not connected to the water system
- Site is secured by fencing and a locked gate
- Concerns with Homeland Security with surrounding water systems and Pressure Reducing Valves (PRV)
- Addressing security with a non-employee volunteer
- In the agreement, the volunteer understands that he/she is personally liable for any negligent acts

Deputy County Attorney, Andrea Suzuki was unsure if there were Homeland Security laws relating to county water. Recommendations through the American Water Works Association could be reviewed and accepted by the county.

The worst case scenario would be the contamination of the water system. Mr. Shiraishi said the agreement was well drafted and protects the Department, provides disclosure and waivers.

Mr. Shiraishi moved to approve Manager’s Report No. 14-28 - Request Board Approval of the Volunteer Agreement with Mike Fernandes for Grounds Maintenance of the DOW Nonou 0.2 MG Tank Site subject to:

1) Due diligence on the Homeland Security issue. If there are Homeland Security issues based on the agreement, either party can terminate at any time.
2) The Department to follow up on security issues and a background check on Mr. Fernandes; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes, 1 nay (HS)

2. Manager’s Report No. 14 – 29 - Reallocate Funds for Job No. 05-02 (HW-12), Drill and Test Wainiha Well No. 4 back to Build America Bond (BAB) Fund

BACKGROUND:

Acting Manager and Chief Engineer Mr. Saiki reported the reason for reallocating funds for Job No. 05-02 (HW-12), Drill and Test Wainiha Well No. 4 back to Build America Bond (BAB) Fund was that the Robinson land owner had an additional requirement for the site. This requirement needed to be redesigned with additional costs. The Department decided to cancel the construction project and to return funds back to the BAB fund.

DISCUSSION:

Chair Nakaya questioned why the Department did not consult with the land owner during the process?

Civil Engineer VI, Mr. Aoki explained that the land owner initially was okay with the location of the well site. After the land owner reviewed the site drawings, the land owner did not realize the well site was closer to an existing road and expressed some concerns.

Mr. Shiraishi moved to approve Manager’s Report No. 14 – 29 – to Reallocate Funds for Job No. 05-02 (HW-12), Drill and Test Wainiha Well No. 4 back to Build America Bond (BAB) Fund; seconded by Mr. McCormick; with no objections, motion was carried 6 ayes.

Regular Meeting: Thursday, February 27, 2014 - Page 3 of 12


*Acting* Manager and Chief Engineer, Mr. Saiki recommended to the Board to defer the water rate increase effective July 1, 2014 for six (6) months which was based on the $9.5M increase in the Capital Improvement Projects (CIP) reserve. $7M is appropriated this fiscal year ending June 30, 2014 with $12M in unassigned funds.

The Facility Reserve Charge (FRC) funds have adequate funding of $2.5M to support this fiscal year’s debt service payment. Although this fiscal year has adequate funding, the DOW would have to come back to the Board in April to establish an Inter Fund policy to be able to fund the debt service from the Water Utility Fund.

Waterworks Controller, Ms. Yano explained the FRC fund in the Fiscal Report *(page 100 in iPad)*.

- Year to Date FRC = $485,000
- July 1, 2013 = $2.6M
- BAB = $278,000 by year end
- $3M - expected to be spent this year
- Pay out of Debt Service occurs - February 1st and August 1st

*Acting* Manager and Chief Engineer, Mr. Saiki will review Board Policy No. 26, Emergency Reserve Fund and Board Policy 27, Debt Service Reserve Funds to make sure the changes made to Board Policy No. 3, Expenditure of Water Utility Funds are in concurrence with one another.

The Kaua‘i Department of Water needs to notify the Honolulu Board of Water Supply (HBWS) of the deferral by March 14th in order to defer the July 1st 2014 Water Rate Increase. It takes HBWS two (2) months to test the changes in billing rates.

Mr. Dill suggested deferring the rate increase matter to the Finance Committee for recommendations. Without having any DOW projects, the rate increase would be not justified.

Acting Manager and Chief Engineer, Mr. Saiki and Civil Engineer IV, Mr. Keith Aoki provided a status of DOW projects:

- Seven (7) to eight (8) projects are 80% - 90% designed
- Projects encumbered next year would be $3M
- Approximately $12M projects are split funded
- BAB funded – $5M+ is out of $12M

Construction Project Management Officer, Mr. Moises added that $7M is appropriated but is not encumbered. He added that construction projects are not part of the $12M.

Mr. Randall Nishimura, former Board Chair provided his testimony and suggested that the Board know what the impact on the draft budget would be before making a decision.

Mr. Shiraishi moved to defer *Manager’s Report No. 14 – 30 – Proposed Deferral of July 2014 Water Rate Increase* and to refer to the Finance Committee; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.
F. **OLD BUSINESS**

2. *Manager’s Report No. 13-19 – Discussion and approval of Assistant Chief of Operations, Position #2400 Table of Organization*

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

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

*Acting* Manager and Chief Engineer Mr. Saiki recommended that unless otherwise directed by the Board, the Department will consider the Assistant Chief of Operations as an *established* position that can be filled. The position is budgeted for the latter part of this fiscal year.

**DISCUSSION:**
Deputy County Attorney, Marc Guyot clarified that the Board accepted the communication but did not vote on approving the communications during the Executive Session on December 20, 2012. What was missing in the Executive Session minutes was the vote of the Board in open session to ratify the signed Table of Organization.

*Acting* Manager and Chief Engineer, Mr. Saiki noted that the Department has interviewed candidates but a selection has not been made. The County’s DPS approved the signed Table of Organization. For fiscal year 2013-2014, the Assistant Chief of Operations is funded for four (4) months that ends June 30, 2014.

Water Plant Superintendent, Ryan Smith explained that the two (2) Water Service Supervisors (Mr. Virgil Kapanui and Mr. Chris Nakamura) currently perform the duties of the Water Field Superintendent position which is the reason the Water Field Superintendent position was never filled.

**DISCUSSION:**
Mr. Moises gave a background on the Assistant Chief of Operations position and explained when Mr. Bill Eddy became the Deputy Manager, the Manager and Chief Engineer at that time deleted the Assistant Chief of Operations position and created two (2) SR-24 positions for the Water Plant Superintendent (filled) and Field Superintendent (not filled). When Mr. Eddy left the Department, the Assistant Chief of Operations position was reestablished.

Mr. Dill moved to go into Executive Session for *Manager’s Report No. 13-19 – Discussion and approval of Assistant Chief of Operations, Position #2400 Table of Organization*; seconded by Mr. McCormick; with no objections; motion was carried with 6 ayes. (Roll Call: LH, HS, RM, SS, LD, CN)

*At 11:05 a.m. the Board moved into Executive Session to take up I. Executive Session Items #2 & #3.*
Deputy County Attorney, Marc Guyot read the follow Executive Session language:

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

3. Pursuant to Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to provide the Board with a consultation regarding the process of hiring a new Manager and Chief Engineer. This briefing and consultation with the Board counsel involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item.

At 12:07 p.m., Chair Nakaya called the Regular Board Meeting back to order.

Chair Nakaya announced the actions that were taken during Executive Session Items #2 & #3.

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

Chair Nakaya announced that the Board approved to ratify the action taken by the Board on December 20, 2012 including the Table of Organization.

Executive Session Item #3
Pursuant to Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to provide the Board with a consultation regarding the process of hiring a new Manager and Chief Engineer. This briefing and consultation with the Board counsel involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item.

The Board authorized Chair Nakaya to conduct a search both internal and external for applicants and to advertise and fill the Manager and Chief Engineer position and to report back to the Board.

G. NEW BUSINESS

BACKGROUND:
On January 29, 2014, the DOW Operations Division discovered that the Kalāheo Deepwell No. 1 was inoperable due to a broken shaft which is needed as a back up water source. The Department requested for $85,000 to remove the pump and to repair the broken shaft.

At 12:11 p.m., Mr. Shiraishi exited the meeting.

At 12:13 p.m., Mr. Shiraishi re-entered the meeting.
Mr. Dill moved to approve Manager’s Report No. 14 – 32 – Emergency Repairs Contract for Kalāheo Deepwell No. 1; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 ayes.

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

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

Upon approval, the Board included the stipulation to revert the Accountant II position back to the Meter Reader/Field Collection Representative II when the Accountant IV is filled.

Since the implementation, the Fiscal Division finds that the Accountant II is needed as a permanent position and that the Meter Reader/Field Collection Representative II is not.

Mr. Shiraishi moved to approve Manager’s Report No. 14- 33 – Discussion and approval of Accountant II, Position #2498 Table of Organization; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.


BACKGROUND:
On December 9th, BRIO held a Workshop for the Board to explain Phase 1 of the current contract, the redevelopment of the chart of accounts and the re-implementation of the financial system. The Board requested an update on the staffing capabilities for the go live date of July 1, 2014.

DISCUSSION:
The estimate of overtime is 200 hours and most of the work would be done during the staff’s normal work day (30% with more or less costing $5,000 of over time). Funding is available from vacant positions. Waterworks Info Tech. Officer, Jeff Mendez agreed to track the project and hours to make the deadline by June 30, 2014.

Mr. Shiraishi moved to receive Manager’s Report No. 14 – 31 – Contract No. 560, IT Review and Assessment, Strategic Planning and Implementation, Fiscal staffing update; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

8. Manager’s Report No. 14- 34 – 2nd Amendment for Contract No. 560, IT Review and Assessment, Strategic Planning and Implementation

BACKGROUND:
Waterworks Info. Tech. Officer, Jeff Mendez reported that the 2nd Contract Amendment for Contract 560 with BRIO is in the total amount of $370,000. The Department has availability to fund $300K. It is recommended that the Board approve the additional amount of $70,000 from the CIP Reserve Fund (Option 1) to go into a hosted environment.
$70,000 includes off site hosting for one (1) year, replication services (the server would be on the business location network). Each night, the offsite host would synchronize data and updates to the server locally. If communication went down, the business location network could still be worked on.

**DISCUSSION:**
Mr. Mendez explained that there would be very little down time with an offsite server. If the local server crashed with a duplicate hard drive in house, the down time to rebuild the server would take more than a day. The $300,000 is already budgeted to implement one server and the additional $70,000 funds would be needed to duplicate off site. It would take approximately 20-30 hours of overtime to do patches, weekly updates and back up which would free up the IT staff. The benefit of an offsite server would be if the primary in house driver and duplicate driver were destroyed, the rebuild would be faster from the offsite server.

Performance of an offsite server is 99.9% faster up time. Additional expenditures would make the new system quicker on the host network. The warranty period is for one (1) year, but there is an option to renew after the one (1) year.

The original contract includes the blank server and software to be installed locally. There would be no services for upgrades after installation.

Mr. Shiraishi amended the motion to re-evaluate the hosting after one year, but Deputy County Attorney Andrea Suzuki made clear that the $70,000 covered for one year.

Mr. Shiraishi withdrew his request to amend Mr. Dill’s motion.

Mr. Dill moved to approve Manager’s Report No. 14-34 – 2nd Amendment for Contract No. 560, IT Review and Assessment, Strategic Planning and Implementation; seconded by Mr. McCormick; with no objections, motion was carried with 6 ayes.

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

This item was discussed during Item I. Executive Session; please see Executive Session Item #3 for the Board’s action.

**H. REPORTS**

**MONTHLY**

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

**BACKGROUND:**
Ms. Yano reported on the Budget Status Summary, Water Utility Fund, FRC, BAB Fund and comparative reports and mentioned that there was a drop in water consumption.

Water Utility Fund, Line Item 101 – Capital Improvements $7.2M is budgeted with $92,000 unencumbered which was the assigned fund balance. Two (2) to three (3) projects would be awarded by June 2014. Approximately $3.5M has not been encumbered.

At 12:52 p.m., Chair Nakaya exited the meeting.
Mr. Dill moved to receive the Statement of Kaua‘i County Water Department’s Revenues and Expenditures; seconded by Mr. McCormick; with no objections, motion was carried with 5 ayes.

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

BACKGROUND:
Ms. Tamaoka reported on the Public Relations Activities.

Press Releases:
January 21st – The Department announced community outreach meeting on Jan. 27th, at Kapa’a Middle School’s dining room regarding the Cost-Savings Analysis Report for the Kahili Horizontal Directionally Drilled Well.
January 31st – The Department announced the completion of a capital rehabilitation project for the Wainiha-Haena water system.

Blackboard Connect CTY Messages:
January 26th – The Department announced repairs were being made to a water main break in Wailua Homesteads. Updates were sent through the County of Kauai’s Facebook webpage.
January 28th – The Department announced a water outage to a portion of Halelani Village, due to a broken valve. Updates were sent through the County of Kauai’s Facebook webpage.

Published Articles:
January 22nd – “Kahili well public meeting on tap,” by TheGardenIsland.com
January 29th – “No well. No way,” by Chris D’Angelo, The Garden Island
February 1st – “Kauai Captured,” by Dennis Fujimoto, The Garden Island
February 1st – “Wainiha-Haena water system renovations completed,” TheGardenIsland.com

Published Letters to Editor:
January 31st – “Sometimes, aloha just doesn’t work,” by Gail Rosen, Lihue
January 31st – “Water conservation, not drilling, the answer,” by Bonnie P. Bator, Anahola
February 2nd – “Too many red flags on ‘Kahili Well’ plan,” by Jay Perreira, Lihue

Kahili Horizontal Directional Drilled Well – Community Outreach Meeting
The Department held a community outreach meeting regarding the Cost-Savings Analysis Report for the Kahili HDD Well, on Jan. 27th, at the Kapa’a Middle School dining room. The Department did not receive any public comments specifically on the Cost-Savings Analysis Report. The meeting’s planning team met on Jan. 30th, to review and assess the outcome of the meeting.

Water Conservation Advisory Group (WCAG):

Project Water Education for Teachers (WET):
Ms. Tamaoka met with Mr. Dan Chang, State Department of Health Safe Drinking Water Branch, to discuss the Department’s existing contract to develop and implement a statewide Project WET for Source Water Protection Education. Mr. Chang advised Ms. Tamaoka that a plan and schedule should be presented at their next meeting on February 26th. Ms. Tamaoka has registered to attend the 2014

**Employee Council (EC):**
Ms. Tamaoka and Mr. Kevin Pongasi will represent the Department on the EC this year. The EC held a meeting on Feb. 13th. The EC Appreciation Luncheon is scheduled for Thursday, April 17.

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

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


*At 12:54 p.m., Chair Nakaya re-entered the meeting.*

Mr. Shiraishi moved to receive Chief of Operation’s Summary Report on Monthly Operational Activities Report; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

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

*Acting* Manager and Chief Engineer highlighted the following:

1. **CONTRACTS AWARDED/EXTENSION/AMENDMENTS:**

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

The State Historic Preservation Division (SHPD) required an archaeological monitoring plan. The Planning Department did not require a Special Management Area Permit. Dollars for the SMA permit was used for the archaeological monitoring plan. This had a no cost change and a $475.00 deduction.
2. **Personnel Matters Update:**

**Operations Division:**
Assistant Chief of Water Operations #2400 – Interviews held
Pipe Fitter - Filled

**Fiscal Division:**
Accounting IV – Filled
Customer Service Representative (CSR) – Interviews held

**Engineering Division:**
CE II #2458 – DOW reviewing duties - CE II position may move to a CE I position
CE V #2358 – Pending eligible list of applicants. Previously an individual was hired as a CE V but had to move back to the mainland.

3. **2014 Legislative Session Update:**
The Department is tracking the following live Bills for this legislative session.

**HB1969** – Relating to Water Royalties - Assesses $1 royalty for every 1000 gallons pumped from the State's aquifers. Dedicates revenues to offset water system project costs. **The DOW has submitted testimony along with Hawai`i County and the Honolulu Board of Water in opposition of this bill**

**SB2667** – Relating to State Water Code - Requires a private person or entity to obtain a permit to withdraw ground water in certain counties. Establishes certain counties as a designated water management area. **The DOW has submitted testimony in opposition of this bill.**

**SB3094** – Relating to Counties - Empowers counties to impose and enforce liens upon premises served for unpaid water or sewer charges after an opportunity to be heard under chapter 91, HRS. Repeals the authority of each county to take over from the State existing waterworks systems and sewer systems and to enlarge, develop, and improve the same. **The DOW submitted testimony in support of this bill.** This bill allows the county to pass rules or ordinance to allow liens.

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


Mr. Shiraishi moved to receive Report of the BAB Fund pay down as of January 2014; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

**J. TOPICS FOR NEXT WATER BOARD MEETING (March)**
1. Draft FY 14-15 Budget –
   - New format for the Draft FY 14-15 Budget will be presented at the Workshop.
   - Budget worksheets will be provided at the March meeting.
   - Budget reports may be done on or before the March agenda posting.
2. **Manager’s Report No. 14 – XX** – New Board Policy proposed draft language for Delegating Routine actions from the Water Board to the DOW’s Manager and Chief Engineer regarding Right of Entry
Energy Savings Project, *Cost Savings Analysis*

4. Inter Fund Borrowing Policy

**K. TOPICS FOR FUTURE WATER BOARD MEETINGS (April)**

2. *Manager’s Report No. 14-24* - Part 4 Section I of the Rules, General Use Rates Proposed Amendments, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
4. *Manager’s Report No. 14 – XX* - Board discussion and possible action for Unaccounted Water
5. Homeland Security with Water Systems
6. Table of Organization Workshop

**L. UPCOMING EVENTS**

2. Public Hearing – Part 2, Section IX of the Rules, Adjustment of Bills for Undetected Leaks and Unforeseen Damages Proposed Amendments *(Date Pending)*
3. AWWA 2014 Hawaii Section Conference, O’ahu, HI *(May 6-9, 2014)*
4. AWWA 2014 Conference, Boston, MA *(June 8-12, 2014)*
5. Make a Splash, Project WET *(September 18, 2014 Tentative)*
6. HWWA 2014 Conference, Kaua'i, HI *(October 15-17, 2014)*

**M. NEXT WATER BOARD MEETING**

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

*At 1:17 p.m., Mr. Dill exited the meeting.*

**N. ADJOURNMENT**

Mr. Shiraishi moved to adjourn the Regular Board meeting at 1:21 p.m.; seconded by Mr. McCormick; with no objections, motion was carried with 5 ayes.

Respectfully Submitted,  
Approved,

Edie Ignacio Neumiller  
Commission Support Clerk

Hugh A. Strom  
Secretary – Board of Water Supply
MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, March 27, 2014

The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, March 27, 2014. Chairperson Clyde Nakaya called the meeting to order at 10:07 a.m. The following Board members were present:

BOARD:  Mr. Clyde Nakaya, Chairperson
         Ms. Laurie Ho
         Mr. Raymond McCormick
         Mr. Sherman Shiraishi
         Mr. Larry Dill
         Mr. Michael Dahilig (entered at 10:14 a.m.)

EXCUSED/ABSENT:  Mr. Hugh Strom

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

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

GUESTS:  Ms. Crystal Jones, Private Citizen
         Ms. Anne Punohu, Private Citizen
         Mr. Friedman J. Bender, Private Citizen
         Mr. Hal Parrott, Private Citizen
         Ms. K. Hoku Cabebe, Private Citizen
         Mr. Chris D’Angelo, The Garden Island Newspaper

ACCEPTANCE OF AGENDA
Mr. Dill moved to accept the agenda; seconded by Mr. Shiraishi; with no objections; motion carried with 5 ayes.

MEETING MINUTES
Review and approval of:
Regular Board Meeting – January 23, 2014

Mr. Shiraishi moved to approve the Regular Board Meeting minutes of January 23, 2014; seconded by Mr. McCormick; with no objections, motion carried with 5 ayes.
At 10:14 a.m. Mr. Dahilig entered the meeting.

E. **CORRESPONDENCE/ANNOUNCEMENTS**

1. Correspondence from Ms. Crystal Jones, dated February 23, 2014 regarding billing dispute

   **Ms. Crystal Jones provided her testimony**

Ms. Crystal Jones provided testimony on behalf of her husband, Mr. Richard Jones who reside at 2405-C Makana Ano Place, Unit 1, Kīlauea. Ms. Jones was not aware of a water leak until it was discovered by Habitat Kaua'i Landscape Services on January 9, 2014. The landscaper repaired the leak on January 10, 2014 which was caused by a stand pipe on their property fence line.

On Friday, January 24, 2014, Ms. Jones received an extremely high water bill of $3,388.32. On the following Monday, Ms. Jones came to the Department of Water (DOW) and spoke to Meter Reader Supervisor, Gloria Rafael to inquire why she was not notified of the high water leak. Ms. Rafael explained that no contact number was on file but after Ms. Rafael rechecked the file, there was in fact a contact number.

Based on the water profile, the leak appears to have begun on December 20, 2013, and continued until January 9, 2014. A leak adjustment of $1,884.02 was credited on Mr. Jones’ account on February 10, 2014. Included with the response from the DOW was an offer to work with the Department and to develop a payment plan, to avoid incurring late payment fees.

**DISCUSSION:**
Chair Nakaya agreed with the Department that the leak adjustment rule was followed.

Waterworks Controller, Ms. Yano added that the meter was read on January 14, 2014 after the leak was repaired. Before January 14, 2014, the Department would not have known what the water usage was. Ms. Rafael downloaded the water use profile after January 14, 2014, because of the high water use. When a water use profile is generated by the DOW and there is a high usage, the DOW typically provides a courtesy call to the customer. The courtesy call is not a DOW requirement. It is the customer’s responsibility to maintain their waterlines beyond the meter box. Ms. Rafael tried to contact Ms. Jones but the water leak had already been fixed.

A DOW payment plan is available for the customer to take up to one (1) year to pay their outstanding bill with no interest. If the customer requires a payment plan longer than one year, the Department will continue to work with the customer to develop a reasonable payment plan. Delinquent balance notices are generated and sent to the customer after three months and then the water meter would be turned off. Delinquent balances generate a ½% interest charge but are stopped once a repayment plan is established. Currently, Ms. Jones is making $50.00 payments so that her water is not turned off.

Mr. Dill agreed with the Department that it is the customer’s responsibility to maintain any plumbing issues that are beyond the meter and does not want to deviate from the rules. A future rule change on the leak rebate would not make a significant impact.

The Board sympathized with Ms. Jones’ situation and assured her that the Department would work on an affordable repayment plan and to provide assistance on how to read her meter.
A copy of the Standard Operating Procedure (SOP) on the Department’s repayment plan would be provided to Mr. Shiraishi.

Mr. Shiraishi moved to receive correspondence from Ms. Crystal Jones, dated February 23, 2014 regarding the billing dispute with no action from the Board and requested the Fiscal Division to work with Ms. Jones on an affordable repayment plan; seconded by Ms. Ho; with no objections, motion was carried with 6 ayes.

2. Correspondence from Mr. James. Y. Nakayama, KMH, LLP, dated March 10, 2014 regarding the Department of Water’s Audit Statement on Auditing Standards No. 114, and the Auditor’s communication

Mr. Dill commended the Department on making progress on the audit as noted on Mr. Nakayama’s correspondence which stated: “The Department made improvements to reduce the number of entries recorded during the 2013 audit and were able to start the audit fieldwork a week earlier that the previous year.”

Mr. Shiraishi moved to receive the correspondence from Mr. James. Y. Nakayama, KMH, LLP, dated March 10, 2014 regarding the Department of Water’s Audit Statement on Auditing Standards No. 114, and the Auditor’s communication; seconded by Mr. McCormick; with no objections, motion was carried with 6 ayes.

F. OLD BUSINESS
None

G. NEW BUSINESS

Ms. Anne Punohu, Private Citizen provided her testimony.

Ms. Punohu shared her appreciation of Civil Engineer VI, Mr. Keith Aoki who graciously received her communications. Instead of testifying at the recent community outreach, Ms. Punohu wanted to take a different approach. As a practicing Kahu (Ordained Minister) for twenty-five years, she did not want to speak of her practices. She stated that the element that was missing from the project was the issue of religious practices. Her background also included being a former irrigator and farmer.

Ms. Punohu was aware of the drilling technology associated with the project and was in favor to suspend the Kahili Directionally Drilled Horizontal Well Energy Savings Project until the project could be explained to the general public with a “hands on” approach (i.e., using 3-D modeling videos).

Ms. Punohu expressed and inquired regarding:
1) Fracking (the process of hydraulically fracturing rock to extract gas, oil, water, etc.). She was under the impression that horizontal directional drilling involved fracking.
2) She wanted to know where is the water going.
3) She suggested to suspend major developments that use the large amounts of water until the entire water system has been upgraded.
Ms. Punohu thanked the Board for hearing her testimony.

**Mr. Friedman J. Bender, Private Citizen provided his testimony.**

Mr. Bender is a north shore resident for 35 years and stated that many experts have researched, deliberated, planned and designed the project for a considerable time. Based on the article in The Garden Island, the drilling plan requires $50M. He feels the project was not a popular project and was a bad idea from the beginning.

Mr. Bender provided alternatives for the Department to hire 100 or 200 employees to put the old irrigation system back in operating order and to open existing tunnels and ditches to supply and maintain water to the island.

By dropping the project, Mr. Bender suggested that the Department could use their energy to add to the island rather than taking from the heart of the island.

Chair Nakaya thanked Mr. Bender for his testimony.

**BACKGROUND:**

*Acting* Manager and Chief Engineer, Mr. Saiki recommended to the Board to accept the cost-savings analysis study and to suspend the project and cancel Contract No. 539 with Mears Group, Inc. due to not enough staff for the proper allocation of this project.

**DISCUSSION:**

Ms. Ho referred to Mr. Williams’ letter which stated: “there is a cost to terminate the contract” and questioned if this information was correct.

*Acting* Manager and Chief Engineer, Mr. Saiki stated that the Department is negotiating with the Mears Group on the final invoice payment. If the negotiation does not work, Mears would only be paid based on what was accepted in the contract.

The cost on the proposed action from the consultant to complete a water resources study and to prepare a technical feasibility study has not been discussed.

Current staffing remains at two (2) since the project started to present.

Mr. McCormick would have liked the Department to complete the Environmental Impact Statement (EIS) to answer the community’s unanswered questions. He was unsure if the suspension meant to kill the project. From an engineering standpoint, Mr. McCormick commented that the EIS would indicate if the project would harm the environment and answer the cultural issues.

The rational to suspend the project as expressed by Mr. Dahilig was due to not enough expansion projects generated by the Department. He recommended that the Department focus on expansion projects to pay down the DOW’s debt.

Mr. Dahilig moved to accept *Manager’s Report No. 14–35* on Job No. PLH-03 – Water Plan 2020 Kahili Directionally Drilled Horizontal Well Energy Savings Project and to cancel Contract No. 539, seconded by Mr. Shiraishi; with no objections, motion was carried with 4 ayes, 2 nays (RM, LD).
2. **Manager’s Report No 14-36** - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Water Quality Division

Withdrawn by *Acting* Manager and Chief Engineer, Kirk Saiki; will be on April agenda.

3. **Manager’s Report No 14-37** - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Information Technology Section

Withdrawn by *Acting* Manager and Chief Engineer, Kirk Saiki; will be on April agenda.

4. **Manager’s Report No. 14-38** - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Operations Division

Withdrawn by *Acting* Manager and Chief Engineer, Kirk Saiki; will be on April agenda.

5. **Manager’s Report No. 14-39** - Request for Board Approval on the proposed and revised Table of Organization for the Engineering Division

**BACKGROUND:**
*Acting* Manager and Chief Engineer, Mr. Saiki recommended that the Board approve the proposed Engineering Table of Organization to downgrade the CE II to a CE I position.

Mr. Shiraishi moved to approve **Manager’s Report No. 14-39** - Request for Board Approval on the proposed and revised Table of Organization for the Engineering Division; seconded by Ms. Ho.

**DISCUSSION:**
Mr. Dill requested to refer **Manager’s Report No. 14-39** back to the Department to check with the Department of Personnel Services regarding the Table of Organization (TO) structure of CE positions.

If a CE I was hired, the Department would not have to come back to the Board if a CE I moves to a CE II. This would avoid micro managing as long it is within the Department budget.

In the past, DPS would not accept the TO because it was not signed by the Board Chair. Deputy County Attorney, Andrea Suzuki will follow up with DPS on the acceptance policy of the TO.

Mr. Shiraishi withdrew his motion; Ms. Ho withdrew her second.

*Acting* Manager and Chief Engineer, Mr. Saiki withdrew **Manager’s Report No. 14-39** - Request for Board Approval on the proposed and revised Table of Organization for the Engineering Division which will be on the April agenda.


**BACKGROUND:**
*Acting* Manager and Chief Engineer, Mr. Saiki recommended that the Board delete Board Policy No. 4 – Extension of Completion Time for Construction Contracts. The only time the Board would be involved is when there is a monetary change order.
DISCUSSION:
Mr. Shiraishi commented that Extensions of Completion Time should be within the purview of the Manager and that many of the reasons listed in Board Policy No. 4 for an extension of time are probably already covered by contract provisions. The Board should not get involved with the interpretation of contract provisions relating to extensions of time, nor should the Board get involved with the negotiations and discussions with contractors regarding requests for extensions of time.

Mr. Dahilig moved to approve and delete Board Policy No. 4 – Extension of Completion Time for Construction Contracts; seconded by Mr. McCormick; with no objections, motion was carried with 6 ayes.

H. REPORTS
MONTHLY
1. Statement of Kauaʻi County Water Department’s Revenues and Expenditures

BACKGROUND:
Ms. Yano noted the Revenues and Receipts went down based on the water usage dropping.

Mr. Dahilig moved to receive the Statement of Kauaʻi County Water Department’s Revenues and Expenditures; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 ayes.

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

Mr. Dahilig moved to receive Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.


BACKGROUND:
Mr. Reyna highlighted that overtime is stabilizing and going down from September 2013 since the Stand By Policy went into effect. The available field operation crew are paid and placed on Stand By for emergencies has improved overtime costs. The Stand By rate is 25% of the crew’s daily rate.

Mr. Reyna and Ms. Yano will work on answering the following questions asked by the Board:
1) The net effect of the cost savings with overtime (which decreased).
2) What the Department is paying the field crew on Stand By (which increased)

Mr. Shiraishi moved to receive Chief of Operation’s Summary Report on Monthly Operational Activities Report; seconded by Mr. McCormick; with no objections, motion was carried with 6 ayes.

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

BACKGROUND:
Acting Manager and Chief Engineer, Mr. Saiki highlighted the following:

1. Personnel Matters Update:
   Fiscal Division:
Accountant II – Selection was made pending clearance with DPS.
Customer Service Representative I – Selection was made pending clearance from DPS.

Engineering Division:
Mr. Aoki reported that the Human Resources Coordinator, Ms. Debra Peay is following up on the CE V position based on not enough applicants.

2. Hawai’i Rural Water Association (HWRA)
On March 3rd, Acting Manager and Chief Engineer, Mr. Saiki attended the HWRA Board Meeting who will be the Kaua’i representative.

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

   a. Report of the BAB Bond pay down as of February 2014

Mr. Shiraishi moved to receive the Report of the BAB Bond pay down as of February 2014; seconded by Ms. Ho; with no objections, motion was carried with 6 ayes.

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

1. Pursuant to Hawai’i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to provide the Board with a consultation regarding the duties and liabilities as it relates to the Board’s contractual obligations under Job No, PLH-03 Water Plan 2020 Kahili Directionally Drilled Horizontal Well High Energy Savings Project. This briefing and consultation with the Board counsel involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item. [Not entertained]

J. TOPICS FOR NEXT WATER BOARD MEETING (April)
1. Finance Committee Report: a) Facilities Reserve Charge and b) Rate Increase Deferral
2. Manager’s Report No 14-36 - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Water Quality Division
3. Manager’s Report No 14-37 - Request for Board Approval on the proposed and revised Table of Organization Reallocation for the Information Technology Section
4. Manager’s Report No. 14-38 - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Operations Division
5. Manager’s Report No. 14-39 - Request for Board Approval on the proposed and revised Table of Organization for the Engineering Division
6. Chairperson’s Report – Discussion and action steps concerning selection process for a new Manager and Chief Engineer of the Kaua’i County Water Department (2)
7. New Board Policy for DOW Intra Fund Transfer
8. 2 Resolutions for DOW’s 2013 Employee of the Year
9. Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements for the Department of Water, Līhu'e, Kaua'i, Hawai'i, Contract Award Funding & Approval
   a. Manager’s Response from PLH-39 Workshop
10. BAB- Project List Changes – Resolution for FY 2013-2014, Request for the Addition of Six (6) Projects, H-05 Weke, Anae, and Hee Roads 6” and 8” Main Replacement; K-18 8” Waterline Replacement along Halewili Road; LO-08 Kōloa Road Main Replacement; Ani-01b 'Anini and Kalihiwai Road Main; KP-09 MCC, Chlorination Facilities, Kōloa Well 16-A and 16-E; PLH-35b Kapaia Cane Haul Road 18” Main

11. Draft Budget FY 14-15

K. **TOPICS FOR FUTURE WATER BOARD MEETINGS (May)**
   2. *Manager’s Report No. 14-24* - Part 4 Section I of the Rules, General Use Rates Proposed Amendments, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
   4. New Board Policy for Delegating Routine actions from the Water Board to the DOW’s Manager and Chief Engineer regarding Right of Entry
   5. Board discussion and adoption of FY2014-2015 Goals for the Manager
   6. Board discussion and possible action for Unaccounted Water Reporting

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

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

N. **ADJOURNMENT**

Mr. Shiraishi moved to adjourn the Regular Board meeting at 11:36 a.m.; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

Respectfully Submitted,                     Approved,

Edie Ignacio Neumiller                                Hugh A. Strom
Commission Support Clerk                      Secretary – Board of Water Supply
The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, April 24, 2014. Chairperson Clyde Nakaya called the meeting to order at 10:00 a.m. The following Board members were present:

**BOARD:**
- Mr. Clyde Nakaya, *Chairperson*
- Ms. Laurie Ho
- Mr. Hugh Strom
- Mr. Sherman Shiraishi
- Mr. Larry Dill (*entered at 10:01 a.m.)*
- Mr. Michael Dahilig (*entered at 10:04 a.m.)*

**EXCUSED/ABSENT:** Mr. Raymond McCormick

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

**STAFF:**
- Mr. Kirk Saiki
- Mr. Val Reyna
- Ms. Marites Yano
- Mr. Dustin Moises
- Mr. Eddie Doi
- Mr. Keith Aoki
- Ms. Kim Tamaoka
- Mr. Carl Arume
- Mr. Jeff Mendez
- Ms. Sandi Nadatani-Mendez
- Ms. Debra Peay
- Ms. Christine Ėrorita
- Ms. Mary-jane Garasi
- Deputy County Attorney, Andrea Suzuki

**GUESTS:**
- Mr. Mark G. Valencia, Attorney for Makaleha Gardens
- Mr. Chris Singleton, Makaleha Gardens, LLC Managing Member
- Ms. Kacy Chatfield, Realtor, Hawai‘i Life Real Estate Brokers
- Mr. Lelan Nishek, Kaua‘i Nursery & Landscaping
- Mr. Hall Parrott, Private Citizen

**ACCEPTANCE OF AGENDA**
Chair Nakaya ordered to take up first *Manager’s Report 14-41* - Resolution No. 14-8 – Peter Sapinoso, Department of Water’s 2013 Employee of the Year and *Manager’s Report 14-42* - Resolution No. 14-9 – Keith Konishi, Department of Water’s 2013 Employee of the Year with no objections.

Ms. Ho noted the correct spelling of Sapinoso (not Sapinosa).

Ms. Ho moved to accept the agenda as amended; seconded by Mr. Shiraishi; with no objection, motion carried with 5 ayes.

**MEETING MINUTES**
*Review and approval of:*
Regular Board Meeting – February 27, 2014
Ms. Ho moved to defer the Regular Board Meeting minutes of February 27, 2014 to the May Board meeting for corrections to be incorporated; seconded by Mr. Shiraishi; with no objections, motion was carried with 5 ayes.

**Review and approval of:**

Executive Session – February 27, 2014

Mr. Shiraishi moved to approve the Executive Session minutes of February 27, 2014; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

*At 10:04 a.m., Mr. Dahilig entered the meeting.*

**E. CORRESPONDENCE/ANNOUNCEMENTS**

1. Correspondence from Mr. Christopher Singleton, Makaleha Gardens, LLC, dated April 8, 2014 regarding TMK 4-6-06:019 and 4-6-06:017, Subdivision No. S-2103-23

   *Mr. Mark Valencia of Case, Bidwell, Lombardi represented Mr. Christopher Singleton, Makaleha Gardens, LLC provided testimony.*

   Mr. Valencia understood the tentative conditional approval was given for six (6) additional 5/8” meters for TMK 4-6-06:019 and 4-6-06:017, Subdivision No. S-2103-23. Hawai’i Life Real Estate Broker, Ms. Kacy Chatfield explained that based on the additional six (6) water meters, an agreement was entered with another partner for entitlement on two (2) water meters. Mr. Valencia requested a deadline for the Board’s action on the six (6) additional meters.

   Mr. Shiraishi questioned if the Board has the purview to determine the number of meters.

   *At 10:14 a.m., the Board moved into Executive Session.*

**I. EXECUTIVE SESSION**

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

Mr. Dahilig moved to go into Executive Session to consult with Deputy County Attorney, Andrea Suzuki pursuant to HRS 92. The briefing and consultation involved consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item; seconded by Mr. Dill; with no objections, motion carried with 6 Ayes (ROLL CALL: LH, HS, SS, MD, LD, CN).

*At 10:39 a.m., Chair Nakaya called the Regular Board meeting back to order.*

Mr. Dahilig moved to receive the correspondence from Mr. Christopher Singleton, Makaleha Gardens, LLC, dated April 8, 2014 regarding TMK 4-6-06:019 and 4-6-06:017, Subdivision No. S-2103-23 and referred the matter to the Deputy County Attorney, Andrea Suzuki for potential action and disposition; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 ayes.

**F. BOARD COMMITTEE REPORTS**

None

**G. OLD BUSINESS**

None
H. NEW BUSINESS

5. Manager’s Report No. 14-41 - Resolution No. 14-8 – Peter Sapinoso, Department of Water’s 2013 Employee of the Year

*Acting* Manager and Chief Engineer, Mr. Saiki and the Board members congratulated Peter Sapinoso as the 2013 Employee of the Year.


*Acting* Manager and Chief Engineer, Kirk Saiki and the Board members congratulated Keith Konishi as the 2013 Employee of the Year. (*Keith Konishi was not available at the meeting.*)

1. Manager’s Report No. 14-36 - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Water Quality Division

**BACKGROUND:**

Water Microbiologist IV, Mr. Arume reported on the updated position descriptions for the Water Quality Division. The Water Microbiologist IV and Chemist III report to Mr. Arume as shown on the Table of Organization (TO) and Mr. Arume reports to the *Acting* Manager and Chief Engineer.

Mr. Dill moved to approve Manager’s Report No. 14-36 - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Water Quality Division; seconded by Mr. Shiraishi; with no objections, motion carried with 6 ayes.

2. Manager’s Report No. 14-37 - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Information Technology Section

**BACKGROUND:**

*Acting* Manager and Chief Engineer, Mr. Saiki recommended the Board approve the funding to reallocate the Information Technology (IT) Specialist I position to an Information Technology Specialist III position due to increased responsibility.

IT Specialist I previously performed the following duties:
- Lead Customer Care & Billing (CC&B) trainer.
- Liaison between the Department and Honolulu Board of Water Supply on billing issues and works with the Waterworks Controller, Ms. Yano.
- Redesigned and maintained the phone system.

Additional duties include:
- Coordinates the Hawai’i Water Works Association conference on Kaua‘i.
- Coordinated the 2013 Project Wet Make a Splash program.
- Provided Public Relations (PR) support when the PR position was vacant.

**DISCUSSION:**
The original request to reallocate the IT Specialist I to an IT Specialist II was initially submitted to the previous Manager in September 2013. This request was held up because only one reallocation could be done a year. As a result, the request was not submitted to the Department of Personnel Services (DPS).
Mr. Shiraishi moved to approve Manager’s Report No. 14-37 - Request for Board Approval on the proposed and revised Table of Organization Reallocation for the Information Technology Section; seconded by Mr. Dahilig; with no objections, motion carried with 6 ayes.

3. Manager’s Report No. 14-38 - Request for Board Approval on the proposed new positions and revised Table of Organization Reallocations for the Operations Division

BACKGROUND
Chief of Water Operations, Mr. Reyna proposed the following reallocations and new positions:

Reallocations:
- Maintenance Worker II (WS-9) to Waterworks Construction and Maintenance Supervisor I (WS-11)
- Water Service Supervisor III from FII-09 to FIII-09
- Auto Mechanic II (WS-10) to Heavy Vehicle and Construction Equipment Mechanic II (WS-11)
- Maintenance Worker I (BC-9) to Construction and Maintenance Worker I (BC-11)

Note: Two personnel being reallocated were previous 2010 Employee of the Year (Maintenance Worker II) and 2012 Employee of the Year (Auto Mechanic II).

New Positions:
- Groundskeeper (BC-2)
- Equipment Operator (BC-9)
- Senior Account Clerk (SR-13)

DISCUSSION:
Mr. Dill was not in favor of approving the new positions for next year’s fiscal budget because the positions are not urgent.

A recommendation by Mr. Dahilig would be to submit the positions to DPS right away because it takes 8 to 10 months for approval. Mr. Reyna also pointed out the other counties have similar job descriptions.

Mr. Dahilig moved to approve Manager’s Report No. 14-38 - Request for Board Approval on the proposed new positions and revised Table of Organization Reallocations for the Operations Division; seconded by Mr. Strom; with no objections, motion carried with 5 ayes and 1 nay (LD).

4. Manager’s Report No. 14-39 - Request for Board Approval on the proposed and revised Table of Organization for the Engineering Division

Mr. Shiraishi moved to approve Manager’s Report No. 14-39 - Request for Board Approval on the proposed and revised Table of Organization for the Engineering Division; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

7. Manager’s Report No. 14-43 - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Fiscal Division

Manager’s Report No. 14-43 was distributed to the Board and “Received for the Record.”
MANAGER'S REPORT No. 14-43

April 24, 2014

Re: Request for Board Approval on the proposed and revised Table of Organization and Reallocation for the Fiscal Division

RECOMMENDATION:
It is recommended that the Board approve the proposed Fiscal Table of Organization.

FUNDING:
15. Salaries

BACKGROUND:
The Fiscal Division is finally fully staffed after a four (4) year recruiting and hiring process to fill vacant positions that resulted from the retirement of several senior fiscal division staff which occurred in 2009 to 2010. First, the Accounting Section Supervisor (Accountant IV), then the Fixed Assets Accountant (Accountant III) and finally the head of the Fiscal Division (Water Works Controller) retired from the fiscal division.

At the same time, the Fiscal Division undertook significant projects such as the Water Rate Study, the FRC Study, the CC&B conversion, and the IT Strategic Planning and Study. We are now undergoing the implementation of the 1st phase of the IT plan which is the creation and implementation of a new simplified chart of accounts, a purchase requisition and budgeting system which is interfaced with the Purchase Order system in Microsoft Dynamics. This is much more than an IT process. It is the complete restructuring of the fiscal division's workflow and systems. At the finish of this process we will be able to deliver better, more timely reporting to the Board and Management.

A major group of capital projects were also completed. The graph below denotes the spike in completed major project accounting in FY 2012:
In FY 2013 our focus was on the cleanup of minor projects as indicated in the decrease in the number of jobs residing in Construction in Progress. A major clean-up of general ledger accounts was also initiated during this dynamic period of time with a reduced staff. We collapsed 431 Construction in Progress general ledger accounts to 3, and collapsed 43 equity general ledger accounts to 2. We implemented GASB 51 in 2013 and are working with our IT consultants to further refine our implementation of GASB 34.

All these major complex tasks were completed because we have capable, knowledgeable and skilled accountants within the Fiscal Division.

The Accountant I was previously approved as an Accountant II, due to changes in accounting that our consultants have recommended and we are putting into place.

The Accountant III, whose responsibility was primarily Fixed Asset accounting, has moved to more complex responsibilities including debt reconciliations including the calculation of Note 6, FRC reconciliations, Accounts Receivable reconciliations and Special Projects, plus higher level accounting analysis. The County’s Central Accounting Analyst (SR-26) “assists in the administration of the fiscal and accounting system for the County of Kauai; develops, modifies and implements accounting processes, procedures and functions; analyzes fiscal and accounting data for centralized reporting purposes.” In the 2 years the Accountant III has been with the DOW she has completed major projects of this order. She created a subsidiary ledger system for Construction In Progress, implemented GASB 51 (intangible assets), wrote a Capitalization SOP that was approved last year, developed an Excel based method for categorizing and reconciling Operations salaries needed to replace a DOS based system. She is involved in formulating systems for Billing to comprehensively reconcile Receivables and Cash. She is also involved with the new IT process utilizing her knowledge of governmental accounting obtained through 20 plus years’ experience with local governments. SR-26 is easily justified for this position; we are requesting SR-24.

Also for our Accountant IV to a Fiscal Accounting Analyst where she will take on reviewing entries into the General Ledger in addition to monitoring the Budget and its processes.

Also relevant, the County’s higher level accountants are at the EM level as demonstrated in their accounting department’s organizational chart below (prepared from County budget records). Please note that the County’s Finance Director and Assistant Finance Director are not listed.
The Waterworks Controller manages the Fiscal Division and is responsible for administering the fiscal programs of the Department. This position is accountable for the overall preservation of the financial integrity of the Department through internal control and annual financial audits. One of the programs assigned is the preparation of financial statements and other statistical reports; review and analyze financial and statistical data that helps the Department in rate making structure and other management decisions. In addition, the Controller prepares budget forecasts and assist the Manager in the preparation of the annual budget. These functions are above and beyond the duties of the Accounting Systems Administrator, who has an equivalent EM 7 position at the Finance Department, County of Kauai.

In view of the foregoing, I hereby respectfully request that the Board approve a revised table of organization for the Accounting Section to appropriately allocate the existing staff within the proper level of accounting duties, and functions that they are currently performing.

Accountant I SR 18 to Accountant II SR 20 (previously approved)
Accountant III SR 22 to Accountant IV SR 24
Accountant IV SR 24 to Fiscal Accounting Analyst SR 26
Procurement Specialist IV SR 22 to Procurement Specialist III SR 20
Waterworks Controller EM 5 to EM 7

OPTIONS:
1. Approve – This will allow the DOW to realign Fiscal Accountants with County of Kauai counterparts.

2. Disapprove – Existing staff could potentially seek higher positions within the county jurisdiction

Respectfully submitted,


Maries Yano
Waterworks Controller
CONCURRED:

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

Attachments: Current Table of Organization (Fiscal)
Proposed Table of Organization (Fiscal)

Mgmt/2014/04-43 Request for Board Approval on the proposed and revised Table of Organization and Reallocation for the Fiscal Division (4-24-11

PREPARED BY: DEPARTMENT HEAD DATE

APPROVED BY: BOARD CHAIRPERSON DATE
BACKGROUND:
Ms. Yano recommended to the Board that the accounting staff’s pay range be upgraded.

DISCUSSION:
Chair Nakaya and Mr. Dahilig requested to see the dollar amount of each of the proposed positions to accommodate the reallocations which was missing from the report.

Acting Manager and Chief Engineer, Kirk Saiki withdrew Manager’s Report No. 14-43 - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Fiscal Division which will be resubmitted with dollar amounts on the requested reallocations in the May agenda.

8. Manager’s Report No.14-44 - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Water Resources and Planning Division

BACKGROUND:
Civil Engineer VI, Mr. Doi recommended to reallocate the Engineering Drafting Technician III position to an Engineering Drafting Technician IV based on additional duties.

The Water Resources and Planning Division have crossed trained staff to provide better customer service and to assist in projects when needed.

Mr. Shiraishi moved to approve Manager’s Report No.14-44 - Request for Board Approval on the proposed and revised Table of Organization Reallocations for the Water Resources and Planning Division; seconded by Ms. Ho; with no objections, motion was carried 6 ayes.

9. Manager’s Report No. 14–45 - Resolution No. 14-7 BAB - Project List Changes – Resolution for FY 2013-2014, Request for the Addition of Six (6) Projects, H-05 Weke, Anae, and Hee Roads 6” and 8” Main Replacement; K-18 8” Waterline Replacement along Halewili Road; LO-08 Kōloa Road Main Replacement; Ani-01b 'Anini and Kalihiwai Road Main; KP-09 MCC, Chlorination Facilities, Kōloa Well 16-A and 16-E; PLH-35b Kapaia Cane Haul Road 18” Main
Mr. Dahilig moved to defer Manager’s Report No. 14-45 after Manager’s Report No. 14-48 which discusses projects regarding to the bond that is being spent; seconded by Mr. Shiraishi; with no objections, motion carried with 6 ayes.

10. Manager’s Report No. 14-46 - Grant of Easement for Job No. 02-08, Water Plan 2020 Project HE-08, Rehabilitation of Eleele Twin 0.4 MG Steel Tanks, Eleele, Kauai, Affecting the Following Landowner: 1) McBryde Sugar Company, Limited, affecting TMK(s): (4) 2-1-01-027, Eleele, Kaua’i, Hawai’i

BACKGROUND:
Acting Manager and Chief Engineer, Mr. Saiki recommended the Board approve the Grant of Easement 14-A documents, the Declaration of Abandonment, Cancellation and Surrender of Access Easement 14 on the Eleele Twin tanks for McBryde Sugar.

Mr. Shiraishi moved to approve Manager’s Report No. 14-46 - Grant of Easement for Job No. 02-08, Water Plan 2020 Project HE-08, Rehabilitation of Eleele Twin 0.4 MG Steel Tanks, Eleele, Kauai, Affecting the Following Landowner: McBryde Sugar Company, Limited, affecting TMK(s): (4) 2-1-01-027, Eleele, Kaua’i Hawai’i; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

11. Manager’s Report No. 14-47 – Request for Board Approval on Job No. 11-10, WP2020 #K-18, 8-inch Water Main Replacement Halewili Road (Kaumuali’i Highway to Haku Hale Street) Kalāheo, Kaua’i, Hawai’i

Mr. Dill moved to approve Manager’s Report No. 14-47 – Request for Board Approval on Job No. 11-10, WP2020 #K-18, 8-inch Water Main Replacement Halewili Road (Kaumuali’i Highway to Haku Hale Street) Kalāheo, Kaua’i, Hawai’i; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.


BACKGROUND:
Construction Project Management Officer, Mr. Moises presented a follow up from the March 7, 2014 Workshop. Answers to the questions were provided by the Waterworks Controller, Engineering Division, and Water Resources and Planning.

DISCUSSION:
Mr. Shiraishi pointed out a miscalculation on Item No. 5 – Estimated FRC Generated meters for Job No. 11-09, Kukuiolono 0.5 MG, 866’ Tank which should be $6M (not $642,400).

Clarification on Item No. 1B was discussed and that the Department is responsible for the $8.5M ($4.1 interest for debt service + $4.4 principal). In FY 2015, $1M is projected to be collected from the current FRC rate of $4,600 with a shortfall of $1.5M a year. The remaining FRC balance at the end of the year would be less than $1M. A Resolution would create an inter-fund transfer with the FRC if there wasn’t a remaining balance.

Mr. Dill commented if the Department increased the FRC to $14,160, $3M would satisfy the $2.5M debt service requirement. An assumption on the number of meter applications every year remains the same. The change in the FRC increase would not have an effect on the amount of meters requested.
A discussion on the worst case scenario in the event the meter demand drops followed:

- Based on the 2011 rate study, rates were set to assume there would be FRC revenue.
- Based on the assumption, the Department would only get $504,000 annually between 2012 – 2016. The rates could carry the debt (with the current FRC rate of $4,600).
- Total debt service could be paid with water rates that were approved at 11.8% (monthly billing rate increase) based on $4,600. From the rate study, the rates were developed to meet the replacement and to cover the FRC debt service.

Mr. Dahilig clarified the debt service is being paid by the rate payers to cover another type of debt but not to expand the system. Deputy County Attorney, Andrea Suzuki explained all rate studies and rate meetings were open to the public.

Three (3) expansion projects (in design) would provide 1,300 meters at $19M which are Kukuiolono Tank, Kapa’a Homestead Tank (est. completion June 2014), and the Kapa’a Homestead Well. Currently, there are no big tank projects coming up. There is a need to work on source projects.

Chair Nakaya expressed finalizing the FRC and to get the projects out.

Ms. Yano noted that the $2.5M FRC share in the debt service is based on the 30% allocation on the Build America Bond (BAB). 30% of the $60M was spent on expansion. $18M is targeted for expansion but to date; only $8M has been encumbered. It would be hard for staff to wait for revenue to pay for the debt service before a project can start.

Major concerns were expressed by Mr. Dahilig regarding a trend that is not being reversed or aligned for the building. He questioned the following:

1. How many applicants are coming in for meters?
2. How much is the Department charging?
3. How many meters are available?
4. Is the Department sustainable to supply, cost, and demand?

The Department could fund the building, but Mr. Moises questioned if the Department wanted to fund the building. Revenue is available for a building, tanks, pipelines or wells. The Department has begun looking at the revenue and to aggressively work on a high percentage of rehab and replacement projects.

Ms. Ho moved to receive Manager’s Report No.14-48 - Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase I) for the Department of Water, Līhu'e; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.
9. **Manager’s Report No. 14–45** - Resolution No. 14-7 BAB - Project List Changes – Resolution for FY 2013-2014, Request for the Addition of Six (6) Projects, H-05 Weke, Anae, and Hee Roads 6” and 8” Main Replacement; K-18 8” Waterline Replacement along Halewili Road; LO-08 Kōloa Road Main Replacement; Ani-01b ‘Anini and Kalihiwai Road Main; KP-09 MCC, Chlorination Facilities, Kōloa Well 16-A and 16-E; PLH-35b Kapaia Cane Haul Road 18” Main

**BACKGROUND:**
Civil Engineer IV, Mr. Aoki reported the following six (6) projects are ready for construction soon and requested to spend down the BAB funds as soon as possible.

1. **H-05** – Weke, Anae, and Hee Roads 6” and 8” Main Replacement *(in final plan design review)*
2. **K-18** - 8” Waterline Replacement Along Halewili Road *(in final plan design review)*
3. **LO-08** – Koloa Road Main Replacement *(in final plan design review)*
4. **Ani-01b** – Anini and Kalihiwai Road Main
5. **KP-09** – MCC, Chlorination Facilities, Koloa Well 16-A and 16-E
6. **PLH-35b** – Kapaia Cane Haul Road 18” Main

**DISCUSSION:**
The BAB project list (Exhibit A) is replacement or rehab projects and would not generate FRC. Most of the projects on the list have been completed. Other expansion projects not on the list would generate FRC. Some projects are pending approval from the state and other agencies.

If the six (6) projects cost $20M, there would not be enough money to generate FRC, which was a concern from Mr. Dahilig.

*At 12:05 p.m., Ms. Ho exited the meeting.*

*At 12:07 p.m., Ms. Ho reentered the meeting.*

During the meeting, Mr. Moises provided the BAB project status with a PowerPoint presentation. If the six (6) projects are not funded with the $20M, these projects would get funded by another fund in the future. To spend down the BAB was not the full intent because all revenue sources are considered.

*At 12:05 p.m., Chair Nakaya called for a 5 min. recess.*

*At 12:15 p.m., Chair Nakaya called the meeting back to order.*

Some of the BAB projects were approved by Resolution. Projects crossed out on the PowerPoint presentation used different funding sources. During the past two years, projects were funded by the Water Utility Fund (WUF) and grants from the State Resolving Fund (SRF). Currently, $22.085M are to be encumbered; of the $42M encumbered, $37M has been paid out with $5M remaining.

Mr. Dahilig moved to defer *Manager’s Report 14-45* to the May Board meeting pending more information from the Department regarding:

1. The cost on the six (6) BAB projects (Exhibit A).
2. Time line projections on the six (6) BAB projects.
3. Compare the Department’s wish list currently on the BAB list (Exhibit A) with the remaining projects that could be spent.
4. Identify projects in Exhibit A which are FRC generated and non FRC generated; seconded by Mr. Strom, with no objections, motion was carried with 6 ayes.
Mr. Doi and Mr. Aoki will also follow up on:
1. What are the available funds in BAB?
2. Provide input and identify more important projects.


BACKGROUND:
Mr. Moises recommended that the Board approve additional funding for a potential 8th change order for Contract No. 542 with MEI Corporation for construction which is 90% complete. This change order would cost $77,692 to remove all of the water off the roof to obtain the product under warranty.

Mr. Dahilig moved to approve Manager’s Report No. 14-49 – Request Board Approval on 8th Change Order for Job No. 02-17, Maka Ridge Facilities Rehabilitation Plan and Princeville System Interconnection Plan (Water Plan 2020 Project No. H-01, H-02, H-03), Hanalei, Kaua’i; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 ayes.


Manager’s Report No. 14-50 and the Draft Budget FY 14-15 was “Received for the Record.”
One of the considerations when the Board approved the FY11-16 increase was to allow for any shortfall in the Facilities Reserve Charge ("FRC") fund that may have to be covered. It was assumed at that time that 30% of the Build America Bonds ("BAB") would go toward system expansion. We have not yet encumbered the 30% equivalent of this amount. In any case, the BAB started paying debt principal and interest in August 2013. It was not expected rate payers would pay the FRC debt but the water revenue fund has sufficient reserves to allow inter fund borrowing and/or transfers until the FRC fees are sufficient to reimburse the Water Utility Fund. In this budget year, the WUF has sufficient resources to cover the shortfall of FRC Revenues.

Manager’s Report No. 14-50
April 24, 2014
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A. RESOURCES:

![Pie Chart: Water Utility "Resources" - Budget for FY 2014-2015](image)

1. **Beginning Fund Balance** $15M (estimated).

2. **Operating Revenues** $33.33M (projected)

2.1 **Water Sales** - $29.1M. The Department of Water (DOW) is a self-supporting entity of the County of Kauai. As an enterprise fund, DOW generates revenues from the operation of various water systems island wide through water sales. Revenues from water sales account for 90% of our projected revenues. Projection is based upon the new water rate increase effective July 1, 2014. This increase is the last of four (4) yearly water rate increases approved by the Board in conjunction with the 2010 Water Rate Study.

There has been a decline in water usage for the last 7 months. At this time, it is unknown if the water usage trend continue to decline therefore water sales revenue is projected conservatively at a lower scale. We will continue to monitor the usage until the proposed budget is ready to be finalized. These budget proposals may be changed in between until the Finance Committee is ready to make their final recommendation to the Board for approval.
2.2 **Grants - $2.23M.** DOW entered into a “Goods and Services” contract to accept a grant for $230K from the State Department of Health for Project WET. In addition, the State approved the appropriation allotment of $1.3M last fiscal year which is a state grant and the release of funds is contingent upon a specific project going out for construction. The corresponding project is listed under the new capital outlay budget. A $700,725 or 70% of $1,001,107 of BAB Subsidy is also budgeted under WUF, the remaining 30% or $300,332 is allocated to FRC fund.

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2.3 **Revenue from Public Fire Protection - $1.875M.** This is non-cash revenue that we bill the County of Kauai for 2,654 total number of public fire hydrants that DOW maintains island wide. The County doesn’t pay the department for this bill but in exchange, DOW benefits from the county wide services that they provide to the staff.

2.4 Miscellaneous Receipts of $120K. These account for miscellaneous receipts such as Installations, jobbing, late charges, interest income and gain or loss from the disposal of assets.

3. **Transfer from FRC - $1.3M (projected)**

FRC Receipts is estimated @ $1M and 30% of BAB subsidy or $300,332 will be treated as transfers to WUF to partially reimburse related FRC debt service.

**B. USE OF RESOURCES:**

![Water Utility "Uses" Budget for FY 2014-2015](image_url)
1. **Operating Expenses - $26.4M**

The operating expenses are grouped by major expenditure item/s or similar category for this reporting purpose. An Operating Expense Summary and Operating Expense Detail are attached for your further review.

1.1 Salaries for FY 14 are budgeted at $6.1M, and it is $0.8M higher than last year. The increase is attributed to the recently approved union negotiated pay increases and additional hires. Both HGEA and UPW have implemented their respective negotiated pay increases in FY 2014 and another set of approved salary increases will be implemented starting July 1, 2015. Salaries for Executive Managerial Staff and Appointed Staff were budgeted with @ 10% increase to cover Fiscal Years 2014 and 2015.

1.2 Employee benefits of $1.94M cover FICA taxes, Employee Retirement benefits and Health Premiums; the first 2 were calculated based on total salaries while health premiums were fixed amounts based on plan subscriptions. Other Post-Employment Benefits ("OPEB") costs were estimated @ $990K using the average percentage cost of payroll for 3 years. This is only an estimate since there is no actuarial valuation available at this time.

1.3 Services which include Professional Services, Other Services, Public Relations and Miscellaneous Services totaled $5M, an increase of $1.4M as compared to FY 2014 budget. Major projected expenditures under Services category are:
   1.3.1 Professional Services - includes a) Professional Services - General budget of $500K for a hydraulic modeling update. This item was originally budgeted for $125K in the prior year. In addition, a new budget is allocated for PRC and Water rate studies for $40K and $50K respectively. Engineering and Construction Management's budget for preliminary engineering - $60K, feasibility studies - $60K and as needed construction services - $50K, these preliminary engineering costs were budgeted under Capital Outlays in the prior years, b) Accounting and Auditing budget increased by $20K.

1.3.2 Other services - general and billing costs total budget is $708K, an increase of $370K for FY 2015. DOW received a proposal agreement from Honolulu Board of Water Supply ("HBWS") for a proposed service and capital outlay annual recovery cost of $260K. This is a pro-rata share of DOW for HBWS service and capital outlay in hosting the newly developed Customer Care & Billing ("CC&B") system. An additional $100K budget was included for Fiscal change orders and report enhancements that may be required in either the CC&B or Microsoft Dynamics system.

1.3.3 Public Relations' budget amounts to $3318K. This includes an expenditure for an additional $230K grant from the State Drinking Water State Revolving Fund ("SDW SRF").

1.3.4 Miscellaneous services such as Communications, Freight & Postage, Rentals & Leases and Insurance account for $639K in the budget; an increase of $149K from FY 14.

1.4 County Service Charge at $1.875M is a non-cash expenditure where revenues from public fire hydrants are billed to the County of Kauai and the same amount is charged as a contra-expenditure for services rendered by the County to DOW.

1.5 Utility Services which is budgeted at $3.7M, a slight increase of $15K as compared to FY 2014.

1.6 Repairs & Supplies which includes Repairs & Maintenance for water systems, Repairs & Maintenance - Other than water systems, Office & Operating Supplies, Fuel and Bulk Water Purification has a total budget of $4.3M, an increase of $46K. This budget line item is a new expense under current operating expenses. In the prior budget years, this same expense was budgeted under Miscellaneous Capital Expenditures.
1.7 HR Training & Development which includes Books, Publications & Memberships, Training & Development, Travel & Per diem and Meeting expenses for both staff and members of the board. Total budget for this category is $306K, an increase of $100K.

1.8 Interest Expense—total annual interest expense for FY 15 is $4.1M, a decrease of $70K. This item is included in Operating Expenses budget.

2. Capital Outlay - $12.4M
Capital Outlay will be presented separately below.

3. Debt Service—Principal - $4.4M
Annual Debt Service Requirements (DSR) equals $8.5M; $4.4M is for debt principal. In total, total DSR for FY 15 is a decrease of $100K as compared from FY 14 year even though a new service debt of $187K was added for the anticipated loan for the construction of the proposed DOW building. As we pay down the principal of our loans, our annual payments will also be reduced.

4. Reserve Transfer - $3.1M.
Debt Service Reserve transfer is budgeted at $2.1M and another $1.2 M is budgeted for Emergency Reserve transfer. These are not expenditure items but merely a transfer of funds from our water utility general fund which is unrestricted fund to a Debt Reserve Fund which is restricted to debt service payments and Emergency Reserve Fund for emergency use. The Emergency Reserve Fund is in its fourth year (4th) of funding while debt reserve is in its 2nd year of funding. This will bring the emergency reserve total to $4.8M and debt reserve total to $4.2M. This will allow the DOW to reach its goal which is to have 58% of total debt service or the equivalent of 7 months of the annual debt service payments in reserve.

In addition to the operating expenses, debt service and reserve transfers, there is a substantial capital outlay budget. For this presentation, we will be discussing the New Capital Outlay.
New Capital Outlay

Capital Outlay has several components. These are:
1. Capital Purchases:
   - New
   - Rehabilitation and Replacements ("R&R")
2. Capital Projects – R&R
   - Design
   - Construction
3. Capital Projects – Expansion
   - Design
   - Construction

Sources of capital outlay come from Water Utility Fund, Bonds, FRC Fund, Grants and SRF loan proceeds.

Water Utility Fund: $12M

Capital Purchases - $2.5M
   - Replacements. $2.2M. This includes a new budget of $1.5M in AMR transponders and $266K for document imaging system & project management which is a continuation of the IT Plan implementation. In addition, Operations vehicle management program has budgeted $265K for two (2) pick up trucks.
   - New. $298,500. This includes a new request for GIS Map viewer and mapping layers for $199,500, and $99,000 in new equipment for Operations.

Capital Projects – R&R - $2.9M
   - Design budget at $1.2M for 5 proposed projects, 2 of which are funded @ $1.00.
   - Construction budget at $1.65M for 3 proposed projects, one being funded @ $1.00.

Capital Projects – Expansion - $5M
   - Design budget – none
   - Construction budget – 1 proposed project @ $5M.

FRC Fund - None
   - Capital Projects – Expansion - none
   - Design budget – none
   - Construction budget – none

BAB Fund - CIP budget - $22,210,101

Capital Projects – R&R - $16.4M
   - Design budget – none
   - Construction budget – There’s 8 proposed projects, one being funded @ $1.00.

Capital Projects – Expansion - $6,975M
   - Design budget – There are three proposed projects for $165K, one funded @ $1.00
   - Construction budget – There are four proposed projects for $5.8M, one funded @ $1.00.

SRF Fund - $74M

Capital Projects – R&R - $4,000,000
   - Design budget – none
   - Construction budget at $4,000,000 for proposed DOW building.
Mr. Shiraishi moved to receive and refer the Draft Budget FY 14-15 to the Finance Committee; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

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

Mr. Shiraishi moved to receive the Statement of Kaua‘i County Water Department’s Revenues and Expenditures; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

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

Mr. Shiraishi moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Ms. Ho; with no objections, motion was carried with 6 ayes.


BACKGROUND:
Mr. Reyna announced the promotion of Mr. Ryan Smith to Assistant Chief of Operations.

An update for the Board on the dollar amount comparison for overtime (OT) and standby was based on actual OT cost (w/o fringe benefits). For an eight (8) month period comparison since implementing the weeklong Standby, the net value would cost $187.51 a month. The data projected an annual cost increase is $2,250. The intent of Standby is to stabilize OT hours ($40,055 saved on OT; $41,555 spent on standby). During the interview process, applicants were told they must be available 24/7 if called. There is no Standby policy to work OT which the employee can opt out.

Other intangibles were not included in the cost savings:
1. Calculations for money that was saved by the crew responding faster.
2. Non-revenue water saved.
3. Savings from no accidents vs. a quick response.
4. No crew burnout.

Mr. Dill moved to receive the Chief of Operation’s Summary Report on Monthly Operational Activities Report; seconded by Ms. Ho; with no objections, motion was carried with 6 ayes.

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

BACKGROUND:
Acting Manager and Chief Engineer, Mr. Saiki highlighted the following:
1. Agreement with Mr. Michael Fernandez for Volunteer Services to maintain the Nonou Tank site. After checking with Homeland Security requirements for potable water facilities, there were no guidelines for water systems. A background check on Mr. Fernandez with DPS is pending.

2. Contract No. 581 awarded to Oasis Water Systems, Inc., for an emergency procurement for the Kalâheo Well No. 1 repair in the amount of $85,000.00

3. Waiver, Release & Indemnity Applications:
   a) Rice Camp Partners
   b) Longs Drug Stores in Kapa’a

4. IT Strategic Plan – BRIO consultant was on site the week of April 14th to finalize the budget worksheets and the Chart of Accounts.

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

   a. Report of the BAB Bond pay down as of March 2014

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

QUARTERLY

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

BACKGROUND:
Mr. Moises reported that the Līhu'e Baseyard Improvements project received three (3) bids which were over budget. Procurement was cancelled but Mr. Moises is working on reducing the scope. The re-design could be completed by the mid-May and will open bids mid-June. The budget for this project is $8.8M.

Completed construction projects include Wailua Houselots Main, Wainiha Tank, Waipouli Main, and Olohena Roads.

Ms. Ho moved to receive the Quarterly Update on the Construction Management Division; seconded by Mr. Dahilig; with no objections, motion was carried with 6 ayes.

   b. Engineering Division Design Status

BACKGROUND:
Mr. Aoki went over the Engineer Division design status as follows:

- The cost proposal was received for the Amfac Shaft Renovation. Mr. Aoki is currently in negotiations with the consultant.
- Kapa’a Homesteads Tank – The contract amendment is completed for a Geotech second opinion. To save money, the opinion may eliminate the shafts for the tank.
- Job No. K-18 8” Main Replacement along Halewili Road – Plans were approved by the Department; State requirements and agency reviews are being worked on.
- Weke, Anae, and Hee Roads – Received final plans; working on comments.
- Köloa Well D Repairs – Soil test borings were completed; proceeding with design work.
- 17 private projects were submitted for review.
Mr. Dahilig moved to receive the Quarterly Update on the Engineering Division Design Report; seconded by Ms. Ho; with no objections, motion was carried with 6 ayes.

K. TOPICS FOR NEXT WATER BOARD MEETING (June 2014)
   1. Manager’s Report No. 14–45 - Resolution No. 14-7 BAB - Project List Changes – Resolution for FY 2013-2014, Request for the Addition of Six (6) Projects, H-05 Weke, Anae, and Hee Roads 6” and 8” Main Replacement; K-18 8” Waterline Replacement along Halewili Road; LO-08 Kōloa Road Main Replacement; Ani-01b ‘Anini and Kalihiwai Road Main; KP-09 MCC, Chlorination Facilities, Kōloa Well 16-A and 16-E; PLH-35b Kapaia Cane Haul Road 18” Main, BAB update
   2. Chairperson’s Report – Discussion and action steps concerning selection process for a new Manager and Chief Engineer of the Kaua‘i County Water Department (2)
   3. New Board Policy for Delegating Routine actions from the Water Board to the DOW’s Manager and Chief Engineer regarding Right of Entry
   4. Board discussion and adoption of FY2014-2015 Goals for the Manager
   5. Board discussion and possible action for Unaccounted Water Reporting
   6. New Board Policy for Department of Water Inter-Fund Transfer

L. TOPICS FOR FUTURE WATER BOARD MEETINGS
   1. Draft Budget FY 14-15
   2. Manager’s Report No. 13-7 - Part 2 Section IX of the Rules, Adjustment of Bills for Undetected Leaks and Unforeseen Damages Proposed Amendments, Public Hearing Results
   3. Manager’s Report No. 14-24 - Part 4 Section I of the Rules, General Use Rates Proposed Amendments, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
   4. Manager’s Report No. 11-28 – Part 5 of the Rules, Facilities Reserve Charge – New Rule, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)

M. UPCOMING EVENTS
   1. Public Hearing – Part 2, Section IX of the Rules, Adjustment of Bills for Undetected Leaks and Unforeseen Damages Proposed Amendments (May 22, 2014, @ 5:00 pm)
   2. Table of Organization Workshop (Date Pending)
   3. AWWA 2014 Hawaii Section Conference, O‘ahu, HI (May 6-9, 2014)
   4. AWWA 2014 Conference, Boston, MA (June 8-12, 2014)
   5. Make a Splash, Project WET (September 18, 2014)
   6. HWWA 2014 Conference, Kaua‘i, HI (October 15-17, 2014)

N. NEXT WATER BOARD MEETING
   1. Thursday, May 22, 2014, 10:00 a.m.
   2. Thursday, June 26, 2014, 10:00 a.m.
   3. Thursday, July 24, 2014, 10:00 a.m.

O. ADJOURNMENT

Mr. Shiraishi moved to adjourn the Regular Board meeting at 12:55 p.m.; seconded by Ms. Ho; with no objections, motion was carried with 6 ayes.

Respectfully Submitted,                      Approved,
                                          
Edie Ignacio Neumiller                     Hugh A. Strom
Commission Support Clerk                   Secretary – Board of Water Supply
Board Members Present: Clyde Nakaya, Chair, Laurie Ho, Ray McCormick, Michael Dahilig (entered at 10:02 a.m.), Larry Dill (entered at 10:15 a.m.), Sherman Shiraishi (entered at 10:27 a.m.)

Excused: Hugh Strom

Staff Present: Acting Manager and Chief Engineer Kirk Saiki, Mary-jane Garasi, Dustin Moises, Marites Yano, Ann Parrott, Carl Arume, Kim Tamaoka, Sandi Nadatani-Mendez, Eddie Doi, Regina Flores, Fay Tateishi, Keith Aoki

Guests: Hal Parrott (private citizen)

Chair Nakaya called the Board of Water Supply Workshop to order at 10:00 a.m.; three (3) Board members answered present at Roll Call.

AGENDA
Ms. Ho moved to approve the agenda; seconded by Mr. McCormick; with no objections.

NEW BUSINESS
1. Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements for the Department of Water, Līhu'e, Kaua'i, Hawai'i

BACKGROUND:
Construction Project Management Officer, Dustin Moises presented the Līhu'e Baseyard Improvements and history facts. The Master Plan was provided prior to the Board meeting (via iPads).
Overview

- Project History
- Existing Building Conditions
- Design Approach
- Budget Process
- Construction Funding Mechanisms
- Opportunity Costs
- Current Status

Disclaimer: I am not here to sell the project.

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Project History

- **CONSTRUCTION**
  2014 - 2016
- **DESIGN**
  2011 - 2014
- **PLANNING / PERMITTING**
  2011 - 2014
- **MASTER PLAN**
  July 2011
- **WATER PLAN 2020**
  March 2001
Design was completed one week ago with construction to start 2014 – 2015.
The Board selected Scheme 8A. In March 2010, the $60M bond was obtained and pre-design construction cost estimate was adjusted down to $11.3M.

In the current design, Scheme 8.2, parking was switched around and there will be a roundabout before reaching the lobby.
Project History

- **March 21, 2011**: Board Chair Oyama signs letter to Mayor Carvalho to formally request subdivision and land transfer of “triangle” parcel.
- **July 28, 2011**: Board approved the following:
  - Finalized Master Plan (Unanimous approval)
  - Send follow up letter to Mayor and Council with the approved master plan to transfer and subdivide property (Unanimous approval)
The current design should be suitable for the Department’s needs for the next 40 years. The existing DOW building was considered for renovation, but due to the cost to run the Department operations out of trailers, it was decided that to build on the “triangle parcel”, would be more cost-effective.

(Note: Bullet item #4 - “Water Treatment” should be “Sewer Treatment.”)
The parking area accommodates every employee and the anticipated number of customers.

During the Master Plan process, there was a consideration to connect to sewer or to stay with an individual septic system. Department of Health required any facility within 1000 ft. from a well to use an aerobic system. Although an aerobic wastewater treatment system would be more cost-effective, the Board and staff agreed to connect to the sewer.

The office open space and hallways was downsize to 14,999 SF saving $800,000. There are smaller open courtyards and the walkways are ADA compliant.
Project History

- **August 5, 2011**: DOW Manager sent follow up letter to Council Chair Furfaro
- **August 18, 2011**: Board approves 1st contract amendment for Design phase ($598,413) (Unanimous approval)
- **October 27, 2011**: Board approved amended version of August 18, 2011 approval which allowed NTP only after County of Kauai authorized DOW to subdivide on their behalf (Unanimous approval; Mr. Dahlig voted with reservations)
- **November 18, 2011**: County Finance Director authorizes DOW to subdivide on their behalf
- **November 21, 2011**: DOW issues NTP to consultant for 1st contract amendment.
- **December 2011**: Final Environmental Assessment Completed

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Project History

- **March 1, 2012**: Board approves 2nd contract amendment for land rezoning/subdivision issues ($29,325) (Unanimous approval)
- **July 24, 2012**: Public hearing at Planning Commission for Zoning Petition. Planning Commission approved Zoning Amendment for Parcel N-1 from Open (O) to R1-STR.
- **November 14, 2012**: County Council approves Zoning Amendment.
- **March 21, 2013**: Board approves 3rd contract amendment for fire suppression system ($7,292) (Unanimous approval)
Project History

- **April 25, 2013:** Board discussion during quarterly report requested an update on project at next Board meeting to discuss needs.
- **May 2013:** Received Tentative Subdivision Approval
- **May 23, 2013:** Update provided to Board on following:
  - Master Plan process
  - Environmental Assessment Process
  - COK authorization to act on their behalf
  - Rezoning of land process
  - Funding of the project
  - Cost Estimate
  - New Building vs. Existing Building Functions
  - Leasing Information
  - Staff Concerns
  - Expansion vs. Replacement
  - Options provided when asked about what could be built for $4M.

Manager’s Report was only for discussion purposes and did not request any board approval. Manager report was deferred.

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Project History

- **August 22, 2013:**
  - Board discussion of Budget Resolution FY 13-14. The project was $1 funded as a place holder so the project could go out to bid and return to Board for final approval.
  - Manager’s Report 14-09: Provided brief summary on project status:
    - Design nearly complete.
    - Puhi Sewer and Water issues
    - Planning Use Permit issues
    - Informed Board of water rates increased with PLH-39 as a project.
    - Discussed funding options (BAB, SRF, SRF grant, W/U)
    - Provided various options

  Board received report with no objections and stated they look forward to hard numbers in the future. *(Based on actual bids)*
Project History

- **September 10, 2013**: Planning Commission approved Use Permit/Class IV Permit
- **October 17, 2013**: Quarterly update states construction RFP will be advertised and proposals with costs will be presented to Board
- **January 23, 2014**: Board authorizes SRF loan application in the amount of $8.8M. Also requested a Workshop to occur before Board’s final decision regarding new building construction.
  - Motion was carried with 5 ayes, 1 nay (Dahilig)
- **February 11, 2014**: Planning Commission approved Final Subdivision
The sidewalk will be open 24 hours, 7 days a week with no fencing around the perimeter building. Security to enter the building will require a swipe card and pin number.

The existing building was built in 1971 and renovations were performed after Hurricane Iniki. The existing condition of the building could be due to degradation and exposure to the outside elements, maintenance or inherent design.
The new building will have a separation between the cashiers and the public for more protection. Mr. Moises and Mr. Dahilig agreed that the existing conditions could be fixed with minor renovations or maintenance. These conditions do not contribute to the new building but the conditions came up during the planning and design phase. If all positions are filled, there would be no space for workstations. Currently, the engineers do not have room to spread plans out.

Conference rooms are limited.
Filling vacancies has been an issue with the Department, which may be attributed to not having the best working environment. The new building will be capable of accommodating 53 employees if all vacancies were filled.

The covered courtyard is in a central area and no air conditioning is needed.
After bids are received, some items listed above could be deleted. The rain catchment demonstration garden displays water conservation techniques. This system consists of five (5) down spouts. The permeable pavement could also be deleted from the budget after bids are received.
From 3/2010 to 12/2010, the budget estimate = $11.3M
When the User Needs Survey and the Final Master Plan were completed, the budget estimate was $5.3M - $7.7M. This was when the $6M became associated with the project budget.
7/1/11 - cost estimate = $8.7M
1/1/14 - final cost estimate = $9.7M
$7M was allocated during the FY 13-14 budget for design and construction but were not encumbered to date since no designs were completed that would use these funds. This is the difference between the $19M and $12M in water utility.

$8.8M was authorized by the Board for SRF loan application but we are not obligated to take the money if Board does not want to. It is just an option for another funding source in the end.
Rates could be used toward the new building which is included in the Water Rates Study. $7.9M is allocated in the Water Rates Study for construction.

If all monies are encumbered for Wailua and Kahili through 2015, the $4.949M could be taken and would be within the water rate projection.
If the Board accepts $4.949M, the Department would get the $1.7M grant.
### FUNDING MECHANISMS:

**Option 1. BAB fund - $22M.**

**PROS** - New building with:
1. No additional interest incurred.
2. No increase in annual debt service.
3. Increase BAB spending; speed up BAB spend down.

**CONS**
1. Decrease amount available for DOW projects.
2. Does not take advantage of net benefit from SRF $1.684M Grant

**Option 2. W/U fund - $19.6M**

**PROS** - New building with:
1. No additional interest incurred.
2. No increase in annual debt service.

**CONS**
1. Decrease amount available for DOW projects.
2. Does not take advantage of net benefit from SRF $1.684M Grant

**Option 3 - SRF Loan $8.8M**

**PROS**
1. Preserve DOW Cash available for other projects
2. Net Loan Proceeds exceeds total loan payments by $973K
3. New building @ an annual average cost of $400K

**CONS**
1. Annual budget increased by roughly $400K for the additional annual debt service

**Option 4 - SRF Loan $4.949M with balance funded by BAB/WU**

**PROS**
1. Preserve DOW Cash available for other projects
2. Net Loan Proceeds exceeds total loan payments by $1.187M
3. New building @ an annual average cost of $200K

**CONS**
1. Annual budget increased by roughly $200K for the additional annual debt service
Opportunity Costs

- Triple Bottom Line: Economic, Environmental and Social

- Project Evaluation Items:
  - Economic Evaluation
    - Design, Construction, Operations and Maintenance of facility
  - Financial Evaluation
    - Assets such as equities, bonds, notes, mortgages, etc.

- What is opportunity costs?
  - "The loss of potential gain from other alternatives when one alternative is chosen"

- What are our alternatives?
  - Construct Never or > 5 years
  - Construct Later (1-4 years)
  - Construct Now
To date, there are no shovel ready projects. Mr. Moises received a list of 14 projects for FY 14-15 from Civil Engineer VI, Mr. Keith Aoki which had four (4) small projects. The Kīlauea tank (expansion) would generate FRC of about $7M. Mr. Dahilig’s concern was how the Department could create revenue if there are no expansion projects to pay for the debt service. Mr. Dahilig commented that former Manager, David Craddick projected that it would take 200 5/8” meters at $17K to sustain the debt service.
The outcome of the bid proposal would be announced at the May 2014 Board meeting.
DISCUSSION:
In Phase 2 of the Master Plan, the existing building walls could be knocked down to build an equipment storage shed, interior storage and to create office space for workstations.

If the Board funds the building, Mr. Moises recommended authorization of $8.8M and to accept the minimum loan to get the grant. If the $4M is taken, the total Principal/Interest (P/I) would have a net savings. The Department would pay 1/2% on the loan and would receive $1.7M. The $4.9M is consistent in the Water Rate Study. The annual average cost = $200K per year ($4.9M/year divided by 20,000 customers = approximately $1.00 per month or $10.00/year).

Acting Manager and Chief Engineer, Mr. Saiki’s recommendation depended on what bids come in. He agreed with Mr. Moises whether to build or not, the same issues would be addressed.

Mr. Moises discussed that the spend down on BAB is a 30/70 split (30 = expansion rate). The Department could only spend $18M on the total CIP (expansion) and that $7M has already been spent (Kapahi Tank is $8M and Kilauea Tank is approximately $3M). These amounts would use up the projected FRC capacity. If the projects were completed, 70% of the rates depend on the 30/70 split. The Department could keep 70% BAB to fund the Water Rate Study.

Other questions Mr. Moises posed: 1) is the new building project expansion or replacement? 2) Is the project rate funded or FRC funded?

The Department was requested to follow up on:
1. Show projections going forward – how the Water Utility Fund could bear the debt service.
2. Indicate how the Water Utility Fund is going to pay for debt service if expansion projects are not generating revenue.
3. If there were an $8M charge to Water Utility Fund, would the balance take care of the debt service until FRC is replaced?
4. Nine (9) projects to be completed between now and March 2015. What is Expansion & Replacement?
5. How can the Department generate FRC through expansion projects?
6. *Acting* Manager and Chief Engineer, Mr. Saiki will arrive at a number after the bids come in if the costs make sense.

**NEW BUSINESS**

2. IT Review and Assessment, Strategic Planning and Implementation New Format — Budget FY 14-15

**BACKGROUND:**

Waterworks Controller, Ms. Yano introduced the new budget format for FY 14-15 and recommended by Brio, IT consultants. Accounting III, Ms. Anne Parrott, presented the new budget format of the new chart of accounts slides that make reporting simple to understand. Board members referred to the new budget format *(on iPads).*

*Combined Overview for Fiscal Year 2014-2015 (slide 1)*

The Combined Overview captured that year’s budget that is divided by Funds: Water Utility Fund, Facility Reserve Charge (FRC) Fund, Bond Fund and State Revolving Loan Fund as well as the Operating Revenues and Bond Loan Proceeds.

**Current year Operating Expenses include:**
- Capital Outlay
- Debt Service
- FRC Fund (prior year fund resources will balance next year)

**Fund Balance Projections (slide 2)**

This report included the Water Utility Emergency Reserve and the Water Utility Debt Reserve which is the net equity position of the Department of Water (DOW) for FY 14 15 budget year end. The starting point of the new equity analysis shows if all the encumbrances were spent.

The beginning balance reflects Cash Income/Working Capital from prior years.

- Roll over projects (funded from prior years but not spent)
- Revenues coming out/going in
- Operating Expenses
- Capital Services
- Debt Services coming out
- Reserve Transfers – Certain emergency funds are from Emergency Reserves and Water Utility Debt Reserve that are set aside yearly (inter fund transfers).
- **Detail of Revenues** are separated by Fund: Water Utility Fund, FRC, Bond Funds, and SRF Funds
The columns would be estimated with the existing 2013-2014 budget formulated with different categories, giving the Board a comparative.

2013-2014 Budget Approximate – A perfect number was not available at this time. Actuals would be shown on the 2013-2014 budget and expenditure items have been re-categorized.

The consultant stressed that this was an interim reporting system because access to the budget module and new software were not accessible this year. Currently the Board already receives the Budget Status report.

Operating Expenses – Line item details are all divisions
- Salaries and wages
- Accounting and Auditing expenses
- Office Supplies

Budget Reports - Details are provided by individual divisions

At 11:49 p.m., Mr. Dahilig exited the meeting.

New Capital Outlays -
- Replacement
- New
- First Section (heavy equipment/cars and trucks)
- Capital Improvement Projects (CIP)
- Rehabilitation and Replacement (combined account)
- Expansion
- Design
- Construction

Prior Appropriations and Encumbrances (Roll Over Budget) - Revisions are kept during the budget process.

Ms. Yano indicated that the new budget format will be presented at the Budget presentation with the Operating Revenue Expenditures and the new Capital Outlays. The Supplemental Budget will include the roll over for Prior Appropriations and Encumbrances. The Final Audit Report and Final Audited Financial Statement are given to the County which will not have any changes. Council will also receive quarterly reports and quarterly CIP. Reports will also be submitted every two weeks to Acting Manager and Chief Engineer, Mr. Saiki.

At request of Mr. Dill, Ms. Yano will follow up with the Finance Department to see if the new format will coordinate with the overall county audit submittal.

Mr. Shiraishi moved to adjourn the Workshop at 11:57 a.m.; seconded by Mr. Dill; with no objections; motion was carried with 5 ayes.

Respectfully Submitted,     Approved,
Edie Ignacio Neumiller     Hugh A. Strom
Commission Support Clerk     Secretary – Board of Water Supply
EMERGENCY BOARD MEETING MINUTES
BOARD OF WATER SUPPLY
Wednesday, May 28, 2014

The Board of Water, County of Kaua’i, met in a special meeting at its office in Līhu'e on Wednesday, May 28, 2014. Vice Chair Sherman Shiraishi called the meeting to order at 2:33 p.m. On roll call, the following answered present:

BOARD: Mr. Sherman Shiraishi, Vice Chair
Mr. Raymond McCormick
Ms. Laurie Ho
Mr. Larry Dill
Mr. Michael Dahilig

EXCUSED: Mr. Clyde Nakaya, Chairperson
Mr. Hugh Strom

Quorum was achieved with 5 members present at roll call.

STAFF: Mr. Kirk Saiki
Ms. Marites Yano
Mr. Dustin Moises
Mr. Val Reyna
Ms. Sandi Nadatani-Mendez
Deputy County Attorney Andrea Suzuki

ACCEPTANCE OF THE AGENDA:
Mr. Dahilig moved to accept the agenda as circulated; seconded by Mr. Dill; with no objections, motion was carried with 5 Ayes.

D. NEW BUSINESS:
1. Board Findings Related to Calling an Emergency Meeting on May 28, 2014 –
Mr. Dahilig moved to hold an Emergency Board Meeting due to the following findings:

Mr. Dahilig read the following:

The Kaua'i County Board of Water Supply, under the authority of Hawaii Revised Statute §92-8, has called an emergency meeting. The Board finds that there is an imminent peril to the public health, safety, or welfare due to the failure of both Kalāheo Well 1 & 2. This agenda item requires immediate action of the Board to fund repairs to the Kalāheo Well 2 Water System affecting the Kalaheo area.

The motion was seconded by Mr. Dill; with no objections, motion was carried with 5 Ayes at Roll Call (LD, RM, MD, LD, SS).

BACKGROUND:
*Acting* Manager and Chief Engineer, Mr. Saiki recommend to the Board to approve Option 1, to transfer money from the CIP Reserve Fund for the repairs to Kalāheo Deep Well 2. This would allow the contract with Oasis Water Systems, Inc. and Cushnie to repair Well 2 and for Cushnie to install the jumper.

DISCUSSION:
*Acting* Manager and Chief Engineer, Mr. Saiki provided an overview of the repair status and stated the contractor has been pulling the 1,000’ pump in Well 1 which is over 400’ wide to locate the damaged area. The contractor will inform the Department where the problem is tomorrow.

Currently the Kalāheo tanks are being filled by Public Works. The booster pump station is running to bring water to Lāwa‘i which fees the Makai section of Kalāheo. The Kukuiolono golf course and Kakela Makai are the two (2) areas that do not have water. Operations crew is trying to get Kakela Makai back on line first.

There are problems with not being able to fill the golf course tank. The tank is filled at night but the tank immediately drops down. All other residents in Kalāheo are getting some water even if it is just a dribble. The water tanks are serving the Mauka area. A jumper by the booster pump station would boost capacity to fix Well 2.

*Acting* Manager and Chief Engineer, Mr. Saiki questioned if the contractor can start work without a contract because the contractor is ready to work with the materials that are arriving tonight. The Department could start drafting the contract.

Mr. Dahilig suggested an option for *Acting* Manager and Chief Engineer, Mr. Saiki to ask the Mayor to contact the Governor to declare an emergency to avoid procurement issues.

Another option was discussed regarding the contractor, Oasis who has a submersible pump that could be dropped in the well shaft to get to the reservoir. Liabilities could be a concern for the contractor.

The contractor informed Chief of Operations, Mr. Reyna that they are able to start work without a contract. The contractor wants assurance that they would get awarded the contract and get paid.

The bids for the pump include pulling the pump, finding the problem and doing the repairs. The jumper cost is firm at $95,000 to install the water pipeline from one hydrant (Lāwa‘i system) to another hydrant up (Kalāheo system). This would supplement the current backup booster at the Kukuiolono golf course which is not able to meet the demand. There is enough flexibility with the budget of $250,000 to fix the pump. If the bottom half of the pump fell out and is lodged which can’t be taken out, there would be a large cost which would require the Department to come back to the Board.

*Acting* Manager and Chief Engineer, Mr. Saiki and Public Information Specialist, Ms. Kim Tamaoka will be working on a press release to inform Kalāheo residents of shower locations in Kōloa or Hanapepe. This would include informing people with disabilities and paratransit bus service to assist.
Mr. Reyna added there are tanks that use a pressure sustaining valve at Kakela Makai and Kukuiolono. If the Kukuiolono tank is empty, water would not go to Kakela Makai. A bypass was installed to a small 3/4” line from Kukuiolono to Kakela Makai to alleviate the situation. The line would take a while to refill plus the tank may not get refilled. There is relief for the residents at Kakela Makai as long as water is not drained out right away. The crew has been able to get up to 5.5’ for water truck deliveries at the Kalaheo Reservoir. Water conservation request needs to be followed by the residents.

Mr. Dill requested the Department to keep the county and Public Works informed for assistance.

Deputy County Attorney, Andrea Suzuki and Mr. Reyna will work together on an emergency contract to be executed today. A letter would be issued to the contractor to start working on their bond clearance.

Mr. Dill moved to approve Manager’s Report No. 14-57 – CIP Reserve Fund Transfer – Kalâheo Well 2 Pump Repairs; seconded by Mr. McCormick; with no objections, motion carried with 5 ayes.

E. **ADJOURNMENT**

Ms. Ho moved to adjourn the Emergency Board meeting at 2:49 p.m.; seconded by Mr. McCormick; with no objections, motion carried with 5 ayes.

ein
Correspondence
May 12, 2014

DEPT. OF WATER
COUNTY OF KAUAI

Board of Water Supply
Department of Water Supply
County of Kauai
4398 Pua Loke Street
Lihue, HI 96766

Subject: Reallocation of water commitment from Ele‘ele Industrial Park Subdivision TMK: (4) 2-1-001:051 to 28-acre Ele‘ele Urban Residential Development (4) 2-1-001: Por. 3 Eleele, Koloa, Kauai A&B Properties, Inc., owner

Chair and members of the Kauai Board of Water Supply:

On or about July 15, 2008, the Kauai Board of Water Supply approved a source allocation of 120,000 gpd maximum day demand for our General Industrial Subdivision (S-2009-01) located at Eleele, Kauai, over objections from the DOW staff. The Board reaffirmed its decision on September 16, 2008, after the staff had requested the Board to reconsider the action.

Since that decision was rendered, A&B decided on converting the entire 20-acre industrial subdivision to a solar photovoltaic energy plant, which does not require any water. The solar PV project was completed in 2012.

A&B has a 28-acre zoned property immediately north and adjoining the solar PV project, 21 acres of which is zoned R-10 for an affordable housing project. The other 7 acres is zoned Neighborhood Commercial. The county council approved the zoning amendment for this project with a condition that no development will occur until an affordable housing plan has been approved by them. Obviously, no development can occur without water and due to the source and storage limitations for Eleele/Port Allen, so the project has had to take a back seat to other development.

The reason for this letter is to request the Board’s consideration in reallocating the 120,000 gpd to our affordable housing project in order to comply with our housing condition. We are aware of housing developers who might be interested in assisting with this type of development but without water no such discussion is feasible at this time.

Attached for your review are the pertinent documents referred to above:

2. August 14, 2008, Agenda, minutes and reports pertaining to the subject matter.
Your kind consideration on this very important matter is greatly appreciated.

Sincerely,

[Signature]

Tom H. Shigemoto
Vice President

Attach.

Cc (w/o attach.):
  P. W. Hallin
  D. Y. Yasui
November 5, 2008

Mr. Tom Shigemoto
A&B Properties, Inc.
P.O. Box 430
Koloa, HI 96756

Dear Mr. Shigemoto:


This is in regard to your letter to the Board of Water Supply dated April 10, 2008. The Board of Water Supply at their September 16, 2008 Board meeting denied the Department of Water’s request to reconsider the Board’s previous approval of the 0.12 MGD Maximum Day Demand source allocation for the A&B Properties ‘Ele’ele Industrial Park Subdivision by the Board at their July 15, 2008 Board meeting.

If you have any questions, please contact Mr. Edward Doi at (808) 245-5417.

Sincerely,

[Signature]

Wymne M. Ushigome
Acting Manager and Chief Engineer

ED/GAWU/mill
Board Response-Tom Shigemoto-Board Denied DOW Request 9-16-08
A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES:
   1. Regular Meeting: July 15, 2008
   2. Special Meeting: July 29, 2008

E. CORRESPONDENCE/ANNOUNCEMENTS
      Created by Resolution of the Honolulu City Council is a "Board" Subject to the
      Sunshine Law

F. OLD BUSINESS
   1. Status Report from Kukui'ula Development Company (Hawaii) LLC on their Projects:
      1) Subdivision Y Cottages, S-2005-25, TMK: (4) 2-6-016; 016 thru 088; and, 2)
      Subdivision Y Custom Home Sites, S-2005-25; and, 3) Subdivision M1/M4 Custom
      Home Sites, S-2005-21, Kukui'ula, Development, Kukui'ula, Kauai'i, Hawaii'i
   2. Status Report from Grove Farm on the Completion of the Puhi 393' Booster Pump
      Station
   3. Request Board Approval to Clarify the Motion made at the December 13, 2007 Board
      Meeting for Agenda Item: "Revised Appeal to November 20, 2007 Agenda Item –
      Update Report on November 20, 2007 Agenda Item on the Request to Testify by
      Benjamin Garfinkle Regarding DOW Conditions of Tentative Subdivision Approval
      for Boundary Adjustment (Consolidation and Re-subdivision), TMK Nos. (4) 4-2-03:12, 65
      and 66"
F. OLD BUSINESS (cont’d)


5. Request Board Approval of Job No. 04-02, WK-14, Pipeline Replacement for Vivian Heights and Kamele Road for Phase II Implementation and Additional 2,500 feet of 8-inch Waterline along Kamele Road, Kapa‘a, Kauai, Second Contract Amendment with Fukunaga and Associates

6. Request Board Approval of a Fourth Contract Amendment for the Automated Meter Reading (AMR) Implementation for the Department of Water, County of Kauai

7. Request Board Approval for Additional Funding for the Purchase of Two (2) Small Drilling Machines and Attachments

8. Request Board Approval of Contract Amendment for Job No. 98-2 (KP-07 & KP-08), 16-Inch Waterline Replacement along Poiipu Road, Koloa, Kauai, Hawai‘i

9. Request Board Approval of Contract Amendments with Fukunaga and Associates for Job No. 02-18, WK-32, Waterline along Pipeline Replacements (Kaehulua Road), Kapaa Homesteads for Phase II Implementation, Kapa‘a, Kauai

10. Request Board Approval for Additional Funding for Contract 474 for Special Counsel to Provide Advice, Counsel, and/or Representation in Civil Matters in the Court System including, but not limited to Administrative Law, Personnel Law, Labor and Employment Law

11. Discussion, deliberation and decision-making or action regarding steps, actions, procedures and processes necessary to select a new Manager and Chief Engineer for the Kauai Water Department

G. NEW BUSINESS

1. Request to Testify by Eleanor M. Cox for Subdivision of Lot 37-D, Portion of the Consolidation of Portion of Grant 11224 (Abandoned Railroad Right of Way), Lot 37, Grant 6226, and Lot 38, Grant 6216, into Lot 37-D-1 and Lot 37-D-2, S-2005-26, TMK: (4) 2-7-05: 28, ‘Oma‘o, Kaua‘i, Hawai‘i
G. **NEW BUSINESS (cont'd)**

2. Request Board Approval of Rules Committee's Recommendation Regarding Correcting of the Amendment to the DOW's Rules and Regulations and 2002 Water System Standards:

   *Part 4, Section VII, Subparagraph Nos. 4a and 3b for the Annotation to Table 100-19A of the Water System Standards, County of Kaua'i, State of Hawaii*

3. Request Board Approval of Resolution No. 1 (08/09), Budget for Fiscal Year 2008-09

4. Request Board Approval of a Memorandum of Agreement between the State of Hawaii, Department of Health, Safe Drinking Water Branch and the County of Kaua'i Department of Water for the Kapilimao Tank

5. Request Board Approval of a Conveyance of Water Facility from Mark Y. Watase for the Water Meter for Lot B-1-B, TMK: (4) 1-3-08:019 (S-2007-9), Kekaha, Waimea District, Kauai, Hawaii

6. Request Board Approval of a Conveyance of Water Facility from Ian B. and Anna M. Cronshaw, John E. and Jane R. Hollister, TMK: (4) 1-3-01:085, Kekaha, Kauai, Hawaii


9. Request Board Approval of a Conveyance of Water Facility from Roy K. Ho, Donna Kuulei Ho and Guy K. Ho; for Water Service Installation for Lot 196C-1, TMK: (4) 4-6-14:061, Kapaa, Kawaihau District, Kauai, Hawaii

10. Request Board Approval of a Right of Entry Agreement for Job No. 05-02 (H-8) Drill and Test Hanalei Well #2, from Glenn I. Kobayashi, Joseph N. Kobayashi and Christine Y. Kobayashi, for the Soils Testing and Land Surveying, TMK: (4) 5-6-002:002, Hanalei, Kauai, Hawaii

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**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.
G. NEW BUSINESS (cont’d)

11. Request Board Approval of a Right of Entry Agreement for Job No. 02-24 (WK-02), Renovations to Akulikuli Tunnel, from Kenji Yamashiro, Trustee of the Kenji Yamashiro Revocable Living Trust dated June 25, 1993; Take Yamashiro and Mervilyn K. Yamashiro, Trustees of the Take Yamashiro and Mervilyn K. Yamashiro Self-Trusteed Trust dated September 12, 2000; and Sue Ann Takata, Trustee of the Sue Ann Takata Self-Trusteed Revocable Trust under unrecorded trust agreement dated April 29, 1996, as amended; TMK: (4) 4-6-04:020, Kapaa, Kauai, Hawaii

H. REPORTS

1. Statement of Kauai County Water Department’s Revenues and Expenditures

2. Report by the Public Relations Specialist on a Monthly Update Regarding DOW Public Relation Activities


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

5. Report of the Finance Committee of the Kauai County Board of Water Supply

6. Report of the Rules Committee of the Kauai County Board of Water Supply

7. Report of the Sub-Committee of the Whole Committee of the Kauai County Board of Water Supply

I. STRATEGIC AND BUSINESS PLAN AND NEEDS ASSESSMENT

1. Updates on the Kauai Water Department for their Strategic and Business Plan and Water Plan 2020 Program Sustainability Services
   a. Update of Strategic Goals and Implementation Status Report from the Issue Champions
   b. Affordable Housing
   c. Water Plan 2020 Program Sustainability Service
      i. Report by Tom Jacobs and Ann Hajnosz of RW Beck

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 Kauai, at 245-5408 or drop by at 4398 Pua Loke Street, Lihue, Kauai. Our mailing address is P. O. Box 1706, Lihue, 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).

1. Review of Executive Session Minutes:
   a. Regular Meeting:
      • Thursday, June 5, 2008, Part 1 & 2
   b. Regular Meeting:
      • Tuesday, July 15, 2008, Part 1 & 2
   b. Special Meeting:
      • Tuesday, July 29, 2008, Part 1 & 2

OLD BUSINESS:

2. ES-2008-4 (5-8-08) - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with legal counsel and department staff regarding Benjamin Garfinkle's request for Board Approval to Clarify the Motion made at the December 13, 2007 Board for Agenda Item: "Revised Appeal to November 20, 2007 Agenda Item- Benjamin Garfinkle Regarding DOW Conditions of Tentative Subdivision Approval for Boundary Adjustment (Consolidation and Re-Subdivision), TMK (4) 4-2-03:12, 65 and 66. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.


4. ES-2007 (12-13-07, 2-14-08 & 7-15-08) - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with Legal Counsel regarding questions and issues pertaining to the Board's and Department of Water's liabilities, powers and duties regarding personnel, labor and employment issues. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

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 Kauai, at 245-5408 or drop by at 4398 Pua Loke Street, Līhu'e, Kauai. Our mailing address is P.O. Box 1708, Līhu'e, HI 96766.
J. **EXECUTIVE SESSION** (cont'd)

5. **ES-2008-8 (6-5-08, 7-15-08, & 7-29-08)—** Pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(2), (4), (6) and (8), one of the purposes of this executive session is to consider matters that require confidentiality under state law, to wit, to meet with the Board's legal counsel with regard to the Board's powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as such powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims as they relate to the selection of an individual to be given supervisory and/or managerial and/or developmental and/or consultation duties over the Kauai Department of Water and/or the Kauai Department of Water's Water Plan 2020. The further purpose of this executive session is to meet with the Board's legal counsel on questions and issues relating to the Board's powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as such powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as they relate to the foregoing and to take such action as the Board deems appropriate.

K. **ADJOURNMENT**
A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MINUTES:
1. Regular Meeting: June 5, 2008
2. Special Meeting: June 18, 2008

E. CORRESPONDENCE/ANNOUNCEMENTS

F. OLD BUSINESS

1. Status Report from Kukui‘ula Development Company (Hawaii) LLC on their Projects:
   1) Subdivision Y Cottages, S-2005-25, TMK: (4) 2-6-016: 016 thru 088; and, 2)
   Subdivision Y Custom Home Sites, S-2005-25; and, 3) Subdivision M1/M4 Custom
   Home Sites, S-2005-21, Kukui‘ula, Development, Kukui‘ula, Kaua‘i, Hawai‘i

2. Request Board Approval to Clarify the Motion made at the December 13, 2007 Board
   for Agenda Item: “Revised Appeal to November 20, 2007 Agenda Item – Update
   Report on November 20, 2007 Agenda Item on the Request to Testify by Benjamin
   Garfinkle Regarding DOW Conditions of Tentative Subdivision Approval for Boundary
   Adjustment (Consolidation and Re-subdivision), TMK Nos. (4) 4-2-03:12, 65 and 66”

3. Request to Testify by A & B Properties, Inc. for a Request for Water Service, ‘Ele‘ele
   Industrial Park Subdivision, TMK: 2-1-02-051 and Elelele Residential Development
   Site, TMK: 2-1-02-003, Portion, ‘Ele‘ele, Koloa, Kaua‘i, Hawai‘i

4. Request Board Approval for Additional Funding for Contract 474 for Special Counsel
   to Provide Advice, Counsel, and/or Representation in Civil Matters in the Court
   System including, but not limited to Administrative Law, Personnel Law, Labor and
   Employment Law

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 Loa Street, Lihu‘e, Kauai. Our mailing address is P. O. Box 1706, Lihu‘e, HI 96766.
F. **OLD BUSINESS (cont'd)**

5. Request Board Approval of Job No. 92-4, KP-01, Koloa Well F Pump Controls and Pipeline (State Well No. 5425-15), Poipu, Kauai, First Contract Amendment to Revise the Subdivision Map

6. Discussion, deliberation and decision-making or action regarding steps, actions, procedures and processes necessary to select a new Manager and Chief Engineer for the Kauai Water Department

G. **NEW BUSINESS**

1. Request Board Approval of the Conveyance of Water Facility from Jonli C.H. Alo and Ann Marie Alo; for the 5/8-Inch Domestic Service Connection for Second Water Meter, TMK: (4) 4-4-09:020, Unit 2, Kapaa, Kawaihau District, Kauai, Hawaii

2. Request Board Approval of the Grant of Easement from Jason Andrew Barth and Heather Ann Barth, husband and wife; TMK: (4) 4-3-09:037, Waipouli, Kawaihau District, Kauai, Hawaii for Subdivision No. S-2006-35

H. **REPORTS**

1. Statement of Kauai County Water Department's Revenues and Expenditures

2. Report by the Public Relations Specialist on a Monthly Update Regarding DOW Public Relation Activities


4. For the Board's Information on the Kauai County Water Department Briefing on Departmental Projects

5. For the Board's Information on the Quarterly Report regarding the Status of the 2008 Manager's Top 4 Goals for the Kauai Department of Water

6. Manager's Monthly Update Regarding Activities of Note of the Kauai County Water Department

7. Report of the Finance Committee of the Kauai County Board of Water Supply

8. Report of the Rules Committee of the Kauai County Board of Water Supply
H. REPORTS (cont'd)

9. Report of the Sub-Committee of the Whole Committee of the Kaua‘i County Board of Water Supply

I. STRATEGIC AND BUSINESS PLAN AND NEEDS ASSESSMENT

1. Updates on the Kaua‘i Water Department for their Strategic and Business Plan and Water Plan 2020 Program Sustainability Services

   a. Update of Strategic Goals and Implementation Status Report from the Issue Champions
   b. Affordable Housing
   c. Water Plan 2020 Program Sustainability Service

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).

1. Review of Executive Session Minutes:

   a. Thursday, June 5, 2008 (Special Manager Recruitment Committee Meeting)
   b. Thursday, June 5, 2008 (Regular Meeting)

OLD BUSINESS:

2. ES-2008-4 (5-8-08) - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with legal counsel and department staff regarding Benjamin Garfinkle's request for Board Approval to Clarify the Motion made at the December 13, 2007 Board for Agenda Item: "Revised Appeal to November 20, 2007 Agenda Item- Benjamin Garfinkle Regarding DOW Conditions of Tentative Subdivision Approval for Boundary Adjustment (Consolidation and Re-subdivision), TMK (4) 4-2-03:12, 65 and 66. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.
J. EXECUTIVE SESSION (cont'd):

3. ES-2008-5 (5-8-08) - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with legal counsel and department staff regarding A & B Properties, Inc. request for water service Ele'ele Industrial Park Subdivision, TMK: 2-1-02-051 and Ele'ele Residential Development Site, TMK: 2-1-02:003, Portion, Ele'ele, Koloa, Kauai, Hawaii. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

4. ES-2007 (12-13-07 & 2-14-08) - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with Legal Counsel regarding questions and issues pertaining to the Board's and Department of Water's liabilities, powers and duties regarding personnel, labor and employment issues. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

5. ES-2008-8 (6-05-08) – Pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(2), (4), (6) and (8), one of the purposes of this executive session is to consider matters that require confidentiality under state law, to wit, to meet with the Board's legal counsel with regard to the Board's powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as such powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims as they relate to the selection of an individual to be given supervisory and/or managerial and/or developmental and/or consultation duties over the Kauai Department of Water and/or the Kauai Department of Water's Water Plan 2020. The further purpose of this executive session is to meet with the Board's legal counsel on questions and issues relating to the Board's powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as such powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as they relate to the foregoing and to take such action as the Board deems appropriate.

6. ES-2008-7 (5-8-08) - Pursuant to Haw. Rev. Stat. Sections 92-4, 92-5(a)(3) and 92-5(a)(6), the purpose of this executive session is to consult with legal counsel and department staff regarding the acquisition of the Koloa 1.0 MG Water Tank site, Koloa, Kauai, Hawaii and consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

K. ADJOURNMENT
BOARD REPORT

Date of Board Report: July 9, 2008

PROJECT: Request to testify by A&B Properties, Inc. for a Request for Water Service, 'Ele'ele Industrial Park Subdivision, TMK: 2-1-01:051 and 'Ele'ele Residential Development Site, TMK: 2-1-01:003, Portion, 'Ele'ele, Kauai

Applicant: A & B Properties, Inc.

FINDINGS

LOCATION: 'Ele'ele. Approximately adjacent and near to the easterly side of the intersection of Waialo Road and Kaumuiali'i Highway further identified by Tax Map Key 2-1-02: 51 and Tax Map Key 2-1-02: Por. 3 affecting a total area approximately 48 acres.

I. ACTIONS REQUIRED: No! Misstating our request.

A&B is asking the Board to waive the obligations as set forth in Ordinance No. PM 293-94 which required the Petitioner (A&B Properties, Inc.) to provide source, storage and transmission as represented in their Petition for Amendment to the State Land Use District Boundaries – Reclassifying Certain Lands Situated at 'Ele'ele for Agricultural to Urban (TMK: 2-1-01 por. 3 and por. 27).

The Department of Water identified these projects as being located outside of the Department's 'Ele'ele service area. The Department is recommending that the applicant adhere to the Department's recommendations that were made for various land use designation, zoning amendment, SMA (U) permit and subdivision applications for the project area. At the May 8, 2008 Board meeting, A & B questioned "who the water is being reserved for?" The Board requested that the Department provide additional information regarding the amount of potential water demand that would be required for future "in-fill" development within the 'Ele'ele service area (The applicant is requesting to use existing water source and storage capacity from the Departments existing water system facilities). See attached Board Report/Minutes of May 8, 2008 Board Meeting.

II. PROJECT DESCRIPTION AND USE:

See attached May 8, 2008 Board Report.

III. LEGAL REQUIREMENTS:

Ordinance No. PM-293-94 - Zoning Designation states the Petitioner shall construct water improvements, which may include a storage tank, connecting pipeline facilities, and adequate transmission facilities. The Petitioner shall resolve these requirements with the Department of Water prior to Final Subdivision approval for the proposed subdivision.
The Department recommends the Board require A&B to fulfill its obligations as represented in their Petition for District Boundary Amendment. See attached DOW letter to the Office of State Planning dated May 21, 1990 which states the DOW as no objections to the Amendment to the State Land Use District Boundary provided that water source, storage and transmission facilities are upgraded prior to actual developments. This letter also states the area involved in the petition is outside the service area, hence the Department's recommendations remained consistent with the boundary amendment conditions.

IV. APPLICANT’S REASONS/JUSTIFICATION:

Refer to Applicant’s April 10, 2008 letter to the Board and the applicant letter of May 15, 2008 submitting revised demand calculation for the project.

ADDITIONAL FINDINGS

In response to the Board’s motion at the June 5, 2008 meeting, the Department is reviewing the ‘Ele’ele Water System capacity to address the Board request that the applicant work with the Department to and come to some agreement as far as how much source, how much storage, A&B is asking for and how much the Department wants to reserve for future in-fill demands.

The Department and A&B met on June 23, 2008. A&B’s estimated the maximum day demand (MDD) to be 120,000 gpd for the 20-acre parcel Industrial Park Subdivision.

If the Board is considering allocating the maximum amount possible to allow A&B to develop the Industrial parcel, it would appear the storage capacity is the limiting factor. The available storage capacity in ‘Ele’ele is 1.0 MGD, therefore with the existing MDD demand at 0.662 MGD, the remaining storage capacity available for future in-fill development would be 0.338 MGD. This allows an additional 169 single family units to be developed without any additional storage requirements.

However, as previously presented to the Board, all the water that services ‘Ele’ele essentially is pump up from Hanapepe Valley through a single-feed transmission main. The Eleeele (750 gpm) booster pumps were installed by A&B prior to 1990. When these booster pumps were installed, were the pumps sized to provide water to the ‘Ele’ele Industrial Park and the ‘Ele’ele Residential Development site? If so, then A&B should provide the engineering reports and reference documentation to substantiate that the booster pumps are adequately sized.

Based on the Board’s motion, if there is not enough source and storage for both the Industrial Park and the Residential Development subdivisions, would a temporary designation of water availability be a consideration in order to allow the Industrial Park parcel to move forward. The Department interpreted the Board’s intent for a “temporary designation” to mean the Board still intended that A&B fulfill its requirement to provide
the source and storage water demands for both the Industrial Park and for the 'Ele'ele Residential Development projects.

According to A&B, if the Board waives the water requirements for the Industrial Park, there would be no future obligation. So if and when, A&B plans to develop the 'Ele'ele Residential Development parcel, and if "the cost figures do not pencil out", A&B could walk away from doing the project.

Further, upon review of A&B Properties, Inc.'s petition for District Boundary Adjustment and Certificate of Service submitted to the State Land Use Commission, A&B stated in its application that "With respect to water, the Petitioner plan to develop a water well and storage facility to service the proposed development", page 17. The boundary adjustment encompassed the lands mauka and makai of Halewili Road and included both the 'Ele'ele Industrial Park and the 'Ele'ele Residential Development sites.

A&B Properties' Development Plan (Exhibit 4), Chapter III.C.-Water Plan indicates "The project is intended to be served by the County water system. Various on-site distributions systems and upgraded off-site transmission systems will be installed by A&B at its expense in accordance with County requirements. An additional water well and storage facility will have to be developed in order to serve the project, as more fully set forth in the Engineering Report (Exhibit 7). A&B Properties does not anticipate any problems in developing the water well and storage facility so as to meet A&B's development timetable for the project. A&B will be responsible for the payment of its prorata share of the cost of developing a new water well and storage facility required to service the project. Based upon the improvements to be constructed by A&B, the proposed water system will be adequate to serve the proposed development; no public agencies providing water services or facilities will be unreasonably burdened by the proposed development; the water system will not have any adverse impact upon any surrounding areas; and the water system and water requirements for the project will not necessitate an unreasonable investment in public infrastructure or support services or commitment of State funds or resources."

To address the Board's inquiry which would allow A&B to utilize the available storage capacity and limit the in-fill development in 'Ele'ele, the following is a revised status of the 'Ele'ele Water System based on 2006 consumption data. Water demands are based on maximum day demand (MDD) criteria and are indicated in million gallon per day (MGD) units.

The Department reanalyzed the "Status of Source and Storage" spread sheet for the 'Ele'ele water service zone and included the following revisions:

- The Pending development spread sheet was modified to include additional potential development within the 'Ele'ele service area. These additional developments included subdivisions with tentative subdivision approval, lots with no meter service and potential ADU development within residential zoned areas.
 Pending development demands for 'Ele'ele Nani Subdivision Phase I & II were reduced.

- Fourteen (14) lots without water meter service was added to the “Pending developments” spreadsheet.
- The “Kaua’i Habitat for Humanity” subdivision phase II (107 lots) which has tentative approval from the Planning Department was added to the spreadsheet. Department of Water’s requirements included but were not limited to mainline extensions (no source or storage required).
- Potential ADU’s (169 units) for the ‘Ele’ele service area within the residential zoned designations was added to the spreadsheet.
- The total potential maximum day demand for the ‘Ele’ele service area resulted in a total pending demand of 0.338 mgd.

**Existing Status of DOW ‘Ele’ele Water System:**

Current demand: 0.662 mgd  
Pending demand: 0.338 mgd (See Attached Exhibit I)  
Total demand: 1.000 mgd

Source Capacity ‘Ele’ele: 1.15 mgd  
Storage Capacity ‘Ele’ele: 1.00 mgd

Available Source Capacity ‘Ele’ele: 1.15 mgd – 1.00 mgd = 0.15 mgd  
Available Storage Capacity ‘Ele’ele: 1.00 mgd – 1.00 mgd = 0 mgd

**EVALUATION**

The Department of Water’s policy is to provide water service (one 5/8-inch water meter) to vacant lots of record within its respective service area. In addition, the Department provides water service for an ADU provided there are no restrictions in said service zone. The Department must account for “Kaua’i Habitat for Humanity” subdivision phase II because DOW comments have been provided for said subdivision without the requirements for additional source or storage facilities.

**CONCLUSION**

Based on the ‘Ele’ele Water System’s constraints relative to source and transmission requirement, to simply look at available source and storage capacities may be misleading.

Additional source, storage facilities and transmission must be provided in order to allow full development of these future developments, unless the A&B provides the necessary documentation that the ‘Ele’ele booster pumps, 27-inch transmission main and storage tanks were sized for these additional developments.
RECOMMENDATION

1) It is recommended that the Board not approve the applicant's request to include the Ele'ele Industrial Park Subdivision and Ele'ele Residential development site in the Ele'ele water service area and instead affirm the Department's recommendations that was made for various land use designation, zoning amendment, and SMA(U) permit and subdivision applications that indicated that the development area is outside the service area for which the Department's General Plan for Domestic Water was prepared.

2) It is recommended that the Board not approve the applicant's request and to use the existing water source and storage capacity from the Department's existing water system facilities and instead require the applicant to prepare and receive Department approval for a water master plan for full development of the A&B 72-acre Ele'ele multi-use development that was conditioned by the various State and County agencies prior to final subdivision or building permit approvals.

Respectfully submitted,

Wynne M. Ushigome
Acting Manager & Chief Engineer
LETTER OF TRANSMITTAL

DATE: April 10, 2008

TO: Board of Water Supply
    County of Kauai
    Attn: Ms. Wynne Ushigome

RE: Request for Water Service

Transmitted herewith is/are the following:

<table>
<thead>
<tr>
<th>COPIES</th>
<th>DATE</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>12</td>
<td>4/10/08</td>
<td>Letter of Request and exhibits related to the referenced subject</td>
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(X) For Review and ( ) Approval ( ) Comments ( ) Execution
( ) As Required                                ( ) For Information
( ) For Correction                             ( ) For Your Files
(X) For Distribution                           (X) See Remarks Below

UPON COMPLETION OF THE ABOVE:
( ) Return, copies for completion
( ) Send _ copies directly to:
( ) Other:

Remarks:
Your consideration of this request is greatly appreciated. If there is anything else that is needed please call me.
I would appreciate receiving notice of the date, time and place of the meeting.
Thank you.

By: Tom H. Shigemoto
    Vice President

cc: R. K. Sasaki
    P.W. Hallin
    J. Hasenyager
    D. Yasui

attach.
Board of Water Supply  
4298 Pua Loke Street  
Lihue, HI 96766

Subject: Request for Water Service  
Ele'ele Industrial Park Subdivision  
TMK: (4) 2-1-02: 51, and  
Elele Residential development site  
TMK: (4) 2-1-02: 03, Portion  
Elele, Koloa, Kauai, Hawaii

Chairman and members of the Board of Water Supply:

Your consideration and approval of including the proposed project sites in the Elelele water service area is hereby requested. In seeking subdivision approvals for the industrial subdivision we were advised by the Department of Water staff that water is not available not because of the inadequacy of the system but because the subdivision parcel was not in the service zone. We, therefore, were required to provide source, storage and transmission for the 31-lot industrial subdivision, which is the primary subject of this inquiry (attached Exhibit A). However, the prohibition on water service also applies to the 28-acre area just mauka of the industrial subdivision which we refer to as Elelele Residential (Exhibit B). It is a project which includes a 21-acre (R-10) residential and a 7-acre (C-N) neighborhood commercial areas, which we recently secured zoning for.

There is excess capacity in the Elelele water system to be able to supply both sites but we understand that the authority to grant the use of the water rests with the Board or the Manager as a matter of policy.

BACKGROUND

The subject properties are part of A&B’s plans to the develop 72 acres into a multi-use development including Industrial (20 acres), Commercial (7 acres), Multi-Family Residential (21 acres) and Single-Family Residential (24 acres). These components were outlined in a petition for District Boundary Amendment to the State Land Use Commission (SLUC) for the entire area filed on May 1, 1990. Both the subject 20-acre industrial and the 24-acre Single-Family Residential areas were reclassified into the Urban District by the SLUC on December 18, 1990. The 24-acre single family parcel was sold to and is being developed by Habitat for Humanity as an affordable self-help project. It should be noted that water has been allocated for the project.

The following is a descriptive chronology of the land use process for the subject industrial property:
On February 18, 1994, A&B filed a zoning change application with the County of Kauai for the 20 acres designated for Industrial use. The zoning change application was approved by the County Council on August 17, 1994, and the zoning ordinance was signed into law by the Mayor on September 2, 1994.

On January 4, 1995, an application was filed with the County of Kauai, Planning Department; to subdivide the 20-acre portion of the property zoned General Industrial, from the larger agricultural parcel. On March 23, 1995, the County Planning Commission granted tentative subdivision approval for the creation of the bulk industrial parcel and the agricultural remnant. Final subdivision approval for this subdivision was granted on September 14, 1995.

On August 7, 1995, a Special Management Use (SMA) Permit application was submitted to the County Planning Department to subdivide the 20-acre parcel into a 39-lot industrial subdivision. On October 12, 1995, the County Planning Commission approved the SMA Use permit for the subdivision.

On November 7, 1995, a subdivision application to create the 39 lots was submitted to the County Planning Department. On January 11, 1996, the Kauai County Planning Commission granted tentative approval for the small lot subdivision of the industrial parcel.

While tentative subdivision approval for the 39-lot industrial subdivision was granted in 1996, weak market conditions hindered further development progress at that time. We believe the market conditions for industrial lots have improved and potential development opportunities are being evaluated. A revised subdivision layout was filed with the Planning Department on or about March 6, 2008. Whether we proceed with the subdivision depends on the outcome of the decision on water availability.

The zoning amendment petition for the 28-acre site at Eleele was submitted in April 2005, approved by the County Council as Ordinance No. PM-2005-376, on December 14, 2005 and signed by the Mayor on December 20, 2005. Our condition in the ordinance relating to water states: “As recommended by the Department of Water, the Applicant is made aware that prior to the development of the area, new source, storage, and transmission water system facilities will be required to serve the additional water demands of this area. The applicant shall consult with and resolve these requirements with the Department of Water prior to Final Subdivision approval or at time of Class IV Zoning Permits for the project, whichever is first.”

**SOURCE CAPACITY AND DEMAND (HANAPEPE SYSTEM)**

Based on letters (attached, Exhibits “C” and “D”) from the DOW staff on the Eleele System’s source and storage capacity and demand, it appears that there is sufficient capacity and storage for this industrial subdivision and Eleele Residential project.
The source capacity of the Eleele System is 1.944 MGD and the storage capacity is 2.0 MGD.

The water demand for Eleele in 2006 was .785 MGD (Maximum Day Demand) which included .123 MGD for pending developments.

JUSTIFICATION FOR THE REQUEST

Based on the demand and capacity of the water system for Eleele, there is approximately 1.16 MGD available for future projects at Eleele.

The industrial subdivision will require approximately 80,000 GPD, which would leave more than a million gallons for future projects. The Eleele Residential including the 7-acre commercial area would need approximately 170,000 GPD. Based on the available vacant zoned properties in Eleele, there appears to be more than adequate capacity to serve future developments. The excess capacity of one million gallons per day translates in the ability to serve approximately 1333 residential units based on a maximum day demand (750 gallons per unit).

The 72 acres were already designated for future development in the 1984 General Plan. The subject 20-acre general industrial site was zoned in September 1994 and the 24-acre Habitat for Humanity site received its zoning in October 1996. The 28-acre residential/commercial phase recently received zoning approvals in 2006. The Water 2020 plan was adopted in 2000, which means the general industrial and residential properties were already zoned when it was adopted. For this reason we believe that all three of the phases should, therefore, have been included in the service area for Eleele.

In addition to the physical and planning justifications, there is a potential economic benefit to be derived from the proposed projects. There is a lack of inventory of general industrial zoned properties on Kauai. The proposed subdivision will provide the opportunity for industrial businesses to establish, which in turn translates into employment opportunities for our island residents. As the economy improves the added businesses and employment will also generate increased tax revenues for the County in the form of real property tax and to the State with the added GET, sales and income taxes.

Based on the foregoing, we believe granting our request for the water service is justifiable and we humbly solicit your concurrence and approval for the necessary capacity to proceed with the subdivision. Thank you.

Sincerely,

[Signature]

Tom H. Shigenoto
Vice President
January 4, 2008

Mr. Harold Takemoto
R.M. Towill Corporation
420 Waiakamilo Road, Suite 411
Honolulu, HI 96817-4950

Dear Mr. Takemoto:

Subject: Water Meter Service Inquiry: Proposed Eleele Industrial Park Subdivision, TMK: 2-1-01:051, Eleele, Kauai, Hawaii

This letter is in response to your December 4, 2007 water service inquiry letter.

The following Department of Water (DOW) response is for informational purposes only and describes the present water system status. It is subject to change without further notice. It does not represent a commitment or approval by the Department of the proposed or future water meter requests and/or subdivision and building permit applications. The inquirer is responsible to request information on water system status in the future.

Any actual subdivision or development of this area will be dependent on the adequacy of the source, storage, and transmission facilities existing at that time. At the present time, the proposed development is located outside the service area of the DOW. The applicant for former Subdivision Application, S-96-28 and Zoning Amendment, ZA-2005-2 was made aware of this. S-96-28 was required to complete a Water Master Plan for full development of the area. Additional source, storage, and transmission facilities were also required, as required by the approved Water Master Plan.

The following is in reply to your inquiry on the status of the existing DOW Eleele Water System: Currently, the Eleele Water System has approximately 0.368 MGD of source and 0.216 MGD of storage capacity available for the existing DOW service area. Existing transmission facilities' capacity is dependent on the flows required, location, size of pipe, etc.

To date, it is our understanding that no formal application for subdivision or water meter request has been completed by the developer. As such, the DOW has not issued formal comments or recommendations regarding the development. Our October 23, 2007 letter was intended for informational purposes only and did not represent a commitment or approval of the proposed development or future water meter requests.

You may submit a request to be placed on the Board Agenda to address Department policy regarding your development. Please contact the Manager and Chief Engineer or any Board member to make the request at (808) 245-5408.

If you have any questions, please contact Mr. Keith Aoki at (808) 245-5418.

Sincerely,

[Signature]

Wynne M. Ushigome
Acting Manager and Chief Engineer

4398 Pua Lake St., P.O. Box 1706, Lihue, HI 96766. Phone: 808-245-5400
Engineering and Fiscal Fax: 808-245-5613, Operations Fax: 808-245-5402, Administration Fax: 808-246-8628

EXHIBIT C
March 4, 2008

Mr. Tom Shigemoto
A&B Properties, Inc.
P. O. Box 430
Koloa, HI 96756

Dear Mr. Shigemoto:


This letter is in response to your February 20, 2008 water usage inquiry email.

The following Department of Water (DOW) response is for informational purposes only and describes the present water system status. It is subject to change without further notice. It does not represent a commitment or approval by the Department of the proposed or future water meter requests and/or subdivision and building permit applications. The inquirer is responsible to request information on water system status in the future.

We understand that you are asking for information concerning your proposed Elele Industrial Park development in the eastern Port Allen area (east of Waialo Road).

Based on water meter consumption records:

- The Hanapepe area water demand was 0.744 MGD (MDD) in 2006 with an additional 0.008 MGD water demand required for pending development.
- The Elele area water demand was 0.662 MGD (MDD) in 2006 with an additional 0.123 MGD (MDD) water demand required for pending development.

Pending development includes approved development projects in the Hanapepe-Elele area. Pending development does not include the proposed Elele Industrial Park.

The storage capacity of the Hanapepe-Elele area is 2.0 MG.
The source capacity of the Hanapepe-Elele area is 1.944 MGD.

If you have any questions, please contact Mr. Keith Aoki at (808) 245-5418.

Sincerely,

Gregg Fujikawa
Chief of Water Resources and Planning

EXHIBIT D
To Our Supporters:

We are sending you the enclosed East and West Kaua‘i 2014 Annual Report for your information.

Mahalo for your kokua of our programs.

Sincerely,

Ed Kawamura, Jr.
East Kaua‘i SWCD, Chair

Peter Tausend
West Kaua‘i SWCD, Chair
"Soil is an amazing substance. A complex mix of minerals, air, and water, soil also teems with countless micro-organisms, and the decaying remains of once-living things. Soil is made of life and soil makes life. To the farmer, soil is where crops grow. To the engineer, soil is a foundation upon which to build. To the ecologist, soil supports communities of living things. To the archaeologist, soil holds clues to past cultures. To the city dweller, soil nurtures grass and gardens. To the soil scientist, soil is all of these things. Soil has been called "the skin of the earth" because it is the thin outermost layer of the Earth's crust. Like our own skin, we can't live without soil."

Source: Soil Science Society of America

2014 Annual Report
Message from the Mayor

Aloha! I am delighted to recognize the members of the East and West Kaua'i Soil and Water Conservation Districts for your continuous efforts to conserve and protect our natural resources. Each and every resident of the Garden Isle has benefitted from your commitment and hard work as stewards of our aina.

This year’s stewardship theme, “Dig Deeper: Mysteries in the Soil”, challenges us as individuals to develop good conservation habits that will last a lifetime and ultimately create healthy habitats. Indeed, if we are to continue to thrive as an island community, we must take personal responsibility to ensure that our precious resources such as soil and water are conserved and protected.

On behalf of the people of Kaua'i and Niihau, I extend a big mahalo for the tremendous work you have done over the years, and I encourage everyone in our island community to follow your example by doing their part to keep Kaua'i and Niihau beautiful for generations to come.

Aloha Pumehana,

[Signature]

Bernard P. Carvalho, Jr.
Mayor, County of Kaua'i
A Message of Aloha

It is our pleasure to extend our warmest aloha to our conservation partners, supporters, and friends and to report our activities and accomplishments for fiscal year 2014.

East and West Kauai Soil and Water Conservation Districts (Districts) were founded in 1953. Over time, the role of the Districts has expanded beyond soil and water conservation to include the following activities:

- review and approve resource conservation plans for soil erosion control and water conservation on agricultural lands
- advise land users about the agricultural exemption process of the Kauai County Sediment and Erosion Control Ordinance
- participate in EPA and State Department of Health nonpoint source programs
- support initiatives that seek to protect and maintain irrigation systems
- initiate and support natural resource protection and conservation outreach programs

The mission of the Districts is to promote stewardship and conservation of natural resources by advocating the use of best management practices by land users and the general public.

Kauai’s two Districts, like the rest of the other fourteen districts in the state and three thousand districts in the nation, are locally led grassroots organizations guided by unpaid volunteers who unselfishly contribute their time and effort, with support from conservation partners, to preserve natural resources and enhance the quality of life in their communities.

With warmest aloha,

Ed Kawamura, Jr., Chairperson
East Kauai Soil and Water Conservation District

Peter Tausend, Chairperson
West Kauai Soil and Water Conservation District

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Front Row: L-R
Ed Kawamura, Jr.
Marj Stanghill
Jenni Scotti
Arryl Kaneshiro

Back Row: L-R
Paul Tigaoka
Michael Hernandez
Darren Tamekazu
Leonard Vierra
Ben Vinhatairo
Daniel Cahill

Absent:
Thomas Oi, Gerald Takemura, Jerry Ornellas, Matt Stevenson, Kelly Gooding

---

Front Row: L-R
Jenni Scotti
Roy Oyama
Howard Groene
Marj Stanghill

Back Row: L-R
Peter Tausend
Blaine Boyle
Adam Klimmann
David Smith
Morri-Ann Nagata
Keith Horton
Ben Vinhatairo

Absent:
Greg Williams
Keith Smith
Gary Ucuenten
KAUA'I SOIL AND WATER CONSERVATION DISTRICTS

Who We Are and What We Do

The East and West Kaua'i Soil and Water Conservation Districts (Kaua'i SWCDs) are two of sixteen conservation districts in Hawaii and 3,000 districts in the nation.

The function of Conservation Districts is to seek available technical, financial and educational resources to help local land users conserve soil, water, and related resources. In addition to the traditional mission of soil and water conservation, Kaua'i SWCDs are involved in a wide variety of related areas, including erosion control plan reviews of agricultural lands, reviewing and approving conservation plans in partnership with the USDA Natural Resources Conservation Service (NRCS), conservation planning for agricultural pursuits, supporting farmers and ranchers in their effort to obtain government funding for the repair and maintenance of irrigation systems, involvement in the County's Sediment & Erosion Control Ordinance, control of non-point source pollution, watershed planning, wildlife habitat preservation, and conservation education.

Hawaii's Conservation Districts are self-governing sub-units of the State government, authorized by and operating under Chapter 180 of the Hawaii Revised Statutes. For administrative purposes, the Conservation Districts are placed under the Department of Land and Natural Resources (DLNR). Each Conservation District is governed by an unpaid board of five directors: three elected by agricultural land owners and two appointed by the Board of Land and Natural Resources. Directors are assisted by Associate Directors. With funding from the State of Hawaii and the County of Kauai, Kaua'i SWCDs have paid staff consisting of a Conservation Specialist and a part-time District Assistant. Hawai'i's sixteen Conservation Districts have formed the Hawaii Association of Conservation Districts (HACD) to support and promote natural resource conservation statewide.

The NRCS is the Conservation Districts' prime conservation partner and technical resource agency. In addition to the NRCS, Conservation Districts work closely with and receive support from the DLNR, County of Kauai, Department of Water, State Legislature, County Council, US Environmental Protection Agency, HACD, UH College of Tropical Agriculture and Human Resources, State Agriculture Department, Coastal Zone Management Program, and Resource Conservation and Development (RCD).

Website: http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/sstlprb1b186962.pdf
http://dlnr.hawaii.gov/swcd/

• EWKSWCDs' ANNUAL REPORT: Through the annual report, our conservation partners are informed of our accomplishments and activities during the year.

• OUTSTANDING COOPERATORS OF THE YEAR: Annually, we honor Kaua'i ranchers, farmers and organizations who make outstanding efforts to conserve and protect our natural resources.

• OUTSTANDING WATER CONSERVATIONISTS OF THE YEAR: Each year, we recognize and honor Kaua'i farmers or ranchers who make outstanding efforts to conserve and protect water in operating their farms or ranches.

• CONSERVATION AWARENESS CONTEST: We sponsor this annual land judging contest among Kaua'i high school students. With assistance from the UH Cooperative Extension Service, and USDA Natural Resources Conservation Service and cooperation of the State Department of Education, the students learn the importance of natural resource conservation and protection in agricultural production. The winning team competes in the State contest and the State's top team represents Hawaii at the national competition.

• FARM BUREAU KAUA'I COUNTY FAIR AND GARDEN FAIR: We participate in these events to publicize our activities and role in natural resource conservation.

• COMMUNITY MEETINGS: Our participation in community meetings on natural resource conservation gives us the opportunity to provide our concerns and input on natural resource conservation and protection.

• COUNTY DEPARTMENT OF WATER ANNUAL "MAKE A SPLASH WATER FESTIVAL": We participate in this event to help the County Department of Water promote awareness, appreciation, knowledge and stewardship of water resources to Kaua'i's fifth graders.

• POSTER CONTEST: The National Association of Conservation Districts' Poster Contest for Kaua'i's grade schools is a national contest to encourage teachers and students to be good stewards of the land by conserving and protecting our natural resources. Posters are drawn by the grade school students to express their thoughts on natural resource conservation and protection.
Soil is one of the most important parts of our lives. Everything we do and how we live is dependent upon soil. Our infrastructure (houses, buildings, greenhouses, etc.) are built on soil. All of our food is in some way dependent upon soil, from the tree that provides fruit to the cattle that eats the grass. We make clothing from cotton which comes from a cotton plant that also depends upon the soil. Bugs and animals depend upon healthy soils to survive. We can learn about our history through archeologists digging through our soil. There are so many aspects of our life that connect back to the foundation of soil.

**Importance of healthy soils**

Since soil has such a huge role in the Earth’s cycles, having healthy soils is even more important to ensure the health of the planet and all life here. When our soils are healthy, water can be filtered, providing naturally clean water. Diverse microbes, animals and plants can successfully live in and with healthy soil, all providing nutrients to all life. Healthy soils can help filter organic and inorganic material such as pollution from cities and industrial activities. Having healthy soils supports the natural cycle of life.

**What can make soil unhealthy?**

Erosion is a natural part of the Earth’s cycle which we can see every day; Waimea Canyon has been carved from streams, rivers and rainfall for millions of years. What we want to protect against is unnatural erosion which causes soil to be unhealthy.

**What causes unnatural erosion?**

- Constant tillage
- Bare ground
- Cement structures and parking lots with water runoff
- Vehicle use on dirt roadways
- Wind on unprotected soils

![Waimea Canyon](image)

*Waimea Canyon is an example of natural erosion caused by rain, waterfalls and streams over millions of years.*

![An old abandoned roadway](image)

*An old abandoned roadway on the way up to Waimea Canyon has caused unnatural erosion resulting in the loss of all the top soil.*

**Soil Structure**

Both structure and organic matter are important parts to good soil quality. Organic matter is material that comes from plants and animals, when grubs such as earthworms eat material and defecate material back into the soil. Worms, insects and other microorganisms contribute to breaking down material into usable nutrients that stay within the soil. Plants then use these nutrients to grow and their matter goes back into the soil once they are dead, to continue the cycle of decomposition. This also helps with soil structure as well; if there is no structure, plants do not have a foundation to grow (imagine a pine tree growing in sand).

**What can we do to keep our soils healthy?**

Keeping our ground covered in healthy, enriching organic matter will reduce erosion in areas where water and wind impact the ground. For garden and farming practices, add cover crop and mulching to increase nutrients and add matter back into the soil. Diversifying crops and cover crops used will increase the types and amounts of nutrients that stay in the soil and will increase the type of organic matter available to microorganisms. Planting nitrogen fixing plants such as clover, clay peas and sun hemp or trees such as Pigeon Pea, Koa and Gliricidia will help keep nutrients tied to the soil. Reduce tillage operations to minimize removing plant matter from the soil. Proper residue management can return nutrients from the planted crop or cover crop back into the soil and provide material as food for organisms to successfully live in the soil.

Ultimately, soil has an important role in all parts of our lives and all life around us. If we can help reduce our impact by increasing organic matter and decreasing erosion, then the health of our soils can be maintained for generations to come.
Kauai County Conservation Awareness Contest 2013
Written by Jenni Scotti

Kauai High School Wins Hawaii State Conservation Awareness Program Contest
Left to right: Amy Koch (NRCS GIS Specialist/Resource Soil Scientist), Jeff Knowles (Director on Kona SWCD Board), Kauai High Team – Jacky Lin, Chantal Rusaw, Jasmine Benham and Keith Jones

The Conservation Awareness Program (CAP) Contest (also known as the Land Judging contest) focuses on how soil properties and environmental factors affect the land's potential for various agricultural uses (crop, orchard, pasture or woodland). The students evaluate site conditions like rainfall and stoniness, soil properties such as texture, permeability and topsoil erosion, and slope of the land to determine the major factors affecting the land. They must identify the land capability class of the site and select appropriate conservation practices for the given land use (usually cropland or pasture). Additionally, the students follow a similar process to determine how suitable the site is for building a home by assessing how each soil and environmental factor would limit foundations, landscaping and shallow excavations.

East and West Kauai Soil and Water Conservation Districts (SWCDs), along with the University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR) and Natural Resources Conservation Service (NRCS), held the Kauai County competition on October 23rd. The top four students earned the opportunity to represent Kauai at the 50th Annual Hawaii State Conservation Awareness Program contest, sponsored by Hawaii Association of Conservation Districts and the Kona and Mauna Kea Soil and Water Conservation Districts on November 22nd in Kona.

Kauai High School's team, Jacky Lin, Chantal Rusaw, Layton Fleege and their advisor Herbert Keamoai, earned the opportunity to represent the state of Hawaii at the National CAP Contest in Oklahoma City on April 26th.

Mahalo for support of the County and State CAP Contest: East and West Kauai SWCDs, Grove Farm, Ben Vinhateiro (NRCS), Herbert Keamoai (Kauai High Advisor/teacher), Amy Koch (NRCS), Matt Stevenson (CTAHR and SWCDs), Mary Robblee and Jeff Knowles (Kona SWCD), Kona SWCD, Mauna Kea SWCD and Hawaii Association of Conservation Districts.

Special thanks to those who sponsored the opportunity for Kauai High School students to compete at the National Conservation Awareness Contest in Oklahoma City: Kauai Coffee Company LLC, Mauna Kea SWCD, Waialua Kai Cattle LLC, South Oahu SWCD, Syngenta Hawaii LLC, DuPont Pioneer Waimea Research Center, BASF Plant Sciences LLC, Ms. Mary Robblee, Kona SWCD, HACD, Central Maui SWCDs, RCRD Tri-Isole Board, Gay & Robinson Inc., Mr. Wes Nohara, East & West Kauai SWCDs...Mahalo nui loa!

East Kauai SWCD Outstanding Cooperator of the Year
Limahuli Garden and Preserve
Written by Morri-Ann Nagata

This year the East Kauai Soil and Water Conservation District has selected Limahuli Garden and Preserve (a branch of the non-profit National Tropical Botanical Garden) as the Cooperator of the Year for their commitment to creating and managing wildlife habitat. Limahuli, on Kauai's north shore, has changed over nine acres of weedy, invasive forest to dominantly Native Hawaiian forest. They have been managing the area to retain native flora and fauna as well as preserving Native Hawaiian culture. The project allows visitors, volunteers and scientists a better understanding of the complex and fragile endemic Hawaiian ecosystem, and the connections between a healthy native forest and the ability of Native Hawaiians to perpetuate their traditional and customary practices. In order to protect this project into the future, Limahuli has obtained funding through Fish and Wildlife Service's Partners Program to fence off 60 acres—including this site—to protect it from feral ungulates. The fence-line has the support of local hunters, as it was designed in consultation with them to ensure that its placement will be done in a way as to help them to more efficiently hunt pigs that traverse through the valley.

Limahuli also carried out the construction of almost 20,000 feet of feral pig and goat exclusion fence at the Upper Limahuli Preserve above the current project site. The Upper Limahuli Valley is a remote valley only accessible by helicopter. The fence protects nearly 400 acres and is built upon the ridge that forms the perimeter and watershed boundary of the Limahuli Valley. Once completed in 2009, there were no feral ungulates within the fence-line, so control of invasive species focused on incipient populations of things like kahili ginger that started to encroach from the east, and paper-bark trees that were encroaching from lower elevations. The area continues to be managed and protects many extremely rare Native Hawaiian species of plants, insects and animals.

Limahuli has previously been honored by the American Horticulture Society as the best natural botanical garden due to their environmental management practices of soil, water and rare plant conservation in the overall garden design. The East Kauai SWCD Board would also like to commend Limahuli for their continued hard work and commitment to preserving Native Hawaiian flora, fauna and culture in combination with natural resources. We are very pleased to recognize the great work they have been doing and look forward to future accomplishments.
Garden Island Resource Conservation and Development, Inc. (GIRC&D)

Submitted by Carolyn Lum

Garden Island Resource Conservation and Development, Inc. umbrellas many conservation programs: Kokee Resource Conservation Program and Makauwahi Cave Reserve were featured in 2013. Three other important programs that impact our community are Kauai Invasive Species Committee, Kauai Landscape Industry Committee and the Forestry Committee.

The Kauai Invasive Species Committee (KISC) is a voluntary partnership of government, private and nonprofit organizations, and concerned individuals working to prevent, control, or eliminate the most threatening invasive plant and animal species in order to preserve Kauai’s native biodiversity and minimize adverse ecological economic and social impacts. Besides rigorous field work and surveys, the KISC crew seeks to educate both the general public and commercial businesses (e.g., resorts, and the horticultural/landscaping industry), regarding the threats of coqui frogs and morrogo to Kauai as well as invasive plant species (e.g. Miconia (left) and Australian Tree Fern) and the importance of reporting any new sightings. Please check out their website: www.kauaiisc.org or email kisc@hawaiiantel.net or phone 808-246-0684.

The Kauai Landscape Industry Committee (KLIC) provides Kauai’s landscape industry entities and their employees with educational and practical training programs to enhance and elevate their job skills with an emphasis on safety. This training increases employment opportunities and advances within this sector of the community and encourages research and education towards improving landscape and horticultural practices. The landscape industry on Kauai encompasses a diverse group of organizations and individuals, including landscape contractors and gardeners, landscape maintenance operators, arborists, plant nurseries, botanical gardens, resort & condominium operations, and Federal, State, and County agencies. Some of their offerings include Certified Landscape Industry Technician, Certified Tree Worker, Chainsaw Safety and Tree Felling (right) along with irrigation workshops in partnership with Kauai Community College. Since 2006, KLIC has organized the Arbor Day Free Tree and Education Event in partnership with Kukui Grove Shopping Center, (below).

The Forestry Committee seeks to inform the community through education and demonstration, supported by applied research, that trees are a utilitarian, valuable, renewable, and recyclable natural resource. They work to promote a viable, diverse and productive agroforestry industry that generates jobs, maximizes productive rural land use and maintains biodiversity with presentations throughout the year: Kauai Farm Bureau Garden Fair, Ag and Environmental Awareness for 5th Graders, and Kokee’s Banana Poka Roundup.

Garden Island RCD appreciates the co-sponsorship of the East & West Kauai Soil and Water Conservation Districts and supports their commitment to the communities of the County of Kauai.

Website: www.gircd.org

West Kauai SWCD Outstanding Cooperating of the Year, Makauwahi Cave Reserve, David & Lida Burney

Written by Jenni Scotti

The Hawaiian Islands have the highest number of threatened and endangered species in the United States. Habitat is threatened both by invasive plants and animals and the effect that human populations have had on the land. Continual work toward creating and restoring native habitat is occurring around the island; those spearheading these efforts include Dr. David Burney and Lida Figgott Burney. For their specific focus with the wildlife projects at the Makauwahi Cave, the West Kauai Soil and Water Conservation District would like to recognize them as this year’s Cooperator of the Year.

Through their projects, they have worked with the Natural Resource Conservation Service (NRCS) and the Kauai Soil and Water Conservation Districts (SWCDs) with both wetland and upland wildlife management practices, turning old sugar land into productive habitat for native plants and birds from Kauai and Ni‘ihau. In the wetland habitat, ponds have been built, with some being used for lo‘i and some as ponds for native sedges including maka‘aloa, a sedge which is used to make traditional mats on Ni‘ihau and Kauai. The upland habitat has native plants planted and protected by fencing to keep out predators as well as using land terraces to manage the weeds.

The importance of Hawaiian Culture is applied in some aspects of the management of native species. They have used lo‘i to create native bird habitat in which Hawaiians from Ni‘ihau are hired to harvest using traditional methods. They are also working to bring back an almost lost practice of making traditional mats which use the maka‘aloa sedge. They are also skilled in conservation and restoration practices producing and using seeds from the native plants, especially from the upland wildlife project.

Dr. Burney and Lida Burney have worked extensively looking into the past of Kauai, both historic and prehistoric. The natural cave, just to the south of the wildlife projects, has revealed many plant and animal species in the fossil record, as well as from more recent history when the Polynesians came to Kauai. The cave today is host to restoration projects with planting native plants, education held by volunteers to teach the history of Kauai. It is also one of the very few places that the endemic blind wolf spider and blind cave amphipod make their home.

With all of these projects, they use volunteers to accomplish many of the main goals. All the while, these projects are set up for education and outreach purposes and have had individuals from all over the world visit this site through various events over the years. Plus, the seeds that they produce and their knowledge of native species help with restoration projects all over the island. Their continued work of preserving the history and native species of Kauai is fundamental to our understanding of native plants, animals and past human populations. The West Kauai SWCD would like to applaud Dr. David Burney and Lida Figgott Burney for their continued dedication and hard work for the betterment of Kauai.

Left to Right: Dr. David Burney, Lida Figgott Burney, Peter Tausend, WK SWCD Chair, in front of the Upland Habitat Management Project

Taro ko‘i Wetland Habitat Management Project

West Kauai SWCD tour of the Makauwahi Cave.
2013 East Kauai Soil and Water Conservation District
Outstanding Water Conservationist Award
Wooten’s Produce of Kauai, John and Nandanie Wooten

Written by Daniel Cahill

As demand for water resources continues to grow worldwide, agriculture, the largest user of water by economic sector, offers many opportunities to conserve this precious resource. Using proven technologies as well as creative ideas, farmers are increasing the water efficiency of their operations throughout Kauai County. The East Kauai Soil and Water Conservation District (EKSWCD) is happy to highlight the efforts of Wooten’s Produce of Kauai, John and Nandanie Wooten, as Outstanding Water Conservationist of the Year for 2013.

The Wootens have been active “Co-operators” with the EKSWCD since 2009. This partnership has resulted in an impressive list of conservation practices being applied to the land that directly or indirectly conserves water. The list includes: cover crop, irrigation pipeline, irrigation system micro-irrigation, irrigation water management, seasonal high tunnel for crops, and mulching.

When asked if they had any tips for other farmers to try to conserve water, John offered the following: Retain the lower branches of the orchard trees and use whole pruned branches along with leaves to extend the life of the mulch being used. John says retaining the lower branches reduces the amount of water loss by protecting the soil from exposure to the wind and the whole branches used in the mulch extend the lifespan of the mulch to keep the soil surface covered and lock in soil moisture.

John and Nandanie Wooten are the proud owners and operators of Wooten’s Produce of Kauai. They began farming on Kauai in 1997 and have since built a 20 acre diversified agriculture operation in Molaa on which they produce a wide variety of fruits and vegetables. Their produce can be found at local food stores from Lihue to Hanalei, as well as the Sunshine Farmer’s Market in Kapaa. Additionally, they service custom orders three days a week.

2013 West Kauai Soil and Water Conservation District
Outstanding Water Conservationist Award
Dow AgroSciences LLC

Written by Jenni Scotti

Today’s agricultural land users face the challenge of working with aging infrastructure from Kauai’s former sugar plantations. Much of the equipment is useable and farmers often make do with what is available, even though it may be inefficient and old. This includes the irrigation systems from the sugar fields. What if wasting water and low water quality are not acceptable? Wasting water is not only expensive, it can also reduce the available water as well as the quality for both people and the environment. Dow AgroSciences faced this very dilemma and took on the challenge and expense of replacing their dated water filters to improve the efficiency of water use, quality and to limit waste.

From the first day Dow opened their doors, the filter systems and tanks were a challenge that needed to be fixed. The 17 old filter stations with over 100 tanks were leaking about 30 gallons of water a day, which resulted in over a million gallons of water wasted per year. On top of this, the leaks in the stations made it more difficult to remove sediments, particulates and debris from the water. Besides decreasing water quality, the debris can also plug the irrigation lines used to water their fields. This results in longer watering times and additional water use.

Dow is striving to improve water use efficiency and quality, be more energy efficient, minimize waste, be environmentally responsible and ensure the safety of their employees. From that first day four years ago, they have put resources toward replacing the old water filter stations, costing almost a quarter million dollars. Continuing the theme of efficiency, their new office is a LEED silver facility, which means that it is energy efficient. This includes water usage; the landscaping around the property is watered by irrigation water instead of domestic water. Drip irrigation is used, saving 25% of the water used by conventional overhead watering systems. Their office plumbing uses motion sensors and low capacity tanks, again reducing water consumption.

The West Kauai Soil and Water Conservation District is pleased to recognize Dow AgroSciences’ innovation, input of resources and commitment to improving their water quality and conserving their water resources.

Award Picture on Page 12

Kauai Conservation Poster Contest
Written by Jenni Scotti

Mahalo to the teachers and students from Kauai Christian Academy and Ele'ele Elementary School for participating in the 2013 Conservation Poster Contest sponsored by the East and West Kauai SWCDs and the National Association of Conservation Districts. The local contest has three age groups, K-1, 2-3 and 4-6. The top two winners of each category receive a prize and the first place poster in each group is sent to the national contest in Indiana.

The 2013 poster theme was:

A watershed includes the rain in the mountains all the way down to the rivers into the ocean. The rain on your rooftop, the groundwater beneath your feet, the stream in the valley, even the water from your faucet is water that is part of your watershed. Everyone lives in a watershed and has an impact in one way or another, so we should always strive to make a positive one.

Mahalo to Jonell Kaehealaulii, Kukui Grove and their staff for providing space to display the posters through the month of December!

1st Place: Markus Mohler
Kauai Christian Academy / Grade 1 / Mrs. Violi

2nd Place: Yurina Harris
Ele'ele Elementary School / Grade 2 / Mrs. Watanave

1st Place: Kai Koga
Kauai Christian Academy / Grade 6 / Mrs. Morales

2nd Place: Benjamin Kimball
Kauai Christian Academy / Grade 1 / Mrs. Violi

Website: www.pia.nrcs.usda.gov

14
Make a Splash with Project WET
Submitted by Kim Tamaoka,
County of Kauai Department of Water

The Kauai Department of Water (DOW) hosted its 10th annual "Make a Splash with Project WET" water festival on September 26, 2013. Once again this hands-on water festival brought together parents, students, teachers, government resource agencies and enthusiasts of all kinds for one cause – to educate and raise awareness of our vital and precious water resource.

Over 500 fifth grade students from all sides of the island learned about water conservation and the vital role water plays in our everyday lives. Students participated in dynamic hands-on activities, games and educational exhibits and discovered the effects of healthy watersheds and water-dependent activities like agriculture, recreation and wildlife habitats. Students also learned how they could contribute to wise water use and protection.

The East and West Kauai Soil and Water Conservation Districts continue as regular supporters for this event by volunteering as activity leaders or helpers of the various water activities. Without participation from the East and West Kauai Soil and Water Conservation Districts, and other community businesses and organizations, the DOW would not be able to successfully host the Make a Splash with Project WET water festival year after year.

10th Annual
Make a Splash with
Project WET

The Project WET Foundation is an established not-for-profit organization that is dedicated to worldwide water education. Their mission is achieved through various resource materials, training workshops, community events, and an ongoing increase of network educators and professionals. Project WET believes that:
• Water moves through living and nonliving systems and binds them together in a complex web of life;
• Water of sufficient quality and quantity is vital for all water users (energy producers, farmers and ranchers, fish and wildlife, manufacturers, recreationists, rural and urban dwellers);
• Water resources management is crucial for providing tomorrow’s children with social and economic stability in a healthy and sustainable environment; and
• Awareness of and respect for water resources can encourage a personal, lifelong commitment of responsibility and positive community participation.

The Kauai DOW will be hosting its 11th Annual Make a Splash with Project WET water festival on September 18, 2014. For more information or to sign up to volunteer, please call DOW's Public Relations Specialist, Kim Tamaoka at (808) 245-5459 or email kimtamaoka@kauaiwater.org.

Staff Update
Written by Peter Tausend

Since joining us last May, Conservation Specialist Jennifer Scotti has benefitted from lots of on-the-job training to become a valuable member of our team. Mary Stumphill, our District Assistant, has now been with us for over 14 years, and continues to play a key role in District activities.

We continue to enjoy a close relationship with our partners at NRCS. Ben Vinhateiro, Kauai’s District Conservationist since January 2013, is effectively leading his staff to help get conservation practices planned and implemented.

MAHALO

We express our deep appreciation to the board members and staff of East and West Kauai Soil and Water Conservation Districts, Kauai staff of USDA Natural Resources Conservation Service, Garden Island Resource Conservation and Development, Kauai County Water Department, and UH CTIAHR Cooperative Extension Service for helping to make the annual report possible.

We wish to thank the staff and volunteer board members of East and West Kauai Soil and Water Conservation Districts for their commitment and dedication to preserve and protect our precious natural resources. Mahalo to our conservation partners, who include the USDA Natural Resources Conservation Service, Governor Neil Abercrombie, State Departments of Health, Agriculture, and Land and Natural Resources, UH CTIAHR Cooperative Extension Service, Mayor Bernard Carvalho Jr., Kauai County Water Department, Kauai County Council, the Hawaii State Legislature, and Hawaii Association of Conservation Districts. We also appreciate the support of the Department of Health and the National Tropical Botanical Garden in providing space for our monthly meetings.
Board Committee Reports
BOARD REPORT

June 26, 2014

Subject: Finance Committee Report

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


The Finance Committee met with the Department of Water staff on May 29th and discussed in detail the proposed Draft Budget for Fiscal Year 2014-2015.

Updated information and/or changes in various sections of the draft budget were presented by Fiscal.

The Finance Committee will provide an updated verbal report and will present the Operating Budget to the full Board at the June 26th Board meeting.

The Capital Budget will be discussed with the Finance Committee in late June and will be presented to the full Board at the July 24th Board Meeting.

Sincerely,

Larry Dill, P.E.
Finance Committee Chair

LD/ein

MANAGER’S REPORT NO. 13-7

June 26, 2014

Re: Board Discussion and Possible Action on Part 2 Section IX, Adjustment of Bills for Undetected Leaks and Unforeseen Damages of the DOW’s Rules & Regulations.

RECOMMENDATION: It is recommended that the Board approve Option 1, adopt the proposed revisions of Part 2 Section IX of the DOW’s Rules and Regulations as recommended by the DOW.

BACKGROUND: Every year, $300,000 - $400,000 leak rebates are given. Initially in 2012, the DOW has recommended the Board to eliminate Part 2 Section IX in its entirety but instead, the DOW plans to keep this rule with the amendments as proposed.

After many revisions with the Rules Committee, the attached proposal has been moved to the full Board for review and action.

The Rules Committee has revised the Rule to strictly limit the number of rebates for a consumer and have narrowed the allowable justification to strictly underground leaks.

Through internal SOP guidelines, the proposed amendment would require the consumer to sign an affidavit attesting to their submitted documents that their claim is true. If their claim for underground leak is found and proven to be false, the DOW will have the rights to recover the rebate under claims of perjury.

On November 21, 2013, the Board approved a motion to send the revised Part 2 Section IX of the DOW’s Rules and Regulations to the Small Business Regulatory Review Board. The Department sent the proposed revision of Part 2 Section IX to the Small Business Regulatory Review Board On November 27, 2013. In response, the Small Business Regulatory Review Board informed the Department in a letter dated December 13, 2013 that their members unanimously agreed that the proposed rules may proceed to public hearing.

The public hearing was conducted on May 22, 2014 with one registered guest. There was no written testimony received.

In January 2014, the Board also approved the Department to amend Part 4, Section 1 to change the term “block” into “tier” to make the DOW’s terminology consistent with our Customer Care & Billing (CC&B) program. With this amendment, the DOW has removed the “0” block notation to start with “Tier 1.”

Current Calculation:
An adjustment is based on the consumer’s 6-month average bill (dollars) minus the “high bill” divided in ½. The consumer is responsible for 50% of the charges.

**Proposed Calculation:**
An adjustment is based on the consumer’s 12-month average consumption (usage consumption in gallons) minus the “high bill” (usage consumption in gallons). The difference is charged at the Tier 2 rate applicable to the meter size in the Department’s General Use Rates.

**Options:**
1. **Approve Recommendation** – The Department will finalize amendment.
2. **Amend Recommendation** – If the Board amends the proposed rule, the DOW will continue to work with the Board to incorporate proposed changes.
3. **Disapprove Recommendation/Table Item** – The Department will continue to use the DOW’s current rule and administer adjustments to those who are eligible.

Thank you for your attention to this matter.

Respectfully submitted,

[Signature]

Marites Yano
Waterworks Controller

**CONCURRED:**

[Signature]

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

Attachments: DOW Revised Proposed Changes on Part 2 Section IX, Adjustment of Bills for Undetected Leaks and Unforeseen Damages of the Rules (05-22-14)
Small Business Impact Determination and Statement
Memorandum from Small Business Regulatory Review Board, dated December 13, 2013
Standard Operating Procedure – Undetected Underground Leaks
Leak Adjustment Request Form
Affidavit
Administrative rule material to be repealed is bracketed. New material is underscored. Deleted material is stricken through or [bracketed.] In printing this rule amendment, the brackets, bracketed material, underscoring, strikes need not be included.

SECTION IX - ADJUSTMENT OF BILLS FOR UNDETECTED UNDERGROUND LEAKS AND UNFORESEEN DAMAGES

1. The Department will reduce high water bills caused by undetected underground leaks in the consumer's supply pipe provided, however, that no reduction in a water bill shall be allowed where the high water bill was caused by some unforeseen circumstance such as, resulted from storm damage, flood, explosion, fire, and or acts of nature.

2. Before adjustment is made under this section, the owner shall first request an adjustment and submit substantiating evidence and data to warrant such an adjustment required as may be requested by the Department to justify an adjustment in the water bill. The Department shall make their determination based on the data presented and any other evidence as collected by the Department, if necessary, may, but shall not be required, to conduct its own investigation of the high water bill.

3. An adjustment in a high water bill will be allowed only if the consumer exercises diligence in repairing and stopping the leak within the period of one week after knowledge that the consumer knew or should have known of an undetected underground leak, age. A consumer’s knowledge of the leak may be inferred by the Department from a high water bill or notification from the Department.

4. No adjustments will be made for leakage due to faulty plumbing fixtures, or for leakage from exposed waterlines within his property the consumer’s premises.

5. Before adjustment is made under this section, the owner shall first request an adjustment and submit substantiating data to warrant such an adjustment if required by the Department. The Department shall make the determination based on the data presented and any other evidence as collected by the Department, if necessary.

If a consumer’s request for adjustment is allowed, the newly adjusted amount due shall be calculated by determining the difference of the high bill consumption in gallons and the average consumption in gallons of the previous 12 months, multiplied by the tier two (2) rate in the Department’s General Use Rates. (See equation below)

\[
\text{Tier 2 rate} \times (\text{in gallons on high bill} - \text{(average gallons of previous 12 months)}) = \text{newly adjusted amount due}
\]

Where the consumer has had water service for less than 12 months, the Manager shall make a good faith determination of the reduction.

6. A reduction in high water bills resulting from underground leaks shall be allowed only once in every two-year period, provided that the Department may, in its discretion, and for good cause, may consider and allow a request for reduction more frequently than once in a 2-year period.
DEPARTMENT OF WATER
County of Kaua'i

"Water has no Substitute – Conserve It!"

SMALL BUSINESS IMPACT DETERMINATION AND STATEMENT

For

PROPOSED AMENDMENT OF RULES
of the
BOARD OF WATER SUPPLY, COUNTY OF KAUAI

RELATING TO PART 2, SECTION IX, RULES AND REGULATIONS FOR
ADJUSTMENT OF BILLS FOR UNDETECTED LEAKS AND UNFORESEEN
DAMAGES
WITHIN THE COUNTY OF KAUAI

NOVEMBER 25, 2013

SUMMARY OF THE PROPOSED RULE AMENDMENT:

PURSUANT TO ACT 168, 1998

PROPOSED RULE AMENDMENTS:
Every year, the Department of Water (DOW) provides $300,000 - $400,000 in leak rebates. To reduce this expenditure, DOW recommended that the Board of Water Supply (Board) eliminate Part 2 Section IX of the Rules and Regulations (Rule) in its entirety. Following discussions with the Board along with public comments, the DOW proposed to keep this rule with the proposed amendments.

The DOW has revised the Rule to limit the number of adjustments the consumer is allowed and have narrowed the allowable justification for undetected underground leaks. In addition, the consumer will now be required to sign an affidavit attesting that their submitted documents and claim is factual and the DOW will have the rights to recover the rebate if the consumer perjures themselves.

The DOW has also revised the method of calculating leak adjustment rebates. DOW currently calculates leak adjustments based on dollars. We are now proposing to have the consumer pay 100 percent of their consumption charges at the first block rate applicable to the DOW’s Rules and Regulations in Part 4, Fixing Rates for Water Services. Currently, a leak adjustment is calculated based on the consumer’s six month average bill (dollars) minus the “high bill”, then, divided in half. The consumer is responsible for 50 percent of the charges.

The proposed method of calculating the leak adjustment is based on the consumer’s 12-month average consumption (gallons) minus the “high bill” consumption (gallons). Then, the difference is charged at the “Block 1” rate applicable to the meter size in the Department’s General Use Rates.

Example: A consumer with a 5/8-inch water meter who uses an average of 15,000 gallons of water per month will have a monthly bill of $113.55. The consumer experiences a leak and water usage increases to 45,000 gallons per month. The monthly bill for this leak will be $428.70. Using the current method of calculating a leak adjustment the consumer will be responsible for $157.58 of the leak. For the proposed method of calculating a leak adjustment the consumer will be responsible for $195.75.

IMPACT DETERMINATION:
It is DOW’s opinion that the proposed leak adjustment amendments should have minimal impacts on small business. The proposed method of determining leak adjustment costs should produce similar results as the current method of determining leak adjustment costs.

Although the proposed requirements for qualifying for a leak adjustment are more stringent, this should not prevent small businesses with documented underground leaks from receiving a leak adjustment rebate. Aboveground leak adjustments were eliminated in the amended Rule because aboveground leaks are typically more noticeable by the consumer and should be repaired immediately.

Small businesses with agricultural water rates (farmers) will not benefit from the proposed leak adjustment amendments. DOW agricultural water rates are about 50 percent lower than the first block General Use Rate; therefore, using the proposed method of calculating a leak adjustment would effectively double charge rate for the leak. Farmers who buy their water at significantly lower costs are expected to be careful stewards of their purchased water. Also, they typically do not leave irrigation pipelines pressurized and are nearby to observe irrigation operations.
MEMORANDUM

TO: Kirk Saiki, P.E., Acting Manager and Chief Engineer
Department of Water – County of Kauai

FROM: Chu Lan Shubert-Kwock, Chairperson
Small Business Regulatory Review Board (Review Board)

DATE: December 13, 2013

SUBJECT: Proposed Amendments of Part II of the Rules and Regulations for Water Service Connections, and Section IX—Adjustments of Bills for Undetected Leaks and Unforeseen Damages, Department of Water, County of Kauai

As you are aware, the Small Business Regulatory Review Board (Review Board) 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. 09-01.

Please be advised that at the December 11, 2013 board meeting, the Review Board discussed the above-captioned rule amendments. Upon review, the members unanimously agreed that the proposed rules proceed to public hearing.

Thank you for keeping the Review Board apprised of the regulatory activity at the County of Kauai’s Department of Water.

c: Mayor Bernard P. Carvalho, Jr., County of Kauai
   Barbara Bennett, Review Board Discussion Leader
The Department of Water will reduce high water bills as outlined in Section IX, Part 2 of the Rules & Regulations; Adjustment of Bills for Undetected Underground Leaks.

**PURPOSE:** To ensure uniform application of the rules and regulations regarding adjustments for undetected underground leak(s), the following guidelines for processing a request for a leak adjustment(s) must be followed:

**CRITERIA:**

1. **Location** – Customer is responsible for any pipe fitting or connection from the meter box to their property.
2. **Documentation** – Customer must complete the leak adjustment request form and submit substantiating evidence or proof of an underground leak(s). In addition, a signed notarized affidavit is required. All documents must be turned in to the billing section for review and determination if a leak adjustment is justified.
3. **Repair** – Repairs must be done prior to requesting an adjustment.
4. **Must follow the “One (1) Week” rule.** Repair to be completed within 1 week after knowledge of the leak.
5. **NO adjustments** will be allowed where the high water bill was caused by some unforeseen circumstance such as storm damage, flood, explosion, fire or any acts of nature.
6. **NO adjustments will be allowed for the following:**
   - Faulty plumbing
   - Exposed water lines within a consumer’s property
   - Any and all above ground leaks

**PROCESS:**

1. DOW receives an inquiry (in person, by phone, mail or e-mail) from customer regarding a high water bill.
2. DOW instructs customer how to check for possible above ground plumbing & fixture water leaks; gather information and log inquiry into CC&B.
3. If an above ground leak is not found, DOW informs customer for a possible underground leak.
4. Inform customer about the “One (1) Week Rule” for underground leaks. An adjustment for an undetected underground leak will be given if customer exercises due diligence in repairing the leak within one week after knowledge of the leak(s).
5. Log customer’s inquiry into CC&B and include that customer was informed of the “One (1) Week Rule”.

6. Customer completes the “Request for Leak Adjustment and Affidavit” forms. Forms and Instructions can be picked up at the DOW billing office, downloaded from the DOW website or e-mailed to customer upon their request.

7. Billing personnel receiving the documents must time stamp & acknowledge receipt of the requested adjustment on the documents, and log the time, date, and how the documents were received into CC&B.

8. DOW creates a Field Activity Report (FA) to do a meter profile on the account.
   a. Meter Readers are responsible for the following:
      ♦ Profile the Meter.
      ♦ Log findings on the FA report and submit to Billing Supervisor or designated staff.

9. DOW processes the leak adjustment credit to customer’s account, if justified.

10. DOW sends a response in writing and the reasons for denial if the request for an adjustment is denied.

APPROVED:

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

Attachment: Leak Adjustment Request Form
Name on Account: ____________________ Billing Statement Date(s): ____________________

Account Number: ____________________ Billing Service Period(s): ____________________

Premise Address: ____________________ Date Leak Discovered: ____________________

Phone Number: ____________________ Location of Leak: ____________________

Email Address: ____________________ Date Repair Completed: ____________________

Describe Underground Leak (Attach additional sheets if necessary):
_______________________________________________________________________________________________
_______________________________________________________________________________________________
_______________________________________________________________________________________________

Describe Parts Repaired and or Replaced:
_______________________________________________________________________________________________
_______________________________________________________________________________________________
_______________________________________________________________________________________________

ATTACHMENTS

Pictures: Yes_____ No______ Repair Bill / Invoice: Yes_____ No______
Receipt (s) for Parts: Yes_____ No______ Signed Affidavit: Yes_____ No______

OFFICE USE ONLY

Profile Date: ____________ MXU#: ____________ Office Person (Print Name): ____________________

Office Signature: ____________________ Approved: Yes_____ No______

If Denied, State Reason(s):
_______________________________________________________________________________________________
_______________________________________________________________________________________________
_______________________________________________________________________________________________

SOP 63 – Leak Adjustment Request: Form and Instructions
AFFIDAVIT

I, _________________________, after being duly sworn under oath do hereby depose and say:

1. I make the following statements from personal knowledge and I am capable to do so.
2. I am the account holder of water service account #____________________ located at ___________________________________________ (premise address).
3. I incurred a high water bill(s) due to an underground water leak(s).
4. I exercised due diligence in investigating the true cause of the water leak(s).
5. I hereby affirm the water leak was not caused by storm damage, flood, explosion, fire or any acts of nature.
6. I hereby affirm the leakage was not due to plumbing fixtures or exposed waterlines within the service premises.
7. I had knowledge of the leak on this date: ___________________________.
8. I exercised diligence in repairing and stopping the leak within one (1) week after I first became aware of the leak.
9. The leak was repaired on: _______________________.
10. The substantiating evidence and documentation I submitted are true representations of the underground water leak(s).
11. I am requesting an adjustment on my water bill for the following service periods________________________________________________.
12. I understand and agree that the Department of Water may send a Representative to the premises to conduct further investigations regarding the water leak.

I do hereby swear under penalties of perjury that all of the foregoing is true, complete and correct to the best of my personal knowledge and belief.

__________________________
Affiant’s Signature

On this _______ day of ________________ 201____, before me personally appeared _______________________ (Affiant’s Name); to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he/she executed it as his/her free act and deed.

__________________________
Notary Public
State of Hawaii
My commission expires: ________________________
MANAGER’S REPORT No. 14 - 45

June 26, 2014

Re: Revised Exhibit B; Report of Findings of Board Question Concerning Consequences if BAB Funds are Not Expended; Revision of Project Name For Project H-05 – Weke, Anae, and Hee Roads 6” and 8” Main Replacement to H-05 - Weke, Anae, Mahimahi and He’e Roads Main Replacement; and Revised BAB Project List

RECOMMENDATION:
It is recommended that the Board receive and accept the revised Exhibit B, and receive the report of findings concerning the consequences if BAB funds are not expended within the specified 3-year period. It is further recommended that the Board approve the revision in project name for project “H-05 from Weke, Anae and Hee Roads 6” and 8” Main Replacement” to “H-05 - Weke, Anae, Mahimahi and Hee Roads Main Replacement” to be noted and approved on the BAB project list as revised, and approve Resolution No. 14-7.

BACKGROUND:
At the May 22, 2014 Board Meeting, the Board voted to approve two projects, H-05 – Weke, Anae, and Hee Roads 6” and 8” Main Replacement and LO-08 – Koloa Road Main Replacement, for inclusion on the BAB list through Manager’s Report No. 14-45 and BAB Resolution No. 14-7 (FY 2013), conditioned on Exhibit B being revised and re-submitted to the Board. The revised exhibit to show all projects identified on the BAB project list and to determine if they generated FRC. The Water Resources and Planning Division and the Engineering Division have jointly revised the exhibit. The revised Exhibit B is being resubmitted for Board acceptance. The projects were reassessed by looking at each project as a standalone project in determining if FRC will be generated or not. If the project had an expansion component, it was considered as generating FRC. Some differences in the determination of FRC generating projects between the revised and original Exhibit B list may occur based on the way the projects were assessed.

The Board requested that the Department check with Bond Counsel if there are any consequences of not spending all of the bond funds within the specified 3-year period. The 3 year period ended early last year. Bond Counsel, Brian Hirai was contacted and it was opinioned that there are no short term consequences of not spending all of the bond funds within the specified 3-year period with the exception that there are investment limitations where the investment of bond funds cannot generate returns higher than the bond rate. It was also mentioned that at some point in time, if the funds are not used, the IRS may raise questions due to the tax exempt status. There are no clear cut guidelines on when this may happen. Mr. Hirai recommended that the Department continue to spend down the funds as soon as we can. Discretion can still be used to determine which projects are BAB funded.

The Department is requesting that the original WP 2020 project name for project H-05 be revised to include Mahimahi Road in the project name. The project includes replacing the main along Mahimahi Road, which is being reflected on the construction drawings title. Due to the potential use of BAB funds to finance the project, the Department thinks that it will be safer to include Mahimahi Road in
the project name on the BAB project identification list. This will help to eliminate any question as to the project identification if BAB funds are used.

Respectfully submitted,

Keith Aoki, P.E.
Civil Engineer VI
Engineering Division

CONCURRED:

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

Attachments: Revised Exhibit A – BAB Project List Changes FY 2013 – Resolution 14-7
Revised Exhibit B
Resolution No. 14-7
BAB PROJECT LIST CHANGES
EXHIBIT “A”
FY 2013 – RESOLUTION NO. 14-7

1. ANI-01a  Anini and Kaliihiwai 6” Main Replacement (9,156’)
2. H-01   Maka Ridge Pipe
3. H-02   Maka Ridge Well CL
4. H-03   Rehab Maka Ridge Tank
5. H-10   Rehab Maka Ridge Tank
6. H-07   Construct Hanalei Tank #2 0.25 MG
7. H-08   Drill and Develop Hanalei Well # 2
8. HE-08   Rehab Eleele Tank
9. HE-11   Salt Pond Pipe
10. K-05a  Construct Kalaeo Kukuiolono 0.5 MG Tank
11. K-1, K-12  Replace Nursery Tank with Yamada Tank and connecting waterline, Kalaeo
12. KW-28  Amfac Well
13. LO-10  Lawai 6” and 8” Main Replacement (6,400’)
14. PLH-02  Kokolau Tunnel
15. PLH-03  Drill and Develop Lihue Horizontal Wells (Hi Level Water)
16. PLH-25  Eiwa, Umi, Akahi, Elua Pipe
17. PLH-30  Nāwiliwili, Niumalu, Kupolo pipe
18. PLH-39a  Lihue Base yard Complex Improvements, Ph 1
19. WK-01  Rehabilitate Moalaeo Tunnel, Install Chlorinator and Improve Access Road
20. WK-02  Akulikuli Tunnel
21. WK-08  Kapahi Tank
22. WK-12  Waipouli Pipe
23. 507  Waimea Canyon
24. WK-28  Wailua House Lots Pipe
25. WK-30  Waipouli/Hauiki Pipe
26. WK-36  ‘Ohana, Anolani, Kuamoo Pipe
27. WKK-02  Drill and Develop Kilauea Well No. 3
28. WKK-15  Construct 1.0 MG Kilauea 466’ Tank
29. 491-3  Stable Tank and Pipe lines
30. 497  Kapilimao Tank
31. 498  Kaumualii 12” Line
32. 504  Waimea Main Replacement
33. WK-14  Kapaa Homesteads Pipeline Project, Phase II, Job 02-18
34. WK-32  Kapaa Pipeline Replacement for Vivian Heights & Kanaele Road, Ph. II, Job 04-02
35. WH-01  Improve access to Wainiha 217 tank.
36. WH-02  Rehabilitate booster system
37. WH-03  Rehabilitate Haena Steel Tank 144’
38. WH-12  Wainiha well
39. ---  Hanalei/ Moalepe line replacement with PVC and deeper below river.
40. PLH-44  Kaumualii 16” line relocation and replacement with 24” for widening/with engineering.
### Additions 12/16/10

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<tr>
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<td>LO-04</td>
<td>Piwai 0.5 MG Tank</td>
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<td>42</td>
<td>KW-020</td>
<td>Waimea Well A Renovations</td>
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<td>43</td>
<td>KW-05</td>
<td>Kekaha Well B</td>
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<td>44</td>
<td>M-02</td>
<td>Moloa Tank Replacement</td>
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<td>45</td>
<td>WK-39</td>
<td>Kapaa Hmstd Well #4</td>
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<tr>
<td>46</td>
<td>K-5</td>
<td>Kukuiolono Tank Site</td>
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<tr>
<td>47</td>
<td>02-01</td>
<td>Relocation Charge Kukui’ula</td>
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<tr>
<td>48</td>
<td>LO</td>
<td>Koloa Tank Site</td>
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### Additions 11/23/11

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<td>PLH-01a</td>
<td>Replace Grove Farm Tanks #1 and #2</td>
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<td>50</td>
<td>M-03</td>
<td>Acquire Source/Install Pump, Controls and 12” Pipeline – Moloa Tank/Well Site and Other Land Acquisitions</td>
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</table>

### Additions 05/22/14  
(Conditioned on submittal of Revised Exhibit B)

<table>
<thead>
<tr>
<th></th>
<th>Project ID</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>51</td>
<td>H-05</td>
<td>Weke, Anae, Mahimahi and He’e Roads Main Replacement</td>
</tr>
<tr>
<td>52</td>
<td>LO-08</td>
<td>Koloa Road Main Replacement</td>
</tr>
<tr>
<td>Project Number</td>
<td>Project Title</td>
<td>Design Completed (%)</td>
</tr>
<tr>
<td>----------------</td>
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</tr>
<tr>
<td>PLH-01a</td>
<td>Replace Grove Farm Tanks #1 and #2</td>
<td>75</td>
</tr>
<tr>
<td>PLH-02</td>
<td>Kokolau Tunnel (feasibility study only)</td>
<td>90</td>
</tr>
<tr>
<td>WK-08</td>
<td>Kapahi Tank</td>
<td>90</td>
</tr>
<tr>
<td>WK-39</td>
<td>Kapaa Homestead Well #4</td>
<td>95</td>
</tr>
<tr>
<td>WKK-15</td>
<td>Construct 1.0 MG Kilauea 466' Tank</td>
<td>97</td>
</tr>
<tr>
<td>WKK-02</td>
<td>Drill and Develop Kilauea Well No.3</td>
<td>-</td>
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<tr>
<td>H-07</td>
<td>Construct Hanalei Tank #2 0.25 MG</td>
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</tr>
<tr>
<td>H-08</td>
<td>Drill and Develop Hanalei Well #2</td>
<td>25</td>
</tr>
<tr>
<td>LO-08</td>
<td>Koloa Road Main replacement *</td>
<td>80</td>
</tr>
<tr>
<td>LO-10</td>
<td>Lawai 6&quot; and 8&quot; main replacement (6,400')</td>
<td>80</td>
</tr>
<tr>
<td>H-05</td>
<td>Weke, Anae, and He'e Roads 6&quot; and 8&quot; main replacement *</td>
<td>95</td>
</tr>
<tr>
<td>KW-28</td>
<td>Amfac Shaft Well (negotiating design cost)</td>
<td>0</td>
</tr>
<tr>
<td>WK-02</td>
<td>Akuilikuli Tunnel (feasibility study only)</td>
<td>90</td>
</tr>
<tr>
<td>WH-12</td>
<td>Wainiha Well No. 4</td>
<td>95</td>
</tr>
<tr>
<td>K-05a</td>
<td>Construct Kalaheo Kukuiolono 0.5 MG Tank</td>
<td>55</td>
</tr>
<tr>
<td>K-1, K-12</td>
<td>Replace Nursery Tank with Yamada Tank and connecting waterline, Kalaheo</td>
<td>75</td>
</tr>
<tr>
<td>HE-11</td>
<td>Salt Pond Pipe</td>
<td>-</td>
</tr>
<tr>
<td>M-02</td>
<td>Molaa Tank Replacement</td>
<td>-</td>
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<tr>
<td>M-03</td>
<td>Acquire Source/Install pump, controls, and 12&quot; pipeline - Molaa Tank/Well Site and Other Land Acquisitions</td>
<td>10</td>
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<tr>
<td>K-5</td>
<td>Kukuiolono Tank Site (rehabilitate 0.2 MG tank)</td>
<td>-</td>
</tr>
<tr>
<td>O2-01</td>
<td>Relocation charge Kukui'uла</td>
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<tr>
<td>PLH-35b</td>
<td>Kapaia Cane Haul Road 18&quot; Main</td>
<td>-</td>
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<tr>
<td>PLH-44</td>
<td>Kaumuali'i 16&quot; line relocation and replacement with 24&quot; for widening/ with engineering</td>
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<tr>
<td>WK-01</td>
<td>Rehabilitate Moeaipo Tunnel, Install Chlorinator and Improve Access Road</td>
<td>20</td>
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<tr>
<td>LO</td>
<td>Koloa Tank Site</td>
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<tr>
<td>PLH-03</td>
<td>Drill and Develop Lihu'e Horizontal Wells (Hi Level Water)</td>
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<tr>
<td>ANI-01a</td>
<td>Anini and Kahiliwi 6&quot; main replacement (9,156')</td>
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<td>ANI-01b</td>
<td>Anini and Kahiliwi Road Main</td>
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<tr>
<td>KP-09</td>
<td>MCC, Chlorination Facilities, Koloa Well 16-A, 16-B and E</td>
<td>80</td>
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<td>K-18</td>
<td>8&quot; Waterline Replacement along Haleiwi Road</td>
<td>95</td>
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<tr>
<td>PLH-39a</td>
<td>Lihue Base yard Complex Improvements, Phase 1</td>
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<tr>
<td>H-01</td>
<td>Maka Ridge Pipe</td>
<td>100</td>
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<tr>
<td>H-02</td>
<td>Maka Ridge Well CL</td>
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<tr>
<td>H-03</td>
<td>Rehab Maka Ridge Tank</td>
<td>100</td>
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<tr>
<td>H-10</td>
<td>Rehab Maka Ridge Tank</td>
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<tr>
<td>WH-01</td>
<td>Improve access to Wainiha 217 tank</td>
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<tr>
<td>WH-02</td>
<td>Rehabilitate booster system</td>
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<tr>
<td>WH-03</td>
<td>Rehabilitate Haena Steel Tank 144'</td>
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<tr>
<td>WK-32</td>
<td>Kapaa Pipeline Replacement for Vivian Heights &amp; Kanaele Road, Ph. II, Job 04-02</td>
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<tr>
<td>WK-36</td>
<td>Ohana, Anolani, Kuamo'o Pipe</td>
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<td>WK-14</td>
<td>Kapaa Homesteads Pipeline Project, Phase II, Job 02-18</td>
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<tr>
<td>H</td>
<td>Hanalei/Moeaipo line replacement with PVC and deeper below river</td>
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<tr>
<td>KW-020</td>
<td>Waimea Well A Renovations</td>
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<td>KW-05</td>
<td>Kekaha Well B</td>
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<td>LO-04</td>
<td>Piwai 0.5 MG Tank</td>
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<tr>
<td>PLH-25</td>
<td>Eiwa, Umi, Akahi, Elua Pipe</td>
<td>100</td>
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<tr>
<td>PLH-30</td>
<td>Nawiliwili, Niumalu, Kupolo pipe</td>
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<tr>
<td>S04</td>
<td>Waimea Main Replacement</td>
<td>100</td>
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<tr>
<td>S07</td>
<td>Waimea Canyon</td>
<td>100</td>
</tr>
<tr>
<td>HE-08</td>
<td>Rehab Eleeele Tank</td>
<td>100</td>
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<td>WK-28</td>
<td>Wailua Houselots Pipe</td>
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<td>WK-30</td>
<td>Waipouli/Hauiki Pipe</td>
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<td>WK-12</td>
<td>Waipouli Pipe Phase I and II</td>
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<tr>
<td>497</td>
<td>Kapililiao Tank</td>
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<tr>
<td>498</td>
<td>Kaumualii'1 12&quot; Line</td>
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<tr>
<td>491-3</td>
<td>Stable Tank and Pipe Lines</td>
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</table>
These projects (2) were conditionally approved at the May 22, 2014 Board meeting contingent on submittal of this revised Exhibit B list.

WHEREAS, the Department of Water (the “Department”), consisting of a Board of Water Supply (the “Board”), Manager and Chief Engineer and the necessary staff, is a department of the County of Kauai (the "County") established under the Charter of the County to manage and operate the waterworks system of the County (the “Waterworks System”); and

WHEREAS, the Board finds and determines it to be beneficial to the management and operation of the Waterworks System to request that the project list referenced in Amended Resolution No. 10 (2009/10), further amended in Resolution No. 11 (2009/10), further amended in Resolution No. 9 (2010/11), and further amended in Resolution No. 12-4 (2011/12) be amended again to allow certain improvements and betterments to and extensions of the Waterworks System;

WHEREAS, the proposed additional projects meet the requirements of capital expenditures as set forth in the Tax Certificate for the County of Kauai insomuch as the costs for the newly proposed projects go to the construction or improvement of property; the property will have a useful life longer than one year; and the capital expenditures do not include operating expenses of Build America Projects or incidental or routine repair or maintenance of such Projects.

NOW, THEREFORE, BE IT RESOLVED by the BOARD OF WATER SUPPLY of the County of Kauai, State of Hawaii:

SECTION 1. The proceeds derived from the sale of the subject reimbursable general obligation bonds are to be used to construct and acquire improvements and betterments for the Waterworks System, including, without limitation, the waterworks projects, as amended and documented in the list identified as Exhibit “A” hereto attached.

Clyde Nakaya, Board Chairperson

Sherman Shiraishi, Vice Chair

Lawrence Dill, Board member

Michael Dahilig, Board member

Laurie Ho, Board member

Raymond McCormick, Board member

Hugh Strom, Board member
CERTIFICATE

I hereby certify that the BOARD OF WATER SUPPLY, County of Kauai, adopted the foregoing Resolution No. 14-7 at the Regular Board Meeting held on June 26, 2014, by the following vote of the Board:

FOR ADOPTION: TOTAL:

AGAINST ADOPTION: TOTAL:

ABSENT & NOT VOTING: TOTAL:

RECUSAL: TOTAL:

By: ________________________________
Name: Hugh A. Strom
Title: Board Secretary
MANAGER’S REPORT No. 14-50

June 26, 2014

Re: Proposed FY 2014-2015 Budget

RECOMMENDATION: Board review and approval of the Proposed FY 2014-2015 Operating Budget

BACKGROUND:
The proposed FY 2014-2015 Budget is prepared with three components namely;
1. The Operating Budget
2. The New Capital Outlay
3. Open Contracts and Projects

The Finance committee met with the Department of Water (DOW) staff several times to review and discuss the proposed FY 2014-2015 budget. The DOW staff presented both the Operating and new Capital Outlay budgets while the Open Contracts and Projects will be presented as a supplemental budget after FY 2014 year end closing to rollover unexpended balances of FY 2014 contracts and encumbrances.

In conclusion of the last meeting held on May 29, 2014, the Finance Committee agreed to move forward the FY 2014 – 2015 Operating budget to the full board and recommends board approval. The new Capital Outlay is still subject to further discussions while the Open Contracts and Projects will be presented separately after actual expenditures for the 2014 fiscal year end are accounted for.

The DOW is managing four (4) different funds namely: Water Utility Fund (“WUF”), Facilities Reserve Charge (“FRC”) Fund, Build America Bond (“BAB”) and State Revolving Fund (“SRF”). The Operating Budget presented is under the Water Utility Fund, hence below;

I. WATER UTILITY FUND.

This budget is submitted with the recommendation of a full implementation of the last of four (4) scheduled water rate increases as approved in FY 2011.

The FY 2011 – FY 2016 rate increases were approved subject to having capital rehabilitation and replacement projects going to bid in a timely fashion and yearly Board approval to implement the next year proposed increase which takes effect on July 1, 2014. At this time the FY 11, FY12 and FY 13 increases have been implemented.

One of the considerations when the Board approved the FY11-16 increase was to allow for any shortfall in the Facilities Reserve Charge (“FRC”) fund that may have to be covered. It was assumed at that time that 30% of the Build America Bonds (“BAB”) would go toward system expansion. We have not yet encumbered the 30% equivalent of this amount. In any case, the BAB started paying debt principal and interest in August 2013. It was not expected rate payers would pay the FRC debt but the water revenue fund has sufficient reserves to allow inter fund borrowing and/or transfers until the FRC fees are sufficient to reimburse the Water Utility Fund. In this budget year, the WUF has sufficient resources to cover the shortfall of FRC Revenues.
A. RESOURCES:

1. **Beginning Fund Balance $15M (estimated).**

2. **Operating Revenues $33.7M (projected)**

2.1 **Water Sales - $29.3M.** The Department of Water (DOW) is a self-supporting entity of the County of Kauai. As an enterprise fund, DOW generates revenues from the operation of various water systems island wide through water sales. Revenues from water sales account for 87% of our projected revenues. Projection is based upon the new water rate increase effective July 1, 2014. This increase is the last of four (4) yearly water rate increases approved by the Board in conjunction with the 2010 Water Rate Study.

There has been a decline in water usage for the last 10 months therefore water sales revenue is projected conservatively.

2.2 **Grants - $2.23M.** DOW entered into a “Goods and Services” contract to accept a grant for $230K from the State Department of Health for Project WET. In addition, the State approved the appropriation allotment of $1.3M last fiscal year which is a state grant and the release of funds is contingent upon a specific project going out for construction. A $700,725 or 70% of
$1,001,107 of BAB Subsidy is also budgeted under WUF, the remaining 30% or $300,332 is allocated to FRC fund.

2.3 **Revenue from Public Fire Protection - $1.989M.** This is non-cash revenue that we bill the County of Kauai for 2,778 total number of public fire hydrants that DOW maintains island wide. The County doesn’t pay the department for this bill but in exchange, DOW benefits from the county wide services that they provide to the staff.

2.4 Other Revenues of $120K. These account for other water revenues such as installations, jobbing and late charges, interest income and gain or loss from the disposal of capital assets.

3. **Transfer from FRC - $1.3M (projected)**

FRC Receipts is estimated @ $1M and 30% of BAB subsidy or $300,332 will be treated as transfers to WUF to partially reimburse related FRC debt service.

**B. USE OF RESOURCES:**

1. **Operating Expenses - $26.6M**

The operating expenses are grouped by major expenditure item/s or similar category for this reporting purpose. An Operating Expense Summary and Operating Expense Detail are attached for your further review.
1.1 Salaries for FY 14 are budgeted at $6.1M, and it is $0.4M or 7.5% higher than last year. The increase is attributed to the recently approved union negotiated pay increases and additional Hires. HGEA, UPW and the EM’s (Executive Managerial) have implemented their respective negotiated pay increases in FY 2014 and another set of approved salary increases will be implemented starting July 1, 2015. Salaries for Appointed Staff were budgeted with @ 10% increase to cover Fiscal Years 2014 and 2015.

1.2 Employee benefits of $1.94M or 5% increase cover FICA taxes, Employee Retirement benefits and Health Premiums; the first 2 were calculated based on total salaries while health premiums were fixed amounts based on plan subscriptions. Other Post-Employment Benefits (“OPEB”) costs were estimated @ $884K using GRS Consultants and Actuaries’ Actuarial Valuation Report for DOW Retiree Health Care Plan draft report as of July 1, 2013.

1.3 Services which include Professional Services, Accounting & Auditing, Other General Services, Public Relations and Miscellaneous Services totaled $3.3M, an increase of $1.66M as compared to FY 2014 budget. Major projected expenditures under Services category are:

1.3.1 Professional Services - includes a.) Professional Services - General includes a new requested board budget of $110K, an additional $375K to fund a $500K budget for a hydraulic modeling update which was originally budgeted at $125K in the prior year. In addition, a new budget is allocated for FRC and Water rate studies for $40K and $150K respectively. Engineering and Construction Management’s budget for preliminary engineering - $60K, feasibility studies - $60K and as needed construction services of $50K; these preliminary engineering costs were budgeted under Capital Outlays in the prior years.

1.3.2 Accounting and auditing budget increased by $20K. DOW’s 3 year contract with the current Auditors ends in FY 2014. We are procuring a new 3 year contract which commence in FY 2014-2015.

1.3.3 Other services – general and billing costs total budget is $660K, a net increase of $321K for FY 2015. DOW received a proposal agreement from Honolulu Board of Water Supply (“HBWS’) for a proposed service and capital outlay annual recovery cost of $260K. This is a pro-rata share of DOW for HBWS service and capital outlay in hosting the newly developed Customer Care & Billing (“CC&B”) system. An additional $100K budget was included for Fiscal change orders and report enhancements that may be required in either the CC&B or Microsoft Dynamics system.

1.3.4 Public Relations’ budget amounts to $318K. This includes an expenditure budget of $230K, same amount estimated as grant revenue from the State Drinking Water State Revolving Fund (“SDW SRF”).

1.3.5 Miscellaneous services such as Communications, Freight & Postage, Rentals & Leases and Insurance account for $618K in the budget; an increase of $71K from FY 14. The increase of 70K is mostly from Operations’ budget in Rentals & Leases.

1.4 County Service Charge at $1.989M is a non-cash expenditure where revenues from public fire hydrants are billed to the County of Kauai and the same amount is charged as a contra-expenditure for services rendered by the County to DOW.
1.5 Utility Services which is budgeted at $3.7M, a slight increase of $15K as compared to FY 2014.

1.6 Repairs & Supplies which includes Repairs & Maintenance for water systems, Repairs & Maintenance – Other than water systems, Office & Operating Supplies, Fuel and Bulk Water Purchase has a total budget of $4.3M, an increase of $900K. Repairs & Maintenance budget line items are new expense items categorized under current operating expenses in this budget year. In prior budget years, repairs and maintenance expenses were budgeted under Miscellaneous Capital Expenditures. The major increase of $900K is from Operations’ budget of $595K in repairs and maintenance and Operating Supplies increase of $280K.

1.7 HR Training & Development includes Books, Publications & Memberships, Training & Development, Travel & Per diem and Meeting expenses for both staff and members of the board. Total budget for this category is $289K, an increase of $87K.

1.8 Interest Expense- total annual interest expense for FY 15 is $4.1M, a decrease of $70K. This item is included in Operating Expenses budget.

2. Capital Outlay - $12.4M
   Capital Outlay will be presented separately below.

3. Debt Service – Principal - $4.4M

   Annual Debt Service Requirements (DSR) equals $8.5M; $4.4M is for debt principal. In total, total DSR for FY 15 is a decrease of $100K as compared from FY 14 year even though a new service debt of $187K was added for the anticipated loan for the construction of the proposed DOW building. As we pay down the principal of our loans, our annual payments will also be reduced.

4. Reserve Transfer - $3.1M.

   Debt Service Reserve transfer is budgeted at $2.1M and another $1.2 M is budgeted for Emergency Reserve transfer. These are not expenditure items but merely a transfer of funds from our water utility general fund which is unrestricted fund to a Debt Reserve Fund which is restricted to debt service payments and Emergency Reserve Fund for emergency uses. The Emergency Reserve Fund is in its fourth year (4th) of funding while debt reserve is in its 2nd year of funding. This will bring the emergency reserve total to $4.8M and debt reserve total to $4.2M. This will allow the DOW to reach its goal which is to have 58% of total debt service or the equivalent of 7 months of the annual debt service payments in reserve.

In addition to the operating expenses, debt service and reserve transfers, there is a substantial capital outlay budget. For this presentation, we will be discussing the New Capital Outlay.
Department of Water (DOW) Capital Outlays are categorized as **Expansion or Rehabilitation & Replacement (R&R)**. Each project is categorized before identifying the fund sources. Fund Source will be selected from one or more of the following based on available resources and purposes of the fund:

1.1 Water Utility Fund (WUF)
1.2 Facility Reserve Charge (FRC) Fund
1.3 Bond Fund
1.4 State Revolving Fund (SRF)

Capital Outlay budget are categorized and funded below as follows:

1. Capital Purchases
   - New
   - Rehabilitation and Replacements ("R&R")
2. Capital Projects – R&R
   - Design
   - Construction
3. Capital Projects – Expansion
   - Design
   - Construction
Capital Outlay / Water Utility Fund: $7.5M

Capital Purchases - $2.5M
- Replacements.  $2.153M.  This includes a new budget of $1.274M in AMR transponders and $266K for document imaging system & project management which is a continuation of the IT Plan implementation.  In addition, Operations vehicle management program has budgeted $495K replacement costs to purchase two (2) F450 pickup trucks, one (1) F250 pick up with lift gate and one (1) backhoe and trailer equipment.
- New.  $298,500.  This includes a new request for GIS Map viewer and mapping layers for $199,500 and $95,000 in one (1) new truck, leak detection & security equipments for operations.

Capital Projects – R&R - $5.1M
- Design – R&R Projects has 8 proposed projects, two (2) of which are partially R&R and Expansion. Total proposed budget is $1.252M, 1 of which is funded @ $1.00.
- Construction – R&R has 4 proposed projects with a proposed budget of $3.850M, one being funded @ $1.00.

Capital Projects – Expansion – None
- Design budget – None
- Construction budget – None

Capital Projects – R&R - $4,000,000
- Design budget - none
- Construction budget at $4,000,000 for proposed DOW building.

Capital Outlay/ FRC Fund – $4.263M.  Proposed capital projects for expansion have a total of $4.263M. As of this date, FRC fund is not in a position to wholly fund these proposed projects.  An Inter-fund loan from Water Utility Fund to FRC fund will be initiated if these proposed projects will go out for bid.  This will be done thru a Manager’s Report to the Board of Water Supply for approval.

Capital Projects – Expansion - $4.263M
- Design budget – There are 9 proposed expansion design projects with a total budget of $1.463M, four (4) of which are dollar funded each.
- Construction budget – Yamada Tank, clear well & connecting pipeline is identified as 56% expansion so $2.8M is allocated from a $5M estimated cost.

Capital Outlay / BAB Fund- - $22,210,101

Capital Projects – R&R - $5.133M
- Design budget - none
- Construction budget – $5.133MThere’s 8 proposed projects, one being funded @ $1.00 .

Capital Projects – Expansion - $11.242M
- Design budget – There are three proposed projects for $165K, one funded @ $1.00
- Construction budget – There are eight (8) proposed projects for $11.077M, one funded @ $1.00.

Capital Outlay/ SRF Fund - $4M.  DOW staff has been working with the State Department of Health to obtain SRF Loan in anticipation of the funding requirements that the proposed DOW building may require if the Board approves the funding.  To date, a $2M grant and another $2M in loans are available for DOW to avail with.

Capital Projects – R&R - $4,000,000
- Design budget - none
- Construction budget at $4,000,000 for proposed DOW building.
Thank you for your attention to this matter and we look forward to working with you to refine the proposed budget.

Respectfully submitted,

Marites Yano
Waterworks Controller

CONCURRED:

Kirk Saiki, P.E.
Acting Manager and Chief Engineer
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td><strong>Budgeted Revenue from Operations</strong></td>
<td>$30,921,690</td>
<td>$33,690,184</td>
<td>$2,768,494</td>
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<td>Water Sales</td>
<td>$27,197,203</td>
<td>$29,349,767</td>
<td>$2,152,564</td>
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<td>Grants, Investment Income &amp; Misc Revenues</td>
<td>$3,724,487</td>
<td>$4,340,417</td>
<td>$615,930</td>
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<td><strong>Budgeted Operating Expenses</strong></td>
<td>$23,079,089</td>
<td>$26,581,106</td>
<td>$3,502,017</td>
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<td>Salaries (Regular &amp; Special Wages)</td>
<td>$5,655,763</td>
<td>$6,079,790</td>
<td>$424,027</td>
<td>7.50%</td>
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<td>Other Operating Expenses</td>
<td>$17,423,326</td>
<td>$20,501,316</td>
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<td><strong>Debt Service</strong></td>
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<td>$4,407,049</td>
<td>$372,105</td>
<td>9.22%</td>
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<td>Debt Service - Principal</td>
<td>$4,034,944</td>
<td>$4,407,049</td>
<td>$372,105</td>
<td>9.22%</td>
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<tr>
<td><strong>Budgeted Capital Outlay</strong></td>
<td>$3,678,449</td>
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<tr>
<td>Capital Outlay - Vehicles, Equipments &amp; Misc. Expenditures</td>
<td>$3,678,449</td>
<td>$2,451,800</td>
<td>-$1,226,649</td>
<td>-33.35%</td>
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<td><strong>Other Uses of Revenue</strong></td>
<td>$129,207</td>
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## Fund Balance Projections

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<th>Water Utility General Fund</th>
<th>Water Utility Emergency Reserve</th>
<th>Water Utility Debt Reserve</th>
<th>Facility Reserve Charge Fund</th>
<th>Bond Fund</th>
<th>State Revolving Loan Fund</th>
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<td>$18,094,924</td>
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### 1. The Operating Budget

#### Revenue Summary

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# Operating Expense Summary

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<th><strong>2013-2014 Budget (Approved)</strong></th>
<th><strong>Proposed Budget for 2014-2015</strong></th>
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<tr>
<td><strong>Water Utility Fund</strong></td>
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<td>510-040 Special Pay</td>
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<td>563-000 Operating Supplies</td>
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## Operating Expense Summary

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<td>571-010 Training and Development</td>
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*Items 601, 602 and 682 are balance sheet items that are tracked as revenues and expenses for convenience during the year.*
## Operating Expense Detail

### OPERATING EXPENSES (Detail)

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<tr>
<td><strong>510-010 Salaries and Wages</strong></td>
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## Operating Expense Detail

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<th>OPERATING EXPENSES (Detail)</th>
<th>2013-2014 Budget (Approved)</th>
<th>Proposed Budget for 2014-2015</th>
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FY 2014- 2015 budget (final draft)

000 Summary Budget Workbook

6/19/2014
## Operating Expense Detail

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FY 2014- 2015 budget (final draft)
000 Summary Budget Workbook
# Operating Expense Detail

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## Operating Expense Detail

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FY 2014-2015 budget (final draft)
000 Summary Budget Workbook
6/19/2014
12 of 20
## Operating Expense Detail

### OPERATING EXPENSES (Detail)

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## OPERATING EXPENSES (Detail)

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# 2. New Capital Outlay

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## 2. New Capital Outlay

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<td><strong>FRC Fund (Capital Projects - Expansion - Design)</strong></td>
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<tr>
<td>20-20-00-605-010 Wailua Homesteads 538 1.0 MG Storage Tank (100%)</td>
<td>$1</td>
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<tr>
<td>20-20-00-605-012 Hanapepe-Eleele Connecting Pipeline (100%)</td>
<td>$1</td>
</tr>
<tr>
<td>20-20-00-605-014 Purchase Water System 1 (100%)</td>
<td>$1</td>
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<tr>
<td>20-20-00-605-015 Purchase Water System 2 (100%)</td>
<td>$1</td>
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<tr>
<td>20-20-00-605-016 Poipu 1 MG Storage Tank (100%)</td>
<td><strong>$500,000</strong></td>
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<tr>
<td>20-20-00-605-017 18&quot; Cane Haul Road Main (100%)</td>
<td><strong>$90,000</strong></td>
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<tr>
<td>20-20-00-605-018 Amfac Shaft Well (Expansion - 100%)</td>
<td><strong>$600,000</strong></td>
</tr>
<tr>
<td>20-20-00-605-006 PLH-28 Hanamaulu Main Replacement (Hoohana Street) (Ex-66% of $150K)</td>
<td><strong>$99,000</strong></td>
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<tr>
<td>20-20-00-605-008 WK-13 Kapaa Town 8&quot; Main Replacement (Ex - 87% of $200K)</td>
<td><strong>$174,000</strong></td>
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<tr>
<td><strong>FRC Fund (Capital Projects - Expansion - Construction)</strong></td>
<td><strong>$2,800,000</strong></td>
</tr>
<tr>
<td>20-21-00-605-029 WU/Const/Capital Outlay/11-10, Yamada Tank, Clearwell &amp; connexting PL (Ex - 56% of $5M)</td>
<td><strong>$2,800,000</strong></td>
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<tr>
<td><strong>Bond Fund (Capital Projects - Expansion - Design)</strong></td>
<td><strong>$165,001</strong></td>
</tr>
<tr>
<td>30-20-00-605-139 Moloaa Tank site acquisition</td>
<td><strong>$115,000</strong></td>
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<tr>
<td>30-20-00-605-140 Koloa Well F land acquisition</td>
<td><strong>$50,000</strong></td>
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<tr>
<td>20-20-00-605-141 PLH-35b Kapaia Cane Haul Road Main</td>
<td>$1</td>
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</table>
# 2. New Capital Outlay

## CAPITAL OUTLAY (NEW) $32,191,909

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>30-21-00-604-101 10-01, Ani-01a- Anini and Kalihiwai Road 6 Inch Main (9,156 Ft)</td>
<td>$5,133,002</td>
</tr>
<tr>
<td>30-21-00-604-102 10-01, Ani-01b- Pipeline Replacement along Anini Road from DOW - Princeville Master Meter (R&amp;R - 44%)</td>
<td>$1,452,000</td>
</tr>
<tr>
<td>30-21-00-604-107 XX-YY, KP-09 - MCC, Chlorination Facilities, Koloa Well 16-A and E and 16-B Site and Bldg Improvements (R&amp;R - 100%)</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>30-21-00-604-109 XX-YY, LO-08, LO-10 - Koloa Rd (Alaloke Pl. - Piko Rd) 8 Inch Main Replacement (1,700 Ft) Lawai 6 Inch and 8 Inch Main Replacement (6,400 Ft) (R&amp;R - 19% of $1.4M)</td>
<td>$266,000</td>
</tr>
<tr>
<td>30-21-00-604-112 11-02, PLH-01a - Replace Grove Farm Tanks 1 and 2 (R&amp;R - 40% of $2M)</td>
<td>$800,000</td>
</tr>
<tr>
<td>30-21-00-604-114 XX-YY, PLH-39a - Lihue Baseyard Improvements for Department of Water</td>
<td>$1</td>
</tr>
<tr>
<td>30-21-00-604-120 02-06, WKK-15 - Construct Kilauea 466 Tank, 1.0 MG, Puu Pane Well 3 (R&amp;R - 10% of $2.5M)</td>
<td>$250,000</td>
</tr>
<tr>
<td>30-21-00-604-129 11-10, 8&quot;WL along Halewili Rd (Kaumualii Hwy to Haka Hale St) (R&amp;R-100%)</td>
<td>$800,000</td>
</tr>
<tr>
<td>30-21-00-604-136 XX-YY, H-05, Weke, Anae, and He'e Roads 6&quot; and 8&quot; Main Replacement (R&amp;R - 11% of $1.5M)</td>
<td>$165,000</td>
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</tbody>
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## Bond Fund (Capital Projects - Expansion - Construction) $11,077,100

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</thead>
<tbody>
<tr>
<td>30-21-00-605-102 10-01, Ani-01b- Pipeline Replacement along Anini Road from DOW - Princeville Master Meter (Expansion - 56% of $3.3M)</td>
<td>$1,848,000</td>
</tr>
<tr>
<td>30-21-00-605-106 03-04, K-05a - Kalaheo New Tank, 0.5 MG, 886 Ft (40:60) (R&amp;R 50%, Expansion - 50%)</td>
<td>$1</td>
</tr>
<tr>
<td>30-21-00-605-109 XX-YY, LO-08, LO-10 - Koloa Rd (Alaloke Pl. - Piko Rd) 8 Inch Main Replacement (1,700 Ft) Lawai 6 Inch and 8 Inch Main Replacement (6,400 Ft) (Expansion - 81%)</td>
<td>$1,134,000</td>
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<tr>
<td>30-21-00-605-110 WK-08-Kapaa Homestead 313’ 1.0 MG Tank (Ornellas) (Expansion - 100%)</td>
<td>$2,810,099</td>
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<tr>
<td>30-21-00-605-112 11-02, PLH-01a - Replace Grove Farm Tanks 1 and 2 (Expansion - 60%)</td>
<td>$1,200,000</td>
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<tr>
<td>30-21-00-605-118 WK-39-Kapaa Homestead Well No. 4 (Expansion - 100%)</td>
<td>$500,000</td>
</tr>
<tr>
<td>30-21-00-605-120 02-06, WKK-15 - Construct Kilauea 466 Tank, 1.0 MG, Puu Pane Well 3 (Expansion - 90%)</td>
<td>$2,250,000</td>
</tr>
<tr>
<td>30-21-00-605-136 XX-YY, H-05, Weke, Anae, and He'e Roads 6&quot; and 8&quot; Main Replacement (Expansion - 89%)</td>
<td>$1,335,000</td>
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## SRF Fund (Capital Projects - R&R - Construction) $4,000,000

<table>
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<tbody>
<tr>
<td>60-21-00-604-114 SRF/Const/Capital Outlay/XX-YY, PLH-39a - Lihue Baseyard Improvements for Department of Water</td>
<td>$4,000,000</td>
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These items are tracked as expenses for convenience during the year and are then posted to the balance sheet.
### 3. Open Contracts and Projects

#### Prior Appropriations and Encumbrances

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>10-30-10-604-999 IT Review &amp; Assessment</td>
<td>$591,500</td>
<td>$392,199</td>
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<td>10-30-10-604-999 FRC Study for DOW</td>
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<td>10-30-10-604-999 Financial Management Planning &amp; Rate Analysis</td>
<td>$8,008</td>
<td>$8,008</td>
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<tr>
<td>10-22-10-604-999 Kauai Water Use &amp; Development Plan Update</td>
<td>$515,460</td>
<td>$457,606</td>
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<td>10-22-10-604-999 UH Rainfall Study</td>
<td>$113,507</td>
<td>$55,398</td>
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<td>10-30-10-604-999 Job 98-17, Financial Accounting</td>
<td>$12,246</td>
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#### Water Utility Fund Open Contracts & Capital Purchases

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<thead>
<tr>
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<tbody>
<tr>
<td>10-40-00-606-999 Meters</td>
<td>$102,500</td>
<td>$97,658</td>
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<tr>
<td>10-40-00-606-999 1 2WD Truck w/ cab, chassis, &amp; service body</td>
<td>$99,161</td>
<td>$99,161</td>
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<tr>
<td>10-40-00-606-999 64,000 GVR Truck</td>
<td>$183,197</td>
<td>$183,197</td>
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<tr>
<td>10-40-00-606-999 Con 582 - Various water pipe repair &amp; fittings</td>
<td>$75,432</td>
<td>$75,432</td>
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<tr>
<td>10-40-00-606-999 Con 583 - Supercab Md Pick up truck w/ accessories</td>
<td>$37,278</td>
<td>$37,278</td>
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<tr>
<td>10-40-30-560-xxx Con 580 - Job 13-07, Koloa Well D repairs</td>
<td>$59,088</td>
<td>$59,088</td>
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<tr>
<td>10-40-30-560-xxx Con 581 - Kalaheo Deepwell No.1</td>
<td>$85,000</td>
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<td>10-40-00-606-999</td>
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#### Water Utility Fund (Capital Projects - R & R - Design)

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<tbody>
<tr>
<td>10-20-00-604-108 06-01, KW-28 - Renovate Kekaha Shaft (5842-02) and 12 Inch D.I.</td>
<td>$540,236</td>
<td>$527,637</td>
</tr>
<tr>
<td>10-21-00-604-121 02-17, H-01 - Maka Ridge Tank to Kuhio Hwy Road Improvement</td>
<td>$12,309</td>
<td>$9,309</td>
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<tr>
<td>10-20-00-604-125 02-01, Land Acquisition of Kukuilolo Tank Site</td>
<td>$5,210</td>
<td>$5,210</td>
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<tr>
<td>10-21-00-604-127 03-02, Waipouli Booster Pump Renovation, Haena Steel Tank Reno, Ar</td>
<td>$23,838</td>
<td>$6,862</td>
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<tr>
<td>10-21-00-604-128 04-03, Pipelines, Waipouli, Hauiki, Oloheha Roads</td>
<td>$28,420</td>
<td>$7,180</td>
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<tr>
<td>10-20-00-604-129 11-10, 8&quot;WL along Halewili Rd (Kaumualii Hwy to Haka Hale St)</td>
<td>$33,370</td>
<td>$24,447</td>
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<tr>
<td>10-20-00-604-132 13-05, Kolo Road Main Replacement</td>
<td>$20,475</td>
<td>$12,528</td>
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<td>10-20-00-604-135 12-04, HE-14, Eleele Booster Rehab</td>
<td>$92,000</td>
<td>$92,000</td>
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<tr>
<td>10-20-00-604-136 XX-YY, H-05, Weke, Anae, and He'e Roads 6&quot; and 8&quot; Main Replacemer</td>
<td>$15,567</td>
<td>$60,354</td>
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<tr>
<td>10-20-00-604-138 11-07, HE-03, Hanapepe &amp; Koloa Well MCC Improvements</td>
<td>$165,129</td>
<td>$106,367</td>
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</tbody>
</table>
## 3. Open Contracts and Projects

<table>
<thead>
<tr>
<th>Prior Appropriations and Encumbrances</th>
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<tbody>
<tr>
<td><strong>Prior Appropriation</strong></td>
<td><strong>Preliminary Projection of 2014-2015 Rollover</strong></td>
</tr>
<tr>
<td><strong>Water Utility Fund (Capital Projects - R&amp;R - Construction)</strong></td>
<td><strong>$7,779,814</strong></td>
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<tr>
<td>10-21-00-604-126 02-19, Waipouli Main Replacement</td>
<td>$2,273,390</td>
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<tr>
<td>10-21-00-604-128 04-03, Pipelines, Waipouli, Hauiki, Oloheana Roads</td>
<td>$1,281,072</td>
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<tr>
<td>10-21-00-604-134 13-09, Lawai Well 2</td>
<td>$87,595</td>
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<td><strong>Water Utility Fund (Capital Projects - Expansion - Design)</strong></td>
<td><strong>$235,093</strong></td>
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<tr>
<td>10-20-00-605-137 11-11, K-17 Kalaeo Surface Water Treatment Facility, 0.5 MG</td>
<td>$56,214</td>
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<tr>
<td>10-20-00-605-140 99-08, LO-07, Drill &amp; Develop Omao Well</td>
<td>$79,860</td>
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<tr>
<td>10-20-00-605-139 02-11, M-02 100K Gal Tank &amp; Pipeline Moloaa</td>
<td>$125,200</td>
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<td><strong>Water Utility Fund (Capital Projects - Expansion - Construction)</strong></td>
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<tr>
<td>10-21-00-605-xxx</td>
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<td>10-21-00-604-127</td>
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<td>10-21-00-604-131</td>
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<tr>
<td>10-21-00-605-xxx</td>
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<tr>
<td><strong>FRC Fund (Capital Projects - Expansion - Design)</strong></td>
<td><strong>$194,644</strong></td>
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<tr>
<td>20-20-00-605-104 05-02, HW-12 - Drill and Develop Wainiha - Haena Well 100 GPM</td>
<td>$110,905</td>
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<tr>
<td>20-20-00-605-117 12-02, WK-23 - U of H Experimentation - Storage Tank, 605 Ft, .025MG</td>
<td>$40,425</td>
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<tr>
<td>20-20-00-605-118 04-08, WK-39 - Drill and Develop Kapaa Homesteads Well No. 4, 500 GPM</td>
<td>$111,950</td>
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</tbody>
</table>
3. Open Contracts and Projects

<table>
<thead>
<tr>
<th>Prior Appropriations and Encumbrances</th>
<th>Preliminary Projection of 2014-2015 Rollover</th>
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</thead>
<tbody>
<tr>
<td><strong>Bond Fund (Capital Projects - R&amp;R - Engineering)</strong></td>
<td></td>
</tr>
<tr>
<td>30-20-00-604-101 10-01, Ani-01a- Anini and Kalihiwai Road 6 Inch Main (9,156 Ft)</td>
<td>$241,960</td>
</tr>
<tr>
<td>30-20-00-604-105 09-01, K-01 - Kalaheo 1111 Ft and 1222 Ft Water System Improvements</td>
<td>$412,149</td>
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<tr>
<td>30-20-00-604-110 11-04, LO-10 - Lawai 6 Inch and 8 Inch Main Replacement (6,400 Ft)</td>
<td>$29,655</td>
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<tr>
<td>30-20-00-604-112 11-02, PLH-01a - Replace Grove Farm Tanks 1 and 2</td>
<td>$198,023</td>
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<tr>
<td>30-20-00-604-114 XX-YY, PLH-39a - Lihue Baseyard Complex Improvements - Phase 1</td>
<td>$1,543</td>
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<tr>
<td>30-20-00-604-115 11-06, WK-01 - Rehabilitate Moelepe Tunnel and Improve Access Road</td>
<td>$81,340</td>
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<tr>
<td><strong>Bond Fund (Capital Projects - R&amp;R - Construction)</strong></td>
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<tr>
<td>30-21-00-604-127 03-02, Wainiha Booster Pump Renovation, Haena Steel Tank Reno, An</td>
<td>$23,795</td>
</tr>
<tr>
<td>30-21-00-604-121 02-17, H-01 - Maka Ridge Tank to Kuhio Hwy Road Improvement</td>
<td>$686,705</td>
</tr>
<tr>
<td>30-21-00-604-127 03-02, Wainiha Booster Pump Renovation, Haena Steel Tank Reno, An</td>
<td>$924,290</td>
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<tr>
<td>30-20-00-604-131 13-03, Lihue Mill Bridge Widening</td>
<td>$754,347</td>
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<tr>
<td><strong>Bond Fund (Capital Projects - Expansion - Design and Construction)</strong></td>
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<tr>
<td>30-20-00-605-104 05-02, HW-12 - Drill and Develop Wainiha - Haena Well 100 GPM</td>
<td>$32,430</td>
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<tr>
<td>30-20-00-605-125 02-01, Land Acquisition of Kukuiolono Tank Site</td>
<td>$202,767</td>
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<tr>
<td>30-20-00-605-138 11-03, HE-03, Hanapepe &amp; Koloa Well MCC Improvements</td>
<td>$75,615</td>
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<tr>
<td>30-20-00-605-139 02-11, M-02 100K Gal Tank &amp; Pipeline Moloa</td>
<td>$94,222</td>
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<td>30-20-00-605-116 02-14, WK-08 - Kapaa Homesteads Tank 1.0MG</td>
<td>$54,039</td>
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<tr>
<td>30-21-00-605-120 02-06, WKK-15 - Construct Kilauea 466 Tank, 1.0MG, Puu Pane Well 3</td>
<td>$64,804</td>
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<tr>
<td><strong>SRF Fund (Capital Projects - R&amp;R - Construction)</strong></td>
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<tr>
<td>40-20-00-604-124 02-15, WK-28 - Wailua Houselots 8 Inch Main Rehabilitation (11,004 Ft)</td>
<td>$77,425</td>
</tr>
<tr>
<td>40-21-00-604-124 02-15, WK-28 - Wailua Houselots 8 Inch Main Rehabilitation (11,004 Ft)</td>
<td>$3,822,436</td>
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<td><strong>SRF Fund (Capital Projects - R &amp; R - Design)</strong></td>
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<tr>
<td>40-20-00-605-113 11-13, PLH-03 - Drill and Develop Horizontal Wells</td>
<td>$1,549,438</td>
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These are preliminary projections of items to be presented in a supplemental budget once FY2013-14 invoices are processed.
## REVENUES

<table>
<thead>
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<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>2014-2015 Total Budget</th>
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<tbody>
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<td><strong>Water Utility Fund</strong></td>
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<td>$ 30,921,690</td>
<td>$ 33,690,184</td>
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<td>WU/Water Sales</td>
<td>$ 27,197,203</td>
<td>$ 29,349,767</td>
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<td>10-00-00-405-000</td>
<td>WU/Revenue from Public Fire Protection</td>
<td>$ 1,630,230</td>
<td>$ 1,989,642</td>
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<tr>
<td>10-00-00-410-000</td>
<td>WU/Other Water Revenue</td>
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<td>$ 65,000</td>
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<tr>
<td>10-00-00-430-000</td>
<td>WU/Federal Grants</td>
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<td>10-00-00-432-000</td>
<td>WU/State Grants</td>
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<td>10-00-00-440-000</td>
<td>WU/Capital Contributions</td>
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<td>10-00-00-470-000</td>
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<td>10-00-00-490-000</td>
<td>WU/Miscellaneous Revenues</td>
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<td>BAB/Net Increase in Fair Value of Investments</td>
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<td>30-00-00-461-000</td>
<td>BAB/Investment Income</td>
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<td><strong>SRF Fund</strong></td>
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<td>60-00-00-430-000</td>
<td>SRF/Federal Grants</td>
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<td>SRF/Net Increase in Fair Value of Investments</td>
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<tr>
<td><strong>Non-Revenus Cash Inflow</strong></td>
<td></td>
<td>$ 5,911,752</td>
<td>$ 2,000,000</td>
</tr>
<tr>
<td>10-00-00-498-300</td>
<td>WU/Bond Proceeds - BAB</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>10-00-00-499-600</td>
<td>WU/Loan Proceeds - SRF Loan</td>
<td>$ 5,911,752</td>
<td>$ 2,000,000</td>
</tr>
</tbody>
</table>

FY 2014-2015 budget (final draft)
00 - Revenues

6/18/2014
# DEPARTMENT OF WATER
## ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET
### FISCAL YEAR
#### 2014 - 2015
### REVENUES
#### WATER UTILITY FUND

## 1. WATER SALES & SERVICE CHARGE

### A. WATER SALES REVENUES

Forecast of consumption excluding agricultural demand.

<table>
<thead>
<tr>
<th>Rates Effective</th>
<th>Projected Consumption (000 gallons)</th>
<th>Rates Effective</th>
<th>Projected Consumption (000 gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2013</td>
<td>July 1, 2014</td>
<td>July 1, 2013</td>
<td>July 1, 2014</td>
</tr>
<tr>
<td>Base Charge</td>
<td>$3.60 $3.80</td>
<td>376,653</td>
<td>1,393,617</td>
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<tr>
<td>First Block</td>
<td>$4.35 $4.85</td>
<td>2,047,902</td>
<td>9,420,349</td>
</tr>
<tr>
<td>Second Block</td>
<td>$5.05 $5.65</td>
<td>864,663</td>
<td>4,625,946</td>
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<tr>
<td>Third Block</td>
<td>$8.50 $9.50</td>
<td>227,527</td>
<td>2,047,744</td>
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<tr>
<td>Fourth Block</td>
<td>$8.95 $10.00</td>
<td>565,862</td>
<td>5,361,543</td>
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</table>

- **Total Projected Water Sales:** $24,069,079

### B. AGRICULTURAL SALES

<table>
<thead>
<tr>
<th>Rates Effective</th>
<th>Projected Consumption (000 gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2013</td>
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</tr>
<tr>
<td>$2.05 $2.20</td>
<td>130,000</td>
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</tbody>
</table>

- **Total Agricultural Sales:** $286,000

### C. SERVICE CHARGE

Forecast of service charge based on projected 20,500 consumers at various charges per size of meters

- **Total Service Charge:** $4,743,055

### D. COST OF POWER ADJUSTMENT

<table>
<thead>
<tr>
<th>1,000 gallons</th>
<th>$500,233</th>
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</thead>
</table>

- **Total Projected Revenues:** $29,349,767
### NET DEBT SERVICE

**County of Kaua‘i**

**Kaua‘i Water Department**

*****************************************************************

**Water Department**

**Series 2010A Taxable General Obligation Bonds**

**(Build America & Recovery Zone Economic Development Bonds)**

**Final Pricing**

*****************************************************************

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Service</th>
<th>Interest Service</th>
<th>Total Debt Service</th>
<th>BAB Subsidy</th>
<th>Net Debt Service</th>
<th>Annual Net D/S</th>
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</thead>
<tbody>
<tr>
<td>8/1/2010</td>
<td>1,030,421.77</td>
<td>1,030,421.77</td>
<td>-360,647.62</td>
<td>669,774.15</td>
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<td></td>
</tr>
<tr>
<td>2/1/2011</td>
<td>1,460,440.30</td>
<td>1,460,440.30</td>
<td>-511,154.11</td>
<td>949,286.19</td>
<td>-871,801.73</td>
<td>-0.35</td>
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<tr>
<td>6/30/2011</td>
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<td></td>
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<td></td>
<td>1,619,060.34</td>
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<tr>
<td>8/1/2011</td>
<td>1,460,440.30</td>
<td>1,460,440.30</td>
<td>-511,154.11</td>
<td>949,286.19</td>
<td></td>
<td></td>
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<tr>
<td>2/1/2012</td>
<td>1,460,440.30</td>
<td>1,460,440.30</td>
<td>-511,154.11</td>
<td>949,286.19</td>
<td>-1,022,308.22</td>
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<tr>
<td>6/30/2012</td>
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<td></td>
<td></td>
<td></td>
<td>1,898,572.38</td>
<td></td>
</tr>
<tr>
<td>8/1/2012</td>
<td>1,460,440.30</td>
<td>1,460,440.30</td>
<td>-511,154.11</td>
<td>949,286.19</td>
<td></td>
<td></td>
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<tr>
<td>2/1/2013</td>
<td>1,460,440.30</td>
<td>1,460,440.30</td>
<td>-511,154.11</td>
<td>949,286.19</td>
<td>-1,022,308.22</td>
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<tr>
<td>6/30/2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,898,572.38</td>
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<tr>
<td>8/1/2013</td>
<td>1,875,000</td>
<td>1,460,440.30</td>
<td>3,335,440.30</td>
<td>-511,154.11</td>
<td>2,824,286.19</td>
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<tr>
<td>2/1/2014</td>
<td>1,442,112.18</td>
<td>1,442,112.18</td>
<td>-504,739.26</td>
<td>937,372.92</td>
<td>-1,015,893.37</td>
<td>-0.35</td>
</tr>
<tr>
<td>6/30/2014</td>
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<td></td>
<td></td>
<td></td>
<td>3,761,659.11</td>
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<tr>
<td>8/1/2014</td>
<td>1,915,000</td>
<td>1,442,112.18</td>
<td>3,357,112.17</td>
<td>-504,739.26</td>
<td>2,852,372.92</td>
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<tr>
<td>2/1/2015</td>
<td>1,418,193.83</td>
<td>1,418,193.83</td>
<td>-496,367.84</td>
<td>921,825.99</td>
<td>-1,001,107.10</td>
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<tr>
<td>6/30/2015</td>
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<td></td>
<td>3,774,198.90</td>
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</tbody>
</table>

1,001,107
700,775
300,332
Demand of DEPARTMENT OF WATER, COUNTY OF KAUAI on the FINANCE DIRECTOR of the COUNTY OF KAUAI, STATE OF HAWAII, for the sum of One million nine hundred eighty nine thousand six hundred DOLLARS

<table>
<thead>
<tr>
<th>ITEMS AND QUANTITY</th>
<th>RATE</th>
<th>AMOUNT</th>
<th>TOTAL</th>
<th>UPDATED NOS.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,261 6-inch Fire Hydrants</td>
<td>$67.00 a month</td>
<td>$804.00</td>
<td>$1,817,844.00</td>
<td>2408 1,936,032.00</td>
</tr>
<tr>
<td>41 4-inch Fire Hydrants</td>
<td>$23.00 a month</td>
<td>$276.00</td>
<td>$11,316.00</td>
<td>40 11,040.00</td>
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<tr>
<td>352 Stand Pipes</td>
<td>$10.75 a month</td>
<td>$129.00</td>
<td>$45,408.00</td>
<td>330 42,570.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>$1,874,568.00</td>
<td>$1,989,642.00</td>
</tr>
</tbody>
</table>

I hereby certify that the above claim of $1,989,642 is just and correct in every respect, and that payment therefore has not been received.

June 30, 2014
<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Budget for FY14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-01-10-530-060</td>
<td>WU/Admin/Admin/Post-Employment Benefits (OPEB)</td>
<td>$879,000</td>
<td>$884,000</td>
</tr>
<tr>
<td>10-00-00-547-000</td>
<td>WU/County Service Charge</td>
<td>$1,630,230</td>
<td>$1,989,642</td>
</tr>
<tr>
<td>10-00-90-580-000</td>
<td>WU/Depreciation/Depreciation</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>10-00-90-581-000</td>
<td>WU/Depreciation/Amortization</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>10-00-00-582-000</td>
<td>WU/Interest Expense</td>
<td>$4,145,570</td>
<td>$4,075,280</td>
</tr>
<tr>
<td>10-00-00-682-000</td>
<td>WU/Debt Principal Expense</td>
<td>$4,034,944</td>
<td>$4,407,049</td>
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<tr>
<td>10-00-00-590-000</td>
<td>WU/Transfers to Other Funds</td>
<td>$0</td>
<td>$699,668</td>
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<tr>
<td>20-00-00-590-000</td>
<td>FRC/Transfers to Other Funds</td>
<td>$0</td>
<td>$1,300,332</td>
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<tr>
<td>30-00-00-590-000</td>
<td>Bond/Transfers to Other Funds</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>60-00-00-590-000</td>
<td>SRF/Transfers to Other Funds</td>
<td>$0</td>
<td>-$2,000,000</td>
</tr>
</tbody>
</table>

**SUMMARY OF OPERATING EXPENSES**

$10,689,745          $11,355,971
## General Expenses

**TOTAL:** $884,000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ARC based on GRS draft valuation</td>
<td>$884,000</td>
<td>No</td>
<td>Amount is estimated and is subject to change. New valuation is coming out around end of April</td>
<td>$879,000</td>
</tr>
</tbody>
</table>

**WU/Admin/Admin/Post-Employment Benefits (OPEB)**

**TOTAL:** $879,000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ARC based on GRS draft valuation</td>
<td>$884,000</td>
<td>No</td>
<td>Amount is estimated and is subject to change. New valuation is coming out around end of April</td>
<td>$879,000</td>
</tr>
</tbody>
</table>

- $5,707,792
- $990,000

6/18/2014
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>County Service Charge</td>
<td>$1,989,642</td>
<td>No</td>
<td>Annual fee charged by County</td>
<td>$1,630,230</td>
</tr>
</tbody>
</table>

TOTAL: $1,989,642  
WU/County Service Charge $1,630,230
### General Expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL:</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>WU/Depreciation/Depreciation</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6/18/2014
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Amortization based on FY 2013 financials was $573,287 but we are not budgeting for this expense</td>
<td></td>
</tr>
</tbody>
</table>
### General Expenses

**TOTAL:** $4,075,280  
**WU/Interest Expense:** $4,145,570

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>01-00-00-582-01</td>
<td>$900</td>
<td>1980 FmHA (93)</td>
<td>$1,750</td>
<td></td>
</tr>
<tr>
<td>01-00-00-582-02</td>
<td>$148,600</td>
<td>Kauai GOB 2011 A Series (97.1)</td>
<td>$158,600</td>
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</tr>
<tr>
<td>01-00-00-582-03</td>
<td>$4,994</td>
<td>2005A Water Bonds (86)</td>
<td>$8,650</td>
<td></td>
</tr>
<tr>
<td>01-00-00-582-04</td>
<td>$114,188</td>
<td>2012A Water Bonds - Refunded Part of 2005A (97.3)</td>
<td>$114,188</td>
<td></td>
</tr>
<tr>
<td>01-00-00-582-05</td>
<td>$2,860,306</td>
<td>2010A Series - BAB (92)</td>
<td>$2,902,552</td>
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</tr>
<tr>
<td>01-00-00-582-06</td>
<td>$104,444</td>
<td>2005A Water Bonds, Partial Refunding of 2001 Series A (87)</td>
<td>$113,806</td>
<td></td>
</tr>
<tr>
<td>01-00-00-582-07</td>
<td>$26,271</td>
<td>SRF Loan Hanapepe River Crossing (80)</td>
<td>$28,970</td>
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</tr>
<tr>
<td>01-00-00-582-08</td>
<td>$14,642</td>
<td>SRF Loan Hanapepe 27” Pipeline (81)</td>
<td>$16,146</td>
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</tr>
<tr>
<td>01-00-00-582-09</td>
<td>$7,961</td>
<td>SRF Loan Wailua Homesteads Well No. 3 (82)</td>
<td>$8,754</td>
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</tr>
<tr>
<td>01-00-00-582-10</td>
<td>$26,787</td>
<td>SRF Loan Lihue Steel Tanks 1 &amp; 2 (83)</td>
<td>$29,211</td>
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</tr>
<tr>
<td>01-00-00-582-11</td>
<td>$17,975</td>
<td>SRF Loan Ormelas 0.2 MG Tank (84)</td>
<td>$19,395</td>
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</tr>
<tr>
<td>01-00-00-582-12</td>
<td>$48,914</td>
<td>SRF Loan 16” Waterline Kuahiwy Wailua (85)</td>
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<tr>
<td>01-00-00-582-13</td>
<td>$115,849</td>
<td>SRF Loan - Poipu Rd 16 inch main (86)</td>
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<tr>
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<td>$198,466</td>
<td>SRF Loan - Stable 1.0 MG Tank (89)</td>
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</tr>
<tr>
<td>01-00-00-582-15</td>
<td>$112,461</td>
<td>SRF Loan - Kaumualii Hwy 12 inch Main Repl Elepaio (90)</td>
<td>$119,646</td>
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</tr>
<tr>
<td>01-00-00-582-16</td>
<td>$54,786</td>
<td>SRF Loan - Waha, Wawae &amp; Niho (91)</td>
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<tr>
<td>01-00-00-582-17</td>
<td>$112,376</td>
<td>SRF Loan - Kapilima 0.5 MG Tank (94)</td>
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<td>01-00-00-582-18</td>
<td>$31,098</td>
<td>SRF Loan- Kokolau (98)</td>
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<td>$16,464</td>
<td>SRF Loan- Kapilima Well (99)</td>
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</tr>
<tr>
<td>01-00-00-582-20</td>
<td>$33,758</td>
<td>SRF Loan- Wailua Houselots Main Repl</td>
<td>$-</td>
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<tr>
<td>01-00-00-582-21</td>
<td>$24,221</td>
<td>SRF Loan - PLH 39A, Lihue baseyard Improvements</td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>---------------</td>
<td>--------------</td>
<td>-------</td>
<td>-----------------</td>
</tr>
<tr>
<td>01-00-00-682-01</td>
<td>$18,000</td>
<td>No</td>
<td>1980 FMHA (93)</td>
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<td>2005A Water Bonds (86)</td>
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<td>No</td>
<td>2005A Water Bonds, Partial Refunding of 2001 Series A (87)</td>
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<tr>
<td>01-00-00-682-07</td>
<td>$64,138</td>
<td>No</td>
<td>SRF Loan Hanapepe River Crossing (80)</td>
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<td>$64,138</td>
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<td>SRF Loan Hanapepe 27&quot; Pipeline (81)</td>
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<td>$21,015</td>
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<td>SRF Loan Wailua Homesteads Well No. 3 (82)</td>
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<td>SRF Loan Lihue Steel Tanks 1 &amp; 2 (83)</td>
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<td>SRF Loan 16&quot; Waterline Kuhio Hwy Wailua (85)</td>
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</tr>
<tr>
<td>01-00-00-682-13</td>
<td>$263,872</td>
<td>No</td>
<td>SRF Loan - Poipu Rd 16 inch main (86)</td>
<td>$263,450</td>
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<td>01-00-00-682-14</td>
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<td>No</td>
<td>SRF Loan - Stable 1.0 MG Tank (87)</td>
<td>$375,352</td>
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<td>$201,749</td>
<td>No</td>
<td>SRF Loan - Kaumualii Hwy 12 inch Main Repl Elepaio (90)</td>
<td>$201,105</td>
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<td>01-00-00-682-16</td>
<td>$98,277</td>
<td>No</td>
<td>SRF Loan - Waha, Wawae &amp; Niho (91)</td>
<td>$97,963</td>
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<td>$193,286</td>
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<td>SRF Loan - Kapilimao 0.5 MG Tank (94)</td>
<td>$192,477</td>
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<td>$88,633</td>
<td>No</td>
<td>SRF Loan- Kokolau (95)</td>
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<td>$48,067</td>
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<td>$114,689</td>
<td>Yes</td>
<td>SRF Loan - Wailua Houselots Main Repl</td>
<td>$0.00</td>
</tr>
<tr>
<td>01-00-00-682-21</td>
<td>$79,736</td>
<td>Yes</td>
<td>SRF Loan - PLH 39a, Lihue baseyard Improvements</td>
<td>$0.00</td>
</tr>
<tr>
<td>Line Item</td>
<td>Dollar Amount</td>
<td>New Request</td>
<td>Notes</td>
<td>2013-2014 Budget</td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------------</td>
<td>-------------</td>
<td>---------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Transfer from FRC</td>
<td>-$1,300,332</td>
<td>Y</td>
<td>reimbursement based on ...</td>
<td></td>
</tr>
<tr>
<td>Transfer SRP Loan Proceeds</td>
<td>$2,000,000</td>
<td></td>
<td></td>
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</tbody>
</table>

TOTAL: $699,668

WU/Transfers to Other Funds: $0
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<tbody>
<tr>
<td>transfer to WU</td>
<td>$1,300,332</td>
<td>Y</td>
<td>reimbursement based on …</td>
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TOTAL: **$1,300,332**  

FRC/Transfers to Other Funds: $0
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<td></td>
</tr>
<tr>
<td>Bond/Transfers to Other Funds</td>
<td></td>
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</table>

**TOTAL:** $0

General Expenses (Fiscal '14-'15)
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Transfer SRF Loan Proceeds from WU</td>
<td>-$2,000,000</td>
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**TOTAL:** -$2,000,000  
SRF/Transfers to Other Funds $0
## General Expenses - Admin

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Budget for FY14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-01-10-540-010</td>
<td>WU/Admin/Admin/Professional Services - General</td>
<td>$99,824</td>
<td>$197,500</td>
</tr>
<tr>
<td>10-01-10-541-010</td>
<td>WU/Admin/Admin/Other Services - General</td>
<td>$23,000</td>
<td>$23,230</td>
</tr>
<tr>
<td>10-01-10-542-010</td>
<td>WU/Admin/Admin/Public Relations</td>
<td>$86,500</td>
<td>$318,500</td>
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<tr>
<td>10-01-10-542-020</td>
<td>WU/Admin/Admin/Procurement Advertising</td>
<td>-</td>
<td>$10,000</td>
</tr>
<tr>
<td>10-01-10-544-000</td>
<td>WU/Admin/Admin/Freight and Postage Services</td>
<td>$7,000</td>
<td>$13,000</td>
</tr>
<tr>
<td>10-01-10-551-000</td>
<td>WU/Admin/Admin/Utility Services</td>
<td>$198,720</td>
<td>$213,000</td>
</tr>
<tr>
<td>10-01-10-545-000</td>
<td>WU/Admin/Admin/Rentals and Leases</td>
<td>$22,000</td>
<td>$22,000</td>
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<tr>
<td>10-01-10-546-000</td>
<td>WU/Admin/Admin/Insurance</td>
<td>$360,000</td>
<td>$360,000</td>
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<tr>
<td>10-01-10-561-000</td>
<td>WU/Admin/Admin/Repairs and Maintenance - Other than Water System</td>
<td>$21,500</td>
<td>$21,500</td>
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<tr>
<td>10-01-10-562-000</td>
<td>WU/Admin/Admin/Office Supplies</td>
<td>$46,000</td>
<td>$46,000</td>
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<tr>
<td>10-01-10-563-000</td>
<td>WU/Admin/Admin/Operating Supplies</td>
<td>$20,000</td>
<td>$20,000</td>
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<tr>
<td>10-01-10-570-010</td>
<td>WU/Admin/Admin/Books, Publications, Subscriptions, and Memberships</td>
<td>$23,600</td>
<td>$30,360</td>
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<tr>
<td>10-01-10-570-020</td>
<td>WU/Admin/Admin/Books, Publications, Subscriptions, and Memberships - Board</td>
<td>$1,200</td>
<td>$1,200</td>
</tr>
<tr>
<td>10-01-10-571-010</td>
<td>WU/Admin/Admin/Training and Development</td>
<td>$50,690</td>
<td>$21,860</td>
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<tr>
<td>10-01-10-572-010</td>
<td>WU/Admin/Admin/Travel and Per Diem</td>
<td>$43,820</td>
<td>$43,540</td>
</tr>
<tr>
<td>10-01-10-572-020</td>
<td>WU/Admin/Admin/Travel and Per Diem - Board</td>
<td>$25,188</td>
<td>$20,690</td>
</tr>
<tr>
<td>10-01-10-573-010</td>
<td>WU/Admin/Admin/Meeting Expense</td>
<td>$17,043</td>
<td>$28,800</td>
</tr>
<tr>
<td>10-01-10-573-020</td>
<td>WU/Admin/Admin/Meeting Expense - Board</td>
<td>$14,007</td>
<td>$21,000</td>
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<tr>
<td>10-01-00-604-999</td>
<td>WU/Admin/Capital Outlay - Rehabilitation and Replacement/Equipment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10-01-00-605-999</td>
<td>WU/Admin/Capital Outlay - Expansion/Equipment</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**SUMMARY OF OPERATING EXPENSES**: $1,060,092 $1,412,180

**SUMMARY OF CAPITAL PURCHASES**: $ - $ -

**OPERATING EXPENSES PLUS CAPITAL OUTLAY**: $1,060,092 $1,412,180
### General Expenses - Admin

**TOTAL:** $197,500

**WU/Admin/Admin/Professional Services - General:** $99,824

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Special Counsel</td>
<td>$75,000</td>
<td>No</td>
<td></td>
<td>$50,000</td>
</tr>
<tr>
<td>Legislative Liaison</td>
<td>$10,000</td>
<td>No</td>
<td></td>
<td>$10,000</td>
</tr>
<tr>
<td>Professional Facilitator</td>
<td>$2,000</td>
<td>Yes</td>
<td>for Public meetings</td>
<td>$0</td>
</tr>
<tr>
<td>Cultural Services</td>
<td>$500</td>
<td>Yes</td>
<td>Blessing, Info, etc</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Other Services - Board</strong></td>
<td><strong>$110,000</strong></td>
<td>No</td>
<td></td>
<td><strong>$0</strong></td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td>Miscellaneous budget under Fixed Charges</td>
<td><strong>$39,824</strong></td>
</tr>
</tbody>
</table>

STOP – Correct Sum at top if there are more than 29 line items
## General Expenses - Admin

**TOTAL:** $23,230  
**WU/Admin/Admin/Other Services - General** $23,000

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire and Burglar Alarm Service</td>
<td>$8,000</td>
<td>No</td>
<td></td>
<td>$8,000</td>
</tr>
<tr>
<td>Solid Waste Disposal Services</td>
<td>$5,000</td>
<td>No</td>
<td></td>
<td>$5,000</td>
</tr>
<tr>
<td>Miscellaneous Contractual Service subject to Board Policy #3</td>
<td>$10,000</td>
<td></td>
<td></td>
<td>$10,000</td>
</tr>
<tr>
<td>Allowance for unmappable prior year expenses</td>
<td>$0</td>
<td>Y</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>contingency</td>
<td>$230</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STOP -- Correct Sum at top if there are more than 29 line items
### General Expenses - Admin

**TOTAL:** $318,500  

**WU/Admin/Admin/Public Relations** $86,500

<table>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Public Relations Programs</td>
<td>$35,000</td>
<td>No</td>
<td>Advertising; Promotional &amp; Education Materials (logo items, giveaways, publications, brochures, meeting supplies, presentation supplies, displays, etc.)</td>
<td>$35,000</td>
</tr>
<tr>
<td>Water Conservation Program</td>
<td>$24,000</td>
<td>No</td>
<td>HBWS Summer Conservation Program; DOW Water Conservation Plan</td>
<td>$24,000</td>
</tr>
<tr>
<td>Water Conservation District (EWSWD)</td>
<td>$7,500</td>
<td>No</td>
<td></td>
<td>$7,500</td>
</tr>
<tr>
<td>Project WET</td>
<td>$20,000</td>
<td>No</td>
<td>Make-A-Splash, Project WET Conference</td>
<td>$20,000</td>
</tr>
</tbody>
</table>
| SDW-SRF                            | $230,000      | Yes (Grant Funded) | Safe Drinking Water - SRF (DOH Grant - source protection education program)  
                                                                                 ($230K was under misc. capital expenditures)                                                                                                                                 | $0               |
| adds/notices for Engineering projects | $2,000 | Yes           | 4 projects @ $500, for adds and notices - newspaper/radio, etc. for public meetings                                                                                                                  | $0               |
| contingency                        | $0            | Yes          |                                                                                                                                                                                                          |                  |

STOP -- Correct Sum at top if there are more than 29 line items
## General Expenses - Admin

**TOTAL:** $10,000  
**WU/Admin/Admin/Procurement Advertising** $0  

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid Publication, Notices, Solicitation</td>
<td>$10,000</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
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</tbody>
</table>

STOP -- Correct Sum at top if there are more than 29 line items
**General Expenses - Admin**

**TOTAL:** $13,000

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Postage</td>
<td>$13,000</td>
<td>No</td>
<td>Office communication not Including Water Bills; Includes Governmental Records, Water System Standards, etc</td>
<td>$7,000</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STOP -- Correct Sum at top if there are more than 29 line items
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<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity - Office &amp; Shop</td>
<td>$162,000</td>
<td>No</td>
<td>27000 kwh x $0.50 x 12 months</td>
<td>$149,760</td>
</tr>
<tr>
<td>Electricity - Microbiology Lab</td>
<td>$51,000</td>
<td>No</td>
<td>8500 kwh $0.50 x 12 months</td>
<td>$48,960</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
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</tbody>
</table>

**TOTAL:** $213,000  
**WU/Admin/Admin/Utility Services:** $198,720

STOP -- Correct Sum at top if there are more than 29 line items
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</tr>
</thead>
<tbody>
<tr>
<td>Lease Agreement with UH Puhi Well 3</td>
<td>$1,000</td>
<td>No</td>
<td></td>
<td>$1,000</td>
</tr>
<tr>
<td>Lease Agreement Kilauea Booster Pump</td>
<td>$1,000</td>
<td>No</td>
<td></td>
<td>$1,000</td>
</tr>
<tr>
<td>License Fee Agreement McBryde Trust</td>
<td>$20,000</td>
<td>No</td>
<td></td>
<td>$20,000</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STOP -- Correct Sum at top if there are more than 29 line items
## General Expenses - Admin

**TOTAL:** $360,000  
**WU/Admin/Admin/Insurance**  
**$360,000**  

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance and Bonds</td>
<td>$200,000</td>
<td>No</td>
<td>General, Excess, Liability/Property Insurance and Provision <strong>A provision of $100,000 each is provided annually to cover both premium and reserves for General Liability and Property Insurance; the Department of Water in conjunction with the County of Kauai is self-insured for liability and automobile insurance. Excess coverage after a certain limit is obtained</strong></td>
<td>$200,000</td>
</tr>
<tr>
<td>Small Claims</td>
<td>$10,000</td>
<td>No</td>
<td>Small Claims fund per Board Policy #25 authorizing the County Attorney to investigate, settle and pay all claims filed against the Board of Water Supply where such claims amount to $10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Deductibles</td>
<td>$150,000</td>
<td>No</td>
<td>General Liability, Workers Comp, etc</td>
<td>$150,000</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**STOP -- Correct Sum at top if there are more than 29 line items**
### General Expenses - Admin

**TOTAL:** $21,500

**WU/Admin/Admin/Repairs and Maintenance - Other than Water System**

$21,500 Admin Expenses (Kirk)'1A1

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Conditioning</td>
<td>$16,000</td>
<td>No</td>
<td></td>
<td>$16,000</td>
</tr>
<tr>
<td>Elevator</td>
<td>$3,000</td>
<td>No</td>
<td></td>
<td>$3,000</td>
</tr>
<tr>
<td>Kauai Fire Protection</td>
<td>$2,000</td>
<td>No</td>
<td></td>
<td>$2,000</td>
</tr>
<tr>
<td>Fax Machine - Admin</td>
<td>$500</td>
<td>No</td>
<td></td>
<td>$500</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
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**STOP -- Correct Sum at top if there are more than 29 line items**

FY 2014 - 2015 budget (final draft)
01- Admin Budget Detail
6/18/2014
<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td>Copy Paper</td>
<td>$9,000</td>
<td>No</td>
<td></td>
<td>$9,000</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>$16,000</td>
<td>No</td>
<td>Pens, Pencils, Writing Pads, Binders, Storage Boxes, Folders, Note Pads, Etc</td>
<td>$16,000</td>
</tr>
<tr>
<td>Freight (Office Supplies)</td>
<td>$1,000</td>
<td>No</td>
<td></td>
<td>$1,000</td>
</tr>
<tr>
<td>Office and Desk Accessories</td>
<td>$10,000</td>
<td>No</td>
<td></td>
<td>$10,000</td>
</tr>
<tr>
<td>Miscellaneous Forms</td>
<td>$4,000</td>
<td>No</td>
<td>Letterheads, envelopes, booklet covers</td>
<td>$4,000</td>
</tr>
<tr>
<td>Janitorial Supplies</td>
<td>$6,000</td>
<td>No</td>
<td></td>
<td>$6,000</td>
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<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
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STOP -- Correct Sum at top if there are more than 29 line items
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</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous Expense</td>
<td>$20,000</td>
<td>No</td>
<td>Reserve provision for extraordinary cost items in relation to Operating Expenditures</td>
<td>$20,000</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
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</table>

**TOTAL:** $20,000

STOP -- Correct Sum at top if there are more than 29 line items
## General Expenses - Admin

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<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Operations Certification</td>
<td>$5,000</td>
<td>Yes</td>
<td></td>
<td></td>
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<tr>
<td>AWWA Membership</td>
<td>$3,100</td>
<td>No</td>
<td>Membership Dues</td>
<td>$3,200</td>
</tr>
<tr>
<td>Books and Publications/Newspaper</td>
<td>$2,500</td>
<td>No</td>
<td>Misc Books and Pubs</td>
<td>$2,500</td>
</tr>
<tr>
<td>AWWA - Research Foundation</td>
<td>$10,800</td>
<td>No</td>
<td>Membership Dues</td>
<td>$10,800</td>
</tr>
<tr>
<td>Hawaii State Bar Association</td>
<td>$600</td>
<td>No</td>
<td>Annual Association Dues</td>
<td>$600</td>
</tr>
<tr>
<td>Westlaw</td>
<td>$1,560</td>
<td>No</td>
<td>130 * 12 (months)</td>
<td></td>
</tr>
<tr>
<td>Hawaii Rural Water</td>
<td>$6,600</td>
<td>No</td>
<td>Membership Dues</td>
<td>$6,500</td>
</tr>
<tr>
<td>AEE</td>
<td>$200</td>
<td>Yes</td>
<td>Association of Energy Engineers</td>
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</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
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</tr>
</tbody>
</table>

**STOP -- Correct Sum at top if there are more than 29 line items**

**TOTAL:** $30,360  
**WU/Admin/Admin/Books, Publications, Subscriptions, and Memberships:** $23,600
## General Expenses - Admin

**TOTAL:** $1,200

### WU/Admin/Admin/Books, Publications, Subscriptions, and Memberships - Board

<table>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>AWWA Membership</td>
<td>$1,200</td>
<td>No</td>
<td>7 memberships</td>
<td>$1,200</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
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</table>

STOP -- Correct Sum at top if there are more than 29 line items
### General Expenses - Admin

**TOTAL:** $21,860  
**WU/Admin/Admin/Training and Development** $50,690

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Administrative Conference</td>
<td>$6,500</td>
<td>Yes</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Seminars &amp; Workshops</td>
<td>$5,000</td>
<td>No</td>
<td>Admin training including safety</td>
<td></td>
</tr>
<tr>
<td>Recognition Program</td>
<td>$8,560</td>
<td>No</td>
<td>Retirees, water bucks ($6520 WB + 2040 Recognition), awards</td>
<td>$6,000</td>
</tr>
<tr>
<td>Mindfulness Training</td>
<td>$1,800</td>
<td>Yes</td>
<td>DOW Employee Training Programs including Safety</td>
<td>$44,690</td>
</tr>
</tbody>
</table>

STOP -- Correct Sum at top if there are more than 29 line items
## General Expenses - Admin

### WU/Admin/Admin/Travel and Per Diem

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<tbody>
<tr>
<td>Legislature</td>
<td>$5,000</td>
<td>Yes</td>
<td></td>
<td>$0</td>
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<tr>
<td>Contingencies, Ground Transportation</td>
<td>$3,000</td>
<td>No</td>
<td></td>
<td>$3,000</td>
</tr>
<tr>
<td>Seminars &amp; Workshops</td>
<td>$18,000</td>
<td>No</td>
<td>Conference workshop and various business workshops and technical</td>
<td>$18,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>conferences and other educational workshops</td>
<td></td>
</tr>
<tr>
<td>AWWA National Conference</td>
<td>$7,100</td>
<td>No</td>
<td>AWWA (Anaheim) x 3</td>
<td>$7,545</td>
</tr>
<tr>
<td>AWWA Hawaii Conference</td>
<td>$2,500</td>
<td>No</td>
<td>AWWA (Honolulu) x 4</td>
<td>$2,140</td>
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<tr>
<td>HWWA Conference</td>
<td>$0</td>
<td>No</td>
<td>HWWA (Kauai)</td>
<td>$2,680</td>
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<tr>
<td>AWWA National Membership Committee Meeting</td>
<td>$4,740</td>
<td>No</td>
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<td>$4,740</td>
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<tr>
<td>AWWA, HWWA Board and Committee Meetings</td>
<td>$3,200</td>
<td>No</td>
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<td>$3,200</td>
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<tr>
<td>contingency</td>
<td>$0</td>
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<td>$2,515</td>
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**TOTAL:** $43,540

**WU/Admin/Admin/Travel and Per Diem:** $43,820

---

**STOP -- Correct Sum at top if there are more than 29 line items**

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FY 2014 - 2015 budget (final draft)

01 - Admin Budget Detail

6/18/2014
# General Expenses - Admin

<table>
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<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Various Workshops</td>
<td>$5,500</td>
<td>No</td>
<td>Business and educational workshops and excess travel costs</td>
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<td>Mileage</td>
<td>$300</td>
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<td>$300</td>
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<td>Contingencies, Ground Transporation</td>
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<td></td>
<td>$1,000</td>
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<tr>
<td>AWWA National Conference</td>
<td>$12,090</td>
<td>AWWA (Anaheim) x 6 (airfare @ 1000 ea and per diem @ 1015 ea)</td>
<td>$15,088</td>
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<tr>
<td>AWWA Hawaii Conference</td>
<td>$1,600</td>
<td>AWWA (Honolulu) x 3</td>
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<td>$1,590</td>
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<td>HWWA Conference</td>
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<td>HWWA (Kauai) x 7</td>
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<tr>
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</tr>
</tbody>
</table>

**TOTAL:** $20,690

**WU/Admin/Admin/Travel and Per Diem - Board**

$25,188

**Admin Expenses (Kirk)**

---

STOP -- Correct Sum at top if there are more than 400 line items
## General Expenses - Admin

**TOTAL:** $28,800

**WU/Admin/Admin/Meeting Expense** $17,043

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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>AWWA National (3)</td>
<td>$3,600</td>
<td>No</td>
<td></td>
<td>$5,100</td>
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<tr>
<td>AWWA Hawaii Section (4)</td>
<td>$1,700</td>
<td>No</td>
<td></td>
<td>$971</td>
</tr>
<tr>
<td>HWWA Section Conference</td>
<td>$20,000</td>
<td>Yes</td>
<td>Conference on Kauai; Registration; Speakers; Misc items</td>
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<tr>
<td>Annual meeting</td>
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<td>No</td>
<td>Annual meeting</td>
<td>$10,000</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
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STOP -- Correct Sum at top if there are more than 29 line items
**General Expenses - Admin**

**TOTAL:** $21,000

**WU/Admin/Admin/Meeting Expense - Board** $14,007

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<thead>
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</thead>
<tbody>
<tr>
<td>AWWA National (6)</td>
<td>$7,200</td>
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<td>$2,550</td>
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<tr>
<td>AWWA Hawaii Conference (3)</td>
<td>$1,300</td>
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<td>$729</td>
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<tr>
<td>HWWA Section Conference (7)</td>
<td>$1,500</td>
<td>No</td>
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<td>$729</td>
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<tr>
<td>Meals during meetings</td>
<td>$1,000</td>
<td>No</td>
<td></td>
<td>$3,000</td>
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<tr>
<td>Drinks and supplies</td>
<td>$1,000</td>
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<td>Advertising</td>
<td>$6,000</td>
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<td>$6,000</td>
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<tr>
<td>Miscellaneous</td>
<td>$3,000</td>
<td>No</td>
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</table>

STOP -- Correct Sum at top if there are more than 34 line items
### General Expenses - Admin

**TOTAL:** $0

**WU/Admin/Capital Outlay - Rehabilitation and Replacement/Equipment** $0

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<tbody>
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</table>

**STOP -- Correct Sum at top if there are more than 29 line items**
<table>
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<tbody>
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</tr>
</tbody>
</table>

**TOTAL:** $0  
**WU/Admin/Capital Outlay - Expansion/Equipment:** $0  
Admin Expenses (Kirk)'A1

STOP – Correct Sum at top if there are more than 29 line items.
## General Expenses - I.T.

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget (Approved)</th>
<th>Total Budget for FY14-15</th>
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</thead>
<tbody>
<tr>
<td>10-02-10-543-000</td>
<td>WU/IT/Admin/Communication Services</td>
<td>$ 94,164</td>
<td>$ 78,460</td>
</tr>
<tr>
<td>10-02-10-544-000</td>
<td>WU/IT/Admin/Freight and Postage Services</td>
<td>$ -</td>
<td>$ 9,000</td>
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<tr>
<td>10-02-10-545-000</td>
<td>WU/IT/Admin/Rentals and Leases</td>
<td>$ 87,000</td>
<td>$ 87,000</td>
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<tr>
<td>10-02-10-561-000</td>
<td>WU/IT/Admin/Repairs and Maintenance - Other than Water System</td>
<td>$ 182,500</td>
<td>$ 221,220</td>
</tr>
<tr>
<td>10-02-10-563-000</td>
<td>WU/IT/Admin/Operating Supplies</td>
<td>$ 62,500</td>
<td>$ 82,500</td>
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<tr>
<td>10-02-10-570-010</td>
<td>WU/IT/Admin/Books, Publications, Subscriptions, and Memberships</td>
<td>$ -</td>
<td>$ 1,000</td>
</tr>
<tr>
<td>10-02-10-571-010</td>
<td>WU/IT/Admin/Training and Development</td>
<td>$ 20,000</td>
<td>$ 15,650</td>
</tr>
<tr>
<td>10-02-10-572-010</td>
<td>WU/IT/Admin/Travel and Per Diem</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>10-02-00-604-999</td>
<td>WU/IT/Capital Outlay - Rehabilitation and Replacement/Capital Purchases</td>
<td>$ 163,000</td>
<td>$ 1,658,300</td>
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<tr>
<td>10-02-00-605-999</td>
<td>WU/IT/Capital Outlay - Expansion/Capital Purchases</td>
<td>$ 90,000</td>
<td>$ 199,500</td>
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</table>

### SUMMARY OF OPERATING EXPENSES
$ 446,164 $ 494,830

### SUMMARY OF CAPITAL PURCHASES
$ 253,000 $ 1,857,800

### OPERATING EXPENSES PLUS CAPITAL OUTLAY
$ 699,164 $ 2,352,630
### General Expenses - I.T.

**TOTAL:** $78,460  
**WU/IT/Admin/Communication Services:** $94,164

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>2013-2014 Budget (Approved)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet Connection</td>
<td>$4,200</td>
<td>No</td>
<td>Monthly charge of 350 x 12 (RR)</td>
<td>$2,640</td>
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<tr>
<td>Lavanet</td>
<td>$3,120</td>
<td>No</td>
<td>Monthly charge of 260 x 12</td>
<td>$3,120</td>
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<tr>
<td>Bandwidth</td>
<td>$27,600</td>
<td>No</td>
<td>Monthly charge of 2300 x 12</td>
<td>$50,004</td>
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<tr>
<td>Frame Relay (128K)</td>
<td>$2,640</td>
<td>No</td>
<td>Monthly charge of 220 x 12</td>
<td>$1,260</td>
</tr>
<tr>
<td>Frame Relay (56K)</td>
<td>$1,320</td>
<td>No</td>
<td>Monthly charge of 110 x 12</td>
<td></td>
</tr>
<tr>
<td>Frame Relay (AS400)</td>
<td>$1,320</td>
<td>No</td>
<td>Monthly charge of 110 x 12</td>
<td></td>
</tr>
<tr>
<td>Main Telephone Lines</td>
<td>$4,920</td>
<td>No</td>
<td>Monthly charge of 410 x 12</td>
<td>$4,920</td>
</tr>
<tr>
<td>Fax for Administration</td>
<td>$540</td>
<td>No</td>
<td>Monthly 45 x 12 months</td>
<td>$540</td>
</tr>
<tr>
<td>Fax for Main Office</td>
<td>$540</td>
<td>No</td>
<td>Monthly 45 x 12 months</td>
<td>$540</td>
</tr>
<tr>
<td>Long Distance Charges</td>
<td>$1,200</td>
<td>No</td>
<td>Monthly 100 x 12 months</td>
<td>$10,080</td>
</tr>
<tr>
<td>Microlab Elevator Phone</td>
<td>$540</td>
<td>No</td>
<td>Monthly 45 x 12 months</td>
<td>$540</td>
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<tr>
<td>Microlab Fire Alarm</td>
<td>$1,500</td>
<td>No</td>
<td>Monthly 125 x 12 months</td>
<td>$1,500</td>
</tr>
<tr>
<td>Office Alarm Circuit</td>
<td>$1,020</td>
<td>No</td>
<td>Monthly 85 x 12 months</td>
<td>$1,020</td>
</tr>
<tr>
<td>Cellular Phone (Office)</td>
<td>$18,000</td>
<td>No</td>
<td>Monthly 1500 x 12 months</td>
<td>$18,000</td>
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<td>contingency</td>
<td>$10,000</td>
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### General Expenses - I.T.

**TOTAL:** $9,000

<table>
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<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>2013-2014 Budget (Approved)</th>
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<tbody>
<tr>
<td>Shipping Leased Computers</td>
<td>$8,000</td>
<td>No</td>
<td>Freight &amp; Postage budget in PY was under computer supplies</td>
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<tr>
<td>Shipping of hardware for fixing</td>
<td>$1,000</td>
<td>No</td>
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<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
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</tr>
<tr>
<td>Line Item</td>
<td>Dollar Amount</td>
<td>New Request?</td>
<td>Notes</td>
<td>2013-2014 Budget (Approved)</td>
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<tr>
<td>---------------------------------</td>
<td>---------------</td>
<td>--------------</td>
<td>--------------------------------------------------------</td>
<td>-----------------------------</td>
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<tr>
<td>Computer Leases</td>
<td>$50,000</td>
<td>No</td>
<td>Recurring Leases and New leases for Computers, Laptops, Servers, etc</td>
<td>$50,000</td>
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<td>Copier Leases</td>
<td>$32,000</td>
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<td>Postage Machine/Scale Feeder</td>
<td>$5,000</td>
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<tr>
<td>contingency</td>
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</table>
## General Expenses - I.T.

### TOTAL: **$221,220**

### WU/IT/Admin/Repairs and Maintenance - Other than Water System

**$182,500**

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>2013-2014 Budget (Approved)</th>
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<tbody>
<tr>
<td>Local Network</td>
<td>$6,500</td>
<td>No</td>
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<td>$6,500</td>
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<tr>
<td>OCE Printer/Scanner</td>
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<td>$5,000</td>
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<tr>
<td>HP Printers</td>
<td>$3,500</td>
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<td>$3,500</td>
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<td>Firewall</td>
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<td>$5,000</td>
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<tr>
<td>Canon Scanner</td>
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<td>Dell Kace</td>
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<td>AMR Software</td>
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<td>Trimble Handhelds (Badger)</td>
<td>$210</td>
<td>No</td>
<td>Handhelds for Meter Readers</td>
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<td>Ascent Capture</td>
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<td>Anti-Virus</td>
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<td>ESRI</td>
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<tr>
<td>Great Plains</td>
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<td>No</td>
<td>Maintenance &amp; Support</td>
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<td>Citrix (Go to Assist/Meeting)</td>
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<td>XC2</td>
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<td>MPET/MMIS</td>
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<tr>
<td>Maintenance/Troubleshooting</td>
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<td>Water CAD</td>
<td>$6,800</td>
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<td>$6,800</td>
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<td>AutoCAD</td>
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<tr>
<td>Go Exchange</td>
<td>$3,500</td>
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<td>$3,500</td>
</tr>
<tr>
<td>IP Switch</td>
<td>$1,000</td>
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<td>$1,000</td>
</tr>
<tr>
<td>Busch Consulting - Hours</td>
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<td>$12,000</td>
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<tr>
<td>VoIP Phone</td>
<td>$12,000</td>
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</tr>
<tr>
<td>Team</td>
<td>$500</td>
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<td>$500</td>
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<tr>
<td>Office Watch - Metropolis</td>
<td>$500</td>
<td>No</td>
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<tr>
<td>SSL Certificate</td>
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<td>Stellent</td>
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<tr>
<td>Paramount</td>
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<td>Maintenance &amp; Support</td>
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<td>Websense</td>
<td>$4,000</td>
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<td>$4,000</td>
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<tr>
<td>Terrago</td>
<td>$500</td>
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<td>$500</td>
</tr>
<tr>
<td>FIS Hosting</td>
<td>$20,000</td>
<td>Yes</td>
<td>March - June 30, 2015 (Great Plains &amp; Paramount Hosting)</td>
<td>$20,000</td>
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<tr>
<td>Copier Maintenance</td>
<td>$5,000</td>
<td>Yes</td>
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<td>$5,000</td>
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<tr>
<td>Fire Suppression System</td>
<td>$1,500</td>
<td>Yes</td>
<td>Fenwall FM-200 Fire Suppression System</td>
<td>$1,500</td>
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<tr>
<td>CONTINGENCY</td>
<td>$0</td>
<td>Yes</td>
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</table>
### General Expenses - I.T.

**TOTAL:** $82,500  
**WU/IT/Admin/Operating Supplies** $62,500

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>2013-2014 Budget (Approved)</th>
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</thead>
<tbody>
<tr>
<td>Computer Supplies</td>
<td>$50,000</td>
<td>No</td>
<td>Software, storage devices, toner, etc</td>
<td>$50,000</td>
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<tr>
<td>Computer Hardware</td>
<td>$20,000</td>
<td>No</td>
<td>Printers, external hard drives, etc</td>
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<tr>
<td>Paper for Oce &amp; Large Format Printers</td>
<td>$12,500</td>
<td>No</td>
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<td>$12,500</td>
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<td>contingency</td>
<td>$0</td>
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**6/18/2014**

FY 2014 - 2015 budget (final draft)  
02 - IT Budget Detail  
6 of 11
<table>
<thead>
<tr>
<th>Line Item</th>
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<th>New Request?</th>
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<th>2013-2014 Budget (Approved)</th>
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<tbody>
<tr>
<td>Books/Magazines/Subscriptions</td>
<td>$1,000</td>
<td>Yes</td>
<td>Computer Books and Magazines</td>
<td>$0</td>
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<tr>
<td>contingency</td>
<td>$0</td>
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TOTAL: $1,000

WU/IT/Admin/Books, Publications, Subscriptions, and Memberships $0
## General Expenses - I.T.

**TOTAL:** $15,650

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<tr>
<th>Line Item</th>
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<tbody>
<tr>
<td>IT Training</td>
<td>$15,000</td>
<td>No</td>
<td>Training for IT Personnel (Registration, Travel &amp; Per Diem)</td>
<td>$20,000</td>
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<tr>
<td>Mindfullness Training</td>
<td>$650</td>
<td>Yes</td>
<td>Registration for Training for 2 Personnel ($325 x 2)</td>
<td>$0</td>
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<td>contingency</td>
<td>$0</td>
<td>Yes</td>
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WU/IT/Admin/Training and Development $20,000
### General Expenses - I.T.

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<th>Line Item</th>
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<th>New Request?</th>
<th>Notes</th>
<th>2013-2014 Budget (Approved)</th>
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<tr>
<td></td>
<td></td>
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<td>$0</td>
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</tbody>
</table>

**TOTAL:** $0

WU/IT/Admin/Travel and Per Diem

FY 2014 - 2015 budget (final draft)

02 - IT Budget Detail

6/18/2014
## General Expenses - I.T.

**TOTAL:** $1,658,300  
**WU/IT/Capital Outlay - Rehabilitation and Replacement/Capital Purchases**  
**$163,000**

<table>
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<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>2013-2014 Budget (Approved)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of New Document Imaging System &amp; Project Management</td>
<td>$266,000</td>
<td>Yes</td>
<td>IT Strategic Plan</td>
<td>$108,000</td>
</tr>
<tr>
<td>Kofax Capture Upgrade</td>
<td>$10,000</td>
<td>Yes</td>
<td></td>
<td>$10,000</td>
</tr>
<tr>
<td>Microfilm to Image Conversion</td>
<td>$20,000</td>
<td>Yes</td>
<td></td>
<td>$20,000</td>
</tr>
<tr>
<td>AMR Laptop/Case Software</td>
<td>$20,000</td>
<td>Yes</td>
<td>Additional Laptop (Spare) &amp; Maintenance</td>
<td>$25,000</td>
</tr>
<tr>
<td>Replacement of AMR Transponders</td>
<td>$1,274,000</td>
<td>Yes</td>
<td>Rough Numbers 70.00 per endpoint and 1.00 per month per meter for 15,000 to 20,000 meters</td>
<td></td>
</tr>
<tr>
<td>Upgrade Network Cabling</td>
<td>$55,000</td>
<td>Yes</td>
<td>Replace existing CAT5 cabling with CAT6 cable</td>
<td></td>
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<tr>
<td>Contingencies</td>
<td>$13,300</td>
<td></td>
<td>Contingencies Approved for IT Strategic Plan</td>
<td></td>
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<tr>
<td>General Contingency</td>
<td>$0</td>
<td>Yes</td>
<td>related to transponders</td>
<td></td>
</tr>
<tr>
<td>Line Item</td>
<td>Dollar Amount</td>
<td>New Request?</td>
<td>Notes</td>
<td>2013-2014 Budget (Approved)</td>
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<tr>
<td>--------------------------------------------------</td>
<td>---------------</td>
<td>--------------</td>
<td>--------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Develop Web based GIS viewer and mapping layers</td>
<td>$190,000</td>
<td>Yes</td>
<td>IT Strategic Plan</td>
<td>$90,000</td>
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<tr>
<td>Contigencies</td>
<td>$9,500</td>
<td></td>
<td>Contigencies Approved for IT Strategic Plan</td>
<td></td>
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</table>
Water Quality Division

Program Budget - FY 2014 - 2015

Water Quality Division:
The Water Quality Division oversees all the activities relating to meeting the requirements of the Environmental Protection Agency’s Safe Drinking Water Act (SDWA). This includes both the microbial and chemical aspects of the regulation. The division also provides support to other divisions to insure the water is safe to drink. Also, the Water Quality Lab provides customer service in relation to water quality issues.

Program Description:
The Water Quality Division is responsible for all the activities that help insure that the water that The Kauai Department of Water (KDOW) provides to its customers meets all the requirements of the SDWA. The Water Quality Lab also monitors source water quality which is also helpful to operations. The Water Quality Lab handles water quality complaints. Special studies to support the development of projects like the surface water treatment plant are also the division’s responsibility.

Program Projects:

1. Phase 2-5 Chemical sampling every three years (last round in 2012). We will be starting sampling for the 2014-2016 period. Estimate cost at $20000.

2. Make up sampling for repaired wells offline during 2012 phase 2-5 sampling period will be schedule for this year (2014). Estimate cost at $5000.

3. Disinfection Byproduct sampling is continuous.

4. Nitrate sampling is continuous.

5. Total Coliform Rule microbiological sampling is continuous.
6. Maintaining State certification to perform microbiological analysis in house is continuous.

7. Weekly monitoring of surface water zone of mixing is continuous.

8. Microbiological Monitoring of sources going on line after extended periods. As needed.

9. Sampling and analysis to determine baseline physical water quality of sources continuous.

10. Worked with SDWB to get Safe Drinking Water Information System (SDWIS) operational. It allows our Lab to share data and plan sampling schedules.

11. Worked with SDWB to launch the Sample Reservation and Collection System (SCRS) which will allow the Lab to schedule sampling with the State Laboratory and follow sample processing.

12. Unregulated Contaminant Monitoring Rule #3 sampling for this fiscal year will consist of two sample periods. Sampling event 1 (SE1) will be in July 2014 and sampling event 2 (SE2) will be in January 2015. Estimate cost at $65,000

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Microbiological Samples</td>
<td>1200</td>
<td>1200</td>
<td>1300</td>
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<tr>
<td>Lead and Copper Samples</td>
<td>132</td>
<td>72</td>
<td>122</td>
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<tr>
<td>Water Quality Complaints</td>
<td>62</td>
<td>70</td>
<td>75</td>
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<tr>
<td>Phase 2-5 Testing for 2010-2013</td>
<td>Completed</td>
<td>Complete</td>
<td>Partial</td>
</tr>
<tr>
<td>Item</td>
<td>Status</td>
<td>Notes</td>
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<tr>
<td>-----------------------------------------</td>
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<td>---------------------</td>
<td></td>
</tr>
<tr>
<td>UCMR3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System 434 SE1 and SE2 50% complete</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System 400 SE1 and SE2 Pending</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LT2 Crytosporidium monitoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New autoclave</td>
<td>installed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>System 400 Pending</td>
<td></td>
<td></td>
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</tbody>
</table>
## General Expenses - Water Quality

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Approved Budget for FY13-14</th>
<th>Proposed Budget for FY14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-10-40-540-010</td>
<td>WU/Qual/Purification/Professional Services - General</td>
<td>$70,000</td>
<td>$85,000</td>
</tr>
<tr>
<td>10-10-40-544-000</td>
<td>WU/Qual/Purification/Freight and Postage Services</td>
<td>$</td>
<td>$2,500</td>
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<tr>
<td>10-10-40-561-000</td>
<td>WU/Qual/Purification/Repairs and Maintenance - Other than Water System</td>
<td>$2,000</td>
<td>$1,500</td>
</tr>
<tr>
<td>10-10-40-563-000</td>
<td>WU/Qual/Purification/Operating Supplies</td>
<td>$20,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>10-10-40-570-100</td>
<td>WU/Qual/Purification/Books, Publications, Subscriptions, and Memberships</td>
<td>$</td>
<td>$150</td>
</tr>
<tr>
<td>10-10-40-571-010</td>
<td>WU/Qual/Purification/Training and Development</td>
<td>$</td>
<td>$1,200</td>
</tr>
<tr>
<td>10-10-40-604-999</td>
<td>WU/Qual/Purification/Capital Outlay - Replacement</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>10-10-40-605-999</td>
<td>WU/Qual/Purification/Capital Outlay - Expansion/Equipment</td>
<td>$</td>
<td>$4,000</td>
</tr>
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</table>

**SUMMARY OF OPERATING EXPENSES** $92,000 $120,350

**SUMMARY OF CAPITAL PURCHASES** $ - $4,000

**OPERATING EXPENSES PLUS CAPITAL OUTLAY** $92,000 $124,350
### General Expenses - Water Quality

**TOTAL:** $85,000  
WU/Qual/Purification/Professional Services - General $70,000  

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<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Water sample testing services (Contract Lab Services)</td>
<td>$65,000</td>
<td>No</td>
<td>EPA-mandated UCMR3 testing for Lihue Kapaa System; budget increase due to increased number of samples being taken (covering larger area than last year’s contract)</td>
<td>$60,000</td>
</tr>
<tr>
<td>Misc Testing - Phase 2/5</td>
<td>$20,000</td>
<td>No</td>
<td>EPA-mandated compliance monitoring</td>
<td>$10,000</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------</td>
<td>--------------</td>
<td>---------------------------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Shipping samples</td>
<td>$2,400</td>
<td>No (was an Admin budget)</td>
<td>24 shipments of $100 each (shipping samples to contract lab)</td>
<td>$0</td>
</tr>
<tr>
<td>Shipping equipment for calibration</td>
<td>$100</td>
<td>No (was an Admin budget)</td>
<td>One shipment per year</td>
<td>$0</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
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</table>
## General Expenses - Water Quality

**TOTAL:** $1,500

**WU/Qual/Purification/Repairs and Maintenance - Other than Water System** $2,000

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Autoclave maintenance and repairs</td>
<td>$1,500</td>
<td>No</td>
<td>Annual inspection and contingency for possible repair (lower than last year because Autoclave is new)</td>
<td>$2,000</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
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</tbody>
</table>

**WQ Expenses (CarlIA)**

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*FY 2014-2015 budget (final draft)*

*10 - Water Quality Budget Detail*

*6/18/2014*
### General Expenses - Water Quality

**TOTAL:** $30,000

- **WU/Qual/Purification/Operating Supplies:** $20,000

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<th></th>
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</thead>
<tbody>
<tr>
<td>Lab supplies</td>
<td>$20,000</td>
<td>No</td>
<td>Sample bottles, reagents, media</td>
<td>$20,000</td>
</tr>
<tr>
<td>Water Quality Reports (CCR's)</td>
<td>$10,000</td>
<td>No</td>
<td>Preparation &amp; Mailing of Annual Water Quality Reports Notices</td>
<td></td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------</td>
<td>--------------</td>
<td>--------------------------------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Standard Methods Book</td>
<td>$150</td>
<td>Yes</td>
<td>Need to update; the current book is out of date</td>
<td>$0</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
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</tbody>
</table>
### General Expenses - Water Quality

**TOTAL:** $1,200  
**WU/Qual/Purification/Training and Development**  
$0  
WQ Expenses (Carl)'1A1

<table>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Training classes</td>
<td>$1,200</td>
<td>Yes</td>
<td>2 single-day classes covering EPA rules and regulations and lab data management</td>
<td>$0</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
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</table>
### General Expenses - Water Quality

**TOTAL:** $0

WU/Qual/Purification/Capital Outlay - Expansion/Equipment $0

<table>
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<tr>
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WQ Expenses (Carl)/A1
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<tbody>
<tr>
<td>Ice Machine</td>
<td>$4,000</td>
<td>Yes</td>
<td>Contract lab is requiring us to ship samples with ice packs because samples have been coming in too warm to be suitable for testing. Planning a 60 pound per day machine (smallest size made)</td>
<td>$0</td>
</tr>
<tr>
<td>Contingency</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
Engineering Division

Program Budget - FY 2014-2015

Engineering Division:

The Engineering Division is responsible for the design of water projects such as reservoirs, pumping facilities and pipelines by planning, contracting for design and conducting design review for water system improvements funded by the Department as outlined in Water Plan 2020. The Engineering Division is also responsible for the design review and approval of water facilities by private parties for dedication to the Department.

There are five permanent positions budgeted for the Engineering division for FY 2014 – 2015. Of the five positions, two positions are filled. Two CE V and a CE II position are currently vacant. The CE II position is proposed to be changed to a CE I position. It is anticipated that a CE I position may be filled sooner than a CE II position.

The Special Projects and the Engineering Design & Construction divisions of the Department were reorganized in late 2012, into the Engineering Division and the Construction Management Division. The Engineering Division duties were changed to no longer oversee the construction and construction inspection of new projects.

Program Description:

The Engineering Division administers the majority of the Capital Improvement Projects (CIP) and Capital Rehabilitation and Replacement Projects (CRP/CRPL) and provides engineering services to the Operations Division during emergencies.

The Engineering Division administers engineering consultant contracts; evaluates the feasibility of pipeline alignments and sites for water facilities; prepares plans and specifications and bid documents for new water facilities. The Division performs all necessary construction plan review for Water Plan 2020 projects.

The Engineering Division maintains the Water System Standards, provides service to private developers who design and build water system improvements that will be dedicated to the County by performing construction plan review for water facilities that are being dedicated to the County.
**Program Objectives:**

1. Improve the water facilities infrastructure by providing new well sources, storage tanks and waterlines through its CIP Program as assigned.

2. Maintain and upgrade existing water facilities through the CRP/CRPL Program as assigned.

3. Oversee the design and integration of privately constructed water system improvements, as assigned, that are dedicated into the Department's system.

4. Provide engineering services to ensure the design of the water facilities are done in accordance with the Water System Standards of the Department.

**Program Highlights:**

1. During fiscal year 2013-2014, the Engineering Division initiated the design of several capital improvement and rehabilitation projects as part of our overall effort to address capacity deficiencies and aging infrastructure issues in our water systems. In addition, progress has been made on projects from previous years.

   Planning and/or Design is proceeding and/or continues for the Anini and Kalihiwai Pipeline Improvements, Anfact Shaft 11 Renovations, Kilauea 1.0 MG Tank, 1.0 MG Kapahi Tank, Kapaa Homesteads Well #4, Moloaa 0.1 MG Tank, Kalaheo Water System Improvements (Yamada Tank, Nursery Tank and connecting pipeline), Kokolau Tunnel/Akulikuli Tunnel/Kalaheo Surface Water Improvements feasibility study, Koloa Well MCC Improvements, Kalaheo 886’ 0.5 MG Tank, 8” Waterline along Halewili Road, Replacement of Grove Farm Tanks 1 and 2, and Rehabilitate Moalepe Tunnel and Access Road Improvements. Kahili Directionally Drilled Horizontal Well, Drill and Test Hanalei Well #2, Lawai-Omao Waterline Replacements, and the Weke, Ana and Heʻe Roads Main Replacements. The Design for the Hanalei Well No. 2 has been suspended pending the outcome of an alternative source.

   In addition, consultants were selected and fee negotiations were completed or initiated for U.H. Exp. Station 605' Tank, 0.25 MG & 12” DI (2900') pipeline site acquisition, Hanapepe-Ele'ele Booster Pump Rehabilitation, Koloa Well “D” Retaining Wall and site Repairs, Kolo Road Main Replacement and Amfac Shaft Well Phase 3.
<table>
<thead>
<tr>
<th>PROGRAM MEASURES</th>
<th>FY 2012-2013 (estimate)</th>
<th>FY 2013-2014 (estimate)</th>
<th>FY 2014-2015 (estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number of Projects (projects issued Notice To Proceed only)</td>
<td>28</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>Approximate Design Cost:</td>
<td>$6,000,000</td>
<td>$8,000,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>2. Private Developer Water Projects (design only)</td>
<td>67</td>
<td>72</td>
<td>60</td>
</tr>
</tbody>
</table>
### General Expenses - Engineering

#### Account Description

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>FY 2013-2014 Budget</th>
<th>Total Budget for FY14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water Utility Fund - Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-20-10-540-010</td>
<td>WU/Eng/Admin/Professional Services</td>
<td>-</td>
<td>$178,000</td>
</tr>
<tr>
<td>10-20-10-563-000</td>
<td>WU/Eng/Admin/Operating Supplies</td>
<td>-</td>
<td>$1,150</td>
</tr>
<tr>
<td>10-20-10-570-010</td>
<td>WU/Eng/Admin/Books, Publications, Subscriptions, and Memberships</td>
<td>$ -</td>
<td>$100</td>
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<tr>
<td>10-20-10-571-010</td>
<td>WU/Eng/Admin/Training and Development</td>
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<td>$1,200</td>
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<tr>
<td>10-20-10-572-010</td>
<td>WU/Eng/Admin/Travel and Per Diem</td>
<td>-</td>
<td>$4,000</td>
</tr>
<tr>
<td>10-20-10-573-010</td>
<td>WU/Eng/Admin/Meeting Expense</td>
<td>-</td>
<td>$500</td>
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<tr>
<td>10-20-10-604-999</td>
<td>WU/Eng/Admin/Capital Outlay - Rehabilitation and Replacement/Capital Purchases</td>
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<td>10-20-10-605-999</td>
<td>WU/Eng/Admin/Capital Outlay - Expansion/Capital Purchases</td>
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<tr>
<td><strong>SUMMARY OF OPERATING EXPENSES</strong></td>
<td></td>
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<td>$184,950</td>
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<td><strong>SUMMARY OF CAPITAL PURCHASES</strong></td>
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<td><strong>OPERATING EXPENSES PLUS CAPITAL OUTLAY</strong></td>
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<tr>
<th>Account</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Water Utility Fund - Capital Projects</strong></td>
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<td>$1,252,002</td>
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<tr>
<td>10-20-00-604-001</td>
<td>KW-07 Paua Valley Tank Repair</td>
<td>$150,000</td>
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<td>10-20-00-604-002</td>
<td>KW-04 Paua Valley Well Rehab</td>
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<td>10-20-00-604-003</td>
<td>KW-9b Paua Valley Well MCC</td>
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<tr>
<td>10-20-00-604-005</td>
<td>Install gate valves- hydrant laterals along Poipu Road</td>
<td>$50,000</td>
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<tr>
<td>10-20-00-604-006</td>
<td>PLH-28 Hanamaulu Main Replacement (Hoohana Street)</td>
<td>$51,000</td>
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<td>10-20-00-604-007</td>
<td>WK-11a Upper Wailua House lots Main Replacement</td>
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<td>10-20-00-604-008</td>
<td>WK-13 Kapaa Town 8&quot; Main Replacement</td>
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<td>10-20-00-604-009</td>
<td>Hanapepe Stream Crossing, design phase</td>
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<td>10-20-00-604-011</td>
<td>Hanamaulu BP Station - Replace Booster Pump Station</td>
<td>$200,000</td>
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<td>10-20-00-604-012</td>
<td>Hanapepe-Eleele Connecting Pipeline</td>
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<tr>
<td>10-20-00-604-013</td>
<td>PLH-32 Rice Street/Kapule Intersection Improvements</td>
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<td>10-20-00-604-014</td>
<td>Purchase Water System 1</td>
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<td>10-20-00-604-015</td>
<td>Purchase Water System 2</td>
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<td>10-20-00-605-016</td>
<td>Poipu 1 MG Storage Tank</td>
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<tr>
<td>10-20-00-605-017</td>
<td>18&quot; Cane Haul Road Main</td>
<td>-</td>
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<tr>
<td>10-20-00-605-018</td>
<td>Amfac Shaft Well</td>
<td>-</td>
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<tr>
<td>10-20-00-605-019</td>
<td>Wailua Homesteads 538 1.0 MG Storage Tank</td>
<td>$1</td>
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<td><strong>FRC - Capital Projects</strong></td>
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<td>PLH-28 Hanamaulu Main Replacement (Hoohana Street)</td>
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<td>20-20-00-605-008</td>
<td>WK-13 Kapaa Town 8&quot; Main Replacement</td>
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<td>20-20-00-605-012</td>
<td>Hanapepe-Eleele Connecting Pipeline</td>
<td>$1</td>
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<td>20-20-00-605-014</td>
<td>Purchase Water System 1</td>
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<td>20-20-00-605-015</td>
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<td>Poipu 1 MG Storage Tank</td>
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<td>20-20-00-605-017</td>
<td>18&quot; Cane Haul Road Main</td>
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<tr>
<td>20-20-00-605-018</td>
<td>Amfac Shaft Well</td>
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<td><strong>Bond Fund - Capital Projects</strong></td>
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<tr>
<td>30-20-00-605-139</td>
<td>Moloa Tank site acquisition</td>
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<td>30-20-00-605-140</td>
<td>Koloa Well F land acquisition</td>
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<td>20-20-00-605-141</td>
<td>PLH-35b Kapaia Cane Haul Road Main</td>
<td>$1</td>
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**TOTAL CAPITAL PROJECTS (EXCLUDING CAPITAL PURCHASES)** $2,880,006
<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>2013-14 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title searches</td>
<td>$8,000</td>
<td>yes</td>
<td>title searches, as needed</td>
<td>0</td>
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<tr>
<td>Poipu Tank 1.0 MG tank</td>
<td>$60,000</td>
<td>yes</td>
<td>Preliminary Engineering Report, site location, hydraulic analysis, feasibility</td>
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<tr>
<td>Wailua Homesteads 538 1.0 MG Tank</td>
<td>$60,000</td>
<td>yes</td>
<td>Preliminary Engineering Report; site location, hydraulic analysis, feasibility</td>
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<tr>
<td>Kukuiolono Tank Site exchange</td>
<td>$50,000</td>
<td>yes</td>
<td>Site assessment for hazardous materials, demolition of tank; this is a precondition of the land swap needed for ongoing capital project to design a new tank</td>
<td>0</td>
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<tr>
<td>contingency</td>
<td>$0</td>
<td>yes</td>
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TOTAL: $178,000
### General Expenses - Engineering

## TOTAL: $1,150

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
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<th>Notes</th>
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<tbody>
<tr>
<td>furniture and misc supplies (eng &amp; safety)</td>
<td>$1,000</td>
<td>yes</td>
<td>furniture- if able to fill vacant positions will need more furniture</td>
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<tr>
<td>review stamp/supplies</td>
<td>$150</td>
<td>yes</td>
<td>new self ink stamp needed, general misc. items</td>
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<tr>
<td>contingency</td>
<td>$0</td>
<td>yes</td>
<td></td>
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</tbody>
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STOP -- Correct Sum at top if there are more than 40 line items
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<tr>
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</thead>
<tbody>
<tr>
<td>books/publications</td>
<td>$100</td>
<td>yes</td>
<td>General amount if a need is determined during the fiscal year.</td>
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<tr>
<td>contingency</td>
<td>$0</td>
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TOTAL: $100

WU/Eng/Admin/Books, Publications, Subscriptions, and Memberships

Eng Expenses (Keith)A1

STOP -- Correct Sum at top if there are more than 40 line items
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<tbody>
<tr>
<td>misc training costs</td>
<td>$1,200</td>
<td>yes</td>
<td>various training opportunities come up during the year that have costs associated with them.</td>
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<tr>
<td>contingency</td>
<td>$0</td>
<td>yes</td>
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<td>$0</td>
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</table>

STOP -- Correct Sum at top if there are more than 40 line items.
### General Expenses - Engineering

**TOTAL:** $4,000  
**WU/Eng/Admin/Travel and Per Diem**  
**$0**  

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<tbody>
<tr>
<td>Conference Travel and Per Diem (Non AWWA/HWWA)</td>
<td>$4,000</td>
<td>Yes</td>
<td>as needed; previously budgeted by Admin</td>
<td>$0</td>
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<tr>
<td>contingency</td>
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<td>yes</td>
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### General Expenses - Engineering

#### TOTAL: $500

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<tbody>
<tr>
<td>Meeting supplies</td>
<td>$500</td>
<td>Yes</td>
<td>was previously budgeted by Admin</td>
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<tr>
<td>contingency</td>
<td>$0</td>
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<td>$0</td>
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TOTAL: $0

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Construction Management Division

Program Budget - FY 2014-2015

Construction Management Division:

The former Engineering Division which was comprised of the Special Projects Division and the Design and Construction Division was reorganized into the Construction Management and Engineering Division in August 2012. The Construction Management Division which is the former Special Project Division was responsible for the design, construction and inspection of water projects such as reservoirs, pumping facilities and pipelines by planning, contracting for design and conducting design review, preparing construction bid documents and subsequent construction management, and inspecting water system improvements funded by the Department as outlined in Water Plan 2020. The Design and Construction Division was responsible for the design review and construction inspection of water facilities by private parties for dedication to the Department. The former Engineering division was also responsible for the administration of the Department’s laboratory and performing the water quality monitoring for our water systems.

The current Construction Management Division oversees the construction management and inspection of water projects such as reservoirs, pumping and treatment facilities, and pipelines by reviewing designs for constructability, preparing construction RFP documents, subsequent construction management, and inspecting water system improvements funded by the Department and those funded by private parties for dedication to the Department. The Construction Management Division also continues to oversee Department funded design contracts such as the DOW Baseyard Facility Renovations.

There were seven (7) permanent positions for the Construction Management Division for FY 2013 – 2014. Of the seven positions, three positions are within the Project Management Series and four positions are within the Inspector Series. There are (2) two vacancies remaining in Project Management and (1) one in the Inspection section. These vacant positions are being reclassified with DPS and have been awaiting their review and approval since May 3, 2013. The Division is also in need of a Construction Management clerk with the Engineering Program Assistant contract having expired. This is a position that the CM Division head would like to create in the future when possible. The DOW Construction Management division has had an extremely difficult time attracting and retaining qualified staff and continues to implement a plan to deal with the problem. The delays in DPS related to reallocations displaced a project assistant to take a promotion in the inspection section. Project Managers are difficult to attract and retain in the same sense as engineers since it is nearly the same requirement. The FY 2014-2015 budget requests reflect the efforts of the
Construction Management Project Officer to lead a successful division. It will be vital that the Department have support in this process to attract and recruit staff in a timely manner.

**Program Description:**

The Construction Management Division administers all of the construction for Capital Improvement Projects (CIP) and Capital Rehabilitation and Replacement Projects (CRP/CRPL) and provides engineering and inspectional services to the Operations Division during emergencies.

The Construction Management Division administers construction contracts; evaluates the constructability of pipeline alignments and sites for water facilities; prepares plans and specifications and bid/RFP documents for new water facilities and implements and inspects Department’s standards and policies. The Division performs all necessary construction plan review and construction inspection for Water Plan 2020 projects.

The Construction Management Division provides construction management to private developers who design and build water system improvements that will be dedicated to the County by performing construction inspection and reviewing and approving post-construction documents for water facilities that are being dedicated to the County.

**Program Objectives:**

1. Improve the water facilities infrastructure by constructing new well sources, storage tanks and waterlines through its Water Plan 2020 CIP Program as assigned.

2. Maintain and upgrade existing water facilities through the Water Plan 2020 CRP/CRPL Program as assigned.

3. Coordinate construction and integration of privately constructed water system improvements, as assigned, that are dedicated into the Department's system.

4. Provide construction, engineering design, and inspectional services to ensure the assigned construction of water facilities adhere to plans and specifications and the standards and policies of the Department.

**Program Highlights:**
1. The Construction Management Division revised the template and successfully awarded “construction only” contracts via the Request for Proposal Process.

2. During fiscal year 2013-2014, the Construction Management Division initiated the design and construction of several major capital improvements and rehabilitation projects as part of our overall effort to address capacity deficiencies and aging infrastructure issues in our water systems.

   Final inspection was issued for the Wainiha Booster Pump Stations and Haena Steel Tank Renovations, Rehabilitation of Eleele Twin 0.4 MG Steel Tanks, Wailua Houselots Main Replacement, Waipouli and Olohena Road Pipeline Replacement, and Waipouli Main Replacement along Kuhio Highway.

   Construction dispute was resolved with Jennings Pacific for the Kapaa Homesteads Pipeline Replacement –Phase II project and the project contract has been closed out.

   Construction continues on the Maka Ridge and Princeville Interconnection Renovations.

   The Construction Management Division completed the DOW’s only project design during this fiscal year with the Lihue Baseyard Improvements (Building Design) and advertised for construction requests for proposals.

   The Department funded Design and Construction Contracts managed by the Construction Management Division total approximately $20 million.

3. The Construction Management Division selected contractor via Request for Proposal process and awarded construction on the DOW Baseyard Improvements. To date the Request for Proposal process has been a success and all future construction projects are intended to be procured by this method and not necessarily the lowest offeror will be chosen for construction.

4. The Construction Management Division managed construction and inspected construction of various private developer water projects. There were several major subdivision projects that occurred but majority of time has been spent on individual laterals. The private sector development has increased since last fiscal year with the start of projects in Kukuiula, Anahola DHHL subdivision, Eleele Habitat for Humanity, Hokulei Village, Kapaa Longs, Rice Camp housing complex and others. Private projects are in design and are expected to increase during the next fiscal year.
<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Budget for FY14-15</th>
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</thead>
<tbody>
<tr>
<td>Water Utility Fund - Operating Expenses</td>
<td>WU/Const/Admin/Professional Services - General</td>
<td>$0</td>
<td>$50,000</td>
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<td></td>
<td>WU/Const/Admin/Operating Supplies</td>
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<td></td>
<td>WU/Const/Admin/Books, Publications, Subscriptions, and Memberships</td>
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<td>WU/Const/Admin/Training and Development</td>
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<td>WU/Const/Admin/Travel and Per Diem</td>
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<td>WU/Const/Admin/Meeting Expense</td>
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<td>WU/Const/Admin/Capital Outlay - Rehabilitation and Replacement/Capital Purchases</td>
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<td>WU/Const/Admin/Capital Outlay - Expansion/Capital Purchases</td>
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<td>$0</td>
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</table>

**SUMMARY OF OPERATING EXPENSES**

$600 $71,475

**SUMMARY OF CAPITAL PURCHASES**

$0 $71,475

**OPERATING EXPENSES PLUS CAPITAL OUTLAY**

$600 $71,475

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Utility Fund - Capital Projects</td>
<td>WU/Const/Capital Outlay/13-07, Koloa Wall D Repairs</td>
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<td>$3,850,000</td>
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<td>WU/Const/Capital Outlay/13-05, Kolo Road Main Replacement (Kilauea School)</td>
<td>$1,300,000</td>
<td>$3,850,000</td>
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<td>WU/Const/Capital Outlay/XX-YY, HE-14, Eliaie Booster Rehab</td>
<td>$350,000</td>
<td>$3,850,000</td>
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<td>WU/Const/Capital Outlay/09-01, Yamada Tank, Clearwell and connecting pipelines</td>
<td>$2,200,000</td>
<td>$3,850,000</td>
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<td>Water Utility Fund - Capital Projects</td>
<td>WU/Const/Capital Outlay/11-10, Yamada Tank, Clearwell &amp; connecting PL (Ex - 56% of 55M)</td>
<td>$2,800,000</td>
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**Bond Fund - Capital Projects - R&R**

$5,133,002

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/03-04, K-05a - Kalaeo New Tank, 0.5 MG, 886 Ft (Expansion - 50%)</td>
<td>$1</td>
<td>$1,848,000</td>
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<td>Bond/Const/Capital Outlay/XX-YY, KO-09 - MCC, Chlorination Facilities, Koloa Well 16-A and E and 16-B Site and Bldg Improvements (100%)</td>
<td>$1,452,000</td>
<td>$1,452,000</td>
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<td>Bond/Const/Capital Outlay/XX-YY, LO-08, LD-10 - Koloa Rd (Alakake Pl - Pili Rd) 8 Inch Main Replacement (1,700 Ft), (R&amp;R - 10% of $1.4M)</td>
<td>$1,400,000</td>
<td>$1,400,000</td>
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<td>Bond/Const/Capital Outlay/11-02, PLH-01a - Replace Grove Farm Tanks 1 and 2 (R&amp;R - 40% of 55M)</td>
<td>$266,000</td>
<td>$266,000</td>
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<td>Bond/Const/Capital Outlay/XX-YY, PLH-39a - Lihue Baseyard Improvements for Department of Water</td>
<td>$1</td>
<td>$1,800,000</td>
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<td></td>
<td>Bond/Const/Capital Outlay/02-06, WKK-15 - Construct Kilauea 466 Tank, 1.0MG, Puu Pane Well 3 (R&amp;R - 10% of 2.5M)</td>
<td>$250,000</td>
<td>$250,000</td>
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<td>Bond/Const/Capital Outlay/11-10, 8&quot;WL along Hailei Road (Kauaiualii Hey to Haka Hale Ii) (R&amp;R - 100%)</td>
<td>$800,000</td>
<td>$800,000</td>
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<tr>
<td></td>
<td>Bond/Const/Capital Outlay/XX-YY, H-05, Wake, Ana, and He'e Roads 6&quot; and 8&quot; Main Replacement (R&amp;R - 11% of $1.5M)</td>
<td>$165,000</td>
<td>$165,000</td>
</tr>
</tbody>
</table>

**Bond Fund - Capital Projects - Expansion**

$11,037,100

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/03-04, K-05a - Kalaeo New Tank, 0.5 MG, 886 Ft (Expansion - 50%)</td>
<td>$1</td>
<td>$1,848,000</td>
</tr>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/XX-YY, KO-09 - MCC, Chlorination Facilities, Koloa Well 16-A and E and 16-B Site and Bldg Improvements (100%)</td>
<td>$1,452,000</td>
<td>$1,452,000</td>
</tr>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/XX-YY, LO-08, LD-10 - Koloa Rd (Alakake Pl - Pili Rd) 8 Inch Main Replacement (1,700 Ft), (R&amp;R - 10% of $1.4M)</td>
<td>$1,400,000</td>
<td>$1,400,000</td>
</tr>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/11-02, PLH-01a - Replace Grove Farm Tanks 1 and 2 (R&amp;R - 40% of 55M)</td>
<td>$266,000</td>
<td>$266,000</td>
</tr>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/02-06, WKK-15 - Construct Kilauea 466 Tank, 1.0MG, Puu Pane Well 3 (R&amp;R - 10% of 2.5M)</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/11-10, 8&quot;WL along Hailei Road (Kauaiualii Hey to Haka Hale Ii) (R&amp;R - 100%)</td>
<td>$800,000</td>
<td>$800,000</td>
</tr>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/XX-YY, H-05, Wake, Ana, and He'e Roads 6&quot; and 8&quot; Main Replacement (R&amp;R - 11% of $1.5M)</td>
<td>$165,000</td>
<td>$165,000</td>
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</table>

**Bond Fund - Capital Projects - R&R**

$5,133,002

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/03-04, K-05a - Kalaeo New Tank, 0.5 MG, 886 Ft (Expansion - 50%)</td>
<td>$1</td>
<td>$1,848,000</td>
</tr>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/XX-YY, KO-09 - MCC, Chlorination Facilities, Koloa Well 16-A and E and 16-B Site and Bldg Improvements (100%)</td>
<td>$1,452,000</td>
<td>$1,452,000</td>
</tr>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/XX-YY, LO-08, LD-10 - Koloa Rd (Alakake Pl - Pili Rd) 8 Inch Main Replacement (1,700 Ft), (R&amp;R - 10% of $1.4M)</td>
<td>$1,400,000</td>
<td>$1,400,000</td>
</tr>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/11-02, PLH-01a - Replace Grove Farm Tanks 1 and 2 (R&amp;R - 40% of 55M)</td>
<td>$266,000</td>
<td>$266,000</td>
</tr>
<tr>
<td></td>
<td>Bond/Const/Capital Outlay/02-06, WKK-15 - Construct Kilauea 466 Tank, 1.0MG, Puu Pane Well 3 (R&amp;R - 10% of 2.5M)</td>
<td>$250,000</td>
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<td>Bond/Const/Capital Outlay/11-10, 8&quot;WL along Hailei Road (Kauaiualii Hey to Haka Hale Ii) (R&amp;R - 100%)</td>
<td>$800,000</td>
<td>$800,000</td>
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<td></td>
<td>Bond/Const/Capital Outlay/XX-YY, H-05, Wake, Ana, and He'e Roads 6&quot; and 8&quot; Main Replacement (R&amp;R - 11% of $1.5M)</td>
<td>$165,000</td>
<td>$165,000</td>
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</table>

**SRF Fund - Capital Projects**

$4,000,000

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SRF/Const/Capital Outlay/XX-YY, PLH-39a - Lihue Baseyard Improvements for Department of Water</td>
<td>$4,000,000</td>
<td>$4,000,000</td>
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</table>

Total Capital Projects $26,860,103
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</thead>
<tbody>
<tr>
<td>Construction Management</td>
<td>$50,000</td>
<td>No Recurring every 2 years</td>
<td>2 Years on Contract expired, need to re-procure. This is an AS-NEEDED contract we utilize should inspection help be needed. In the past we've used it for required night work over an extended period of time to avoid losing staff to one project but there may be other areas where the contract could be utilized.</td>
<td>$0</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
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</table>

STOP -- Correct Sum at top if there are more than 400 line items
### General Expenses - Construction Management

**TOTAL:** $2,000

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety Equipment</td>
<td>$1,000</td>
<td>No -Recurring</td>
<td>Annual replacement of steel toe boots, hard hats, safety vests, ear protection, office workstation ergonomics, etc. This usually came from overall DOW budget but I'd like to separate into CM Budget with new budget process for transparency.</td>
</tr>
<tr>
<td>Field Equipment</td>
<td>$1,000</td>
<td>No -Recurring</td>
<td>As Needed Field Equipment (e.g. misc tools) This usually came from fiscal budget but I'd like to separate into CM Budget with new budget process for transparency.</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
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</table>

2013-2014 Budget:

- **Safety Equipment:** $0
- **Field Equipment:** $0
- **contingency:** $0

---

**STOP -- Correct Sum at top if there are more than 400 line items**
## General Expenses - Construction Management

**TOTAL:** $2,775  
**WU/Const/Admin/Books, Publications, Subscriptions, and Memberships** $600  

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<tbody>
<tr>
<td>Reference Materials</td>
<td>$2,000</td>
<td>No - Recurring</td>
<td>Annually purchase reference materials, looking to utilize Gower Publishing for Project Management training this year. This usually came from Admin budget but I'd like to separate into CM Budget with new budget process for transparency. [This $2K is in FY 14-15 request/justification document - Training]</td>
<td>$0</td>
</tr>
<tr>
<td>Contractors Association of Kauai (DOW - Dustin is representative)</td>
<td>$600</td>
<td>No - Recurring</td>
<td>We have been a member since 2012. This is an annual fee that usually came from Admin budget but I'd like to separate into CM Budget with new budget process for transparency.</td>
<td>$600</td>
</tr>
<tr>
<td>American Waterworks Association (Dustin)</td>
<td>$175</td>
<td>Yes - Recurring</td>
<td>In the past, AWWA membership was only renewed when attending a conference so there were breaks in membership if not attending every May. Having annual membership would allow CM Division to have continued access to all resources available at AWWA.</td>
<td>$0</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes - Recurring</td>
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<tbody>
<tr>
<td>CAK Workshops for CM Staff</td>
<td>$1,200</td>
<td>No - Recurring</td>
<td>CM staff annually attend on-island NPDES and Trench Excavation workshops through Contractors Association of Kauai. This usually came from Admin budget but I'd like to separate into CM Budget with new budget process for transparency.</td>
<td>$0</td>
</tr>
<tr>
<td>Misc. Workshops for CM Staff</td>
<td>$500</td>
<td>No - Recurring</td>
<td>Annually attend on-island workshops through various agencies as they come up throughout year. This usually came from Admin budget but I'd like to separate into CM Budget with new budget process for transparency.</td>
<td>$0</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>yes</td>
<td></td>
<td>$0</td>
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### Conference Travel and Per Diem (Non AWWA/HWWA)

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<tbody>
<tr>
<td>Conference Travel and Per Diem</td>
<td>$8,000</td>
<td>Yes</td>
<td>Would like to send CM Staff to water related construction project management/inspection trainings off-island should beneficial conferences be available. This part of $15K in FY 14-15 request/justification document-Training]</td>
<td>$0</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>yes</td>
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<td>$0</td>
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## General Expenses - Construction Management

### TOTAL: $7,000

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<tbody>
<tr>
<td>Conference fees and registrations (non AWWA/HWWA)</td>
<td>$7,000</td>
<td>Yes</td>
<td>Would like to send CM Staff to water related construction project management/inspection trainings off-island should beneficial conferences be available. This part of $15K in FY 14-15 request/justification document-Training</td>
<td></td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>yes</td>
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General Expenses - Construction Management

TOTAL: $0

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</table>

WU/Const/Admin/Capital Outlay - Expansion/Capital Purchases $0

Constr Expenses (Dustin)'A1

6/18/2014
Water Resources and Planning Division

Program Budget – FY 2014-2015

Program Description

The Water Resources and Planning Division is responsible for the review and planning of water systems of proposed developments to assure compatibility with the Department's water general plan. The program provides long-range planning and research and conducts analytical studies to meet the water needs of Kauai; maintains the engineering records; and provide mapping/drafting services for the Department.

Program Objectives:

1. To conduct the review and planning of water systems of proposed developments to assure compatibility with the Department's water general plan including the review of subdivision, zoning, land use and general plan amendments, building permit and water service requests.
2. To conduct investigations to obtain and analyze data to determine capabilities of existing water sources.
3. To conduct long-range planning and research and make analytical studies of water consumption and maximum demand to meet the water needs of Kauai.
4. To determine hydraulic criteria for reservoirs, pumping stations and water mains, and evaluate and develop water network requirements,
5. Prepare population projections and estimates for future water use.
6. Conduct investigation for the development of potential sources.
7. Conduct and/or administer studies relating to the protection of water sheds and water resources.
8. Maintain maps and records of all water facilities.
Program Highlights

For fiscal year 2013-2014 the division reviewed and processed applications for subdivisions zoning, use permits, additional dwellings (ADUs), building permits and requests for water services. During FY13-14 the division assisted the consultant in the preparation and review of water master plans for several large developments located in east and south Kaua‘i. The division assisted the Public Relations section in several annual water conservation projects including public media campaign, and other public education events. The division assisted with the Department’s Project WET program which included teacher education activities and the Department’s annual Make A Splash Festival that invites students and teachers to the all-day event to learn about water through fun, hands-on activities.

The division administered the Department’s security program including vulnerability assessments, emergency response plan, and other security projects during FY13-14. The division participated in the preparation of the on-going Department Needs Assessment and Facilities Reserve Charge study. The division is assisting the Department in the preparation of amendments to the Rules & Regulations to address proposed changes in the Facilities Reserve Charge and water service and subdivision approval process. The division continued to assist other divisions regarding CIP implementation of Water Plan 2020 Projects. The division also coordinated and assisted the USGS with various joint funded projects that included ground water data collection for Lihue, Kauai. The division continued to administer the two-year University of Hawaii “Projecting Future Rainfall Variations for Kauai” study that was started during FY 11-12.

The division accelerated the conversion of the Department’s map file system from a manual system to a digital format that will be incorporated into a Department based GIS system. Update of the Department hydraulic system models was also initiated. Digital scanning of maps and other records onto the Department’s intranet computer system was conducted by WR/P staff. The Kauai Water Use and Development Plan Update was assigned to the division. The contract start was issued in FY 11-12. Division continued to administer the project during FY 13-14.

The division assisted the Customer Service Branch with new service applications and provided support to the administration, operations, fiscal and engineering divisions. The division is supporting the switch over of the Department’s XC2 Backflow Prevention testing and registration program to the Honolulu Board of Water Supply’s new “Customer Care and Billing” computer billing, accounting and information System.

The division developed several Standard Operating Procedures and policies regarding water meter restrictions, additional dwelling unit meter installation, private well water system development, boundary adjustment and fire protection issues.
During FY 13-14, the division participated in outside programs that included the Kauai Watershed Alliance, the Kauai Energy Utility Council, the Kauai Drought Committee and several community watershed councils. The division administered the Department of Water Grant to the Kauai Watershed Alliance through its coordinator, The Nature Conservancy during FY13-14. The division participated in the County Kapaa Development Plan Citizens Advisory Committee meetings. The division assisted in conducting various briefings and presentations to the Kaua‘i County Council, and other public groups. The division participated in several building code task force meetings with the Building Division of the Department of Public Works Department to update and review building code and building permit procedures. The division participated on the implementation of new County “ePlan” building permit application program (paperless review) and will be working with the County Information Technology division and the Building Division during the implementation phase.

The division represents the Department at the County’s Affordable Housing Task Force (AHTF) meetings that are conducted on a monthly basis. The AHTF continues to facilitate the development and approval of approximately seven affordable housing projects on the island. The AHTF is also responsible for the development of affordable County rental projects on six State land parcels located in Kekaha and Kapaa and the County’s Lima Ola affordable housing master plan development in Eleele.

During FY13-14 the division continued to expand the Department’s cross connection and backflow prevention program. The division continues to review and approve backflow device plans and conducts the annual field testing program. The division participated in the adoption of Department rule amendment that will require backflow preventers for consumers who qualify for the Department’s agricultural rate. The division anticipates a increased volume of backflow preventer installations during FY 14-15 that will be based on the new Department Rule Amendment that requires backflow preventer installation of all agricultural rate consumers.

The filling of the recently vacated Chief of Water Resources and Planning position is a primary division objective during FY 14-15.
<table>
<thead>
<tr>
<th>PROGRAM MEASURES</th>
<th>FY 2012-2013 (actual)</th>
<th>FY 2013-2014 (estimate)</th>
<th>FY 2014-2015 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Processed subdivision applications, zoning/use permits, land use/general plan amendment, ADU clearance applications</td>
<td>160</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td>2. Processed water service inquiries, meter requests</td>
<td>376</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>3. Processed building permits</td>
<td>823</td>
<td>850</td>
<td>850</td>
</tr>
<tr>
<td>4. Reviewed Backflow Device Plans</td>
<td>71</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>5. Back Flow Inspection Program – No. of Devices</td>
<td>1466</td>
<td>1480</td>
<td>1480</td>
</tr>
<tr>
<td>6. GIS mapping &amp; Hydraulic Model Update Project</td>
<td>on-going</td>
<td>on-going -</td>
<td>on-going</td>
</tr>
<tr>
<td>7. Water system study - UH Rainfall Study</td>
<td>on-going</td>
<td>on-going</td>
<td>on-going</td>
</tr>
<tr>
<td>8. USGS Groundwater Monitoring Program</td>
<td>on-going</td>
<td>on-going</td>
<td>on-going</td>
</tr>
<tr>
<td>9. Kauai Water Use and Development Plan Update</td>
<td>on-going</td>
<td>on-going</td>
<td>on-going</td>
</tr>
</tbody>
</table>

Summary Notes: Annual Operating and Capital Improvement Budget, Fiscal Year 2014-2015, **Water Resources and Planning**
<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Budget for FY14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td>Water Utility Fund</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>10-22-10-540-010</td>
<td>WU/Plan/Admin/Professional Services - General</td>
<td>$320,000</td>
<td>$735,000</td>
</tr>
<tr>
<td>10-22-10-563-000</td>
<td>WU/Plan/Admin/Operating Supplies</td>
<td>$-</td>
<td>$3,500</td>
</tr>
<tr>
<td>10-22-10-571-010</td>
<td>WU/Plan/Admin/Training and Development</td>
<td>$-</td>
<td>$1,500</td>
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<tr>
<td>10-22-00-604-999</td>
<td>WU/Plan/Capital Outlay - Rehabilitation and Replacement/Capital Purchases</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>10-22-00-605-999</td>
<td>WU/Plan/Capital Outlay - Expansion/Capital Purchases</td>
<td>$-</td>
<td>$-</td>
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</tbody>
</table>

SUMMARY OF OPERATING EXPENSES $320,000 $740,000
SUMMARY OF CAPITAL PURCHASES $- $-
OPERATING EXPENSES PLUS CAPITAL OUTLAY $320,000 $740,000
## General Expenses - WRP

**TOTAL:** $735,000

### WU/Plan/Admin/Professional Services - General

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<tr>
<th></th>
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<tbody>
<tr>
<td>Kauai Watershed Alliance</td>
<td>$150,000</td>
<td>No</td>
<td>Renewal of Annual Request</td>
<td>$150,000</td>
</tr>
<tr>
<td>USGS Ground Monitoring Program</td>
<td>$45,000</td>
<td>No</td>
<td>Joint Funding Agreement (KDOW - USGS) Ground-Monitoring Program</td>
<td>$45,000</td>
</tr>
<tr>
<td>Water Use and Development Plan Update</td>
<td>$0</td>
<td>No</td>
<td>Job WRP 01, Contract 535, Contract Amount: $514,000.00 (Encumbred)</td>
<td>$0</td>
</tr>
<tr>
<td>Hydraulic Model Update</td>
<td>$500,000</td>
<td>Yes</td>
<td>Updating and Calibrating the existing hydraulic model</td>
<td>$125,000</td>
</tr>
<tr>
<td>FRC Rate Study</td>
<td>$40,000</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
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</tbody>
</table>

**WR Expenses (Eddie)**}
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<tr>
<th></th>
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<tbody>
<tr>
<td>Dual Monitors</td>
<td>$3,500</td>
<td>Yes</td>
<td>For E-plan Review (Building Permits), AutoCad, WaterGems-Hydraulic Model, Reports</td>
<td>$0</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td>$0</td>
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**TOTAL:** $0

WU/Plan/Admin/Training and Development $0
### General Expenses - WRP

**TOTAL:** $1,500  
**WU/Plan/Admin/Training and Development**  
$0  

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Bentley LEARN Passport Renewal</td>
<td>$1,500</td>
<td>No</td>
<td>Hydraulic Model (Bentley-WaterGEMS) Training Subscription</td>
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<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
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</table>
### General Expenses - WRP

**TOTAL:** $0

**WU/Plan/Capital Outlay - Rehabilitation and Replacement/Capital Purchases**

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**WR Expenses (Eddie)**

$0
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</tbody>
</table>

**TOTAL:** $0

WU/Plan/Capital Outlay - Expansion/Capital Purchases

$0 WR Expenses (Eddie)'A1
FISCAL DIVISION

Program Budget – FY 2014-2015

Program Description

The Fiscal Division is involved in planning and directing the financial activities of the Department of Water and is responsible in monitoring, organizing, and controlling the use of the department’s resources. Fiscal Division is also responsible for administering the fiscal programs and customer activities of the Department including but not limited to: cash management, cost accounting, payroll, leave records, accounts payable, utility plant accounting, meter reading, consumer billing and accounting and; preparation of financial and statistical reports; conduct internal audits and financial and statistical studies of the Department for reports and rate making; assists the Manager in the development of the annual budget and prepare the financial statements for the yearly audit.

Program Objectives:

Administration

1. To preserve the financial integrity of the Department through internal control and annual financial audits.
2. To oversee all fiscal activities, fiscal recording and reporting, the preparation of financial statements and annual budgets.
3. To develop accounting policies and standard operating procedures.
4. To supervise accounting and billing staff, and monitor proper implementation of generally accepted accounting principles .
5. To generate a return of investments and to insure deposits with financial institutions are fully collateralized.
6. To manage the department’s budget and ensure availability of funds to meet cash flow requirements.

Accounting

1. To provide accurate, complete, and timely recording and reporting of the financial transactions and activities of the Department.
2. To process the Department’s payroll in a timely manner.
3. To process accounts payable and issue payments in a timely and efficient manner.
Consumer Service

1. To provide timely billing, collection, accounting and depositing of water bills and jobbing invoices.
2. Process meter applications and new services.
3. Service customers through inquiries on billing, payment and collection matters.
4. Maintain records of accounts receivable.

Program Highlights

<table>
<thead>
<tr>
<th>PROGAMS MEASURES</th>
<th>FY 2013 (actual)</th>
<th>FY 2014 (estimate)</th>
<th>FY 2015 (estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Annual Financial Audit</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Return on Investments</td>
<td>1.10%</td>
<td>.20%</td>
<td>.15%</td>
</tr>
<tr>
<td>3. Water billings (No. of bills issued)</td>
<td>174,762</td>
<td>233,249</td>
<td>232,082</td>
</tr>
<tr>
<td>4. New Meter applications</td>
<td>217</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>5. Accounts payable transaction</td>
<td>5,115</td>
<td>5,900</td>
<td>6,000</td>
</tr>
<tr>
<td>6. Payroll checks</td>
<td>1,787</td>
<td>1,799</td>
<td>1,896</td>
</tr>
<tr>
<td>7. Payroll processed in work days</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

The Department has implemented three years of a four year water rate increase developed by the Consultant who conducted the Department’s Water Rate Study and Analysis. We will be implementing the last of four years water rate increase as approved by the board on July 1, 2014.

The Department is working with the same Consultant in the ongoing FRC Rate Study. A draft of the proposed FRC rate was provided. Community meetings were held, and public hearings are forthcoming. It is anticipated that the new FRC rates will be
implemented in FY 2015. The last update to the FRC rates was in 2004. The FRC is intended to recover a proportionate share of the cost of facilities necessary to provide water system capacity to new developments.

**Accounting System:**

- Accounting uses Great Plains Financial System to process and maintain our general ledger. The use of this computerized program which started in FY 2002 was implemented in three modules; general ledger, accounts payable and fixed assets.
- The Department is retiring the old Microsoft Dynamics Great Plains accounting program (hosted locally) and will transition into a hosted environment through a contract with our IT Consultants using the same but new version (latest) of the Microsoft Dynamics. The Chart of accounts was re-defined and a new Budgeting system format was designed and integrated with the new Financial Accounting System (FAS).
- Payroll is processed twice a month through the County’s AS 400 payroll system. We adhere to the County’s payroll deadline to meet their closing requirements.
- Labor (LD) and Equipment (ED) distribution entries and reporting transitioned from the use of a “dos version” program to an existing MPET data base program, a program of which operations division already use. In collaboration with the Operations’ Staff, we were able to eliminate duplication of data entries. This process required 100% use of MPET for the Operations’ timesheet. Data produced from the MPET timesheet are used to process payroll and the LD.
- An IT Strategic Planning, Review & Study was completed. A recommended plan and implementation schedule was provided.
- The Financial Accounting System is undergoing a major transition. The re-description of the chart of accounts was completed. A new budgeting system was introduced and division heads were given the tasks of managing their own budgets. This new budgeting system will be incorporated in the Financial Accounting System for each budget manager to monitor their own budgets.
- The three (3) years contract with KMH will end June 30, 2014. The Department will be procuring for new Auditor.
- Recruitment for Procurement Specialist is on continuous recruitment. There were no qualified applicants available.
- Employee movements stabilized after several employee retirements; Accountant I is vacant and is expected to be filled up within the next 3 months.

**Consumer Service:**

- DOW water bills are generated through the Honolulu Board of Water Supply (HBWS). Conversion from CAS billing to CC&B was completed. Billing is now processed monthly.
• Billing reorganization was finally completed. New Accountant II position was filled up.

• Procurement for Lock box services was completed. Waiting for HBWS moratorium so lockbox can be implemented.

• E-bill presentment is now available for customers to sign up.

• Credit card payment option will be part of FY 2015 initiative.

• Designed SOP63- Implementation of the Rules on Leak Adjustment.
<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Budget for FY14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>10-30-20-540-010</td>
<td>WU/Bill/Collection/Professional Services - General</td>
<td>$ -</td>
<td>$ 30,001</td>
</tr>
<tr>
<td>10-30-20-541-010</td>
<td>WU/Bill/Collection/Other Services</td>
<td>$ 13,000</td>
<td>$ 110,000</td>
</tr>
<tr>
<td>10-30-20-541-020</td>
<td>WU/Bill/Collection/Billing Costs</td>
<td>$ 260,000</td>
<td>$ 495,360</td>
</tr>
<tr>
<td>10-30-20-563-000</td>
<td>WU/Bill/Collection/Operating Supplies</td>
<td>$ 5,000</td>
<td>$ 3,000</td>
</tr>
<tr>
<td>10-30-20-570-010</td>
<td>WU/Bill/Collection/Books, Publications, Subscriptions, and Memberships</td>
<td>$ -</td>
<td>$ 500</td>
</tr>
<tr>
<td>10-30-20-571-010</td>
<td>WU/Bill/Collection/Training and Development</td>
<td>$ -</td>
<td>$ 15,650</td>
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SUMMARY OF OPERATING EXPENSES $ 278,000 $ 654,511
SUMMARY OF CAPITAL PURCHASES
OPERATING EXPENSES PLUS CAPITAL OUTLAY $ 278,000 $ 654,511
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<tbody>
<tr>
<td>Feasibility study for alternative payment options</td>
<td>$1</td>
<td>Yes</td>
<td>Investigate costs and benefits of accepting credit card payments and other payment options</td>
<td>$0</td>
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<tr>
<td>CC&amp;B Support and Change Requests</td>
<td>$20,000</td>
<td>Yes</td>
<td>New implementation may require change orders</td>
<td>$0</td>
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<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
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**TOTAL:** $30,001
## General Expenses - Billing

**TOTAL:** $110,000

### WU/Bill/Collection/Other Services

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<tbody>
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<td>Armored Car Service</td>
<td>$10,000</td>
<td>No</td>
<td>Moves cash from DOW to bank. Procuring new contract so need to be prepared for possible increase in fees.</td>
<td>$9,000</td>
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<tr>
<td>Billing System Enhancements</td>
<td>$100,000</td>
<td>Yes</td>
<td>CHANGE ORDER ALLOWANCE: TO Modify system to accommodate AMR upgrade, Billing Field Activity (F/A) Integration into MPET, Lockbox services, IVR, e-Bill services, and custom reports</td>
<td>$0</td>
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<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td>Printing - Miscellaneous forms</td>
<td>$4,000</td>
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**Total:** $13,000
## General Expenses - Billing

### TOTAL: $495,360

#### WU/Bill/Collection/Billing Costs $260,000

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<tbody>
<tr>
<td>Bill Processing Fees</td>
<td>$102,960</td>
<td>No</td>
<td>37 cents per bill for processing and printing each bill (charged by HBWS) -- plus 2 cent contingency for possible increase. Assume 22,000 accounts</td>
<td>$104,000</td>
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<td>Postage for Water Bills</td>
<td>$92,400</td>
<td>No</td>
<td>12 bills per year. Assume 22,000 accounts. Assume bulk rate per piece of 35 cents.</td>
<td>$120,000</td>
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<tr>
<td>Lock box service</td>
<td>$30,000</td>
<td>No</td>
<td>Lockbox service</td>
<td>$24,000</td>
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<tr>
<td>Billing System</td>
<td>$260,000</td>
<td>Yes</td>
<td>Charges from Honolulu for billing system software hosting (annual software maintenance and prorated implementation recovery)</td>
<td>$0</td>
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<tr>
<td>Contingency</td>
<td>$10,000</td>
<td>No</td>
<td>Contingency for Higher Postage Rates and Additional Mailing</td>
<td>$12,000</td>
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<tr>
<td>Miscellaneous supplies</td>
<td>$3,000</td>
<td>No</td>
<td>Binders, receipt paper, and other supplies not covered in the Admin office supply budget</td>
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<td>Contingency</td>
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<td>Yes</td>
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## General Expenses - Billing

Total: $500

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<tr>
<td>GFOA</td>
<td>$500</td>
<td>Y</td>
<td>Membership for one employee (to secure lower rates on conference fees)</td>
<td>$0</td>
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Contingency: Yes

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FY 2014-2015 budget (final draft)

6/18/2014
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<tr>
<td>Staff miscellaneous training</td>
<td>$15,000</td>
<td>Yes</td>
<td>Refresher training and training for new personnel</td>
<td>$0</td>
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<tr>
<td>Mindfulness Training</td>
<td>$650</td>
<td>Yes</td>
<td>$325 * 2</td>
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<td>Contingency</td>
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<td>Yes</td>
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<tr>
<td>Account</td>
<td>Description</td>
<td>2013-2014 Budget</td>
<td>Total Budget for FY14-15</td>
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<tr>
<td>Water Utility Fund</td>
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<tr>
<td>10-31-10-540-010</td>
<td>WU/Acctg/Admin/Professional Services - General</td>
<td>$56,000</td>
<td>$171,000</td>
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<tr>
<td>10-31-10-540-020</td>
<td>WU/Acctg/Admin/Accounting and Auditing</td>
<td>$80,000</td>
<td>$105,000</td>
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<tr>
<td>10-31-10-541-010</td>
<td>WU/Acctg/Admin/Other Services - General</td>
<td>$20,000</td>
<td>$28,800</td>
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<tr>
<td>10-31-10-563-000</td>
<td>WU/Acctg/Admin/Operating Supplies</td>
<td>$9,700</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>10-31-10-570-010</td>
<td>WU/Acctg/Admin/Books, Publications, Subscriptions, and Memberships</td>
<td>$700</td>
<td>$1,500</td>
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<tr>
<td>10-31-10-571-010</td>
<td>WU/Acctg/Admin/Training and Development</td>
<td>$0</td>
<td>$2,975</td>
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<tr>
<td>10-31-10-573-010</td>
<td>WU/Acctg/Admin/Meeting Expense</td>
<td>$2,515</td>
<td>$3,500</td>
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**SUMMARY OF OPERATING EXPENSES** $168,915 $322,775

**SUMMARY OF CAPITAL PURCHASES**

**OPERATING EXPENSES PLUS CAPITAL OUTLAY** $168,915 $322,775
## General Expenses - Accounting

### TOTAL: $171,000

#### WU/Acctg/Admin/Professional Services - General

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<tbody>
<tr>
<td>Bond Counsel</td>
<td>$15,000</td>
<td>No</td>
<td>County's allocation to DOW. County makes all decisions regarding issuing and refunding bonds.</td>
<td>$15,000</td>
</tr>
<tr>
<td>OPEB Valuation and other Actuarial Services</td>
<td>$15,000</td>
<td>No</td>
<td>OPEB - Other Post Employment Benefits - County's allocation to DOW. County makes all decisions regarding procurement and use of these services.</td>
<td>$6,000</td>
</tr>
<tr>
<td>Workers Comp Actuarial Valuation</td>
<td>$6,000</td>
<td>Yes</td>
<td>County's allocation to DOW. County makes all decisions regarding procurement and use of these services.</td>
<td>$0</td>
</tr>
<tr>
<td>Other services</td>
<td>$0</td>
<td>Yes</td>
<td>Contingency for other services that might be needed</td>
<td>$0</td>
</tr>
<tr>
<td>New Water Rate Study for FY 2017-2022</td>
<td>$135,000</td>
<td>Yes</td>
<td>Financial Planning &amp; Rate analysis</td>
<td>$35,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
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</tbody>
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### $56,000 Accounting (Tess)
## General Expenses - Accounting

**TOTAL:** $105,000  
**WU/Acctg/Admin/Accounting and Auditing**  
**$80,000**  

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</thead>
<tbody>
<tr>
<td>Auditor</td>
<td>$85,000</td>
<td>No</td>
<td>Annual audit. DOW is procuring a new auditor so need to be prepared for possible increase in fees.</td>
<td>$80,000</td>
</tr>
<tr>
<td>Consultant</td>
<td>$20,000</td>
<td>Yes</td>
<td>Consulting services as needed.</td>
<td>$0</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
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</tbody>
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*6/18/2014*  
*31 - Accounting Budget Detail*  
*FY 2014 - 2015 budget (final draft)*  
*6/18/2014*  
*3 of 8*
## General Expenses - Accounting

**TOTAL:** $28,800  
**WU/Acctg/Admin/Other Services - General** $20,000

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</thead>
<tbody>
<tr>
<td>Bank Service Fees</td>
<td>$28,800</td>
<td>No</td>
<td>$2400 per month</td>
<td>$15,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td>Printing - Miscellaneous forms</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

**Notes:**
- **Bank Service Fees:** $28,800 per year
- **Contingency:** $5,000

**6/18/2014**
# General Expenses - Accounting

**TOTAL:** $10,000  
WU/Acctg/Admin/Operating Supplies **$9,700**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous supplies</td>
<td>$5,000</td>
<td>No</td>
<td>Binders and other specialty items not included in the Admin office supply budget</td>
<td>$4,700</td>
</tr>
<tr>
<td>New Desk &amp; accessories</td>
<td>$5,000</td>
<td>Yes</td>
<td>New Office Desk and accessories (Procurement specialist)</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

**FY 2014 - 2015 budget (final draft)**

6/18/2014
## General Expenses - Accounting

**TOTAL:** $1,500  
**WU/Acctg/Admin/Books, Publications, Subscriptions, and Memberships**  
**$700 Accounting (Tess)'14**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GFOA</td>
<td>$1,000</td>
<td>No</td>
<td>Membership for controller plus one other (to secure lower rates on conference fees)</td>
<td>$400</td>
</tr>
<tr>
<td>Accounting books from GFOA</td>
<td>$500</td>
<td>No</td>
<td>Was under material and supplies in prior years</td>
<td>$300</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY 2014 - 2015 budget (final draft)  
31- Accounting Budget Detail  
6/18/2014
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trainings</td>
<td>$2,000</td>
<td>Y</td>
<td>Miscellaneous trainings for staff</td>
<td></td>
</tr>
<tr>
<td>Mindfulness Training</td>
<td>$975</td>
<td>Yes</td>
<td>325 * 3</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL: $2,975

WU/Acctg/Admin/Training and Development

$0 Accounting (Tessa)
### General Expenses - Accounting

**TOTAL:** $3,500  
**WU/Acctg/Admin/Meeting Expense**  
$2,515

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GFOA Conference</td>
<td>$3,500</td>
<td>No</td>
<td>GFOA sponsored trainings and conferences to keep up to date with new GASB statements</td>
<td>$2,515</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**6/18/2014**

**FY 2014 - 2015 budget (final draft)**

**31- Accounting Budget Detail**
Program Budget – FY2014 - 2015

PROGRAM DESCRIPTION

The Operations Division is responsible for maintaining and operating the Department’s water distribution network, water storage facilities and water producing sources. This infrastructure provides potable water to approximately 21,000 metered services in sufficient quantities, at adequate pressures, with minimum interruptions and of a quality safe and suitable for human consumption as mandated by the United States Environmental Protection Agency (USEPA) and the Safe Drinking Water Act (SDWA).

As water is an essential commodity, emergency repairs and trouble calls are provided round-the-clock on an as-needed basis. In order to accomplish its mission, the Operations’ Division maintains and stocks a complete inventory of materials and supplies for assurances that repairs are completed in a timely manner. This Division handles the smaller construction projects and participates in large pipeline installation projects. It also initiates field engineering to ensure efficient operations. Along with the responsibilities of providing potable water, it provides the Department’s fleet management functions and is responsible with the maintenance, repairs and replacement of vehicles and equipment.

Under the direction of the Chief of Operations, the Division consists of the Plant Operations Section and the Field Operations Section. There are 45 permanent positions and 1 temporary as needed position for the Division.

PROGRAM OBJECTIVES

Our daily activities are centered along the following:

1. Operating, monitoring, and maintaining 53 deep well pumping stations, 19 booster pumping stations along with its associated electrical motor control centers and chlorination disinfection equipment, 4 tunnel sources, 62 storage tanks, 75 control valve stations,
2. Maintaining, repairing, and replacing mechanical and electrical malfunctioning components, equipment and infrastructure to maintain water service.

3. Maintaining and repairing the Department’s 49 vehicles, 1 electric car, 1 mini-excavator, 2 backhoes, 4 skid steer loaders along with their various attachments, 1 portable air compressor, 11 trailers, 17 trailer-mounted generators ranging in sizes from 70 KW to 400 KW, 2 light towers, 2 directional arrow boards and numerous motorized hand-operated construction equipment.

4. Operating, monitoring, repairing and maintaining 400+ miles of pipelines and approximately 21,000+ consumer water service connections and meters, 4,000+ valves, 2,645+ fire hydrants and standpipes.

5. Installing new service connections and meters including the replacement of defective meters and those in service for 20 years. Providing temporary water services through hydrant meter connections for construction activities like dust control and landscaping.

Besides our daily activities, some of the major occurrences and tasks performed by the Operations Division during FY 2013-2014 were:

**Personnel**

- The following positions were filled in FY 2013-2014: one (1) Water Plant Operator II, one (1) Assistant Water Plant Operator, one (1) Lead Pipefitter, one (1) Pipefitter, one (1) Water Service Investigator, one (1) Utility Worker
- One (1) Operations Division personnel took and passed the Distribution System Operator (DSO) II exam.
- Vacant Heavy Vehicle and Equipment Mechanic I is on continuous recruitment.
- The Assistant Chief of Operations position was reinstated and the position filled.
- Vacant Waterworks Electronics/Plant Electrical Tradesperson I is on continuous recruitment.
Source and Storage

- Our Water Plant Operators are continuing conversion of existing gas chlorination disinfection systems to liquid sodium hypochlorite disinfection systems. A total of four (4) sites were converted this past fiscal year. To date, a total of thirty three (37) sites have been converted.
- Sanitary Surveys were conducted by the Department of Health in the Kalaheo, Lawai/Omao, Koloa/Poipu, Anahola, and Haena/Wainiha sub-systems. Immediate repairs were made to sites that were inspected where significant deficiencies were noted.
- Per order from the feds and in support of the effort to save the shearwater birds, we turned off all exterior lights at Department facilities islandwide and shielded lights within the Lihue base yard area.
- Ops crews worked with Special Projects on the rehabilitation of Maka Ridge site.
- Kalaheo Deep Well soft starter installation, and Kalepa BPV electrical replacement projects were completed.
- Puhi Well #4 pump replacement project is complete.
- Puhi Well 5B motor was replaced and the well is back in service.
- Lawai pumphouse in-house renovation was completed.
- Operations Division purchased and installed thirteen (13) premium efficiency motors to replace old motors as part of our energy efficiency initiative to reduce energy consumption.
- In-house repair and restoration of the access road and driveway for Paua Valley site that was damaged by heavy rains and flooding is complete.

Distribution

- The Operations Division’s east crew recently completed replacement of deteriorated service laterals along Hanamaulu Road. The same crews are currently in the process of replacing approximately 1800 feet of 2” diameter distribution line along Hehi in Hanamaulu and have replaced 540 feet as of March 4, 2014.
- Crews mobilized to restore water service to customers in Waimea affected by the December 2\textsuperscript{nd} landslide along Menehune Road.
- For the past year, distribution system operators responded to 467 emergency calls reporting pipeline and hydrant leaks.
- Operations Division personnel responded to 267 Hawaii One Call Center requests from contractors and developers for water line location markings.
• Crews replaced 24 meter boxes.
• A total of 289 defective and new water meters were replaced and installed.
• A total of 50 live taps were performed.
• A total of 14 service laterals were installed or relocated.
• Hydrant crew responded to 6 calls due to hydrant hit by vehicle.
• On 19 occasions, OPS crew assisted WP2020 contractors by operating valves and flushing mainlines overnight after the contractor tied-in the new line to the existing line.
• A total of 28 temporary hydrant meter applications were processed and installed.

Ops Inventory, Warehouse and Baseyard Area

• Old vehicles and equipment are scheduled for auction.
• Baseyard security camera was upgraded.
• The Department’s baseyard parking stalls were re-assigned to provide parking for vehicles that are no longer being taken home.
• New utility truck for the field crew was purchased and delivered.
• For personnel and customer safety reasons, DOW requested, Public Works approved, and KIUC installed streetlights near the Lihue baseyard entry gate.

GOALS FOR THE 2014-2015 FISCAL YEAR

1. Continue with the progress and momentum of the Operations reorganization effort. Recruit to fill vacant positions that were approved in the reorg plan. Priority will be placed on recruiting for the Heavy Vehicle and Equipment Mechanic and Telecom Technician.
2. Continue with progress made in converting from paper to electronic timesheets and have all Ops personnel on electronic timesheets by the end of the fiscal year. Continue to work with our CMMS consultant and DOW Information Technology Section to institute “timesheets on the fly” that will enable employees to enter timesheet data in the field on mobile computers and link directly into an MPET data base in the “cloud.”
3. Continue with the progress made in reminding employees to follow chain of command.
4. Continue with the progress made in reducing early morning inefficiencies in preparing timesheets and dispatching job assignments. Get the crews on the road without delay.
5. Continue and speed targeted pipeline and service lateral replacements.
6. Continue converting disinfection from gas chlorination systems to sodium hypochlorite.
7. Review and update the Department’s Safety Program. Implement in daily operations.
8. Continue with the upgrade of the SCADA system.

9. Continue in-house projects of replacing transmission and main lines that are prone to breakage.
10. Continue in-house construction projects related to repair and maintenance of structures and infrastructure located within Department of Water remote sites.
11. Continue with the progress made in quickly responding to trouble and/or emergency calls. For the past year, Operations Division responded to 467 emergency calls from the public reporting leaks.
12. Continue with the progress of having a weeklong standby crew that improved response time to leak reports received after regular office hours and on weekends and holidays.
<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>2013-2014 Budget</th>
<th>Total Budget for FY14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-40-60-540-010</td>
<td>WU/Ops/TandD/Professional Services - General</td>
<td>$0</td>
<td>$100,000</td>
</tr>
<tr>
<td>10-40-60-551-010</td>
<td>WU/Ops/TandD/Other Services</td>
<td>$22,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>10-40-60-564-000</td>
<td>WU/Ops/TandD/Fuel</td>
<td>$208,550</td>
<td>$208,550</td>
</tr>
<tr>
<td>10-40-50-543-000</td>
<td>WU/Ops/Power/Pump/Communication Services</td>
<td>$47,600</td>
<td>$47,600</td>
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<tr>
<td>10-40-50-551-000</td>
<td>WU/Ops/Power/Pump/Utility Services</td>
<td>$3,491,000</td>
<td>$3,491,000</td>
</tr>
<tr>
<td>10-40-60-545-000</td>
<td>WU/Ops/TandD/Rentals and Leases</td>
<td>$0</td>
<td>$70,000</td>
</tr>
<tr>
<td>10-40-60-560-000</td>
<td>WU/Ops/TandD/Repairs and Maintenance - Water System</td>
<td>$135,000</td>
<td>$165,000</td>
</tr>
<tr>
<td>10-40-30-560-000</td>
<td>WU/Ops/Source/Repairs and Maintenance - Water System</td>
<td>$0</td>
<td>$125,000</td>
</tr>
<tr>
<td>10-40-60-561-000</td>
<td>WU/Ops/TandD/Repairs and Maintenance - Other than Water System</td>
<td>$0</td>
<td>$305,000</td>
</tr>
<tr>
<td>10-40-60-563-000</td>
<td>WU/Ops/TandD/Operating Supplies</td>
<td>$575,300</td>
<td>$700,801</td>
</tr>
<tr>
<td>10-40-30-563-000</td>
<td>WU/Ops/Source/Operating Supplies</td>
<td>$0</td>
<td>$150,000</td>
</tr>
<tr>
<td>10-40-40-563-000</td>
<td>WU/Ops/Purification/Operating Supplies</td>
<td>$73,000</td>
<td>$77,500</td>
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<tr>
<td>10-40-50-563-000</td>
<td>WU/Ops/PandP/Operating Supplies</td>
<td>$41,000</td>
<td>$41,000</td>
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<tr>
<td>10-40-60-571-010</td>
<td>WU/Ops/TandD/Training &amp; Development</td>
<td>$0</td>
<td>$45,000</td>
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<tr>
<td>10-40-60-573-010</td>
<td>WU/Ops/TandD/Meeting Expense</td>
<td>$8,000</td>
<td>$8,000</td>
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<tr>
<td>10-40-60-565-000</td>
<td>WU/Ops/TandD/Bulk Water Purchase</td>
<td>$2,074,326</td>
<td>$2,074,326</td>
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<tr>
<td><strong>Capital Purchases</strong></td>
<td></td>
<td>$350,000</td>
<td>$590,000</td>
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<tr>
<td>10-40-00-604-999</td>
<td>WU/Ops/Capital Outlay - Rehabilitation and Replacement/Equipment</td>
<td>$350,000</td>
<td>$495,000</td>
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<tr>
<td>10-40-00-605-999</td>
<td>WU/Ops/Capital Outlay - Expansion/Equipment</td>
<td>$0</td>
<td>$95,000</td>
</tr>
</tbody>
</table>

**SUMMARY OF OPERATING EXPENSES**

$6,675,776 \quad $7,610,777

**SUMMARY OF CAPITAL PURCHASES**

$350,000 \quad $590,000

**OPERATING EXPENSES PLUS CAPITAL OUTLAY**

$7,025,776 \quad $8,200,777
### General Expenses - Operations

**TOTAL:** $100,000

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design services for Equipment Carport and Roof over bins w/ PV System</td>
<td>$100,000</td>
<td>Yes</td>
<td>Engineering design for baseyard and electrical improvements.</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## General Expenses - Operations

**TOTAL:** $2,000  
**WU/Ops/TandD/Other Services**  
**$22,000**

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>MPET - maintenance - additional</td>
<td>$0</td>
<td>yes</td>
<td>MPET - maintenance - additional</td>
<td>$20,000</td>
</tr>
<tr>
<td>One Call</td>
<td>$2,000</td>
<td>yes</td>
<td>One Call Center</td>
<td>$2,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**FY 2014 - 2015 budget (final draft)**

6/19/2014
<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>diesel for utility fleet</td>
<td>$84,875</td>
<td>No</td>
<td>17,500 gallons at $4.85 per gallon; includes increase due to generator use</td>
<td>$84,875</td>
</tr>
<tr>
<td>gasoline for utility fleet</td>
<td>$123,675</td>
<td>No</td>
<td>25,500 gallons at $4.85 per gallon; includes increase due to new vehicles</td>
<td>$123,675</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
General Expenses - Operations

TOTAL: $47,600

WU/Ops/Power/Pump/Communication Services

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone service for alarm circuits</td>
<td>$21,700</td>
<td>No</td>
<td>24 circuits</td>
</tr>
<tr>
<td>Cell phones for standby personnel</td>
<td>$22,000</td>
<td>No</td>
<td>25 phones</td>
</tr>
<tr>
<td>DSL Service for employee to access SCADA from home</td>
<td>$3,900</td>
<td>No</td>
<td>5 DSL Services</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
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</tbody>
</table>

Contingency $0

TOTAL: $47,600
TOTAL: $3,491,000  WU/Ops/Power/Pump/Utility Services  $3,491,000

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pumping facility electricity</td>
<td>$3,445,000</td>
<td>No</td>
<td>63 accounts</td>
<td>$3,445,000</td>
</tr>
<tr>
<td>Tank sites and Garage Building electricity</td>
<td>$46,000</td>
<td>No</td>
<td>25 Tank sites and one garage building.</td>
<td>$46,000</td>
</tr>
<tr>
<td>contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## General Expenses - Operations

**TOTAL:** $70,000  
**WU/Ops/TandD/Rentals and Leases**

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction equipment rentals.</td>
<td>$70,000</td>
<td>No</td>
<td>Equipment rental. (e.g. excavator, roller, loader, scissor lift, boom lift, etc.)</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td>(previously budgeted under miscellaneous capital expenditures)</td>
<td></td>
</tr>
</tbody>
</table>

## Notes
- **FY 2014 - 2015 budget (final draft)**
- **6/19/2014**
<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside contractual services</td>
<td>$15,000</td>
<td>No</td>
<td>Includes waste management, maintaining and repairing plant facilities, maintenance of tunnel sources, alarm circuits.</td>
<td>$25,000</td>
</tr>
<tr>
<td>SCADA System Integrator Consulting and Maintenance Contract (Annually)</td>
<td>$150,000</td>
<td>No</td>
<td>Includes 8 replacement routers @ $2,500 each, labor for radio replacement and site maintenance.</td>
<td>$110,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL:** $165,000  

**WU/Ops/TandD/Repairs and Maintenance - Water System** $135,000
<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pump replacement program</td>
<td>$125,000</td>
<td>No</td>
<td>Including emergency pump replacement and repairs, ongoing program.</td>
<td></td>
</tr>
<tr>
<td>Contractual cost to operate SWTP</td>
<td>$0</td>
<td>No</td>
<td>Currently owned by Grove Farm and operated by Aqua Engineers</td>
<td>$0</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL:** $125,000  

**WU/Ops/TandD/Repairs and Maintenance - Water System**  

**$0 Operations (Val)**
<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab and Restoration Services</td>
<td>$175,000</td>
<td>No</td>
<td>Roadway rehab and repairs</td>
<td></td>
</tr>
<tr>
<td>Baseyard Parking Lot</td>
<td>$25,000</td>
<td></td>
<td>Baseyard Parking Lot</td>
<td></td>
</tr>
<tr>
<td>Vehicle maintenance and service</td>
<td>$105,000</td>
<td>No</td>
<td>Outside repair services and maintenance.</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL:** $305,000  
WU/Ops/TandD/Repairs and Maintenance - Other than Water System  
$0
### General Expenses - Operations

**TOTAL:** $700,801  
**WU/Ops/TandD/Operating Supplies** $575,300

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Meter Parts</td>
<td>$8,300</td>
<td>No</td>
<td>Repair parts and field testing equipment</td>
<td>$8,300</td>
</tr>
<tr>
<td>Small pipeline and service line replacement</td>
<td>$50,000</td>
<td>No</td>
<td>Pipe and valves</td>
<td>$50,000</td>
</tr>
<tr>
<td>Road repair supplies</td>
<td>$50,000</td>
<td>No</td>
<td>Cold mix and other roadway patching materials</td>
<td>$50,000</td>
</tr>
<tr>
<td>Large inventory items</td>
<td>$1</td>
<td>No</td>
<td>Large diameter pipe, valves, and other items in inventory</td>
<td>$0</td>
</tr>
<tr>
<td>Traffic Safety Signs and Equipment</td>
<td>$10,000</td>
<td>Yes</td>
<td>New safety and traffic control signs</td>
<td>$10,000</td>
</tr>
<tr>
<td>Contingency for Operational Equipment less than $5,000 per Board Policy No. 3, Item No. 4</td>
<td>$10,000</td>
<td>No</td>
<td>Tools and Equipment &lt;$5,000.</td>
<td>$10,000</td>
</tr>
<tr>
<td>New &amp; Replacement- 5/8” meters</td>
<td>$92,500</td>
<td>No</td>
<td>300 ea @$185</td>
<td>$52,000</td>
</tr>
<tr>
<td>Replacement meters, all other sizes</td>
<td>$39,000</td>
<td>No</td>
<td>65 others @$600</td>
<td>$39,000</td>
</tr>
<tr>
<td>Replacement meter boxes</td>
<td>$8,000</td>
<td>No</td>
<td>200 ea @$40</td>
<td>$8,000</td>
</tr>
<tr>
<td>Replacement meter covers</td>
<td>$3,000</td>
<td>No</td>
<td>200 ea @$15</td>
<td>$3,000</td>
</tr>
<tr>
<td>Hydrant replacement</td>
<td>$60,000</td>
<td>No</td>
<td>Ongoing hydrant replacement program, as needed.</td>
<td>$60,000</td>
</tr>
<tr>
<td>Stock Inventory Items</td>
<td>$150,000</td>
<td>No</td>
<td>Warehouse inventory parts and materials. ($150K budget under 102)</td>
<td>$150,000</td>
</tr>
<tr>
<td>Safety Equipment</td>
<td>$30,000</td>
<td>No</td>
<td>Cost of safety shoes, safety glasses, PUC exams, respiratory exams, uniform shirts, safety clothes, replacement tools, equipment as mandated and required by OSHA, and collective bargaining agreements.</td>
<td>$30,000</td>
</tr>
<tr>
<td>Miscellaneous expenditures</td>
<td>$5,000</td>
<td>No</td>
<td>Cost of public notices, Garden Island advertisements, damages to property, and expenditures not classified elsewhere.</td>
<td>$5,000</td>
</tr>
<tr>
<td>Contingency for Operational Equipment less than $5,000 per Board Policy No. 3, Item No. 4</td>
<td>$10,000</td>
<td>No</td>
<td>Furnitures &amp; Fixtures &lt;$5,000.</td>
<td>$0</td>
</tr>
<tr>
<td>SCADA Replacement Parts Inventory</td>
<td>$75,000</td>
<td>No</td>
<td>Inventory parts and includes replacement of MDS 9810 radios</td>
<td>$10,000</td>
</tr>
<tr>
<td>Operational materials, supplies, and accessories.</td>
<td>$50,000</td>
<td>No</td>
<td>Repair and maintenance materials for plant buildings and structures, equipment parts, pest and weed control, small tool purchases and replacements, trench patching and road repairs. ($50K budget under 102)</td>
<td>$50,000</td>
</tr>
<tr>
<td>Vehicle parts and materials</td>
<td>$50,000</td>
<td>No</td>
<td>Cost of repair and maintenance of motor vehicles and power operated equipment, parts, accessories, tires, tire repairs, safety checks, batteries, and oil. ($50K budget under 102)</td>
<td>$50,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY 2014 - 2015 budget (final draft)  
40 - Ops Budget Detail  
6/19/2014
### General Expenses - Operations

**TOTAL:** $150,000  
**WU/Ops/Source/Operating Supplies:** $0

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous Rehab Projects</td>
<td>$150,000</td>
<td>No</td>
<td>In-house construction, maintenance and rehabilitation projects.</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
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</table>

6/19/2014
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sodium Hypochlorite and Chlorine Gas</td>
<td>$75,000</td>
<td>No</td>
<td>Chemical supplies for disinfection.</td>
<td>$71,500</td>
</tr>
<tr>
<td>Soda Ash</td>
<td>$2,500</td>
<td>No</td>
<td>pH control for source water.</td>
<td>$1,500</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
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GENERAL EXPENSES - OPERATIONS

**TOTAL:** $41,000

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Electrical parts and materials</td>
<td>$41,000</td>
<td>No</td>
<td>Repair parts for plant electricians to maintain, repair, and operate electrical pumping plants, booster stations, buildings, and structures.</td>
<td>$41,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
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</tbody>
</table>

**Contingency:**

- FY 2014 - 2015 budget (final draft)
- 6/19/2014
## General Expenses - Operations

**TOTAL:** $45,000

### WU/Ops/TandD/Training & Development

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request</th>
<th>Notes</th>
<th>2013-2014 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator Certification</td>
<td>$40,000</td>
<td>Yes</td>
<td>Training &amp; Development</td>
<td>$0</td>
</tr>
<tr>
<td>Travel and Per Diem</td>
<td>$5,000</td>
<td>Yes</td>
<td>Travel and Per Diem</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
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</table>

6/19/2014

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 FY 2014 - 2015 budget (final draft)
40 - Ops Budget Detail
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tapping Team Expenses</td>
<td>$8,000</td>
<td>No</td>
<td>Travel, material, supplies and conference registration for AWWA tapping contest</td>
<td>$8,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
<td></td>
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</tbody>
</table>
**TOTAL:** $2,074,326

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Princeville Utilities for Anini</td>
<td>$49,776</td>
<td>No</td>
<td>20MG per Year x $2.40 per thousand gallons plus $148 per month standby charge</td>
<td>$49,776</td>
</tr>
<tr>
<td>Princeville Tract Subdivision</td>
<td>$1,900</td>
<td>No</td>
<td>0.7 MG per year X $2.00 per thousand gallons plus $6.11 per month for standby charge</td>
<td>$1,900</td>
</tr>
<tr>
<td>Princeville Tank</td>
<td>$4,800</td>
<td>No</td>
<td>1 MG per year X $2.00 per thousand gallons plus $230 per month standby charge</td>
<td>$4,800</td>
</tr>
<tr>
<td>Plantation Road Tank</td>
<td>$2,250</td>
<td>No</td>
<td>0.7 MG per year X $2.00 per thousand gallons plus $70 per month for standby charge</td>
<td>$2,250</td>
</tr>
<tr>
<td>Grove Farm Water Purchase Agreement</td>
<td>$2,007,500</td>
<td>No</td>
<td>2.75MGD @ 365 days @ $2.00 per thousand gallons</td>
<td>$2,007,500</td>
</tr>
<tr>
<td>Moloaa</td>
<td>$1,000</td>
<td>No</td>
<td>0.7MG at $1.44 per thousand gallons</td>
<td>$1,000</td>
</tr>
<tr>
<td>Kalihiwai Bay Estate Water Association</td>
<td>$5,000</td>
<td>No</td>
<td>1 MG @ $5 per thousand gallons</td>
<td>$5,000</td>
</tr>
<tr>
<td>Anahola Emergency Interconnection</td>
<td>$2,100</td>
<td>No</td>
<td>Annual fee for interconnection</td>
<td>$2,100</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
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</table>

**FY 2014 - 2015 budget (final draft)**

6/19/2014
## General Expenses - Operations

**TOTAL:** $495,000

### WU/Ops/Capital Outlay - Rehabilitation and Replacement/Equipment

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>F450 pickup with utility body</td>
<td>$110,000</td>
<td>Yes</td>
<td>Replacing 2004 CK1786 due to age and mileage.</td>
</tr>
<tr>
<td>F450 pickup with utility body</td>
<td>$110,000</td>
<td>Yes</td>
<td>Replacing 2007 CK2047 due to age and mileage.</td>
</tr>
<tr>
<td>Backhoe and Trailer</td>
<td>$230,000</td>
<td>Yes</td>
<td>Replacing 2002 Komatsu Backhoe due to age and hours of service.</td>
</tr>
<tr>
<td>F250 pickup w/ lift gate</td>
<td>$45,000</td>
<td>Yes</td>
<td>Replacing 2007 CK1972 due to age and mileage.</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2013-2014 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,650,000</td>
</tr>
<tr>
<td>$1,190,002</td>
</tr>
<tr>
<td>$2,840,002</td>
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</tbody>
</table>

6/19/2014
## General Expenses - Operations

### TOTAL: $95,000

#### WU/Ops/Capital Outlay - Expansion/Equipment

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Dollar Amount</th>
<th>New Request?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>F150 pickup with utility body</td>
<td>$45,000</td>
<td>Yes</td>
<td>Water Service Leak Investigator needs vehicle</td>
</tr>
<tr>
<td>Leak Detection Equipment</td>
<td>$35,000</td>
<td>Yes</td>
<td>Updated equipment for leak detection.</td>
</tr>
<tr>
<td>Building Security Equipment</td>
<td>$15,000</td>
<td>Yes</td>
<td>Phase II of baseyard security cameras and equipment.</td>
</tr>
<tr>
<td>Contingency</td>
<td>$0</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

| 2013-2014 Budget              |               |              |

$0 Operations (Val)1A1
New Business
MANAGER’S REPORT No. 14-54

June 26, 2014

Re: Proposed Revision of Board Policy No. 26, Emergency Reserve Fund (ERF) and Revised Board Policy No. 27, Debt Service Reserve Fund (DSRF)

RECOMMENDATION:
It is recommended that the Board approve Option 1, the proposed Revisions of Board Policy No. 26-Emergency Reserve Fund (ERF) and No. 27-Debt Service Reserve Fund (DSRF).

FUNDING:
DSRF & ERF

BACKGROUND:
The Department of Water (DOW) is updating the Standard Operating Procedures as part of the Financial Accounting System (FAS) Implementation under the IT Strategic Planning. One of the goals of this project is to simplify business processes while maintaining the integrity of the DOW’s financial data.

The Board approved Board Policy No. 26 – Emergency Reserve Fund on September 22, 2011 and Board Policy No. 27 – Debt Service Reserve Fund on June 28, 2012. DOW started funding the ERF in FY 2011-2012 and the DSRF in FY 2013-2014. These Reserve Transfers were approved through the annual operating and capital budget process.

As we move towards the FAS implementation, we find the conditions in the approved Board Policies somehow contradictory to the new business processes that we are trying to implement such as the conditions for deposit and disbursements. We attached copies of approved Board Policies No. 26 and No. 27 and the corresponding proposed revisions to these Board Policies for your review.

The proposed revisions to Board Policies No. 26 and No. 27 will be in line with the Department’s new FAS implementation to simplify the accounting process by maintaining a separate ledger fund that keeps track of the activities in the ERF and DSRF while minimizing risk by eliminating actual cash transfers.

These proposed Board Policies are attached for your review and approval.

OPTIONS:
Option 1 – Approved:

Pros: These policies will be in line with the FAS implementation of pooled cash accounting and the proposed inter-fund transfer board policy.
Cons: Additional work for staff at the beginning of implementation to consolidate the bank accounts and set up these fund accounts separately.
Option II – Disapproved:

Cons: Maintaining a separate bank account will not support the pooled cash accounting; continue to incur additional bank fees for each separate bank account.

Respectfully submitted,

Marites Yano
Waterworks Controller

CONCURRED:

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

Attachments: Current Board Policy No. 26 – Emergency Reserve Fund (ERF)
Proposed Board Policy No. 26 - Emergency Reserve Fund (ERF)
Current Board Policy No. 27 – Debt Service Reserve Funds (DSRF)
Proposed Board Policy No. 27 - Debt Service Reserve Funds (DSRF)
RE: EMERGENCY RESERVE FUND

The Department of Water shall establish and maintain an "Emergency Reserve Fund." The purpose of the Reserve is to provide and secure a monetary sum that may be utilized in times of public emergency, natural or man-made disaster, or other severe crises during which times the Department is unable to collect sufficient revenue to pay necessary expenditures and/or debts. The Reserve shall be an element of the Department’s Annual Operating and CIP Budget. The total amount of the Reserve to be maintained shall be approximately 25% of the Department’s Total Operating Revenues including debt service based on the average of the previous five (5) fiscal years. The Reserve shall be deposited in a separate account which shall be a highly liquid interest bearing fund as allowable by state law requiring two signatures to withdraw funds. The Two signatures shall be from among the Manager or Deputy Manager and Comptroller or Chairperson of the Board.

Purpose:
To assure proper oversight of budgeted Emergency Reserve Funds prior to Board action in an emergency.

Conditions for Disbursement of Emergency Reserve Funds:
1. The Board approves the Department’s Annual Operating and Capital Improvement Projects Budget.
2. In the Budget there are funds allocated for use in the event of an emergency.
3. An emergency for purposes of this fund is defined as an event which puts public safety and health or Kaua‘i Department of Water assets at risk and for which budgeted funds are insufficient to allow encumbering funds necessary to minimize or reduce the impact of such event.
4. The budgeted funds for labor costs shall be exhausted in any budget year before any monies from the emergency reserve funds are used for the purpose of labor costs. In the event of an emergency occurring between the time of agenda notice for approval of the next fiscal year budget and the end of the current fiscal year funds not to exceed $225,000 may be used for labor costs. The $225,000 may be increase each year by $2,000 from the date of the adoption of this policy. Emergency funds may be utilized for labor costs in the event of a labor strike or other labor crisis in which budgeted Department staff salaries are not exhausted.
5. The staff is encouraged to have bid standby service contracts not to exceed $300,000 for fuel delivery, operated equipment rental, pipeline repair services, water plant operation services, chlorine application services, plant electrical/electronic services, engineering services, accounting services, billing services, legal services, and management services. The $300,000 may be increase each year by $3,000 from the date of the adoption of this policy.
6. The staff is encouraged to have bid standby bare equipment rental contracts not to exceed $300,000 for essential equipment in the event existing Department equipment is inoperable or insufficient. The $300,000 may be increase each year by $3,000 from the date of the adoption of this policy.

7. The staff is encouraged to have bid standby material supply contracts not to exceed $200,000 for essential materials in the event existing Department inventory insufficient. The $200,000 may be increase each year by $2,000 from the date of the adoption of this policy.

8. Funds for the above competitively bid standby emergency contracts may be expended from the emergency reserve fund provided, any specific budgeted funds for services, equipment or materials have been exhausted and the standby emergency contracts have been reported to the Board at the time such contracts were entered into and the Board Chair has signed off on the contracts according to Policy No. 22.

9. Every effort should be taken to follow the procedures should a disaster be declared by the Governor or President so Emergency Reserve Funds that are reimbursable meet FEMA requirements.

10. Should the Emergency Fund be needed for debt service payments disbursements shall be by Board resolution only.

11. No other funds may be appropriated from the Emergency Reserve Fund without Board approval.

12. Twenty percent of unreimbursed funds shall be replaced per year until the Emergency Reserve Fund is 25% of total operating revenues plus debt service.

APPROVED BY:

[Dated: September 22, 2011]

[Chairperson, Board of Water Supply]

Effective date: September 22, 2011
BOARD POLICY #26 ADDENDUM

EMERGENCY RESERVE FUND

Typical KDOW EMERGENCY RESERVE FUNDS USE TIMETABLE

1. Start of new fiscal year ER standby contracts in place for materials, services and equipment. Labor will be utilized as necessary from DOW staff and emergency labor as needed limited to $225,000.

2. Report to the Board any ER standby contracts entered into.

3. Emergency occurs.

4. Board is provided a statement of Expenses and Reimbursements from the ER Standby contracts, amounts invoiced and labor spend down on a monthly basis.

5. Should any contracts be in danger of running short of funds Board approval of contract amendments will be required.

6. Should additional labor be needed beyond $225,000 Board approval will be required.

7. All debt transactions will need Board approval.
Re: Emergency Reserve Fund (ERF)

Emergency Reserve Fund provides a mechanism for the Department of Water to secure a monetary sum that won't be used for normal business purposes.

Purpose: The purpose of the emergency reserve account is to set aside money that maybe utilized in times of public emergency, natural or man-made disaster, or other severe crises during which times the Department is unable to collect sufficient revenue to pay necessary expenditures.

The Emergency Reserve Fund (ERF)

The Department of Water (DOW) shall establish and maintain Emergency Reserve Fund (ERF) equal to 25% of the Department’s Total Operating Expenses budget, excluding Depreciation. The amount in the Reserve shall be reviewed annually each time the DOW’s annual operating and capital budget is prepared and submitted to the Board of Water Supply for approval.

To assure proper oversight of ERF Funds:

1. The ERF shall be funded from the DOW’s general operating account.
2. A separate general ledger fund account shall be established and maintained.
3. At the end of each year, the ERF shall be adjusted to equal 25% of the following year’s total operating budget, excluding depreciation.
4. An accounting entry to “transfer in” or “transfer out” in the ERF shall be done in accordance with the approved annual operating budget to record the adjustment.
5. No signatures are required to initiate a “transfer in” or “transfer out” since there will be no actual cash withdrawal or deposits involved. (DOW is maintaining a pooled cash accounting system as part of the new Financial Accounting System (FAS) implementation.)
6. A state of emergency occurs before disbursement from this fund is allowed.
7. The Board must authorize the use of the ERF. No funds may be appropriated from this fund without Board approval.

APPROVED BY: ___________________________ Date: ______________________

Chairperson, Board of Water Supply

RE: EMERGENCY RESERVE FUND (ERF)

Effective date: __________________________
BOARD POLICY #26 ADDENDUM

EMERGENCY RESERVE FUND

TYPICAL KDOW EMERGENCY RESERVE FUNDS USE TIMETABLE

1. DOW to procure at the start of the new fiscal year Emergency Reserve (ER) standby contracts in place for materials, services and equipment not to exceed $300,000 and maybe increased by $3,000 each year.

2. Labor will be utilized as necessary from DOW staff and emergency labor as needed limited to $225,000 and maybe increased by $2,000 each year.

3. Report to the Board any ER standby contracts entered into.

4. An emergency situation occurs.

5. Board is provided a statement of Expenses and Reimbursements from the ER Standby contracts, amounts invoiced and labor spend down on a monthly basis.

6. Should any contracts be in danger of running short of funds Board approval of contract amendments will be required.

7. Should additional labor be needed beyond $225,000 Board approval will be required.
RE: DEBT SERVICE RESERVE FUNDS

The Department of Water shall establish and maintain Debt Service Reserve Funds (DSRF) for all outstanding debt of ten years or more. The purpose of the DSRF are to: (1) provide reserve funds for principal and interest obligations as these become due; and (2) to have at all times a minimum six (6) months reserve plus eight percent (8.0%).

The DSRF shall be an element of the Department’s annual budget. The DSRF are to equal no more than one hundred and eight percent (108%) of the average annual debt service for the Utility Fund and the Facilities Reserve Charge Fund, or as required by debt issuance covenants agreed to by the Board. The DSRF minimum level shall be equal to 58% fifty eight percent of average annual debt service. The DSRF shall be funded through an equity contribution from the fund source paying the debt service or as designated by resolution of the Board. Initially the DSRF is to be funded over a four year period for past debt issuances. For new issuances the DSRF is to be immediately funded with the last payment plus eight percent (8.0%).

Separate Reserve Funds shall be established for the Water Utility Fund and the Facilities Reserve Fund. There shall be no transfers of monies between funds unless approved by the Board. Transfers of monies between Reserve Funds shall be made by Resolution and shall be paid back with interest.

Purpose: To establish and ensure proper oversight of DSRF Funds.

Conditions for Deposit, Disbursement and handling of investment of DSRF monies:

1) DEPOSITS INTO DSRF
   i) The DSRF shall be separate accounts.
   ii) Funds shall be deposited into the respective DSRF from the Water Utility Fund, the Facility Reserve Charge Fund or the Debt Service Fund depending on the source of funding for the debt.
   iii) Funds shall be deposited on the initial date of debt issuance equal to six (6) months of debt service payments plus eight percent (8%) of the annual debt service.
   iv) Thereafter, one twelfth (1/12) of the annual debt service requirement for each issue shall be deposited monthly from the source paying the debt service until there is only one (1) payment remaining on the debt issue.
   v) Monthly deposits to the funds shall cease when there is only one payment remaining to pay in full or defease the debt.
2) DISBURSEMENTS FROM DSRF
   i) Two signature's shall be required to withdraw or authorize check payments or wire transfer DSRF funds. The two signatures required shall be from: (1) the Manager or Deputy Manager; and (2) the Controller or Chairperson of the Board.
   ii) Any balance or overage in the DSRF after the final payment shall be returned to the fund paying the debt.
   iii) In order to ensure that payments are made on a timely basis, disbursements from the fund shall occur on or about the day debt service payments are due.

3) INTEREST FROM DSRF
   i) DSRF monies shall be invested in permissible interest-bearing instruments as specified by law.
   ii) Interest earned on DSRF monies shall be allocated to the respective fund in the same proportion that they were expended.
   iii) Should any specific debt issue require investment time to maturity of less than three years, the reserves for that specific debt issue shall be invested as in accordance with the debt issuance documents.
   iv) Investments of DSRF monies shall mature no later than the final maturity of any individual debt issuance.
   v) Interest from DSRF investments may be used toward monthly deposits to the DSRF.

4) LOANS BETWEEN DEBT SERVICE RESERVE FUNDS
   i) There shall be no comingling of debt reserve funds.
   ii) A loan from either the Utility Fund or the Facilities Reserve Charge Fund to another DSRF shall be permitted upon approval by the Board of Water Supply. Such loan shall be by resolution and shall be paid back with interest in an amount determined in the resolution.
   iii) Prior to submission for a loan for the DSRF, the Manager shall initiate proceedings to increase either the water rates or the Facilities Reserve Charge as a condition of the process.
Board Policy No. 27
Debt Service Reserve Funds

APPROVED BY:

Chairperson, Board of Water Supply

Dated: June 28, 2012

Effective date: June 28, 2012

Bd. Gen./Bd. Policy No. 27 (revised 6-28-12)
Re: Debt Service Reserve Fund (DSRF)

Reserve established to service interest and principal payments of the Department of Water’s (DOW) short and long term debt.

Purpose: To ensure full and timely payments to DOW creditors.

The Debt Service Reserve Program:
The Department of Water (DOW) shall establish and maintain a Debt Service Reserve Fund (DSRF) equal to one half (½) of the current year’s annual Debt Service Requirement (DSR). As the annual DSR increases or decreases, the DSRF should also be adjusted accordingly. This should be done annually each time the DOW’s annual budget is prepared and submitted to the Board of Water Supply for approval.

To assure proper oversight of DSRF Funds:

1. The DSRF shall be funded from the DOW’s general operating account.
2. A separate general ledger fund account shall be established and maintained.
3. Each year, the DSRF shall be adjusted to equal one half (½) of the current year’s annual DSR.
4. An accounting entry to “transfer in” or “transfer out” in the DSRF shall be done in accordance with the approved annual operating budget to record the adjustment.
5. No signatures are required to initiate a “transfer in” or “transfer out” since there will be no actual cash withdrawal or deposits involved. (DOW is maintaining a pooled cash accounting system as part of the new Financial Accounting System (FAS) implementation.)
6. No disbursement from this fund is allowed unless approved by the board.

APPROVED BY: Date:

______________________________  ______________________
Chairperson, Board of Water Supply

RE: DEBT SERVICE RESERVE FUND (DSRF)

Effective date: ________________
DEPARTMENT OF WATER  
County of Kaua‘i  

“Water has no Substitute – Conserve It!”

MANAGER’S REPORT No. 14-59  
June 26, 2014  

Re: Proposed Board Policies for Department of Water, Board Policy No. 28, Inter-fund Transfer and Board Policy No. 29 Categorization and Funding of Capital Projects

RECOMMENDATION:  
It is recommended that the Board approve Option 1, the proposed Board Policies No. 28, Inter-fund Transfer and Board Policy No. 29 Categorization & Funding of Capital Projects.

FUNDING:  
As budgeted, if not, a Manager’s Report on Inter-fund transfer must be submitted for Board approval.

BACKGROUND:  
The Department of Water (DOW) is updating the Standard Operating Procedures for Project Cost Accounting as part of the Financial Accounting System (FAS) Implementation under the IT Strategic Planning (ITSP). This task involves categorization and funding of capital projects. Available resources and purposes of each fund must be identified in order to be able to select the proper funding for each capital project.

To do so, it is imperative that each project is categorized by the DOW Engineers as either “Expansion” or a “Replacement & Rehabilitation” (R&R) project before a fund source is selected. In categorizing each capital project, certain tests procedures must be followed as explained in the attached draft of the proposed Categorization & Funding of Capital Projects Board Policy.

Capital projects categorized as “expansion” are financed from the Facilities Reserved Charge (FRC). DOW established the FRC fund, to account for FRCs collected from new users to cover or recover the costs of existing and/or future capital improvement projects (CIP) for new water sources. Expenditures of moneys collected for this fund is restricted solely for the exclusive purpose of which this fund was created.

However, moneys collected for the FRC fund may not be adequate to finance the needed construction of new facilities. In this instance, other sources can be used such as Water Utility Fund (WUF) and Bond Funds. Where the use of other funds creates a debt, the FRC fund is charged a proportionate share of the debt service.

In the event the FRC fund is insufficient to cover the proportionate share of DOW debt service for related CIP growth or expansion, an inter-fund loan from WUF to the FRC fund shall be initiated. An annual inter-fund transfer report must be submitted to the board for their evaluation and further action. A proposed Inter-fund transfer board policy is also attached.

These proposed Board Policies are attached for your review and approval.
OPTIONS:

Option 1 - Approved:

Pros: DOW can implement the categorization and funding of capital projects policy with the Inter-fund Transfer Board Policy seamlessly and it supports the new FAS implementation.

Cons: New processes require additional time from the staff in the beginning and it can bring new challenges and new issues to deal with.

Option 2 – Disapproved:

Pros: No additional work is required immediately.

Cons: Unable to implement pooled cash accounting; DOW will continue to do manual cash transfer and at a higher risk exposure.

Respectfully submitted,

Marites Yano
Waterworks Controller

CONCURRED:

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

Attachments: Proposed Board Policy No. 28 – Inter-fund Transfer
Proposed Board Policy No. 29 - Categorizing and Funding of Capital Projects

Mgrp/June 2014/14-59 Proposed Board Policies for Department of Water, Board Policy No. 28, Inter-fund Transfer and Board Policy No. 29, Categorization and Funding of Capital Projects (6-26-14):cin
BOARD OF WATER SUPPLY POLICY NO. 28

RE: Inter-Fund Transfer

The Department of Water (DOW) established the Facilities Reserve Charge (FRC) fund to account for the FRCs collected from new users to cover or recover the costs of existing and/or future capital improvement projects (CIP) for new water sources. However, when new users connect to the existing water system, the existing capacity is reduced for increased demands which lead to increased expenditures for the construction of new facilities that will likely not be covered by the FRCs collected.

CIPs are usually funded from any of the following sources:

- Water Utility Fund (WUF)
- Bonds
- State Revolving Fund (SRF) Loans
- Facilities Reserve Charge (FRC) Fund

CIP for growth or expansion, which are funded from Water Utility fund and Bonds are charged a proportionate share of the DOW’s overall debt service. DOW’s main objective is to have growth pay for growth.

Policy:

In instances where the FRC fund is insufficient to fund an expansion project or cover the proportionate share of DOW debt service for CIP growth or expansion, an inter-fund transfer from the Water Utility Fund (WUF) shall be initiated and the following steps must be followed:

1. An inter-fund loan shall be recorded in both the lending fund (WUF) and receiving fund (FRC). The inter-fund loan is used to cover the underfunded proportionate share of DOW’s debt service.

2. At the end of each fiscal year, repayment of the inter-fund loan should be paid in full with FRC revenues on or before the end of the same fiscal year.

3. If at the end of the fiscal year, FRC revenues collected are insufficient to repay the inter-fund loan, a manager’s report must be submitted to the board for an update of any unpaid inter-fund loan payable.

4. If an inter-fund loan payable is not expected to be paid within a reasonable period, the Manager can recommend to the Board a fund transfer from WUF equal to the inter-fund loan outstanding for the fiscal year.

5. The Board may approve and ratify a fund transfer equal to the remaining unpaid amount to reduce the inter-fund loan balance to zero.

APPROVED BY: ______________________   _______________________
Chairperson, Kaua‘i Board of Water Supply

RE: INTER-FUND TRANSFER

Effective Date: ________________
BOARD OF WATER SUPPLY POLICY NO. 29

RE: Categorization & Funding of Capital Projects

Department of Water (DOW) Capital Projects shall be categorized as **Expansion or Replacement & Rehabilitation (R&R)**. After each project is categorized, fund sources will be selected from one or more of the following based on available resources and purposes of the fund;

1. SOURCES
   1.1 Water Utility Fund (WUF)
   1.2 Facility Reserve Charge (FRC) Fund
   1.3 Bond Fund
   1.4 State Revolving Fund (SRF)
   1.5 Grants

2. PURPOSES OF THE FUND
   2.1 Water Utility Fund: This is the general operating fund that covers all routine operating costs. These funds can also be used at the discretion of the Board and DOW management for “pay as you go” capital projects, including R&R and Expansion projects.
   2.2 Bond Fund: These funds may be used for either Expansion or R&R projects (subject to any specific bond covenants).
   2.3 State Revolving Fund (SRF): These funds are for specific projects as approved under the loan agreements.
   2.4 Facility Reserve Charge Fund: FRC funds are restricted to cover or recover costs (recoupment) of expansion projects.

- State law provides for the use of impact fees (FRC funds) for that portion associated with “recoupment.” The definition of the term is the proportionate share of public facility capital improvement costs of excess capacity in existing capital facilities where excess capacity has been provided in anticipation of the needs of a development. Recoupment is term given to the normal practice of up-sizing a pipeline or pump station to provide for an operational safety factor. While these extra costs are typically modest, per State statute, FRC funds can be used to pay for them.
- The following process must be adopted for the use of FRC funds to pay for system expansion whether the expansion is dedicated to a specific new facility or a recoupment portion of an R&R project.
The process is described below in the form of a decision tree:

- **Is the project 100% dedicated to system expansion?**
  - If so, FRC funds can be used for both design and construction if funds are available;
  - If the design is not a 100% system expansion, all of the design costs can be funded from Bond Funds, WUF or SRF funds as applicable.

- **Are FRC Funds available to finance the expansion or expansion portion of the construction project?** If not, determine if funding is available from:
  - Bond funds; refer to bond covenants for restrictions; see approved capital budget if the project is included; if not, a board approval is required.
  - Water Utility Fund; see approved capital budget if the project is included; if not, a board approval is required.

- **Can any specific portion of the project be deemed expansion?** This would be the case if, for example, a small portion of pipe was installed to accommodate new services as a part of a large R&R project
  - If yes, then at the conclusion of the project Engineering and Accounting will jointly calculate the percentage cost of the expansion-related material using a straightforward ratio type method.
  - At this point, an Inter-fund transfer is initiated. Accounting will transfer funds from the FRC account to the fund used for project construction. Because DOW will be pooling its cash to reduce overhead costs and facilitate operations, it is acceptable for the FRC fund to show a negative balance. As a result, loans between funds (and consequent interest calculations, internal overhead costs, and complex record keeping) are not necessary.

- **Does any portion of the project qualify as recoupment?**
  - If yes, then at the conclusion of the project Engineering and Accounting will jointly calculate the percentage of the up-sizing or similar additional facilities installed above those considered totally devoted to R&R. In the same fashion as described above, the FRC fund will reimburse the fund used for project construction.

APPROVED BY:  

Date

____________________________________  _________________________
Chairperson, Kaua'i Board of Water Supply

RE:  CATEGORIZATION & FUNDING OF CAPITAL PROJECTS

Effective Date:  ______________________
MANAGER’S REPORT No. 14-60

June 26, 2014

Re: Resolution 14-10, Approving Authorized Signatories for DOW Bank Accounts

RECOMMENDATION:
It is recommended that the Board approve proposed Resolution No. 14-10 to replace Resolution No. 16 (V-2009-2010), A Resolution Approving Authorized Signatories for DOW Bank Accounts

FUNDING:
None

BACKGROUND:
The Department of Water (DOW) is updating the Standard Operating Procedures as part of the Financial Accounting System (FAS) Implementation under the IT Strategic Planning. One of the goals of this project is to simplify business processes while maintaining the integrity of the DOW’s financial data.

On June 7, 2010, the Board approved Resolution No. 16 designating authorized signatures of the Department of Water bank deposit accounts as follows:

- Manager & Chief Engineer
- Deputy Manager – Engineer
- Waterworks Controller
- Accountant IV

As we move towards the FAS implementation, our IT Strategic Planning (ITSP) Consultants recommended a pooled cash accounting system where the Department will keep one bank account to maintain DOW’s all Funds’ receipts and disbursements. Segregation of funds will be maintained in the DOW’s financial ledger accounts. Doing so will involve closing our five (5) existing deposit bank accounts and converting DOW’s current deposit bank account into a concentration type account with a deposit and a disbursement subsidiary accounts.

As part of this transition, the current system of processing our disbursement checks will be changed. The current system in place is; DOW processes disbursement checks from the County of Kauai - DOW payables bank account. This DOW payables account is owned by the County of Kauai so every time DOW issue checks; DOW transfers the same amount of money to the County Treasury to cover these disbursements. Processing these transfers require signature from the County Finance Director and distributing copies of these transfer requests to the County’s Finance and Treasury Division in addition to the County’s bank account.

Again, the goal is to simplify the process. The Department and the Finance Director worked together to achieve simplifying this process by adding the County Director of Finance as one of the authorized signatures in the DOW, County of Kauai bank account. DOW will continue to manage DOW deposits
and DOW disbursements and will furnish the County Director of Finance a monthly report of DOW’s Revenue and Expenditures.

It is hereby recommended that the Board approve the proposed Revision to Resolution No. 16 designating authorized signatures as follows:

- Manager & Chief Engineer
- Deputy Manager – Engineer
- Waterworks Controller
- County Finance Director

In this proposed revision, the Accountant IV is eliminated while County Finance Director is added.

OPTIONS:
Option I – Approved:
   Pros: It will allow DOW to implement the pooled cash accounting as part of the Financial Accounting System (FAS) implementation.
   Cons: Additional work for staff at the beginning to implement these changes.

Option II – Disapproved:
   Pros: No additional work is required immediately.
   Cons: Unable to implement pooled cash accounting; DOW will manually transfer funds from DOW bank account to County of Kauai – DOW payables account.

Respectfully submitted,

Marites Yano
Waterworks Controller

CONCURRED:

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

Attachments:
Resolution No. 14-10, Approving Authorized Signatories for DOW Bank Accounts
Current Resolution No. 16, A Resolution Approving Authorized Signatories for DOW Bank Accounts

Mgrp/June 2014/14-60 Resolution 14-10, Approving Authorized Signatories for DOW Bank Accounts (6-26-14):ein
RESOLUTION NO. 14-10
(2013-14)
Resolution No. 14-10, Bond Res. (6-26-14) Approving Authorized Signatures for DOW Bank Accounts

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 request for services and;

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

WHEREAS, Resolution No. 14-10 to designate authorized signatories for the Kaua'i DOW deposit accounts supersedes Resolution No. 16 established on June 17, 2010.

BE IT RESOLVED BY THE KAUA'I COUNTY BOARD OF WATER SUPPLY (BOARD), STATE OF HAWAI'I;

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. County of Kaua'i Director of Finance

SECTION 2. Authorization of Signatories. That any two (2) of the person(s) listed in Section 1 are hereby authorized, on behalf of the Kaua'i Department of Water, to execute the applications and agreements for all DOW 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 Kaua'i 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.
A RESOLUTION APPROVING AUTHORIZED SIGNATORIES FOR DOW BANK ACCOUNTS

APPROVED AS TO FORM & LEGALITY: BOARD OF WATER SUPPLY

Andrea Suzuki, Deputy County Attorney Clyde Nakaya, Chairperson
County of Kaua'i County of Kaua'i

CERTIFICATION OF ADOPTION

RESOLUTION NO. 14-10, A RESOLUTION APPROVING AUTHORIZED SIGNATORIES FOR DOW BANK ACCOUNTS

It is hereby certified that the foregoing Resolution was adopted by the Kaua'i County Board of Water Supply, State of Hawai'i, at its meeting held on June 26, 2014, by the following vote:

APPROVED: TOTAL:

DISAPPROVED: TOTAL:

ABSENT & NOT VOTING: TOTAL:

RECUSAL: TOTAL:

CERTIFICATION

The undersign hereby certified that the foregoing Resolution is a true and correct copy of Resolution No. 14-10, adopted at the meeting of the Kaua'i Board of Water Supply, duly held on the 26th day of June, 2014.

By: __________________________________
Name: Hugh A. Strom
Title: Board Secretary
RESOLUTION NO. 16
(2009-2010)

A RESOLUTION APPROVING AUTHORIZED SIGNATORIES FOR DOW BANK ACCOUNTS

WHEREAS, the Kauai Board of Water Supply (KBWS) wants to control bank deposit account access and requests for services and;
WHEREAS, the Kauai Board of Water Supply shall officially authorize signatories for the Kauai Department of Water (DOW) bank deposit accounts; therefore

BE IT RESOLVED BY THE KAULI COUNTY BOARD OF WATER SUPPLY (BOARD), STATE OF HAWAI'I:

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 Kauai 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:

Andrea Suzuki, Deputy County Attorney
County of Kaua‘i

BOARD OF WATER SUPPLY

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: Randall Nishimura, Dee Crowell,
Leland Kahawai, Raymond McCormick
Ian Costa, and Roy Oyama.......................... Total: 6

DISAPPROVED: None.................................. Total: 0

ABSENT: Donald Fujimoto.......................... Total: 1

TOTAL: 7

CERTIFICATION

The undersigned 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
MANAGER’S REPORT No. 14-61

June 26, 2014

Re: Kalāheo Wells 1 & 2, DOW update

RECOMMENDATION:
The Department recommends that the Board receive this Kalaheo Wells update for the record.

BACKGROUND:
The following activities have occurred since the discovery of the broken pump in Kalaheo Well 2 on July 24, 2014:

- Activated booster pumping station to move water from the Lawai system to Kalaheo
- Installed temporary pipeline and booster pump between Lawai and Kalaheo.
- Installed temporary submersible test pump in Kalaheo Well 1.
- Removed 900 feet long pump from Kalaheo Well 1 and found a shaft break at 880 feet, just above the pump section.
- Removed 900 feet long pump from Kalaheo Well 2 and found a shaft break at 700 feet. Removed the last 200 feet of pump to inspect the shaft and pump section.
- Repair and replacement parts have been ordered.
- Placed programmable message boards along Kaumuali‘i Highway to remind Kalaheo residents to conserve water.
- Department Public Relations personnel providing regular update and water conservation reminders to public.

The following is the remaining work to be completed:

- Receive repair and replacement parts for both pumps.
- Repair and reinstall well pumps.
- Disinfect and test wells and well pumps.

The following is a summary of the current system status:

- Water conservation request is still in effect.
- All areas are receiving water service.
- Jelly Factory booster pump is currently active and delivering approximately 150-200 gpm to the customer along and on the Makai side of the Highway.
- The temporary pipeline and booster pump is on standby.
- The submersible test pump in Kalaheo Well 1 is currently active and delivering approximately 150-200 gpm to the Kalaheo Reservoir.
• The valve between the Kalaheo Reservoir and Kukuiolono Reservoir has been reactivated to allow water to flow from mauka to Makai.
• Reservoir storage can be maintained. Storage decreases during the day, but is replenished at night.

Respectfully submitted,

Kirk Saiki, P.E.
Acting Deputy Manager-Engineer

KS:cin

Mgrnp/June 2014/14-61 Kalāheo Wells 1 & 2, DOW update (6-26-14):cin
MANAGERS REPORT No. 14-62

June 26, 2014

Re: Grant of Easement for Existing Water Meter for Lot 14-A-2, Meter #8103032, Kapaa, Kauai, Affecting the Following Landowner:

1. Melvin K Soong, affecting TMK(s): (4) 4-6-015:048, Kapaa, Kauai, Hawaii

RECOMMENDATION:
It is recommended that the Board approve the Grant of Easement document; whereby, the above landowners, grants to the Board of Water Supply, County of Kauai, an easement, on, over and under that certain parcel of land located as specified above in Kapaa, Kauai, Hawaii, for the following work:

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

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

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

FUNDING: Not applicable.

BACKGROUND:
The owner installed a new single service lateral for Lot 14-A-1 with the approval of the DOW. The owner’s existing meter that is assigned to Lot 14-A-2 is located on private property. As part of the approval for the new lateral, DOW directed the owner to provide an easement to the existing meter. The proposed easement provides access for the DOW as needed to the meter and appurtenances.

Respectfully submitted,

Daniel Kittredge
Project Manager
Construction Management Division

CONCURRED:

Kirk Saiki, P.E.
Acting Manager and Chief Engineer
LAND COURT SYSTEM

REGULAR SYSTEM

After Recordation, Return by Mail to:

DEPARTMENT OF WATER
P O BOX 1706
LIHUE KAUAI HAWAII 96766

TYPE OF DOCUMENT:

GRANT OF EASEMENT
for
TMK: (4) 4-6-015:048

PARTIES TO DOCUMENT:

GRANTOR: MELVIN K. SOONG
c/o Michael K. Soong, Esq.
3116 Akahi Street
Lihue, Kauai, Hawaii 96766

GRANTEE: BOARD OF WATER SUPPLY
COUNTY OF KAUAI
P. O. Box 1706
Lihue, Kauai, Hawaii 96766

TAX MAP KEY FOR PROPERTY:

(4) 4-6-015:048
GRANT OF EASEMENT
for
TMK: (4) 4-6-015:048

THIS INDENTURE is made on this 14th day of May, 2014, between MELVIN K. SOONG, whose mailing address is c/o Michael K. Soong, Esq., 3116 Akahi Street, Lihue, Kauai, Hawaii 96766 (hereinafter individually or collectively "GRANTOR"), and the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, whose mailing address is P. O. Box 1706, Lihue, Kauai, Hawaii 96766 (hereinafter "GRANTEE").

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE an easement in perpetuity on, over, and under that certain parcel of land located generally at Kapaa, Kawaihau District, Kauai, Hawaii, Kauai Tax Map Key No. (4) 4-6-015:048, Subdivision No. S-2008-16, known as Subdivision Of Lot 14-A, and more particularly described in Exhibit "A" and shown on Exhibit "B", both of which are attached and incorporated by reference into this grant of easement (hereafter "easement area").

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

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

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

1. That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;
2. That the GRANTEE shall indemnify and save the GRANTOR harmless from and against all damage to the GRANTOR's property and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

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

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

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

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

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

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

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

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.
This Agreement may be executed in counterparts. Each counterpart shall be executed by one or more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all parties are upon the same document.

GRANTOR:

[Signature]

MELVIN K. SOONG
STATE OF HAWAII
) SS.
COUNTY OF KAUA'I
)

On this 20th day of May, 2014, before me appeared MELVIN K. SOONG, to me personally known, who, being by me duly sworn or affirmed, did say that he executed the foregoing GRANT OF EASEMENT for TMK: (4) 4-6-015:048 dated May 8, 2014, which document consists of 9 page(s), as his free act and deed, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Name of Notary: [Signature]
Notary Public, Fifth Judicial Circuit,
State of Hawaii.

My commission expires: 10/05/2014
ACCEPTED:
BOARD OF WATER SUPPLY,
COUNTY OF KAUAI

By: ____________________________
Its: ____________________________

APPROVED:

[Signature]
Acting Manager & Chief Engineer
Department of Water, County of Kauai

APPROVED AS TO FORM
AND LEGALITY:

[Signature]
Deputy County Attorney
County of Kauai
STATE OF HAWAII

COUNTY OF KAUAII

On this ______ day of __________________, 20___, before me appeared ________________________________________, to me personally known, who, being by me duly sworn did say that said officer is the __________________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUAII, and that the foregoing GRANT OF EASEMENT for TMK: (4) 4-6-015:048 dated ______________________, 20____, which document consists of ______ page(s), was signed on behalf of said Department, and said officer acknowledged said instrument to be the free act and deed of said Department, and that said Department has no corporate seal.

Name of Notary:
Notary Public, Fifth Judicial Circuit,
State of Hawaii.

My commission expires: ______________________
EASEMENT W-1

LAND SITUATED AT KAPA'A, KAWAIHAU, KAUA'I, HAWAI'I

Being a Portion of Lot 14-A-2

Being Also a Portion of Grant 11092

Beginning at the northeast corner of this parcel of land on the west side of Pelehu Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "NONOU" being 10,522.63 feet North and 13,276.33 feet East, thence running by azimuths measured clockwise from True South:

1. 19° 28' 5.00 feet along the west side of Pelehu Road;

2. 109° 28' 5.00 feet along the remainder of Grant 11092 (Lot 14-A-2);

3. 199° 28' 5.00 feet along the remainder of Grant 11092 (Lot 14-A-2);

4. 289° 28' 5.00 feet along the remainder of Grant 11092 (Lot 14-A-2) to the point of beginning and containing an area of 25 square feet.

DESCRIPTION PREPARED BY:

Dennis M. Esaki
Licensed Professional Land Surveyor
Certificate Number 4383

Lihue, Hawaii
May 2014

EXHIBIT "A"
Staff Reports
# DEPARTMENT OF WATER
## Budget Status Summary
### April 30, 2014

## I. WATER UTILITY FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2013</td>
<td>$26,657,175.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$3,383,805.18</td>
<td>$30,120,988.89</td>
<td>$30,120,988.89</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES:</strong></td>
<td><strong>$56,778,164.31</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td>$1,211,046.25</td>
<td>$27,095,672.54</td>
<td>$27,095,672.54</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES:</strong></td>
<td><strong>$27,095,672.54</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$29,682,491.77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## II. FACILITIES RESERVE CHARGE

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2013</td>
<td>$2,663,693.54</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$29,145.23</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES:</strong></td>
<td><strong>$3,864,142.98</strong></td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td>$-</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES:</strong></td>
<td><strong>$2,577,456.00</strong></td>
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<tr>
<td>Ending Balance</td>
<td>$1,286,686.98</td>
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</table>

## III. WATERWORK BUILD AMERICA PROJECT FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2013</td>
<td>$26,029,967.39</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$6,511.53</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES:</strong></td>
<td><strong>$24,161,490.56</strong></td>
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</table>

## TOTAL - ALL FUNDS at April 30, 2014

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$55,130,669.31</td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
WATER UTILITY FUND
April 30, 2014

REVENUES:
Cash on hand-Unrestricted as of July 1, 2013  $ 24,257,175.42
Cash on hand-Restricted (Emergency Reserve)  $ 2,400,000.00
Add: Revenues To Date  $ 30,120,988.89

Sub-Total  $ 56,778,164.31

EXPENDITURES:

Less: Expenditures to Date  $ 27,095,672.54

BALANCE AT THE END OF THE MONTH  $ 29,682,491.77

SHORT TERM INVESTMENTS - WATER UTILITY FUND

BANK OF HAWAII

CENTRAL PACIFIC BANK

FIRST HAWAIIAN BANK

MERRILL-LYNNCH

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>DESCRIPTION</th>
<th>RATE</th>
<th>DUE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>C313378KS9</td>
<td>0.09000% INT. DUE 01/29/15</td>
<td>$ 1,200,000.00</td>
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<td></td>
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<tr>
<td>C3136G1XH7</td>
<td>0.5200% INT. DUE 04/06/15</td>
<td>$ 1,000,000.00</td>
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<td></td>
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<tr>
<td>C313385ZZ2</td>
<td>0.0760% INT. DUE 07/30/14</td>
<td>$ 1,199,567.50</td>
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<td></td>
</tr>
</tbody>
</table>

SUB-TOTAL FOR PAGE A  $ 4,399,567.50
SUB-TOTAL FROM PAGE A $ 4,399,567.50

SHORT TERM INVESTMENTS - WATER REVENUES

MULTI-BANK

CUSIP# 36160JGY8  1.20000% INT. DUE 07/13/15  150,000.00
CUSIP# 3134G32T6  0.77000% INT. DUE 12/28/17  1,000,000.00
CUSIP# 3136GOQA2  0.75000% INT. DUE 07/19/17  1,000,000.00

UBS
CUSIP# C3137EADJ5  1.00000% INT. DUE 07/28/17  1,002,052.22
CUSIP# C3136G0X89  0.75000% INT. DUE 04/26/17  1,998,000.00
CUSIP# C3136G1BT5  0.80000% INT. DUE 03/21/16  992,790.28
CUSIP# C3134G4EF1  1.00000% INT. DUE 02/13/17  $ 1,000,000.00 $ 7,142,842.50

TOTAL SHORT-TERM INVESTMENTS - WATER UTILITY $ 11,542,410.00

CASH ON HAND WITH TREASURER - COK 04/30/14 $ 5,998,041.76
CASH ON HAND-FHB Checking (EP) 04/30/14 $ 50,000.00
CASH ON HAND-BOH Savings 04/30/14 $ 7,850,729.45
Bank transfer check in transit outstanding
CASH ON HAND-FHB Blackrock T-FUND (Sweep Acct) 04/30/14 $ 4,859,373.54
CASH ON HAND - FHB Savings 04/30/14 $ 25,803.49

LESS: April Claims Payable $ (706,876.94)
Claims paid in April $ 77,971.47

Due to BAB 01/31/14 $ -
Due from FRC 01/31/14 $ -
Due to FRC 02/28/14 $ -
Due to Trust Fund 01/31/12 $ (14,961.00)

WATER UTILITY FUND CASH BALANCE AT THE END OF THE MONTH $ 29,682,491.77

0.00

TRUST FUND

CASH ON HAND WITH TREASURER - COK 04/30/14 $ 320,000.00
CASH ON HAND-FHB Savings Trust Fund 04/30/14 686,230.52

TRUST FUND RECEIPTS 04/30/14 (1,006,230.52)

$ -
## WATER UTILITY FUND

**% Budget Elapsed**: 83.33%

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEG. CASH BALANCE-Unrestricted</td>
<td>$ 24,257,175.42</td>
<td>$ 2,400,000.00</td>
<td></td>
<td></td>
<td>$ 24,257,175.42</td>
</tr>
<tr>
<td>BEG. CASH BALANCE-Restricted</td>
<td>$ 2,400,000.00</td>
<td></td>
<td></td>
<td></td>
<td>$ 2,400,000.00</td>
</tr>
<tr>
<td>1 Water Sales</td>
<td>$ 27,197,204.00</td>
<td>$ 22,442,225.44</td>
<td>$ 2,149,069.34</td>
<td>83%</td>
<td>$ 4,754,978.56</td>
</tr>
<tr>
<td>Prior Year Receipts</td>
<td>$ 0.00</td>
<td>$ -</td>
<td></td>
<td></td>
<td>$ -</td>
</tr>
<tr>
<td>2 Net Miscellaneous Receipts</td>
<td>$ 60,000.00</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$ 60,000.00</td>
</tr>
<tr>
<td>3 Interest Income</td>
<td>$ 85,000.00</td>
<td>$ 67,358.57</td>
<td>$ 10,100.34</td>
<td>79%</td>
<td>$ 17,641.43</td>
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<tr>
<td>4 County Service Charge</td>
<td>$ 1,630,230.00</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$ 1,630,230.00</td>
</tr>
<tr>
<td>5 State Revolving Fund</td>
<td>$ 4,611,752.00</td>
<td>$ 4,459,667.00</td>
<td>$ 1,224,635.50</td>
<td>97%</td>
<td>$ 152,085.00</td>
</tr>
<tr>
<td>5a Other Receipts</td>
<td>$ 2,749,907.00</td>
<td>$ 1,953.69</td>
<td></td>
<td>0%</td>
<td>$ 2,747,953.31</td>
</tr>
<tr>
<td>5b OTHER - BAB Subsidy</td>
<td>$ 649,257.45</td>
<td>$ 654,557.19</td>
<td></td>
<td>101%</td>
<td>$ (5,299.74)</td>
</tr>
<tr>
<td>5c FRC Debt Service Payback</td>
<td>$ 2,495,227.00</td>
<td>$ 2,495,227.00</td>
<td></td>
<td></td>
<td>$ -</td>
</tr>
<tr>
<td>5d Grant, Drought Mitigation</td>
<td>$ 230,000.00</td>
<td>$ -</td>
<td></td>
<td></td>
<td>$ 230,000.00</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES</strong></td>
<td>$ 66,365,752.87</td>
<td>$ 30,120,988.89</td>
<td>$ 3,383,805.18</td>
<td></td>
<td>$ 36,244,763.98</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>DISBURSEMENTS:</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>SALARIES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County over charge to payroll</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Salaries - DOW</td>
<td>$ 5,555,763.70</td>
<td>$ 3,935,689.97</td>
<td>$ 388,496.87</td>
<td>71%</td>
<td>$ 1,620,073.73</td>
</tr>
<tr>
<td>Provision for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 Accrued Vacation</td>
<td>$ 100,000.00</td>
<td>$ 49,918.92</td>
<td></td>
<td>50%</td>
<td>$ 50,081.08</td>
</tr>
<tr>
<td><strong>TOTAL SALARIES:</strong></td>
<td>$ 5,655,763.70</td>
<td>$ 3,985,608.89</td>
<td>$ 388,496.87</td>
<td></td>
<td>$ 1,670,154.81</td>
</tr>
</tbody>
</table>

| NORMAL EXPENDITURES | | | | | | |
|-------------------|-----------------|----------------------------------|--------------------------|---|------------------------------------------|
| 19 COUNTY SERVICE CHRG | $ 1,630,230.00 | $ - | | 0% | $ 1,630,230.00 |

| ADMINISTRATIVE OFFICE and ENGINEERING: | | | | | | |
|-----------------------------------------|-----------------|----------------------------------|--------------------------|---|------------------------------------------|
| 21 Utilities | $ 293,540.00 | $ 171,628.05 | $ 16,293.97 | 58% | $ 121,911.95 |
| 22 Postage and Printing | $ 141,000.00 | $ 68,090.60 | $ 14,392.08 | 48% | $ 72,909.40 |
| Office Equipment | $ (40,000.00) | | | | | |
| Maintenance | $ 196,500.00 | $ 45,022.33 | $ 47.12 | 23% | $ 111,477.67 |
| 24b Con 559 Four Winds Group | $ 40,000.00 | $ 13,500.00 | | 33% | $ 27,417.66 |
| MMIS Phases I & II | | | | | | |

---

4-2014 WU BUDGET STATUS

3
<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 Open FRC Accounts Listing Contractual Services</td>
<td>$ (25,000.00)</td>
<td>$541,999.80</td>
<td>$211,063.32</td>
<td>$96,259.94</td>
<td>39%</td>
</tr>
<tr>
<td>27a Con 521 R. W. Beck Inc. Financial Management Planning &amp; Rate Analysis</td>
<td>$8,008.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$8,008.00</td>
</tr>
<tr>
<td>27b Con 506 R. W. Beck Inc. FRC Study for DOW</td>
<td>$1,205.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$1,205.00</td>
</tr>
<tr>
<td>27c PO-38966, Kauai Water Shed Alliance</td>
<td>$75,000.00</td>
<td>$75,000.00</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>27d Con 535 Fukunaga &amp; Assoc. WRP 01 FY 05-06, Kauai Water Use &amp; Developmnt Plan update</td>
<td>$515,460.00</td>
<td>$57,853.77</td>
<td>11%</td>
<td>$457,606.23</td>
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<tr>
<td>27e USGS Joint Funding Agrmt. Water Monitoring Program for the period 10/1/12-9/30/13</td>
<td>$7,837.50</td>
<td>$7,837.50</td>
<td>100%</td>
<td>-</td>
<td></td>
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<tr>
<td>27f UH Rainfall Study (2 years $80K and $70K</td>
<td>$113,507.16</td>
<td>$58,109.16</td>
<td>51%</td>
<td>$55,398.00</td>
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<tr>
<td>27g Special Counsel Services</td>
<td>$25,000.00</td>
<td>$20,875.48</td>
<td>42%</td>
<td>$29,124.52</td>
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</tr>
<tr>
<td>27h Consultant-Re-establish Open FRC Accounts</td>
<td>$40,000.00</td>
<td>-</td>
<td>0%</td>
<td>$40,000.00</td>
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</tr>
<tr>
<td>28 Travel and Incidentals - Board</td>
<td>$25,228.00</td>
<td>$2,515.77</td>
<td>10%</td>
<td>$22,712.23</td>
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<tr>
<td>29 Travel and Incidentals - Staff</td>
<td>$43,820.00</td>
<td>$23,363.94</td>
<td>$1,198.40</td>
<td>53%</td>
<td>$20,456.06</td>
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<tr>
<td>30 Bank Analysis Fee</td>
<td>$155,000.00</td>
<td>$14,150.18</td>
<td>$1,288.50</td>
<td>43%</td>
<td>$140,849.82</td>
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<tr>
<td>31 Miscellaneous</td>
<td>$20,000.00</td>
<td>$8,634.35</td>
<td>$813.83</td>
<td>43%</td>
<td>$11,365.65</td>
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<tr>
<td>32 Auditing Fee</td>
<td>$(8,000.00)</td>
<td>$(70,000.00)</td>
<td>-</td>
<td>0%</td>
<td>$2,000.00</td>
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<tr>
<td>32c Annual Audit Contract No. 537 KMH, LLP</td>
<td>$8,000.00</td>
<td>$70,000.00</td>
<td>$70,000.00</td>
<td>$8,000.00</td>
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<tr>
<td>33 In-Service Training</td>
<td>$88,340.00</td>
<td>$61,481.60</td>
<td>$5,179.50</td>
<td>70%</td>
<td>$26,858.40</td>
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<tr>
<td>34 Supplies - Office &amp; Eng.</td>
<td>$46,000.00</td>
<td>$36,972.14</td>
<td>$1,067.00</td>
<td>80%</td>
<td>$9,027.86</td>
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<tr>
<td>35 Operating Reserve Fund</td>
<td>$175,000.00</td>
<td>$176,593.74</td>
<td>$1,593.74</td>
<td>91%</td>
<td>$18,406.26</td>
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<tr>
<td>36 Public Relations</td>
<td>$86,500.00</td>
<td>$17,705.74</td>
<td>$926.25</td>
<td>20%</td>
<td>$68,794.26</td>
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<tr>
<td>36.2 Con 531 Limtiaco Co, Inc. Public Relations Services</td>
<td>$22,718.04</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$22,718.04</td>
</tr>
<tr>
<td>36.3 Project WET - Source Protection Education</td>
<td>$230,000.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$230,000.00</td>
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<tr>
<td>37 Computer Support and Supplies</td>
<td>$86,500.00</td>
<td>$41,614.90</td>
<td>$3,450.92</td>
<td>48%</td>
<td>$44,885.10</td>
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<tr>
<td>38 Microlab Materials and Supplies</td>
<td>$20,000.00</td>
<td>$8,344.24</td>
<td>$775.50</td>
<td>42%</td>
<td>$11,655.76</td>
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<tr>
<td></td>
<td>$3,059,081.16</td>
<td>$1,190,356.81</td>
<td>$143,901.75</td>
<td>$1,868,724.35</td>
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</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>----------------------------</td>
<td>---</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>40</td>
<td>Vehicle - Materials &amp; Service 150,000.00</td>
<td>$ 125,806.11</td>
<td>$ 28,228.57</td>
<td>84%</td>
<td>$ 24,193.89</td>
</tr>
<tr>
<td>41</td>
<td>Vehicle - Fuel 208,550.00</td>
<td>$ 113,806.39</td>
<td>$ 3,956.32</td>
<td>55%</td>
<td>$ 94,743.61</td>
</tr>
<tr>
<td>42</td>
<td>Utilities 93,600.00</td>
<td>$ 63,929.83</td>
<td>$ 6,101.95</td>
<td>68%</td>
<td>$ 29,670.17</td>
</tr>
<tr>
<td>43</td>
<td>Meter Parts 8,300.00</td>
<td>$ 5,142.32</td>
<td></td>
<td>62%</td>
<td>$ 3,157.68</td>
</tr>
<tr>
<td>43a</td>
<td>Electrical Parts 41,000.00</td>
<td>$ 18,696.46</td>
<td>$ 237.02</td>
<td>46%</td>
<td>$ 22,303.54</td>
</tr>
<tr>
<td>44</td>
<td>Miscellaneous 5,000.00</td>
<td>$ 700.00</td>
<td></td>
<td>14%</td>
<td>$ 4,300.00</td>
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<tr>
<td>44a</td>
<td>Misc. - Tapping Team 8,000.00</td>
<td>$ 2,094.85</td>
<td>$ 1,665.79</td>
<td>26%</td>
<td>$ 5,905.15</td>
</tr>
<tr>
<td>44b</td>
<td>Misc. - Drought Mitigation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>Contractual Services 135,000.00</td>
<td>$ 4,556.28</td>
<td></td>
<td>3%</td>
<td>$ 130,443.72</td>
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<tr>
<td>45a</td>
<td>Con 540, FluidIQS, LLC, SCADA Maintenance 2,678.00</td>
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<td></td>
<td>0%</td>
<td>$ 2,678.00</td>
</tr>
<tr>
<td>45.1</td>
<td>Con 563 Glenmount Global Solutions, SCADA Maint. 67,988.80</td>
<td>$ 34,184.80</td>
<td>50%</td>
<td>$ 33,804.00</td>
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<tr>
<td>47</td>
<td>Materials and Supplies 404,000.00</td>
<td>$ 249,632.09</td>
<td>$ 34,339.12</td>
<td>62%</td>
<td>$ 154,367.91</td>
</tr>
<tr>
<td>48</td>
<td>Collective Bargaining Items 30,000.00</td>
<td>$ 26,612.59</td>
<td>$ 3,090.07</td>
<td>89%</td>
<td>$ 3,387.41</td>
</tr>
<tr>
<td>51</td>
<td>Pump Electrical 3,445,000.00</td>
<td>$ 2,682,319.62</td>
<td>$ 255,639.79</td>
<td>78%</td>
<td>$ 762,680.38</td>
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<td>55</td>
<td>Purchase of Water 2,074,326.00</td>
<td>$ 1,305,087.95</td>
<td>$ 130,134.95</td>
<td>63%</td>
<td>$ 769,238.05</td>
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<td>58</td>
<td>Chemicals 73,000.00</td>
<td>$ 31,119.10</td>
<td>$ 2,039.58</td>
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<td>$ 41,880.90</td>
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<td>59</td>
<td>Safe Drinking Water (60,000.00)</td>
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<td>59.1</td>
<td>Con 576 Eurofins Eaton 60,000.00</td>
<td>$ 20,980.00</td>
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TOTAL OPERATIONS: 6,816,442.80 $ 4,689,315.68 $ 466,285.16 $ 2,127,127.12

INSURANCE AND EMPLOYEE BENEFITS:

<table>
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<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
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<tr>
<td>60</td>
<td>Insurance and Bonds 200,000.00</td>
<td>$ 41,386.00</td>
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<td>60a</td>
<td>Small Claims 10,000.00</td>
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<td>Workmen's Compensation Insurance 150,000.00</td>
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<td>62</td>
<td>Retirement System 862,254.53</td>
<td>$ 575,232.52</td>
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<td>FICA Taxes - Employer's 425,015.92</td>
<td>$ 268,714.60</td>
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<td>$ 156,301.32</td>
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<td>Health, Life, &amp; Dental (EUTF) 531,052.00</td>
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<td>Unemployment</td>
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2,178,322.45 1,278,540.19 119,802.22 899,782.26
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<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
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<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
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<tr>
<td>67</td>
<td>Health &amp; Life Insurance - Retirees &amp; OPEB</td>
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<td><strong>TOTAL NORMAL EXPENDITURES:</strong></td>
<td><strong>$14,563,076.41</strong></td>
<td><strong>$8,037,212.68</strong></td>
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<td><strong>$6,525,863.73</strong></td>
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<tbody>
<tr>
<td>SRF Loan Job 97-5</td>
<td>Hanapepe River Crossing</td>
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<td>Hanapepe 27' Steel Pipe</td>
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<td>$29,656.44</td>
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<td>SRF Loan Job 97-2 PLH-31</td>
<td>Lihue Steel Tanks 1 &amp; 2</td>
<td>$94,475.02</td>
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<td>SRF Loan Job 98-6 WK-07</td>
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<td>SRF Loan Job K-7, LO-13</td>
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<td>SRF Loan Job 2011A</td>
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<td>Provision for Additional Debt Service Requirement</td>
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<td><strong>96%</strong></td>
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<table>
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<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
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<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
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<tbody>
<tr>
<td><strong>TOTAL SALARIES, NORMAL EXPENDITURES, AND DEBT SERVICE REQUIREMENTS:</strong></td>
<td><strong>$28,799,354.70</strong></td>
<td><strong>$20,277,993.19</strong></td>
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<td><strong>$8,521,361.51</strong></td>
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<td>ITEM</td>
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<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
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<td><strong>CAPITAL EXPENDITURES</strong></td>
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<td>101 Capital Improvements</td>
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<td>Con 581 Kalaheo DW1</td>
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<td>Kalaheo DW 1</td>
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<td>Con 577</td>
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<td>Con 577</td>
<td>$ (73,436.32)</td>
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<td>Misc. Other Capital</td>
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<td>Con 560 Brio</td>
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<td>Con 575 Midpac</td>
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<td>103 Office and Engineering</td>
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<td>Con 580 Job 13-07</td>
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<td>Debt Service Reserve</td>
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<td><strong>PAGE 5 SUBTOTALS</strong></td>
<td>$ 26,410,615.80</td>
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<td>ITEM</td>
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<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
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<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
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<tr>
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<td>11/16/05 (101b, 106b) PLH-30 Job 05-05 Nawili-wili, Niumalu &amp; Kupolo Main</td>
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<td>9/22/2011 Con 546, SSFM International, Inc Job 11-01, As Needed Construction Management Services</td>
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<td>11/23/11 BOD Con 562, Goodfellow Brothers Job 02-15, WK-28; Wailua Hse-Its Main Replacement</td>
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<td>89%</td>
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</tr>
<tr>
<td>699</td>
<td>Con 555, Lyon Associates Job 11-10, K-18; 8-inch Main Replacement, Haleiwi Rd, Kalaheo</td>
<td>33,370.49</td>
<td>8,923.99</td>
<td>27%</td>
<td>$ 24,446.50</td>
</tr>
<tr>
<td>700</td>
<td>9/22/2011 Con 545, AECOM Technical Svc Job 11-11, J-17, PLH-42 Water Treatment Facilities</td>
<td>56,213.69</td>
<td>25,980.51</td>
<td>46%</td>
<td>$ 30,233.18</td>
</tr>
<tr>
<td>702</td>
<td>Con 539, Mears Group, Inc. PLH-03, Kahili Directionally Drilled Horizontal Well</td>
<td>1,549,438.00</td>
<td>80,650.00</td>
<td>5%</td>
<td>$ 1,468,788.00</td>
</tr>
<tr>
<td>707</td>
<td>Con 553, Esaki Surveying &amp; Map Job 12-1; H-05, Weke, Ana, Mahimahi and Hee Road; 6” and 8” Main replacement</td>
<td>115,567.17</td>
<td>55,213.07</td>
<td>48%</td>
<td>$ 60,354.10</td>
</tr>
<tr>
<td>709</td>
<td>Con 557, Okahara, Job 11-07 HE-03 Hanapepe &amp; Koloa Well MCC Improvements</td>
<td>(50,015.00)</td>
<td>58,761.80</td>
<td>27%</td>
<td>$ 106,367.00</td>
</tr>
<tr>
<td>710</td>
<td>Con 558, R. Electric Job 12-8; Kalepa Back Pressure Valve Replacement</td>
<td>11,602.26</td>
<td>11,602.26</td>
<td>100%</td>
<td>$ -</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>------------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>---</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Con 560, EMA Inc.</td>
<td>370,000.00</td>
<td>199,301.00</td>
<td>90%</td>
<td>$ 392,199.00</td>
<td></td>
</tr>
<tr>
<td>IT Review &amp; Assessment</td>
<td>221,500.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning &amp; Implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 561, Goodfellow Brothers</td>
<td>904,722.53</td>
<td>703,998.03</td>
<td>78%</td>
<td>$ 200,724.50</td>
<td></td>
</tr>
<tr>
<td>Job 02-19; WK-12; Main Replacement, Kuhio Hwy, Wailua</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 564, R. Electric, Inc.</td>
<td>51,150.35</td>
<td>&quot;FINAL&quot; 51,150.35</td>
<td>100%</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Furnish &amp; Install, reduced Voltage soft starters, Power Factor Correction Capacitors, Surge Protective Devices.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 566, Koga Engineering &amp; Job 04-03, WK-30, Pipeline replacement along Waipouli Rd &amp; Olo-hena Road</td>
<td>1,281,071.70</td>
<td>1,051,251.95</td>
<td>82%</td>
<td>$ 229,819.75</td>
<td></td>
</tr>
<tr>
<td>Con 569, Inter Pacific Motors, Inc.</td>
<td>99,160.98</td>
<td>-</td>
<td>0%</td>
<td>$ 99,160.98</td>
<td></td>
</tr>
<tr>
<td>(1) 2WD Truck w/Cab &amp; Chassis with Service Body, underdeck</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PTO Air Compressor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 570, Glenmount Global Solutions, Inc., SCADA Server System Replacement and Upgrade</td>
<td>8,212.47</td>
<td>164,234.53</td>
<td>100%</td>
<td>$ 8,212.47</td>
<td></td>
</tr>
<tr>
<td>Con 571, Allied Machinery</td>
<td>72,395.37</td>
<td>&quot;FINAL&quot; 72,395.37</td>
<td>100%</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Trailer mounted 125 KVA Emergency Diesel Generator</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 573 Pacific Pipe Co.</td>
<td>291,094.10</td>
<td>&quot;FINAL&quot; 291,094.10</td>
<td>100%</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>GS-2013-5 Hydrants &amp; Appurtenances</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 577 Oasis Water Systems</td>
<td>14,158.90</td>
<td>&quot;FINAL&quot; 84,095.22</td>
<td>115%</td>
<td>$ 3,500.00</td>
<td></td>
</tr>
<tr>
<td>EP-2013-1 Emergency Replace Pump &amp; Motor Lawai Well #2</td>
<td>73,436.32</td>
<td>73,436.32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/28/13 (106 + 103) Con 575 Midpac Auto Center</td>
<td>120,001.00</td>
<td>&quot;FINAL&quot; 120,001.00</td>
<td>100%</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>(1) SUV 4Dr 4WD &amp; (2) $WD Extended Cab Pickup Truck</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 568 Okahara &amp; Associates</td>
<td>92,000.00</td>
<td>-</td>
<td>0%</td>
<td>$ 92,000.00</td>
<td></td>
</tr>
<tr>
<td>Job 12-04; HE-14 Hanapepe Elelele BP Replace</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 578 HT&amp;T Hawaii, LLC</td>
<td>183,197.29</td>
<td>-</td>
<td>0%</td>
<td>$ 183,197.29</td>
<td></td>
</tr>
<tr>
<td>64,000 lb GVWR Truck Cab and Chassis w/ 10 cyd dump body</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 579 Fukunaga &amp; Associates</td>
<td>20,475.00</td>
<td>7,947.00</td>
<td>39%</td>
<td>$ 12,528.00</td>
<td></td>
</tr>
<tr>
<td>Job 13-5; WKK-09 Kolo Road Main Replace - Kilauea</td>
<td>7,947.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 580 Okahara &amp; Associates, Inc.; Job 13-07 Koloa Well &quot;D&quot; repairs</td>
<td>59,088.00</td>
<td>-</td>
<td>0%</td>
<td>$ 59,088.00</td>
<td></td>
</tr>
<tr>
<td>Con 581 Oasis Water Systems</td>
<td>30,852.96</td>
<td>-</td>
<td>0%</td>
<td>$ 30,852.96</td>
<td></td>
</tr>
<tr>
<td>Kalaheo Deepwell No. 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
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<td>-----------------------------</td>
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<td>-----------------------------------------------</td>
</tr>
<tr>
<td>729</td>
<td>75,432.23</td>
<td>-</td>
<td>0%</td>
<td>$75,432.23</td>
<td></td>
</tr>
<tr>
<td>730</td>
<td>37,277.69</td>
<td>-</td>
<td>0%</td>
<td>$37,277.69</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL CAPITAL EXPENDITURES: 37,566,398.18 6,817,679.35 17,903.29 30,779,571.79

TOTAL SALARIES, NORMAL EXPENDITURES, DEBT REQUIREMENTS AND CAPITAL EXPENDITURES: 66,365,752.88 27,095,672.54 1,211,046.25 41% $39,300,933.30
### REVENUES:

Cash on hand as of July 1, 2013  
$ 2,663,693.54

Add: Revenues To Date  
$ 1,200,449.44

Sub-Total  
$ 3,864,142.98

### EXPENDITURES:

Less: Expenditures To Date  
$ 2,577,456.00

### BALANCE AT THE END OF THE MONTH

$ 1,286,686.98

### SHORT TERM INVESTMENTS-FRC

<table>
<thead>
<tr>
<th>BANK OF HAWAII</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSIP#</td>
</tr>
<tr>
<td>CENTRAL PACIFIC BANK</td>
</tr>
<tr>
<td>CUSIP#</td>
</tr>
<tr>
<td>FIRST HAWAIIAN BANK</td>
</tr>
<tr>
<td>CUSIP#</td>
</tr>
<tr>
<td>MERRILL LYNCH</td>
</tr>
<tr>
<td>CUSIP#</td>
</tr>
<tr>
<td>MULTI-BANK</td>
</tr>
<tr>
<td>CUSIP#</td>
</tr>
<tr>
<td>CUSIP#</td>
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<tr>
<td>CUSIP#</td>
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<tr>
<td>CUSIP#</td>
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<tr>
<td>CUSIP#</td>
</tr>
<tr>
<td>TDI (CSA)</td>
</tr>
<tr>
<td>CUSIP#</td>
</tr>
<tr>
<td>VINING SPARKS</td>
</tr>
</tbody>
</table>

### TOTAL SHORT-TERM INVESTMENTS - FRC

$ 1,730,000.00

| CASH ON WITH TREASURER - COK | 04/30/14 | $ (1,970,048.08) |
| CASH ON HAND - FHB Savings (30-288435) | 04/30/14 | $ 1,545,135.06 |

Due from WU
Due to WU
April Claims paid in April
Less: CLAIMS FOR April 2014  
$ (18,400.00)  
(443,313.02)

### CASH BALANCE AT THE END OF THE MONTH

$ 1,286,686.98
### Facilities Reserve Charge

**FACILITIES RESERVE CHARGE**

**% Budget Elapsed** | 83.33%

<table>
<thead>
<tr>
<th>CASH RECEIPTS</th>
<th>BUDGETED RECEIPTS</th>
<th>ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>% BALANCE OF BUDGET OVER ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 2,663,693.54</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

4a Facilities Reserve Charge | $ 1,500,000.00 | $ 900,100.00 | $ 46,500.00 | 60% | $ 599,900.00 |

5a Interest Earned | $ 12,000.00 | $ 19,824.92 | $ 1,045.23 | 165% | $ (7,824.92) |

5b BAB Subsidy | $ 278,253.09 | $ 280,524.52 | $ 1,045.23 | 101% | $ (2,271.43) |

**TOTAL RESOURCES** | $ 4,453,946.63 | $ 1,200,449.44 | $ 29,145.23 | 27% | $ 3,253,497.19 |

### Capital Expenditures

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>% BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 FRC CIP</td>
<td>$ 150,003.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ 150,003.00</td>
</tr>
</tbody>
</table>

| 301b FRC Fund Balance | $ 1,532,886.75 | $ -                              | $ -                         | 0% $ 1,532,886.75 |

| 301c FRC Debt Service | $ 2,495,227.21 | $ 2,495,227.00 | $ 2,495,227.21 | 100% $ 0.21 |

| 302 Contract #322 GMP Assoc, Inc. Job 87-1 Poipu Storage Tank | 08/01/99 | $ 2,050.00 | $ - | $ - | 0% $ 2,050.00 |

| 304 WK-21 Contract #345 Fukunaga & Assoc. Job 98-33 Wailua Well 3 3/8/06 (301, 301b) | 10/12/98 | $ 10,500.00 | $ - | $ - | 0% $ 10,500.00 |

| 318 Con 457 Kodani & Assoc Inc H-8 HW-12 Job 05-02 Drill & Test Wainiha Well No. 4 | 3/26/06 (301, 301b) | $ 110,905.00 | $ 68,636.00 | $ 42,269.00 |

<p>| 318 Con 457 Kodani &amp; Assoc Inc H-8 HW-12 Job 05-02 Drill &amp; Test Wainiha Well No. 4 | 3/26/06 (301, 301b) | $ - | $ - | $ - |</p>
<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><strong>03/31/08 (301, 301b)</strong></td>
<td><strong>$ 111,950.00</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 111,950.00</td>
</tr>
<tr>
<td>Con 488 HDR Engineering WK-39 Kapaa Hmstds Well No. 4 Drill &amp; Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1/28/13 (301)</strong></td>
<td><strong>$ 40,425.00</strong></td>
<td>$ 13,593.00</td>
<td>$ 26,832.00</td>
<td></td>
<td>$ 26,832.00</td>
</tr>
<tr>
<td>Con 567 Esaki Surveying &amp; Mapping, Inc.; Job 12-2, WK-23 UH Experimental Stn 605’ Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>$ 4,453,946.96</strong></td>
<td><strong>$ 2,577,456.00</strong></td>
<td>$ -</td>
<td></td>
<td><strong>$ 1,876,490.96</strong></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
BOND - BAB FUND
April 30, 2014

REVENUES:

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

Sub-Total $ 26,029,967.39

EXPENDITURES:

Less: Expenditures To Date $ 1,868,476.83

BALANCE AT THE END OF THE MONTH $ 24,161,490.56

SHORT TERM INVESTMENTS - BOND

BANK OF HAWAII

FIRST HAWAIIAN BANK

CUSIP# 1062140 0.6400% INT. DUE 12/29/15 $ 21,700,000.00

TOTAL SHORT-TERM INVESTMENTS - BOND $ 21,700,000.00

CASH ON HAND WITH TREASURER - COK 04/30/14 220,696.65

BAB Bond Interest Earned with Bond Company 10/31/13 2,247,305.44
Due from WU

Claims Paid in April 2014

LESS CLAIMS FOR April 2014 04/30/14 (6,511.53) $ 2,461,490.56

BALANCE AT THE END OF THE MONTH $ 24,161,490.56
## BUILD AMERICA BONDS (BABs) - FUND

### CASH RECEIPTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budgeted Receipts</th>
<th>Total Actual Receipts To Date</th>
<th>Receipts For The Month</th>
<th>Balance of Budget Over Total Actual Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEGINNING CASH BALANCE</strong></td>
<td>$23,782,661.67</td>
<td>-</td>
<td>-</td>
<td>$23,782,661.67</td>
</tr>
<tr>
<td><strong>Interest Income, Accrued</strong></td>
<td>$2,247,305.72</td>
<td>-</td>
<td>-</td>
<td>$2,247,305.72</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$100,000.00</td>
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<td></td>
<td>$100,000.00</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES</strong></td>
<td>$26,129,967.39</td>
<td>-</td>
<td>-</td>
<td>$26,129,967.39</td>
</tr>
</tbody>
</table>

### CAPITAL EXPENDITURES:

<table>
<thead>
<tr>
<th>Description</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>Con 427 Belt Collins</td>
<td>$2,300.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 428 Brown &amp; Caldwell</td>
<td>$23,795.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State of Hawaii Hwy</td>
<td>$(603,320.00)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encumbered Projects</td>
<td>$754,500.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$22,725,168.65</td>
<td>$391,690.77</td>
<td>$13,003.78</td>
<td>$22,333,477.88</td>
</tr>
</tbody>
</table>
### BUILD AMERICA BONDS (BABs) - FUND

#### % Budget Elapsed
- **83.33%**

#### CAPITAL EXPENDITURES:

<table>
<thead>
<tr>
<th>#</th>
<th>Description</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>225</td>
<td>Con 405 3rd n 4th Amm Kodani &amp; Associates, Inc. Job 02-19, KW-12 Waipouli Main Repl Wailua-Kapa</td>
<td>$3,651.28</td>
<td>$1,900.00</td>
<td>52%</td>
<td></td>
<td>$1,751.28</td>
</tr>
<tr>
<td>592</td>
<td>6/28/11 Con 409 Esaki Surveying &amp; Mapping, Inc.; Job 02-16, WK-36, P/L replace - Wailua</td>
<td>$23,264.35</td>
<td>$(6,492.25)</td>
<td>$(6,492.25)</td>
<td>29,756.60</td>
<td></td>
</tr>
<tr>
<td>230</td>
<td>Con 529 (201-01) Oceanic Company, Inc. Job 02-08, HE-08 Rehabilitation of Eleele Twin 0.4 MG Steel Tanks</td>
<td>$433,425.72</td>
<td>$419,657.59</td>
<td>97%</td>
<td></td>
<td>$13,768.13</td>
</tr>
<tr>
<td>621</td>
<td>Con 440 Kodani &amp; Associates, Inc. Kilauea 1.0 MG Tank and Pipeline, Ph I (fr W/U)</td>
<td>$86,040.20</td>
<td>$73,495.00</td>
<td></td>
<td></td>
<td>$12,545.20</td>
</tr>
<tr>
<td><strong>SUB - TOTAL</strong></td>
<td></td>
<td><strong>$546,381.55</strong></td>
<td><strong>$488,560.34</strong></td>
<td>$(6,492.25)</td>
<td>$57,821.21</td>
<td></td>
</tr>
</tbody>
</table>

#### Status of the Budget

**JULY 1, 2013 TO JUNE 30, 2014**

**April 30, 2014**

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DEPARTMENT OF WATER
County of Kauai
STATUS OF THE BUDGET
JULY 1, 2013 TO JUNE 30, 2014
April 30, 2014

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4-2014 BAB BUDGET STATUS
## BUILD AMERICA BONDS (BABs) - FUND

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURE S FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Con 530 (201-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earthworks Pacific</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job 02-19, WK-12</td>
<td>$211,787.34</td>
<td>$53,561.04</td>
<td></td>
<td>25%</td>
<td>$158,226.30</td>
</tr>
<tr>
<td>Waipouli Main Replacement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 427 (201-01)</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Belt Collins Hawaii, Ltd.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Job 02-14, Kapaa Hmstds</td>
<td>$2,300.00</td>
<td>$25,817.34</td>
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<td>$28,117.34</td>
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<tr>
<td>0.5 MG Storage Tank &amp; Kapahi 1.0 MG Storg Tank</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Con 427 (201-01)</td>
<td></td>
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<tr>
<td>Belt Collins Hawaii, Ltd.</td>
<td></td>
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<tr>
<td>Job 02-14, Kapaa Hmstds</td>
<td>$25,922.00</td>
<td>$-</td>
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<td>0%</td>
<td>$25,922.00</td>
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<tr>
<td>0.5 MG Storage Tank &amp; Kapahi 1.0 MG Storg Tank</td>
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<tr>
<td>Con 533 (201-01)</td>
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<tr>
<td>Job K-01, K-12, Kalaheo 1111' and 1222' Water System Improvements</td>
<td>$412,148.82</td>
<td>$-</td>
<td></td>
<td>0%</td>
<td>$412,148.82</td>
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<td>Con 10-02, MOA Dept of Trans portation/Kiewit-Kaumualii Hwy widening, Anonui Rd and Lihue Mill Bridge.</td>
<td>$151,027.27</td>
<td>$-</td>
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<td>0%</td>
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<tr>
<td>6/28/2011 (201-01)</td>
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<tr>
<td>Con 536, Esaki Surveying &amp; Mapping, Inc., Job 11-02, PLH-01a Replace Grove Farm Tanks #1 &amp; #2</td>
<td>$198,023.00</td>
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<td>0%</td>
<td>$198,023.00</td>
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<td>Con 544, HONUA Engineering, Job 11-04 (L-08, L-10) Water Main Replacement &amp; Service Improvement</td>
<td>$29,654.95</td>
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<td>6/28/11 Con 512 - Architects Hawaii, Ltd., Job No. PLH-39; Lihue Baseyard Improvements for DOW</td>
<td>$1,542.70</td>
<td>$1,466.25</td>
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<td>95%</td>
<td>$76.45</td>
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## BUILD AMERICA BONDS (BABs) - FUND

### % Budget Elapsed

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES S TO DATE</th>
<th>EXPENDITURE S FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
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</thead>
<tbody>
<tr>
<td>Con 542, (201-01)</td>
<td></td>
<td></td>
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<tr>
<td>MEL Corporation</td>
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<tr>
<td>239</td>
<td>$ 686,705.12</td>
<td>$ 276,328.78</td>
<td>40%</td>
<td>$ 410,376.34</td>
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<td>Job 02-17, H-01, H-02, H-03</td>
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<td>Con 543, (201-01)</td>
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<tr>
<td>Oceaneit Laboratories, Inc.</td>
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<td>Job 11-03, M-03</td>
<td>$ 75,615.00</td>
<td>$ 17,390.00</td>
<td>23%</td>
<td>$ 58,225.00</td>
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<td>Land &amp; Well Acquisition, Moloa and Waimea, Kauai</td>
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<td>Con 457, (201-01)</td>
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<tr>
<td>Kodani &amp; Associates Inc.</td>
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<tr>
<td>Job 05-02, H-8, HW-12</td>
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<tr>
<td>241</td>
<td>$ 32,430.00</td>
<td>$ -</td>
<td>0%</td>
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<td>Drill &amp; Test Hanalei Well #2 &amp; Wainiha Well #4</td>
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<tr>
<td>Contract 550 (201-01)</td>
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<td>Honua Engineering, Inc.</td>
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<td>Job 11-06, WK-01</td>
<td>$ 81,340.00</td>
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<td>$ 81,340.00</td>
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<td>Con 551, (201-01)</td>
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<tr>
<td>Esaki Surveying &amp; Mapping, Inc</td>
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<tr>
<td>Job K-05A, Kukuiolono 0.5 MG</td>
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<td></td>
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<tr>
<td>244</td>
<td>$ 202,766.65</td>
<td>$ 12,364.65</td>
<td>6%</td>
<td>$ 190,402.00</td>
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<tr>
<td>886’ Tank</td>
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<td>Con 429, Esaki Surveying &amp; Mapping, Inc.</td>
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<tr>
<td>Job 02-11, M-02, 100,000 Gal.</td>
<td>$ 94,222.00</td>
<td>$ -</td>
<td>0%</td>
<td>$ 94,222.00</td>
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<tr>
<td>610</td>
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<td></td>
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<tr>
<td>Tank &amp; Pipeline, Moloa</td>
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<tr>
<td>8/28/13 (201-01)</td>
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<tr>
<td>Con 428 Brown &amp; Caldwell</td>
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<tr>
<td>Job 03-02 Wainiha Pump Stn + Haena Steel Tank HW-02+03</td>
<td>$ 23,795.00</td>
<td>$ 23,795.00</td>
<td>$ -</td>
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<tr>
<td>UA#2155 State of Hawaii</td>
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<tr>
<td>Job 10-02, MOA Dept of Transportation/Kiewit-Kaumualii Hwy Improvements, Lihue Mill Bridge to Rice Street.</td>
<td>$ 603,320.00</td>
<td>$ 603,320.00</td>
<td>$ -</td>
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<tr>
<td>245</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$ 26,129,967.39</td>
<td>$ 1,868,476.83</td>
<td>$ 6,511.53</td>
<td></td>
<td>$ 24,261,490.56</td>
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</table>
**BILLED REVENUES COMPARATIVE REPORT**  
**AS OF MAY FY 2012, 2013 & 2014**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$1,724,579</td>
<td>$2,346,892</td>
<td>$2,389,827</td>
<td>$42,935</td>
<td>1.83%</td>
</tr>
<tr>
<td>August</td>
<td>$3,660,136</td>
<td>$4,399,666</td>
<td>$4,918,306</td>
<td>$518,640</td>
<td>11.79%</td>
</tr>
<tr>
<td>September</td>
<td>$5,753,515</td>
<td>$6,828,224</td>
<td>$7,671,889</td>
<td>$843,665</td>
<td>12.36%</td>
</tr>
<tr>
<td>October</td>
<td>$7,408,261</td>
<td>$9,056,386</td>
<td>$9,818,946</td>
<td>$762,560</td>
<td>8.42%</td>
</tr>
<tr>
<td>November</td>
<td>$9,166,600</td>
<td>$11,423,911</td>
<td>$12,376,080</td>
<td>$952,169</td>
<td>8.33%</td>
</tr>
<tr>
<td>December</td>
<td>$10,693,795</td>
<td>$13,338,790</td>
<td>$14,285,570</td>
<td>$946,779</td>
<td>7.10%</td>
</tr>
<tr>
<td>January</td>
<td>$12,400,040</td>
<td>$16,163,728</td>
<td>$16,437,541</td>
<td>$273,813</td>
<td>1.69%</td>
</tr>
<tr>
<td>February</td>
<td>$13,853,766</td>
<td>$18,406,878</td>
<td>$18,303,539</td>
<td>(103,339)</td>
<td>-0.56%</td>
</tr>
<tr>
<td>March</td>
<td>$15,531,367</td>
<td>$20,193,748</td>
<td>$20,061,637</td>
<td>(132,112)</td>
<td>-0.65%</td>
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<tr>
<td>April</td>
<td>$17,074,174</td>
<td>$22,016,200</td>
<td>$22,054,373</td>
<td>$38,173</td>
<td>0.17%</td>
</tr>
<tr>
<td>May</td>
<td>$18,787,860</td>
<td>$23,983,717</td>
<td>$24,351,290</td>
<td>$367,573</td>
<td>1.53%</td>
</tr>
</tbody>
</table>

**BILLED REVENUES COMPARATIVE CHART**

1 revenue comparison
<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>Cum. Inc (Dec)</th>
<th>% of Inc (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$1,564,012</td>
<td>$1,964,915</td>
<td>$2,594,170</td>
<td>$629,255</td>
<td>32%</td>
</tr>
<tr>
<td>August</td>
<td>$3,564,618</td>
<td>$4,275,571</td>
<td>$5,157,089</td>
<td>$881,518</td>
<td>21%</td>
</tr>
<tr>
<td>September</td>
<td>$5,250,808</td>
<td>$6,370,743</td>
<td>$7,551,676</td>
<td>$1,180,934</td>
<td>19%</td>
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<tr>
<td>October</td>
<td>$7,221,874</td>
<td>$9,006,500</td>
<td>$10,458,869</td>
<td>$1,452,369</td>
<td>16%</td>
</tr>
<tr>
<td>November</td>
<td>$8,905,488</td>
<td>$11,197,586</td>
<td>$12,235,628</td>
<td>$1,038,042</td>
<td>9%</td>
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<tr>
<td>December</td>
<td>$10,706,608</td>
<td>$13,332,029</td>
<td>$14,412,589</td>
<td>$1,080,560</td>
<td>8%</td>
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<tr>
<td>January</td>
<td>$12,254,208</td>
<td>$15,496,524</td>
<td>$16,359,772</td>
<td>$863,248</td>
<td>6%</td>
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<td>February</td>
<td>$13,957,587</td>
<td>$17,978,954</td>
<td>$17,959,523</td>
<td>$(19,431)</td>
<td>0%</td>
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<tr>
<td>March</td>
<td>$15,532,851</td>
<td>$20,124,259</td>
<td>$20,040,053</td>
<td>$(84,206)</td>
<td>0%</td>
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<tr>
<td>April</td>
<td>$17,121,465</td>
<td>$22,135,604</td>
<td>$21,992,934</td>
<td>$(142,670)</td>
<td>-1%</td>
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<td>May</td>
<td>$18,877,191</td>
<td>$23,853,871</td>
<td>$23,982,830</td>
<td>$128,959</td>
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</tbody>
</table>

**Cash Receipts Comparative Chart**

As of May, FY 2012, 2013 & 2014

![Cash Receipts Comparative Chart](chart.png)
<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>CUM. INC (DEC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>349,500</td>
<td>436,238</td>
<td>391,161</td>
<td>-45,077</td>
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<tr>
<td>August</td>
<td>748,067</td>
<td>797,837</td>
<td>774,839</td>
<td>-22,998</td>
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<tr>
<td>September</td>
<td>1,172,622</td>
<td>1,213,013</td>
<td>1,191,526</td>
<td>-21,487</td>
</tr>
<tr>
<td>October</td>
<td>1,507,452</td>
<td>1,597,947</td>
<td>1,520,781</td>
<td>-77,166</td>
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<tr>
<td>November</td>
<td>1,857,997</td>
<td>1,996,810</td>
<td>1,865,830</td>
<td>-130,980</td>
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<td>December</td>
<td>2,164,504</td>
<td>2,302,086</td>
<td>2,154,495</td>
<td>-147,591</td>
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<tr>
<td>January</td>
<td>2,505,086</td>
<td>2,755,898</td>
<td>2,472,004</td>
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<tr>
<td>February</td>
<td>2,790,363</td>
<td>3,122,872</td>
<td>2,758,049</td>
<td>-364,823</td>
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<td>3,446,231</td>
<td>3,019,916</td>
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<td>3,381,673</td>
<td>3,781,226</td>
<td>3,321,000</td>
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<td>$2,505,086</td>
<td>4,116,546</td>
<td>3,669,355</td>
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**AFS error in billing AJE**

288,133                          288,133

Adjustment

METERED CONSUMPTION (000 GALLONS) COMPARATIVE REPORT
AS OF MAY FY 2012, 2013 & 2014
(expressed in thousands)

WATER CONSUMPTION COMPARATIVE CHART

3 consumption (000 gallons)
PR SPECIALIST REPORT
June 26, 2014

Kalaheo Water Shortage
The following notifications were disseminated to the public via press releases, Connect CTY, Facebook and printed media articles. In addition to this list, there were numerous radio and television media stories and updates.

Many thanks go out to the Department’s staff for assisting PR with calls from the public and providing other support as needed. Special thanks go out particularly to the Office of the Mayor’s communication team, for assisting PR with many calls from the public and helping to distribute timely information throughout this water emergency.

- **May 25, 2014 (Water conservation request issued for Kalaheo Area)** – The Department issued a water conservation request via press release, Connect CTY and Facebook, for the entire Kalaheo area after its backup deep well became inoperable on the night of May 24, 2014. Residents and businesses were asked to limit water consumption to essential uses only until further notice.
  - May 25, 2014 – “Kauai residents asked to conserve water due to damaged water well,” by Hawaii News Now (attached)
  - May 25, 2014 – “Kauai asks Kalaheo residents to conserve water,” by Honolulu Star Advertiser (attached)
  - May 26, 2014 – “Water conservation requested,” by The Garden Island (attached)
  - May 26, 2014 – DOW Facebook update on continued urgent water conservation

- **May 27, 2014 (DOW urges Kalaheo residents to continue water conservation)** – The Department issued an update via press release, Connect CTY and Facebook, requesting for urgent water conservation measures in order to avoid a full and prolonged water outage. It was reported that the extent of damage to the backup deep well was unknown and that the Department’s contractors were working diligently to pull up the well’s 1,000-foot long shaft. It was reported that a timeline for repairs was unknown and that approximately 1,625 customers in Kalaheo may be affected by a water outage. Water buffalos for essential uses were made available at Kukuiolono Park.
  - May 27, 2014 – DOW Facebook update on a water tanker at Kalaheo Neighborhood Center.

- **May 28, 2014 (Intermittent water outages for extended period of time in Kalaheo)** – The Department announced to Kalaheo residents via press release, Connect CTY and Facebook, to prepare for intermittent low water pressure and water outages for an extended period of time. It was reported that the Department’s contractor had not yet reached the point of damage to the over 1,000-foot long shaft that was damaged late Saturday, May 24. It was reported that a timeline for repairs was still unknown, and that the Department had been working with the Department of Public Works throughout the night to deliver water to the Kalaheo tank sites to temporarily alleviate the water outages. Water buffalos were still
available for essential uses. The Department also provided a tanker with non-drinkable water located at Kalaheo Neighborhood Center, for toilet flushing only.

- **May 28, 2014 (Water outage in Kakela Makai; all Kalaheo residents asked to continue water conservation)** – The Department announced via press release, Connect CTY and Facebook, to residents of Kakela Makai subdivision that they would experience no water or low water pressure until further notice. Shower facilities were made available for residents at Hanapepe Stadium and Vidinha Stadium until Friday, May 30. Water conservation became critical and residents were strongly urged to heed the Department’s request. The Department also requested, via press release and radio PSAs, that the public sign up for the Connect CTY notification service.
  - May 29, 2014 – A letter and complimentary case of water were hand-delivered to residents with no water service at all, residents unable to leave their home, and residents who were signed up for home-delivered meals. A crew from Operations and a crew from Public Works distributed the letters and cases of water.

- **May 29, 2014 (Partial Closure of Kaumualii Highway through Thursday night)** – The Department announced via press release and Facebook, the partial closure of Kaumualii Highway’s westbound lane, between Lauoho Road and Anuhea Place intersections in Kalaheo, from 7 p.m. Thursday, May 29, to 6 a.m. Friday, May 30. The closure would allow the Department to install a temporary pipeline that would provide supplementary water service to the Kalaheo area.

- **May 29, 2014 (Kalaheo community invited to a meeting for water service update)** – The Office of the Mayor announced via press release and Facebook, a Kalaheo community meeting, held by the Mayor and representatives of the Department of Water, on Saturday, May 31, at 12:00 noon, at the Kalaheo Neighborhood Center gymnasium. The purpose of the meeting would be to discuss the latest developments on the Kalaheo water outage and interact with the community on its needs while the system is being repaired.

- **May 29, 2014 (DOW estimates 4 to 6 weeks to complete Kalaheo well repairs)** – The Department announced via press release, Connect CTY and Facebook, that a full restoration of the Kalaheo well could take up to four to six weeks to complete. The Department reminded residents that water conservation measures are made critical at this time. Residents were also reminded to prepare for possible intermittent low water pressure and water outages. Shower facilities were scheduled until Sunday, June 1st. Water buffalos for essential uses were now located at Kukuiolono Park and on Milia Street in Kakela Makai. The water tanker with non-drinkable water for toilet flushing was still located at Kalaheo Neighborhood Center.

- **May 31, 2014 (Kalaheo community gathers for water update meeting)** – The Department reported via press release and Facebook, that around 200 Kalaheo residents and business
representatives attended the public community meeting held on Saturday, May 31. The Department presented information on the known damages that occurred to the Kalaheo deep wells, the current progress of the repairs, and the temporary installations that were being worked on. Officials also answered questions from the public.

- June 1, 2014 – “Kalaheo braces for long water shortage,” by Chris D’Angelo, The Garden Island (attached)
- June 3, 2014 – DOW Facebook and Connect CTY water conservation reminder
- June 3, 2014 – DOW Facebook shower facilities update

**June 4, 2014 (DOW installs temporary pump to Kalaheo deep well)** – The Department announced via press release, Connect CTY and Facebook, the installation of a temporary low capacity submersible pump to its Kalaheo deep well. The temporary pump will provide supplemental water service to the Kalaheo area until full restorations are completed. All areas of Kalaheo were reported to have water service. The Department continued to remind residents the necessity of water conservation for essential needs only, even if water pressure appeared normal. Essential uses now included necessary laundry washing. In addition to the temporary pump, the Department announced the installation of the temporary pipeline and booster pump that supplements the transmission of water to the Kukuiolono and Kakela Makai tanks. With the greater productivity of these temporary installations, the Department suspended manual water delivery methods and shower facilities were no longer necessary. The Department thanked the public, its contractors, the Department of Public Works, the Department of Parks and Recreation, and the Office of the Mayor.

- June 4, 2014 – DOW mailed water conservation notification letters out to all Kalaheo residents
- June 6, 2014 – “DOW installs temporary pump in Kalaheo,” by The Garden Island (attached)
- June 6, 2014 – DOW Facebook and Connect CTY water conservation reminder
- June 9, 2014 – DOW placed two electronic message boards, one northbound and one southbound, on Kaumualii Highway, reminding Kalaheo residents to conserve water
- June 10, 2014 – DOW Facebook and Connect CTY water conservation reminder
- June 13, 2014 – DOW Facebook water conservation reminder

**Other Press Releases**

**June 17, 2014 (DOW’s cost of power adjustment rate to decrease July 1)** – The Department announced a decrease in its cost of power adjustment rate effective July 1. The new power adjustment cost of $0.12 per thousand gallons is a $0.04 decrease from the prior fiscal year.

**June 20, 2014 (Waipouli, Oloheana pipeline replacements completed)** – The Department announced the completion of a $1.7 million capital replacement project for the Wailua-Kapaa water system. The project involved a number of improvements including the installation of
approximately 3,272 linear feet of 8-inch ductile iron pipe on Olohena Road and 1,869 linear feet of 6-inch ductile iron pipe on Waipouli Road. Other installations included new pressure reducing valves, fire hydrants, service laterals, meter boxes and drainage facilities.

- **June 25, 2014 (DOW’s 2014 water quality reports available July 1)** – The Department announced it will release its 2014 water quality reports online starting July 1. A report for each of the nine water systems, covering from Jan. 1 to Dec. 31, 2013, will be accessible on [www.kauaiwater.org](http://www.kauaiwater.org).

**Project WET for Source Water Protection Education Grant**
The Project WET Teachers’ Workshops on Kauai, Maui, Oahu, Hilo and Kona, have been confirmed and scheduled for the week of July 21 to July 25. Flyers were disseminated to all islands’ elementary schools via mail, email, website and social media. A contract to hire Sue Alfeld Consulting as the workshop facilitator has been drafted. The Project WET Curriculum and Activity Guides have been ordered. The source water protection educational curriculum booklet has been compiled and sent for printing and binding. An additional activity called “The Jug” aquifer kit, has also been ordered for teachers attending the workshop. A meeting was held with Dan Chang (DOH) on May 30, 2014 to discuss an update and additional planning.

**Kauai Make-a-Splash with Project WET Water Festival**
Planning for the 2014 MAS festival continues. Invitations were sent to all schools and volunteers. Tents were reserved and numerous logo items for the student gift bags were ordered. Activity supplies were also organized and inventoried from the PR trailer.

**Conservation**
A summer media campaign with the Honolulu Board of Water Supply has been launched. The campaign includes five to six months of cable TV commercials and radio advertisements centered on the message of water conservation. DOW’s radio ads are currently scheduled on KONG radio.

An advertisement and supplementing article were submitted for the Fall Edition of Kauai Family Magazine. The article and ad will describe the upcoming Make-a-Splash with Project WET water festival.

**Miscellaneous:**
- PR Intern Bryanna Pacleb started on June 2, 2014. Bryanna has been helping with the planning of Make-a-Splash with Project WET, and has helped to renew the Department’s hurricane preparedness supplies.
- Ordered shirts and logo items for the upcoming HWWA conference in October.
- Attended the Employee Council meeting on June 10, 2014. Discussed the upcoming plans for a “Fried Rice Challenge” event on July 31, 2014.
- Attended the First Aid and CPR/AED Training on June 18, 2014.
- The Department and Goodfellow Bros., Inc. hosted a small dedication for the completion of the Wailua Houselots Main Replacement project, on June 23, 2014.
• Kim Tamaoka will be in Big Sky, Montana, from June 23 to June 27, 2014, attending the “Project WET – Sustaining the Blue Planet Global Water Education Conference.” Sandi Nadatani-Mendez will be TA-ing for her during this time.

Respectfully submitted,

Kim Tamaoka
Public Relations Specialist

KT: ein

Attachments: May 25, 2014 – “Kauai residents asked to conserve water due to damaged water well,” by Hawaii News Now
May 25, 2014 – “Kauai asks Kalaeo residents to conserve water,” by Honolulu Star Advertiser
May 26, 2014 – “Water conservation requested,” by The Garden Island
May 29, 2014 – “H20 woes hit Kalaeo,” by Dennis Fujimoto, The Garden Island
May 30, 2014 – “Water woes could last 6 weeks,” by Dennis Fujimoto, The Garden Island
June 1, 2014 – “Kalaeo braces for long water shortage,” by Chris D’Angelo, The Garden Island
June 6, 2014 – “DOW installs temporary pump in Kalaeo,” by The Garden Island

Mgrrp/June 2014/PR Specialist Report (6-26-14): ein
Kauai residents asked to conserve water due to damaged water well

Posted: May 25, 2014 8:21 AM
Updated: May 25, 2014 10:54 AM

Kalaheo - The Kauai Department of Water has issued a water conservation request for the entire Kalaheo area until further notice. Residents and businesses are asked to limit water consumption to essential uses only.

According to DOW officials, their primary well and back up deep well have been damaged and are currently out of service. Crews are currently working on repairing the system.

Essential water needs includes: cooking, bathing and toilet flushing.

Water conservation measures include: refraining from car washing, reducing outdoor irrigation and using water wisely indoors and outdoors.

An update will be sent as new information is presented.

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Kauai asks Kalaheo residents to conserve water

By Star-Advertiser staff

POSTED: 05:52 a.m. HST, May 25, 2014
LAST UPDATED: 05:52 a.m. HST, May 25, 2014

Kalaheo, Kauai residents are being asked to only use water for essential purposes until further notice because of damage to the Kauai County Department of Water’s primary and backup wells.

Essential water needs include: cooking; bathing; and toilet flushing.

Water conservation measures include: refraining from car washing; reducing outdoor irrigation; and using water wisely indoors and outdoors.

The Department of Water said crews are working on repairs, but it is not known yet how long the repairs will take.

The water conservation request is in effect until further notice.

Copyright (c) Honolulu Star-Advertiser
KALAHEO – The Department of Water issued a water conservation request for the entire Kalaheo area Sunday that will last until further notice.

Residents and businesses are asked to limit water consumption to essential uses only.

The DOW’s primary well and back up deep well have been damaged and are currently out of service. Personnel are working on repairing the system.

Essential water needs include: cooking, bathing and toilet flushing.

Water conservation measures include: refraining from car washing, reducing outdoor irrigation and using water wisely indoors and outdoors.

The DOW thanked people for their patience while crews work on the repairs, the department said in a press release.

An update will be sent as new information is presented.

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KALAHEO — It’s hard to operate without water, so Birdie’s Cafe is closing its doors in the midst of a water shortage in Kalaheo.

“I heard that the repairs were going to take two weeks, but I also heard that there is no timetable to the repairs and that makes me nervous,” restaurant owner Ron Horoshko said Wednesday. “I heard they were going to bring in a water line to the residents below but that doesn’t help us at all up here on top of the hill.”

Horoshko said he just hired two additional staff in preparation for the usual increase in business that comes after graduation and summer vacationers. He will keep the frozen food but is giving a truckload of perishables to the food bank today.

The real disappointment comes from the morning customers who enjoy a cup of coffee and a bite to eat before heading out at Kukuiolono Golf Course. They don’t understand that he can’t serve anything if there is no water for dishes and sanitation, he said.

“We are hopeful that this is not going to be too long,” he added.

Hard to say.

The Department of Water said Wednesday Kalaheo residents should be prepared for intermittent low water pressure and water outages for an extended period of time. There are about 1,625 customers in Kalaheo that may be affected by the water outage.

The DOW’s drilling contractor has not yet reached the point of damage to the over 1,000-foot long shaft that was damaged late Saturday night. Both of Kalaheo’s water sources are out of service and DOW’s supplemental backup system is unable to meet demand.

“DOW is still evaluating the repairs needed and a timeline will be forthcoming as soon as possible,” a press release said.

The DOW has been working with the Department of Public Works to deliver water to the Kalaheo tank sites to temporarily alleviate the water outages. However, the DOW is urging Kalaheo residents and businesses to continue conservation measures until further notice.
Essential needs include cooking, bathing and toilet flushing. Urgent water conservation measures include refraining from car washing, turning off automatic sprinklers and outdoor irrigation systems.

Shower facilities are available for residents of Kakela Makai subdivision today and Friday at Hanapepe Stadium and Vidinha Stadium from 6 a.m. to 2:30 p.m. and again from 5 p.m. to 10 p.m. Residents must bring their own towels and toiletries.

The DOW has provided water buffalos located before the entrance to Kukuiolono Park, for essentials uses. The DOW has also provided a tanker with non-drinkable water at Kalaheo Neighborhood Center, for toilet flushing only. Customers will need to bring their own water containers. Anyone unable to access the water buffalos or tanker can call 245-5455 for assistance.

Residents are also asked to notify their family, friends and neighbors to heed DOW’s urgent water conservation notice.

Without water and forced to close his cafe, Horoshko said he is losing about $1,500 a day and will lose about $2,000 on Saturday and Sunday.

“This is just one of those things,” he said. “It’s just something that we have to deal with.”

He could bring in a container of water but then there are concerns and liabilities of ensuring it is filtered, he said. The cost of ensuring sanitation would be too high.

“The expense is just not worth it,” he said.

Kalaheo Steak and Ribs owner Ernest Kanekoa, said he and the other businesses on his block were fortunate to have water pressure and remain operational as of Wednesday. He is concerned that the two-week estimate to make the repairs to the water line would bring intermittent stoppages that could mean shutting down — but so far, so good.

“We have water and are still in business, serving as normal,” Kanekoa said. “We did get notice to please conserve but so far we don’t have a notice to close the restaurant.”

Margaret Rita, an employee at Brick Oven Pizza in Kalaheo, said they are also open for business and have no water issues at the moment. The Kalaheo Cafe & Coffee Company, is also open, according to employee Katelyn Umetsu. Peggy Reed, an employee at Kalaheo Florist, said the store is up the mountainside and so far is spared from the outage.

Debbie Pulawa, a supervisor at Kukuiolono, said the water is not running but the course remains open.

“We don’t irrigate the fairways anyway and because of the rain, the greens and tee boxes are OK for now,” she added.

It would take a week of sunny days like Wednesday to start making the groundskeepers nervous, she said.

“My water pressure is low but it’s OK,” she said. “They keep telling everyone to conserve and so I am going to the laundromat instead of washing clothes at home.”
Mayor Bernard P. Carvalho, Jr. said the county was reaching out to agencies outside the county to determine if other assets are available to assist.

"Once the problem is adequately diagnosed, please rest assured that we will do everything possible to address the essential water needs of the residents and businesses of Kalaheo," he said in a press release.

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1 comment:

- **John Zwiebel** posted at 8:04 am on Thu, May 29, 2014.

  Posts: 1753

  Does anyone know how both wells broke at the same time?

  - Log In to report.
  - Link
Water woes could last 6 weeks

Workers from a Department of Water contractor use a Bobcat to make adjustments to a drill being used to assess damage to the Kalaheo well, Wednesday morning.

KALAHEO – The Department of Water has announced that a full restoration of the Kalaheo well could take up to four to six weeks to complete.

Mayor Bernard Carvalho Jr. and representatives from the DOW will hold a meeting for the Kalaheo community at noon Saturday at the Kalaheo Neighborhood Center gymnasium to discuss the latest developments on the water outage and interact with the community on its needs while the system is being repaired.

In the meantime, the DOW installed a temporary pipeline Thursday night, closing a portion of Kaumualii Highway’s westbound lane between the Lauoho Road and Anuhea Place intersections in Kalaheo from 7 p.m. Thursday to 6 a.m. Friday. The DOW anticipates this installation will provide improvements to Kalaheo’s water service by early next week.

The DOW is reminding Kalaheo residents to continue urgent water conservation measures in order to lessen the impact of water outages.

"We have observed residents in Kalaheo who are disregarding our conservation request and are continuing to use water for non-essential uses such as irrigation and car washing," said Kirk Saiki, acting manager and chief engineer for the DOW. "It is critical that all customers in the Kalaheo area conserve water even if their water pressure appears normal."

Essential uses include cooking, bathing and toilet flushing. Critical water conservation measures include refraining from car washing, turning off automatic sprinklers and outdoor irrigation systems, and limiting laundry washing.

The DOW is also reminding Kalaheo residents to be prepared for possible intermittent low water pressure and water outages. This means that residents may experience changes in their water pressure from time to time.

Efforts continue to repair damage to the over 1,000-long shaft that was damaged late Saturday night. The area’s primary well and backup deep well are currently out of service and personnel are still working on repairs to the system. The well’s shaft is over 1,000-feet long and DOW contractors were working to find the point of damage.

Kalaheo residents experiencing water outages are able to use shower facilities at the following locations...
and times:

Today – Hanapepe Stadium and Vidinha Stadium from 6 a.m. to 2:30 p.m.; and again from 5 to 10 p.m.

Saturday – Hanapepe Stadium from 5 to 10 p.m.

Sunday – Hanapepe Stadium from 5 to 10 p.m.

Residents must bring their own towels and toiletries.

The DOW has provided water buffalos for essential uses, located before the entrance to Kukuiolono Park, and on Milia Street in Kakela Makai. The DOW has also provided a tanker with non-drinkable water located at Kaleheo Neighborhood Center, for toilet flushing only. Customers will need to bring their own water containers. If anyone is unable to access the water buffalos or tanker, please call 245-5455 for assistance.

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2 comments:

•  tunataxi posted at 10:34 am on Fri, May 30, 2014.

  Posts: 339

  Am I the only one wondering why 3 different sources of water are in disrepair? isn't the whole point of three sources to prevent exactly this ??? Who's in charge at the water department ??

•  Speeding Snail posted at 8:31 am on Fri, May 30, 2014.

  Posts: 9

  I'm sticking to my sabotage theory. Someone's college kids needed a summer job, and if they've got DOW "contractors" on this, that's a dead giveaway that this could be just plain make-work sabotage. And why would they care how badly it effects Kalaheo residents? More of the "I got mine" mentality running rampant on Kauai.
Kalaheo braces for long water shortage

KALAHEO — Barbara Inglis lives at the top of Maka Road in Kalaheo and says she has had a “trickle” of water coming from her faucet for a week.

As a result of the ongoing water outage and conservation advisory, Inglis has been forced to refrain from doing laundry. The seedlings in her garden are beginning to wither and die. Around 2 p.m. Friday, her faucet was bone dry. And while she has been abiding by the conservation measures, others in Kalaheo have not.

“I’ve talked to friends who live all over Kalaheo. Some of them have water in their house and they don’t feel they have to conserve,” she said. “Eventually, I would like to wash my clothes. And I haven’t been.”

Inglis was one of nearly 200 community members who attended an informational meeting Saturday at the Kalaheo Neighborhood Center, where Mayor Bernard Carvalho Jr. and the DOW discussed the latest developments on the water outage.

Carvalho said he wasn’t going to hide anything about the extent of the situation, and that a full repair of the system would take six weeks — not less.

The county is currently utilizing local resources, but if there is a need to ask for outside assistance, Carvalho said he is prepared to do so.

“If I need to implore the National Guard, I will,” he said, drawing cheers from those in the room.

One of the people hit hardest by the outage, which resulted from not one but two broken well shafts, was Ron Horoshko, owner of Birdie’s Cafe at Kukuiolono Golf Course.

“We have no water,” he said. “Our employees are gone four to six weeks.”

Horoshko said the situation facing his business is “real tough,” with some employees questioning how they would be able to pay their bills. He asked whether the restaurant could expect any sort of relief from the county or if he would just have to wait it out.

DOW Acting Manager Kirk Saiki said Horoshko would have to wait but that a temporary pipeline may soon provide some relief.

Aside from Birdie’s and the golf course, Saiki said “everyone should have some type of service,” although there will likely be times of low water pressure or even outages.

The issues at the wells in Kalaheo started long before the May 24 emergency, which has affected approximately 1,600 customers.

“Our primary well went out of service at the end of January, and we were in the process of executing a contract to fix it, but then on Saturday night, our backup well went down,” DOW spokeswoman Kim
Tamaoka wrote in an email.

When questioned about why it took so long to start the process of fixing the primary well, Saiki said the department was “dealing with contracting and bonding problems.”

One man said it seemed like DOW wasted four months and that the whole situation could have been avoided. Another asked Saiki about why the department wasn’t working harder to resolve the contracting dispute.

“In hindsight, yes, we could have probably pushed harder to get it done,” Saiki said.

Horoshko said it’s time for DOW to figure out a better backup plan so that a situation like this doesn’t happen again. But Saiki said the well that failed last week was the backup plan.

“In 30-plus years in the business, I’ve never had a backup fail until today,” he said.

While the lifespan of a pump is usually 10 to 15 years, the one in Kalaheo was only four years old. And although operators were monitoring performance indicators, they did not notice any significant changes prior to the failure.

Tamaoka said DOW is unsure how the main shaft was damaged because it was located 1,000 feet underground. Upon extracting the entire shaft Thursday afternoon, however, the department verified it had been sheered off near the very bottom.

“The part that pumps the water was no longer connected to the motor,” Tamaoka wrote.

As for why the pumps didn’t last longer, Saiki said he didn’t have an answer.

“We’re investigating that,” he said.

With both Kalaheo wells out of service, there is no deep water source being pumped into the reservoirs, which has forced the DOW and Department of Public Works to manually deliver water to the Kalaheo storage tank. The DOW has also installed a temporary pipeline which it anticipates will provide supplemental water service to the area.

“We are in the middle of disinfecting the pipe and testing to make sure the water quality is safe,” Tamaoka wrote. “With these temporary sources, we should provide some or better water pressure to the Kalaheo residents. However, until our two deep well sources are restored, we are unable to ensure sustainable water pressure.”

All in all, the fix won’t be cheap.

On Wednesday, the Board of Water approved the department’s request for $335,000. The money will not only be used to repair the damaged wells, but also fund the temporary pipeline, the line to bypass the pressure sustaining valve at the Kakela Makai tank, the portable water buffaloes and tankers, time for contractors and workers, community meetings and more, according to Tamaoka.

Kalaheo resident Edie Moe said she was not impacted by the water outage but has a lot of concerns about the timeline and why DOW didn’t work harder to fix the main pump back in January.
“I do not understand this business about the contractor not completing the contract,” she said. “There’s no excuse for that. Someone did not follow up.”

Steve Ruiz, who owns a quarter-acre farm in Kalaheo, said his main concern — and the reason he attended the meeting — was getting enough water over the next six weeks to keep his lettuce, radishes, cabbage and other crops alive. His solution, he said, will be to fill a 300-gallon tank on his property with water from another source and pump it to his crops.

The DOW is reminding Kalaheo residents to be prepared for possible intermittent low water pressure and outages, and to continue urgent water conservation measures in order to lessen the impact. Essential uses include cooking, bathing and toilet flushing. Critical water conservation measures include refraining from car washing, turning off automatic sprinklers and outdoor irrigation systems, and limiting laundry washing.

The DOW has provided water buffaloes for essential uses, located before the entrance to Kukuiolono Park, and on Milia Street in Kakela Makai.

• Chris D'Angelo, environment writer, can be reached at 245-0441 or cdangelo@thegardenisland.com.

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Letters for Sunday, June 1, 2014

Water failure sign of poor leadership

Memo to Hizzoner, our mayor: 3-5 percent of our island’s residents do not have any water. (The exact number is unknown, since it rises with each new communication from the Department of Water). What would happen sir, if your beloved (and likely next employers) the Frankenseed GMO “farm” companies on the Westside were to lose their water? You’d strap on your football helmet and helicopter over there post haste, and run hoses from the Roundup Rivers (formerly the Waimea and Hanapepe) to get them what they needed. But we are only people. How much have they given your re-election campaign, so far? Just wondering.

And, yesterday, in the latest Grand Solution from Quirky Kirky Saiki, the KWD manager, I and my neighbors were given a case of drinking water, accompanied by a slick PR letter reeking of “alohas, mahalos and kokuas.” But with no clue as to when we will get back our most basic service. I was surprised they didn’t tell us to have the tallest member of the family hold a bottle overhead and poke holes in it with a fork so we could shower. Their letter calls it a “water failure.” Oh, really? Their Facebook page minutes from last January’s meeting discuss a failing pump No. 2. It’s not a “water failure,” it is incompetence, malfeasance, or both, by the department.

Thanks to the “leadership” of our island, thousands of us are living in Fourth World conditions, with no timetable for relief. Did they all get one-too-many concussions on the football field?

James Sullivan

7 comments:

• Bajingas posted at 2:09 am on Thu, Jun 5, 2014.

Posts: 29

Bajingas

James......im glad you still get to use the internet in your 4th world living conditions.

• Log In to report.
• Link

• tooindependent posted at 10:00 am on Sun, Jun 1, 2014.

Posts: 96

tooindependent
James Sullivan... Your letter sucks. There is no reason to bad mouth people with your innuendo's of poor leadership. Things happen and we must deal with it. Nobody is walking away. I'm sure the Dow is doing what it can to solve the problems as well as learn for the future. You are probably one of those who are still watering your lawn or washing your car. Trying being supportive of the situations problems you might be amazed at the results.

• Log In to report.
• Link

• truthislaw posted at 9:52 am on Sun, Jun 1, 2014.

Posts: 948

truthislaw

James Sullivan, well written letter!!!!!!

• Log In to report.
• Link

• tooindependent posted at 9:45 am on Sun, Jun 1, 2014.

Posts: 96

tooindependent

It looks as if the Poipu lynching mobs have installed a new leader to their cause. Jan muller we are already aware of your fear mongering lynching mob tactics expressed in your guest commentary as well as the rest of the know it all activists. What doesn't make sense is why does the garden island choose to waste nearly half of the forum page repeating the same hype we have had to read for the last 6 months or better. "Time to work together, oppose dairy farm "should have been titled "you better see it our way or else". Maybe you better contact Hooser & Bynum who can help lead your group to yet another waste of millions of dollars of tax payers money to fight it in court.

• Log In to report.
• Link

• manongindashadow posted at 8:17 am on Sun, Jun 1, 2014.

Posts: 178

If we had above ground water thanks. We wouldn't have the problem Kalaheo residence are facing now.
I know that most will comment will be, "it's (above ground water tanks) ugly!"
It's just a suggestion and something to think about. Just another damn if you do and damn if you don't!

• Log In to report.
• Link

• Rightdirection posted at 6:44 am on Sun, Jun 1, 2014.
B.A. Wells - Sorry for your circumstances. Time to move on. You may try reuniting with your family, finding a job, or moving to an environment where they have more resources to give you all the free stuff you will need to have a good life. Sayonara

- Log In to report.
- Link

• AnonyMouse posted at 3:19 am on Sun, Jun 1, 2014.

Sullivan does the best little dictator imitation I've read in a long time. Please run for office so we can enjoy more of it.

- Log In to report.
- Link

• If you can make it here ...
Water outage can't break spirit

There is no shortage of conservation ... of people's spirit in Kalaheo, it is ethically sound. They met and talked about the shortage of water and what needs to happen before the water is back to normal.

The fix is not a simple one, but the water department and its employees are working day and night to make it happen. Please conserve your water if you have not. Please help the elderly and people who can not get help.

The mayor said, “If need be, we will get the National Guard.” Like I said, the spirit is strong in Kalaheo.

Thank you mayor and the county for this very informative meeting.

Ronald Horoshko

Kalaheo

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DOW installs temporary pump in Kalaheo

KALAHEO – The Department of Water has installed a temporary low-capacity submersible pump to its Kalaheo deep well, to provide supplemental water service to the Kalaheo area until full restorations are completed.

All areas of Kalaheo should now have water service. However, it is still necessary to continue to use water for essential needs only, even if water pressure appears normal.

Essential uses now include cooking, bathing, toilet flushing, and necessary laundry washing. Residents are asked to continue to refrain from car washing, turning off automatic sprinklers and outdoor irrigation systems.

In addition to the temporary submersible pump, the DOW has installed a temporary pipeline and booster pump to supplement the transmission of water to the Kukuiolono and Kakela Makai tanks. With these temporary installations, crews have since suspended manual water delivery methods.

The DOW announced last Thursday that a full restoration to the well could take four to six weeks to complete.
Letters for June 16, 2014

Kauai needs better water plan

It’s unclear how in good conscious the Department of Water is going to construct a new $8 million building when aging infrastructure causes The Garden Island headline: “H2O woes hit Kalaheo” (May 29).

Kauai is saturated with old infrastructure for our water. More sensible would be to put $8 million into modernizing sustainable water infrastructure.

Secondly, development of a water conservation policy, which does not exist with the DOW – County of Kauai, is critical.

Eight million dollars could go a long way to ensure water for our island community by rebuilding infrastructure. Think of all the jobs that would be generated. Also, water conservation is the wave of the future. Water is life and climate change is happening.

Sustainability should not be just a buzz word tossed around by current County of Kauai plutocrats.

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Posted in Mailbag, Homepage on Monday, June 16, 2014 12:00 am. | Tags: E Lynn Spears, Bonnie P. Bator, Letters

2 comments:

• **dawg2000** posted at 7:12 am on Mon, Jun 16, 2014.

> Posts: 117

> dawg2000

> A hole in the mountain that provides abundant uninterrupted water with minimal required treatment might have been something worth looking in too...
Operations Division Report for the Month of May 2014

Personnel

- Much Mahalo to Department of Public Works (Ed Renaud and Scott Suga), Kauai Fire Department (John Blalock), Department of Parks and Recreations (Ian Costa), and all Department of Water personnel who worked hard and long hours during the Kalaheo water emergency. Special thanks go to the Water Quality Division (Carl Arume, Peggy Yoshioka and Andy Canavan) and to DOW PR Specialist Kim Tamaoka. Special mention also goes to our Maintenance Workers Russell Coyaso, Serf Galvez, Darren Galas, and Clyde Kojiri for working 24-hour shifts on very short notice to assist the Equipment Operators from Parks & Recreations and Public Works (Hanalei, Kapaa and Hanapepe Baseyards).

Source and Storage

- Performed routine repair and maintenance of front office/admin. facilities.
- Continue cleaning of various remote facilities island-wide.
- Performed routine inspection and maintenance at all sites including valve maintenance, piping repair and replacement, chlorination equipment maintenance, and mixing of sodium hypochlorite.
- Performed routine electrical maintenance at all sites including SCADA radio troubleshooting, electrical wiring for motor controls, lighting repair and replacement.
- Kalaheo Deepwell #2 out of service 9 p.m., Saturday, May 24th. Water conservation request for entire Kalaheo area was put out early morning Sunday, May 25th. Jelly Factory 200 GPM booster pump running 24 hours per day to deliver water from Lawai to Kukuiolono tank but unable to keep up with demand causing water outages. Kukuiolono and Kakela Makai tanks were emptied with no fire flow reserve but Kalaheo tank maintained 5 feet of water for fire flow reserve from round-the-clock water truck deliveries.
- Emergency repair of Kalaheo Deepwell #1 commenced.

Distribution

- Operations Division Field Section crews continue to perform routine leak repair of service laterals and mainlines.
- Field Section personnel went door-to-door to notify customers of contractor water service disruption due to repairs and maintenance.
- Field Section personnel performed live taps to install water service connections.
- 31 water meters and 2 hydrant meters were installed.
- We received a total of 55 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including 4 called-in complaint of no water, and 3 complaints about low pressure. At some point, calls received during the Kalaheo water emergency were not logged.
• Tanker trucks were delivered to the baseyard by Public Works on Sunday morning May 25th and disinfection process commenced. Additional water truck was borrowed from Parks and Recreation to deliver water to Kalaheo tank.

• Commenced and completed emergency temporary installation of 1500 linear feet of fused pipe and 400 GPM booster pump to supplement the jelly factory 200 GPM booster pump.

• Completed temporary 2” bypass of pressure sustaining valve to allow water to fill Kakela Makai tank even if Kukuiolono tank water level is low.

Fleet, Inventory, Warehouse and Baseyard Area

• For the month of May, a total of one hundred eighty eight (188) work orders were issued for Operations Division. Works included: electrical repairs and maintenance; automotive repairs and maintenance including power generator maintenance; water meter installation and replacement; service lateral installations; leak repairs; well, tank site and PRV maintenance; replace damaged meter boxes; replace damaged or leaking hydrant; door-to-door customer notifications for tie-ins of new lines to existing lines; callouts due to customer complaints/reports.

• For the month of May 2014, thirty three (33) Hawaii One Call requests for markings were received and twenty seven (27) completed.

Respectfully submitted,

Valentino P. Reyna
Chief, Operations Division

VPR/ein

Attachments: Overtime Chart
Leak Report Chart

Mgrp/June 2014/Operations Divison Report for the Month of May 2014 (6-26-14)/ein
County Of Kauai - DEPARTMENT OF WATER
Operations Division: Plant & Field
Total Hours for the Month
For the Period: May 2012 to May 2014
Work Orders by Job Reason Code for Selected Date Range

05/01/2013 to 05/31/2014

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>3</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>92</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>115</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
</tbody>
</table>

Work Orders by Job Reason Code

- LEAK-BOX: 6.7%
- LEAK-CUST: 1.3%
- LEAK-MAIN: 40.9%
- LEAK-S/L: 51.1%
- Total: 100.0%

Number of Leak Repairs per Month
MANAGER’S UPDATE

June 26, 2014

MANAGER’S UPDATE for June 2014

Manager’s Reports Updates:

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

(1) RE: Professional Services Contract No. awarded to KMH LLP (KMH) for financial audits of the Department of Water’s Financial Statements for Fiscal Years ending June 30, 2014, June 30, 2015, and June 30, 2016 in the amount of $80,000.00

FUNDING:

Account No. 32 Auditing Fees

FY 2014: Contingent upon Board approval of the Proposed FY 2014-2015 Budget

<table>
<thead>
<tr>
<th>Account No. 32, Auditing Fees</th>
<th>$ 80,000.00</th>
</tr>
</thead>
</table>

FY 2015 and FY 2016: Subject to Availability and Appropriation of Funds

<table>
<thead>
<tr>
<th>Total Funding Balance</th>
<th>$ 80,000.00</th>
</tr>
</thead>
</table>

BACKGROUND:

The Department of Water (DOW) Review & Selection Committee evaluated eight (8) Statement of Qualifications that DOW received for Professional Services to conduct Financial Audit. Based on professional knowledge and experience, KMH was ranked first on the list. KMH’s familiarity of DOW’s existing Financial Accounting System (FAS) was an added point given for easier transition as DOW will be undergoing major conversion of our FAS.

As part of the procurement process, we negotiated with KMH and received the following fee proposal to conduct the financial audit of the Department’s financial statements for fiscal years ending June 30, 2014, June 30, 2015 and June 30, 2016.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Recurring Audit</th>
<th>Single Audit</th>
<th>Total Proposed Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$54,000</td>
<td>$17,000</td>
<td>$71,000</td>
</tr>
<tr>
<td>2015</td>
<td>$54,000</td>
<td>$17,000</td>
<td>$71,000</td>
</tr>
<tr>
<td>2016</td>
<td>$55,000</td>
<td>$17,000</td>
<td>$72,000</td>
</tr>
</tbody>
</table>

These fees include normal out-of-pocket expenses and are inclusive of Hawai‘i general excise taxes. The above fee represents the all-inclusive amount that will be charged for the financial and single audits for each year.
We have reviewed the breakdown of the estimated hours, rate of pay and out-of-pocket costs shown by KMH. We find the fees to be reasonable and are commensurate with the level of experience and effort required to complete the audit engagement.

(2) RE: **1**st Amendment time extension to June 30, 2015 and an additional $84,000.00 for Contract No. 576 to Eurofins/Eaton Analytical for GS-2013-6, Laboratory Testing Services

**FUNDING:**

<table>
<thead>
<tr>
<th>Account No. 59, Safe Drinking Water Act (Contingent upon Board approval of the proposed FY2014-2015 Budget)</th>
<th>$ 85,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract No. 576: Eurofins Eaton Analytical, Inc. (FY2013-2014)</td>
<td>$ 60,000.00</td>
</tr>
<tr>
<td>Total Funds Certified</td>
<td>$ 60,000.00</td>
</tr>
</tbody>
</table>

**FIRST AMENDMENT**

<table>
<thead>
<tr>
<th>Contract Time Extension to June 30, 2015</th>
<th>$ 84,000.00</th>
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</thead>
<tbody>
<tr>
<td>Total for First Amendment</td>
<td>$ 84,000.00 ($ 84,000.00)</td>
</tr>
<tr>
<td>Total Funding Balance</td>
<td>$ 1,000.00</td>
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</tbody>
</table>

**BACKGROUND:**

The Department budgeted in the current fiscal year the amount of $85,000.00 for compliance with the Safe Drinking Water Act (SDWA) Program. The sole bidder’s total sum bid price for all the different tests that may be required for this contract is in the amount of $4,215.00. Different tests (and varying quantities) will be done for different SDWA requirements. Phase 2-5 testing will be approximately $20,000. Two wells will need radionuclide testing; we estimate the testing to be $1500. Also, UCMR3 testing for System 400 begins in July and again in January 2015, we estimate the cost of testing to be $62,000. Mercury Testing should be $300. Total is approximately $84,000.

(2) RE: **2**nd Amendment time extension to September 26, 2014 for Contract No. 553 to Esaki Surveying and Mapping, Inc. for pre-final design for the Hanalei Waterline Improvement Project Hanalei, Kaua’i, Hawaii

**FUNDING:**

NO ADDITIONAL FUNDS REQUESTED

<table>
<thead>
<tr>
<th>Account No. 106b (CIP) / 707</th>
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</thead>
<tbody>
<tr>
<td>Contract: Esaki Surveying &amp; Mapping, Inc.</td>
<td>$143,605.00</td>
</tr>
<tr>
<td>Contingency</td>
<td>$14,360.00</td>
</tr>
<tr>
<td>First Contract Amendment</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total Funds Certified</td>
<td>$157,965.00</td>
</tr>
<tr>
<td>Second Contract Amendment</td>
<td></td>
</tr>
<tr>
<td>Contract Time Extension to September 26, 2014</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
MANAGER’S UPDATE
Re: Manager’s Update for May 2014 to June 2014
June 26, 2014
Page 3 of 6

<table>
<thead>
<tr>
<th>Total for Second Contract Amendment</th>
<th>$0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Funding Balance</td>
<td>$157,965.00</td>
</tr>
</tbody>
</table>

BACKGROUND:
Due to unanticipated delays in the preparation of pre-final engineering design, environmental permit processing, and Department’s review of construction drawings caused the work to proceed at a pace slower than originally planned, resulting in the contract work extending beyond the contractual limit.

It is the DOW staff’s opinion that Esaki Surveying and Mapping, Inc. has made substantial/sufficient progress to the project and for the project completion date to be extended to September 26, 2014.

PUMP INSTALLATION PERMITS:
None

WAIVER RELEASE & INDEMNITY APPLICATIONS:

<table>
<thead>
<tr>
<th>Applicant</th>
<th>TMK Location &amp; Building permit</th>
<th>Performance Bond Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABP-EWP Development LLC</td>
<td>Tmk: 4-2-6-019:034 Building Permit #: 14-497 through 14-500; 14-1032</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tkm: 4-2-6-019:035 Building Permit #: 14-501 through 14-504; 14-1033</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tkm: 4-2-6-019:036 Building Permit #: 14-5058 through 14-508; 14-1034</td>
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<tr>
<td></td>
<td>Tkm: 4-2-6-019:037 Building Permit #: 14-509 through 14-512; 14-1035</td>
<td>$2,953,100.00</td>
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<tr>
<td></td>
<td>Tkm: 4-2-019:038 Building Permit #: 14-513 through 14-516; 14-1036</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tkm: 4-2-6-019:039 Building Permit #: 14-517 through 14-520; 14-1037</td>
<td></td>
</tr>
</tbody>
</table>

STAFF REPORTS - FY 14-15:

PERSONNEL MATTERS UPDATE

June 16, 2014

RECRUITMENT AND POSITION ACTIONS
Operations Division
2. Equipment Operator II #2408. Eligibles list received from DPS. DOW scheduled interviews the week of June 23rd.
4. Pipefitter Helper #2410. DPS conducting the written exam 6/16/2014.
7. Water Plants Superintendent #2490. Per DPS, 6/13/2014, no eligibles at this time.
8. Waterworks Electronics/Plant Electrical Tradesperson I #2311. Per DPS 6/13/14, no eligibles at this time.

**Fiscal Division**
1. Accountant I #2488 (Accounting Section). Per DPS 6/13/14, reviewing applications.
2. Procurement Specialist IV #2497. Per DPS 6/13/2014, DPS received request from DOW, pending approval.

**Construction Management Division**

**Engineering Division**
2. Civil Engineer V #2358. Per DPS 6/13/2014, there are a few names on the list.

**Water Quality Division**

**Water Resources & Planning Division**

**Administration**
4. Private Secretary #E-35. Per DPS 6/13/2014, reviewing request.
5. Summer Interns. May 2014 to early June 2014, five student interns started work at DOW in the Accounting, Automotive, Engineering, Operations Admin Office, and Public Relations areas.

**SUMMARY OF WARRANT VOUCHERS PAID – May 31, 2014**
Warrant vouchers were paid in the amount of **$1,079,722.68**
Please see attached Warrant Vouchers Report.
CONVEYANCE OF WATER FACILITIES - May $41,220.00

<table>
<thead>
<tr>
<th>Date</th>
<th>Name/Details</th>
<th>TMK</th>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/26/2014</td>
<td>Melvin K. Soong</td>
<td>4-6-015:048</td>
<td>Kawaihau</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>6/26/2014</td>
<td>Jeffrey &amp; Danise Rapetti Trust dated May 22, 2012</td>
<td>4-6-017:078</td>
<td>Kawaihau</td>
<td>$12,000.00</td>
</tr>
<tr>
<td>6/26/2014</td>
<td>Christopher White, Robert B. White</td>
<td>2-7-008:051</td>
<td>Koloa</td>
<td>$8,720.00</td>
</tr>
<tr>
<td>6/26/2014</td>
<td>Albert S. Kaneshiro, Trustee under that certain unrecorded Revocable Living</td>
<td>4-6-023:019</td>
<td>Kawaihau</td>
<td>$8,000.00</td>
</tr>
</tbody>
</table>

CC&B BILLING SYSTEM UPDATE:

June 4, 2014

Here are tentative Release dates:
Release 2.5 – Planned for the week of June 16th
Release 3.0 – Planned for July 18th
Release 4.0 – Planned for August 8th

Ag Renewal Letter #2
Enter all approved renewals by 5 PM, Monday, 6/9.
All approval renewals not entered by then WILL receive a second renewal letter.
If an applicant is denied Ag rate for next year, their current expiration will be 7/15/2014. This will suppress the 2nd renewal letter.

Also, some users have access to Utilitec’s Portal per HBWS. Requests must not be submitted through their portal. All issues should be forwarded to It Specialist, Sandi N. Mendez to review. If unavailable, then concerns must be forwarded to HBWS for further triage.

Only Leads and/or Power Users can report issues to the Command Center, reason for this is that preliminary triaging should be done by Sandi N. Mendez prior to sending to the Command Center as some items can be handled/ixed in-house. When sending issues to her, please include screenshots if applicable and any supporting documents and explanation of what the issue or errors are.

IT STRATEGIC PLAN UPDATE:

June 17, 2014

The DOW is officially on the cloud with Great Plains and no longer working locally.

Users are successfully connecting remotely and printing reports with no issues and no issues with speed.
Accounting is verifying that data looks good from what was exported from our local GP2010 system to the new GP2013 version in the cloud.

When the data is verified, journal entries and year end processing can begin.

We are finalizing the Requisition/PO process and will soon be allowing all end users to test inputting and approving requisitions the week of June 23, 2014.

We have cut off PO’s so that we can close out the end of the Fiscal Year.

We are still testing the replication server. We had one test that worked, but it took 1.5 hours to make the switch, so I have deemed that unsatisfactory and have requested for them to fix that.

BRIO is scheduled to be here the first week of July to help us transition into the new system.

**AFFORDABLE HOUSING UPDATE:**
A meeting has been scheduled for July 1, 2014 to have the Housing Department’s consultant present the results of the Lima Ola hydraulic modeling.

Respectfully submitted,

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

KS:mjg

Attachments: 2010 BAB Spend Down Report as of May 2014
## WATER UTILITY FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Expenses, Department of Water</td>
<td></td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$365,779.45</td>
</tr>
<tr>
<td>Other Expenses, Department of Water</td>
<td></td>
</tr>
<tr>
<td>Normal Expenditures</td>
<td>$613,347.93</td>
</tr>
<tr>
<td><strong>TOTAL WATER UTILITY FUND</strong></td>
<td>$979,127.38</td>
</tr>
</tbody>
</table>

## BOND FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL BOND FUND</strong></td>
<td>$-</td>
</tr>
</tbody>
</table>

## F R C FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRC REFUNDS</td>
<td>$9,200.00</td>
</tr>
<tr>
<td><strong>TOTAL FRC FUND</strong></td>
<td>$9,200.00</td>
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</table>

## BOND - BAB

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNLIMITED BUILDERS, LLC. - FINAL</td>
<td>$77,368.70</td>
</tr>
<tr>
<td>OCEANIT LABORATORIES</td>
<td>$5,900.00</td>
</tr>
<tr>
<td>ESAKI SURVEYING &amp; MAPPING, INC.</td>
<td>$7,626.60</td>
</tr>
<tr>
<td>KODANI &amp; ASSOCIATES, INC.</td>
<td>$500.00</td>
</tr>
<tr>
<td><strong>TOTAL BAB BOND FUND</strong></td>
<td>$91,395.30</td>
</tr>
</tbody>
</table>

## TOTAL CLAIMS PAYABLE

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL CLAIMS PAYABLE</strong></td>
<td>$1,079,722.68</td>
</tr>
</tbody>
</table>

## WATER UTILITY FUND

### 5/31/14 AP

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL WATER UTILITY FUND</strong></td>
<td>$979,127.38</td>
</tr>
</tbody>
</table>

### Transfers

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL WATER UTILITY FUND</strong></td>
<td>$979,127.38</td>
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## BOND FUND

### Transfers

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>TOTAL WATER UTILITY FUND</strong></td>
<td>$979,127.38</td>
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## F R C FUND

### Transfers

<table>
<thead>
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<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>TOTAL WATER UTILITY FUND</strong></td>
<td>$979,127.38</td>
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## BOND - BAB

### Transfers

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>TOTAL WATER UTILITY FUND</strong></td>
<td>$979,127.38</td>
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</tbody>
</table>

## BANK TRANSFER -

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>TOTAL WATER UTILITY FUND</strong></td>
<td>$979,127.38</td>
</tr>
</tbody>
</table>

## Bank Transfer Adjustments:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL WATER UTILITY FUND</strong></td>
<td>$979,127.38</td>
</tr>
</tbody>
</table>

4.14 CLAIMS PAYABLE
## June 26, 2014 BOARD MEETING

**WATER UTILITY FUND**  
**DEPARTMENT OF WATER**  
*May 31, 2014*

<table>
<thead>
<tr>
<th>BUDGET CODE</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>1</td>
<td>$3,430.31</td>
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<tr>
<td>4.1</td>
<td>$9,200.00</td>
</tr>
<tr>
<td>21</td>
<td>$17,456.11</td>
</tr>
<tr>
<td>22</td>
<td>$7,518.35</td>
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<tr>
<td>24</td>
<td>$8,230.09</td>
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<tr>
<td>24.2</td>
<td>$5,000.00</td>
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<tr>
<td>27</td>
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<tr>
<td>27.6</td>
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<td>28</td>
<td>$359.40</td>
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<tr>
<td>29</td>
<td>$5,619.82</td>
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<td>31</td>
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<td>$249.00</td>
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<td>$8,724.79</td>
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<td>$11,406.42</td>
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<td>$12,591.25</td>
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<td>42</td>
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<td>$3,792.07</td>
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<td>$960.83</td>
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<td>$45,243.33</td>
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<td>$1,607.11</td>
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<td>$105.27</td>
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<tr>
<td>59.1</td>
<td>$8,050.00</td>
</tr>
</tbody>
</table>

**TOTAL NORMAL EXPENDITURES**  

$622,547.93
### Capital Expenditures:

**Capital Improvement Projects**
- Budget Code: 101
- Amount: $16,741.22

**Miscellaneous Capital Expenditures**
- Budget Code: 102
- Amount: $18,735.12

**Office & Engineering Equipment**
- Budget Code: 103
- Amount: $20,280.00

**Vehicles & Equipment**
- Budget Code: 106
- Amount: $20,280.00

**CIP Reserve**
- Budget Code: 106B
- Amount: $20,280.00

**Purchase of Meter & Meter Boxes**
- Budget Code: 107
- Amount: $20,280.00

**Sub-Total**
- Amount: $55,756.34

### Water Utility Fund

**Contract Payments - WU**
- Amount: $310,023.11

**Total Water Utility - Capital Expenditures**
- Amount: $365,779.45

### Bond

**Contract Payments - Bond:**
- Amount: -

### FRC

**FRC Payments**
- Amount: -

### Bond - BAB

**Contract Payments - BAB**
- Amount: $91,395.30

**Total Capital Expenditures**
- Amount: $457,174.75
2010 Bond Encumbrance and Spend Down Status (Dollars)