A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES
   Review and approval:
   Regular Board Meeting – May 21, 2015

E. CORRESPONDENCE/ANNOUNCEMENTS
   1. Correspondence from Mr. Ed Kawamura, Jr., East Kaua'i SWCD, Chair and Mr. Peter Tausend, West Kaua'i SWCD, Chair regarding the East and West Kaua'i 2015 Annual Report

F. BOARD COMMITTEE REPORTS
   Report of the Finance Committee of the Kaua'i County Board of Water Supply

G. OLD BUSINESS

H. NEW BUSINESS
   1. Manager’s Report No. 11-28 – Discussion and Possible Action on Former Approved Rules for Part 5, FRC
   2. Manager’s Report No. 15-43 – Discussion and Possible Action on Part 4, Section VII FRC to be integrated with Part 5, FRC
H. NEW BUSINESS cont’d:
3. **Manager’s Report No. 15-44** – Discussion and Possible Action to approve the Supplemental Loan Agreement No. 1 to the State Revolving Fund Loan (Project No. DW400-0004) obtained for DOW Water Plan 2020 Job No. PLH-03, Kahili Horizontal Directionally Drilled Well

4. **Manager’s Report No. 15-42** – Discussion and Possible Action to Request Board Approval to enter into Memorandum of Understanding (MOU) between the State of Hawai‘i, Employees Retirement System (ERS) and the County of Kaua‘i, Department of Water (DOW) to participate in the State of Hawaii ERS Actuary

5. **Manager’s Report No. 15-46** – Discussion and Possible Action on Additional Funding for GS2015-5 to purchase a 2 X 4 Pick-up Truck for Fiscal’s Meter Readers in the amount of $3,000

6. **Manager’s Report No. 15-47** – Discussion and Possible Action of Board Policy on Water Meters on Private Property

I. STAFF REPORTS
MONTHLY
1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures
   a. *May Monthly Summary Budget*

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

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

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

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

K. TOPICS FOR NEXT WATER BOARD MEETING (July 2015)
1. **Manager’s Report No. 15-42** - Discussion and Possible Action on Board Policy 17, Payment of Communication Devices

2. Discussion and Possible Action for the Board of Water Supply (Board) to enter into a Use and Occupancy Agreement No. 237 (UOA) and a Memorandum of Agreement (MOA) with the State of Hawai‘i for Job No. 11-10, Water Plan 2020 No. K-18, 8-inch Water Main Replacement along Halewili Road (Kaumuali‘i Highway to Haku Hale Street) Kalāheo, Kaua‘i, Hawai‘i

3. Budget Resolution No. 16-1 (07/15), Budget for Fiscal Year 2015-16

4. Discussion and review of the Manager and Chief Engineer’s goals and responsibilities for Fiscal Year 2015-2016
5. Discussion and Receipt of the American Water Works Association Anaheim, CA Conference Reports (June 7 – 10, 2015)
   a. Report from Kaua'i Board of Water Supply Chair, Sherman Shiraishi
   b. Report from Kaua'i Board of Water Supply Member, Larry Dill
   c. Report from Kaua'i Board of Water Supply Member, Michael Dahilig

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

M. UPCOMING EVENTS
   1. DOW Make a Splash Water Festival (September 24, 2015)
   2. HWWA Hawaii Section, Honolulu, HI (October 14-16, 2015)

N. NEXT WATER BOARD MEETING
   1. Thursday, July 23, 2015, 10:00 a.m.
   2. Thursday, August 20, 2015, 10:00 a.m.
   3. Thursday, September 17, 2015, 10:00 a.m.
   4. Thursday, October 22, 2015, 10:00 a.m.

O. ADJOURNMENT
Draft Minutes
The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu’e on Thursday, May 21, 2015. Chair Sherman Shiraishi called the meeting to order at 11:15 a.m. The following Board members were present:

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

EXCUSED: Mr. Clyde Nakaya, Vice Chair  
Mr. Hugh Strom  

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

STAFF: Mr. Kirk Saiki  
Ms. Marites Yano  
Mr. Dustin Moises  
Mr. Keith Aoki  
Ms. Kim Tamaoka  
Ms. Jonell Kaohelaulii  
Ms. Sandi Nadatani-Mendez  
Mr. Val Reyna  
Mr. Carl Arume  
Mr. Eddie Doi  
Ms. Mj Akuna  
Deputy County Attorney, Andrea Suzuki  

ACCEPTANCE OF AGENDA  
Mr. Dahilig moved to approve the agenda as circulated; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.  

MINUTES  
Review and approval:  
Regular Board Meeting – March 19, 2015  

Mr. Dahilig moved to approve, as amended, the Regular Board Meeting Minutes for March 19, 2015; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.  

Regular Board Meeting – April 23, 2015  

Mr. Dahilig moved to approve, as amended, the Regular Board Meeting Minutes for April 23, 2015; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.  

Review and approval of Executive Session:  
Executive Minutes – April 23, 2015  

Mr. Dahilig moved to approve the Executive Session Minutes for April 23, 2015; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.
E. **CORRESPONDENCE**
   1. Correspondence from Mr. Eddie Doi, *Acting* Chief of Water Resources and Planning, regarding HB500, SD1 Relating to the State Budget to Appropriate Funds for the Operating and Capital Improvement Budget of the Executive Branch for Fiscal Years 2015, 2016 and 2017

**DISCUSSION:**
*Acting* Chief of Water Resources and Planning, Mr. Doi recognized everyone who was involved in getting the funding for one (1) project out of the five (5) projects from the State.

The Department will check to see if the other four (4) projects are still relevant for next year or will reprioritize the projects.

Mr. Dill recognized the efforts of Manager Saiki and the support of the Kaua’i’s elected representatives in support of funding these projects.

Mr. Dahilig moved to receive the correspondence from Mr. Eddie Doi, *Acting* Chief of Water Resources and Planning, regarding HB500, SD1 Relating to the State Budget to Appropriate Funds for the Operating and Capital Improvement Budget of the Executive Branch for Fiscal Years 2015, 2016 and 2017; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

F. **BOARD COMMITTEE REPORTS**
The Finance Committee will meet on Thursday, May 28th to review the Facilities Reserve Charge (FRC) proposed changes in Section VII of Part 4 Fixing Rates for the Furnishing of Water Service.

G. **OLD BUSINESS**
   1. Draft Budget for Fiscal Year 2015-2016
      a. Fiscal Year 2015 – 2016 Draft Operating Budget
      b. Fiscal Year 2015 – 2016 Draft Capital Outlay Budget

**BACKGROUND:**
Manager Saiki and the Department requested the Board’s approval on the Draft Budget for Fiscal Year 2015-2016 for the Draft Operating Budget and Draft Capital Outlay Budget.

**DISCUSSION:**
Water Works Controller, Ms. Marites Yano addressed unanswered questions from the April 23rd Board meeting. The YTD Fiscal Year Revenues and Expenses were updated.

Summary Budget Comparison, Page 44 – The 4th column was updated as of April 30, 2015.

Engineering, Page 113 - From the last Finance Committee meeting, a new column was added “Anticipated Notice To Proceed” (NTP). Ms. Yano explained when this column was inserted, the total that appeared on the detailed page did not roll over properly ($926,001 did not change). The total has been corrected to match the Summary Budget on Page 55.

FY 2015-2016 column for 'Anini waterline, Page 113 – One (1) budgeted item was deleted and highlighted in yellow. Civil Engineer, Mr. Keith Aoki added that the NTP is for existing design contracts. Contract amendments are anticipated and will budget for any needed changes.
Chair Shiraishi questioned since this is included in the budget and if a change order is negotiated, would Mr. Aoki be coming before the Board for approval? Or because it is already in the budget, Mr. Aoki would not have to ask the Board for approval.

Footnote “*Estimated additional funds required for proposed design change.*” Page 113 & 114 – Chair Shiraishi inquired if the Department added this footnote for approval? Is the Department putting this footnote in the budget so that the Department does not have to come before the Board?

Mr. Aoki replied that he was asking for the funding approval in the budget now. If the funding is approved by the Board and if the negotiated price is less than the budgeted amount, the Department can issue the contract award and notify the Board through the Manager’s Update with any amendments.

- Mr. Dill commented the Department could provide more information on the NTP line items so that the Board is more comfortable with their explanations.
- Deputy County Attorney, Andrea Suzuki will check to see if the Department is required to pass a balanced budget.

Mr. Dahilig brought this up because the budget could be out of balance with blank items (carte blanche). It appears the Board could be authorizing in-the-future items that do not tie in appropriately to approved revenues; there could be technicalities with blank items. If there is an overage in unencumbered balance, it is a line item and is accounted for. Mr. Dahilig recommended to $1 fund, zero out or eliminate the line item.

Kīlauea 1.0 MG tank, Page 114 – The FY 2015-2016 budget amount is $135,000 and if approved, the Board could give the Department carte blanche to spend up to $135,000.

Deputy County Attorney, Andrea Suzuki commented that approving without a dollar amount results in an unbalanced balance. There could be more money in the Utility Fund without running a negative when the Department comes in with a change order.

Ms. Yano clarified why the Department does a budget to estimate how much money would be coming into the Department in addition to the fund balance. The Department does not want to budget more capital expenditures and expenses if the Department does not anticipate having enough money.

Chair Shiraishi understood that this is good planning but does not want to aggregate the duties and responsibility of the Board as far as monitoring the Budget. He was not satisfied with the Department’s answer if these budgeted line items do not have to come before the Board for a change order.

A definite answer cannot be given based on Ms. Yano’s response because these amounts are based on estimates that could be under budgeted.

Mr. Dill asked when the Department budgets projects (best estimate) with a contingency for change orders, the Board may never see the contract amendment. Example: $100,000 line item, $80,000 is estimated with a 20% contingency, the Department can execute a contract up to a maximum of $100,000.

Construction Project Management Officer, Mr. Dustin Moises clarified the terminology: Design contract amendments are done by Mr. Aoki and change orders are done by Construction Management (CM). Change orders would come to the Board if it is over the CM budget.
Example: With a $100,000 approved budget for a construction project and a bid comes in at $80,000, Mr. Moises would get 5% of the $80,000 = $4,000. He would come to the Board for an $84,000 approval. If Mr. Moises needed the $16,000, he would come to the Board with a change order in a Manager’s Report.

Mr. Dahilig asked if the 'Anini waterline budget has been encumbered? Mr. Moises commented that the 'Anini waterline is in design which should be addressed to Mr. Aoki. Previously, this budgeted amount would not be put in the budget like this, it would be $1 funded and listed in the encumbered projects. NTP issued means a contract has been encumbered.

Deputy County Attorney, Andrea Suzuki confirmed that monies in the Capital Improvement Project (CIP) list are encumbered.

Mr. Dahilig and Mr. Dill asked if monies have already been encumbered, why is it in the budget again?

Examples:
Rehabilitate Jelly Factory BP Station, Page 113 – FY 2014-2015 and FY 2015-2016 are both $200,000; no funds were encumbered.

PLH-28 Hanamā'ulu Main Replacement, Page 113 – FY 2014-2015 is $51,000 and FY 2015-2016 is $1. This implies the Department encumbered the funds or changed their mind and is not going to do the project in 2015-2016. If we are not encumbering funds, why is the Department not re-appropriating these funds?

Mr. Dahilig asked if the Department is reducing funds?

Examples:
Kapaia SWTP Expansion, Page 114 – FY 2014-2015 is $350,000 and FY 2015-2016 is for $1 which is a funding reduction of $349,000; not $350,000 + $1.

Hanalei Well No. 2, Page 114 – NTP was issued – $60,000 was encumbered from last year’s budget. Mr. Dahilig asked if $75,000 was added to the $60,000 or adding $15,000 more?

Ms. Yano explained there are three (3) parts of the budget: 1) Capital Operating Budget, 2) New Capital Outlay Budget and 3) Open Contracts & Encumbrances - these are encumbered projects but the contract may not be expected to be paid off by the end of the fiscal year. If the money is not spent by the end of the fiscal year, the balance of the encumbrance is rolled over to the following fiscal year.

Example:
If a contract is $200,000 and encumbered $200,000 but only spent $100,000 so far, Mr. Dahilig asked if the Department is putting an extra $100,000 as unspent monies for expenditures?

Ms. Yano made clear that if the Department committed a $100,000 contract and spent $50,000, $50,000 is a roll over for the same project to the following year and it is not new money.

Mr. Dahilig asked why would you leave that money open for appropriation if it is already encumbered once? Encumbered means you spent the money, it is not shown as available monies for the following year. Why would it be shown as a roll over and make it appear as a surplus if one-half of the contract amount was drawn down but the contract amount has already been encumbered. In Hanalei Well No. 2, an NTP was issued for $60,000, are we appropriating an additional $15,000 or adding $75,000 to $60,000? Ms. Yano commented that this is a new budget.
Mr. Aoki further explained that the Hanalei Well No. 2 project was an existing design project that was thought to be suspended. The $60,000 for FY 2014-2015 was the estimated amount from last year which was not spent. Because the project may cost more for FY 2015-2016, the Department budgeted $75,000 instead of $60,000. The NTP was not referenced from the $60,000, it was from the original contract. Mr. Dahilig looked at the “NTP issued,” which appears to be additional, additional funds for the proposed design.

Example:
Mr. Dill mentioned if a project is budgeted $200,000 but the Department encumbered $100,000 against the $200,000, he asked what happens to the balance in next year’s CIP?

Ms. Yano commented that the encumbered $100,000 is rolled over and new money is budgeted if the Department requires more money. The $100,000 that is not encumbered is shown in the New Capital Outlay. Encumbrance is one of three (3) parts in the budget; this is committed money. If the Department’s encumbrance is $100,000 and $50,000 is paid from that commitment, the remaining $50,000 is rolled over. The remaining $100,000 from $200,000 appropriation will be shown under the New Capital Outlay budget if it is still needed for the same project because the money was not encumbered.

Manager Saiki asked Ms. Yano if the $60,000 for Hanalei Well No. 2 for FY 2014-2015 was part of the original encumbrance or is it extra monies being requested?

Ms. Yano explained, since the $60,000 under the new Capital Outlay budget was not encumbered, this budget line item amount becomes zero at the end of the fiscal year and it has to be resubmitted as a new budget request in the following year if needed. The amount for FY 2015-2016 is being resubmitted although it was already budgeted in the prior budget year because it hasn’t been encumbered nor spent. Money that was not spent remains in the fund balance at the end of the year.

Mr. Dill mentioned the Board cannot tell from the budget if this is a $15,000 increase or a $75,000 increase.

Mr. Dahilig commented that folding in last year’s budget into next year’s budget makes it more complicated. If monies were spent, it should not be shown in this year’s budget.

➢ If an anticipated NTP note is added on the line item, it should say “Additional Funds” because the NTP issued language is not clear. (Manager Saiki added the additional notes were at the request of another Board member.)

*Mr. Dill at the defense for the Department said the information on the budget is correct and he is comfortable with the budget.* The Finance Committee went through the details of the budget but understood that other Board members who didn’t go through the budget would have these questions.

Mr. Moises also clarified the money for the Hanalei Well No. 2 is new money from the original contract. During the current fiscal year, if monies are encumbered, they end up in Prior Encumbrances and Special Appropriations on Page 58 & 59. Bond Fund Capital Projects Expansion – Design 05-02 HW-12, Page 59 – Drill & Develop Wainiha-Hā'ena Well 100 GPM was on the original bond list. This was the contract with Hā'ena and Hanalei Well which has the same contract number asking for $75,000 related to the NTP.

Chair Shiraishi continued to ask the Department if the budget is approved and if a change order uses additional funds up to the amount approved, Department would not have to come back to the Board. Manager Saiki answered “yes” and would not have a problem zeroing out the amount noted when the NTP
is issued. The Department could come back to the Board on a case-by-case basis with the line-by-line item which Mr. Dill recommends. The Department could remove the NTP’s in the budget. Chair Shiraishi commented that he only sees a single line with no background information.

Private Secretary added that pursuant to Board Policy No. 3 on the Manager’s Update report, the Department inputs all the contract awards and amendments that are budgeted which are post decisions.

Mr. Aoki informed the Board that if the Department has to come back to the Board for funding, these projects could take 2-3 months to start the work.

Mr. Dahilig could revisit to remove the provisions for the projects that have already been received to come in mass to amend the budget at a subsequent meeting.

- Mr. Dill would like to make sure the Department has checks and balances in the budget. Manager Saiki indicated the Department could come back to the Board with all the explanations at the next Board meeting.

Mr. Moises suggested to $1 fund. Mr. Dill also said the Department’s $1 funded projects would reduce expenses.

Mr. Dahilig moved to approve Fiscal Year 2015-2016 Draft Operating Budget and Draft Capital Outlay Budget subject to the Capital Outlay’s line items that require additional funds already encumbered for FY 2015 will require Board approval; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

H. NEW BUSINESS

1. Manager’s Report No. 15 – 37 - Discussion and Possible Action for the Seventh Amendment Million Gallon Storage Tank and Kapahi 1.0 Million Gallon Storage Tank and Connecting Pipelines Wailua-Kapa‘a Water System, Kapa‘a, Kaua‘i, Hawai‘i

BACKGROUND:
It is recommended the Board approve the Seventh Amendment to Contract No. 427 for additional engineering services with Belt Collins Hawai‘i, LLC.

Mr. Dahilig moved to approve Manager’s Report No. 15 – 37 - Discussion and Possible Action for the Seventh Amendment Million Gallon Storage Tank and Kapahi 1.0 Million Gallon Storage Tank and Connecting Pipelines Wailua-Kapa‘a Water System, Kapa‘a, Kaua‘i, Hawai‘i; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

2. Manager’s Report No. 15 – 38 - Discussion and Possible Action on the Right of Entry Agreement for S-2009-21, Puakea Subdivision Phase II, Affecting the Following Landowners in Lihue, Kauai, Hawai‘i,
   1. Grove Farm Properties, Inc. of TMK: (4) 3-3-003:041, Lihue, Kauai, Hawai‘i

BACKGROUND:
It is recommended that the Board approve the Right of Entry document; whereby, the above landowners, grant to the Board of Water Supply, County of Kauai, a Right of Entry, on, over and under that certain parcel of land located as specified above in Lihue, Kauai, Hawaii.

Mr. Dahilig moved to approve Manager’s Report No. 15 – 38 - Discussion and Possible Action on the Right of Entry Agreement for S-2009-21, Puakea Subdivision Phase II, Affecting the Following
Landowners Lihue, Kauai, Hawai'i, 1. Grove Farm Properties, Inc. of TMK: (4) 3-3-003:041, Lihue, Kauai, Hawai'i; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

3. Manager’s Report No. 15 – 39 - Discussion and Possible Action on Job No. 13-05, Water Plan 2020 Project WKK-09, Kolo Road Main Replacement, Kilauea, Kaua‘i, Hawai‘i

BACKGROUND:
The Department of Water (DOW) staff recommended the Board of Water (Board) allow the DOW to award the construction contract and authorize the Board Chair or Board Vice Chair to sign the construction contract provided the final proposal cost is within the approved FY 14-15 budget of $1.3M.

DISCUSSION:
Mr. Dill mentioned the proposal due date on Job No. 13-05 was May 14th and asked if there were any results on the contract selection.

Mr. Moises made the contract selection and posted the bids this morning. The Department is awaiting the five (5) day protest period and the award will be done on Friday. At the June Regular Board meeting, Mr. Moises would provide a status of the project in the Manager’s Monthly Update.

After the last April Board meeting, Mr. Moises found out that the encumbrance is not necessary by June 30, 2015, the actual lapse date is June 30, 2016 and could install the water line before school starts and to be ahead of Shear Water fledging season.

Mr. Dahilig moved to approve and to authorize the Manager and Board Chair to sign necessary documents and to include indemnification language of the state; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.


RECOMMENDATION:
It is recommended that the Board authorize the Manager and Chief Engineer to submit the Schedule Q Modified Agreement and Small Generator Interconnection Request to Kauai Island Utilities Cooperative (KIUC) for the future Photovoltaic System (PV).

Mr. Dill moved to approve Manager’s Report No. 15 – 40 - Discussion and Possible Action on Water Plan 2020 Project PLH-39, Lihue Base Yard Improvements for the Department of Water, Lihue Water System, Lihu'e Kauai, Hawai'i; seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

5. Manager’s Report No. 15 – 41 - Discussion and Possible Action to approve Utility Agreement No. 2217 for the Nawiliwili Road Improvements, Vicinity of Kaumuali‘i Highway to Kanani Road, Project No. NH-058-1 (006)

BACKGROUND:
It is recommended the Board approve Utility Agreement No. 2217.

DISCUSSION:
Manager Saiki indicated this is new for the State Department of Transportation (DOT).

Chair Shiraishi mentioned Option 1 to Not approve – DOW would not be subject to all the conditions within the agreement and with no down side if the Board does not approve this.
This would jeopardize the State DOT’s highway funding. Mr. Moises added that this is not one of DOW’s projects. If Public Works does a Right of Way, there could be a lot of liabilities and potential costs for the DOW. Mr. Moises recommended to approve.

Mr. Dahilig moved to approve Manager’s Report No. 15 – 41 - Discussion and Possible Action to approve Utility Agreement No. 2217 for the Nawiliwili Road Improvements, Vicinity of Kaumuali‘i Highway to Kanani Road, Project No. NH-058-1 (006); seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

6. Manager’s Report No. 15-42 - Discussion and Possible Action on Board Policy 17, Payment of Communication Devices

BACKGROUND:
Manager Saiki recommended the Board approve Option 1, the proposed Revisions of Board Policy No. 17. Option 1 - The DOW will have a set preliminary baseline for issuance of communication devices and to use the most up-to-date technology. The DOW will work to create a more detailed and structured Standard Operating Procedure (SOP) for staff. This would bring forward what is currently practiced with cell phone usage. The Department will look at the process on the DOW cell phones, any duplications, and unnecessary usage.

DISCUSSION:
Chair Shiraishi noticed Policy No. 17 had telephone pagers listed.

Mr. Dill commented that it appears the Department is requesting the Board to increase the devices from 5 to 66 which is a big change. He asked how will the Department manage the devices? If any employee that works in the field, would the Department pay for the cell phone charges? Will the Department provide the equipment? Would the Department pay for charges of their equipment?

Manager Saiki replied that if a phone is provided, the Department will need to audit the employee’s usage periodically for personal calls or the cost of the equipment could be shared with the Department. Employees should not be using their own phones for work.

Another question Mr. Dill asked was what does “date of appointment” mean in paragraph 2 of Board Policy No. 17… “the Department shall pay communication charges at the current plan rate.” What is the current plan rate? If the employee is providing their own phone, what would that employee’s home plan rate be? Would the employee be submitting a bill monthly for charges related to business?

At 12:31 p.m., Mr. Dahilig exited the meeting.

At 12:32 p.m., Mr. Dahilig re-entered the meeting.

Mr. Dill moved to defer Manager’s Report No. 15-42 on Board Policy 17, Payment of Communication Devices to allow the Board more time to review the report by the July Board meeting; seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

I. STAFF REPORTS
MONTHLY
1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures
   a. April Monthly Summary Budget
**BACKGROUND:**
Ms. Yano presented the Monthly Summary Highlights, Monthly Budget Summary as of April 30th and the Revenue, Cash Receipts and Water Consumption charts.

**DISCUSSION:**
Mr. Dill requested a recap of Federal and State grants which are below projections. Ms. Yano stated it all depends on when the grants are received.

The Federal grant is a combination of the Build America Bond (BAB) subsidy of about $700,000. The Department is expecting a loan forgiveness from SRF. Money needs to be spent first before the Department receives a reimbursement. This money may come in FY 2015-2016.

Mr. Dill encouraged the Department to get the invoices to the State for this fiscal year. Ms. Moises indicated he has been submitting invoices monthly and will receive reimbursement for April.

Mr. Dill moved to receive the Kaua‘i County Water Department’s Statement of Revenues and Expenditures; seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

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

**BACKGROUND:**
Ms. Tamaoka introduced Community Relations Clerical Assistant, Jonell Kaohelaulii who recently assisted with the Agriculture & Environmental Awareness Day, May 7th 2015.

**DISCUSSION:**
Ms. Ho thanked and acknowledged Ms. Tamaoka and Ms. Kaohelaulii and other DOW staff who participated, on behalf of Kaua‘i County Farm Bureau, for coming to the Agriculture & Environmental Awareness Day event which was successful.

Ms. Tamaoka commented the Department participated in a County wide program for the Kaua‘i Independent Food Bank. The Department achieved above their goal this year.

Ms. Ho moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

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

**BACKGROUND:**
Chief of Operations, Mr. Reyna highlighted the graph of Billed & Unbilled Water of high unbilled water, as requested by Mr. Dill, from the April Board meeting. Unbilled water was high from previous months due to on-going firefighting use from the drought and brush fires.

A standardized reporting form will be distributed to all government agencies who use hydrants. The Fire Department continues to submit a report and State Highways started submitting a report in April.

The Overtime (OT) Chart now includes actual hours worked and actual OT hours. February, March and April OT has been the lowest from previous years. In May, OT will go up due to two (2) weeks of overnight work.
DISCUSSION:
Mr. Dill asked the following questions: Is the Data Point a monthly pay period? Is the crew working 40 hours a week unless they have OT? Why are there variations in hours and OT? Mr. Reyna commented that Data Point is for a monthly pay period. Some of the employees go on leave without pay because they use their allowed Sick Leave (SL) and still take additional sick days.

Mr. Dill moved to receive the Chief of Operation’s Summary Report on Operational Activities; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

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

BACKGROUND:
Manager Saiki highlighted the following:

1. Personnel Matters – Update
   - Automotive Mechanic I – Offer was extended.
   - Senior Account Clerk / Operations – Interviews completed.
   - CE V / Engineering – Position was accepted and will start in August.
   - Chief of Water Resources & Planning – Interviews will start on June 4th.

2. Affordable Housing – Update
   The Department is working on issues with Habitat for Humanity on the Eleele Luna project.

3. Project Wet – Ms. Tamaoka will be on Hawaii Island, O‘ahu and Moloka‘i working on Project Wet from June 8th thru June 12th.

4. Manager’s Goals - Update
   - FRC - The Department will provide the Finance Committee meeting a final draft for Section VII, Part 4 with minor changes at the June 18th Board meeting, then to Small Business Regulatory Review Board. The next Finance Committee meeting will be on Thursday, May 28th.

5. Waiver Release and Indemnification Application for Coconut Coast Partners – The Department signed off on a building permit prior to infrastructure.

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

   a. Report of the BAB pay down as of April 2015

Ms. Ho moved to receive the Report of the BAB pay down as of April 2015; seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

J. EXECUTIVE SESSION
Pursuant to H.R.S. §92-7(a), the Board finds it necessary to hold an executive session on the agenda items on Hokulei Village because the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).
K. **TOPICS FOR NEXT WATER BOARD MEETING** *(June 2015)*
   2. Discussion and Possible Action relating to providing water service outside of the water zone

L. **TOPICS FOR FUTURE WATER BOARD MEETINGS**
   1. *Manager’s Report No. 11-28* – Discussion and Possible Action regarding Part 5 of the Rules, Facilities Reserve Charge – Proposed New Rule, SBRRB Results *(awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)*
   2. *Manager’s Report No. 14-24* – Discussion and Possible Action regarding Part 4 Section I of the Rules, General Use Rates Proposed Amendments, SBRRB Results *(awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)*
   3. Discussion and Possible Action of Proposed Delegation of a Meter Restriction Board Policy No. 30
   4. *Manager’s Report No. 15-42* - Discussion and Possible Action on Board Policy 17, Payment of Communication Devices *(July)*

M. **UPCOMING EVENTS**
   1. DOW Make a Splash Water Festival *(September 24, 2015)*
   2. HWWA Hawaii Section, Honolulu, HI *(October 14-16, 2015)*

N. **NEXT WATER BOARD MEETING**
   1. Thursday, June 18, 2015, 10:00 a.m.
   2. Thursday, July 23, 2015, 10:00 a.m.
   3. Thursday, August 20, 2015, 10:00 a.m.
   4. Thursday, September 17, 2015, 10:00 a.m.

O. **ADJOURNMENT**

Mr. Dahilig moved to adjourn the Regular Meeting at 12:56 p.m.; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

Respectfully submitted,                                               Approved,

Edie Ignacio Neumiller                                             Laurie Ho
Commission Support Clerk                                           Secretary – Board of Water Supply
To Our Supporters:

We are sending you the enclosed East and West Kaua’i 2015 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
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**Message from the Mayor**

Aloha! It is an honor to recognize the members of the East and West Kaua‘i Soil and Water Conservation Districts for your dedication and commitment to preserve and protect the natural resources of the Garden Isle throughout the years! We have all benefited from your unflagging efforts.

Each year, we look forward to a new stewardship theme provided by your organization in partnership with the National Association of Conservation Districts. This year’s theme, "Local Heroes: Your Hard Working Pollinators," offers us a great opportunity to reflect upon the essential role that small creatures - bees, birds, bats, bugs and butterflies — play in our everyday lives. How changes made to the environment can cause a ripple effect on available resources for these pollinators, and in turn, humans.

So what can we do as good stewards of our aim? We must all take personal responsibility to ensure that each facet of our ecosystem is protected, especially our little pollinators.

On behalf of the people of Kaua‘i and Niihau, I extend my deep appreciation for the legacy you have built over the years, ensuring the next generation will be prepared to make wise decisions on managing the island’s natural resources.

Aloha Pumehana,

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 2015.

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 conservation 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
KAUAI'S SOIL AND WATER CONSERVATION DISTRICTS
Who We Are and What We Do

The East and West Kauai’s Soil and Water Conservation Districts (Kauai’s 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, Kauai’s SWCDs are involved in a wide variety of related activities, including erosion control, land management with USDA, reviewing and approving conservation plans for agricultural lands, reviewing and approving conservation plans in partnership with the USDA Natural Resources Conservation Service (NRCS), supporting farmers and ranchers in their efforts to obtain government funding for installing conservation practices, 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, Kauai’s SWCDs have paid staff consisting of two Conservation Specialists and a part-time District Assistant. Hawaii’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’s 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 (RC&D).

Websites:
http://dlnr.hawaii.gov/swcd/

Community Outreach Activities

- EWKSWCDs’ ANNUAL REPORT: Through the annual report, our conservation partners and the public are informed of our accomplishments and activities during the year.
- OUTSTANDING COOPERATORS OF THE YEAR: Annually, we honor Kauai ranchers, farmers, and organizations who have been outstanding efforts to conserve and protect our natural resources.
- OUTSTANDING WATER CONSERVATIONISTS OF THE YEAR: Each year, we recognize and honor Kauai 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 Kauai 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.

Kauai County Farm Bureau Garden Fair and Farm Fair: We participate in these two events, in April and August, to publicize our activities and role in natural resource conservation.

Local Work Group 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 on Kauai and gives input for the NRCS State level decisions for ranking Kauai Farm Bill Program applications.

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 Kauai’s fifth graders.

Poster Contest: The National Association of Conservation Districts’ Poster Contest for Kauai’s 4th – 6th Grade students 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 and first place posters are sent to the National Competition.
Pollinators have evolved to be an essential part of the ecosystem and are very important for our day to day lives. It is estimated that pollinators are responsible for the pollination of 90% of all plant species. They are also responsible for pollinating 75% of crops, which we rely on for producing medicine, food and clothes. Overall, pollinators are directly or indirectly responsible for much of what we eat, making them our "hardworking heroes".

Written by Jenni Scotti

Because many plants need pollinators, keeping the balance of the pollination symbiosis is integral to farms and gardens. In recent history, human impacts have reduced the habitat for pollinators, especially those native to specific areas. There are things that we can do or be aware of in our homes and work places to provide good food and habitats for pollinators.

What can we do?

If you are an agricultural land owner, including a cover crop such as sunn hemp or buckwheat in your crop rotation will help to keep pollinators around your farm even if you don't have crop in the ground. Planting a hedgerow with many different species that pollinators like will attract them throughout the year. If a windbreak is needed, include a tree species that bees can forage for pollen and nectar. If you have some land around your farm or pastures that isn't suitable for your produce, think about planting a mixed forest or doing a restoration project that includes species that both native and non-native pollinators would be attracted to.

If you are a home owner, including any pollinating trees and flowers in and around your garden will be helpful. Include useful herbs such as basil and oregano, which have great flowers for attracting bees. Because most of Hawaii's native pollinators are in decline, include native plants such as 'Iliau (Sida fallax) and Māmaki (Pipturus albidus) to create habitat for them.

Native Pollinators

Most pollinators are invertebrates such as butterflies, bees and beetles, but there are vertebrates such as bats, birds and rodents that are pollinators. In Hawaii, both native and non-native pollinators include butterflies, bees, moths, small insects and birds. Though most pollinators are good to have, native pollinators are important to the native ecosystem and in helping many native plants from going extinct.

In lower elevations, the butterflies, moths and the yellow faced bees are native pollinators that most of us can try to attract. To create native habitat, plant some of the plants that your favorite pollinator would like.

Kamehameha and Koa Butterflies

There are 17 species of butterflies in Hawaii, but only two butterflies are native: the Pulelehua (Kamehameha Butterfly) Vanessa tamea and the Koa Butterfly Udara blackburni. The Kamehameha butterfly is in the largest family of butterflies called Nymphalidae. Another more commonly known butterfly belonging to this family, although not native, is the monarch butterfly.

The Kamehameha butterfly relies upon native plants in the nettle family, most commonly the Māmaki, for the caterpillar stage of their life cycle. The decline of native plant species decreases the preferred habitat and the native butterfly has seen a decline in Hawaii.

The Koa butterfly (Udara blackburni), also known as Blackburn's Blue, is found primarily on Koa (Acacia koa) and A'ali'i (Dodonaea viscosa). The Koa butterfly belongs to the second largest family of butterflies, which is Lycaenidae.

Yellow Faced Bee

There are over 60 species of yellow faced bees (Hylocera spp) in Hawaii, 15 of which are historically found on Kauai. Most are no longer commonly found, or are extinct throughout the islands. These are solitary bees that do best with native plants and are not often found on non-native species. Some of their favorite plants include 'Ilima, Naupaka (Scaevola spp), Ohia (Metrosideros polymorpha), Naio (Myrcia sandwicensis), and A'ali'i L.

Sphingidae Moths

There are about 13 species of hawk moths and sphinx moths in Hawaii, 6 of which are endemic. They are commonly mistaken as hummingbirds, though there are no hummingbirds found in Hawaii. Most species have had habitat decline and are endangered. Many are now only found on certain islands. The moths' larvae usually feed on plants in the nightshade family especially the native 'A'ea (Nicoecoccum latifolium). Pollinated flowers include Ohia, Maipilo (Capparis sunciwian), Koa and Naupaka.

Forest Birds

Forest birds are mostly found in the remnants of the native forests in the mountains. Though historically their range was wider, disease and lost habitat have pushed them into the higher regions of the island. Many are endangered, and all of the forest birds are important to our native Ohia and Koa forests.

For more information or to be involved with protecting, or identifying native pollinators please visit the Palahena project a www.kamehamehabutterfly.com, the xerces society at www.xerces.org and the Kauai Forest Bird Recovery Project at kauaiforestbird.org. For more information on native plants, refer to naupapalms.hawaii.edu

*Appane (Himatione sanquinosa) Picture by Dan Clark
Kauai County Conservation Awareness Contest
2014
Written by Jenni Scotti

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 sites 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 each soil and environmental factor would limit foundations, landscaping and shallow excavations.

East and West Kauai Soil and Water Conservation Districts (SWCDs), the University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR) and Natural Resources Conservation Service (NRCS) held the Kauai County Contest on October 22nd. Four students earned the opportunity to represent Kauai at the annual Hawaii State Conservation Awareness Program Contest, which was sponsored by Hawaii Association of Conservation Districts and the West, South and Windward Oahu Soil and Water Conservation Districts on November 15th in Waialua.

Mahalo for supporting the County Contest: East and West Kauai SWCDs, David Smith (West Kauai SWCD), Eddie and Kathy Sindt (West Kauai SWCD Cooperators), Herbert Keamou (Kauai High Advisor/teacher), Debbie Brun (Kukiohono Golf Course), Amy Koch (NRCS), Matt Stevenson (CTAHR and SWCDs), Morii-Ann Nagata (NRCS), Robin Kelley (NRCS).

Left to Right: Jenni Scotti, Amy Koch, Merinda Jardin, Kalena Morigame-Kahalekuloa, Herbert Keamou, Billie Ann Bulecinski, Cheyanne Tannery, Matt Stevenson

After the Kauai Contest was done, Ed Sindt took the students on a tour of his diversified farm which includes heart of palm, vegetables and aquaponics. They were able to see an active farm in action.

East Kauai SWCD Outstanding Cooperator of the Year
Michael “Corky” Bryan
Written by Jenni Scotti

With over fifty years of ranching experience, Corky Bryan of Ha’upu Ranch has a lot of knowledge in managing his pastures. In the past, he has been on both Kauai and the Big Island, and for the last 5 years he has been on Kauai taking care of the ranch at Kipu. He focuses on practices that manage the grass, and is in a constant battle against invasive brush and weeds taking over his pastures. He has implemented best management practices to accomplish this over the years.

A lot of what he does to control the invasive species is to shred weeds in the pastures and apply spot sprays on the stumps of shrubs. He then manages his pasture through intensive prescribed grazing. He learned this method in the late ’70s from Alan Savory, who developed it in Africa and the Americas by creating a situation similar to what would happen in nature with large herd movements.

To accomplish this, Corky has added electric cross fencing to increase the number of pastures so that he can rotate his herds throughout the entire ranch. This helps the movement of cattle and gives the grass longer periods of rest, rather than allowing the animals to concentrate in areas which they end up overgrazing. When a pasture is overgrazed, the edible grass is weakened, allowing unpalatable species to take over.

Corky considers ranchers more as “Grass Growers” because if the grass and the soil are not properly managed, then both the grass and animals suffer. He emphasizes the fact that if you take care of the land and the grass then it will take care of us.

With this, the East Kauai Soil and Water Conservation District would like to congratulate Michael “Corky” Bryan on his excellent knowledge and management of pastures and is proud to name him as its Cooperator of the Year.

Michael “Corky” Bryan with EK SWCD Chairman, Ed Kawamura, Jr.
Honey bees are very important for Hawaii’s agriculture, providing honey valued at $2.5 million, and pollination of produce valued at over $212 million annually. Hawaii’s queen bees are also a cornerstone of North American beekeeping, approximately 25% of all bees used on the USA mainland and 75% of queen bees used in Canada come from Hawaii. The Apiary Program at the Hawaii Department of Agriculture works to protect and develop the beekeeping industry in Hawaii. Managing the recent arrivals of the devastating Varroa mite bee parasite (only on Oahu and Big Island), and the destructive Small Hive Beetle (throughout Hawaii) are important focal projects. In the course of interacting with Hawaii’s beekeepers there has been growing concern about honey bee exposure to pesticides. The tests to determine honey bee exposure are expensive, so Jay Furfaro worked with HDOA Apiary Section Chief, Danielle Downey, to propose funding for beekeepers to have their hives analyzed for pesticide residues at no cost to them. Resolution #2014-35 passed and this project is now going forward with HDOA, GIRC&D, and Kauai Beekeepers Association. Samples will be collected throughout the island by Downey, each sample consisting of 3 grams of fresh bee-collected pollen from participating apiaries. Each sample will be analyzed for over 170 pesticide residues. Honey bees typically forage several miles from their home to find food, so each hive tested can contribute useful information about a broad surrounding area. Confidential results will be provided to the beekeeper, and a general report about the findings throughout the island of Kauai will be shared publicly. Participation in this project is voluntary, and any beekeepers who wish to participate can contact ddowney@hawaii.edu.

Hawaii is home to a unique group of birds found nowhere else in the world: the honeycreepers. The isolation of the Hawaiian Island chain has allowed for the amazing evolution and diversification of this group. Many species in this group are partially or fully nectarivorous—they eat the nectar from flowers—and play an important role in the pollination of native plants. Sticking their feathered heads into flowers to get the sweet nectar, these birds often end up with pollen on their faces and passively transport it from flower to flower as they go about foraging. Hawaii’s honeycreepers are specially adapted for this sort of foraging, many having long curved bills that allow access to tubular flowers such as native Lobelias. Likewise, many plants have adapted to this sort of pollination involving enticing flowers and nectar to lure the birds in. In some instances, this mutualism has developed so dramatically that certain plant species have slowly disappeared as their bird pollinator counterparts have gone extinct.

Through their unique way of foraging, our birds help to propagate and sustain the native plants of our forests. The Kauai Forest Bird Recovery Project is working to protect our native bird species with a campaign entitled “Birds, not rats!” The goal is to lessen the impact of non-native rodent species by purchasing and installing Goodnature rodent traps—self-resetting traps powered by a pressurized CO2 cartridge. These non-native pests prey on bird eggs, chicks and even incubating females. Additionally, they directly damage native plants by eating flowers and berries, and stripping bark from woody plants. Not only does this immediately ruin the forest, they also reduce the amount of fruit that is available as a food source for native birds like the Puakohi who almost strictly eat native fruit and disperse seeds by doing so.

Reducing rat populations is a straightforward way we can help protect our native pollinators and forest plants. With fewer rats in the forest, we hope that more birds will be around to pollinate and disperse our native plants, keeping our forests healthy and thriving.

West Kauai SWCD Outstanding Cooperater of the Year, Wines of Kauai

Written by Morri-Ann Nagata

This year the West Kauai Soil and Water Conservation District has selected Joe Muneczhika of Wines of Kauai as the Cooperater of the Year for his commitment to restoration of native Hawaiian flora around his farming operation. Joe has made a significant effort to establish native trees and shrubs in areas around his 12 acre farm. The site has been really challenging due to its 30 inch annual rainfall and poor soils.

Historically the area was used for sugarcane production. Heavy machinery used on site for this cultivation had developed hardpans. Also, opening the soil on the areas characteristic slope allowed much of the top soil to wash away. This made it a difficult task for him to establish plant materials on this site, but he has persevered.

The farm is surrounded by a woven wire fence that protects it from deer and pigs. Areas have been deep tilled to break through hardpans and allow the establishment of vegetation so plants would not become root bound. Focus was placed on establishing koa that was present on the farm. Joe collected the koa seeds from the existing trees and nurtured them until they were large enough to be out planted. He has removed invasive species such as black waddle, java plum, silver oak, lantana and many others, and established two acres of koa in various areas around the farm. Before the fence was installed, all the koa that was out planted was quickly eaten by deer. The plants were usually so severely damaged that they were not able to recover. He has also given existing natives such as the aali, pukiawe and naupaka kauhi a chance to re-establish and thrive.

Joe also has plans to clear and establish another acre and a half area with native Hawaiian plants. These areas will be more diversified. This planting will include koa, kokia, ohia, mamane, williwili, keiki o, sandalwood, and naio. This is his contribution of ensuring that these native plants will be present for future generations to enjoy.

Left to Right: Gary Usunaut, Jenni Scotti, Joe Muneczhika, Peter Tausend, Keith Horton, David Smith

In the area he is farming he has a mix of fruit orchard and vineyard. Berms have been installed in this area to reduce the soil erosion off slopes. The berms and area between the berms have been grassed to further reduce erosion. The area also has an established grassed waterway and access road with water bars. All of these practices together have assisted to reduce soil erosion, keeping the precious soil on the farm. It was difficult to get vegetation established on the property, but he was able to get it done. Some of the grass plantings took three or more tries to get the coverage needed.

Joe has been dedicated to improving the natural resources and ensuring the perpetuation of native flora on his operation. The West Kauai SWCD is proud to present Joe Muneczhika of Wines of Kauai as its Outstanding Cooperater of the Year.
2014 East Kauai Soil and Water Conservation District
Outstanding Water Conservationist Award
Steve Sico
Written by Jenni Scotti

Being in agriculture always provides challenges to the daily operations of managing the land. A successful farmer needs to balance being a good steward of the land and being able to make a living at the same time. Accepting the challenge of minimizing the use of the precious and valuable resource of water and other natural resources, Steve Sico lives the dream of having a successful farm.

Steve has a diverse agricultural operation in Kapahi, which includes a variety of fruit trees such as lychee, longan and limes, as well as a variety of palms and flowers for sale right here on Kauai. Steve has been an active Cooperator with the East Kauai Soil and Water Conservation District and NRCS since 2008. He has successfully installed a number of conservation practices, including critical area planting, windbreak shelterbelt establishment, and pest management.

Steve’s farm is a mecca of innovation, trial and error and many lessons of farming. Finding out what is best for the land and what is efficient for the farm has been the story of his path as an agricultural producer. He emphasizes the need to minimize waste of resources and energy and is on a path to improve both farming and conservation practices on his farm.

Most recently, Steve continues to diversify and enhance his farm with conservation practices such as micro-irrigation, irrigation water management, mulching, and seasonal high tunnel for crops. These practices will allow Steve to more efficiently use water and minimize waste while bringing his crops to harvest. For his ongoing accomplishments, the East Kauai Soil and Water Conservation District would like to recognize Steve as their 2014 Outstanding Water Conservationist of the Year.

2014 West Kauai Soil and Water Conservation District
Outstanding Water Conservationist Award
Eddie Sindt
Written by Jenni Scotti

As water demands continue to grow and water shortages become more apparent throughout the country, conserving water becomes increasingly important. Many of our agricultural producers here on Kauai are aware of the growing shortage of this precious natural resource and have been using more water efficient practices in their operations. The West Kauai Soil and Water Conservation District (WKSWCD) is pleased to highlight the efforts of Eddie Sindt as its 2014 Outstanding Water Conservationist of the Year.

Eddie Sindt has been an active cooperator of the WKSWCD since 2012. He grows a wide variety of crops, from leafy greens, carrots, eggplants, pumpkins, herbs and even edible flowers (you’ll have to try one of his edible bouquets). Ed specializes in producing high quality vegetables and heart of palm, which he provides to local restaurants such as Merriman’s. You can also find his produce at the Poipu Farmer’s Market on Wednesday afternoons.

Eddie Sindt’s farm has several conservation practices which directly and indirectly conserve water. These include drip irrigation, irrigation water management, mulching, and use of a seasonal high tunnel. Ed has switched his irrigation system from overhead irrigation to drip irrigation, which lessens evaporation loss and applies water to the root zone where it can be more effectively taken up by plants. He is also using irrigation water management techniques, which take plant water needs, irrigation system output, rainfall, soil water holding capacity and other important factors into consideration when deciding when and how long to water. Applying mulch around his vegetable and tree crops also reduces water loss from evaporation, as well as adding organic matter that helps to increase soil water holding capacity. The next step for Ed will be installing a seasonal high tunnel structure, which is an additional practice to help reduce water loss from evaporation.

The West Kauai SWCD would like to congratulate Ed’s continued water conservation efforts and looks forward to the future work he will accomplish.

Award Picture on Page 12

Left to Right: Clyde Nakaya, Kirk Saiki, Eddie & Kathleen Sindt, Peter Tausend, WK SWCD Chairman, Steve Sico, Jenni Scotti, Robin Kelley

Inset: Eddie Sindt and Ed Kawamura, Jr., WK SWCD Chairman
NRCS Releases their Fiscal Year Summary
Written by Jolene Lau, Public Affairs Specialist

Are you wondering how federal funds are being spent to help farmers and ranchers in the islands? The Natural Resources Conservation Service (NRCS) released their fiscal year 2014 summary which describes how they administered Farm Bill Programs and conservation technical assistance in the Pacific Islands Area.

Did you know that in fiscal year 2014, 15 contracts on 886 acres are protecting Hawaii farmers using $257,668 through the Agricultural Management Assistance (AMA) Program? That means that agricultural producers in Hawaii are able to address water management, water quality, and erosion control in their conservation planning. AMA is not available in every state so Hawaii is fortunate to have this funding opportunity.

Also in fiscal year 2014, NRCS administered 35 contracts on 50 acres in American Samoa using almost $582,000 through the Environmental Quality Incentives Program (EQIP). That means that farmers in American Samoa could implement structural and management conservation practices that optimized environmental benefits on working ag land. An example of an eligible practice is vegetative barriers, used to minimize erosion on farmland.

Did you know that NRCS has a Plant Materials Center on Molokai that helped to develop an alternative fuel source for Hawaii? Specialists are studying Napier grass x Pearl Millet Hybrid as biofuel from lignocellulosic biomass. In partnership with the University of Hawaii and several private research institutions, the 2014 summer biomass yields of three hybrid Napier grass averaged 22 tons per acre.

Perhaps you were not aware that soil health workshops were even conducted in the remote islands of Saipan, Tinian, and Rota. NRCS soil scientist and local staff partnered with three Soil and Water Conservation Districts in the Commonwealth of the Northern Mariana Islands to discuss properties and behavior of the soils on each island and raise awareness about managing soils.

“The mission of NRCS is helping people help the land,” said Bruce Petersen, NRCS Director for the Pacific Islands Area. “We are please to have administered over $6 million through the Environmental Quality Incentives Program, helping farmers and ranchers throughout the islands.”

NRCS partners with Conservation Districts and others to provide technical and some cost-share assistance to private landowners. The main goal is to protect, enhance, and preserve our soil, water, air, plants, and animals using sound science and expertise. There are about 80 employees throughout the state of Hawaii, Territory of American Samoa, U.S. Minor Outlying Islands, Territory of Guam, Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, Republic of Palau, and the Republic of the Marshall Islands.

Bruce Petersen is the permanent Director for NRCS that oversees employees throughout the Pacific Islands Area (PIA).


USDA is an equal opportunity provider and employer.

Kauai Conservation Poster Contest
Written by Jenni Scotti

Mahalo to the teachers and students from Kauai Christian Academy, Ele’ele Elementary School and St. Catherine’s School for participating in the 2014 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-1st, 2nd-3rd, and 4th-6th. 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.

This year’s theme was:

Soil impacts our lives every day, sometimes in ways we don’t realize. Having healthy soil supports a healthy ecosystem, which we rely on to survive. Soil helps filter water to provide clean drinking water. Microbes in the soil help build the soil up so that it can help filter organic and inorganic material. Healthy soil supports plants, which support animals, which then produce important things such as food and fiber. Soil also supports basic infrastructure such as houses, buildings, etc., which we use in our daily lives.
NRCS DISTRICT CONSERVATIONIST
Written by Jenna Dunn

Hello, my name is Jenna and I am excited to serve you here on the Garden Isle. I am originally from California, where I graduated from Cal Poly Pomona with a degree in Agricultural Biology. My career with NRCS began in Oregon’s then North Coast Basin, serving Tillamook, Clatsop, and Columbia Counties as a Soil Conservationist. During my time in Oregon I enjoyed working with forest landowners, small acreage mixed vegetable farmers, and dairies. Later I continued my career in Merced, California again as a Soil Conservationist. While in Merced I was fortunate enough to work on projects for orchards (primarily almond), rangeland, organic operations, and dairies. I am looking forward to my new duties as District Conservationist and learning as much as I can about Kauai agriculture and resource conservation. Hopefully I will get the opportunity to meet and work with many of you in the process.

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

The Kauai Department of Water (DOW) hosted its 11th Annual Make a Splash with Project WET (Water Education for Teachers) festival on September 18, 2014. Once again this hands-on water education festival brought together parents, students, teachers, government resource agencies and enthusiasts of all kinds for one cause – to educate and raise awareness about water, our most precious natural resource.

Over 750 fifth grade students from all parts of the island gathered at the Pua’o Lake Arboretum to learn about the vital role water plays in our everyday lives. Students participated in dynamic hands-on activities and educational exhibits, while discovering how a healthy watershed can affect 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 to regularly support 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.

The Kauai DOW will be hosting its 12th Annual Make a Splash with Project WET water festival on September 24, 2015. For more information or to sign up as a volunteer, please call DOW’s Public Relations Specialist, Kim Tamaoka at (808) 249-3485 or email ktamaoka@kauaiwater.org.

MAHALO

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 David Ige, State Departments of Health, Agriculture, and Land and Natural Resources, UH CTAHR 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.

Lastly, 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, Water Department, County of Kauai, and UH CTAHR Cooperative Extension Service for helping to make the annual report possible.
Board Committee
Reports
June 18, 2015

Subject: Finance Committee Report

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

The Finance Committee met on May 28, 2015 and discussed in detail the proposed Part 4 Fixing Rates for Water Service, Section VII Facilities Reserve Charge (FRC).

The Finance Committee approved to proceed with the changes to Part 4 as discussed and presented by the Department by addressing the definition of “units” and to qualify “new” and “and/or additional” service. The Department will also add an additional edit to strike “supplies” and to correct non-substantive housekeeping grammatical changes supplied by Chair Sherman Shiraishi to the Department.

The Finance also supports the Department’s recommendation to move Section VII of Part 4 into Part 5.

The Finance Committee and Department will provide an updated report that will be presented to the full Board at the June 18, 2015 Regular Board meeting.

Sincerely,

Larry Dill, P.E.
Finance Committee Chair

LD/cio
G. OLD BUSINESS

1. *Manager’s Report No. 14-16 – Part 4*
   Fixing Rates for Water Service, Section VII Facilities Reserve Charge (FRC)
New Business
H. NEW BUSINESS

1. Manager’s Report No. 11-28 – Discussion and Possible Action on Former Approved Rules for Part 5, FRC
H. NEW BUSINESS

2. *Manager’s Report No. 15-43* - Discussion and Possible Action on Part 4, Section VII FRC to be integrated with Part 5, FRC
MANAGER’S REPORT No. 15-44

June 18, 2015

Re: Discussion and Possible Action to approve the Supplemental Loan Agreement No. 1 to the State Revolving Fund Loan (Project No. DW400-0004) obtained for DOW Water Plan 2020 Job No. PLH-03, Kahili Horizontal Directionally Drilled Well

RECOMMENDATION: It is recommended that the Board approve the Supplemental Loan Agreement No. 1.

BACKGROUND: The Board entered into a Final Agreement on August 15, 2012 for a State Revolving Fund Loan for the Department of Water’s Water Plan 2020 Job No. PLH-03, Kahili Horizontal Directionally Drilled Well project. The loan amount was for a total amount not to exceed $2,000,000.

The project was started but was not completed. The Department of Water recommended that the contract with the contractor be terminated and the project suspended, at the March 27, 2014 Board Meeting. The Board agreed with the Department’s recommendation and contract no. 539 with the contractor (MEARS) was terminated and the project suspended. The total amount paid to the contractor was $678,402.

The State is asking the Department to complete a Supplemental Loan Agreement No. 1 to the August 15, 2012 Final Agreement. The purpose of the Supplemental agreement is to amend section 3 (“Estimated Cost of Construction” on page 5 in the Final Agreement), section 4 (paragraphs “a” and “b”, “Loan Amount”), section 5 (“Completion of the Project”) and to notify the Director that the Project is incomplete and is now terminated. The amendments will update the budget and loan amount to reflect the actual cost of construction ($2,000,000 revised to $678,402), and the project schedule noted that the Director received a letter from the Board, dated November 25, 2014, notifying the Director that the Project is incomplete and is now terminated.

The Department inadvertently indicated in the November 25, 2014 letter that the project was terminated. The correct statement would be the project was suspended and the contract was terminated. The Department has written a letter dated May 22, 2015 to the DOH clarifying/correcting our misstatement in the November 25 letter.

The DOW contacted the Department of Health (DOH) and notified them of the DOW’s misstatement in the November 25, 2014 letter. The DOW verbally clarified that the project was suspended and not terminated as stated in our November 25, 2014 letter and that the DOW would be sending a letter clarifying/correcting the November 25, 2014 letter. The DOW inquired if the Supplemental Loan Agreement No. 1 would need to be revised to reflect the project being suspended, instead of the current reference saying that the project was terminated. The DOH will not require the Supplemental Agreement No. 1 to be revised and can be completed as submitted. The DOH wants the supplemental loan agreement be completed soon so that the loan can be closed out.

FUNDING: N/A
OPTIONS:
Pros: Approve the Supplemental Loan Agreement No. 1
1) This will allow the SRF loan to be closed out. The contract with the contractor was terminated and additional payment/funds for the closed contract will not be needed.
2) The DOH has requested/recommended that the loan be closed, through execution of the Supplemental Loan Agreement No. 1.

Cons: Do not approve the Supplemental Loan Agreement No. 1
1) This would leave the loan open and there would not be closure on the loan. The DOW will not be requesting more money from the loan for the terminated construction contract.
2) May cause hardship on the DOH for the loan to remain open and it possibly may be a consideration for future loan requests.

Respectively submitted,

Keith Aoki, CE VI
Engineering Division

Funding reviewed:

Marites Yano
Waterworks Controller

CONCURRED:

Kirk Saiki, P.E.
Manager and Chief Engineer

KA/ein

Attachments: Proposed Supplemental Agreement
Manager’s Report No. 14-35 re: Project suspension and termination of contract
November 25, 2014 Department of Water letter to Department of Health
May 22, 2015 Department of Water letter to Department of Health

Mggrp/June 2015/15-44/Discussion and Possible Action to approve the Supplemental Loan Agreement No. 1 to the State Revolving Fund Loan (Project No. DW400-0004) obtained for DOW Water Plan 2020 Job No. PLH-03, Kahili Horizontal Directionally Drilled Well [6-18-15]:ein
SUPPLEMENTAL AGREEMENT NO. 1

TO MODIFY AN

AGREEMENT WITH THE BOARD OF WATER SUPPLY, COUNTY OF KAUA'I
FOR STATE REVOLVING FUND LOAN
FOR THE CONSTRUCTION OF DRINKING WATER PROJECT
LOAN FROM DRINKING WATER TREATMENT REVOLVING LOAN FUND

Project No. DW400-0004

Project Title: Job No. PLH-03, Kahili Horizontal Directional Drilled Well

THIS SUPPLEMENTAL AGREEMENT NO. 1, made and entered into as of the 15th day of April, 2015, by and between the DIRECTOR OF THE DEPARTMENT OF HEALTH, STATE OF HAWAII, ("DIRECTOR") and the BOARD OF WATER SUPPLY OF THE COUNTY OF KAUA'I ("BOARD") (The DIRECTOR and the BOARD are collectively the "parties"). The BOARD has jurisdiction over the Department of Water of the County of Kauai, which is a semi-autonomous agency of the County of Kauai consisting of the BOARD, a manager and chief engineer, and the necessary staff. The BOARD has the power to contract, borrow, and to sue and be sued in its own name, and has its principal office at 4398 Pua Loke Street,
Lihue, Hawaii 96766. This supplemental agreement is further identified as the DEPARTMENT'S ADM. SERV. OFFICE LOG NO. 13-054a-15. The undersigned parties WITNESS THAT:

WHEREAS, the parties on February 15, 2012, entered into an interim agreement for "State Revolving Fund Loan with The BOARD OF WATER SUPPLY OF THE COUNTY OF KAUAI For The Construction Of Drinking Water Project," which agreement shall be referred to as the "Interim Agreement";

WHEREAS, the parties on August 15, 2012, entered into a "Final Agreement" to replace the "Interim Agreement," which agreement is further identified as the DEPARTMENT'S ADM. SERV. OFFICE LOG NO. 13-054;

WHEREAS, the parties wish to amend section 3, "ESTIMATED COST OF CONSTRUCTION," on page 5, in the Final Agreement by replacing the "Project Budget," Exhibit "A," with a new "Project Budget," Exhibit "F," which is the actual eligible cost breakdown of the project;

WHEREAS, the parties wish to amend paragraph "a" and "b" of section 4, "LOAN AMOUNT," on page 6, in the Final Agreement to reduce the loan amount to SIX HUNDRED SEVENTY-EIGHT
THOUSAND, FOUR HUNDRED TWO DOLLARS ($678,402) to reflect the total amount of payments actually paid to the BOARD;

WHEREAS, the parties wish to amend section 5, "COMPLETION OF THE PROJECT," on page 6 in the Final Agreement by replacing the "Project Schedule," Exhibit "B," with a new "Project Schedule," Exhibit "G," to reflect the actual Notice to Proceed date as January 10, 2012 and to annotate the Project completion status as submitted by the BOARD;

WHEREAS, the DIRECTOR received a letter from the BOARD, dated November 25, 2014, notifying the DIRECTOR that the Project is incomplete and is now terminated.

WHEREAS, the parties desire to modify, alter, and change the Final Agreement to provide for these changes;

NOW, THEREFORE, the parties mutually agree that the Final Agreement is hereby modified, altered, and changed as follows:

1. Section 3, titled, "ESTIMATED COST OF CONSTRUCTION," on page 5, of the Final Agreement, is modified to read as follows:

"3. ESTIMATED COST OF CONSTRUCTION The estimated cost of the construction is ONE MILLION, NINE HUNDRED
TWENTY-FOUR THOUSAND, THREE HUNDRED DOLLARS ($1,924,300), and the estimated total eligible cost of the construction project is ONE MILLION, NINE HUNDRED TWENTY-FOUR THOUSAND, THREE HUNDRED DOLLARS ($1,924,300). Pursuant to Section 1452(a)(2) of the Safe Drinking Water Act, 42 U.S.C. § 300j-12(a)(2), the only items eligible for DWTRLF participation will be those items specified as "eligible" in a Plans and Specifications Approval Letter dated March 23, 2012. The Project Budget, which is the breakdown of the total eligible cost, is attached hereto as Exhibit "F" and made a part hereof."

2. Paragraph "a" and "b" of Section 4, titled, "LOAN AMOUNT," on page 6, of the Final Agreement is modified to read as follows:

"4. LOAN AMOUNT

a. Subject to the availability of federal funds, the DIRECTOR shall loan the BOARD a total amount not to exceed SIX HUNDRED SEVENTY-EIGHT THOUSAND, FOUR HUNDRED TWO DOLLARS ($678,402), consisting of FOUR HUNDRED NINETY THOUSAND, FOUR HUNDRED TWELVE AND 26/100 DOLLARS ($490,412.26) of federal funds under the Capitalization Grant, which shall be paid from Appropriation Account

ADM. SERV. OFFICE
LOG NO. 13-054a-15

b. The Director has authorized a portion of the total loan amount in Section 4.a to be forgiven. The total principal forgiveness portion of the loan will not exceed SIX HUNDRED SEVENTY-EIGHT THOUSAND, FOUR HUNDRED TWO DOLLARS (§678,402). The loan interest and loan fee rate shall be zero per cent (0.0%) interest.”

3. Section 5, titled, “COMPLETION OF THE PROJECT,” on page 6 of the Final Agreement is modified to read as follows:

“5. COMPLETION OF THE PROJECT

a. The BOARD shall proceed with and complete construction of the Project in accordance with Project plans and specifications approved by the DIRECTOR. The BOARD shall maintain progress of the Project as specified on the Project Schedule. The Project Schedule is attached hereto as Exhibit "G" and made a part hereof.

ADM. SERV. OFFICE
LOG NO. 13-054a-15
IT IS FURTHER UNDERSTOOD AND AGREED THAT this
Supplemental Agreement No. 1 is supplemental to the Interim and
Final Agreements and all terms, conditions, and provisions
thereof, unless specifically modified, altered, and changed
herein, remain in full force and effect.

ADM. SERV. OFFICE
LOG NO. 13-054a-15
IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Agreement No. 1 effective as of the day and year first above written.

DEPARTMENT OF HEALTH,
STATE OF HAWAII

By ______________________
Its Director of Health

BOARD OF WATER SUPPLY
DEPARTMENT OF WATER,
COUNTY OF KAUAI

By ______________________
Its Chairperson

APPROVED AS TO CONTENT:

__________________________
Manager and Chief Engineer
DEPARTMENT OF WATER,
COUNTY OF KAUAI

APPROVED AS TO FORM:

__________________________
Deputy Attorney General
STATE OF HAWAII

APPROVED AS TO FORM AND LEGALITY:

__________________________
County Attorney
COUNTY OF KAUAI

ADM. SERV. OFFICE
LOG NO. 13-054a-15
PROJECT BUDGET

The BOARD and the DIRECTOR acknowledge that the actual cost of the Project has not been determined as of the effective date of this Agreement. Project cost adjustments may be made as a result of construction bidding or mutually agreed upon Project changes. The final cost shall be established after all Project costs are reviewed subsequent to the Project final construction inspection. Changes in Project costs may also occur as a result of the BOARD's Project audit or an independent audit under the Single Audit Act. Until this Agreement is amended, the BOARD agrees to the following estimates for the Project cost:

1. Architectural engineering basic fees  
   (Design allowance) $  

2. Other architectural engineering fee  

3. Project inspection fees - CM  

4. Construction and project improvement  
   (Mears Group, Inc.) 678,402.00  

5. Equipment  

6. Total (Lines 1 through 5) 678,402.00  

7. Less: Ineligible Exclusions  

8. Add: Contingencies  

9. Total Eligible Project Amount 678,402.00  

10. DWTRLF loan requested of Line 9 678,402.00  

11. BOARD share  

12. Other shares  

13. Total project costs (Lines 10,11,&12) $ 678,402.00  

Exhibit "F"

ADM. SERV. OFFICE  
LOG NO. 13-054a-15
PROJECT SCHEDULE

A. Notice to Proceed (Actual) 1/10/2012

B. Completion of Construction 12/31/2013

C. Project Duration from start to finish (months) 24

Exhibit "G"

1 The DIRECTOR received a letter from the BOARD, dated November 25, 2014, notifying the DIRECTOR that the Project is incomplete and is now terminated.
DEPARTMENT OF WATER
County of Kaua‘i
"Water has no Substitute – Conserve It!"

MANAGER’S REPORT No. 14-35

March 27, 2014

Re: Cancellation to Mears Contract No. 539 and suspension of Job No. PLH-03 – Water Plan 2020 Kahili Directionally Drilled Horizontal Well, Energy Savings Project, Cost Saving Analysis Study & Mear’s correspondence

RECOMMENDATION:
It is recommended to accept the cost-saving analysis study. It is also recommended to suspend the project at this time and cancel Contract No. 539 with Mears Group, Inc.

FUNDING:
No additional funds requested.

Summary of Invoices Received:

<table>
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<tr>
<th>Task Description</th>
<th>Contract Amount</th>
<th>Billed to Date*</th>
<th>% Complete</th>
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* November 2013 Invoice

Remaining Contract Amount

$1,393,088.00**

** If project is suspended and the contract cancelled/terminated, there may still be closing costs as allowed by contract. This cost is a negotiated item. The actual cost will not be known until later.
BACKGROUND:
A cost-savings analysis for the Kahili Horizontal Directionally Drilled Well was completed at the request of the Board. The analysis compared the cost of several different source options. The cost analysis indicates, based on the assumptions made, that the proposed Kahili horizontal well is the best cost alternative of the different source alternatives compared in the study.

The best scenario cost benefit estimated scenario was based on the horizontal well producing 6.5 MGD of water and shutting down all other area sources to minimize operating and maintenance costs. The annualized cost savings compared to existing costs was determined to be about $1.0 million per year. With the horizontal well producing 6.5 MGD of water and not shutting down all other area sources, the annualized cost savings dropped to about $0.5 million per year.

Operationally, the Department would not want to rely solely on the horizontal well and would not want to shut down all of the current area sources (deep wells and the surface water treatment plant). The Water System Standards requires standby source facilities and shutting down all other sources should not be considered. If the project is done, the actual benefit will be affected by the actual costs, conditions and yield of the well. It is possible that the well may have a better cost benefit than the study suggests and conversely, the well may turn out to have a negative cost benefit than other alternatives. There is risk involved with this project, as with any vertical wells. The actual yield is not known until you actually drill the well and test it.

The Department believes that due to the magnitude and complexity of the project, the project will take up a lot of staff time. The Department is short staffed and does not have the staffing to effectively complete this project, in addition to the other projects that need to be done. The Department is recommending to suspend the project at this time and concentrate resources on other projects. The project may be pursued at a later time, as resources allow and if needed at that time.

The Department has been short staffed for a number of years. There are very few applicants for the positions needed to be filled. The Department was able to hire an engineer recently. However, within two (2) months after being hired, the engineer resigned due to non-work related reasons. The Department is continuing the process to hire new engineers.

1. Alternatives/Options: Don’t suspend project: If the well is successful, the cost analysis indicates an expected cost benefit to the Department’s customers. The scenario with no standby sources kept is estimated to result in an annualized cost savings of about $1 million per year. The scenario with standby sources kept is estimated to save about $0.5 million per year. If the well is not successful, the cost savings could be less and also actually cost more. This project is expected to take up a lot of staff time. This will reduce the amount of time that can be spent on other needed projects.

2. Hire more staff: Ongoing process - limited amount of applicants. The County currently has a continuous recruitment for CE V’s. It is unknown when more staff will be hired.
Respectfully Submitted,

Keith Aoki, Project Manager
Civil Engineer VI

CONCURRED:

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

Attachments:  Correspondence from Mr. Jim Williams, Means Group, Inc. dated March 7, 2014
Kahili Cost Savings Analysis

REGULAR BOARD MEETING: Thursday, March 27, 2014

Board’s Decision: □ APPROVED - □ DENIED - □ DEFERRED
□ Accept for the record □ Information only □ Defer Indefinitely

Notations: Mr. Dahlig moved to accept Manager’s Report No. 14-35 and to suspend and cancel Contract No. 539, Job No. PLH-03 – Water Plan 2020 Kahili Directionally Drilled Horizontal Well Energy Savings Project; seconded by Mr. Shiraiishi; with no objections, motion carried with 4 Ayes, 2 Nays (RM, LD).

Board Members Present: Chair Clyde Nakaya, Sherman Shiraiishi, Laurie Ho, Raymond McCormick, Larry Dill, Michael Dahlig

Board Members Absent & Excused: Hugh Strom
November 25, 2014

Ms. Joanna Seto, P.E., Chief
Safe Drinking Water Branch
Department of Health
State of Hawaii
919 Ala Moana Boulevard, Room 308
Honolulu, HI 96814

Dear Ms. Seto:

Subject: SRF Loan No. DW 400-0004
         Kahili Directionally Drilled Horizontal Well

We request that our Fifth and Final Payment Request for subject project be processed. This project was not completed and was terminated. All applicable documents are enclosed or have been e-mailed.

Should you have any questions about the attached documents, please contact Fay Tateishi at (808) 245-5423.

Sincerely,

[Signature]
MARITES P. YANO
Waterworks Controller

Enc.: 1. Payment Request #5
       2. Expenditure Distribution Journal
STATE REVOLVING FUND PROGRESS PAYMENT REQUEST

Payment No. 5 Final XX Interim
ASO Log No. 13-054
Project No. DW400-0004 Project Name JOB NO. PLH-03, KAHI LI HORIZONTAL DIRECTIONAL DRILLED WELL
Period Covered by This Report: From: 12/31/2013 To: 11/30/2014
County Name: DEPARTMENT OF WATER, COUNTY OF KAUA'I
No. and Street: 4398 PUA LOKE STREET
City, State and ZIP Code: LIHUE, HAWAII 96766

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<td>5. Construction and Project Improvement</td>
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I certify that based on actual project inspection, the percentage on line 11 is correct and payment on this request is justified.

Additionally, for the period covered in this report, as described above, all employees on this project were paid at locally prevailing wages as determined by the U.S. Department of Labor.

Where the Final payment box above is checked, I certify that this is the FINAL payment request and I understand that any unused portion of the loan proceeds will no longer be available for payment and will be uncommitted from this project loan. The unused loan amount is $1,321,598.00.

Signature of County Construction Inspector/Project Engineer 11/25/2014
Keith Aoki, Civil Engineer VI Phone 808 245-5411
Typed or Printed Name and Title

I certify that the to the best of my knowledge and belief, the filed costs are correct, in accordance with the loan/grant agreement and have not been previously presented for payment.

Signature of County Certifying Official 11/25/2014
Kirk Saiki, Acting Manager and Chief Engineer Phone 808 245-5403
Typed or Printed Name and Title
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<th>CONSTRUCTION CONTRACT</th>
<th>EQUIP. &amp; MATERIALS</th>
<th>A/E OR OTHER FEES</th>
<th>PROJECT INSPECTION</th>
<th>ADM. &amp; FISCAL</th>
<th>INELIGIBLE &amp; PENDING CHANGE ORDER APPROVAL</th>
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**Supporting Documents:**

1. Each payment to contractor shall have:
   a. Contractor's work sheet (summary sheet) signed by the contractor.
   b. Engineer's certification of payment.
2. Purchase of Equipment and Materials shall have:
   a. Purchase Order - dated

$678,402.00
May 22, 2015

Ms. Joanna Seto, P.E., Chief
Safe Drinking Water Branch
Department of Health
State of Hawaii
919 Ala Moana Boulevard, Room 308
Honolulu, HI 96814

Dear Ms. Seto:

Subject: Drinking Water Treatment Revolving Loan Fund (DWTRLF)
Project No. DW400-0004, Job No. PLH-03 Kahili Horizontal Directional Drilled Well
Clarification to the November 25, 2014 Letter From the DOW

The Department of Water (DOW) would like to clarify/correct the November 25, 2014 letter that was sent to you. The letter stated that “the project was not completed and was terminated.” We would like to clarify/correct that the project was “suspended, not terminated.” Please reference the attached letter from the DOW along with Manager’s Report No. 14-35 that was accepted by the Board of Water Supply at the March 27, 2014 Board Meeting.

In response to the November 25, 2014 letter from the DOW, the DOW received the Supplemental Loan Agreement No. 1 from Stuart Yamada, Chief of the Environmental Management Division (letter dated April 30, 2014) that referenced that the project was terminated. We understand that the termination is not a concern for the DOH and the DOH would like the DOW to complete the supplemental loan agreement as provided. The DOW will be requesting that our Board approve the Supplemental Loan Agreement No. 1, as submitted based on our understanding during their upcoming June 18th Regular Board Meeting.

We apologize for the miscommunication and any inconvenience this may cause. Should you have any questions, please contact Mr. Keith Aoki of my staff at (808) 245-5411 or, by email at kaoki@kauaiwater.org.

Respectfully,

Kirk Saiki, P.E.
Manager and Chief Engineer

Attached: Kauai Board of Water Supply Manager’s Report 14-35
DOW letter dated November 25, 2014

c: Andrea Suzuki, Deputy County Attorney
Keith Aoki, Civil Engineer – Department of Water
Marites Yano, Water Works Controller – Department of Water
Stuart Yamada, Chief – Environmental Management Division Department of Health

KA/nja
MANAGER’S REPORT No. 15-45

June 18, 2015

Re: Discussion and Possible Action to Request Board Approval to enter into Memorandum of Understanding (MOU) between the State of Hawai‘i, Employees Retirement System (ERS) and the County of Kaua‘i, Department of Water (DOW) to participate in the State of Hawaii ERS Actuary

RECOMMENDATION:
It is recommended that the Board grant the Department approval to participate in the cost sharing of ERS Actuarial Information through Memorandum of Understanding between the State of Hawai‘i, ERS and the County of Kauai, DOW.

FUNDING: W/U/Acctg/Admin/Professional Services – General
10-31-10-540-010 – OPEB Valuation and other Actuarial Services $15,000.00.

BACKGROUND:
The State of Hawaii, ERS administers the retirement, disability, survivor, and other benefits to more than 115,000 members comprised of retirees, beneficiaries, inactive vested members and active public employees working for the Counties & State of Hawaii and this includes County of Kauai Department of Water. As part of the process, DOW contributes to the ERS a fixed percentage of DOW payrolls to fund the DOW employees’ retirement. DOW recorded these contributions as “expenses - payroll benefits” as these contributions were made and no other accounting and recording were required at that time.

A new statement from Government Accounting Standards Board (GASB) known as GASB 68 was issued that requires new accounting and financial reporting for pensions by state and governmental employers. To comply with GASB 68, the State of Hawaii ERS engaged the professional services of an Actuary for the ERS contributions and corresponding benefits. By participating and sharing the cost of this engagement, the Department of Water will be provided a copy of the GASB 68 reports to the employers thus eliminating the need for DOW to engage a separate Actuary professional service which is more costly if we do it separately.

The cost to the Department is $1,500.00 if at least nine of the ten employers will participate to this cost sharing agreement otherwise the total cost of $13,500 will be pro-rated to the number of participating employers if not all are participating.

OPTIONS:
Pros: 1) If approved, DOW will be provided the GASB 68 reports to employers that DOW needs for financial accounting and reporting.
Cons: 2) If not approved, DOW will need to procure a separate Actuary to conduct actuarial services to produce the same GASB 68 reports that DOW needs for financial accounting and reporting.

Respectfully submitted,

Marites Yano
Waterworks Controller

Funds reviewed:

Marites Yano
Waterworks Controller

CONCURRED:

Kirk Saiki, P.E.
Manager and Chief Engineer

Attachment: Updated Memorandum of Understanding (MOU) for execution received May 29, 2015
Marites Yano  
Waterworks Controller  
Board of Water Supply  
County of Kauai  
4398 Pua Loke Street  
Lihue, Kauai, HI 96766

Subject: GASB 68 Report for State or County Government Employers provided by ERS’s Actuary, Gabriel, Roeder, Smith & Company (GRS)

Dear Marites:

Pursuant to my telephone discussion today with Ann Parrott, enclosed are the updated Memorandums of Understanding (MOU) for execution. Please discard the MOU’s sent to you on May 13, 2015. Please obtain signatures on both copies and return to us. A fully executed copy will be sent to you for your files.

Should you have any questions, please do not hesitate to call me at (808) 586-1705 or Donna Curry at (808) 586-1678.

Thank you for your cooperation in this matter.

Sincerely,

Gerri Konishi  
Member Home Loan Assistant

Enclosures
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is effective the _____ day of ____________, 2015, by and between the EMPLOYEES’ RETIREMENT SYSTEM OF THE STATE OF HAWAII ("ERS") and ________________________

DEPARTMENT OF WATER, COUNTY OF KAUA’I

4398 Pua Loke Street, Lihue, Kauai, HI 96766

______________________________ ("Employer").

RECITALS

A. The following state or county government employers (the “employers”) have requested assistance from the ERS in obtaining actuarial information to meet reporting requirements under Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" the employers’ financial statements for the fiscal year ending June 30, 2015 (FYE 2015):

i. State of Hawaii;
   ii. City and County of Honolulu;
   iii. County of Maui;
   iv. County of Kaua’i;
   v. County of Hawai’i;
   vi. Board of Water Supply, City and County of Honolulu;
   vii. Department of Water Supply, County of Hawaii;
   viii. Department of Water, County of Kauai;
   ix. Honolulu Authority for Rapid Transportation; and
   x. University of Hawaii.

B. The ERS is willing to obtain the information ("GASB 68 Report") for the employers from the ERS’s actuary, Gabriel, Roeder, Smith & Company ("GRS");

C. GRS is willing to provide GASB 68 Reports to the employers for $1,500.00 per participating employer, provided that (1) at least nine of the ten employers obtain their GASB 68 Report from GRS and (2) GRS is able to bill the ERS for all of the GASB 68 Reports.

D. Because of concerns arising from federal tax-qualification requirements applicable to the ERS, the ERS is unable to advance the fees for the GASB 68 Reports.

HART
Kauai Water
E. GRS has agreed that it will not require the ERS to pay for the GASB 68 Report(s) until the ERS has received payment from the employers who receive a GASB 68 Report from GRS.

F. The purpose of this MOU is to provide for payment by the Employer for the GASB 68 Report provided to it by GRS.

TERMS AND CONDITIONS

1. Upon execution of this MOU, the ERS will request GRS to prepare a GASB 68 Report for Employer as provided in the letter attached to this MOU as Exhibit “A” and incorporated herein by reference.

2. The cost to Employer for the GASB 68 Report will be $1,500.00; provided that at least nine of the employers enter into a MOU with the ERS to obtain their GASB 68 Report from GRS through the ERS. If fewer than nine of the employers enter into an MOU with the ERS to obtain their GASB 68 report from GRS through the ERS, the cost to Employer for the GASB 68 Report will be equal to: $13,500/number of participating employers. In addition, if Employer requests additional services or information beyond what GRS understands to be customary or reasonable for a GASB 68 Report, the cost for the Employer may be higher.

3. Upon execution of this MOU, Employer will pay ERS $1,500.00 for remittance to GRS for the GASB 68 Report. If fewer than nine employers enter into an MOU with the ERS to obtain their GASB 68 report from GRS through the ERS, the ERS will bill Employer for the difference between $1,500.00 and the cost of the GASB 68 Report as determined pursuant to paragraph 2 (the “additional cost”). The ERS will bill Employer for any additional services or information requested by Employer after the ERS receives the bill from GRS for such additional services or information. Employer will pay ERS within thirty days from receipt of the bill from the ERS for any additional cost or for any additional services or information. Upon receipt of payment from Employer, the ERS will promptly remit the payment to GRS.

4. Employer’s covered payroll is reported to the ERS on a consolidated basis with County of Kauai (the “County”). Employer acknowledges that ERS and GRS require a breakdown of the covered payroll between Employer and the County in order to allocate pension liability between Employer and the County. Employer will therefore provide to ERS and GRS a breakdown, between Employer and County, of the covered payroll reported to the ERS on a consolidated basis for FYE 2015. The breakdown provided by Employer to the ERS and GRS must reconcile with the consolidated covered payroll reported by County to the ERS for the applicable period.

5. This MOU may be amended or modified only by a written agreement signed by both parties.
IN WITNESS WHEREOF, the parties have executed this MOU as of the last date written below.

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII

EMPLOYER: DEPARTMENT OF WATER, COUNTY OF KAUAI

By ___________________________  By ___________________________
Kirk Saiki                      Sherman Shiraisi
Manager & Chief Engineer        Chairperson

DATE: _________________________  DATE: _________________________

By ___________________________
Andrea Suzuki
Deputy County Attorney

DATE: 6/10/15

APPROVED AS TO FORM:

______________________________
Deputy Attorney General
State of Hawaii
April 9, 2015

Ms. Kanoe Margol
Interim Executive Director
Employees’ Retirement System of the State of Hawaii
201 Merchant Street, Suite 1400
Honolulu, Hawaii 96813

Re: Proposed Scope of Work and Fees for Providing Required Actuarial
Information Needed for Implementing GASB 68 for Fiscal Year 2015

Dear Kanoe:

As you are aware, the current actuarial consulting services contract between the Employees’ Retirement System of the State of Hawaii (ERS) and Gabriel, Roeder, Smith & Company (GRS) did not include work performed in providing information in connection with the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions”. This proposal outlines the deliverables and services GRS will provide to assist ERS in providing this information that your participating employers will need to conform to the requirements of the new standards and the fees to do so.

Scope of Work

The scope of work outlined in this letter pertains to information (to be prepared by GRS) necessary for the employers’ financial statements for the fiscal year ending June 30, 2015. This information is based on our understanding of the disclosure requirements of GASB # 68.

Please note that there are several items that the employers will need for their financial statements that ERS has already prepared for its own financial statements. These items are shown below:

1. Plan Description
2. Description of Benefits
3. Description of Contribution Requirements
4. Actuarial Assumptions used to Determine Net Pension Liability (NPL)
5. Determination of the long-term expected rate of return
6. Discount Rate
7. Pension Plan’s Fiduciary Net Position
8. Plan’s Fiduciary Net Position as percentage of total pension liability
In addition to these items there is additional information that each employer will need that is applicable only to that employer. In accordance with GASB #67, ERS was provided its disclosure requirements for the entire plan. For cost-sharing plans, these items are allocated to each participating employer based on their proportionate share of the contribution effort. This is further complicated by the fact that the employers contribute different contribution rates based on whether an employee is classified as Police and Fire versus All Other employees.

GRS will prepare a single report that contains the following information for each individual employer that elects to be part of this arrangement:

1. Proportionate Share of NPL, covered payroll, and proportionate share of NPL as % of covered payroll
2. Proportionate Share of Pension Expense
3. Proportionate Share of NPL measured at +1% and -1% of the discount rate used to measure the NPL in Item 1
4. Proportionate Share of Deferred Outflows of Resources and Deferred Inflows of Resources by source
5. Proportionate Share of Deferred Outflows and of Resources and Deferred Inflows of Resources that will be recognized in the Pension Expense each of the next five years and in aggregate thereafter

The Required Supplementary Information under GASB #68 requires a 10-year schedule of the employer’s proportionate share of the NPL, and the Plan’s fiduciary net position as a percentage of the total pension liability. As allowed by GASB #68, it is assumed that this schedule will be built on a prospective basis only. It is also assumed that the employer will be responsible for preparing these schedules based on the information provided by ERS and in the GASB #68 report.

We will provide a single GASB No. 68 report (containing the information described above for each employer), which will provide the information required by the employers for their financial statements for the period ending June 30, 2015. This will include the calculation of all deferred inflows and outflows as well as keeping track of the amortization schedule in future years. This will be handled for each employer. We will also provide in excel format the information for inclusion in each participating employers’ financial statements.

Fees

The proposed fixed fee for providing the GASB #68 information, as described above, is $1,500 per employer/component unit. This is based on the assumption that at least nine employers/component units will participate. If fewer than nine employers elect to have GRS provide them with their GASB #68 information, then the fee will be $13,500 divided by the number of electing employers.

The above fees include all work with the Plan’s Auditor in providing audited information to participating employers. It also includes a reasonable amount of time that may be requested by the auditor’s of individual employers. However, requests from auditors that are deemed to be uncustomary or excessive will be billed separately. The above fees will be invoiced to ERS upon completion of the GASB #68 information.
Ms. Kanoe Margol
April 9, 2015
Page 3

It is our understanding that the ERS does not believe it can pay for the GASB No. 68 information for the employers. However, because we already have a contract with ERS and not with the participating employers it would be beneficial to GRS that we be allowed to bill the ERS for the GASB #68 services, have ERS invoice the individual employers and when ERS is paid by the employers ERS would then pay GRS. We acknowledge that ERS will not pay GRS until they have been reimbursed by the employers. If separate employer contracts are required, the fee could increase.

Please call one of us if you or any board members have questions about this proposal.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Joseph P. Newton, FSA, MAAA, EA
Senior Consultant

Lewis Ward
Consultant

J:\3046\2015\GASB\ERS_GASB68Fees.docx
MANAGER’S REPORT NO. 15-46

June 18, 2015

Re: Discussion and Possible Action on Additional Funding for GS2015-5 to purchase a 4 X 2 Pick-up Truck for Fiscal’s Meter Readers in the amount of $3,000

RECOMMENDATION:
The Board’s approval is requested for the transfer of a W/U/Capital Outlay/R&R budget of $3,000.00 from Operations to Fiscal/Billing to purchase 4 X 2 pickup truck to replace one of the aging Meter Readers’ vehicles.

FUNDING: WU/Capital Outlay – Rehabilitation & Replacement/Equipment (10-604-999)

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This request doesn’t require additional funding. It is merely a budget transfer from Operation’s Division to Fiscal, both of which are Capital Outlay – R&R (604-999) budget.

BACKGROUND:
The Department budgeted in the current fiscal year the amount of $25,000 for the purchase of a 4 X 2 light truck to replace one of the Meter Readers’ vehicles, CK # 1911. The current truck being replaced is eight years and over 100,000 miles, both characteristics are over and beyond the department’s vehicle replacement policy.

A notice of solicitation for the furnishing and delivery of one (1) 2-wheel drive went out two times. From the first notice of solicitation, the Department received one (1) single bid whose bid amount was over the budget of $25,000.00. In hopes of getting lower bids, the Department resolicited for the second time but the second solicitation gave us another sole bidder which came back with a bid, still over $25,000.00. It was evident that the cost to purchase is over the initial budget and Fiscal needs additional funds to award the contract.
Operations’ capital budget for vehicles has unused funds of $34,166.82 as of end of May, 2015. It is hereby requested from the Board to approve the transfer of $3,000.00 to Fiscal’s capital budget so that we can award the contract to the sole bidder.

OPTIONS:

Pros: 1) If approved, the Department can purchase the pick-up truck needed to replace an existing vehicle and avoid unnecessary risks attached to an aging vehicle.

Cons: 1) If not approved, the Department will come back to the board for a new supplemental budget in FY 2015-2016.

Respectfully submitted,

[Signature]
Marites Yano
Waterworks Controller

Funding reviewed:

[Signature]
Marites Yano
Waterworks Controller

CONCURRED:

[Signature]
Kirk Saiki, P.E.
Manager and Chief Engineer

MY/ein

Mgrrp/June 2015/15-46/Discussion and Possible Action on Additional Funding for GS2015-5 to purchase a 2 X 4 Pick-up Truck for Fiscal’s Meter Readers in the amount of $3,000 (6-18-15):ein
H. NEW BUSINESS


REPORT

PENDING
Staff Reports
FISCAL REPORT: MAY, 2015

MONTHLY BUDGET SUMMARY HIGHLIGHTS:

REVENUES:

- Total Revenue is 10% less than projection. Major revenue items below projection are:
  - Cumulative water sales revenue as of May is $160 thousand (K) or 1% less than projected.
  - FRC cumulative collections - (65%).
  - Revenue from Public Fire Protection – revised Year to Date (YTD) budget was adjusted to show revenue receipts at period 12 since this is a year entry.
  - Federal Grants, (82%). Components of this budget are: BAB subsidy and Proceeds from SRF loan forgiveness. Actual receipts of $327,878 are from BAB subsidy.
  - State Grants, (93).

OPERATING EXPENSES:

- YTD Operating Expenses before depreciation and amortization is $17.3 million (M); a 70% burn rate out of $24.5M YTD budget.
  - Employee Related Expenses – YTD expenses is $6.8M or 83% of YTD budget.
  - Contracts & Services – YTD expenses is $1.4M or 28% of $5.2M budget.
  - Exceptional Expenses – YTD expenses is $349K or 70% of $499K budget. This was a carry over budget from FY 2014 for 2 emergency repairs. Both repairs were completed.
  - Fuel & Utilities – YTD expenses is $2.9M or 80% of YTD budget.
  - Bulk Water Purchase - YTD expenses is $1.4M or 76% of YTD budget.
  - Office & Operating Supplies – YTD expenses is $603K or 52% of YTD budget.
  - Training, Travel & Meeting Expenses – YTD expenses is $105.1K or 44% of YTD budget.
  - YTD Depreciation & Amortization (non-cash expenses) is $6.6M.

NET OPERATING INCOME:

- YTD Net Operating Income before depreciation and amortization is $11.7M or $3.9M higher than projected. The net Operating Income was achieved because YTD actual expenses were 30% less than YTD budget.
- YTD Net Operating Income is $5.1M after depreciation & amortization expenses of $6.6M.
- Paid $4.39M YTD out of $4.4M annual Debt Principal Budget.

CAPITAL BUDGET:

- YTD Capital Projects: Water Utility Fund YTD expenses are $511.7K.
- YTD Capital Projects: BAB Fund YTD expenses are $206.7K.
- YTD Capital Projects: SRF Loan Fund YTD expenses are $1.91M.
- YTD Capital expenses are $2.6M out of $39.4M YTD capital budget.
WATER CONSUMPTION - 3 YEARS COMPARATIVE CHART:

- Month of May - metered consumption was 12.7mg lower from last year of the same month.
- YTD metered consumption is back to negative 7.7mg as of May, 2015.

OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:

- GASB 68 – New statement from Government Accounting Standards Board that requires new reporting and accounting of employees’ contributions and pensions will be implemented effective year end closing FY 2015.
- A Memorandum of Understanding is proposed by State of Hawaii ERS to co-share in the actuarial study of ERS benefits and contributions for DOW to obtain GASB 68 Reports to employers.
- Fiscal is in process of procuring a new vehicle for one of the Meter Readers to replace an aging service truck.
- New Financial Accounting System (FAS) implementation was on July 1, 2014. We are on the 11th month of post implementation.
- FY 2015 – 2016 Proposed Budget was approved in May board meeting.
- The department was approved by the Board to proceed with the initial procurement process for a new billing system or Customer Information System (CIS). Drafting RFP is in process. A proposed budget of $1.1M is included in the FY 2015 – 2016 budget for this project.
- The Department issued Notice to Proceed, pending negotiation to the highest ranked Consultant to undertake Water Rate Study for the next five fiscal years; FY 2017-2021.
- SOP No. 51 – Charges for Restoration of Water Service – Revision is being drafted to update the charges.
## Operating Budget Summary

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<td>$2,445,813.91</td>
<td>$2,442,406.63</td>
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<td>5,416.67</td>
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<td>Net increase in Fair Value of Investments</td>
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<td>Gain or Loss from the Retirement of Debt</td>
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<td>Miscellaneous Revenues</td>
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<td><strong>Total Revenue</strong></td>
<td>$3,095,042.97</td>
<td>$2,845,813.91</td>
<td>$3,523,893.79</td>
<td>(321,920.12)</td>
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### FY 2015

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<tr>
<th>Description</th>
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<th>YTD Actual</th>
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<th>Variance %</th>
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<td>Revenue</td>
<td>$26,803,953.01</td>
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*Note: Variance and variance percent calculations are based on budgeted amounts.*
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<td>FY 2014 &amp; FY 2015 Kilauea Emergency</td>
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<td>FY 2015 Kilauea</td>
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<td>Total Exceptional Expenses</td>
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<tr>
<td>Fuel &amp; Utilities</td>
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<td>II. CAPITAL BUDGET</td>
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<td>SRF Loan Fund - Capital Projects (See Attached for Details)</td>
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### Capital Projects (See Attached for Details):

#### May

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<tr>
<th>Project Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
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<tr>
<td>10-02-00-1040-000 WU-Contr A Cnt Ax to Journalize CIP-Kanawaha</td>
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#### FY 2015

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<th>YTD Actual</th>
<th>Variance</th>
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<tr>
<td>10-02-00-1040-000 WU-Contr A Cnt Ax to Journalize CIP-Kanawaha</td>
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### Total Capital Projects (See Attached for Details)

<table>
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<th>Project Description</th>
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<th>Variance</th>
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<tr>
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#### Total Capital Projects

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<td></td>
<td>789,767.61</td>
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<td>20-20-00-065-016 FRC-Eng-ALLE-Poipu 1 MG Storage Tank</td>
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### Capital Projects (See Attached for Details):

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<th>Project Description</th>
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<td>April</td>
<td>May</td>
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<td>30-20-00-004-101 B&amp;B-Eng-ALLR-10-01 Anini &amp; Kalihwa Rd 6-102</td>
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<td>30-20-00-005-125 B&amp;B-Eng-96% 02-01 Land for Kuukuionic Tank Site</td>
<td>52,325.00</td>
<td>52,325.00</td>
<td>52,325.00</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-005-138 B&amp;B-Eng-31% 11-07 HE-03 Hanapepe Ko'olau Well MCC</td>
<td>198,038.00</td>
<td>198,038.00</td>
<td>198,038.00</td>
<td>100%</td>
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<tr>
<td>30-20-00-005-139 B&amp;B-Eng-ALLR-02-11 M-02 100K Trk &amp; Pipeline Molokai</td>
<td>416,332.60</td>
<td>416,332.60</td>
<td>416,332.60</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-005-140 B&amp;B-Eng-ALLR-11-00 WK-01 Lihue Baseyard Phas 1</td>
<td>64,866.66</td>
<td>64,866.66</td>
<td>64,866.66</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-005-102 B&amp;B-Eng-Alle-02-17 M-02 100K Trk &amp; Pipeline Molokai</td>
<td>1,466.66</td>
<td>1,466.66</td>
<td>1,466.66</td>
<td>100%</td>
<td></td>
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<tr>
<td>30-20-00-005-107 B&amp;B-Eng-Alle-02-17 M-02 100K Trk &amp; Pipeline Molokai</td>
<td>1,466.66</td>
<td>1,466.66</td>
<td>1,466.66</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-005-112 B&amp;B-Eng-Alle-02-17 M-02 100K Trk &amp; Pipeline Molokai</td>
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<td>1,466.66</td>
<td>1,466.66</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-005-114 B&amp;B-Eng-Alle-02-17 M-02 100K Trk &amp; Pipeline Molokai</td>
<td>1,466.66</td>
<td>1,466.66</td>
<td>1,466.66</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-005-116 B&amp;B-Eng-Alle-02-17 M-02 100K Trk &amp; Pipeline Molokai</td>
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<td>1,466.66</td>
<td>1,466.66</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-005-118 B&amp;B-Eng-Alle-02-17 M-02 100K Trk &amp; Pipeline Molokai</td>
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<td>1,466.66</td>
<td>1,466.66</td>
<td>100%</td>
<td></td>
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<tr>
<td>30-20-00-005-120 B&amp;B-Eng-Alle-02-17 M-02 100K Trk &amp; Pipeline Molokai</td>
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<td>1,466.66</td>
<td>1,466.66</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-005-133 B&amp;B-Eng-Alle-02-17 M-02 100K Trk &amp; Pipeline Molokai</td>
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<td>1,466.66</td>
<td>1,466.66</td>
<td>100%</td>
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</tr>
<tr>
<td>30-20-00-005-135 B&amp;B-Eng-Alle-02-17 M-02 100K Trk &amp; Pipeline Molokai</td>
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<td>1,466.66</td>
<td>1,466.66</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-005-137 B&amp;B-Eng-Alle-02-17 M-02 100K Trk &amp; Pipeline Molokai</td>
<td>1,466.66</td>
<td>1,466.66</td>
<td>1,466.66</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

**Total Capital Projects (See Attached for Details):**

1,289,967.11 & 1,283,068.14 & 28,726.00 & 22,034,013.38 & 200,071.50 & 22,147,941.65 & 99%
### Capital Projects (See Attached for Details):

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-20-00-605-143 SRF-Eng-11-13 PLH-03 DRILL &amp; DEV HORIZONTAL WELLS 60-21-00-604-114 SRF-Cns-ALLR-X-YY PLH-39a-Lihue Baseyard Impvmts</td>
<td>12,600.00</td>
<td>333,333.33</td>
<td>333,333.33</td>
<td>333,333.33</td>
<td>3,566,666.63</td>
<td>1,912,352.30</td>
<td>1,754,314.33</td>
<td>48%</td>
</tr>
<tr>
<td>Total Capital Projects (See Attached for Details)</td>
<td>345,633.33</td>
<td>333,333.33</td>
<td>333,333.33</td>
<td>333,333.33</td>
<td>3,566,666.63</td>
<td>1,912,352.30</td>
<td>1,754,314.33</td>
<td>48%</td>
</tr>
<tr>
<td>Month</td>
<td>FY 2013</td>
<td>FY 2014</td>
<td>FY 2015</td>
<td>Cum. Inc (Dec)</td>
<td>% Inc. (Dec.)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>------------</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>$2,346,892</td>
<td>$2,389,827</td>
<td>$2,509,308</td>
<td>$119,481</td>
<td>5.00%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>$4,399,666</td>
<td>$4,846,625</td>
<td>$5,260,587</td>
<td>$413,962</td>
<td>8.54%</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>September</td>
<td>$6,828,224</td>
<td>$7,600,208</td>
<td>$7,985,071</td>
<td>$384,863</td>
<td>5.06%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>$9,056,386</td>
<td>$9,747,266</td>
<td>$10,346,368</td>
<td>$599,102</td>
<td>6.15%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>$11,423,911</td>
<td>$12,304,399</td>
<td>$12,776,067</td>
<td>$471,668</td>
<td>3.83%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>$13,338,790</td>
<td>$14,213,889</td>
<td>$15,232,230</td>
<td>$1,018,341</td>
<td>7.16%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>$16,163,728</td>
<td>$16,365,861</td>
<td>$17,516,998</td>
<td>$1,151,137</td>
<td>7.03%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>$18,406,878</td>
<td>$18,231,858</td>
<td>$19,858,103</td>
<td>$1,626,245</td>
<td>8.92%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>$20,193,748</td>
<td>$19,989,956</td>
<td>$22,109,442</td>
<td>$2,119,486</td>
<td>10.60%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>$22,016,200</td>
<td>$21,982,692</td>
<td>$24,694,634</td>
<td>$2,711,942</td>
<td>12.34%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>$23,983,717</td>
<td>$24,279,609</td>
<td>$27,149,481</td>
<td>$2,869,872</td>
<td>11.82%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**AFS error in billing AJE**

**BILLED REVENUES COMPARATIVE REPORT**

As of May, FY 2013, 2014 & 2015

**BILLED REVENUES COMPARATIVE CHART**

As of May, FY 2013, 2014 & 2015

![Graph showing billed revenues comparison over FY 2013, 2014, and 2015](image-url)
### Cash Receipts Comparative Report

**As of May, FY 2013, 2014 & 2015**

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>Cum. Inc (Dec)</th>
<th>% of Inc (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$1,964,915</td>
<td>$2,594,170</td>
<td>$2,288,104</td>
<td>$(306,066)</td>
<td>-12%</td>
</tr>
<tr>
<td>August</td>
<td>$4,275,571</td>
<td>$5,157,089</td>
<td>$4,704,550</td>
<td>$(452,539)</td>
<td>-9%</td>
</tr>
<tr>
<td>September</td>
<td>$6,370,743</td>
<td>$7,551,676</td>
<td>$7,539,105</td>
<td>$(12,572)</td>
<td>0%</td>
</tr>
<tr>
<td>October</td>
<td>$9,006,500</td>
<td>$10,458,869</td>
<td>$10,008,958</td>
<td>$(449,911)</td>
<td>-4%</td>
</tr>
<tr>
<td>November</td>
<td>$11,197,586</td>
<td>$12,235,628</td>
<td>$11,856,591</td>
<td>$(379,037)</td>
<td>-3%</td>
</tr>
<tr>
<td>December</td>
<td>$13,332,029</td>
<td>$14,412,589</td>
<td>$14,469,704</td>
<td>57,115</td>
<td>0%</td>
</tr>
<tr>
<td>January</td>
<td>$15,496,524</td>
<td>$16,359,772</td>
<td>$16,582,316</td>
<td>222,544</td>
<td>1%</td>
</tr>
<tr>
<td>February</td>
<td>$17,978,954</td>
<td>$17,959,523</td>
<td>$18,764,382</td>
<td>804,860</td>
<td>4%</td>
</tr>
<tr>
<td>March</td>
<td>$20,124,259</td>
<td>$20,040,053</td>
<td>$21,084,947</td>
<td>1,044,893</td>
<td>5%</td>
</tr>
<tr>
<td>April</td>
<td>$22,135,604</td>
<td>$21,992,934</td>
<td>$23,582,827</td>
<td>1,589,894</td>
<td>7%</td>
</tr>
<tr>
<td>May</td>
<td>$23,853,871</td>
<td>$23,982,830</td>
<td>$25,718,355</td>
<td>1,735,526</td>
<td>7%</td>
</tr>
</tbody>
</table>

#### Cash Receipts Comparative Chart

**As of May, FY 2013, 2014 & 2015**

![Cash Receipts Comparative Chart](chart.png)
<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>INC (DEC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>436,238</td>
<td>391,161</td>
<td>343,770</td>
<td>-47,391</td>
</tr>
<tr>
<td>August</td>
<td>361,599</td>
<td>383,678</td>
<td>374,728</td>
<td>-8,950</td>
</tr>
<tr>
<td>September</td>
<td>415,176</td>
<td>416,687</td>
<td>346,777</td>
<td>-69,910</td>
</tr>
<tr>
<td>October</td>
<td>384,934</td>
<td>329,255</td>
<td>322,278</td>
<td>-6,977</td>
</tr>
<tr>
<td>November</td>
<td>398,863</td>
<td>345,049</td>
<td>320,209</td>
<td>-24,840</td>
</tr>
<tr>
<td>December</td>
<td>305,276</td>
<td>288,665</td>
<td>321,339</td>
<td>32,674</td>
</tr>
<tr>
<td>January</td>
<td>453,812</td>
<td>317,509</td>
<td>312,153</td>
<td>-5,356</td>
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<tr>
<td>February</td>
<td>366,974</td>
<td>286,045</td>
<td>325,040</td>
<td>38,995</td>
</tr>
<tr>
<td>March</td>
<td>323,359</td>
<td>261,867</td>
<td>306,207</td>
<td>44,340</td>
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<tr>
<td>April</td>
<td>334,995</td>
<td>301,084</td>
<td>353,456</td>
<td>52,372</td>
</tr>
<tr>
<td>May</td>
<td>335,320</td>
<td>348,355</td>
<td>335,704</td>
<td>-12,651</td>
</tr>
</tbody>
</table>

**AFS error in billing AJE**

Adjustment

**METERED CONSUMPTION (000 GALLONS) MONTHLY COMPARATIVE CHART**

As of May, FY 2013, 2014 & 2015

(expresses in thousands)

**MONTHLY CONSUMPTION COMPARATIVE CHART**

For FY 2013, 2014 & 2015

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

As of May, FY 2013, 2014 & 2015
(Expressed in thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>CUM. INC (DEC)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>349,500</td>
<td>391,161</td>
<td>343,770</td>
<td>-47,391</td>
<td>-12%</td>
</tr>
<tr>
<td>August</td>
<td>748,067</td>
<td>774,839</td>
<td>718,498</td>
<td>-56,341</td>
<td>-7%</td>
</tr>
<tr>
<td>September</td>
<td>1,172,622</td>
<td>1,191,526</td>
<td>1,065,275</td>
<td>-126,251</td>
<td>-11%</td>
</tr>
<tr>
<td>October</td>
<td>1,507,452</td>
<td>1,520,781</td>
<td>1,387,553</td>
<td>-133,228</td>
<td>-9%</td>
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<tr>
<td>November</td>
<td>1,857,997</td>
<td>1,865,830</td>
<td>1,707,762</td>
<td>-158,068</td>
<td>-8%</td>
</tr>
<tr>
<td>December</td>
<td>2,164,504</td>
<td>2,154,495</td>
<td>2,029,101</td>
<td>-125,394</td>
<td>-6%</td>
</tr>
<tr>
<td>January</td>
<td>2,505,086</td>
<td>2,472,004</td>
<td>2,341,254</td>
<td>-130,750</td>
<td>-5%</td>
</tr>
<tr>
<td>February</td>
<td>2,790,363</td>
<td>2,758,049</td>
<td>2,666,294</td>
<td>-91,755</td>
<td>-3%</td>
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<tr>
<td>March</td>
<td>3,100,600</td>
<td>3,019,916</td>
<td>2,972,501</td>
<td>-47,415</td>
<td>-2%</td>
</tr>
<tr>
<td>April</td>
<td>3,381,673</td>
<td>3,321,000</td>
<td>3,325,957</td>
<td>4,957</td>
<td>0%</td>
</tr>
<tr>
<td>May</td>
<td>3,752,552</td>
<td>3,669,355</td>
<td>3,661,661</td>
<td>-7,694</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Adjustment**
- AFS error in billing AJE 288,133 288,133

## WATER CONSUMPTION COMPARATIVE CHART

As of May, FY 2013, 2014 & 2015

4 consumption (000 gallons)
PR Specialist Report

June 18, 2015

Press Releases & Connect CTY notifications
All press releases and Connect CTY messages reported below were also published on the Department’s Facebook and Twitter social media pages.

- A press release was sent on May 27th, to notify all customers the availability of the Department’s 2015 Water Quality Reports, covering from Jan. 1, 2014 to Dec. 31, 2014, on www.kauaiwater.org. Customers also received a mailed letter with a direct link to their applicable water quality report. Customers requesting a paper copy of the report were advised to call PR’s Kim Tamaoka or Jonell Kaohelaulli.
- A Connect CTY message was sent on June 2nd to notify Hanapepe customers of a scheduled water outage on June 3rd, from 10 a.m. to 2 p.m., to allow the Department’s Operations Division to make improvements to the area’s water system. Affected customers were located on a portion of Kane, Alii and Moi Roads.
- A Connect CTY message was sent on June 3rd to notify Kekaha customers of a scheduled water outage on June 4th, from 10 a.m. to 2 p.m., to allow the Department’s Operations Division to upgrade the area’s water hydrant. Affected customers were located on Elepaio Road, between Akekeke Road and Amakihi Road, including Alae Road.

Project WET for Source Water Protection Education Grant
The Department was able to extend its contract with the Department of Health – Safe Drinking Water Branch, to December 2015. Preparations continued for four training workshops held in Hilo, Oahu and Molokai from June 8th to June 12th. The workshops were being conducted at the time of this report. Because the Department received a high demand for the workshop on Oahu, plans to conduct a second workshop in July are being considered.

The Department will continue to purchase curriculum supplies as part of this grant to support water education throughout the state. Preparations are also being made to conduct a second Make a Splash Mini-Festival on the Big Island on June 26th.

Miscellaneous
- Jonell Kaohelaulli completed the May-June As the Water Flows employee newsletter.
- Kim Tamaoka and Jonell Kaohelaulli attended a free training on May 22nd on how to complete a Consumer Confidence Report, sponsored by the Hawaii Rural Water Association.
- Kim Tamaoka participated in the County’s Makani Pahili hurricane preparedness exercise event on June 2nd and June 4th.
- Jonell Kaohelaulii attended the Mayor-a-Thon planning meeting on June 4th.

Respectfully submitted,

[Signature]

Kim Tamaoka
Public Relations Specialist
Operations Division Report for the Month of May 2015

**Personnel**

- Congratulations to Amy Kiyotsuka on her promotion to Senior Account Clerk.

**Source and Storage**

- Maintenance Workers concreted a disabled parking stall in front of the admin building.
- Maintenance Workers continued cleaning of various remote facilities island-wide.
- Water Plant Operators performed routine inspection and maintenance at all sites including valve maintenance, piping repair and replacement, chlorination equipment maintenance, and mixing of sodium hypochlorite.
- Electrical workers performed routine electrical maintenance at all sites including SCADA radio troubleshooting, electrical wiring for motor controls, lighting repair and replacement.
- Contract 594 for Lawai Well No. 1 Repair work completed. Water quality tests completed. Waiting for approval letter from DOH.
- Contract 598 for Piwai Well No. 3 Repair was executed. Work commenced April 27, 2015.
- Wailua Homesteads Wells were converted from Chlorine gas to Sodium Hypochlorite.

**Distribution**

- Operations Division Field Section crews continue to perform live taps and routine leak repair of service laterals and mainlines.
- Plant and Field Section personnel relocated an existing pipeline to the underside of a concrete bridge in Kekaha to minimize possible damage to the water line during flooding.
- Field Section personnel responded to and completed 31 leak repair work orders.
- Hehi Road main distribution line replacement under work order C131768 is completed. A total of 1,710 feet of distribution line was replaced.
- For the month of May, there was no progress on Lokokai Road 3” PVC distribution line replacement under work order C141516.
- For the month of May, there was no progress on Lele Road 2” GS pipe replacement with 2” PVC pipe. C150210.
- 37 water meters were issued and installed.
- We received a total of 40 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including 5 called-in complaint of no water, 6 complaints of low pressure and 1 call reporting broken meter box cover. Work orders were generated and all calls resolved. Leak after the meter needs to be addressed by the customer.
Fleet, Inventory, Warehouse and Baseyard Area

- For the month of May, a total of one hundred eighty nine (189) work orders were issued for Operations Division. Works included: electrical repairs and maintenance; automotive repairs and maintenance including power generator maintenance; water meter installation and replacement; service lateral installations; leak repairs; well, tank site and PRV maintenance; replace damaged meter boxes; replace damaged or leaking hydrant; door-to-door customer notifications for tie-ins of new lines to existing lines as well as notifications regarding scheduled repairs; callouts due to customer complaints/reports; meter replacement requests; contractor’s requests for markings. Of the 184 work orders issued last month, 172 were completed.
- For the month of May 2015, eighteen (18) Hawaii One Call requests for markings were received.
- Contract 600 for the Furnishing and Delivery of Fire Hydrants and Appurtenances contract being executed.
- Contract 596 for the Furnishing and Delivery of 16,500lbs. GVWR truck contract executed and Notice To Proceed issued.

Respectfully submitted,

Valentino P. Reyna
Chief, Operations Division

VPR/ein

Attachments: Overtime Chart
Leak Report Chart
Monthly Billed/Unbilled Water Chart

## County Of Kauai - DEPARTMENT OF WATER

### Operations Division: Plant & Field

**Total Hours Worked for the Month**

For the Period: May 2013 to May 2015

<table>
<thead>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overtime Hours</td>
<td>847</td>
<td>633</td>
<td>736</td>
<td>628</td>
<td>672</td>
<td>579</td>
<td>552</td>
<td>457</td>
<td>482</td>
<td>411</td>
<td>553</td>
<td>498</td>
<td>720</td>
<td>836</td>
<td>612</td>
<td>656</td>
<td>621</td>
<td>627</td>
<td>485</td>
<td>392</td>
<td>775</td>
<td>312</td>
<td>319</td>
<td>347</td>
<td>512</td>
<td></td>
</tr>
<tr>
<td>TOTAL HOURS WORKED</td>
<td>5,104</td>
<td>4,543</td>
<td>4,765</td>
<td>4,992</td>
<td>5,630</td>
<td>4,479</td>
<td>4,501</td>
<td>4,985</td>
<td>4,732</td>
<td>4,717</td>
<td>5,099</td>
<td>4,803</td>
<td>4,728</td>
<td>4,741</td>
<td>4,743</td>
<td>5,285</td>
<td>5,618</td>
<td>5,615</td>
<td>4,622</td>
<td>4,869</td>
<td>4,936</td>
<td>5,202</td>
<td>5,262</td>
<td>5,244</td>
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<td></td>
</tr>
</tbody>
</table>

![Graph of Regular Hours Worked, Overtime Hours, and TOTAL HOURS WORKED from May 2013 to May 2015](image-url)
10-Jun-2015

Work Orders by Job Reason Code for Selected Date Range

05/01/2014 to 05/31/2015

<table>
<thead>
<tr>
<th># of W/O’s</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>5</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>103</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>115</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
</tbody>
</table>

Work Orders by Job Reason Code

![Pie chart showing job reason codes]

Number of Leak Repairs per Month

![Line graph showing number of leak repairs per month]

Page 85
### Monthly Water Produced, Billed and Unbilled For Calendar Year 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Produced (Kgals.)</td>
<td>368,399.31</td>
<td>349,162.48</td>
<td>362,196.85</td>
<td>425,527.34</td>
<td>430,499.44</td>
</tr>
<tr>
<td>Billed (Kgals.)</td>
<td>313,490</td>
<td>311,430</td>
<td>303,626</td>
<td>324,640</td>
<td>339,217.00</td>
</tr>
<tr>
<td>Unbilled (kgals.)</td>
<td>54,909.00</td>
<td>37,732.90</td>
<td>58,570.82</td>
<td>100,887.59</td>
<td>91,282.44</td>
</tr>
<tr>
<td>Unbilled %</td>
<td>14.9</td>
<td>10.8</td>
<td>16.2</td>
<td>23.7</td>
<td>21.2</td>
</tr>
</tbody>
</table>

![Graph showing monthly water production, billing, and unbilling for Calendar Year 2015.](image-url)
MANAGER’S UPDATE

June 18, 2015

Pursuant to Board Policy No. 3

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

(1) Re: Contract No. 603 awarded to Earthworks Pacific, Inc. for Job No. 13-05, Water Plan 2020 #WKK-09, Kolo Road Main Replacement for the Kīlauea Water System in the amount of $889,525.00

FUNDING:

Account No. 10-21-00-604-032, WU-CNS-CAPOUT-13-05
Kolo Road Main Replacement (Kīlauea School) $1,300,000.00

<table>
<thead>
<tr>
<th>Total Funds Available</th>
<th>$1,300,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractor: Earthworks Pacific, Inc.</td>
<td>$889,525.00</td>
</tr>
<tr>
<td>Contingency, approximately 5%</td>
<td>$44,475.00</td>
</tr>
<tr>
<td>Total Funds Required</td>
<td>$934,000.00 ($934,000.00)</td>
</tr>
<tr>
<td>Total Funds Remaining, Account No. 10-21-00-604-032, WU-CNS-CAPOUT-13-05 Kolo Road Main Replacement (Kīlauea School)</td>
<td>$366,000.00</td>
</tr>
</tbody>
</table>

BACKGROUND:

This project will provide better fire protection for the Kīlauea Elementary School complex. It has been appropriated $1.3M in State funding for the construction of the project. This project consists of furnishing and installing materials for the installation of approximately 1,181 linear feet of 12-inch, 58 linear feet of 8-inch, and 54 linear feet of 6-inch ductile iron pipe; appurtenances including new valves, new hydrants, new service laterals and meter boxes, air valves, permanent cleanouts, valves and valve boxes, connections to existing waterlines, removal and salvage of abandoned appurtenances, transfer of service, and restoration and repaving work, all in accordance with the plans and specifications.

Proposals were received and opened for the subject project on May 14, 2015.

The engineer’s estimate based on final design approval prior to advertising the project was $799,210.00. They have reviewed the selected contractors pricing and total sum offer of $889,525.00 and recommended moving forward. The pricing seemed fair considering today’s construction environment where contractors on Kaua‘i and throughout the state are much busier than a year ago, this has correlated to higher prices than the estimate that was based on the recent DOW building price proposals. The DOW Construction Project Management Officer recommends moving forward.

On May 21, 2015, the Board of Water approved the authorization of the Board Chair to sign the awarded contract at their monthly meeting.
(2) Re: Professional Services Contract No. 606 awarded to Brown and Caldwell for the Design Services for Equipment Carport and Roof Over Bins with Photovoltaic (PV) System in the amount of $69,792.00

FUNDING:
Account No. 10-40-60-540-010 WU/Ops/T and D/Professional Services - General

| Account No. 10-40-60-540-010 | $100,000.00 |
| Contract No. 606: Brown and Caldwell | $69,782.00 |
| Reimbursable Allowance | $30,000.00 |
| Total Funds Certified | $99,782.00 (\$99,782.00) |
| Total Funding Balance | $218.00 |

BACKGROUND:
The contractor, Brown and Caldwell was evaluated and selected from a list of qualified professional services providers. The proposed contract will cover up to the Preliminary Engineering Report to evaluate the design features of the project. This includes conceptual design and design alternatives as well as conceptual construction cost estimates. Also, a topographic survey of the site will be performed to provide the Department of Water with an updated and comprehensive topographic survey of the parcel that can be used for other planning and design purposes.

(3) Re: Goods and Services Contract for GS-2015-5 to Jim Falk Motors of Maui, Inc. for the Furnishing and Delivery of One (1) Extended Cab Pickup Truck with Accessories in the amount of \$27,969.58

FUNDING:
Account No. 10-30-00-604-999 WU/Fiscal/R and R Capital Purchases

| Account No. 10-30-00-604-999 | \$28,000.00 |
| Contract: Jim Falk Motors of Maui, Inc. | \$27,969.58 |
| Total Funds Certified | \$27,969.58 (\$27,969.58) |
| Total Funding Balance for Account No. 10-30-00-604-999 | \$30.42 |

BACKGROUND:
The Department budgeted in the current fiscal year the amount of $25,000 for the purchase of a 2 X 4 medium size pick-up truck to replace CK # 1911. The current truck being replaced has reached over 154,000 miles. The Fiscal Division solicited bids on March 12, 2015, which resulted in cancelling the solicitation due to bids received exceeding available funds of $25,000.00. The Fiscal Division resolicited bids on May 18, 2015 which resulted in a lower price for the amount of $27,969.58. Funds were transferred from Account No. 10-40-00-604-999 (Operations Capital Outlay) for $3,000.00 to cover the difference of $2,969.58.

(4) Re: Goods and Services Contract No. 604, GS-2015-9 to Ferguson Enterprises, Inc. for the Furnishing and Delivery of Various Drinking Water Pipe Repair and Maintenance Fittings in the amount of \$59,270.60
CONTRACTS AWARDED/EXTENSION/AMENDMENTS cont’d:

FUNDING:
Account No. 10-40-60-563-000 WU/Ops/TandD/Operating Supplies

<table>
<thead>
<tr>
<th>Account No. 10-40-60-563-000 (Warehouse Inventory Parts and Materials)</th>
<th>$150,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract No. 604: Ferguson Enterprises, Inc.</td>
<td>$59,270.60</td>
</tr>
<tr>
<td>Total Funds Certified</td>
<td>$59,270.60</td>
</tr>
<tr>
<td>Total Funding Balance</td>
<td>$90,729.40</td>
</tr>
</tbody>
</table>

BACKGROUND:
This solicitation is to replenish our warehouse inventory of pipe repair materials as well as maintenance fittings. The contractor, Ferguson Enterprises, Inc., is being selected for this solicitation as they submitted responsive and reasonable bid as shown on the attached tabulation.

(5) Re: Goods and Services Contract No. 605, GS-2015-10 to Assess Technologies, Inc. for the Furnishing and Delivery of GS MDS Transet Radios in the amount of $41,463.50

FUNDING:
Account No. 10-40-60-563-000 WU/Ops/T and D/Operating Supplies

<table>
<thead>
<tr>
<th>Account No. 10-40-60-563-000 SCADA Replacement Parts Inventory</th>
<th>$75,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract No. 605: Access Technologies, Inc.</td>
<td>$41,463.50</td>
</tr>
<tr>
<td>Total Funds Certified</td>
<td>$41,463.50</td>
</tr>
<tr>
<td>Total Funding Balance for Account No. 10-40-60-563-000</td>
<td>$33,536.50</td>
</tr>
</tbody>
</table>

BACKGROUND:
The Department is looking to update its existing SCADA radio transmitting system. The Department currently uses GE MDS 9810 Radios which are now obsolete. The replacement for these radios are the GE MDS TransNET Radios which the Department has tested and is now using in two (2) subsystems.

(6) Re: 7th Amendment to Contract No. 427 with Belt Collins Hawai‘i, LLC for Job No. 02-14, Kapaa Homesteads 0.5 Million Gallon Storage Tank and Kapahi 1.0 Million Gallon Storage Tank and Connecting Pipelines, Wailua-Kapaa Water System in the amount of $18,100.00

FUNDING:
Account No. 30-20-00-605-116 (02-14, WK-08 Kapaa Homesteads Tank 1.0MG)

<table>
<thead>
<tr>
<th>Contract No. 427: Belt Collins Hawai‘i LLC</th>
<th>$256,700.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Amendment</td>
<td>$354,978.00</td>
</tr>
<tr>
<td>Second Amendment</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Third Amendment</td>
<td>$19,000.00</td>
</tr>
</tbody>
</table>
Fourth Amendment  $40,450.00  
Fifth Amendment  $76,200.00  
Sixth Amendment  $2,300.00  
Total Funds Certified and Contract Total to date $502,928.00  $759,628.00  

Seventh Amendment:  
Additional design changes and services (funds transferred per approved Manager’s Report No. 15-37)  $18,100.00  
Total Funds Certified  $18,100.00  
Total Contract No. 427  $777,728.00  

BACKGROUND:  
The Department has requested that the consultant make design changes that require additional design services. These changes include: changes to the site and water line piping layout, access to the top of the storage tank, and drainage system design. The drainage system design will also address water discharge/drainage from the proposed Kapaa Homesteads Well #4 being located on the same site. The changes to the access to the tank and waterline piping are to provide better safety for our Operations personnel and to provide the Department with more operational options if the need arises.

The Department has also requested that the consultant change previously submitted contract bid and specifications document format to the current Request for Proposal (RFP) format. This will require additional review and update of the contract documents.

A plan review fee is now required by the Disability and Communication Access Board (DCAB) to review the plans. DCAB started charging a plan review fee on January 1, 2013. The DCAB plan review fee was not included with the original scope of work.

In addition, a title search will also be done by the consultant for a proposed drainage easement and will be included in the change of scope for the seventh contract amendment. These additional design services will require additional funds of $18,100.00.

On May 21, 2015, the Board of Water approved the transfer of funds (Manager’s Report No. 15-37). This Report To Manager is to document the amendment process as intended.

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></td>
<td></td>
<td>None</td>
</tr>
</tbody>
</table>

STAFF REPORTS - FY 14-15:  

PERSONNEL MATTERS UPDATE  

No update submitted by Human Resources Coordinator, Debra Peay
Pursuant to Board Policy No. 3

SUMMARY OF WARRANT VOUCHERS – May 31, 2015 $2,913,121.34

Pursuant to Board Policy No. 24

CONVEYANCE OF WATER FACILITIES – $12,180.00

<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>TMK:</th>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/18/15</td>
<td>John W. K. Driver</td>
<td>1-3-011:039</td>
<td>Kekaha</td>
<td>$12,180.00</td>
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</tbody>
</table>

CC&B BILLING SYSTEM UPDATE:

No update submitted by Information Tech Specialist, Sandi Nadatani-Mendez

IT STRATEGIC PLAN UPDATE:

No update submitted by Waterworks Info. Tech. Officer, Jeffery Mendez

AFFORDABLE HOUSING UPDATE:

No significant affordable housing activities or meetings.

2015 Legislative Session UPDATE:

The legislative session for 2015 will be ended on May 7th. The Department is awaiting the appropriation of the Governor’s Act for the funding of the Hanapepe Transmission Line CIP project (HB 500).

MANAGER’S GOALS UPDATE (est. 12/18/14):

The Board approved the Manager and Chief Engineer’s goals and responsibilities. The Manager’s goals are as follows:

1. Complete Facilities Reserve Charge (FRC) effective July 1, 2015.

   Update 06/18/15: The Department has moved forward with their recommended changes to the full board during the June 18th Regular Board meeting.

   Update 05/21/15: The Department has scheduled a Finance Committee meeting for Thursday, May 28th. A Board report will be transmitted during the June 18, 2015 Regular Board Meeting.

   Update 04/23/15: The Department met with the Finance Committee Chair on April 16, 2015 to present an update of the FRC rules. The Chair requested several changes to the FRC rules. The Department will make the requested changes and submit them to the Finance Committee Chair.

   Update 03/19/15: The DOW has provided an update to Manager’s Report No. 14-16 Part 4 Fixing Rates for Water Service, Section VII Facilities Reserve Charge (FRC) Update No. 3.

   Update: The FRC proposed fee structure is being reviewed by the DOW’s County Attorney.

2. Complete and pass the American Water Works Association (AWWA) Distance Learning Certificate Program courses one (1) year from enrollment. Enrollment must be within 30 days from December 18, 2014.

   a) Management & Supervision Certificate Program
b) Infrastructure Management Certificate Program

*Update 06/18/15:* The Manager will be registered for the Management Certificate Program upon his return from the AWWA National Conference.

*Update 05/21/15:* The Manager will now work on the Infrastructure Management Certificate Program upon his return from the AWWA National Conference in June.

*Update 04/23/15:* The Manager has completed his AWWA Management & Supervision Certificate Program. This included: Introduction to Utility, Basic Supervision, Hiring Employees & Rules, Management Responsibilities, and Management Styles. The Manager will now work on the Infrastructure Management Certificate Program.

*Update 03/19/15:* The Manager is currently 90 days in ending on April 20, 2015.

*Update 02/19/15:* The Manager is currently 30 days in. Once completed, the Manager will register for the Infrastructure Management Certificate Program.

*Update 01/22/15:* The Manager and Chief Engineer has registered for the Management and Supervision Certificate Program on Friday, January 16th and scheduled to complete within ninety (90) days.


*Update 01/22/15:* Training has been completed.

4. Pending details on how to apply for the State Management Mentoring Grant.

*Update 03/19/15:* This goal has been requested to be deleted by the Board in February.

*Update 01/22/15:* This goal is pending review by the Board.

5. Provide clear Manager Reports to the Board, providing background, options and recommendations.

*Update 01/22/15:* Ongoing. All Managers’ Reports excluding updates, Grant of Easement includes a background along with options and recommendations for the Board.

6. Provide Manager’s Reports to the Board by the Friday prior to the Agenda meeting with the exception of the financial reports at the time of posting.

*Update 01/22/15:* On-going. The packets were distributed on the Thursday, prior to the scheduled agenda meeting.

7. Respond to grievances within 30 days.

*Update 06/18/15:* No new grievances.

*Update 05/21/15:* No new grievances.

*Update 04/23/15:* No new grievances.

*Update 03/19/15:* The UPW Grievance #AD-14-05 Step 2 is concluded. We received the memo from DHR dated 2/25/2015.
Update 02/19/15: Step 2 was held at the Department of Human Resources (DHR) on Friday, February 6, 2015.

Update 01/22/15: UPW Step Grievance #AD-14-05 received on the morning of December 31, 2014. DOW responded to the Step 1 Grievance in the afternoon of December 31, 2014.

8. Establish monthly reports for non-revenue water.

   Update 01/22/15: On-going. Please refer to Operations Monthly Report. The report has been submitted to the board during the December 2014, January, February, and March 2015, Regular Board Meeting.

9. Provide timetable to complete the basic GIS model based upon current funding by May 2015.
   Update 05/21/15: The IT section is continuing to work on the Wailua-Kapaa Water System and currently surveying/coll ecting gps points in Kapaa Homesteads.

   Update 04/23/15: The IT division is currently working on the Wailua-Kapaa area. The Koloa-Po’ipū area should be completed by the end of the year with only Waimea-Kekaha system remaining.

   All systems will be completed by February of next year.

   Update 03/19/15: On-going.

   Update 01/22/15: Kirk will follow up with the IT section to see where this is at.

10. Obtain Human Resources (HR) / Department of Personnel Services (DPS) approval for current Table of Organization. Minimize changes on the Table of Organization (TO).
    Update 06/18/15: Table of Organization remains current.

    Update 05/21/15: Table of Organization remains current.

    Update 04/23/15: Table of Organization is current.

    Update 03/19/15: All current org charts were forwarded to the Kaua‘i County’s Department of Human Resources (DHR) as of 3/9/2015. Updates to org charts will occur as position re-descriptions are approved or new positions are assigned position numbers. For example, the new Civil Engineer (CE) I position in Water Resources & Planning (WR&P) has recently been assigned a position number. The Manager and Chair will need to sign the updated WR&P TO. The original will then be forwarded to DHR.

    Update 01/22/15: On-going.

11. Recommend top projects by January 22, 2015 Board meeting as listed.

    ➢ Department will refer to the Bond and FRC list for discussion first on when the projects could be completed.

    ➢ Target projects in Design & Construction which will be discussed with the Board on which projects will be prioritized.
MANAGER’S GOALS UPDATE cont’d (est.12/18/14):

- Include justification with targets on design and construction.
  
a) 10 Source Projects - Include justification for 10 source projects for generating non-revenue and FRC revenue.
  b) 5 Storage Projects.
  c) 10 Transmission Projects.
  d) 30 Distribution/Replacement Projects.
  e) Cost Savings/Demand Reduction Projects.

Update 06/18/15: We are continuing the review and/or negotiation of extra work/cost for the Kilauea 1 MG (Puu Pane) tank and Wainiha Well No. 4; The Department is continuing negotiating additional work/fees for the UH Experiment Station Site and Kukuiolono Tank Site Exchange; The Department is in the process of having contract amendments executed for the Kalaheo System Improvements and the Anini waterline projects (after Board approval of additional funds for these projects); Akinaka and Associates, Inc was selected to design the Hanapepe-Eleele connecting pipeline project (Reorganize Water System, WP2020 No. HE-1 & HE-10) and the DOW is currently negotiating a scope and proposal; The Department is in the process of selecting a design consultant for the Haena 0.2 MG Storage tank, 144”.

Update 05/21/15: We are continuing the review and/or negotiation of extra work/cost for the Kilauea 1 MG (Puu Pane) tank, Kalaheo System Improvements, and Wainiha Well No. 4. The Department is also negotiating additional work/fees for the UH Experiment Station Site and Kukuiolono Tank Site Exchange. The Board approved funding for additional work required for the Anini Waterline and the Department is in the process of having the Contract Amendment executed.

The Kōlo Road Main Replacement has been advertised for bidding. The Weke, Anai, Mahimahi and Hee Road (Hanalei) waterline, and the 8” Main Replacement along Halewili Road designs were completed.

In response to the State DOT recent requirement for the DOW to complete Use and Occupancy Agreements (UOA’s), the DOW has begun to negotiate with our consultants to complete the additional work required to complete the UOA’s. The additional work may require additional funds to be approved and will require existing design contracts to be amended for the affected projects.

Update 04/23/15: The Department is continuing the review and/or negotiation of extra work/cost for the Kilauea 1 MG (Puu Pane) tank, Kalaheo System Improvements, and Wainiha Well No. 4. The Department is also negotiating additional work/fees for the UH Experiment Station Site and Kukuiolono Tank Site Exchange. The Department has recently completed negotiations for the Anini Waterline and has submitted a Manager’s Report requesting additional funding for the additional work and is preparing a Contract Amendment in anticipation of the additional funding being approved.

The Weke, Anai, Mahimahi and Hee Road (Hanalei) waterline, 8” Main Replacement along Halewili Road and the Kōlo Road Main Replacement plans have been approved and are ready for the corresponding Request for Proposal’s (RFP’s) to be completed. The Kōlo Road Main Replacement is expected to be advertised for bidding on 4/13/15. The other two projects are expected to be scheduled for construction bidding after the respective RFP’s are finalized.
MANAGER’S GOALS UPDATE cont’d (est.12/18/14):

The State DOT recently informed the DOW that we will need to complete Use and Occupancy Agreements (UOA’s) for all Department projects that will be installing facilities in the State ROW’s, also including projects that had plans previously approved but not constructed, yet. In addition, a Memorandum of Agreement (MOA) may also be required to be completed if abandoning facilities in the State ROW. The DOW will need to negotiate with our consultants to complete these additional requirements. This may require additional funds to be approved and will require existing design contracts to be amended for the affected projects.

Update 03/19/2015: We are continuing the review and negotiation of the submittal of the extra work/cost by several of our consultants. These involve the Kilauea 1 MG (Puu Pane) tank, Anini waterline, Kalaheo System Improvements, and Wainiha Well No. 4. The Department may need to request additional funds for these projects in the near future, pending the outcome of our review/negotiations.

The State and County approved the changes requested by the State for our Weke, Anai, Mahimahi and Hee Road (Hanalei) waterline plans. The Department may need to request additional funds for these projects in the near future, pending the outcome of our review/negotiations.

8” Main Replacement Halewili Road: The DOW received a Use and Occupancy Agreement (UOA) along with a Memorandum of Agreement (MOA) from the State. The State clarified that the MOA must also be completed. The DOW is currently reviewing the UOA and the MOA. Upon agreement with the terms and conditions, the DOW will submit a Manager’s Report recommending the Board approve the UOA and the MOA.

Update 02/19/2015: We are currently reviewing/negotiating submitted extra work/cost by several of our consultants. These involve the Kilauea 1.0 MG (Puu Pane) tank, Anini waterline, Kalaheo System Improvements, and Wainiha Well No. 4. The Department may need to request additional funds for these projects in the near future, pending the outcome of our review/negotiations.

The State recertified our Weke, Anai, Mahimahi and He’e Road (Hanalei) waterline plans after requested changes were made. The plans were submitted to PW for review/approval. The RFP is expected to be completed soon and the project can be scheduled to be bid out for construction sometime after the RFP is finalized.

8” Main Replacement Halewili Road: The design is basically done except for the completion of the Use and Occupancy agreement (UOA) that the State required to be completed prior to starting construction. The State has informed us that they should be finished drafting the UOA soon. When the draft is done, they will send it to the DOW for review.

Update 01/22/2015: On-going. Exhibit A includes two tables. The first table identifies the six (6) projects that the Department is confident will have designs completed in Fiscal Year 2014-2015. The second table identifies seven (7) design projects that may be completed by the end of the calendar year 2015. It is also noted if the projects will increase system capacity and if they are included on the Build America Bond (BAB) project list.
MANAGER’S GOALS UPDATE cont’d (est.12/18/14):

Exhibit B identifies design projects by five (5) categories and is listed by priority. The categories include: Source; Storage; Transmission; Replacement/Distribution; and Cost Savings or Demand Reducing projects.

The proposed design budget for 2015-2016 includes projects based on priority determined by the DOW. The DOW considered several factors in prioritizing the projects. The factors include: health and safety, increase system capacity, and repair and replacement projects that are needed for the Department to continue providing excellent service to our customers. The factors considered for the projects are noted in the exhibit, along with identifying if they will increase the system capacity and if they are included on the BAB project list.

The projects and priorities are re-evaluated each year in determining the order in which they are planned to be done.

12. Deferred – Complete design of top 10 projects by the end of FY 2014-15. Based on No. 11 Update 01/22/2015: Based on No. 11 above.

Respectfully submitted,

Kirk Saiki, P.E.
Manager and Chief Engineer

KS/mja

Mgrrp/Manager’s Update (06-18-15):mja

Attachments: Warrant Vouchers as of May 2015
2010 BAB Spend Down Report as of April 2015
Manager’s Goals No. 11 Exhibit A & Exhibit B
## DISTRIBUTION HISTORY SUMMARY

Payables Management

**Ranges:**
- Vendor ID: First
- Audit Trail Code: First
- Account Number: First

**Sorted By:** Account Number

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<tr>
<th>Account Number</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
<th>Net Change</th>
</tr>
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<tbody>
<tr>
<td>00-00-00-101-001</td>
<td>Treasury-Cash in Bank-General-Clearing</td>
<td>$1,842.15</td>
<td>$1,723,183.84</td>
<td>($1,721,341.69)</td>
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<tr>
<td>10-00-00-123-000</td>
<td>WU-Accounts Receivable for Refunds</td>
<td>$6,187.60</td>
<td>$529.00</td>
<td>$5,658.60</td>
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<tr>
<td>10-00-00-201-000</td>
<td>WU-Accounts Payable</td>
<td>$1,723,814.92</td>
<td>$1,109,306.42</td>
<td>$534,508.50</td>
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<tr>
<td>10-00-00-203-000</td>
<td>WU-Accrued Purchases</td>
<td>$5,567.35</td>
<td>$0.00</td>
<td>$5,567.35</td>
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<tr>
<td>10-01-10-530-000</td>
<td>WU-Adm-Adm-Post Employment Benefits (OFEB)</td>
<td>$884,000.00</td>
<td>$0.00</td>
<td>$884,000.00</td>
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<tr>
<td>10-01-10-540-010</td>
<td>WU-Adm-Adm-Professional Services-General</td>
<td>$306.37</td>
<td>$0.00</td>
<td>$306.37</td>
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<tr>
<td>10-01-10-542-010</td>
<td>WU-Adm-Adm-Public Relations-General</td>
<td>$2,979.63</td>
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<tr>
<td>10-01-10-544-000</td>
<td>WU-Adm-Adm-Freight and Postage</td>
<td>$173.38</td>
<td>$0.00</td>
<td>$173.38</td>
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<tr>
<td>10-01-10-545-000</td>
<td>WU-Adm-Adm-Rents and Leases</td>
<td>$1,666.65</td>
<td>$0.00</td>
<td>$1,666.65</td>
</tr>
<tr>
<td>10-01-10-551-000</td>
<td>WU-Adm-Adm-Utility Services</td>
<td>$9,626.82</td>
<td>$0.00</td>
<td>$9,626.82</td>
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<tr>
<td>10-01-10-561-000</td>
<td>WU-Adm-Adm-Repairs and Maint-Non Water System</td>
<td>$1,731.14</td>
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<tr>
<td>10-01-10-562-000</td>
<td>WU-Adm-Adm-Office Supplies</td>
<td>$601.19</td>
<td>$0.00</td>
<td>$601.19</td>
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<tr>
<td>10-01-10-570-010</td>
<td>WU-Adm-Adm-Books, Subscriptions and Dues</td>
<td>$95.21</td>
<td>$0.00</td>
<td>$95.21</td>
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<tr>
<td>10-01-10-571-010</td>
<td>WU-Adm-Adm-Training and Development</td>
<td>$679.93</td>
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<td>$679.93</td>
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<tr>
<td>10-01-10-572-010</td>
<td>WU-Adm-Adm-Travel and Per Diem</td>
<td>$2,595.92</td>
<td>$0.00</td>
<td>$2,595.92</td>
</tr>
<tr>
<td>10-01-10-572-020</td>
<td>WU-Adm-Adm-Travel and Per Diem-Board</td>
<td>$2,690.59</td>
<td>$0.00</td>
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<tr>
<td>10-01-10-573-020</td>
<td>WU-Adm-Adm-Meeting Expense-Board</td>
<td>$63.82</td>
<td>$0.00</td>
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<tr>
<td>10-02-10-544-000</td>
<td>WU-JT-Adm-Communication Services-</td>
<td>$5,188.85</td>
<td>$0.00</td>
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<td>10-02-10-551-000</td>
<td>WU-JT-Adm-Repairs and Maint-Non Water System</td>
<td>$104.17</td>
<td>$0.00</td>
<td>$104.17</td>
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<tr>
<td>10-10-10-540-010</td>
<td>WU-Qual-Purif-Professional Services-General</td>
<td>$1,400.00</td>
<td>$0.00</td>
<td>$1,400.00</td>
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<tr>
<td>10-21-10-553-000</td>
<td>WU-CM-Adm-Operating Supplies</td>
<td>$62.40</td>
<td>$0.00</td>
<td>$62.40</td>
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<td>10-21-10-572-010</td>
<td>WU-CM-Adm-Travel and Per Diem-Board</td>
<td>$320.10</td>
<td>$0.00</td>
<td>$320.10</td>
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<tr>
<td>10-22-10-571-010</td>
<td>WU-WRP-Adm-Training and Development</td>
<td>$437.44</td>
<td>$0.00</td>
<td>$437.44</td>
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<tr>
<td>10-30-20-541-010</td>
<td>WU-Bill-Collection-Other Services</td>
<td>$716.12</td>
<td>$0.00</td>
<td>$716.12</td>
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<tr>
<td>10-31-10-573-010</td>
<td>WU-Mtr-Adm-Meeting Expense</td>
<td>$1,612.00</td>
<td>$0.00</td>
<td>$1,612.00</td>
</tr>
<tr>
<td>10-40-30-560-010</td>
<td>WU-Ops-Source-Repairs and Maintenance-Water S</td>
<td>$23,868.75</td>
<td>$0.00</td>
<td>$23,868.75</td>
</tr>
<tr>
<td>10-40-40-563-010</td>
<td>WU-Ops-Purif-Operating Supplies</td>
<td>$1,069.79</td>
<td>$0.00</td>
<td>$1,069.79</td>
</tr>
<tr>
<td>10-40-50-543-000</td>
<td>WU-Ops-PowerAndPump-Communication Services</td>
<td>$2,902.81</td>
<td>$0.00</td>
<td>$2,902.81</td>
</tr>
<tr>
<td>10-40-50-551-010</td>
<td>WU-Ops-PowerAndPump-Utility Services</td>
<td>$205,728.74</td>
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<td>$205,728.74</td>
</tr>
<tr>
<td>10-40-50-563-010</td>
<td>WU-Ops-PowerAndPump-Operating Supplies</td>
<td>$60.92</td>
<td>$0.00</td>
<td>$60.92</td>
</tr>
<tr>
<td>10-40-60-560-000</td>
<td>WU-Ops-TandD-Repairs and Maintenance-Water Sy</td>
<td>$51.30</td>
<td>$0.00</td>
<td>$51.30</td>
</tr>
<tr>
<td>10-40-60-561-000</td>
<td>WU-Ops-TandD-Repairs and Maint-Non Water Syst</td>
<td>$7,908.69</td>
<td>$0.00</td>
<td>$7,908.69</td>
</tr>
<tr>
<td>10-40-60-563-000</td>
<td>WU-Ops-TandD-Operating Supplies</td>
<td>$12,456.69</td>
<td>$52.08</td>
<td>$12,404.61</td>
</tr>
<tr>
<td>10-40-60-564-000</td>
<td>WU-Ops-TandD-Fuel</td>
<td>$4,153.89</td>
<td>$0.00</td>
<td>$4,153.89</td>
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<tr>
<td>10-40-60-565-000</td>
<td>WU-Ops-TandD-Bulk Water Purchase</td>
<td>$93.51</td>
<td>$0.00</td>
<td>$93.51</td>
</tr>
<tr>
<td>10-40-60-571-010</td>
<td>WU-Ops-TandD-Training and Development</td>
<td>$382.50</td>
<td>$0.00</td>
<td>$382.50</td>
</tr>
</tbody>
</table>

**Report Totals:**

- Debit: $2,913,121.34
- Credit: $2,913,121.34
- Net Change: $0.00
EXHIBIT A
Item No. 11, Design Projects

Designs (4) that Engineering is confident to be completed by the end of fiscal year 2014-2015

<table>
<thead>
<tr>
<th>WP 2020 No.</th>
<th>PROJECT</th>
<th>Increase System Capacity</th>
<th>On BAB Project List</th>
<th>% Complete (design)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KOLOA WELL &quot;D&quot; REPAIRS</td>
<td>no</td>
<td></td>
<td>85%</td>
</tr>
<tr>
<td>2</td>
<td>WKK-9 KOLO ROAD MAIN REPLACEMENT (KILAUEA SCHOOL)</td>
<td>yes</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>K-18 8&quot; WATER MAIN REPLACEMENT HALEWILI ROAD</td>
<td>no</td>
<td>yes</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>H-05 WEKE, ANAE, MAHIMAHI AND HE'E ROADS 6&quot; and 8&quot; MAIN REPLACEMENT (2,760')</td>
<td>yes</td>
<td>yes</td>
<td>100%</td>
</tr>
</tbody>
</table>

* relative to plans being approved and RFP for construction bidding ready to be finalized.

^ Does not consider the State's requirement to complete Use and Occupancy Agreements (UOA) or Memorandum of Agreements (MOA). The State DOT has indicated that they will allow construction to start for these projects without completing UOA's or MOA's first.

Designs (8) that may be completed by the end of calendar year 2015

<table>
<thead>
<tr>
<th>WP 2020 No.</th>
<th>PROJECT</th>
<th>Increase System Capacity</th>
<th>On BAB Project List (yes/no)</th>
<th>% Complete (design)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WK-08 Construct Kapaa Homestead 313 Tank, 1.0 MG</td>
<td>yes</td>
<td>yes</td>
<td>90%</td>
</tr>
<tr>
<td>2</td>
<td>WK-39 Kapaa Homesteads Well No. 4</td>
<td>yes</td>
<td>yes</td>
<td>90%</td>
</tr>
<tr>
<td>3</td>
<td>HW-12 Wainiha Well No. 4</td>
<td>yes</td>
<td>yes</td>
<td>75%</td>
</tr>
<tr>
<td>4</td>
<td>KP-09 Koloa Wells 16A &amp; 16B Well, Site and Building Improvements ***</td>
<td>no</td>
<td>yes</td>
<td>90%</td>
</tr>
<tr>
<td>5</td>
<td>WKK-15 Construct Kilauea 466 Tank, 1.0 MG</td>
<td>yes</td>
<td>yes</td>
<td>60%</td>
</tr>
<tr>
<td>6</td>
<td>K-05a Construct Kalaheo Kukuiolono 0.5 MG Tank</td>
<td>yes</td>
<td>yes</td>
<td>75%</td>
</tr>
<tr>
<td>7</td>
<td>PLH-01A Replace Grove Farm Tanks #1 &amp; #2</td>
<td>yes</td>
<td>yes</td>
<td>90%</td>
</tr>
<tr>
<td>8</td>
<td>L-08,L-10 Koloa Road 8&quot; (1,700') &amp; Omao 6&quot; (6,200') Main Replacements ^^</td>
<td>yes</td>
<td>yes</td>
<td>90%</td>
</tr>
</tbody>
</table>

** DOW Operations is taking the lead for this project

^^ Previously one of 6 projects that Engineering was confident would be completed in the current fiscal year. Unexpected design revisions are needed. Review took longer than anticipated. It is expected that the design will be completed by the end of this calendar year.

*** KP-09 moved from complete by end of fiscal year to may be completed by end of calendar year 2015. Unexpected land issues and possible additional design work will require additional time to finish design.

note: "Equipment and Materials Bin Roof with PV System" was removed from the list of projects, as shown in the May update. Due to budget constraints, the DOW has decided to complete a PER only, at this time.
**Legend for Justification of Projects**

1 = Health and Safety Reasons/ Operational Need  
2 = FRC Generating  
3 = Design in Progress

Prioritized by Five(5) Categories

1. Source projects - 10  
2. Storage Projects - 5  
3. Transmission Projects - 10  
4. Replacement/Distribution Projects - 30  
5. Cost Savings/Demand Reduction Projects

<table>
<thead>
<tr>
<th>Source Projects - (10)</th>
<th>Increase System Capacity</th>
<th>Justification</th>
<th>BAB Listed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 PLH-42</td>
<td>Construct Kokolau Tunnel WTP, 400 gpm (feasibility study)</td>
<td>yes</td>
<td>2, 3</td>
</tr>
<tr>
<td>2 PLH-36</td>
<td>Kapaia SWTP Expansion, 1.0 MGD</td>
<td>yes</td>
<td>2</td>
</tr>
<tr>
<td>3 H-08</td>
<td>Drill &amp; Dev Hanalei Well, 300 gpm</td>
<td>no</td>
<td>2, 3</td>
</tr>
<tr>
<td>4 WK-39</td>
<td>Kapaa Hmstds well #4</td>
<td>yes</td>
<td>2, 3</td>
</tr>
<tr>
<td>5 WKK-02</td>
<td>Drill &amp; Dev New Kilauea Well (No. 3 or No. 4), 700 gpm</td>
<td>yes</td>
<td>2, 3</td>
</tr>
<tr>
<td>6 HW-12</td>
<td>Drill &amp; Dev Wainiha/Hā'ena Well, 100 gpm</td>
<td>yes</td>
<td>2, 3</td>
</tr>
<tr>
<td>7 K-01</td>
<td>Kalaheo 1111' &amp; 1222' Water System Improvements (Well)</td>
<td>yes</td>
<td>2, 3</td>
</tr>
<tr>
<td>8 KP-20</td>
<td>Drill &amp; Dev Koloa Well G</td>
<td>yes</td>
<td>2</td>
</tr>
<tr>
<td>9 LO-7</td>
<td>Drill &amp; Dev Omao Well</td>
<td>yes</td>
<td>2</td>
</tr>
<tr>
<td>10 KW-28</td>
<td>Renovate Kekaha Shaft (5842-02) &amp; 12&quot; D.I. (Amfac Shaft)</td>
<td>yes</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storage Projects (5)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 PLH-01a</td>
<td>Replace Grove Farm Tanks #1 &amp; #2</td>
<td>yes</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>2 K-01</td>
<td>Kalaheo 1111' &amp; 1222' Water System Improvements (0.5 MG Tank and pipeline)</td>
<td>yes</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>3 WK-08</td>
<td>Construct Kapaa Homesteads 313 Tank, 0.9MG</td>
<td>yes</td>
<td>2, 3</td>
</tr>
<tr>
<td>4 WKK-15</td>
<td>Construct Kilauea 466 Tank, 1.0 MG</td>
<td>yes</td>
<td>2, 3</td>
</tr>
<tr>
<td>5 K-05a</td>
<td>Construct Kalaheo Kukuiolono 0.5 MG Tank</td>
<td>yes</td>
<td>2, 3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transmission Projects (10)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 WKK-9</td>
<td>Kolo Road Main Replacement (Kilauea School)</td>
<td>yes</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>2 Ani-01b</td>
<td>Anini and Kaliihiwai Road 6&quot; Main (5300')</td>
<td>1, 3</td>
<td>yes</td>
</tr>
<tr>
<td>3 PLH-35b</td>
<td>18&quot; Cane Haul Road Main (Maalo · Ehiku · Kūhi‘ō)</td>
<td>yes</td>
<td>1, 2</td>
</tr>
<tr>
<td>4 HE-10</td>
<td>Hanapepe Road 6&quot; Main Replacement</td>
<td>1, 2</td>
<td></td>
</tr>
<tr>
<td>5 PLH-27</td>
<td>Kūhi‘ō Hwy (Hardy · Oxford) 16&quot; Main Replacement (1,680')</td>
<td>yes</td>
<td>2</td>
</tr>
<tr>
<td>6 WK-25</td>
<td>Kūhi‘ō Hwy (N. Papaloa to Waikae Canal) 16&quot; Main Replacement</td>
<td>yes</td>
<td>2</td>
</tr>
</tbody>
</table>
Prioritized by Five (5) Categories

1. Source projects - 10
2. Storage Projects - 5
3. Transmission Projects - 10
4. Replacement/Distribution Projects - 30
5. Cost Savings/Demand Reduction Projects

<table>
<thead>
<tr>
<th>TRANSMISSION PROJECTS (10) Cont'd</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 WKK-07 Kilauea Tanks 1 &amp; 2 - Pukalani Place, 16&quot; Main Replacement (8,050')</td>
</tr>
<tr>
<td>8 HE-02 Akea Rd to Hanapepe Well A 8&quot; Main Replacement (11,329')</td>
</tr>
<tr>
<td>9 H-11 Kūhiʻō Hwy 6&quot; main Replacement (7,000')</td>
</tr>
<tr>
<td>10 A-08 Keālia Road 12&quot; Main Replacement (1,940')</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REPLACEMENT/DISTRIBUTION PROJECTS (30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 H-05 Weke, Ana, and He'e Roads 6&quot; and 8&quot; Main Replacement (2,760)</td>
</tr>
<tr>
<td>2 LO-8 &amp; 10 Lāwai'i 6&quot; &amp; 8&quot; Main Replacement (6,400')</td>
</tr>
<tr>
<td>3 KP-09 MCC, Chlorination Facilities, Koloa Well &quot;16-A&quot; &amp; &quot;E&quot;, &amp; &quot;16-B&quot; Site and Bldg. Improvements</td>
</tr>
<tr>
<td>4 Eleele booster pump rehab</td>
</tr>
<tr>
<td>5 K-02 Rehabilitate Jelly Factory B.P. Sta. (3-250 gpm)</td>
</tr>
<tr>
<td>6 KW-07 Rehabilitate Paua Valley Tank #1, 0.5 MG Concrete</td>
</tr>
<tr>
<td>7 WK-20 Rehabilitate Puupilo Steel Tank, 0.125 MG</td>
</tr>
<tr>
<td>8 K-18 8&quot; Water Main Replacement Halewili Road</td>
</tr>
<tr>
<td>9 WK-1 Rehabilitate Moelepe Tunnel &amp; Improve Access Road</td>
</tr>
<tr>
<td>10 PLH-28 Hanamā'uulu main (Hoohana Street) replacement</td>
</tr>
<tr>
<td>11 Install gate Valves on hydrant Laterals, Po'ipū Road</td>
</tr>
<tr>
<td>12 Makanui Road Main Replacement</td>
</tr>
<tr>
<td>13 KP-14 Koloa 6&quot; &amp; 12&quot; Main Replacement (13,756') (Wailani &amp; Waihohonou Road)</td>
</tr>
<tr>
<td>14 KP-15 Hoona &amp; Pane Rd 6&quot;, Hoonani Rd 12&quot; Main Replacement</td>
</tr>
<tr>
<td>15 Generator shelters and electrical Improvements for Wells</td>
</tr>
</tbody>
</table>
### Legend for Justification of Projects

1 = Health and Safety Reasons/ Operational Need  
2 = FRC Generating  
3 = Design in Progress

### Prioritized by Five(5) Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Source projects - 10</td>
<td></td>
</tr>
<tr>
<td>2 Storage Projects - 5</td>
<td></td>
</tr>
<tr>
<td>3 Transmission Projects - 10</td>
<td></td>
</tr>
<tr>
<td>4 Replacement/Distribution Projects - 30</td>
<td></td>
</tr>
<tr>
<td>5 Cost Savings/Demand Reduction Projects</td>
<td></td>
</tr>
</tbody>
</table>

### REPLACEMENT/DISTRIBUTION PROJECTS (30) Cont'd

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Description</th>
<th>Increase System Capacity</th>
<th>Justification</th>
<th>BAB Listed</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 WK-11a</td>
<td>Upper Wailua House lots Main Replacement</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>17 HE-03b</td>
<td>Hanapepe Well A MCC, Chlorination Facilities</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>18 HE-03c</td>
<td>Hanapepe Well B MCC, Chlorination Facilities</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>19 HE-6</td>
<td>Hanapepe Wells A and B stream crossing</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Replace Hanamā‘ulu booster pump station</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>21 WK-13</td>
<td>Kapaa Town 8&quot; main replacement</td>
<td>yes</td>
<td>1, 2</td>
<td></td>
</tr>
<tr>
<td>22 PLH-26</td>
<td>Isenberg/Camp A 6&quot; &amp; 8&quot; Main Replacement</td>
<td>yes</td>
<td>1, 2</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Admin building renovations</td>
<td>no</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>24 HW-04</td>
<td>MCC, Chlorination Facilities, Hā‘ena Well 66 &amp; Wainiha Well 67 &amp; 2</td>
<td>no</td>
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<tr>
<td>25 KW-09b</td>
<td>MCC, Chlorination Facilities, Replace Paua Valley Well w/ submersible</td>
<td>no</td>
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<tr>
<td>26 K-13</td>
<td>Puuwai, Poohiwi, Wawae Road 8&quot; Main Replacement (5,500’)</td>
<td>yes</td>
<td>1, 2</td>
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<tr>
<td>27 KP-19</td>
<td>Koloa Well C 18&quot; Main Replacement</td>
<td>no</td>
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<tr>
<td>28 KW-22b</td>
<td>MCC, Chlorination Facilities, Waimea Well &quot;2&quot;</td>
<td>no</td>
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<tr>
<td>29 LO-05a</td>
<td>MCC, Chlorination Facilities, Lāwa‘i Wells No. 1 (22) &amp; No. 2</td>
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<tr>
<td>30 PLH-06</td>
<td>MCC, Chlorination Facilities, Puhi Well 1 (KCC)</td>
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### COST SAVINGS/DEMAND REDUCING

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Description</th>
<th>Increase System Capacity</th>
<th>Justification</th>
<th>BAB Listed</th>
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<tbody>
<tr>
<td>HE-01</td>
<td>Hanapepe-Eleele Connecting Pipeline</td>
<td>no</td>
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<td></td>
<td>Toilet/Washing Machine Retrofit program Island wide. Subject to WSDF being in place</td>
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