March 7, 2014
10:00 a.m.

Board Members Present: Clyde Nakaya, Chair, Laurie Ho, Ray McCormick, Michael Dahilig
(entered at 10:02 a.m.), Larry Dill (entered at 10:15 a.m.), Sherman Shiraishi (entered at 10:27 a.m.)

Excused: Hugh Strom

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

Guests: Hal Parrott (private citizen)

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

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

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

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

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

Disclaimer: I am not here to sell the project.
Project History

- Initially approved by the Board of Water on March 21, 2001 when Water Plan 2020 was adopted.
- Approval consisted of two phases:
  - Administration Complex (Phase I)
  - Operations Complex (Phase II)

Design was completed one week ago with construction to start 2014 – 2015.

Project History

- Sept. 14, 2009: DOW Manager gives directive to select consultant.
- March 18, 2010: Board received 3/2/10 correspondence from DOW Manager to resubmit interest in acquiring “triangular parcel” to Mayor Carvalho. (DOW previously submitted in December 2007)
- March 18, 2010: Manager's Report notifies Board of contract awarded to Architects Hawaii Limited (Master Plan Phase - $279,719)
Project History

- July 15, 2010: Board goals for Manager Item 4A
  - Develop plans to ease the "crowded" work environment in the administrative, accounting and engineering divisions.
- December 16, 2010: Manager informs Board at meeting that proper request to transfer land would be from Board to Mayor to Council
  - Meeting involved discussion of the following:
    - Proposed Scheme 8A.
    - Subdivision and Public Works Storage
    - Cost estimates (initial $26M with adjustments to $11.3M)

The Board selected Scheme 8A. In March 2010, the $60M bond was obtained and pre-design construction cost estimate was adjusted down to $11.3M.

Project History

- February 17, 2011: Board approved following items:
  - Concept Scheme 8.2 in order to finalize Master Plan
  - Board submit request to Mayor and Council to subdivide and transfer land
    (Approval by unanimous vote)

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

- March 21, 2011: Board Chair Oyama signs letter to Mayor Carvalho to formally request subdivision and land transfer of “triangle” parcel.
- July 28, 2011: Board approved the following:
  - Finalized Master Plan (Unanimous approval)
  - Send follow up letter to Mayor and Council with the approved master plan to transfer and subdivide property (Unanimous approval)
Project History

- Approved Master Plan Summary:
  - There is a clear shortage of space for the DOW's current and future operations.
  - During the course of the Master Plan, Parcel N-1 became available. Acquisition of this land would easily accommodate the DOW Lihue Base Yard's current and future operation space needs.
  - Planning Analysis: Preliminary analysis revealed significant difficulties in reconfiguring the existing site and buildings to meet the department's current and future operational space needs.

The current design should be suitable for the Department’s needs for the next 40 years. The existing DOW building was considered for renovation, but due to the cost to run the Department operations out of trailers, it was decided that to build on the “triangle parcel”, would be more cost-effective.

- Approved Master Plan Summary:
  - Recommended Actions:
    - Acquire the adjacent “triangle parcel”
    - Plan, design and build a new Administration Building to house the department's business administration, planning, and engineering for the immediate and future operational needs.
    - Provide sufficient parking and loading for the new administration building.
    - Research, analyze and execute a long-range Water Treatment solution for the base yard.
    - Formulate a future Phase 2 Planning Study to address the Operations Building renovation and expansion into the existing Administration Building.

(Note: Bullet item #4 - “Water Treatment” should be “Sewer Treatment.”)
Approved Master Plan Summary:
- The scheme was chosen after consideration of various layouts.

Major Components:
- New 17,000 SF Building (This has since been downsized to 14,999 SF)
- Future area for Dept. of Public Works Storage Building
- 54 stall at grade parking and 2 loading areas
- New sewer connection to the Grove Farm sanitary sewer system for the new building and all existing buildings
- The renovation of existing Administration building for the office and support functions of the Operations Division as Phase II in a separate Planning Study (TBD)

The parking area accommodates every employee and the anticipated number of customers.

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

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

- August 5, 2011: DOW Manager sent follow up letter to Council Chair Turfaro
- August 18, 2011: Board approves 1st contract amendment for Design phase ($598,419) (Unanimous approval)
- October 27, 2011: Board approved amended version of August 18, 2011 approval which allowed NTP only after County of Kauai authorized DOW to subdivide on their behalf (Unanimous approval; Mr. Dahlig voted with reservations)
- November 18, 2011: County Finance Director authorizes DOW to subdivide on their behalf
- November 21, 2011: DOW issues NIP to consultant for 1st contract amendment
- December 2011: Final Environmental Assessment Completed

**Project History**

- March 1, 2012: Board approves 2nd contract amendment for land rezoning/subdivision issues ($29,325) (Unanimous approval)
- November 14, 2012: County Council approves Zoning Amendment
- March 21, 2013: Board approves 3rd contract amendment for fire suppression system ($7,292) (Unanimous approval)
Project History

- April 25, 2013: Board discussion during quarterly report requested an update on project at next Board meeting to discuss needs.
- May 2013: Received Tentative Subdivision Approval.
- May 23, 2013: Update provided to Board on following:
  - Master Plan process
  - Environmental Assessment Process
  - COK authorization to act on their behalf
  - Rezoning of land process
  - Funding of the project
  - Cost Estimate
  - New Building vs. Existing Building Functions
  - Leasing Information
  - Staff Concerns
  - Expansion vs. Replacement
  - Options provided when asked about what could be built for $1M

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

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Project History

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

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

- September 10, 2013: Planning Commission approved Use Permit/Class IV Permit
- October 17, 2013: Quarterly update states construction RFP will be advertised and proposals will be presented to Board
- January 23, 2014: Board authorizes SRF loan application in the amount of $8.8M. Also requested a Workshop to occur before Board's final decision regarding new building construction.

  Motion was carried with 5 ayes, 1 nay (Dahilig)

February 11, 2014: Planning Commission approved Final Subdivision

Use Permit approved layout
The sidewalk will be open 24 hours, 7 days a week with no fencing around the perimeter building. Security to enter the building will require a swipe card and pin number.

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

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

The covered courtyard is in a central area and no air conditioning is needed.
Design Approach

- **Satisfy needs/Minimize costs**
  - Civil
    - Utilize gravity sewer main of minimal slope
    - Minimize paving where possible (utilities focused within single lanes or shoulder)
    - Attempt to reuse existing wells in recharge basins
    - Design with ease of maintenance in mind
  - Mechanical
    - A/C and High pressure hot water system
    - Water saving fixtures
  - Electrical
    - PV system
    - Compact fluorescent lighting used throughout (3% reflectance)
    - Occupancy sensor to control interlighting
    - Time clock/photocell to control exterior lighting (bird sensitive fixtures)
  - Landscaping
    - Trees/cars for safety
  - Notice Board
  - Telecommunications
    - Utilize cable distribution provided to reduce central distribution within facility. Cable trays provide
      access for future growth and maintenance.
    - Audio Visual system provides a reliable reference to facilitate security equipment.
  - Electric Security System equiped with a strategic key panic in interior common area and a 24/7 Security
    - Emergency contact system, exit marked with emergency exit signs in both directions

Areas where capital costs were increased

- Permanent emergency backup generator
- Sewer vs Septic System
- PV System
- Rain catchment demonstration garden
- Permanent BMP devices
  - On-site storm drainage system
- Permeable pavement
- Improvements provided for County of Kauai lot
- Sewer, watershouts
- Complete Streets incorporation to Kau 'ouli Commercial
- Possible future increase for Haleko intersection improvements (sidewalks, bike lanes, grading, paving, utility upgrades)

After bids are received, some items listed above could be deleted. The rain catchment demonstration garden displays water conservation techniques. This system consists of five (5) down spouts. The permeable pavement could also be deleted from the budget after bids are received.
From 3/2010 to 12/2010, the budget estimate = $11.3M
When the User Needs Survey and the Final Master Plan were completed, the budget estimate was $5.3M - $7.7M. This was when the $6M became associated with the project budget.
7/1/11 - cost estimate = $8.7M
1/1/14 - final cost estimate = $9.7M

**Budget Process – Board Approvals**

- **FY 09-10:** $600,000 W/U: 101b CRP - budgeted for Planning/Permitting/Design ($279,719 used)
- **March 2010:** DOW $60M Build America Bond available (DOW Baseyard listed as a project)
- **FY 11-12:** $628,000 approved from BAB for design phase
- **FY 12-13:** Budget: $4M approved for construction phase. Project did not encumber funds during this fiscal year
- **FY 13-14:** Budget: Requested additional $2M for total of $6M. Board then reduced to $1 for construction phase
Construction Funding Mechanisms

- Build America Bond
  - Current unallocated balance = $6,582,782
  - Current unencumbered balance = $22,143,578
- Water Utility Fund (aka water rates)
  - Current unallocated balance = $12,598,257
  - Current unencumbered balance = $19,653,235
- Drinking Water State Revolving Fund (DWSRF)
  - Authorized DWSRF Loan Amount = $8.8M
  - Green Energy Grant = $1,684,200

$7M was allocated during the FY 13-14 budget for design and construction but were not encumbered to date since no designs were completed that would use these funds. This is the difference between the $19M and $12M in water utility.

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

If all monies are encumbered for Wailua and Kahili through 2015, the $4.949M could be taken and would be within the water rate projection.
Funding Mechanisms

SRF Loan Program

<table>
<thead>
<tr>
<th>Total Loan Rate (%)</th>
<th>Interest Rate (%)</th>
<th>Loan Fee (%)</th>
<th>Project Loan Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>0.00</td>
<td>1.00</td>
<td>Over 8 million</td>
</tr>
<tr>
<td>1.50</td>
<td>0.50</td>
<td>1.00</td>
<td>4 million to 8 million</td>
</tr>
<tr>
<td>2.00</td>
<td>1.00</td>
<td>1.00</td>
<td>Less than 4 million</td>
</tr>
</tbody>
</table>

The total loan rate is composed of the loan fee and interest rate.

These rates are in place until June 30, 2014 and may be adjusted depending on the ability of the fund to remain in perpetuity.

Funding Mechanisms

- SRF Loan Scenarios

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Loan Amount ($)</th>
<th>Interest Rate (%)</th>
<th>Term (yr)</th>
<th>Principal Repaid ($)</th>
<th>Total F&amp;A Paid ($)</th>
<th>Total Net Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRF Loan</td>
<td>4,949,000</td>
<td>1.50</td>
<td>20</td>
<td>1,684,200</td>
<td>3,262,150</td>
<td>1,684,200</td>
</tr>
<tr>
<td>SRF Loan</td>
<td>4,000,000</td>
<td>1.00</td>
<td>20</td>
<td>1,654,100</td>
<td>2,972,809</td>
<td>1,027,200</td>
</tr>
</tbody>
</table>

Although $4.8 M authorized and sent via loan application per January 23, 2014 Board Meeting, we can request the lower amount of $4.949M (or lower) and subsidize difference with WU and/or BAR to maximize total net savings.

If the Board accepts $4.949M, the Department would get the $1.7M grant.
© FUNDING MECHANISMS:

<table>
<thead>
<tr>
<th>Option 1</th>
<th>BAB fund - $22M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROS</strong></td>
<td><strong>CONS</strong></td>
</tr>
<tr>
<td>1. No additional interest incurred</td>
<td></td>
</tr>
<tr>
<td>2. No increase in annual debt service.</td>
<td></td>
</tr>
<tr>
<td>3. Increase BAB spending: speed up BAB spend down.</td>
<td></td>
</tr>
<tr>
<td>1. Decrease amount available for DOW projects.</td>
<td></td>
</tr>
<tr>
<td>2. Does not take advantage of net benefit from SRF $1.684M Grant</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option 2</th>
<th>W/U fund - $19.6M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROS</strong></td>
<td><strong>CONS</strong></td>
</tr>
<tr>
<td>1. No additional interest incurred.</td>
<td></td>
</tr>
<tr>
<td>2. No increase in annual debt service.</td>
<td></td>
</tr>
<tr>
<td>1. Decrease amount available for DOW projects.</td>
<td></td>
</tr>
<tr>
<td>2. Does not take advantage of net benefit from SRF $1.684M Grant</td>
<td></td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Option 3</th>
<th>SRF Loan $8.8M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROS</strong></td>
<td><strong>CONS</strong></td>
</tr>
<tr>
<td>1. Preserve DOW Cash available for other projects.</td>
<td></td>
</tr>
<tr>
<td>2. Net Loan Proceeds exceeds total loan payments by $973K</td>
<td></td>
</tr>
<tr>
<td>3. New building @ an annual average cost of $400K</td>
<td></td>
</tr>
<tr>
<td>1. Annual budget increased by roughly $400K for the additional annual debt service</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option 4</th>
<th>SRF Loan $4.949M with balance funded by BAB/WU</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROS</strong></td>
<td><strong>CONS</strong></td>
</tr>
<tr>
<td>1. Preserve DOW Cash available for other projects.</td>
<td></td>
</tr>
<tr>
<td>2. Net Loan Proceeds exceeds total loan payments by $1.187M</td>
<td></td>
</tr>
<tr>
<td>3. New building @ an annual average cost of $200K</td>
<td></td>
</tr>
<tr>
<td>1. Annual budget increased by roughly $200K for the additional annual debt service</td>
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</tbody>
</table>
Opportunity Costs

- Triple Bottom Line: Economic, Environmental and Social
- Project Evaluation Items:
  - Economic Evaluation
    - Design, Construction, Operations and Maintenance of facility
  - Financial Evaluation
    - Assets such as equities, bonds, notes, mortgages, etc.
- What is opportunity costs?
  - "The loss of potential gain from other alternatives when one alternative is chosen"
- What are our alternatives?
  - Construct Never or in 5 years
  - Construct Later (1-4 years)
  - Construct Now

Opportunity Costs

Economic Evaluation (Design-Construct-Operate-Maintain)
- Generate a set of projects for consideration based on need (WP 2020)
- Establish the planning horizon (WP 2020)
- Estimate cash flow profile for each project (WP 2020 and annual budget)
- Establish criterion for accepting/rejecting a proposal (approved design and specs)
- Perform sensitivity or uncertainty analysis (Peer review criterion)
- Accept or reject a proposal based on established criterion (Proposal Evaluation)
Opportunity Costs

- Financial Evaluation
  - Evaluate funding alternatives for the project
    - W/U
    - BAB
    - SRF loan/grant
  - Evaluate long term debt of the project funding
    - Cash < SRF loan % < BAB %

Opportunity Costs

Construct Later: 1-4 years from now

Pros:
- Funding could go to other WP 2020 shovel ready projects

Cons:
- Construction costs likely to increase
- Future budget constraints
  - Cost of capital (debt service)
- Costs may not be an option
- Existing facility to deteriorate further
- Increased maintenance
- Utility functions will continue to outgrow facility
- Future standards/requirements - redesign (1 year clause)
- EA/permits approved could no longer be valid
- Lower staff morale
- May lead to future rate deferral
- Negative public perception idea
- Server replication would not be done on site as planned and would be cloud based or other possibly more expensive method
- Raced with staff parking issues

To date, there are no shovel ready projects. Mr. Moises received a list of 14 projects for FY 14-15 from Civil Engineer VI, Mr. Keith Aoki which had four (4) small projects. The Kīlauea tank (expansion) would generate FRC of about $7M. Mr. Dahilig’s concern was how the Department could create revenue if there are no expansion projects to pay for the debt service. Mr. Dahilig commented that former Manager, David Craddock projected that it would take 200 5/8” meters at $17K to sustain the debt service.
Opportunity Costs

Construct Now: Issue RFP by October 2014

Pros:
- Creating an environment conducive to effectiveness and efficiency
- Utilizing existing SFP grant opportunity (Potential $1M saving)
- Allows spending down of State/IFB funds
- Possibly allows rent to not be deferred
- Takes advantage of current competitive construction pricing environment
- Reduces need for redesign based on future requirements (1 year closer)
- Allows currently approved ED/Financing
- Allows Operations Division to move forward with Phase I Master Plan
- Eliminates septic system near our existing well head with sewer connection
- Increases energy efficiency
- Promotes water conservation concepts
- Provides adequate parking for staff and customers
- Incorporates better community access (Complete Streets)
- Green staff space
- Allows for dedicated set of virtual servers and a back up storage device in new building (This allows application onsite, during disasters DOW can run applications inhouse)
- New building most similar points with guarantees and ease away the_FLAGS IT to remain up and running
- Provides ready, 10 years parking for staff

Cons:
- Negative public perception issues
- Potential for higher cost if not included in base $64M
- Funding for other projects if shared funds may not be available

Current Status

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scheduled Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Issued</td>
<td>February 28, 2014</td>
</tr>
<tr>
<td>Pre-Proposal Conference</td>
<td>March 7, 2014</td>
</tr>
<tr>
<td>Closing Date of Proposal of Questions / Comment / Material Submissions</td>
<td>March 18, 2014</td>
</tr>
<tr>
<td>Notice of Intent to Propose</td>
<td>March 31, 2014</td>
</tr>
<tr>
<td>DOW's Response to Propose / Cancellation</td>
<td>March 31, 2014</td>
</tr>
<tr>
<td>Proposal Due Date</td>
<td>April 10, 2014</td>
</tr>
<tr>
<td>Selection / Award Notification</td>
<td>June 1, 2014</td>
</tr>
<tr>
<td>Contact Executing Period</td>
<td>July - September 2014</td>
</tr>
<tr>
<td>Construction Works to Proceed Date (RFP)</td>
<td>October 2014</td>
</tr>
</tbody>
</table>

The outcome of the bid proposal would be announced at the May 2014 Board meeting.
DISCUSSION:
In Phase 2 of the Master Plan, the existing building walls could be knocked down to build an equipment storage shed, interior storage and to create office space for workstations.

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

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

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

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

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

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

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

Combined Overview for Fiscal Year 2014-2015 (slide 1)
The Combined Overview captured that year’s budget that is divided by Funds: Water Utility Fund, Facility Reserve Charge (FRC) Fund, Bond Fund and State Revolving Loan Fund as well as the Operating Revenues and Bond Loan Proceeds.

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

Fund Balance Projections (slide 2)
This report included the Water Utility Emergency Reserve and the Water Utility Debt Reserve which is the net equity position of the Department of Water (DOW) for FY 14 15 budget year end. The starting point of the new equity analysis shows if all the encumbrances were spent.

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

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

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

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

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

Budget Reports - Details are provided by individual divisions

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

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

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

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

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

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

Respectfully Submitted,

Edie Ignacio Neumiller
Commission Support Clerk

Approved.

Hugh A. Strom
Secretary – Board of Water Supply

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