A Public Hearing will also be held at 10:00 a.m., Wednesday, November 23, 2011 prior to this Regular Meeting on our proposed Part IV Rule Amendments

A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES:
   Review and approval of:
   Special Board Meeting Minutes – November 4, 2011

E. CORRESPONDENCE/ANNOUNCEMENTS
   None

F. BOARD COMMITTEE REPORTS

1. Report of the Committee of the Whole of the Kauai County Board of Water Supply

G. OLD BUSINESS


2. Manager’s Report No. 11-28 – Request Board Approval of Facilities Reserve Charge Changes
   i. Rule changes to implement FRC in Part Four
   ii. Rule changes to implement Process Changes
G. **OLD BUSINESS – contd.**


4. Suggestions for Capital Improvement Projects (CIP) for 2012 Legislative Session

H. **NEW BUSINESS**

1. *Manager’s Report No. 12 – 35* - Board Adoption of Part IV Rule Amendments:
   Section I – General Use Rates – Section Revisions to Institute Monthly Billing instead of Bi-
   Monthly Billing

2. *Manager’s Report No. 12 – 36* - Board Adoption of Part IV Rule Amendments:
   Section V – Section Revisions to provide detailed information about the method the Department
   uses to bill Private Fire Lines

3. *Manager’s Report No. 12 – 37* - Board Adoption of Part IV Rule Amendments:
   Section XI – Late Charges – New Section to institute a late payment fee in the amount of 0.5%
   against the delinquent balance for every month or fraction thereof.

4. *Manager’s Report No. 12 – 38* - Grant of Easement “W-1” from Nalu Investments LLC for the
   “Construction Plans for Reduced Pressure Detector Check Assembly and Domestic Water Meter” for
   Nalu Investments LLC, TMK: (4) 1-6-008:010, Waimea District, Kauai

5. *Manager’s Report No. 12 – 39* – Oversizing Mainline Extension - Eleele Luna Subdivision (S-2006-
   49), TMK: (4) 2-1-01:052, Eleele, Kauai, Hawaii - Construction project: 6” Water Line (12”
   Waterline Alternative) For Kaumuali’i Highway

6. *Manager’s Report No. 12 – 40* - Request Board Approval to Expend Funds for Staff Fitness Pilot
   Program

7. *Manager’s Report No. 12 – 41* – Request Board Approval for Additional Funding for Job No. 02-
   15, WK-28, Wailua Houselots Main Replacement, Wailua - Kapaa Water System; Wailua

8. *Manager’s Report No. 12-42* – Request Board Approval of Resolution No. 12-3 (11/12) Adoption,
   Pertaining to State Revolving Fund (SRF) Funding for DW400-0004 Job No. PLH-03, Kahili
   Horizontal Directional Drilled Well and DW413-0008 Job No. 02-15, WK28, Wailua Houselots
   Main Replacement, Phase I

9. *Manager’s Report No. 12 – 43*– Request Board Approval of Amendment to Extend the Drought
   Mitigation MOA
H. **NEW BUSINESS – contd.**


12. *Manager’s Report No. 12 – 46* – BAB- Project List Changes – Resolution No. 12-4 (FY 2012), Addition of PLH-01a - Replace Grove Farm Tanks #1 and #2, and M-03 - Acquire Source/Install Pump, Controls and 12” Pipeline – Moloa’a Tank/Well Site and Other Land Acquisitions

13. *Manager’s Report No. 12 – 47* - Job No. 05-03, KW-25, Kapilimao 0.5 MG Tank and Job No. 03-03 Hardening of Generator Shelter, Kekaha Water System; Kekaha, Kauai, Hawaii


I. **STAFF REPORTS**

**MONTHLY**

1. Statement of Kaua‘i County Water Department’s Revenues and Expenditures
2. Report by the Public Relations Specialist on Public Relations Activities
3. Chief of Operation’s Summary Report on Monthly Operational Maintenance
5. Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department

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**

1. Election of Officers
2. Evaluation of Manager and Chief Engineer

L. **TOPICS FOR FUTURE WATER BOARD MEETINGS**

1. Employee of the Quarter Award *(January 2012)*
2. Project Status Update *(January 2012)*
3. Affordable Housing Update *(January 2012)*
4. Employee of the Year Resolution *(March 2012)*
5. Proposed Budget *(March 2012)*
M. **UPCOMING EVENTS**  
1. Annual Employee Breakfast – December 1, 2011  
2. AWWA – ACE 12 – June 10-14, 2012, Dallas, Texas

N. **NEXT WATER BOARD MEETING**  
1. Thursday, December 22, 2011, 10:00 a.m.  
2. Thursday, January 26, 2012, 10:00 a.m.  
3. Thursday, February 23, 2012, 10:00 a.m.  
4. Thursday, March 22, 2012, 10:00 a.m.  
5. Thursday, April 26, 2012, 10:00 a.m.

O. **ADJOURNMENT**
Draft Minutes
COUNTY OF KAUAI

BOARD OF WATER SUPPLY

SPECIAL BOARD MEETING

Friday, November 4, 2011

9:12 - 10:10 a.m.

Second Floor, Microbiology Lab Building
Kauai County Department of Water
4398 Pua Loke Street
Lihue, Kahai, Hawaii 96766

REPORTED BY:

TERRI R. HANSON, CSR 482
Registered Professional Reporter
APPEARANCES

CHAIRMAN:
Roy Oyama

BOARD MEMBERS:
Clyde Nakaya
Randall Nishimura
Raymond McCormick
Daryl Kaneshiro
Michael Dahilig
Larry Dill

DEPUTY MANAGER:
William Eddy
SPECIAL BOARD MEETING

CHAIRMAN OYAMA: Good morning, this is November the 4th, 2011, and the Board of Water Supply of the County of Kauai, Special Board Meeting, Second Floor, Microbiology Lab Building, Kauai County Department of Water, 4398 Pua Loke Street, Lihue, Kauai, Hawaii 96766.

Before we begin, I would like to introduce directly Ms. Terri Hanson, Court Reporter, from Ralph Rosenberg Court Reporters, who will be giving us -- do you want to say what you call that? I'm not sure because I haven't been familiar with it. So Carol will conduct the role call, but Terri will be recording today's meeting. Terri Hanson.

THE COURT REPORTER: I'm just recording what everybody says. So if you can speak up and talk one at a time, that would be great.

CHAIRMAN OYAMA: Okay. Very good. Thank you very much in advance. Thank you very much.

So Carol, can we have the roll call, please.

MS. BEARDMORE: Roy Oyama.

CHAIRMAN OYAMA: Here.

MS. BEARDMORE: Mike Dahilig.

MR. DAHILIG: Present.

MS. BEARDMORE: Larry Dill.
MR. DILL: Here.

MS. BEARDMORE: Daryl Kaneshiro.

MR. KANESHIRO: Here.

MS. BEARDMORE: Raymond McCormick.

MR. MCCORMICK: Here.

MS. BEARDMORE: Clyde Nakaya.

MR. NAKAYA: Here.

MS. BEARDMORE: Randall Nishimura.

MR. NISHIMURA: Here.

MS. BEARDMORE: We have quorum.

CHAIRMAN OYAMA: Thank you very much.

So the item, acceptance of agenda, what I'd like to do is after the agenda is accepted more or less for any public input if there is any because it's a special meeting and a lot of information, so I think we might have some response from the public.

So board members.

MR. KANESHIRO: I move to approve the agenda.

MR. DAHILIG: Second that motion.

CHAIRMAN OYAMA: Move and second to accept the agenda. Thank you very much.

Any discussion?

If not, all in favor say aye.

Opposed no.
And hearing none, motion carried. Thank you.
So we're open for public input at this time.
We have none. Thank you, Faith.

MR. NISHIMURA: Mr. Chairman.
CHAIRMAN OYAMA: Yes.

MR. NISHIMURA: I move that we receive into
the record the handout, Part 4, fixing rates for the
furnishing of water service in the County of Kauai.
There's no date on it, but this was handed out at the
meeting today.

MR. DILL: Second.
CHAIRMAN OYAMA: Seconded. Thank you,
Larry. We move and second it. Any discussion?

MR. NISHIMURA: Mr. Chair.
CHAIRMAN OYAMA: Yes.

MR. NISHIMURA: I would just like to
confirm for the record that this submission is not a
material violation that would require reposting and
setting up a new meeting for sunshine rule purposes.

MS. SUZUKI: It's not.

CHAIRMAN OYAMA: Thank you very much,
Andrea. All right. So we'll continue. If not, we'll
be voting to receive the amendment. Okay.

All in favor say aye.

Opposed no.
Hearing none, motion carried. Thank you.


Mr. Eddy.

MR. EDDY: Thank you, Chair.

First of all, I want to thank all of you board members for your hard work over the past year deliberating the finances of the department. And I thank you for being here today for the special board meeting.

The Department of Water is unlike any other agency in the county government in that it is an enterprise-funded agency that operates solely on revenue from rates.

The board is tasked under the Hawaii revised statutes in the county charter with the immense responsibility to set reasonable rates to ensure the efficient and effective operations of the water works of the county.

The board met that responsibility and last year engaged a financial consultant to look at the current finances of the department and to chart a course for the next five years. The consultant conducted the financial analysis using the established method of AWWA, American
Water Works Association's rate setting standards.

Six objectives emerged as key for developing the water rate options and water rate structure. The objectives are: debt service coverage, cost of service, system replacement, user pays principle, adequate working capital, and the leak rebate program.

A total of 18 models were prepared by our consultant and deliberated by this board. The option No. 10D was moved forward by the finance committee based on its ability to meet the stated objectives.

The first objective, debt service coverage, refers to the amount of available cash on hand to pay for principal and interest owed. The industry standard for triple A rated utilities and the recommendation of the consultant is to maintain the minimum debt service coverage ratio of 1.5. The rate structure that we recommend today provides that coverage.

The second objective is cost of service, which AWWA defines as the operating and capital costs incurred in meeting the various aspects of providing water service.

The option we recommend today will meet the cost-of-service needs and the general use rate as determined by our consultant is $3.48 per thousand gallons.
The third objective is to meet the water system replacement needs. There are in excess of $500 million worth of water plan 2020 projects yet to be completed. The recommended rate structure provides for cash funding of capital projects in the amounts ranging from $4 million to $7 million per year over the next five years. The recommended rate structure also allows for borrowing in similar amounts.

The fourth objective is to be mindful of the user pays principle which requires the user of the service to carry the financial burden for that service. Our existing customers are not to bear the financial burden of future customers. However, it is incumbent on this department to plan for natural population growth. The recommended rate option would provide sufficient amounts of cash and debt carrying capabilities.

Fifth objective is to provide sufficient amounts of working capital. The Government Financial Officers Association's best practices define that as adequate levels of fund balance to mitigate current and future risks.

The financial consultants recommended that the department maintain enough working capital to cover at least three months of operating costs and establish an emergency reserve fund in the amount of 25 percent of
operating revenue.

The recommended rate structure will allow the department to meet both of these objectives by the year 2016. Option 10D the department feels is the best option. It affords the ability to maintain the water system, it affords the ability to replace the aging system components, and affords the ability to increase system capacity in anticipation of natural population growth, but most importantly it provides the least financial risk to our customers.

It is imperative that we fulfill our mission of providing safe, sufficient, and affordable drinking water by maintaining and in some cases replacing this aging system. In order to do that, we must increase rates.

The alternative is that our system will deteriorate beyond our ability to maintain it properly and we will have to borrow money to repair it, paying interest to lenders.

The best strategy is to put the money into our system directly and take care of it properly.

The current difficult economic conditions make it hard for our families. Imposing a rate hike at this time might seem inopportune. However, allowing the water system to continue to deteriorate will only
increase the future financial burden on our current
customers and the next generation.

Acknowledging the difficult current financial
burdens on your community, the department recommends an
annual review of revenues and receivables to determine
whether the scheduled rate increases can be reduced or
defered.

To summarize, the department strongly
recommends investing in our water system today to bring
about the changes we know need to occur.

With that, Honorable Board Members, our report
is before you, and I humbly ask for your approval of the
recommended rate structure.

Thank you, Mr. Chair.

CHAIRMAN OYAMA: Thank you. Board Members, any questions? Discussion, debate?

MR. NISHIMURA: Chair.

CHAIRMAN OYAMA: Sure.

MR. NISHIMURA: Just for the record, I want
to make sure that everybody understands that the rate
increases that have been purported do not match with the
rate increases that I see put before us.

If we look at page 1 of 10, we are moving from
-- and I'll focus primarily on the 5/8" meter because
that is where the department has focused their
presentations to the board.

    We are going from a $10 service charge to a $17.75 service charge, which equates to a 78-percent increase as opposed to an 11-percent increase that has been suggested to us. This equates to roughly 22 percent per year over the three and a half year time frame of the increase.

    And I'm hoping that where this increase is coming about is based on the consumptive values that they are reporting. And even there we're going from -- on the first block from 5 percent to 11 percent per year, and that's just on the consumptive value.

    So if you are going to support this rate structure, just be aware of what you are voting in favor of.

    I agree that there is a need to keep up with the replacement of the system, and I would like to point out to the other members that we have borrowed significantly in the past, and that if we are going to cash fund some of these things that it is coming primarily out of the pockets of our rate holders.

    I believe that although that this option 10D is a conservative one, and I would like to correct the record that the finance committee voted two to one to recommend this option to the full board as opposed to
being unanimous as reported in the papers, too.

And to that extent, I cannot support the current proposal, and I'll leave it at that. Thank you.

CHAIRMAN OYAMA: Thank you. Will.

MR. EDDY: Chairman, maybe I can shed a little bit of light --

CHAIRMAN OYAMA: Please.

MR. EDDY: -- on how the revenue increase is calculated and how the water use rates and service charges were revised to reflect the increased revenue.

If you could please turn to the financial analysis, page 16 of 34. This is the table that we really focused on over the past year. Once you get to the page 16, you'll see on the left-hand column is where we show the 11.2 percent over four years.

Yeah, the numbers are very small on the bottom right-hand corner, the page numbers. It will be page 16 of 34. Right here.

CHAIRMAN OYAMA: It's too small.

MR. EDDY: Yes. I'm sorry. It's so small.

So now when we say we're increasing revenue, the proposal is to increase revenues by 11.2 percent. It's done in the broad fashion of taking our historical revenue figures and then increasing those figures by 11.2 percent.
Now, how that's translated into our use rates and service charges is a method that is a standard method in the AWWA manual M1 for cost-of-service analysis. And that cost-of-service analysis is in this financial package. So the cost-of-service analysis determines where we are currently in the different categories of service charge, use rates, agricultural use rates, private fire protection, and public fire protection.

And then they use that to distribute this 11.2 percent revenue increase fairly and equitably among those use rate service charges, private fire service lines, and public service lines.

So the proposed rates that we see in the Part 4 are not even 11.2 percent in each category. They're weighted more heavily in some categories than others because the financial consultant has determined that different categories mean different factors to bring them to cost of service.

So our service charge increase is indeed more than 11.2 percent per year. And likewise, our use charges, which are on the second page of Part 4 are less than 11.2 percent. And again, that was as determined by the consultant and actually is a variable that we can adjust if desired.
MR. DILL: Mr. Chair.

CHAIRMAN OYAMA: Yes.

MR. DILL: As chair of the finance committee, I can tell you that we labored long and hard over this proposal, and I personally do support this proposed increase.

I'd like to address Mr. Nishimura's comments and also clarify perhaps what the deputy manager was saying. If you could look at page 17 of 34, down at the bottom, it shows you based upon the proposed rate increases in line 80 what the average 5/8" meter bill will be per month. And if you look at those numbers, it goes from estimated 2011 44.40, 49.37, 54.90, et cetera. Each of those increases on the average bill is exactly 11.2 percent. So that's where the 11.2 percent comes from.

As pointed out by the deputy manager, that's a combination of many factors, what we call the standby charge. Or what do we call it?

MR. EDNY: The service charge.

MR. DILL: The service charge is going up more significantly than that, but the consumption charge, the volume charge, is much less significant, 11.2. So the combination of all those factors when you dial it down to the average monthly bill for a 5/8"
meter it works out to 11.2 percent over four years.

And I support this because I feel that the department over the last several years has begun to make a conservative effort to catch up on the infrastructure needs that are required to be addressed out there after many years of neglect, and this will continue that effort.

And I'll also note that as we have discussed previously that if a rate increase is not warranted in any particular year of these scheduled increases, the board can also choose to defer them for a period of time until it is deemed to be necessary.

But I believe this is necessary to generate the necessary funds to do the work that the department needs to do.

CHAIRMAN OYAMA: Thank you, Mr. Dill.

Any more? Any action? Make the motion to act on it?

MR. DILL: I'll make a motion, Mr. Chairman, that we move to adopt this as presented.

CHAIRMAN OYAMA: Second?

MR. MCCORMICK: Second.

CHAIRMAN OYAMA: Very good. Thank you.

Any more discussion on this motion?

MR. KANESHIRO: I have a question.
CHAIRMAN OYAMA: Sure.

MR. KANESHIRO: You know, there's a part that our deputy talked about deferral, that there will be a certain point that we could defer the rates. How are you going to really come to that point? I mean, is there a system in place that you can be able to do that? I mean, it sounds great, but is there a system in place where you can come to that point? Because actually you're going to have to come to a point sometime if you're going to make the deferral. So do we have a system in place? Do we have a procedure in place to be able to identify that situation?

MR. EDDY: Well, we could certainly make one if we wanted. But the system that is in place is our budget process that we start every year and that we go through our finances tooth and comb. And so I propose that during the budget process that we review our finances.

MR. KANESHIRO: So only during the budget process, so it will be a yearly process that we will do that. So we perhaps after the first year or the second year, maybe in the second year or third year in the first quarter we already hit your goals, you know. So are we still going to continue to collect the fees, the rate structure we have set before us at that point or is...
there a red flag that's going to be pointed out that,
you know, we've hit it in the first quarter?

I mean, these are things that, you know, that
obviously you wait until the end of the year again, you
may have gone 8 months or 10 months or even 11 months
collecting these fees. So at that point if you say, Oh,
I think we're okay. We're good.

Now, what do we do? Do we reimburse the
customers? Or I mean, you know, have there been talks
about what that also involved?

MR. EDDY: Well, our budget deliberations,
these start early. We start in March, sometimes even
February. So we're just beyond half the year. Now,
we're past two quarters, so we're in the third quarter,
let's say. So that would give us a good glimpse of what
happened in the first two quarters and give us the time
to make adjustments. And the department is making that
commitment today to do that review. And we can talk
about how it's done and give you more details if that's
what's desired.

CHAIRMAN OYAMA: Yes, Daryl.

MR. KANESHIRO: As stated here, we
recommend after review on a -- probably an annual basis
and that was some of the concerns I had, because you're
just reviewing on an annual basis. We may reach some of
the goals previous to that, you know, previous to the last quarter and so forth.

CHAIRMAN OYAMA: Mr. Eddy, I assume this has been the past practice, right, that you mentioned?

MR. EDDY: It is our practice to review the budget yearly and starting in the third quarter.

MR. KANESHIRO: So what I'm hearing then is before we even do our annual budget, you may come with a proposal before us in order to state that we're coming close to reaching what we're trying to achieve with this current rate, and therefore, perhaps we should see the fact that coming the next quarter, we may be, is that what I'm hearing from you?

MR. EDDY: I think it would probably work well to be, you know, right in concert with the budget process because it is a process that, you know, we're funding projects, we're counting our receivables, and we have the best numbers at that time. So I propose that we do it in concert with the budget examination.

MR. DILL: Mr. Chair, I believe it's true that in the past that the board has approved rate increases, scheduled rate increases, but then later chosen to defer them. And I guess I assume that happens as a result of the budget process that the department goes through annually. So I agree with Mr. Kaneshiro.
I would like to make sure we have a firm commitment from the department that the budget review process is done in a timely fashion to give us sufficient time to review to make sure that the annually scheduled rate increase can be addressed satisfactorily and justifiable and consideration is given to whether it makes sense to defer them or not.

CHAIRMAN OYAMA: Any more discussion?

If not, ready for the question. Okay.

If you're ready for the question to vote on it, can we have a roll call vote, please.

MS. SUZUKI: Board Member Nakaya.

MR. NAKAYA: Aye.

MS. SUZUKI: Board Member Nishimura.

MR. NISHIMURA: No.

MS. SUZUKI: Board Member McCormick.

MR. MCCORMICK: Aye.

MS. SUZUKI: Chair Oyama.

CHAIRMAN OYAMA: Aye.

MS. SUZUKI: Board Member Kaneshiro.

MR. KANESHIRO: No.

MS. SUZUKI: Board Member Dahilig.

MR. DAHILIG: Kanalua.

MS. SUZUKI: Board Member Dill.

MR. DILL: Aye.
MS. SUZUKI: I don't know what we have.

MR. NISHIMURA: Chair.

CHAIRMAN OYAMA: Yes.

MR. NISHIMURA: I think -- and I don't know what the standards are for the Department of Water. Under the rules, no vote is considered a vote in the affirmative, I believe, unless we have specific language otherwise. We have to go check that. And I think you can abstain from voting.

CHAIRMAN OYAMA: We'll have a recess about five minutes to find the answer. Recess, five minutes.

(A break was had.)

CHAIRMAN OYAMA: The meeting please come to order. We're back in session.

MS. SUZUKI: And so we're going to do this over again, but I'm going to have you tell me how to spell your vote.

MR. DAHILIG: K-a-n-a-l-u-a.

MS. SUZUKI: And then tell me what you think it means.

MR. DAHILIG: It means that I'm undecided.

MS. SUZUKI: Is that an abstention or is it a silent vote?

MR. DAHILIG: It can be equated to a silent vote.
MS. SUZUKI: All right. And so you called for a vote. I don't know that a silent abstention is a vote. So we're going to go call for all the ayes, then we're going to call for all the nays, and then you can call for all the silents, and then just so we have it for the record, and then we will take it from there.

CHAIRMAN OYAMA: Okay. So we take the vote, a roll call again?

MS. SUZUKI: Yes, we'll call for the ayes, and then we'll call for the nays, and then we'll call for the silents.

CHAIRMAN OYAMA: Okay, okay. We'll take a revote, and we'll call for the ayes, which is the positive, and no is in the negative, and the abstain is silent. Okay?

MS. SUZUKI: Yes.

CHAIRMAN OYAMA: That's the process.

MR. NISHIMURA: Mr. Chair.

CHAIRMAN OYAMA: Yes.

MR. NISHIMURA: Is a simple majority required for this?

MS. SUZUKI: Yes.

MR. NISHIMURA: Okay.

MS. SUZUKI: I think just call for the ayes.
CHAIRMAN OYAMA: I'm going to call for the ayes. Okay.

All in favor say aye.

All opposed say no.

Okay. And any abstaining? One abstain.

MS. SUZUKI: An abstention works as a no vote.

CHAIRMAN OYAMA: So it's three to four. Right?

Raise your hands. Ayes raise your hand.

That's four.

And the nays.

Three.

So how does it reckon?

MS. SUZUKI: Vote is for the ayes.

CHAIRMAN OYAMA: The ayes have it. Okay.

So the ayes have the motion. So it's passed. All right.

Any more subjects?

We're back to new business.

Board discussion and possible action on amending the rules and regulations, Part 4, fixing rates for the furnishing of water service in the County of Kauai as it relates to rates and use charges for the furnishing of water service for fiscal year, FY 2012 to
2016. Any discussion?

MR. EDDY: Thank you. The proposed rate schedules are before you on all the sheets there, and these rates reflect what our financial consultant has determined and calculated in their rate study.

MR. DILL: Option 10D?

MR. EDDY: Option 10D, yes.

CHAIRMAN OYAMA: Any questions?

MR. NISHIMURA: Chair.

CHAIRMAN OYAMA: Yes.

MR. NISHIMURA: The agenda item reflects rate changes for fiscal year 2012 to 2016. Am I to understand that these rates will be in effect until 2016?

MR. EDDY: Yes. The last column on the amended table shows effective July 1st, 2014. So it's scheduled that these rates will continue through 2016, and the financial analysis reflects that.

MR. NISHIMURA: Okay. Just for the record, Mr. Chair, I would like to make note that there be no further rate changes between 2014 and 2016. And that may change after I leave. But one of the overriding fears that I have is that we're going to implement all these changes and then come to 2014 and look at more increases in 2015 and 2016. And then in that case I do
not think that this board would be doing justice to our public. That's just my opinion. Thank you.

CHAIRMAN OYAMA: Okay. Any more?

MR. EDDY: Mr. Chair.

CHAIRMAN OYAMA: Yes.

MR. EDDY: Can I just make one clarification? What was shown here on July 1st, 2014, is the beginning of a budget cycle. So it is in effect from July 1st, 2014 to June 30th, 2015. So the rates shown in the last column actually do stretch into 2015. And just as a matter of our regular speak on budgets, we would say this budget is our 2015 budget.

MR. DILL: So clarification, the fiscal years 2012 to 2016, which to me mean ends July 30th, 2016?

MR. EDDY: Correct.

MR. DILL: So that rate that's effective July 1st, 2014, remains in effect according this through June 30, 2016?

MR. EDDY: That's correct.

MR. DILL: So that is correct?

MR. EDDY: That is correct.

CHAIRMAN OYAMA: Any more?

MR. NISHIMURA: This item, the cost-of-power adjustment, why have we not updated that?
The last page.

MR. EDDY: Tess, could I ask you to speak on the cost-of-power adjustment, please.

MS. YANO: We used the last calculation that we had in 2012, budget 2012. The first worksheet our consultant did change it. It was lower, but he changed it to use as a base, our 2012 budget because that's a variable that we didn't know if it goes up or it goes down.

CHAIRMAN OYAMA: Okay. Anybody?

MR. NISHIMURA: Is there a reason why Schedule A isn't included?

MR. EDDY: It could possibly be deleted, but our rate study really didn't go into detail on this subject. And, therefore, we didn't change it.

MR. DILL: Mr. Chair.

CHAIRMAN OYAMA: Sure.

MR. DILL: Schedule A items I don't think it's necessary to include in here, however, I don't think it's in conflict with anything that we're trying to do, what the cost-of-power adjustment is intended to do because the cost-of-power adjustment, as I understand it; I'd ask the deputy to confirm; is recalculated annually based on the historical actual power cost consumption of the department, and that's reflected in
going forward to recover the cost to the department. So it's not addressed in the same way the cost-of-service basis that our rates are. It is based on historical actual power consumption and bills. Is that correct?

MR. EDDY: Can you confirm that?

MS. YANO: Yes.

CHAIRMAN OYAMA: Tess said yes.

So any more?

Mr. Greg, do you have any?

MR. FUJIKAWA: No.

CHAIRMAN OYAMA: Thank you. Anyone on the board?

If not, to fix rates? Any action?

MR. DILL: Mr. Chair.

CHAIRMAN OYAMA: Yes.

MR. DILL: I know we have a public hearing scheduled on this. So not being familiar with the procedure, is it appropriate that we take action and eventually adopt these rates before the public hearing?

MS. SUZUKI: No, the proper motion would be to move it forward to the small business.

MR. DILL: Okay. Thank you.

MR. NISHIMURA: Question. I believe there was a concern on the part of the department to try and schedule -- already schedule a public hearing, tentative
public hearing. Would that be incorporated into the
motion?

MS. SUZUKI: We can schedule it without a
motion. So I think the only thing would be -- 'cause,
you have to --

MR. NISHIMURA: 31 days or something like
that.

MS. SUZUKI: Yeah. But I don't think it is
necessary to be in the motion.

MR. NISHIMURA: The main process is to
accept it to make the move so the motions can be -- I
mean, the subject can be referred to small business.

MS. SUZUKI: Yes.

MR. NISHIMURA: Would the board have to
authorize the department to move forward with the public
hearing?

MS. SUZUKI: No, you move it to small
business, small business makes a recommendation.

CHAIRMAN OYAMA: Once you pass small
business, that's the process.

MR. NISHIMURA: You understand that that's
an additional 30 days?

CHAIRMAN OYAMA: Yes.

MR. DILL: So then after that we're going
to have come back to a future board meeting for the
board to actually adopt the rates if we choose to do so.

MR. NISHIMURA: So we're looking at possibly three months?

MS. SUZUKI: The department can schedule, And then if small business decides not to recommend public hearing, we can cancel whatever they schedule.

MR. NISHIMURA: Okay. Understood.

MS. SUZUKI: Understanding that time is a concern.

MR. DAHILIG: Are we bound by small business' recommendation?

MS. SUZUKI: No.

CHAIRMAN OYAMA: So if they recommend no, then we just move forward with the public hearing?

MS. SUZUKI: Yes. There is an advisory committee on this, but it's the process that all agencies go through.

CHAIRMAN OYAMA: Members?

MR. MCCORMICK: Chair, I move that we accept this and move it to small business review.

CHAIRMAN OYAMA: Second?

MR. DILL: Second.

CHAIRMAN OYAMA: Thank you. Any discussion?

MR. NISHIMURA: Mr. Chairman, I make a
motion to amend the motion and eliminate Schedule A from
the Rule Part 4 as part of the recommendation and move
it to small business.

CHAIRMAN OYAMA: Yes, move to amend to
remove Schedule A. Okay. Any second on that amendment?

MR. DILL: Second.

CHAIRMAN OYAMA: Second by Larry. Thank
you.

All right. Discussion?

If not, we vote to amend. We're voting to
amend now.

All in favor to amend the motion say aye.

Opposed say no.

Hearing none, motion carried.

So now we vote on the final motion which is as
amended. Okay.

All in favor as amended say aye.

Opposed to say no.

Hearing none, motion carried. Thank you.

Okay. This is done. So is there any public --
we'll close the discussion and have any public input.

Is there any public? None? Faith?

MS. SHIRAMIZU: None.

CHAIRMAN OYAMA: You're the public now?

MS. SHIRAMIZU: Well, we have a sign-up
sheet, and nobody signed up to speak.

CHAIRMAN OYAMA: Okay. Thank you. All right. Since that's all okay, are we ready for adjournment?

MR. DILL: So move.

CHAIRMAN OYAMA: Motion to adjourn.

MR. NISHIMURA: Second.

CHAIRMAN OYAMA: Okay. We have adjournment.

(Concluded at approximately 10:10 a.m., November 4, 2011.)

* * * * *
STATE OF HAWAII  
COUNTY OF KAUA'I

I, TERRI R. HANSON, RPR, CSR 482, do hereby certify:

That on Friday, November 4, 2011, at 9:12 a.m.;
that the foregoing Special Board Meeting, County of
Kauai, Board of Water Supply, was held;

That the foregoing proceedings were taken down by
me in machine shorthand and were thereafter reduced to
typewritten form under my supervision; that the
foregoing represents to the best of my ability, a true
and correct transcript of the proceedings had in the
foregoing matter.

I certify that I am not an attorney for any of
the parties hereto, nor in any way concerned with the
cause.

DATED this 15th day of November, 2011, in Kapaa,
Hawaii.

[Signature]

TERRI R. HANSON, CSR 482
Registered Professional Reporter
Old Business
BOARD REPORT

November 23, 2011

Subject: Board's Committee Reports

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

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


Daryl Kaneshiro
Chair – Committee of the Whole

cab
Mgrp/Board- Committee of the Whole Report (11-23-11): cab
MANAGER’S REPORT No.12-24

September 22, 2011

Re:     EMERGENCY RESERVE FUND

Recommendation: Your approval is requested for the attached proposed Emergency Fund Policy.

Background: During the budget process for FY 12 the Board started setting aside funds for Emergencies. There was a restriction put on the expenditure of funds from the emergency fund until such time as a policy position was taken by the Board. The attached policy is a draft proposal from the Manager and staff.

The policy defines an emergency as the need to protect public health and safety and DOW assets from otherwise unbudgeted events.

The policy allows 1/24th of the current annual labor budget to be expended for labor costs associated with an emergency from the emergency fund if there is an emergency. It also allows use of the emergency fund for services and equipment rental if standby contracts are let prior to an emergency.

All other emergency funding must wait for Board approval.

A time table of a typical year with an emergency is included for your review.

Funding: None

Respectfully submitted,

[Signature]

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

Attachment: Draft Board Policy #26
DEPARTMENT OF WATER
County of Kaua'i

*Water has no Substitute — Conserve It!*

Board Policy No. 26

RE: EMERGENCY RESERVE FUND

The Department of Water shall establish and maintain an “Emergency Reserve Fund.” The purpose of the Reserve is to provide and secure a monetary sum that may be utilized in times of public emergency, natural or man-made disaster, or other severe crises during which times the Department is unable to collect sufficient revenue to pay necessary expenditures and/or debts. The Reserve shall be an element of the Department’s Annual Operating and CIP Budget. The total amount of the Reserve to be maintained shall be approximately 25% of the Department’s Total Operating Revenues including debt service based on the average of the previous five (5) fiscal years. The Reserve shall be deposited in a separate account which shall be a highly liquid interest bearing fund as allowable by state law requiring two signatures to withdraw funds. The Two signatures shall be from among the Manager or Deputy Manager and Comptroller or Chairperson of the Board.

Purpose:
To assure proper oversight of budgeted Emergency Reserve Funds prior to Board action in an emergency.

Conditions for Disbursement of Emergency Reserve Funds:

1. An emergency for purposes of this fund is defined as an event which puts public safety and health or Kaua‘i Department of Water assets at risk and for which budgeted funds are insufficient to allow encumbering funds necessary to minimize or reduce the impact of such event.

2. The Board approves the Department’s Annual Operating and Capital Improvement Projects Budget.

3. In the Budget there are funds allocated for use in the event of an emergency.

4. The budgeted funds for labor costs shall be exhausted in any budget year before any monies from the emergency reserve funds are used for the purpose of labor costs. In the event of an emergency occurring between the time of agenda notice for approval of the next fiscal year budget and the end of the current fiscal year funds not to exceed $225,000 may be used for labor costs. The $225,000 may be increase each year by $2,000 from the date of the adoption of this policy. Emergency funds may be utilized for labor costs in the event of a labor strike or other labor crisis in which budgeted Department staff salaries are not exhausted.

5. The staff is encouraged to have bid standby service contracts not to exceed $300,000 for fuel delivery, operated equipment rental, pipeline repair services, water plant operation services, chlorine application services, plant electrical/electronic services, engineering services, accounting services, billing services, legal services, and management services. The $300,000 may be increased each year by $3,000 from the date of the adoption of this policy.
6. The staff is encouraged to have bid standby bare equipment rental contracts not to exceed $300,000 for essential equipment in the event existing Department equipment is inoperable or insufficient. The $300,000 may be increase each year by $3,000 from the date of the adoption of this policy.

7. The staff is encouraged to have bid standby material supply contracts not to exceed $200,000 for essential materials in the event existing Department inventory is insufficient. The $200,000 may be increase each year by $2,000 from the date of the adoption of this policy.

8. Funds for the above competitively bid standby emergency contracts may be expended from the emergency reserve fund provided, any specific budgeted funds for services, equipment or materials have been exhausted and the standby emergency contracts have been reported to the Board at the time such contracts were entered into and the Board Chair has signed off on the contracts according to Policy No. 22.

9. Every effort shall be taken to follow the procedures should a disaster be declared by the Governor or President so Emergency Reserve Funds that are reimbursable meet FEMA requirements.

10. Disbursements from the Emergency Reserve Fund for debt service payments shall be allowed only by Board resolution.

11. No other funds may be appropriated from the Emergency Reserve Fund without Board approval.

12. Funds that are expended from the Emergency Reserve Fund shall be replaced as expeditiously as possible. Five percent (5%) of unreimbursed funds shall be replaced per year until the Emergency Reserve Fund is approximately 25% of the Department’s Total Operating Revenues including debt service based on the average of the previous five (5) fiscal years.

APPROVED BY:

Chairperson, Board of Water Supply

Dated: November 23, 2011

Effective date: ______________
BOARD POLICY #26 ADDENDUM

EMERGENCY RESERVE FUND

TYPICAL KDOW EMERGENCY RESERVE FUNDS USE TIMETABLE

1. Start of new fiscal year ER standby contracts in place for materials, services and equipment. Labor will be utilized as necessary from DOW staff and emergency labor as needed limited to $225,000.

2. Report to the Board any ER standby contracts entered into.

3. Emergency occurs.

4. Board is provided a statement of Expenses and Reimbursements from the ER Standby contracts, amounts invoiced and labor spend down on a monthly basis.

5. Should any contracts be in danger of running short of funds Board approval of contract amendments will be required.

6. Should additional labor be needed beyond $225,000 Board approval will be required.

7. All debt transactions will need Board approval.
### SUMMARY REQUEST FOR STATE AID

**CAPITAL IMPROVEMENT PROGRAM (CIP)**  
**Fiscal Year 2012**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority No. 1:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kilauea Water System</td>
<td>WKK-7</td>
<td>FIRE PROTECTION Improvements for State Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WKK-9</td>
<td>Kilauea School Waterline Improvements</td>
<td>1,300</td>
<td>1,300</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td><strong>Priority No. 2:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wailua/Kapa’a Water System</td>
<td>WK-8</td>
<td>AFFORDABLE HOUSING Infrastructure Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kapa’a Storage Improvements</td>
<td>8,000</td>
<td>--</td>
<td>8,000</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td><strong>Priority No. 3:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hanalei Water System</td>
<td>H-5</td>
<td>FIRE PROTECTION Improvements for State Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hanalei School Waterline Improvements</td>
<td>3,000</td>
<td>--</td>
<td>3,000</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td><strong>Priority No. 4:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wailua/Kapa’a Water System</td>
<td>WK-27A</td>
<td>AFFORDABLE HOUSING Infrastructure Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WK-33</td>
<td>Kawaihau, Kahuna &amp; Piliamoo Roads - 12” and 18” Mains</td>
<td>4,500</td>
<td>--</td>
<td>--</td>
<td>4,500</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td><strong>Priority No. 5:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wailua/Kapa’a Water System</td>
<td>WK-39</td>
<td>Drill &amp; Develop Kapa’a Homesteads Well No. 4</td>
<td>4,000</td>
<td>--</td>
<td>--</td>
<td>4,000</td>
<td>4,000</td>
<td></td>
</tr>
<tr>
<td><strong>Priority No. 6:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kekaha Water System</td>
<td>KW-28</td>
<td>Renovate Kekaha (Amfac) Shaft and 12” Ductile Iron Waterline</td>
<td>4,000</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>4,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td></td>
<td>24,800</td>
<td>1,300</td>
<td>11,000</td>
<td>8,500</td>
<td>8,000</td>
<td></td>
</tr>
</tbody>
</table>
New Business
Manager’s Report No. 12 – 35

November 23, 2011

Re: Board Adoption of Rule Amendments to Part IV - Fixing Rates For the Furnishing of Water Service in the County of Kauai:

Section I – General Use Rates – Section Revisions to Institute Monthly Billing instead of Bi-Monthly Billing

RECOMMENDATION:
If there is no adverse testimony at the Wednesday, November 23, 2011 Public Hearing, it is requested that the Board adopt the amendment to the Rules and Regulations of the Board of Water Supply, County of Kauai for Part IV, Section I – General Use Rates – Section Revisions to Institute Monthly Billing instead of Bi-Monthly Billing.

BACKGROUND:
The Public Hearing for this Rule Amendment will also be held on Wednesday, November 23, 2011 and its public hearing notice was published in the Saturday, October 22, 2011 issue of The Garden Island Newspaper. We contacted the Small Business Regulatory Review Board (SBRRB) and they concurred with our Negative Declaration that there is no perceivable impact on small business; therefore, we do not have to communicate further with the SBRRB on this Rule amendment. Please see attached June 23, 2011 memo from the SBRRB.

This Section I revision of Part IV of the Rules is to institute monthly billing instead of bi-monthly billing, and was approved to be sent to the Small Business Regulatory Review Board at the April 28, 2011 Board Meeting. A copy of the draft Part IV Rule Amendments in Ramseyer format is available in the Public Hearing section of your board binder.

If and when this rule amendment is adopted, the secretary will follow up with the necessary signatures from the County Attorney and the County Clerk. Once the County Clerk signs the proposed rule amendment, it takes effect 10 days thereafter.

Respectfully submitted,

[Signature]

William Eddy, P.E.
Deputy Manager - Engineer

cab
Mgrrp-Board Adoption of Section I-General Use Rates- Part IV (11-23-11): cab
MEMORANDUM

To:       David R. Craddick, P.E., Manager
          County of Kauai, Department of Water

From:    Sharon L. Pang, Chairperson
          Small Business Regulatory Review Board

Date:    June 23, 2011

Subject: REVIEW OF ADMINISTRATIVE RULES OF THE COUNTY OF
          KAUAI, Department of Water
          Part 4, “Fixing Rates for the Furnishing of Water Services in the
          County of Kauai”

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

Please be advised that the Review Board reviewed the County of Kauai
Department of Water’s request to schedule public hearings on proposed
amendments to Part 4, “Fixing Rates for the Furnishing of Water Services in
the County of Kauai,” at its June 23, 2011 board meeting. The Board
unanimously approved the department’s request and noted that the
department need not return to the Review Board unless substantive changes
were made to the proposed amendments after the public hearings.

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

cc:  William Eddy, Deputy Manager-Engineer
Manager’s Report No. 12 – 36

November 23, 2011

Re: Board Adoption of Rule Amendments to Part IV - Fixing Rates For the Furnishing of Water Service in the County of Kaua'i:

Section V – Private Fire Service Charges – Section Revisions to Provide Detailed Information about the Method the Department Uses to Bill Private Fire Lines

RECOMMENDATION:
If there is no adverse testimony at the Wednesday, November 23, 2011 Public Hearing, it is requested that the Board adopt the amendment to the Rules and Regulations of the Board of Water Supply, County of Kaua'i for Part IV, Section V – Private Fire Service Charges – Section Revisions to Provide Detailed Information about the Method the Department Uses to Bill Private Fire Lines.

BACKGROUND:
The Public Hearing for this Rule Amendment will also be held on Wednesday, November 23, 2011 and its public hearing notice was published in the Saturday, October 22, 2011 issue of The Garden Island Newspaper. We contacted the Small Business Regulatory Review Board (SBRRB) and they concurred with our Negative Declaration that there is no perceivable impact on small business; therefore, we do not have to communicate further with the SBRRB on this Rule amendment. Please see attached June 23, 2011 memo from the SBRRB.

This Section V revision of Part IV of the Rules is to provide detailed information about the method the Department uses to bill private fire lines, and was approved to be sent to the Small Business Regulatory Review Board at the April 28, 2011 Board Meeting. A copy of the draft Part IV Rule Amendments in Ramseyer format is available in the Public Hearing section of your board binder.

If and when this rule amendment is adopted, the secretary will follow up with the necessary signatures from the County Attorney and the County Clerk. Once the County Clerk signs the proposed rule amendment, it takes effect 10 days thereafter.

Respectfully submitted,

[Signature]

William Eddy, P.E.
Deputy Manager - Engineer
MEMORANDUM

To: David R. Craddock, P.E., Manager
    County of Kauai, Department of Water

From: Sharon L. Pang, Chairperson
       Small Business Regulatory Review Board

Date: June 23, 2011

Subject: REVIEW OF ADMINISTRATIVE RULES OF THE COUNTY OF
        KAUAI, Department of Water
        Part 4, “Fixing Rates for the Furnishing of Water Services in the
        County of Kauai”

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

Please be advised that the Review Board reviewed the County of Kauai
Department of Water’s request to schedule public hearings on proposed
amendments to Part 4, “Fixing Rates for the Furnishing of Water Services in
the County of Kauai,” at its June 23, 2011 board meeting. The Board
unanimously approved the department’s request and noted that the
department need not return to the Review Board unless substantive changes
were made to the proposed amendments after the public hearings.

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

cc: William Eddy, Deputy Manager-Engineer
Manager’s Report No. 12 – 37

November 23, 2011

Re: Board Adoption of Rule Amendments to Part IV - Fixing Rates For the Furnishing of Water Service in the County of Kaua‘i:

Section XI – Late Charges – New Section to Institute a Late Payment Fee in the Amount of 0.5% Against the Delinquent Balance for Every Month or Fraction Thereof

RECOMMENDATION:
If there is no adverse testimony at the Wednesday, November 23, 2011 Public Hearing, it is requested that the Board adopt the amendment to the Rules and Regulations of the Board of Water Supply, County of Kaua‘i for Part IV, New Section XI to Institute a Late Payment Fee in the Amount of 0.5% Against the Delinquent Balance for Every Month or Fraction Thereof.

BACKGROUND:
The Public Hearing for this Rule Amendment will also be held on Wednesday, November 23, 2011 and its public hearing notice was published in the Saturday, October 22, 2011 issue of The Garden Island Newspaper. We contacted the Small Business Regulatory Review Board (SBRRB) and they concurred with our Negative Declaration that there is no perceivable impact on small business; therefore, we do not have to communicate further with the SBRRB on this Rule amendment. Please see attached June 23, 2011 memo from the SBRRB.

This new Section XI addition to Part IV of the Rules is to institute a late payment fee in the amount of 0.5% against the delinquent balance for every month or fraction thereof, and was approved to be sent to the Small Business Regulatory Review Board at the May 26, 2011 Board Meeting. A copy of the draft Part IV Rule Amendments in Ramseyer format is available in the Public Hearing section of your board binder.

If and when this rule amendment is adopted, the secretary will follow up with the necessary signatures from the County Attorney and the County Clerk. Once the County Clerk signs the proposed rule amendment, it takes effect 10 days thereafter.

Respectfully submitted,

W. Eddy
William Eddy, P.E.
Deputy Manager - Engineer

cab
Mgmt-Board Adoption-Sect. XI – Late Charges-Part IV (11-23-11):cab
MEMORANDUM

To: David R. Craddock, P.E., Manager
    County of Kauai, Department of Water

From: Sharon L. Pang, Chairperson
       Small Business Regulatory Review Board

Date: June 23, 2011

Subject: REVIEW OF ADMINISTRATIVE RULES OF THE COUNTY OF KAUAI, Department of Water
        Part 4, "Fixing Rates for the Furnishing of Water Services in the County of Kauai"

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

Please be advised that the Review Board reviewed the County of Kauai Department of Water's request to schedule public hearings on proposed amendments to Part 4, "Fixing Rates for the Furnishing of Water Services in the County of Kauai," at its June 23, 2011 board meeting. The Board unanimously approved the department's request and noted that the department need not return to the Review Board unless substantive changes were made to the proposed amendments after the public hearings.

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

cc: William Eddy, Deputy Manager-Engineer
Manager’s Report No. 12 - 38

November 23, 2011

Re: Grant of Easement “W-1” from Nalu Investments LLC for the “Construction Plans for Reduced Pressure Detector Check Assembly and Domestic Water Meter” for Nalu Investments LLC, TMK: (4) 1-6-008:010, Waimea District, Kauai, Hawaii

It is recommended that the Board approve the Grant of Easement document whereby, Nalu Investments LLC, grant to the Board of Water Supply, County of Kauai, perpetual easement, “W-1”, on, over and under that certain parcel of land located in TMK: (4) 1-6-008:010, Waimea District, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system for the “Construction Plans for Reduced Pressure Detector Check Assembly and Domestic Water Meter” for Nalu Investments LLC, TMK: (4) 1-6-008:010, Waimea District, Kauai, Hawaii.

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

Respectfully submitted,

Dustin Moises, Project Manager
Special Projects Division

CONCURRED:

William Eddy, P.E.
Deputy Manager

DM/cab
Mgrp-GOE W-1 Nalu Investments LLC-Waimea (11-23-11):cab
MANAGER’S REPORT No. 12-39

November 23, 2011

Re: Oversizing Mainline Extension - Eleele Luna Subdivision (S-2006-49), TMK: (4) 2-1-01:052, Eleele, Kauai, Hawaii
Construction project: 6” Water Line (12” Waterline Alternative) For Kaumualii Highway

Recommendation:
It is recommended that the Board approve an amount of $118,562.00 be budgeted from CIP Reserve Fund, Account No. 106B to reimburse the developer, Kauai Habitat for Humanity, for oversizing approximately 1,315 lineal feet of waterline along Kaumualii Highway from 6-inches to 12-inches in diameter.

Funding:
CIP Reserve Fund
Account No. 106B beginning balance ........................................$ 2,938,428.20
Cost to Oversize ................................................................. $103,097.00
Contingency (approximately 15%) ....................................... $ 15,465.00
Total budget amount ............................................................$118,562.00 ..........<$ 118,562.00>

Account No. 106B remaining balance .......................................$ 2,819,866.20

Background:
The Department of Water required the subdivider to install a 6-inch diameter water main for the subject project. The Department, however, proposes to upgrade the required 6-inch water main to 12-inches in diameter to provide for existing and future water demands beyond this subdivision, including the possible development of a 75 acre parcel by the County of Kauai. The Rules and Regulations allow the Department to reimburse the subdivider the additional cost over and above the cost to install the original 6-inch water main.

The Department, upon Board approval of funding to oversize the main, will coordinate the execution of an agreement between the developer and the Department to oversize the main. The agreement will also address the developer’s requested payment schedule.

Respectfully submitted,

Keith Aoki
Civil Engineer V

Concurred:

William Eddy, P.E.
Deputy Manager - Engineer

WE/KA/cab
Mgrep-Oversize Mainline Extension-Elele Luna-Kauai Habitat for Humanity (11-23-11):cab
MANAGER’S REPORT NO. 12 – 40

November 23, 2011

Re: Request Board Approval to Expend Funds for Staff Fitness Pilot Program

Recommendation:
The Department recommends that the Board approve the expenditure of up to $5,000 for a staff fitness pilot program from Account # 31 – Administration Miscellaneous Expenses.

Funding:
Available Funding, Acct # 31 – Administration Miscellaneous Expenses..............$11,216.17

Proposed Staff Fitness Pilot Program.................................$4,368.00
Contingency (8.7%).........................................................$632.00
Total Funding Request..............................................$5,000.00........... <$5,000.00>

Acct # 31 Balance Remaining.........................................................$6,216.17

Background:
Management received suggestions from staff that an in-house fitness program would improve staff morale and productivity. Our Public Relations team was tasked with investigating the possibility of such a fitness program. The PR people followed the required procurement process by soliciting 3 quotes and also surveyed our Departmental personnel for interest in the program.

The below proposed program was developed by our PR team:

1. A three (3) month staff fitness pilot program.
2. The proposed program will consist of 30 minute fitness sessions. Two sessions will be offered twice per week for a total of four (4) sessions per week. The sessions will be held during lunch break.
3. A fitness trainer will lead the fitness sessions and provide the fitness equipment.
4. All employees may participate in the program and it is entirely voluntary. We expect 16 to 25 employees to participate.
5. The cost of the program will be at the Department’s expense pending Board approval. The unit cost is $8/person/class.
6. The proposed program will be on employee time and not Department time.
7. A written agreement and release of liability will be required for each employee who wants to participate. A written medical clearance form will also be required for each participating employee.
8. The pilot program will be evaluated at the end of the three (3) months. The pilot will be considered successful if there is good participation and positive results. It may be possible
to continue the fitness program beyond the pilot stage by using an “in-house” voluntary leader.

The potential benefits to the Department of such a program include reduction in health care costs, fewer health related absences from work, increased productivity and camaraderie, stress reduction and weight management. These positive benefits would likely increase employee morale. We recommend funding approval for this pilot program.

Respectfully submitted,

[Signature]
William Eddy, P.E.
Deputy Manager-Engineer

WE/cab
Mgrrp-Expend Funds for Staff Fitness Pilot Program (11-23-11).cab
MANAGEMENT REPORT 12-41

November 23, 2011

Re: Job No. 02-15, WK-28, Wailua Houselots Main Replacement – Phase I, Wailua - Kapaa Water System; Wailua, Kauai, Hawaii

RECOMMENDATION:
It is recommended that the Board approve funding in the amount of $5,000,000.00 for the construction of the Wailua Houselots Main Replacement, Phase I.

FUNDING:
Job No. 02-15, WK-28, Wailua Houselots Main Replacement,
Wailua - Kapaa Water System
Requested Funding ............................................................................................................ $5,000,000.00

Current Funds Available from Account #106B
Water Utility Fund- CIP $7,938,428.20

Available Balance: Account #106B
Water Utility Fund – CIP
After Job 02-15, WK-28 Funding $2,938,428.20

BACKGROUND:
The scope of work for this project is to furnish and install materials for the installation of approximately 11,985 lineal feet of 8-inch, and 130 linear feet of 4-inch ductile iron pipes and appurtenances. Also, furnishing and installing materials for the installation of waterlines on all roads, various sized valves, fire hydrants, service laterals, waterline connections, and other waterline accessories. It also includes restoration of existing roadways.

The project was $1 funded in BAB during the FY 2011-2012 budget approval. However, this project will be funded by the State Department of Health DWSRF loan program as agreed upon with the Kahili Well grant funding. Although the subject project has not been awarded, the DOW must certify the funds for the project before advertising. Further, the DOW must fund the construction of the project until the SRF program reimburses the DOW at a later time. Approval of the $5,000,000.00 amount will allow DOW staff to advertise the project and proceed with construction accordingly.

Respectfully submitted,

[Signature]
Dustin Moises
Waterworks Project Manager

CONCURRED:

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

WE/DM/cab

---4398 Pua Loke Street, Lihu'e, Kauai, Hawai'i or P. O. Box 1706, Lihu'e, HI 96766-5706---
Phone No. (808) 245-5400 – Administration FAX No. (808) 246-8628 – Engineering/Fiscal/Shop FAX No. (808) 245-5813
MANAGER’S REPORT NO. 12-42

November 23, 2011

Re: Request Board Approval of Resolution No. 12-3 (11/12) Adoption, Pertaining to State Revolving Fund (SRF) Funding for DW400-0004 Job No. PLH-03, Kahili Horizontal Directional Drilled Well and DW413-0008 Job No. 02-15, WK28, Wailua Houselots Main Replacement, Phase I

RECOMMENDATION:
Your approval is requested to adopt Resolution No. 12-3 (11/12) pertaining to the subject loan agreements between the Board of Water Supply and the State Department of Health.

FUNDING:
None required

BACKGROUND:
The Board approved applying for SRF funding for the subject projects in previous board meetings. This resolution is required to complete Drinking Water State Revolving Fund (DWSRF) loan agreements for the subject projects. The resolution authorizes the Manager to receive and expend SRF monies for the subject projects.

Respectfully submitted,

Faith Shiramizu
Public Relations Specialist

CONCURRED:

William Eddy, P.E.
Deputy Manager - Engineer

FS: cab
Mgr/Res. #12-3 (11-12), SRF Funding for Kahili Well and Wailua Houselots Main -DOW Projects (11-23-11): cab
RESOLUTION NO. 12-3
(2011-12)
Resolution No. 12-3, SRF Funding (11-23-11 Board Meeting)

APPROVING THE RECEIPT AND EXPENDITURE OF MONIES FOR:
DW400-0004 Job No. PLH-03, Kahili Horizontal Directional Drilled Well;
DW413-0008 Job No. 02-15, WK-28, Wailua House lots Main Replacement, Phase I;

FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AND
AUTHORIZING THE MANAGER AND CHIEF ENGINEER TO REDUCE, REPLACE,
ALLOCATE UP TO $6,000,000.00, THE AMOUNT CURRENTLY ENCUMBERED BY
CONTRACT AND PROJECTED FOR FUTURE CONSTRUCTION, PLUS CHANGE
ORDER AMENDMENTS IN THE FORM OF LOAN AGREEMENTS BETWEEN THE
STATE OF HAWAII (State) AND BOARD OF WATER SUPPLY, COUNTY OF KAUA'I
(Board)

WHEREAS, Hawaii Revised Statutes Sections 340E-31 through 340E-41 establish a
drinking water treatment revolving loan fund, also known as the Drinking Water State Revolving
Fund, for the purpose of protecting and improving drinking water quality by financing eligible
projects consistent with applicable federal and state laws; and

WHEREAS, the State Department of Health may execute a loan for each of the Projects;
and

WHEREAS, the Department of Water, County of Kauai (DOW) capital budgets for
Fiscal Years ended June 30, 2012, appropriated monies for contracts for construction of the
following projects: Project No. JobNo. PLH-03, Kahili Horizontal Directional Drilled Well,
more generally known as DW400-0004 Job No. PLH-03, Kahili Horizontal Directional
Drilled Well; Job No. 02-15, WK-28, Wailua House lots Main Replacement, Phase I, more
generally known as DW413-0008 Job No. 02-15, WK-28, Wailua House lots Main
Replacement, Phase I; in the amount of $6,000,000.00 and DOW has encumbered monies for
the projects listed above; and

WHEREAS, under Article XVII of the Kauai County Charter, expressly and by
implication, the Board is the governing body of the DOW and the Board warrants that it has the
full authority to manage, control, and operate the waterworks of the County of Kauai, and all
waterworks finances property; and

WHEREAS, the Board and DOW also have broad authorities over County waterworks
and facilities under the authorities granted to Counties and their Boards of Water Supply by
Hawaii Revised Statutes Sections 46-1.5 (19) and (23), and Chapter 54; and to the extent that
such statues are not superseded by the County Charter’s provisions; and

WHEREAS, the Board, to the extent permitted by law, may request and consent to the
pledge of revenues for the construction and acquiring of capital improvements, and the Board
warrants that it has such authority for these Projects; and
WHEREAS, for the purpose of this Resolution, any loan from the DWSRF shall constitute an obligation of the DOW; therefore,

BE IT RESOLVED by the Kauai County Board of Water Supply, State of Hawaii:

1. That the Board Chair is authorized to enter into loan agreements with the State of Hawaii for the projects mentioned in paragraph 2 below, and

2. That the Manager and Chief Engineer of DOW is hereby authorized to reduce or replace up to $6,000,000.00 in funds advanced by the DOW to undertake the following projects: Project PLH-03, DW400-00047, Kahili Horizontal Directional Drilled Well; Project 02-15, WK-28, DW413-0008 Wailua House lots Main Replacement, Phase I; in the form of loan agreements between the State and the Board, and

3. That the receipt and expenditure of loan monies from the DWSRF for the Project is hereby approved; and

4. That the monies received as loans be used to reduce or replace funds advanced by the DOW to undertake the Projects; and

5. That the monies received as loans and the resulting debt service be included as a part of DOW debt service with annual payments budgeted according to the debt service schedule to be provided by the State; and

6. That the funds borrowed by the DOW are to be held to the same accounting standards as funds borrowed through the issuance of bonds; and

7. That the Board and DOW further pledge sufficient DOW revenue to provide security for repayment of the loan, plus interest, pursuant to the loan agreement; and

8. That the Board and DOW pledge it shall exercise their revenue bond, revenue, assessment, and other authority as needed, to the extent allowed by law, to pay the semiannual repayments and any loan fees under these loan agreements. As needed, the Board and DOW shall establish, increase and collect such fees, assessments, and revenues and make such adjustments to raise funds sufficient to repay the loans and pay any loan fees under these loan agreements, as permitted by law; and

9. That the Board shall defend, indemnify, and save harmless the State of Hawai‘i, the DIRECTOR, and their officers, employees, and agents from and against any and all actions, claims, suits, damages, and costs arising out of or resulting from the acts or omissions of the BOARD or the BOARD’s officers, employees, agents, contractors, or subcontractors occurring during or in connection with the performance of the BOARD’s services under this Agreement,
unless the action or claim involves an act or omission solely of the State or the DIRECTOR, their officers, employees, or agents; and

10. BE IT FURTHER RESOLVED that this Resolution shall take effect upon the adoption thereof, and that the Secretary be directed to provide certified copies of this Resolution to the Manager and Chief Engineer of the DOW, Controller of DOW, Kauai County Mayor, and the Director of the State Department of Health.

Approved as to Form and Legality:  

Deputy County Attorney,  
County of Kauai

BOARD OF WATER SUPPLY

Roy Oyama, Chairperson  
4398 Pua Loke Street  
Lihue, Hawaii 96766
CERTIFICATION OF ADOPTION

RESOLUTION NO. 12-3,
DW400-0004 Job No. PLH-03, Kahili Horizontal Directional Drilled Well;
DW413-0008 Job No. 02-15, WK28, Wailua Houselots Main Replacement, Phase I;

FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AND
AUTHORIZING THE MANAGER AND CHIEF ENGINEER TO REDUCE, REPLACE,
ALLOCATE UP TO $6,000,000.00, THE AMOUNT CURRENTLY ENCUMBERED BY
CONTRACT AND PROJECTED FOR FUTURE CONSTRUCTION, PLUS CHANGE
ORDER AMENDMENTS IN THE FORM OF LOAN AGREEMENTS BETWEEN THE
STATE OF HAWAII (State) AND BOARD OF WATER SUPPLY, COUNTY OF KAUA'I
(Board)

It is hereby certified that the foregoing resolution was adopted by the Kauai County Board of
Water Supply, State of Hawaii, at its meeting held November 23, 2011, by the following vote:

APPROVED: 
DISAPPROVED: 
ABSENT: 
TOTAL:

------------------------------------------

CERTIFICATION

The undersign hereby certifies that the foregoing Resolution is a true and correct copy of
Resolution No. 12-3, adopted at the meeting of the Kauai Board of Water Supply, duly held on
the 23rd day of November, 2011.

David R. Craddick, P.E., Manager & Chief Engineer
Department of Water
MANAGER’S REPORT NO. 12 - 43

November 23, 2011

Re: Request Board Approval to Request a Six (6) Month Extension to our Memorandum of Agreement (MOA) between the State of Hawai‘i, Commission on Water Resource Management (CWRM) and the County of Kaua‘i Department of Water to Implement Drought Mitigation Projects on Kauai

RECOMMENDATION:
It is recommended that the Board grant approval for the Department to request a six (6) month extension to our Memorandum of Agreement between the State of Hawai‘i, Commission on Water Resource Management and the County of Kauai Department of Water to Implement Drought Mitigation Projects on Kaua‘i.

FUNDING:
Not Applicable

BACKGROUND:
The Department entered into a two (2) year MOA with the CWRM in 2008 to accept a drought mitigation grant in the amount of $700,000.00. The funding was appropriated by the Hawaii Drought Council through CWRM. The MOA identifies funding for the Kekaha Amfac Shaft 11 project and the County-Wide Conservation and Education Program.

The Department requested and was granted a one (1) year extension to the MOA in 2010 and the current contract expiration date is December 31, 2011. Our grant expenditures as of October 31, 2011 are as follows:

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Awarded</th>
<th>Expended</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Kekaha Amfac Shaft 11 Facility Testing,</td>
<td>$530,000.00</td>
<td>$512,223.40</td>
<td>$17,776.60</td>
</tr>
<tr>
<td>Evaluation and Reporting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 County –Wide Conservation and Education Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Water Conservation Program</td>
<td>$45,000.00</td>
<td>$33,507.40</td>
<td>$11,492.60</td>
</tr>
<tr>
<td>Internal Water Conservation Program</td>
<td>$115,000.00</td>
<td>$63,734.00</td>
<td>$51,266.00</td>
</tr>
<tr>
<td>Support Watershed Protection</td>
<td>$10,000.00</td>
<td>$10,000.00</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$700,000.00</td>
<td>$619,464.80</td>
<td>$80,535.20</td>
</tr>
</tbody>
</table>

The Department is in the process of purchasing additional leak detection equipment and continuing the Amfac Shaft project but may not be able to expend all of the funds by the current expiration date. We are therefore requesting permission to submit a request to CWRM for a six (6) month extension to the subject MOA.

Respectfully submitted,

Faith Shiramizu
Public Relations Specialist

CONCURRED:

William Eddy, P.E.
Deputy Manager - Engineer

FS:cab
Mgrnp-Drought Mitigation MOA-CWRM (11-23-11):cab

—4398 Pua Loke Street, Lihu‘e, Kaua‘i, Hawaii or P. O. Box 1706, Lihu‘e, HI 96766-5706—
Phone No. (808) 245-5400 – Administration FAX No. (808) 246-8628 – Engineering/Fiscal/Shop FAX No. (808) 245-5813
MANAGER’S REPORT NO. 12-44

November 23, 2011

Re: Job No. 11-10, Water Plan 2020 Job No. K-18, 8-inch Water Main Replacement
Halewili Road (Kaumualii Highway to Haku Hale Street), Kalaheo, Hawaii

RECOMMENDATION:
It is recommended that the Board increase funding for the subject project in the amount of $16,077.00. This will allow the Department award a contract to Lyon Associates for Job No. 11-10, Water Plan 2020 Job No. K-18, 8-inch Water Main Replacement, Halewili Road (Kaumualii Highway to Haku Hale Street), Kalaheo, Hawaii in the amount of $82,797.00.

FUNDING:
Funds Certified from Account 101b – CRP ..................................................$75,000.00
Lyon Associates .............................................................$82,797.00
Contingency ...............................................................$8,280.00
Total Funding Required ..............................................<$91,077.00>
Additional Funds Requested from Account 106b – CIP Reserve Fund ................. $16,077.00

Available Balance from Account 106b – CIP Reserve Fund .......................... $2,819,866.20
Funding from Account 106b – CIP Reserve Fund,
8-inch Water Main Replacement, Halewili Road ........................................... $16,077.00
New Balance from Account 106b - CIP Reserve Fund .................................. $2,803,789.20

BACKGROUND:
The Department of Water currently has a water line easement through a residential lot. The water line recently required a major repair. It is the intent of this project to eliminate this line through the residential property, provide additional flow, and relocate the water line to the public ROW.

A review committee was formed and Lyon Associates was selected by the manager based on the review committee’s recommendation. We contacted the consultant and the attached scope of work and proposal was negotiated.

We reviewed Lyon Associates proposal of $82,797.00 for the work and found it acceptable.

Respectfully submitted,

Aaron Zambo, P.E.
Project Manager

CONCURRED:

William Eddy, P.E.
Deputy Manager – Engineer

AZ/cab
Mgr/p Job No. 11-10, WP2020 Job No. K-18, 8-inch Water Main Replacement Halewili Road, Kalaheo (11-23-11): cab
MANAGER’S REPORT NO. 12-45

November 23, 2011

Re:  Job 02-06 (WKK-15), 1.0 MG Tank and Connecting Pipeline, Phase II, Kilauea, Kauai, Hawaii, Second Amendment for Contract No. 440, Kodani and Associates, Inc.

RECOMMENDATION:
Board approval is requested for Amendment #2 for Contract No. 440 with Kodani and Associates, Inc. in the amount of $201,500.00 from BAB Fund.

FUNDING:
Total Project Funds Certified...........................................$91,499.80
Contract No. 440 with Kodani and Associates, Inc. ...$12,700.00
Amendment #1 ..........................................................$78,099.80
Amendment #2 .......................................................$192,200.00
Contingency ..............................................................$10,000.00
Total Amended Project Budget..............................<$292,999.80>
Additional Funds Requested (BAB) ..............................$ 201,500.00

BALANCE REMAINING (prior to subject fund request)
BAB Fund Balance ....................................................$20,965,143.42
Total Requested from BAB Fund Balance ...............<$201,500.00>
New BAB Fund Balance .............................................$20,763,643.42

BACKGROUND:
The Project consists of design for demolishing the existing 100,000 gallon Puu Pane tank, constructing a new at-grade 1.0 MG concrete water tank, a temporary water tank, an exploratory well, associated permitting and studies, electrical and mechanical design, etc. Phase 1 of the project had consisted of site feasibility studies. The new 1.0 MG tank will be located on the site currently occupied by the existing 100,000 gallon Puu Pane tank.

Approval of this Manager’s Report should be contingent upon and construed as the Board approving the demolition of the existing 100,000 gallon Puu Pane tank and replacement with a 1.0 MG tank. Staff believes this to be the most prudent path given the potential significant time and financial expenditures associated with acquiring a new parcel of land within the necessary parameters.

We reviewed Kodani and Associates, Inc. proposal for additional engineering services of $202,200.00 for the work and find it acceptable.

Respectfully submitted,

Aaron A. Zambo, PE
Civil Engineer V

CONCURRED:

William Eddy, P.E.
Deputy Manager - Engineer

AZ/cab
Mgrp-Job 02-06- 1.0 MG Tank and Connecting Pipeline, Phase II, Kilauea, 2nd Amdmt Contract No. 440-Kodani (11-23-11):cab
MANAGER’S REPORT NO. 12-46

November 23, 2011

Re: BAB- Project List Changes – Resolution No. 12-4 (FY 2012), Addition of PLH-01a - Replace Grove Farm Tanks #1 and #2, and M-03 - Acquire Source/Install Pump, Controls and 12” Pipeline – Moloa’a Tank/Well Site and Other Land Acquisitions

RECOMMENDATION:
Board approval is requested for Resolution 12-4 (FY 2012) including amendment of the Build America Bond (BAB) Project List with the addition of the two (2) subject projects.

FUNDING:
PLH-01a - Replace Grove Farm Tanks #1 and #2
(Approved for BAB Funding in July 2011)..........................$229,658.00

M-03 - Acquire Source/Install Pump, Controls
and 12” Pipeline – Moloa’a Tank/Well Site
and Other Land Acquisitions
(Approved for BAB Funding in September 2011).........$115,500.00

Total..................................................................................$345,158.00

BAB Fund Balance as of November 14, 2011............................$20,888,643.42

BACKGROUND:
The two (2) subject Water Plan 2020 projects were approved for funding from the BAB account without including them on the official BAB project list. The approval of these projects without placing them on the official project list was a procedural oversight. We seek to correct the unintentional oversight at this time.

Both of the projects meet the below requirement for BAB funding:

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

PLH-01a - Replace Grove Farm Tanks #1 and #2 consists of the demolition of two (2) existing 0.1 MG rectangular tanks and replacing them with a single 0.5 MG circular tank. The
$229,658.00 funding is for design purposes only. No money has been expended from the BAB fund for this project to date.

M-03 - Acquire Source/Install Pump, Controls and 12" Pipeline – Moloa’a Tank/Well Site and Other Land Acquisitions consists of acquiring several properties owned by the State of Hawaii. These State owned properties contain either existing Department waterworks facilities or future waterworks facilities. The $115,500.00 is for a professional services contract with an engineering firm to complete the land transfer task. No money has been expended from the BAB fund for this project to date.

Board approval is requested to approve Resolution 12-4 (FY 2012) and amend the Build America Bond (BAB) Project List with the addition of the subject two (2) projects.

Respectfully submitted,

W. Eddy

William Eddy, P.E.
Deputy Manager – Engineer

WE/cab
Mgrp-BAB- Proj. List Changes – Res. No. 12-4-PLH-01a-Grove Farm Tanks #1 and #2, M-03-Moloa’a Tank/Well Site (11-23-11): cab
<table>
<thead>
<tr>
<th></th>
<th>ANI-01a</th>
<th>Anini and Kalihiwai 6” Main Replacement (9,156’)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>H-01</td>
<td>Maka Ridge Pipe</td>
</tr>
<tr>
<td>3.</td>
<td>H-02</td>
<td>Maka Ridge Well CL</td>
</tr>
<tr>
<td>4.</td>
<td>H-03</td>
<td>Rehab Maka Ridge Tank</td>
</tr>
<tr>
<td>5.</td>
<td>H-10</td>
<td>Rehab Maka Ridge Tank</td>
</tr>
<tr>
<td>6.</td>
<td>H-07</td>
<td>Construct Hanalei Tank #2 0.25 MG</td>
</tr>
<tr>
<td>7.</td>
<td>H-08</td>
<td>Drill and Develop Hanalei Well # 2</td>
</tr>
<tr>
<td>8.</td>
<td>HE-08</td>
<td>Rehab Eleele Tank</td>
</tr>
<tr>
<td>9.</td>
<td>HE-11</td>
<td>Salt Pond Pipe</td>
</tr>
<tr>
<td>10.</td>
<td>K-05a</td>
<td>Construct Kalaeo Kukuiolono 0.5 MG Tank</td>
</tr>
<tr>
<td>11.</td>
<td>K-1, K-12</td>
<td>Replace Nursery Tank with Yamada Tank and connecting waterline, Kalaeo</td>
</tr>
<tr>
<td>12.</td>
<td>KW-28</td>
<td>Amfac Well</td>
</tr>
<tr>
<td>13.</td>
<td>LO-10</td>
<td>Lawai 6” and 8” Main Replacement (6,400’)</td>
</tr>
<tr>
<td>14.</td>
<td>PLH-02</td>
<td>Kokolau Tunnel</td>
</tr>
<tr>
<td>15.</td>
<td>PLH-03</td>
<td>Drill and Develop Lihu’e Horizontal Wells (Hi Level Water)</td>
</tr>
<tr>
<td>16.</td>
<td>PLH-25</td>
<td>Eiwa, Umi, Akahi, Elua Pipe</td>
</tr>
<tr>
<td>17.</td>
<td>PLH-30</td>
<td>Nāwiliwili, Niumalu, Kupolo pipe</td>
</tr>
<tr>
<td>18.</td>
<td>PLH-39a</td>
<td>Lihue Base yard Complex Improvements, Ph I</td>
</tr>
<tr>
<td>19.</td>
<td>WK-01</td>
<td>Rehabilitate Moalepe Tunnel, Install Chlorinator and Improve Access Road</td>
</tr>
<tr>
<td>20.</td>
<td>WK-02</td>
<td>Akulikuli Tunnel</td>
</tr>
<tr>
<td>21.</td>
<td>WK-08</td>
<td>Kapahi Tank</td>
</tr>
<tr>
<td>22.</td>
<td>WK-12</td>
<td>Waipouli Pipe</td>
</tr>
<tr>
<td>23.</td>
<td>507</td>
<td>Waimea Canyon</td>
</tr>
<tr>
<td>24.</td>
<td>WK-28</td>
<td>Wailua House Lots Pipe</td>
</tr>
<tr>
<td>25.</td>
<td>WK-30</td>
<td>Waipouli/Hauliki Pipe</td>
</tr>
<tr>
<td>26.</td>
<td>WK-36</td>
<td>‘Ohana, Anolani, Kuamoo Pipe</td>
</tr>
<tr>
<td>27.</td>
<td>WKK-02</td>
<td>Drill and Develop Kilaeua Well No. 3</td>
</tr>
<tr>
<td>28.</td>
<td>WKK-15</td>
<td>Construct 1.0 MG Kilaeua 466’ Tank</td>
</tr>
<tr>
<td>29.</td>
<td>491-3</td>
<td>Stable Tank and Pipe lines</td>
</tr>
<tr>
<td>30.</td>
<td>497</td>
<td>Kapilimaao Tank</td>
</tr>
<tr>
<td>31.</td>
<td>498</td>
<td>Kaumuali‘i 12” Line</td>
</tr>
<tr>
<td>32.</td>
<td>504</td>
<td>Waimea Main Replacement</td>
</tr>
<tr>
<td>33.</td>
<td>WK-14</td>
<td>Kapaa Homesteads Pipeline Project, Phase II, Job 02-18</td>
</tr>
<tr>
<td>34.</td>
<td>WK-32</td>
<td>Kapaa Pipeline Replacement for Vivian Heights &amp; Kanaele Road, Ph. II, Job 04-02</td>
</tr>
<tr>
<td>35.</td>
<td>WH-01</td>
<td>Improve access to Wainiha 217 tank.</td>
</tr>
<tr>
<td>36.</td>
<td>WH-02</td>
<td>Rehabilitate booster system</td>
</tr>
<tr>
<td>37.</td>
<td>WH-03</td>
<td>Rehabilitate Haena Steel Tank 144’</td>
</tr>
<tr>
<td>38.</td>
<td>WH-12</td>
<td>Wainiha well</td>
</tr>
<tr>
<td>39.</td>
<td>---</td>
<td>Hanalei/ Moalepe line replacement with PVC and deeper below river.</td>
</tr>
<tr>
<td>40.</td>
<td>PLH-44</td>
<td>Kaumuali‘i 16” line relocation and replacement with 24” for widening/ with engineering.</td>
</tr>
</tbody>
</table>
Additions 12/16/10
41. LO-04       Piwai 0.5 MG Tank
42. KW-020    Waimea Well A Renovations
43. KW-05      Kekaha Well B
44. M-02       Moloaa Tank Replacement
45. WK-39      Kapaa Hmstd Well #4
46. K-5        Kukuiolono Tank Site
47. 02-01      Relocation Charge Kukui’ula
48. LO         Koloa Tank Site

Additions 11-23-11
49. PLH-01a  Replace Grove Farm Tanks #1 and #2
50. M-03      Acquire Source/Install Pump, Controls and 12” Pipeline – Moloaa
              Tank/Well Site and Other Land Acquisitions
RESOLUTION NO. 12-4
(2011-12)
Resolution No. 12-4, Bond Res. 11-23-11 Board Meeting

REGARDING THE AMENDMENT OF THE PROJECT LIST AS ADOPTED IN “AMENDED
RESOLUTION NO. 10 (2009/10), FURTHER AMENDED IN RESOLUTION NO. 11 (2009/10),
AND FURTHER AMENDED IN RESOLUTION NO. 9 (2010/11) REQUESTING THE
ISSUANCE AND SALE OF REIMBURSABLE GENERAL OBLIGATION BONDS OF THE
COUNTY OF KAUA'I, STATE OF HAWAII, FOR THE PURPOSE OF CONSTRUCTING AND
ACQUIRING IMPROVEMENTS AND BETTERMENTS FOR THE WATERWORKS SYSTEM
OF THE COUNTY”

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

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

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

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

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

Roy Oyama, Board Chairperson

Michael Dahilig, Board member

Lawrence Dill, Board Member

Daryl Kaneshiro, Board member

Clyde Nakaya, Board member

Raymond McCormick, Board member

Randall Nishimura, Board member
CERTIFICATE

I hereby certify that the BOARD OF WATER SUPPLY, County of Kauai, adopted the foregoing Resolution No. 12-4 at the Regular Board Meeting held on November 23rd, 2011, by the following vote of the Board:

FOR ADOPTION:  TOTAL:

AGAINST ADOPTION:  TOTAL:

ABSENT & NOT VOTING:  TOTAL:

RECUSAL:  TOTAL:

By: ____________________________
Name: Randall Nishimura
Title: Board Secretary

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

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

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

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

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

Roy Oyama, Board Chairperson

Michael Dahilig, Board member

Lawrence Dill, Board Member

Daryl Kaneshiro, Board member

Clyde Nakaya, Board member

Raymond McCormick, Board member

Randall Nishimura, Board member
CERTIFICATE

I hereby certify that the BOARD OF WATER SUPPLY, County of Kauai, adopted the foregoing Resolution No. 12-4 at the Regular Board Meeting held on November 23rd, 2011, by the following vote of the Board:

FOR ADOPTION:

AGAINST ADOPTION:

ABSENT & NOT VOTING:

RECUSAL:

TOTAL:

TOTAL:

TOTAL:

TOTAL:

By: __________________________

Name: Randall Nishimura

Title: Board Secretary
MANAGERS REPORT 12-47

November 23, 2011

Re: Job No. 05-03, KW-25, Kapilimao 0.5 MG Tank and Job No. 03-03 Hardening of Generator Shelter, Kekaha Water System; Kekaha, Kauai, Hawaii

RECOMMENDATION:
It is recommended that the Board approve additional funding in the amount of $716.26 for Contract #510 with SSFM International, Inc.

FUNDING:
Job No. 05-03, WK-25, Kapilimao 0.5 MG Tank and Job No. 03-03, Hardening of Generator Shelter, Kekaha Water System
Requested Funding .................................................. $716.26

Current Funds Available from Account #106B
Water Utility Fund- CIP .................................................... $2,803,789.20

Available Balance: Account # 106B
Water Utility Fund – CIP
After Contract #510 Funding ..................................................... $2,803,072.94

BACKGROUND:
The scope of work for this project included providing construction inspection of the recently completed Kapilimao 0.5 MG Tank and Generator Shelter. SSFM International, Inc. assisted the Department by reviewing construction contractor payment requests, conducting meetings in the field, verified project requirement compliance, and reviewed construction as-builts.

The project was initially funded with $471,250.00 from the Capital Improvement – Water Utility Fund. During the course of the project, only $67,735.00 (15%) of the approved funding was paid to the contractor. While forming the FY 2011-2012 budget, we deleted the remaining balance of $400,000.00 since no additional payments were anticipated. However, SSFM International has made a recent payment request which requires $716.26 more than the balance of $3,515.49 which remained in the approved FY 2011-2012 budget. Approval of the $716.26 amount will allow DOW staff to make the final payment and close the contract as needed.

Respectfully submitted,

Dustin Moises
Waterworks Project Manager

CONCURRED:

William Eddy, P.E.
Deputy Manager – Engineer
Staff Reports
### WATER UTILITY FUND

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Year to Date</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2011</td>
<td></td>
<td></td>
<td>$ 16,914,045.74</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$ 1,568,392.73</td>
<td>$ 6,917,497.89</td>
<td>$ 6,917,497.89</td>
</tr>
<tr>
<td>TOTAL RESOURCES:</td>
<td></td>
<td></td>
<td>$ 23,831,543.63</td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td>$ 917,792.28</td>
<td>$ 6,915,722.83</td>
<td>$ 6,915,722.83</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES:</td>
<td></td>
<td></td>
<td>$ 6,915,722.83</td>
</tr>
<tr>
<td>Ending Balance</td>
<td></td>
<td></td>
<td>$ 16,915,820.80</td>
</tr>
</tbody>
</table>

### FACILITIES RESERVE CHARGE

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2011</td>
<td>$ 4,367,931.68</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$ 89,538.57</td>
</tr>
<tr>
<td>TOTAL RESOURCES:</td>
<td></td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES:</td>
<td></td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$ 4,515,587.28</td>
</tr>
</tbody>
</table>

### BOND FUND

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2011</td>
<td>$ 401,056.43</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL RESOURCES:</td>
<td>$ 401,056.43</td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td>$</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$ 367,569.10</td>
</tr>
</tbody>
</table>

### WATERWORK BUILD AMERICA PROJECT FUND

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2011</td>
<td>$ 42,251,093.01</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL RESOURCES:</td>
<td>$ 42,251,093.01</td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td>$ 834,636.05</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$ 39,898,123.71</td>
</tr>
</tbody>
</table>

TOTAL - ALL FUNDS at September 30, 2011

$ 61,697,100.89
STATEMENT OF REVENUES AND EXPENDITURES  
WATER UTILITY FUND  
September 30, 2011

REVENUES:
Cash on hand as of July 1, 2011 $ 16,914,045.74  
Add: Revenues To Date $ 6,917,497.89  
Sub-Total $ 23,831,543.63

EXPENDITURES:
Less: Expenditures to Date $ 6,915,722.83  
BALANCE AT THE END OF THE MONTH $ 16,915,820.80

SHORT TERM INVESTMENTS - WATER UTILITY FUND

BANK OF HAWAII
TCD# 8000423145-114  0.20000% INT. DUE 02/18/11 $ 160,000.00

CENTRAL PACIFIC BANK

FIRST HAWAIIAN BANK
T30020086 0.18000% INT. DUE 01/20/12 $ 500,000.00  
T3002008137 0.09000% INT. DUE 09/07/12 $ 1,200,000.00

MERRILL-LYNCH
CUSIP# C31331KDM9 0.28000% INT. DUE 03/09/12 $ 1,000,000.00  
CUSIP#  
CUSIP# C313384PH6 0.28500% INT. DUE 11/16/11 $ 997,168.88  
SUB-TOTAL FOR PAGE A $ 3,857,168.88
SUB-TOTAL FROM PAGE A
08/31/11

SHORT TERM INVESTMENTS - WATER REVENUES

**MULTI-BANK**

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>INTEREST RATE</th>
<th>DUE DATE</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>85508VAC3</td>
<td></td>
<td>2.7000%</td>
<td>11/18/13</td>
<td>98,000.00</td>
</tr>
<tr>
<td>06610PAR4</td>
<td></td>
<td>4.50000%</td>
<td>07/27/12</td>
<td>98,000.00</td>
</tr>
<tr>
<td>3136FP2U0</td>
<td></td>
<td>1.0000%</td>
<td>01/27/16</td>
<td>652,527.78</td>
</tr>
<tr>
<td>3136FRTH6</td>
<td></td>
<td>0.75000%</td>
<td>06/30/16</td>
<td>1,000,000.00</td>
</tr>
</tbody>
</table>

**UBS**

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>INTEREST RATE</th>
<th>DUE DATE</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>C3136FPSD0</td>
<td></td>
<td>1.2500%</td>
<td>10/28/14</td>
<td>1,999,069.44</td>
</tr>
<tr>
<td>31331G2N8</td>
<td></td>
<td>2.04000%</td>
<td>04/29/13</td>
<td></td>
</tr>
<tr>
<td>313589WG6</td>
<td></td>
<td>0.1800%</td>
<td>05/01/12</td>
<td>998,260.00</td>
</tr>
</tbody>
</table>

$ 4,845,857.22

**TOTAL SHORT-TERM INVESTMENTS - WATER UTILITY**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH ON HAND WITH TREASURER - COK</td>
<td>$ 425,252.74</td>
</tr>
<tr>
<td>CASH ON HAND-BOH Savings</td>
<td>$ 8,574,375.63</td>
</tr>
<tr>
<td>CASH ON HAND - FHB Savings</td>
<td>$ 25,820.57</td>
</tr>
<tr>
<td><strong>LESS:</strong></td>
<td>$(864,651.90)</td>
</tr>
<tr>
<td>3/31/11 Payroll</td>
<td>$(20.00)</td>
</tr>
<tr>
<td>8/31/11 Payroll</td>
<td>$(20.00)</td>
</tr>
<tr>
<td>9/15/11 Payroll</td>
<td>$(20.00)</td>
</tr>
<tr>
<td>Transfer for September A/P</td>
<td>$ 16,197.39</td>
</tr>
<tr>
<td>Due to W/U from BAB</td>
<td>$ 467.88</td>
</tr>
<tr>
<td>Due to W/U from BAB</td>
<td>$ 35,392.39</td>
</tr>
</tbody>
</table>

**CASH BALANCE AT THE END OF THE MONTH**

$ 16,915,820.80
<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$16,914,045.74</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>$16,914,045.74</td>
</tr>
<tr>
<td>1 Water Sales</td>
<td>$20,714,175.00</td>
<td>$4,984,111.39</td>
<td>$1,562,153.57</td>
<td>24%</td>
<td>$15,750,063.61</td>
</tr>
<tr>
<td>2 Net Miscellaneous Receipts</td>
<td>$111,999.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
<td>$111,999.00</td>
</tr>
<tr>
<td>3 Interest Income</td>
<td>$355,000.00</td>
<td>$10,670.40</td>
<td>$6,239.16</td>
<td>3%</td>
<td>$344,329.60</td>
</tr>
<tr>
<td>4 County Service Charge</td>
<td>$925,133.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
<td>$925,133.00</td>
</tr>
<tr>
<td>5 State Revolving Fund</td>
<td>$1,431,562.00</td>
<td>$1,431,562.00</td>
<td>$ -</td>
<td>100%</td>
<td>$ -</td>
</tr>
<tr>
<td>5a Other Receipts</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td>5b OTHER - BAB Subsidy</td>
<td>$715,616.00</td>
<td>$511,154.10</td>
<td>$ -</td>
<td>71%</td>
<td>$204,461.90</td>
</tr>
<tr>
<td>5c FRC Debt Service Payback</td>
<td>$1,989,115.00</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>$1,989,115.00</td>
</tr>
<tr>
<td>5d Grant, Drought Mitigation</td>
<td>$126,500.00</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>$126,500.00</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$43,283,145.74</td>
<td>$6,917,497.89</td>
<td>$1,568,392.73</td>
<td>16%</td>
<td>$36,365,647.85</td>
</tr>
<tr>
<td>DISBURSEMENTS:</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>SALARIES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>salaries over-withdrawn by county</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Salaries - DOW</td>
<td>$5,326,518.00</td>
<td>$1,096,096.51</td>
<td>$374,806.68</td>
<td>21%</td>
<td>$4,230,421.49</td>
</tr>
<tr>
<td>Provision for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 Accrued Vacation</td>
<td>$100,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>TOTAL SALARIES:</td>
<td>$5,426,518.00</td>
<td>$1,096,096.51</td>
<td>$374,806.68</td>
<td>21%</td>
<td>$4,230,421.49</td>
</tr>
<tr>
<td>NORMAL EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 COUNTY SERVICE CHRG</td>
<td>$925,133.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
<td>$925,133.00</td>
</tr>
<tr>
<td>ADMINISTRATIVE OFFICE and ENGINEERING:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 Utilities</td>
<td>$210,227.00</td>
<td>$42,484.76</td>
<td>$3,256.81</td>
<td>20%</td>
<td>$167,742.24</td>
</tr>
<tr>
<td>22 Postage and Printing</td>
<td>$192,000.00</td>
<td>$19,542.10</td>
<td>$2,367.91</td>
<td>10%</td>
<td>$172,457.90</td>
</tr>
<tr>
<td>24 Office Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>$77,710.00</td>
<td>$1,878.56</td>
<td>$1,182.70</td>
<td>2%</td>
<td>$75,831.44</td>
</tr>
<tr>
<td>05/19/06</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24b Con 461 Four Winds Group MMIS Phases I &amp; II</td>
<td>$10,000.00</td>
<td>$10,000.00</td>
<td>$-</td>
<td>7%</td>
<td>$137,300.00</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>---------------------------------</td>
<td>---------------------------</td>
<td>---</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>27</td>
<td>$ (9,000.00)</td>
<td>$ 899,100.00</td>
<td>$ 23,276.05</td>
<td>$ 3,648.13</td>
<td>3% $ 835,473.95</td>
</tr>
<tr>
<td></td>
<td>$ (31,350.00)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27a</td>
<td>Con 521 R. W. Beck Inc. Financial Management Planning &amp; Rate Analysis</td>
<td>$ 11,008.00</td>
<td>$ -</td>
<td>0% $ 11,008.00</td>
<td></td>
</tr>
<tr>
<td>27b</td>
<td>Con 506 R. W. Beck Inc. FRC Study for DOW</td>
<td>$ 23,570.00</td>
<td>$ 15,500.00</td>
<td>66% $ 8,070.00</td>
<td></td>
</tr>
<tr>
<td>27d</td>
<td>Con 535 Fukunaga &amp; Assoc. WRP 01 FY 05-06, Kauai Water Use &amp; Developmnt Plan update</td>
<td>$ 514,000.00</td>
<td>$ -</td>
<td>0% $ 514,000.00</td>
<td></td>
</tr>
<tr>
<td>27e</td>
<td>USGS Joint Funding Agrmt. Water Monitoring Program for the period 10/1/11-9/30/12</td>
<td>$ 31,350.00</td>
<td>$ -</td>
<td>0% $ 31,350.00</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Travel and Incidentals - Board</td>
<td>$ 19,768.00</td>
<td>$ 20.00</td>
<td>$ 20.00</td>
<td>0% $ 19,748.00</td>
</tr>
<tr>
<td>29</td>
<td>Travel and Incidentals - Staff</td>
<td>$ 37,780.00</td>
<td>$ 11,096.94</td>
<td>$ 9,529.08</td>
<td>29% $ 26,683.06</td>
</tr>
<tr>
<td>30</td>
<td>Collector's Commission</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>31</td>
<td>Miscellaneous</td>
<td>$ 16,000.00</td>
<td>$ 4,783.83</td>
<td>$ 1,307.22</td>
<td>30% $ 11,216.17</td>
</tr>
<tr>
<td>32</td>
<td>Auditing Fee</td>
<td>$ 10,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ 10,000.00</td>
</tr>
<tr>
<td>32c</td>
<td>Annual Audit Contract No. 537 KMH, LLP</td>
<td>$ 66,000.00</td>
<td>$ 11,000.00</td>
<td>17% $ 55,000.00</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>In-Service Training</td>
<td>$ 59,600.00</td>
<td>$ 14,121.83</td>
<td>$ 1,573.33</td>
<td>24% $ 45,478.17</td>
</tr>
<tr>
<td>34</td>
<td>Supplies - Office &amp; Eng.</td>
<td>$ 38,000.00</td>
<td>$ 11,661.39</td>
<td>$ 7,152.64</td>
<td>31% $ 26,338.61</td>
</tr>
<tr>
<td>35</td>
<td>Operating Reserve Fund</td>
<td>$ 20,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ 20,000.00</td>
</tr>
<tr>
<td>36</td>
<td>Public Relations</td>
<td>$ 86,500.00</td>
<td>$ 29,013.11</td>
<td>$ 11,870.86</td>
<td>34% $ 57,486.89</td>
</tr>
<tr>
<td>36.1</td>
<td>Grant: The Nature Conservancy</td>
<td>$ 75,000.00</td>
<td>$ 75,000.00</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>36.2</td>
<td>Con 531 Limtiaco Co, Inc. Public Relations Services</td>
<td>$ 59,858.80</td>
<td>$ 26,875.83</td>
<td>$ 1,857.59</td>
<td>43% $ 33,982.97</td>
</tr>
<tr>
<td>36.3</td>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>37</td>
<td>Computer Support and Supplies</td>
<td>$ 84,500.00</td>
<td>$ 17,070.50</td>
<td>$ 395.79</td>
<td>20% $ 67,429.50</td>
</tr>
<tr>
<td>38</td>
<td>Microlab Materials and Supplies</td>
<td>$ 20,000.00</td>
<td>$ 1,490.34</td>
<td>$ 1,195.82</td>
<td>7% $ 18,509.66</td>
</tr>
<tr>
<td>TOTAL ADM, OFF &amp; ENG</td>
<td>$ 2,658,921.80</td>
<td>$ 313,815.24</td>
<td>$ 55,357.88</td>
<td>12% $ 2,345,106.56</td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>----------------</td>
<td>---------------------------------</td>
<td>---------------------------</td>
<td>---</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>40</td>
<td>Vehicle - Materials &amp; Service</td>
<td>$107,600.00</td>
<td>$39,743.31</td>
<td>$8,188.25</td>
<td>37%</td>
</tr>
<tr>
<td>41</td>
<td>Vehicle - Fuel</td>
<td>$168,000.00</td>
<td>$39,014.25</td>
<td>$11,178.98</td>
<td>23%</td>
</tr>
<tr>
<td>42</td>
<td>Utilities</td>
<td>$86,400.00</td>
<td>$15,142.54</td>
<td>$2,467.77</td>
<td>18%</td>
</tr>
<tr>
<td>43</td>
<td>Meter Parts</td>
<td>$8,300.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>43a</td>
<td>Electrical Parts</td>
<td>$20,000.00</td>
<td>$8,847.32</td>
<td>$6,496.65</td>
<td>44%</td>
</tr>
<tr>
<td>44</td>
<td>Miscellaneous</td>
<td>$5,000.00</td>
<td>$509.98</td>
<td>-</td>
<td>10%</td>
</tr>
<tr>
<td>44a</td>
<td>Misc. - Tapping Team</td>
<td>$8,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>44b</td>
<td>Misc. - Drought Mitigation</td>
<td>$126,500.00</td>
<td>$34,245.23</td>
<td>$13,012.82</td>
<td>27%</td>
</tr>
<tr>
<td>45</td>
<td>Contractual Services</td>
<td>$(100,000.00)</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>45a</td>
<td>Con 540, FluidIQ, LLC, SCADA Maintenance</td>
<td>$100,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>47</td>
<td>Materials and Supplies</td>
<td>$227,000.00</td>
<td>$78,666.11</td>
<td>$24,707.62</td>
<td>35%</td>
</tr>
<tr>
<td>48</td>
<td>Collective Bargaining Items</td>
<td>$24,000.00</td>
<td>$4,728.71</td>
<td>$2,004.86</td>
<td>20%</td>
</tr>
<tr>
<td>51</td>
<td>Pump Electrical</td>
<td>$3,000,000.00</td>
<td>$540,801.98</td>
<td>$24,716.04</td>
<td>18%</td>
</tr>
<tr>
<td>55</td>
<td>Purchase of Water</td>
<td>$2,248,700.00</td>
<td>$265,886.72</td>
<td>$131,817.45</td>
<td>12%</td>
</tr>
<tr>
<td>58</td>
<td>Chemicals</td>
<td>$60,000.00</td>
<td>$14,479.92</td>
<td>$4,729.88</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>Safe Drinking Water Act Program</td>
<td>$50,000.00</td>
<td>$1,492.29</td>
<td>$289.06</td>
<td>3%</td>
</tr>
<tr>
<td>59g</td>
<td>MWH Laboratories</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
</tr>
</tbody>
</table>

**TOTAL OPERATIONS:**

| $6,339,600.00 | $1,043,979.38 | $204,893.34 | 16% | $5,295,520.62 |

**INSURANCE AND EMPLOYEE BENEFITS:**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>Insurance and Bonds</td>
<td>$200,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>60a</td>
<td>Small Claims</td>
<td>$10,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>61</td>
<td>Workmen's Compensation Insurance</td>
<td>$150,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>62</td>
<td>Retirement System</td>
<td>$826,676.00</td>
<td>$131,914.90</td>
<td>$25,986.11</td>
<td>16%</td>
</tr>
<tr>
<td>63</td>
<td>FICA Taxes - Employer's</td>
<td>$407,479.00</td>
<td>$63,381.48</td>
<td>$12,319.84</td>
<td>16%</td>
</tr>
<tr>
<td>64</td>
<td>Health, Life, &amp; Dental (EUTF)</td>
<td>$493,780.00</td>
<td>$78,799.97</td>
<td>$15,685.60</td>
<td>16%</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>----------------------------</td>
<td>-------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Health &amp; Life Insurance - Retirees &amp; OPEB</td>
<td>$1,655,855.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
<td>$1,655,855.00</td>
</tr>
<tr>
<td>TOTAL INSURANCE &amp; EMPLOYEE BENEFITS</td>
<td>$3,743,790.00</td>
<td>$274,096.35</td>
<td>$53,991.55</td>
<td>7%</td>
<td>$3,469,693.65</td>
</tr>
<tr>
<td>TOTAL NORMAL EXPENDITURES</td>
<td>$13,667,344.80</td>
<td>$1,631,890.97</td>
<td>$314,242.77</td>
<td>12%</td>
<td>$12,035,453.83</td>
</tr>
<tr>
<td>DEBT SERVICE REQUIREMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRF Loan Job 97-5 Hanapepe River Crossing</td>
<td>96,565.50</td>
<td>48,530.35</td>
<td>50%</td>
<td></td>
<td>$48,025.15</td>
</tr>
<tr>
<td>SRF Loan Job 97-6</td>
<td>$53,810.09</td>
<td>27,045.81</td>
<td>50%</td>
<td></td>
<td>$26,764.28</td>
</tr>
<tr>
<td>SRF Loan Job 98-33 WK-21 Wailua Hmstis Well #3</td>
<td>$31,005.96</td>
<td>15,586.82</td>
<td>50%</td>
<td></td>
<td>$15,419.14</td>
</tr>
<tr>
<td>SRF Loan Job 97-2 PLH-31 Lihue Steel Tanks 1 &amp; 2</td>
<td>$98,692.86</td>
<td>49,608.98</td>
<td>50%</td>
<td></td>
<td>$49,083.88</td>
</tr>
<tr>
<td>SRF Loan Job 98-6 WK-07 Ornellas 0.2 MG Tank</td>
<td>$63,803.49</td>
<td>32,068.91</td>
<td>50%</td>
<td></td>
<td>$31,734.58</td>
</tr>
<tr>
<td>SRF Loan Job 97-11 WK-03 18&quot; W/L Along Kuhio Hwy</td>
<td>$181,669.20</td>
<td>91,323.88</td>
<td>50%</td>
<td></td>
<td>$90,345.52</td>
</tr>
<tr>
<td>DOW Bond 2005 Series, Partial Refund 2001 Series A</td>
<td>$149,987.50</td>
<td>74,993.75</td>
<td>50%</td>
<td></td>
<td>$74,993.75</td>
</tr>
<tr>
<td>SRF Loan Job 98-2 KP-07 KP-08 16&quot; W/L on Poipu Rd</td>
<td>$405,375.85</td>
<td>203,754.57</td>
<td>50%</td>
<td></td>
<td>$201,621.28</td>
</tr>
<tr>
<td>SRF Loan Job WK -42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHI Stable 1.0 MG Tank</td>
<td>611,331.29</td>
<td>307,186.48</td>
<td>50%</td>
<td></td>
<td>$304,144.81</td>
</tr>
<tr>
<td>SRF Loan Job KW -27</td>
<td>20,270.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kaunuali i Hwy 12&quot; Main Repl</td>
<td>313,502.00</td>
<td>167,699.04</td>
<td>53%</td>
<td></td>
<td>$166,073.93</td>
</tr>
<tr>
<td>SRF Loan Job K -7, LO-13 Wahi, Wwwe &amp; Niho Rds</td>
<td>153,883.08</td>
<td>77,315.68</td>
<td>50%</td>
<td></td>
<td>$76,567.40</td>
</tr>
<tr>
<td>DOW Bond 2010A</td>
<td>2,920,880.60</td>
<td>1,460,440.30</td>
<td>50%</td>
<td></td>
<td>$1,460,440.30</td>
</tr>
<tr>
<td>FmHa $300,000 @5%</td>
<td>18,825.00</td>
<td></td>
<td>0%</td>
<td></td>
<td>$18,825.00</td>
</tr>
<tr>
<td>20 year Bond</td>
<td>162,415.87</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRF Loan Job 98-33 WK-21 Wailua Hmstis Well #3</td>
<td>145,847.00</td>
<td>154,878.18</td>
<td>50%</td>
<td></td>
<td>$153,384.69</td>
</tr>
<tr>
<td>DOW 2011A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2005A(2001A Refnd)</td>
<td>440,830.00</td>
<td>356,680.00</td>
<td></td>
<td></td>
<td>$84,150.00</td>
</tr>
<tr>
<td>DOW Bond 2001A Issue</td>
<td>(440,830.00)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2005A Refunded</td>
<td>672,819.00</td>
<td></td>
<td></td>
<td></td>
<td>$231,989.00</td>
</tr>
<tr>
<td>SRF Loan Job 97-1</td>
<td>128,168.93</td>
<td>64,429.33</td>
<td>50%</td>
<td></td>
<td>$63,739.60</td>
</tr>
<tr>
<td>SRF Loan Job 96-4</td>
<td>69,136.62</td>
<td>34,757.23</td>
<td>50%</td>
<td></td>
<td>$34,379.39</td>
</tr>
<tr>
<td>SRF Loan Job 96-4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kapililama Valley Well</td>
<td>(382.78)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job KW-27</td>
<td>(20,270.97)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kapililama 0.5 MG Tank</td>
<td>(162,415.87)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRF Loan</td>
<td>320,000.00</td>
<td></td>
<td></td>
<td></td>
<td>$136,930.38</td>
</tr>
<tr>
<td>TOTAL DEBT SERVICE REQ</td>
<td>6,649,861.19</td>
<td>3,306,924.11</td>
<td>50%</td>
<td></td>
<td>$3,342,937.08</td>
</tr>
<tr>
<td>TOTAL SALARIES, NORMAL EXPENDITURES, AND DEBT SERVICE REQUIREMENTS</td>
<td>25,743,723.99</td>
<td>6,034,911.59</td>
<td>23%</td>
<td></td>
<td>$19,708,812.40</td>
</tr>
</tbody>
</table>

09-2011 WI BUDGET STATUS
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/30/11</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>101 Capital Improvements</td>
<td>$ (50,000.00)</td>
<td>$ 435,000.00</td>
<td>$</td>
<td>0% $ 355,000.00</td>
</tr>
<tr>
<td>101b Capital Rehabilitation</td>
<td>$ (129,471.19)</td>
<td>$ 3,216,244.00</td>
<td>$</td>
<td>0% $ 3,086,772.81</td>
</tr>
<tr>
<td>Misc. Other Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102 Expenditures, OPS</td>
<td>$ 550,000.00</td>
<td>$ 53,030.88</td>
<td>$ 16,368.37</td>
<td>10% $ 496,969.12</td>
</tr>
<tr>
<td>(Lease Computers)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103 Office and Engineering</td>
<td>$ 621,701.00</td>
<td>$ 26,328.55</td>
<td></td>
<td>4% $ 595,372.45</td>
</tr>
<tr>
<td>105 Recording Meters</td>
<td>$</td>
<td>$</td>
<td></td>
<td>4% $</td>
</tr>
<tr>
<td>106 Vehicles and Equipment</td>
<td>$ 328,000.00</td>
<td>$ 12,211.92</td>
<td>$ 297.21</td>
<td>4% $ 315,788.08</td>
</tr>
<tr>
<td>106b CIP Reserve Fund</td>
<td>$ 7,938,428.20</td>
<td>$</td>
<td></td>
<td>0% $ 7,938,428.20</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>--------------------------</td>
<td>---</td>
</tr>
<tr>
<td>107</td>
<td>Purchase of Meter and Meter Boxes</td>
<td>$160,000.00</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>370</td>
<td>WK-23 Con #259, Job 93-1 Nishimura, Katayama, .25 MG Waiu Tank</td>
<td>$53,751.00</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>401</td>
<td>8/8/1994 Contract #37348,Job 91-13 R.M. Towill Corp., Drill Hanamaulu Well #1 (Kalepa Well #2)</td>
<td>$645.08</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>464</td>
<td>11/20/02 (106b) Contract #309, Job 97-1 PLH-02 SSFM Engineers, Repair Kokealau Tunnel</td>
<td>$118,381.66</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>499</td>
<td>8/2/1999 Contract #346, Job 97-7 KP-06a Wagner Eng. Replace Lawai Rd. 8&quot; W/L</td>
<td>$4,900.00</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>519</td>
<td>6/2/2000 KP-01 Con. #355 Okahara &amp; Assoc., Inc Job 92-4 Koloa Well &quot;F&quot; Pump</td>
<td>$6,638.00</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>---</td>
</tr>
<tr>
<td>540</td>
<td>Contract #368</td>
<td>$12.245.67</td>
<td>$</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Century Computers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job 98-17 Fin. Acctg.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>561</td>
<td>Con 384</td>
<td>$64,600.00</td>
<td>$</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>(02/06/02)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LO-07 Fukunaga &amp; Assoc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job 99-8 Drill Omao</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Well No. 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>578</td>
<td>Con 397 PAREN, Inc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KW-14, KW-15</td>
<td>$3,150.00</td>
<td>$</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Job 02-03 12&quot; W/L Along Waimea Canyon/Kaumualii</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>586</td>
<td>Con 401 Control Mfg. Co.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job 94-4 SCADA Systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>587</td>
<td>Con 403 RM Towll Corp</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WK-28 Job 02-15</td>
<td>$84,337.00</td>
<td>$</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Wailua Hslls W/L Repl</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>588</td>
<td>Con 404 Fukunaga &amp; Assoc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WK-32 Job 02-18 Kapaa Hmstds W/L Repl</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>591</td>
<td>Con 408 Wagner Eng. Inc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>H-01 H-02 H-03 Job 02-17 Maka Ridge Deepwell, Tank</td>
<td></td>
<td>42%</td>
<td>$17,309.20</td>
</tr>
<tr>
<td>592</td>
<td>Con 409 Esaki Surveying Co.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WK-36 Job 02-16 Oahu Anolani &amp; Kuamoo Rds</td>
<td></td>
<td>24%</td>
<td>$76,949.94</td>
</tr>
<tr>
<td>593</td>
<td>Con 420 Hawaii Pacific Eng. Job 02-08 HE-08 Eleele Twin 0.4 MG Tanks</td>
<td></td>
<td>0%</td>
<td>$8,326.68</td>
</tr>
<tr>
<td>601</td>
<td>Con 425 Hi Pacific Eng. Job 02-21PLH-37 Rehab &amp; Deepen Existing Wells</td>
<td></td>
<td>0%</td>
<td>$3,149.00</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>----------------------------</td>
<td>---</td>
</tr>
<tr>
<td>609</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2/19/04 (101b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 428 Brown Caldwell</td>
<td>$3,243,400.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job 03-02 HW-02, HW-03 A-04, KW-06 Renovations:</td>
<td>$1,874.43</td>
<td></td>
<td>$29,585.97</td>
<td></td>
</tr>
<tr>
<td>Wainiha Booster, Haena Steel Tank, Anahola 0.15 MG Tank, Kekaha Shaft</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2/27/04 (101)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 429 Esaki Surveying M-01, M-02 Job 02-11</td>
<td>$125,200.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moloa 50,000 Gal SS Storage Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9/30/04 (101)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-41 Contract 52243 Earthworks Pacific, Inc.</td>
<td>$40,058.47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ulaula &amp; Uliuli Rds; PRV, BP &amp; 6&quot; Main, Lihue</td>
<td>$5,791.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/30/05 (101b, 106b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 447 Fukunaga &amp; Assoc WK-14 Job 04-02 Vivian Heights Main Repl</td>
<td>$136,280.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/20/05 (101b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-30 Con 450 ParEn Inc. Job 04-03 Waipouli-Olohe Rd. Pipeline</td>
<td>$6,259.25</td>
<td></td>
<td>$5,878.00</td>
<td></td>
</tr>
<tr>
<td>9/07/05 (101b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 449 HI Pacific Eng Inc KW-16 Job 05-01 Waimea Main Replacement</td>
<td>$5,878.00</td>
<td></td>
<td>$5,878.00</td>
<td></td>
</tr>
</tbody>
</table>

09-2011 WU BUDGET STATUS
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>636</td>
<td>$11,126.50</td>
<td>$11,126.50</td>
<td></td>
<td>42%</td>
<td>$15,277.60</td>
</tr>
<tr>
<td>638</td>
<td>$7,020.00</td>
<td>$3,870.00</td>
<td></td>
<td>28%</td>
<td>$17,958.00</td>
</tr>
<tr>
<td>645</td>
<td>$5,775.00</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$5,775.00</td>
</tr>
<tr>
<td>647</td>
<td>$8,731.19</td>
<td>$8,731.19</td>
<td></td>
<td>28%</td>
<td>$22,232.81</td>
</tr>
<tr>
<td>651</td>
<td>$159,946.39</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$159,946.39</td>
</tr>
<tr>
<td>668</td>
<td>$5,210.47</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$5,210.47</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>---</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>676</td>
<td>$221,258.15</td>
<td>$120,586.00</td>
<td>$120,586.00</td>
<td>54%</td>
<td>$100,682.15</td>
</tr>
<tr>
<td>683</td>
<td>$375.06</td>
<td>$-</td>
<td>$0%</td>
<td>$375.06</td>
<td></td>
</tr>
<tr>
<td>690</td>
<td>$3,515.49</td>
<td>$4,231.75</td>
<td>$3,575.50</td>
<td>120%</td>
<td>$(716.26)</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>-------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>4/30/2010 USGS Joint funding Agrmt. Water Monitoring Program for the Period 10/1/09 to 3/31/10 &amp; Y10/1/10-9/30/11</td>
<td>$ 7,650.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 7,650.00</td>
</tr>
<tr>
<td>3/24/2011 Con 507, Koga Engineering &amp; Construction, Job 02-03, KW-14 12&quot; W/L Kaumuali Hwy, Waimea</td>
<td>$ 817,259.94</td>
<td>$ 562,187.20</td>
<td>$ 424,095.20</td>
<td>69%</td>
<td>$ 255,072.74</td>
</tr>
<tr>
<td>XXX Install Electrical Saving Device</td>
<td>$ 800,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 800,000.00</td>
<td></td>
</tr>
<tr>
<td>9/1/2011 Con 538, Esaki Surveying &amp; Mapping, Inc. Job 11-05, As Needed Surveying Services</td>
<td>$ 30,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 30,000.00</td>
<td></td>
</tr>
<tr>
<td>9/22/2011 Con 545, AECOM Technical Service, Job 11-11, K-17, PLH-42 Water Treatment Facilities</td>
<td>$ 129,471.19</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>9/22/2011 Con 546, SSFM International, Inc Job 11-01, As Needed Construction Management Services</td>
<td>$ 50,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 50,000.00</td>
</tr>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>TOTAL CAPITAL EXPENDITURES:</td>
<td>$ 17,539,421.75</td>
<td>$ 880,811.24</td>
<td>$ 568,792.28</td>
<td>$ 16,529,139.32</td>
<td></td>
</tr>
<tr>
<td>TOTAL SALARIES, NORMAL EXPENDITURES, DEBT REQUIREMENTS AND CAPITAL EXPENDITURES:</td>
<td>$ 17,539,421.75</td>
<td>$ 880,811.24</td>
<td>$ 568,792.28</td>
<td>$ 16,658,610.51</td>
<td></td>
</tr>
<tr>
<td>$ 43,283,145.74</td>
<td>$ 6,915,722.83</td>
<td>$ 917,792.28</td>
<td>16%</td>
<td>$ 36,237,951.72</td>
<td></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
FACILITIES RESERVE CHARGE FUND
September 30, 2011

REVENUES:
Cash on hand as of July 1, 2011 $ 4,367,931.68
Add: Revenues To Date $ 147,655.60
Sub-Total $ 4,515,587.28

EXPENDITURES:
Less: Expenditures To Date

BALANCE AT THE END OF THE MONTH $ 4,515,587.28

SHORT TERM INVESTMENTS-FRC
BANK OF HAWAII
CUSIP# $ -
CENTRAL PACIFIC BANK
CUSIP# $ -
FIRST HAWAIIAN BANK
CUSIP# 0.15000% INT. DUE 02/16/12 $ 500,000.00
CUSIP# $ -
MERRILL LYNCH
CUSIP# 0.14200% INT. DUE 09/14/12 $ 499,290.28
MULTI-BANK
CUSIP# 402194CU6 2.50000% INT. DUE 12/23/13 $ 240,000.00
CUSIP# 70455AG5 2.30000% INT. DUE 12/31/12 $ 245,000.00
CUSIP# 36160VCH2 5.00000% INT. DUE 08/06/13 $ 97,000.00
CUSIP# 85214PAJ8 5.00000% INT. DUE 08/13/13 $ 97,000.00
CUSIP# 927059AE3 1.50000% INT. DUE 06/17/03 $ 248,000.00
CUSIP# 70153RGT9 1.50000% INT. DUE 09/09/13 $ 249,000.00
CUSIP# 02004MN74 1.50000% INT. DUE 09/03/13 $ 248,000.00

TDI (CSA)
CUSIP#

VINING SPARKS

TOTAL SHORT-TERM INVESTMENTS - FRC $ 2,423,290.28

CASH ON WITH TREASURER - COK 09/30/11 $ 201,494.79
CASH ON HAND - FHB Savings (30-288435) 08/31/11 $ 1,890,802.21
Due from BAB Bond Fund $ -
Less: CLAIMS PAYABLE PAID ON 08/31/11 $ - $ 2,092,297.00
CASH BALANCE AT THE END OF THE MONTH $ 4,515,587.28
### DEPARTMENT OF WATER  
**County of Kauai**  
**JULY 1, 2011 TO JUNE 30, 2012**  
**September 30, 2011**

**FACILITIES RESERVE CHARGE**  
% Budget Elapsed: 25.00%

<table>
<thead>
<tr>
<th>CASH RECEIPTS</th>
<th>BUDGETED RECEIPTS</th>
<th>ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$4,367,931.68</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td>$4,367,931.68</td>
</tr>
<tr>
<td>(FRC Refunds)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a Facilities Reserve Charge</td>
<td>$504,000.00</td>
<td>$135,700.00</td>
<td>$85,100.00</td>
<td>27%</td>
<td>$368,300.00</td>
</tr>
<tr>
<td>5a Interest Earned</td>
<td>$43,750.00</td>
<td>$11,955.60</td>
<td>$4,438.57</td>
<td>27%</td>
<td>$31,794.40</td>
</tr>
<tr>
<td>5b BAB Subsidy</td>
<td>$306,692.00</td>
<td></td>
<td></td>
<td></td>
<td>$306,692.00</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES</strong></td>
<td>$5,222,373.68</td>
<td>$147,655.60</td>
<td>$89,538.57</td>
<td>3%</td>
<td>$5,074,718.08</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 FRC CIP</td>
<td>$500,000.00</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td>$500,000.00</td>
</tr>
<tr>
<td>301b FRC Fund Balance</td>
<td>$2,170,461.48</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td>$2,170,461.48</td>
</tr>
<tr>
<td>301c FRC Offset Refund -</td>
<td>$1,989,115.00</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td>$1,989,115.00</td>
</tr>
<tr>
<td>10/12/98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>302 Contract #322</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GMP Assoc, Inc. Job 87-1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poipu Storage Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>08/01/99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>304 WK-21 Contract # 345</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fukunaga &amp; Assoc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job 98-33 Wailua Well 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/28/04 (301, 301b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LO-04 Con #436 Fukunaga</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&amp; Assoc Inc Job 02-02</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Omao 0.5 MG Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3/8/06 (301, 301b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>314 Con 457 Kodani &amp; Assoc Inc</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H-8 HW-12 Job 05-02 Drill &amp;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Test Wainiha Well No. 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>318 Con 457 Kodani &amp; Assoc Inc</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H-8 HW-12 Job 05-02 Drill &amp;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Test Wainiha Well No. 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

011 FRC BUDGET STATUS
<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/17/2007 (301)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>321 Con 471 PORTech Eng. WK-23 Job 93-1 Wailua 250,000 MG Tank Survey</td>
<td>$28,187.00</td>
<td>$28,187.00</td>
<td>-</td>
<td>$28,187.00</td>
<td>0%</td>
</tr>
<tr>
<td>7/19/07 (301, 301b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>322 Con 475 TOMCO Corp A-11 Pump, Controls, Pmp Stn &amp; Pipeline-Anahola Well #</td>
<td>$72,294.00</td>
<td>$72,294.00</td>
<td>-</td>
<td>$72,294.00</td>
<td>0%</td>
</tr>
<tr>
<td>03/31/08 (301, 301b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>324 Con 486 HDR Engineering WK-39 Kapaa Hnslds Well No. 4 Drill &amp; Test</td>
<td>$138,843.30</td>
<td>$138,843.30</td>
<td>-</td>
<td>$138,843.30</td>
<td>0%</td>
</tr>
<tr>
<td>7/2/2008 (301)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>325 Con 492 Earthworks Pacific WK-42 Phase I Offsite Waterline on Kaapuni Road for Stable Tank</td>
<td>$25,582.90</td>
<td>$25,582.90</td>
<td>-</td>
<td>$25,582.90</td>
<td>0%</td>
</tr>
<tr>
<td>326 Con 492 Earthworks Pacific WK-42 Phase I Offsite Waterline on Kaapuni Road for Stable Tank</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>327 Con 492 Earthworks Pacific WK-42 Phase I Offsite Waterline on Kaapuni Road for Stable Tank</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>328 Con 492 Earthworks Pacific WK-42 Phase I Offsite Waterline on Kaapuni Road for Stable Tank</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$5,222,373.68</td>
<td>$5,222,373.68</td>
<td>-</td>
<td>$5,222,373.68</td>
<td>0%</td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
BOND FUND
September 30, 2011

REVENUES:
Cash on hand as of July 1, 2011 $ 401,056.43
Add: Revenues To Date $ -
Sub-Total $ 401,056.43

EXPENDITURES:
Less: Expenditures To Date $ 33,487.33

BALANCE AT THE END OF THE MONTH $ 367,569.10

SHORT TERM INVESTMENTS - BOND

BANK OF HAWAII

FIRST HAWAIIAN BANK
CUSIP# 1062110 2.2080% INT. DUE 06/15/10 $ -

TOTAL SHORT-TERM INVESTMENTS - BOND $ -

CASH ON HAND WITH TREASURER - COK 08/31/11 $ 367,569.10
LESS CLAIMS PAYABLE ON $ - $ 367,569.10
BALANCE AT THE END OF THE MONTH $ 367,569.10
BOND FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 401,056.43</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>$ 401,056.43</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$ 401,056.43</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 401,056.43</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>201 Bond - CIP</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>$ -</td>
</tr>
<tr>
<td>Con 518, Unlimited Builders, LLC Job 02-02, 326 Piwai 677” 0.5 MG Storage Tank &amp; Connecting Pipeline, Lawai (part BAB)</td>
<td>$ 401,056.43</td>
<td>$ 33,487.33</td>
<td>8%</td>
<td>$ 367,569.10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$ 401,056.43</td>
<td>$ 33,487.33</td>
<td>$ -</td>
<td>8%</td>
<td>$ 367,569.10</td>
</tr>
</tbody>
</table>
# Statement of Revenues and Expenditures

**Bond - BAB Fund**  
*September 30, 2011*

## Revenues:

Cash on hand as of July 1, 2011  
$42,251,093.01

Add: Revenues To Date  
$

Sub-Total  
$42,251,093.01

## Expenditures:

Less: Expenditures To Date  
$2,352,969.30

**Balance at the End of the Month**  
$39,898,123.71

## Short Term Investments - Bond

**Bank of Hawaii**

**First Hawaiian Bank**

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th></th>
<th>INT. DUE</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1062140</td>
<td>1.1340%</td>
<td>10/31/13</td>
<td>$41,000,000.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Short-Term Investments - Bond**  
$41,000,000.00

- **Cash on Hand with Treasurer - COK**  
  09/30/11  
  (231,379.97)

- **Due from W/U - BAB**  
  05/31/11  
  (467.88)

- **Due to W/U - BAB**  
  (35,392.39)  
  0.00

- **Claims paid in August**

  **Less Claims Payable On**  
  09/30/11  
  (834,636.05)  
  $(1,101,876.29)

**Balance at the End of the Month**  
$39,898,123.71
## BUILD AMERICA BONDS (BABs) - FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 42,251,093.01</td>
<td></td>
<td></td>
<td></td>
<td>$ 42,251,093.01</td>
</tr>
</tbody>
</table>

- **Bond Proceeds**
  - Interest Income
    - $ |

| TOTAL RESOURCES | $ 42,251,093.01 | | | | $ 42,251,093.01 |

### CAPITAL EXPENDITURES:

<table>
<thead>
<tr>
<th>EXPENDITURES FOR THE MONTH</th>
<th>$ 10,919,375.89</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
</table>

- **201-01 BOND - BAB, CIP**
  - Jennings Pacific, LLC
    - Job No. 02-18, WK - 32
      - Kapaa Hmstds Pipe Repl
        - $ 966,251.51
      - Earthworks Pacific
        - Job No. 04-02, WK-14, Pipeline Repl for Vivian hts
          - $ 615,642.01
      - Unlimited Builders, LLC
        - Job No. 03-02, HW-02, Wainiha Booster Pump Stn
          - $ 2,011,069.79
      - Goodfellow Bros., Inc.
        - Job 05-01 KW-16 Waimea Main Replacement
          - $ 112,544.24
      - Koga Engineering & Const.
        - Job 02-03, KW-14 12" WL Waimea Canyon Drive
          - $ 1,278,268.06
      - Fukunaga & Associates
        - Job # 10-01, Anini-01a Pipeline Repl - Anini RD
          - $ 665,360.00
      - 9/30/10 Con 519 (201-01) Park Engineering
        - Job # 10-02, Upsizing of the Kaumualii Hwy. 16”
          - $ 14,102.70

| TOTAL EXPENDITURES | $ 28,085,197.20 | $ 770,438.20 | $ 225,821.31 | 3% | $ 27,314,759.00 |

---

09-2011 BAB BUDGET STATUS
## BUILD AMERICA BONDS (BABs) - FUND

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/31/10 Con 523 (201-01) BCP Constr. Of Hawaii Job 06-05, P: H-25 Elwa, Umi, Akahi., 8&quot; ML Repl</td>
<td>$2,027,665.69</td>
<td>$459,846.08</td>
<td>$218,232.58</td>
<td>23%</td>
<td>$1,567,819.61</td>
</tr>
<tr>
<td>10/31/10 Con 524 (201-01) Koga Eng. &amp; Constr., Inc. Job 02-16, WP 2020 Proj WK 36, Pipeline Repl along Wailua Ohana, Anolani &amp; Kuanoo Rds.</td>
<td>$1,045,800.00</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$1,045,800.00</td>
</tr>
<tr>
<td>Con 405 3rd n 4th Amm Kodani &amp; Associates, Inc. Job 02-19, KW-12 Waipouli Main Repl Wailua-Kapaan</td>
<td>$13,540.00</td>
<td>$3,415.00</td>
<td>$3,415.00</td>
<td>25%</td>
<td>$10,125.00</td>
</tr>
<tr>
<td>Con 525 KW-20 R. Electric Waimea Well A Renovations</td>
<td>$529,053.35</td>
<td>$89,132.80</td>
<td>$13,763.60</td>
<td>17%</td>
<td>$439,920.55</td>
</tr>
<tr>
<td>Con # 518 (LO-04) Unlimited Builders, LLC Job # 02-02, Piilwai 677&quot; 0.5MG Storage Tank and Connecting Pipeline - Lawai</td>
<td>$725,382.16</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$725,382.16</td>
</tr>
<tr>
<td>6/28/11 Con 409 Esaki Surveying &amp; Mapping, Inc.; Job 02-16, WK-38, P/L replace - Wailua</td>
<td>$100,000.00</td>
<td>$ -</td>
<td></td>
<td>$100,000.00</td>
<td></td>
</tr>
<tr>
<td>Con 529 (201-01) Oceanic Company, Inc. Job 02-08, HE-08 Rehabilitation of Elelele Twin 0.4 MG Steel Tanks</td>
<td>$1,718,184.96</td>
<td>$432,937.77</td>
<td>$196,940.75</td>
<td>25%</td>
<td>$1,285,247.19</td>
</tr>
<tr>
<td>Con 440 Kodani &amp; Associates, Inc. Kilauea 1.0 MG Tank and Pipeline, Ph I (fr W/U)</td>
<td>$88,325.00</td>
<td>$ -</td>
<td></td>
<td>$88,325.00</td>
<td></td>
</tr>
<tr>
<td>Con 436 Fukunaga &amp; Associates Job 02-02 (LO-04) Omao 0.5 MG Tank (fr FRC)</td>
<td>$62,996.00</td>
<td>$ -</td>
<td></td>
<td>$62,996.00</td>
<td></td>
</tr>
<tr>
<td>SUB - TOTAL</td>
<td>$6,310,947.16</td>
<td>$985,331.65</td>
<td>$432,351.93</td>
<td></td>
<td>$5,325,615.51</td>
</tr>
</tbody>
</table>
## BUILD AMERICA BONDS (BABs) - FUND

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURE S TO DATE</th>
<th>EXPENDITURE S FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Con 530 (201-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waipouli Main Replacement</td>
<td>$2,045,000.00</td>
<td>$347,565.52</td>
<td>$72,844.52</td>
<td>17%</td>
<td>$1,697,434.48</td>
</tr>
<tr>
<td>Belt Collins Hawaii, Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job 02-14, Kapaa Hmstds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5 MG Storage Tank &amp; Kapahi 1.0 MG Stor Tank</td>
<td>$74,965.54</td>
<td>$13,576.00</td>
<td>$13,576.00</td>
<td>18%</td>
<td>$61,389.54</td>
</tr>
<tr>
<td>Belt Collins Hawaii, Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job 02-14, Kapaa Hmstds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5 MG Storage Tank &amp; Kapahi 1.0 MG Stor Tank</td>
<td>$(8,028.00)</td>
<td>$33,950.00</td>
<td>$25,922.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Con 533 (201-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belt Collins Hawaii, Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job K-01, K-12, Kalaeoo 1111’ and 1222’ Water System Improvements</td>
<td>$971,715.72</td>
<td>$89,633.43</td>
<td>$79,204.79</td>
<td>9%</td>
<td>$882,082.29</td>
</tr>
<tr>
<td>Goodfellow Brothers, Inc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job 04-06, KW-05, Kekaha Well “B” Renovations</td>
<td>$262,036.12</td>
<td>$</td>
<td></td>
<td>0%</td>
<td>$262,036.12</td>
</tr>
<tr>
<td>Goodfellow Brothers, Inc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job 05-05, PLH-30, Niulau &amp; Kupolo 6-inch, 8-inch and 12” Main Replacement PHI</td>
<td>$3,202,500.00</td>
<td>$100,194.61</td>
<td></td>
<td>3%</td>
<td>$3,102,305.39</td>
</tr>
<tr>
<td>Job 10-02, MOA Dept of Transportation/Kiewit-Kaumualii Hwy widening, Anahui Rd and Lihue Mill Bridge.</td>
<td>$151,027.27</td>
<td>$</td>
<td></td>
<td>0%</td>
<td>$151,027.27</td>
</tr>
<tr>
<td>6/28/2011 (201-01) Con 536, Esaki Surveying &amp; Mapping, Inc., Job 11-02, PLH-01a Replace Grove Farm Tanks #1 &amp; #2</td>
<td>$229,658.00</td>
<td>$</td>
<td></td>
<td>0%</td>
<td>$229,658.00</td>
</tr>
<tr>
<td>Con 544, HONUA Engineering, Job 11-04 (L-08, L-10) Water Main Replacement &amp; Service Improvement</td>
<td>$95,425.00</td>
<td>$10,837.50</td>
<td>$10,837.50</td>
<td></td>
<td>$84,587.50</td>
</tr>
<tr>
<td>6/28/11 Con 512 - Architects Hawaii, Ltd., Job No. PLH-39; Lihue Baseyard Improvements for DOW</td>
<td>$129,603.00</td>
<td>$667,096.00</td>
<td>$35,392.39</td>
<td>5%</td>
<td>$761,306.61</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$42,251,093.01</td>
<td>$2,352,969.30</td>
<td>$834,636.05</td>
<td></td>
<td>$39,886,123.71</td>
</tr>
</tbody>
</table>
PR SPECIALIST REPORT

November 23, 2011

Public Relations Services:
- The update on WP2020 projects link on the website was updated.
- A news release was sent out to recap the updates as well as promote visiting the website for more information.
- A news release regarding the results of the Special Board Meeting moving the proposed rates to the next step.

McGruff: A McGruff assembly will be held for the kindergarten and first grade classes at Kapa'a Elementary School on November 18th, with Joy being the lead presenter for this assembly. She will be supported by coalition members from Oceanic Time Warner Cable, KIUC, Hawaiian Telcom, and the Gas Company.

Community Notifications/Press Releases: There is one project with a planned outage that requires more than the normal door to door notification. It is scheduled for the Kapahi area. We will again be utilizing press releases, Connect CTY notification and electronic message boards, to try to reach as many customers as possible.

A new project started in the Niulamal, Nāwiliwili and Kupolo areas. For this project, we sent out postcards to make them aware of construction in their area for an extended period. The postcards include the dates that they will be affected, with a map of that specific area and as always, referring them to our website.

A press release was issued with a conserve water request for Kalāheo as the tank water level was very low due to an electrical problem that did not allow the pump to replenish the tank. A follow up release was sent lifting the water conservation request.

Phone calls to radio stations, press releases and Connect CTY was used to reach customers in the Wainiha and Hā'ena area to notify them of low water levels in the tank and request that they limit their water use to essential needs only. The conservation request was lifted on November 8th when the automated pump control problem was resolved.

A release announcing our Employee of the Quarter was sent out, and was also covered by Dennis Fujimoto in The Garden Island.

Although not generated from the DOW PR section, a very complimentary letter was printed in the November 6th Garden Island, expressing the sincere gratitude and appreciation for our crew that went beyond expectations in completing a repair so this family would not have to go without water overnight. This was done on a very stormy night. This is a great example of how every department employee contributes to the public relation of the department. Every person or customer that an employee comes into contact with is an opportunity to create a very positive impact for the department.
State Revolving Fund Projects: Work continues on getting documents submitted to the Department of Health Safe Drinking Water Branch for PLH03 High Level Water Development and Job No. 02-15, WK-28 Wailua House lots Main Replacement, Phase I as they are completed.

County Employee Council: The County’s Employee Council held their annual Spooktacular event that included a door decorating contest as well as costume contests for various ages. Congratulations going to Shealee, daughter of Dustin and Kristi Moises, who as “Wonder woman” won for best girl age 0-3 and to the best princess age 4-6, Kyrian, granddaughter of Mel and VernaYamase. There was also a sighting of the cutest “Prince” in the area.

Also, mahalo to Aaron Zambo, Keith Aoki and David Craddick for assisting me assist with the hospitality room for volunteers and snacks for the trick or treaters young and old. And to Joy, Dustin and Chad for assisting with the “day after” clean up.

Project WET: The Annual Project WET USA Conference was followed by the Sustaining the Blue Planet Global Water Education Conference. Following is the report from Joy Buccat:

The 1st Annual Sustaining the Blue Planet Global Water Education Conference was held in beautiful Bozeman, Montana. The Department’s PR Squad, Faith Shiramizu & Joy Buccat were called to duty to attend the back to back Project WET USA Annual Coordinator’s Meeting and Global Conference from September 10—16, 2011. It was a momentous event, with the launch of the new Project WET Guide 2.0 that features some terrific new activities for water education! Representatives from over 40 countries across the globe gathered together for this conference. For a first timer, to be amongst the nations leaders in water education was truly inspiring. These people live, breathe, and do water education for a living. Not only are they the leaders in water education, but they are enthusiastic stewards to our planet’s most precious and valuable resource...water. We were greeted with aggressive 10-12 hour/day agendas and learned a ton of stuff. The highlight of the trip was a visit to our country’s first national park, Yellowstone. We had front row seats to the majestic show of Old Faithful and saw real life wildlife...in the wild!

Besides walking away feeling charged up and inspired to delve deeper into water education was the information, resources, and ideas that we were hydrated with from the conference speakers, presenters, and attendees. Presentations on water footprinting, marketing for social change and watershed awareness, and using engaged listening for environmental learning were just a few of the many topics covered during the conference.

The conference for me was as usual, very inspiring. The bonds that we develop at the conference are valuable as we are able to use the other coordinators as resources as we move forward in using Project WET material and providing workshops. We were able to become familiar with the new guide as well as the inner workings of the Project WET organization. Ending our Project WET USA portion of the conference, Joy graciously did a Mele Kahea Kunihii Ka Mauna (Hawaiian chant) and then had everyone doing the hula. That was a perfect transition into the international portion of the conference.
**Kaua‘i Soil and Water Conservation Districts:** The Soil and Water Conservation Districts presented their water conservation awards on October 19th. The East Kaua‘i SWCD Outstanding Conservationist award was presented to Phil Davies, owner of Kailani Farms in Kilauea and Moloaa. The West Kaua‘i SWCD selected Tony Brun, a Kōloa rancher, as their 2011 Outstanding Conservationist.

**Drought Mitigation Grant:** We will be requesting a six month extension to our MOA to be able to complete the RFP for the remaining leak detection equipment.

**Water Conservation Advisory Group:** The third meeting of this group will occur on November 17th. This meeting will focus on domestic, municipal, military, residential, industrial, commercial, and institutional water use sectors.

**State Conservation Collaboration:** This group will be meeting on the 18th, with discussion and training regarding best practices and technologies for green businesses, public education campaigns, residential appliances and plumbing fixtures, irrigation, and alternative water sources.

Respectfully submitted,

Faith Shiramizu
DOW Public Relations Specialist

FS/cab
Mgrp/PR Specialist Report (11-23-11):cab
Operations Division Report for the Month of October 2011

Personnel

- Operations Division personnel attended HWWA Conference in Kona.

- Please see the attached labor report for Operations Division as compiled by the Fiscal Division.

Source and Storage

- The Department of Health conducted sanitary surveys of Puhi-Lihue-Hanamaulu System including inspection of the Grove Farm Surface Water Treatment Plant.

- Haena deepwell was converted from chlorine disinfection to hypochlorite.

- Hanamaulu Well #3 pump was pulled-out from the well. A video of the well prior to cleaning was submitted by the contractor. After cleaning, another video will be submitted by the contractor.

- Operations crew started installation of the test pump at Amfac Shaft.

Distribution

- Operations crews continue to perform leak repair of service laterals and mainlines damaged by contractors of Water Plan 2020.

- Operations crews continue to assist Water Plan 2020 projects through house to house notification of customers during scheduled water outage to allow the contractor to tie-in the new lines to the existing lines. For the month of October, Hoku, Honua, and Laipo Roads were tied-in.

- Four (4) new residential water meters were installed and four (4) residential water meters were replaced per customers’ request.

Fleet, Inventory, Warehouse and Baseyard Area

- We received a total of 28 calls from customers reporting leaks on the mainline, service laterals, meters, and fire hydrants. Also, there were 2 called-in complaints of low water pressure due to planned water outage during tie-in of new water line as part of Water Plan 2020.
Work Orders by Job Reason Code for Selected Date Range

10/01/2010 to 10/31/2011

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>35</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>142</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>179</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
</tbody>
</table>

Work Orders by Job Reason Code

<table>
<thead>
<tr>
<th>Job Reason Code</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEAK-BOX</td>
<td>7.8%</td>
</tr>
<tr>
<td>LEAK-CUST</td>
<td>9.1%</td>
</tr>
<tr>
<td>LEAK-MAIN</td>
<td>36.8%</td>
</tr>
<tr>
<td>LEAK-S/L</td>
<td>46.4%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Number of Leak Repairs per Month
MANAGER’S UPDATE

November 23, 2011

MANAGER’S UPDATE for OCTOBER 2011 to NOVEMBER 2011

CONTRACTS AWARDED BY THE MANAGER:

None

CONTRACTS AMENDED BY THE MANAGER:

Re: Amendment #3 for Job 05-02 (H-8), Drill and Test Hanalei Well #2 & Job 05-02 (HW-12), Drill and Test Wainiha Well #4 Contract No. 457

The Department recommends approval of the contract amendment for Contract No. 457 with Kodani and Associates, Inc. to reallocate $125,000.00 from this contract back to BAB Fund Balance.

FUNDING:
Total Project Funds Certified........................................................................................................... $457,430.00
Contract No. 457 with Kodani and Associates .................................................................................. $250,000.00
Amendment #1 ................................................................................................................................. $175,000.00
Amendment #2 ................................................................................................................................. $32,430.00
Amendment #3 ................................................................................................................................. <$125,000.00>
Total Amended Project Budget ............................................................................................................. $332,430.00 ..................................<$332,430.00>
Funds Returned, (BAB) ....................................................................................................................... $125,000.00

PUMP INSTALLATION PERMITS:
None

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

PERSONNEL MATTERS UPDATE:

Updated November 9, 2011

RECRUITMENT AND POSITION CHANGES

Operations Division
1. Pipefitter Helper #2454. Interviews held November 7 and 8, 2011. Selection pending.
2. Pipefitter position description approved without Distribution System Operator Grade I certification requirement.
3. Water Service Investigator II #2486 pending referred list of eligible from the Department of Personnel Services.
4. Water Field Operations Superintendent #2491 is vacant. No action at this time.
5. Lead Pipefitter #2481 is vacant. No action at this time.

Fiscal Division
1. Accountant III #2356. Interviews held. Finalizing selectee.
2. Billing Section positions being updated due to upcoming implementation of new billing system.

Engineering Division and Special Projects Division
1. Engineering, Construction Management (currently Special Projects) and Water Quality Divisions Re-Organization paperwork to be submitted to Department of Personnel Services. Meeting being planned with DPS to discuss the actions.
   a. Includes Civil Engineer VI #2470 (Special Projects Division Head) to be reallocated to Construction Management Officer. Pending DPS review and response.
   b. Special Projects Division would then be called the Construction Management Division.
   c. Water Quality to be taken out of Special Projects Division and become its own division.
2. Civil Engineer II #2458 (Engineering Division). Scheduling interviews mid-November.
3. Civil Engineer II #2468 (Engineering Division). Reallocation to CE III pending DPS review and response.
4. Water Inspector II #2355 (Engineering Division). Pending referred list from DPS.
5. Civil Engineer II #2494 (Water Resources and Planning Division). Scheduling interviews mid-November.
6. Civil Engineer III #2360 (Water Resources and Planning Division). DPS forwarded referred list of eligible.

Administration
1. Reallocation of Commission Support Clerk #2493 to Board Secretary, pending action by DPS.
2. Reallocation of Private Secretary #E-35 to Private Secretary/Administration Office Manager, pending action by DPS.
3. Secretary #2354. Requested for referred list of eligible.

SUMMARY OF WARRANT VOUCHERS PAID – October 31, 2011
Warrant vouchers were paid in the amount of $1,363,318.49.
Please see attached Warrant Vouchers Report.

STAFF REPORTS - FY 12:
Conveyance of Water Facility:

<table>
<thead>
<tr>
<th>1 Nalu Investments LLC/</th>
<th>TMK: 1-6-008:010</th>
<th>Waimea</th>
<th>$13,675.00</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>$13,675.00</td>
</tr>
</tbody>
</table>
AFFORDABLE HOUSING UPDATE:

Update will be provided after the next Task Force Meeting is held.

2010 BOND (BAB) ENCUMBRANCE AND SPEND-DOWN STATUS
One chart attached

WP 2020 PROGRESS REPORT
Three charts attached

Respectfully submitted,

[Signature]

William Eddy, P.E.
Deputy Manager - Engineer

cab
Mgrp/Manager’s Update (11-23-11):cab
### DEPARTMENT OF WATER

**Summary of Warrant Vouchers Paid**  
**October 31, 2011**

#### WATER UTILITY FUND
- Other Expenses, Department of Water  
  - Capital Expenditures  
    - $135,847.05
- Other Expenses, Department of Water  
  - Normal Expenditures  
    - $588,792.01
  - TOTAL WATER UTILITY FUND  
    - $724,639.06

#### BOND FUND
- UNLIMITED BUILDERS, LLC.  
  - $343,555.01
  - TOTAL BOND FUND  
    - $343,555.01

#### F R C FUND
- FRC REFUNDS  
  - $2,600.00
  - TOTAL FRC FUND  
    - $2,600.00

#### BOND - BAB
- BCP CONSTRUCTION OF HAWAII, INC.  
  - $89,550.45
- BELT COLLINS HAWAII, LTD.  
  - $10,873.97
- FUKUNAGA & ASSOCIATES, INC.  
  - $192,100.00
  - TOTAL BAB BOND FUND  
    - $292,524.42

- TOTAL CLAIMS PAYABLE  
  - $1,363,318.49

#### WATER UTILITY FUND
- 10/31/11 AP  
  - $724,639.06
- TOTAL CLAIMS PAYABLE  
  - $724,639.06

#### BOND FUND
- TOTAL CLAIMS PAYABLE  
  - $343,555.01

#### F R C FUND
- TOTAL CLAIMS PAYABLE  
  - $2,600.00

#### BOND - BAB
- 10/31/11 AP  
  - $292,524.42
- TOTAL CLAIMS PAYABLE  
  - $292,524.42

#### BANK TRANSFER -
- TOTAL CLAIMS PAYABLE  
  - $1,363,318.49

---

**Bank Transfer Adjustments:**  
Due to WU - Transfer Adjustment
# Recap of Normal Expenditures

**October 31, 2011**

<table>
<thead>
<tr>
<th>Budget Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$547.49</td>
</tr>
<tr>
<td>5.1</td>
<td>$20,452.50</td>
</tr>
<tr>
<td>21</td>
<td>$15,380.31</td>
</tr>
<tr>
<td>22</td>
<td>$2,367.91</td>
</tr>
<tr>
<td>24</td>
<td>$8,702.48</td>
</tr>
<tr>
<td>27</td>
<td>$4,524.42</td>
</tr>
<tr>
<td>29</td>
<td>$2,281.65</td>
</tr>
<tr>
<td>31</td>
<td>$219.13</td>
</tr>
<tr>
<td>32.3</td>
<td>$49,000.00</td>
</tr>
<tr>
<td>33</td>
<td>$170.00</td>
</tr>
<tr>
<td>34</td>
<td>$5,005.75</td>
</tr>
<tr>
<td>36</td>
<td>$3,649.28</td>
</tr>
<tr>
<td>37</td>
<td>$355.18</td>
</tr>
<tr>
<td>38</td>
<td>$53.13</td>
</tr>
<tr>
<td>40</td>
<td>$10,571.88</td>
</tr>
<tr>
<td>41</td>
<td>$6,733.92</td>
</tr>
<tr>
<td>42</td>
<td>$4,206.23</td>
</tr>
<tr>
<td>43.1</td>
<td>$1,838.44</td>
</tr>
<tr>
<td>44.2</td>
<td>$25,065.44</td>
</tr>
<tr>
<td>45</td>
<td>$421.02</td>
</tr>
<tr>
<td>47</td>
<td>$10,221.52</td>
</tr>
<tr>
<td>48</td>
<td>$844.55</td>
</tr>
<tr>
<td>51</td>
<td>$283,396.54</td>
</tr>
<tr>
<td>55</td>
<td>$130,754.45</td>
</tr>
<tr>
<td>58</td>
<td>$1,444.24</td>
</tr>
<tr>
<td>59</td>
<td>$584.55</td>
</tr>
</tbody>
</table>

**Total Normal Expenditures**

$588,792.01
### DEPARTMENT OF WATER

#### WATER UTILITY FUND

#### Recap of Capital Expenditures

October 31, 2011

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGET CODE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPITAL IMPROVEMENT PROJECTS</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>MISCELLANEOUS CAPITAL EXPENDITURES</td>
<td>102</td>
<td>$33,298.37</td>
</tr>
<tr>
<td>OFFICE &amp; ENGINEERING EQUIPMENT</td>
<td>103</td>
<td>$8,402.79</td>
</tr>
<tr>
<td>VEHICLES &amp; EQUIPMENT</td>
<td>106</td>
<td>$86,495.89</td>
</tr>
<tr>
<td>CIP RESERVE</td>
<td>106B</td>
<td></td>
</tr>
<tr>
<td>PURCHASE OF METER &amp; METER BOXES</td>
<td>107</td>
<td></td>
</tr>
</tbody>
</table>

**SUB-TOTAL** $128,197.05

#### WATER UTILITY FUND

<table>
<thead>
<tr>
<th>CON</th>
<th>U.S. GEOLOGICAL SURVEY</th>
<th>693</th>
<th>$7,650.00</th>
</tr>
</thead>
</table>

**CONTRACT PAYMENTS - WU** $7,650.00

**TOTAL WATER UTILITY - CAPITAL EXPENDITURES** $135,847.05

#### BOND

<table>
<thead>
<tr>
<th>CON</th>
<th>518 UNLIMITED BUILDERS, LLC.</th>
<th>326</th>
<th>$343,555.01</th>
</tr>
</thead>
</table>

**CONTRACT PAYMENTS - BOND:** $343,555.01

#### FRC

<table>
<thead>
<tr>
<th>Frc Refund -</th>
<th>4a</th>
<th>$2,600.00</th>
</tr>
</thead>
</table>

**FRC PAYMENTS** $2,600.00

#### BOND - BAB

<table>
<thead>
<tr>
<th>CON</th>
<th>520 FUKUNAGA &amp; ASSOCIATES, INC.</th>
<th>221</th>
<th>$192,100.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>CON</td>
<td>523 BCP CONSTRUCTION OF HAWAII, INC.</td>
<td>223</td>
<td>$89,550.45</td>
</tr>
<tr>
<td>CON</td>
<td>533 BELT COLLINS HAWAII, LTD.</td>
<td>233</td>
<td>$10,873.97</td>
</tr>
</tbody>
</table>

**CONTRACT PAYMENTS - BAB** $292,524.42

**TOTAL CAPITAL EXPENDITURES** $774,526.48
<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Construction Projects Completed</th>
<th>Number of Design Projects Completed Within Year</th>
<th>Total Construction Cost Spent Within Year (Millions of $)</th>
<th>Total Design Cost Spent Within Year (Millions of $)</th>
<th>Total Design &amp; Construction Cost Spent Within Year (Millions of $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>0</td>
<td>4</td>
<td>0.00</td>
<td>0.22</td>
<td>0.22</td>
</tr>
<tr>
<td>2001</td>
<td>0</td>
<td>2</td>
<td>0.00</td>
<td>1.27</td>
<td>1.27</td>
</tr>
<tr>
<td>2002</td>
<td>1</td>
<td>0</td>
<td>1.87</td>
<td>0.00</td>
<td>1.87</td>
</tr>
<tr>
<td>2003</td>
<td>0</td>
<td>1</td>
<td>0.00</td>
<td>0.09</td>
<td>0.09</td>
</tr>
<tr>
<td>2004</td>
<td>0</td>
<td>3</td>
<td>0.00</td>
<td>0.40</td>
<td>0.40</td>
</tr>
<tr>
<td>2005</td>
<td>4</td>
<td>3</td>
<td>8.15</td>
<td>0.29</td>
<td>8.44</td>
</tr>
<tr>
<td>2006</td>
<td>5</td>
<td>1</td>
<td>7.84</td>
<td>0.05</td>
<td>7.90</td>
</tr>
<tr>
<td>2007</td>
<td>2</td>
<td>7</td>
<td>1.33</td>
<td>0.71</td>
<td>2.04</td>
</tr>
<tr>
<td>2008</td>
<td>6</td>
<td>5</td>
<td>8.06</td>
<td>0.77</td>
<td>8.83</td>
</tr>
<tr>
<td>2009</td>
<td>6</td>
<td>5</td>
<td>6.76</td>
<td>1.23</td>
<td>7.99</td>
</tr>
<tr>
<td>2010</td>
<td>9</td>
<td>7</td>
<td>15.81</td>
<td>2.19</td>
<td>18.00</td>
</tr>
<tr>
<td>2011</td>
<td>10</td>
<td>11</td>
<td>18.84</td>
<td>1.27</td>
<td>20.11</td>
</tr>
<tr>
<td>2012</td>
<td>8</td>
<td>16</td>
<td>12.91</td>
<td>5.97</td>
<td>18.88</td>
</tr>
<tr>
<td>Total</td>
<td>51</td>
<td>65</td>
<td>81.57</td>
<td>14.45</td>
<td>96.02</td>
</tr>
</tbody>
</table>

Note: 2012 reflects projected completion of design and construction projects in progress.
DOW WATER PLAN 2020 PROGRESS

- Number of Construction Projects Completed Within Year
- Number of Design Projects Completed Within Year
- Total Design & Construction Cost Spent Within Year (Millions of $)
November 23, 2011
MEMO

TO: William Eddy, Acting Manager & Chief Engineer  
FROM: Gregg Fujikawa, Water Resources and Planning Division

SUBJECT: MONTHLY SUBDIVISION SUMMARY

<table>
<thead>
<tr>
<th>Subdivision Number</th>
<th>TMK Number</th>
<th>Applicant</th>
<th>Received Date</th>
<th>Response Date</th>
<th>Subject</th>
<th>DOW Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>S-2002-21</td>
<td>2-7-03:005</td>
<td>Omao Ranch Lands, LLC.</td>
<td>9/17/2011</td>
<td>10/3/2011</td>
<td>Pre-Final Subdivision Map Review &amp; Approval</td>
<td>Final map okay; fees paid; requirements of the Dept. of Water shown in the Planning Departments August 31, 2011 letter to Roger Caires have been completed;</td>
</tr>
<tr>
<td>S-2011-15</td>
<td>1-8-08:020; 1-8-08:038</td>
<td>County of Kauai - Parks &amp; Recreation</td>
<td>9/17/2011</td>
<td>10/4/2011</td>
<td>Final Subdivision Map Review &amp; Approval</td>
<td>Final map okay; Okay to recommend final to Planning</td>
</tr>
<tr>
<td>S-2012-2</td>
<td>4-2-07:014; 4-2-07:015</td>
<td>Saiva Siddhanta Church</td>
<td>10/4/2011</td>
<td>10/18/2011</td>
<td>Subdivision Report</td>
<td>Tentative approval is recommended</td>
</tr>
<tr>
<td>S-2012-3</td>
<td>1-6-02:074</td>
<td>Keahi Trust &amp; Yates Trust</td>
<td>10/4/2011</td>
<td>10/18/2011</td>
<td>Subdivision Report</td>
<td>Tentative approval is recommended</td>
</tr>
<tr>
<td>S-2012-4</td>
<td>4-7-02:003</td>
<td>Cornerstone HI Holdings</td>
<td>10/4/2011</td>
<td>10/18/2011</td>
<td>Subdivision Report</td>
<td>Tentative approval is recommended</td>
</tr>
<tr>
<td>S-2012-5</td>
<td>4-7-06:018; 4-7-07:001</td>
<td>Kealia Makai Holdings</td>
<td>10/4/2011</td>
<td>10/19/2011</td>
<td>Subdivision Report</td>
<td>Tentative approval is recommended</td>
</tr>
</tbody>
</table>
November 23, 2011

Re: 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).

cab
Mgrp/Executive Session (11-23-11):cab