BOARD OF WATER SUPPLY of the COUNTY OF KAUA‘I

REGULAR MEETING
Second Floor, Microbiology Lab Bldg
Kaua‘i County Department of Water
4398 Pua Loke Street, Līhu‘e, Kaua‘i, Hawai‘i 96766

THURSDAY, NOVEMBER 21, 2013

10:00 a.m.
Or soon thereafter

A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES:
   Review and approval of:
   Regular Board Meeting – October 17, 2013
   
   Review and approval of Executive Session:
   Executive Session – October 17, 2013

E. CORRESPONDENCE/ANNOUNCEMENTS
   1. Correspondence from Rodney Haraguchi regarding Hanalei Valley Maintenance Agreement
      for Taro Farmers
   2. Correspondence from Acting Manager-Engineer, Mr. Kirk Saiki

F. BOARD COMMITTEE REPORTS
   Report of the Finance Committee of the Kaua‘i County Board of Water Supply
      Facilities Reserve Charge

G. OLD BUSINESS

H. NEW BUSINESS
   1. Manager’s Report No. 14-17 – Discussion and possible action on updating the Agreement
      between Princeville Utilities & the DOW dated June 1, 1979

   2. Resolution 14-5 (11/13) Mahalo and Aloha Mr. David R. Craddick, Manager & Chief Engineer

4. Suggestions for Capital Improvement Projects (CIP) for 2014 Legislative Session

I. REPORTS
   MONTHLY
1. Statement of Kaua‘i County Water Department’s Revenues and Expenditures
2. Report by the Public Relations Specialist on Public Relations Activities
4. Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department
   a. Report of the BAB Bond pay down as of October 2013

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

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

2. Pursuant to HRS92-5a (2) & (4) To consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved, provided that if the individual concerned requests an open meeting, an open meeting shall be held; and to consult with the Board’s attorney in questions and issues pertaining to the Board's and County's powers, duties, privileges, immunities, and liabilities as it relates to this agenda item, and to deliberate on the item as deemed necessary.

K. TOPICS FOR NEXT WATER BOARD MEETING (December)
2. Election of Officers for 2014
3. Resolution 14-6, Mahalo and Aloha Kaua‘i Board of Water Chair, Mr. Randall Nishimura
4. Final Annual Audit for FY 2012-2013
5. Manager’s Report No. 14-19 – Billing Dispute – Mr. Hartwell Blake

L. TOPICS FOR FUTURE WATER BOARD MEETINGS
1. Results from Small Business Regulatory Review Board regarding Proposed Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages (January 2014)
2. Results from Small Business Regulatory Review Board regarding Proposed Part 5, Facilities Reserve Charge (January 2014)

M. UPCOMING EVENTS
1. DOW Annual Meeting (December 13, 2013)
2. AWWA 2014 Hawaii Section Conference, O‘ahu, HI (May 6-9, 2014)
3. AWWA 2014 Conference, Boston, MA (June 8-12, 2014)
4. Make a Splash, Project WET (September 18, 2014 Tentative)
5. HWWA 2014 Conference, Kaua‘i, HI (October 15-17, 2014)

N. NEXT WATER BOARD MEETING
1. Thursday, December 19, 2013, 10:00 a.m.
2. Thursday, January 23, 2014, 10:00 a.m.
3. Thursday, February 27, 2014, 10:00 a.m.
4. Thursday, March 27, 2014, 10:00 a.m.

O. ADJOURNMENT
MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, October 17, 2013

The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, October 17, 2013. Chairperson Randall Nishimura called the meeting to order at 8:06 a.m. The following Board members were present:

BOARD:  Mr. Randall Nishimura, Chairperson
      Mr. Clyde Nakaya
      Mr. Raymond McCormick
      Mr. Sherman Shiraishi
      Mr. Michael Dahilig
      Mr. Hugh Strom
      Mr. Larry Dill

Quorum was achieved with 7 members present at the time of roll call.

STAFF:  Mr. David Craddick
      Mr. Kirk Saiki
      Mr. Val Reyna
      Ms. Fay Tateishi
      Mr. Eddie Doi
      Mr. Dustin Moises
      Mr. Roman Silvestre
      Ms. Kim Tamaoka
      Ms. Mary-jane Garasi
      Deputy County Attorney, Andrea Suzuki

GUESTS:  Mr. Kamuela Cobb-Adams, Director Housing Agency
         Ms. Barbara Pendragon, Housing Agency

ACCEPTANCE OF AGENDA:
Chair Nishimura ordered to rearrange the agenda to move up New Business, Item H No. 1 Resolution 14-4 – Mahalo DOW Participants of the Make A Splash Festival after Correspondence and Announcements, with no objections.

MEETING MINUTES:
Review and approval of:
Regular Board Meeting – September 19, 2013

Mr. Dahilig moved to approve the Regular Board Meeting minutes of September 19, 2013 as circulated; seconded by Mr. Dill; with no objections, motion was carried with 7 ayes.
**Review and approval of Executive Session:**
Executive Session – September 19, 2013

Chair Nishimura ordered the approval of the Executive Session minutes will be done during Executive Session; with no objections.

E. **CORRESPONDENCE/ANNOUNCEMENTS**
None

F. **BOARD COMMITTEE REPORTS**

Report of the **Rules Committee** of the Kaua‘i County Board of Water Supply

1. **Manager’s Report No. 13-7** - Board Discussion and Possible Action on Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages
   i. DOW Revised Proposed Changes on Part 2 Section IX of the Rules

2. **Manager’s Report No. 14-13** – Discussion and Possible Action on correspondence received from the Kaua‘i Board of Water Finance Committee to the Rules Committee (5-16-13)

Mr. Dahilig reported that the Rules Committee met Thursday, October 10th and thanked Mr. Shiraishi for writing the Rules Committee Report to the Board. The Rules Committee reviewed the leak rebate and the limitation rules for the Facility Reserve Charges (FRC) which passed out of committee. Mr. Dahilig also thanked Deputy County Attorney, Andrea Suzuki for providing the wrap up for final amendments that were memorialized and distributed to the Board members.

Based on the Part 5 elements, the Rules Committee was aware that the FRC fees need to be implemented in a timely manner but the Committee was concerned about a domino effect that the implementation of Part 5 Rules would have on other rules. Other parts of the rule could cause a delay.

The Rules Committee prepared a mini Part 5 of the rules and laid the ground work for future possible increases that were recommended by the Finance Committee. The rules will incorporate a limit to meter squatting, thus making the allocation of water available to others. There was an insertion recommended by Housing Director, Kamuela Cobb-Adams to provide some relief for on affordable housing projects.

Mr. Dahilig recommended to the full Board to approve the Rules for referral to the Small Business Regulatory Review Board (SBRRBB) and to receive comments. The Board could then decide where to go after comments are reviewed.

Chair Nishimura thanked the Rules Committee for working through all the rules.
Mr. Dahilig moved to receive the Rules Committee Report, dated October 17, 2013 to the full Board; seconded by Mr. McCormick; with no objections, motion was carried with 7 ayes.

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

1. **Manager’s Report No. 14-16** – Part 4 Fixing Rates for Water Service, Section VII Facilities Reserve Charge

No Report – Finance Committee meeting was cancelled
H. NEW BUSINESS
   1. Resolution 14-4 – Mahalo DOW Participants of the Make A Splash Festival

At 8:15 a.m., Chair Nishimura recessed the meeting to allow for a photo op with the staff.

At 8:20 a.m., Chair Nishimura reconvened the meeting.

Ms. Tamaoka read Resolution 14-4 to the Board and staff.

Mr. Shiraishi mentioned that Mr. Ed Kawamura, Jr. was a volunteer at the MAS but not mentioned in the Resolution.

Mr. Shiraishi moved to approve Resolution 14-4 – Mahalo DOW Participants of the Make A Splash Festival with the addition of Mr. Ed Kawamura, Jr.; seconded by Mr. Dill; with no objections, motion was carried with 7 ayes.

G. OLD BUSINESS
   1. Manager’s Report No. 11-28 – Part 5 Water System Development Fee (WSDF) and FRC Proposed Rules
      i. Part 5 WSDF

Mr. Dahilig moved to Receive for the Record the revised draft for Part 5 Facilities Reserve Charge (FRC) within the County of Kauai; seconded by Mr. Strom; with no objections, motion was carried with 7 ayes.

RECEIVED FOR THE RECORD 10/17/13
DCA AS REVISION

PART V
FACILITIES RESERVE CHARGE
within the County of Kauai

1. Purpose and Authority
   a. Capital water facilities expansion is needed in order to accommodate increased demands on existing source, storage, and transmission pipeline capacity due to new development and/or additional demand of existing users. New development and/or additional demand shall be assessed a Facilities Reserve Charge in proportion to its impact and demand on capital water facilities. The Facilities Reserve Charge shall be expended for public capital water facilities projects. These rules were enacted pursuant to Hawaii Revised Statutes (H.R.S.) §46-141 et seq. and other applicable State law.
2. **Findings**
   a. In the review of the impact of growth relative to the existing and planned capital water system facilities capacity available to the water system, the Board hereby finds that the recent and anticipated population growth rates and corresponding water demands would place additional burdens on the existing water system. The Board further finds that such growth and increased demand would necessitate increased expenditures of public funds in order to create adequate facilities and to promote and protect the public health, safety, and welfare. The Board also finds that it is fair and reasonable to impose additional fees to accommodate such development. Finally, the Board finds that establishing benefit zones as identified in Hawaii Revised Statutes (H.R.S.) §46-14* is not necessary as a reasonable benefit can otherwise be derived.
   
b. The Facilities Reserve Charge, shall be set forth in the Facilities Reserve Charge Schedule in Part 4 of the Department of Water, County of Kauai, Rules and Regulations. The water system Facilities Reserve Charge, as laid out in Part 4, was adopted in accordance with a report prepared by an independent consultant retained by the Board to assess and study water facilities. The report calculated the costs associated with water development needs as laid out in the Board approved Department of Water facilities needs assessment study entitled “Water Plan 2020” as amended.

3. **Definitions**
   a. Affordable or Workforce Housing Project – any project confirmed or sponsored by the County Housing Agency as a residential development where the majority of housing lots, single-family dwelling units, or multiple-family dwelling units are affordable housing or workforce housing as defined in Chapter 7A of the Kauai County Code 1987, as amended.
   
b. Grant Funds – a contribution, gift, or subsidy bestowed to the Board
   
c. Grantor – the person or entity that makes a grant of funds
   
d. Recoupment – the proportionate share of the public facility capital improvement costs of excess capacity in existing capital facilities where excess capacity has been provided in anticipation of the needs of development.

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4. **Collection and Expenditure of Facilities Reserve Charge**
   a. Upon collection of the Facilities Reserve Charge, the Facilities Reserve Charge shall be deposited in a special trust fund or interest-bearing account. The portion that constitutes recoupment may be transferred to any appropriate fund.
   
b. If the Facilities Reserve Charge is not expended or encumbered within six years from the date of collection, it shall be refunded to the property owner or the property owner’s successor in title, together with accrued interest (if any).
   i. An application for a refund shall be submitted to the Board within one year of the date upon which the refund right arises;
   ii. Amounts unclaimed within one year of the date the right to refund arises shall be retained in a special trust fund or interest bearing account and shall be expended for capital facilities improvement projects
   
c. If the Board terminates the Facilities Reserve Charge (or analogous) requirement, all unexpended or unencumbered funds shall be refunded to the developer or the developer’s successor in title, together with accrued interest (if any).
i. Public notices of termination and availability of refunds shall be given by the Board at least two times in a manner approved by the Board. All funds available for refund shall be retained for a period of one year and at the end of said one year period, any remaining funds may be transferred to the Board's general fund and expended for any public purposes involving water supply or service as determined by the Board.

d. Recoupment shall be exempt from subsections (b) and (c).

5. **Facilities Reserve Charge Paid Prior to Enactment of Part 5 Rules**
   a. This Section applies to those Applicants that have paid a "Facilities Reserve Charge" prior to enactment of these Part 5 Rules and have failed to install a water meter on the subject property for which the Facilities Reserve Charge was paid, hereinafter referred to as "Prior Applicants".
   b. Prior Applicants shall have one (1) year from the date of enactment of these Part 5 Rules, hereinafter referred to as the "Grace Period", to install a water meter, at no additional Facilities Reserve Charge cost.
   c. After expiration of the Grace Period, Prior Applicants must pay the difference of the original Facilities Reserve Charge paid and the Facilities Reserve Charge in effect at the time the meter is installed.
   d. DOW decision to return the prior paid money if facilities are not adequate.

6. **Facility Reserve Charges for Affordable and Work Force Housing Projects**
   a. The Manager may defer collection of Facility Reserve Charges for Affordable or Workforce Housing Projects applicable Facility Reserve Charges are collected before installation of applicable meters.
   b. Administrative fees related to the Facility Reserve Charge shall be waived for Affordable or Workforce Housing Projects.

7. **Credits**
   a. Credits against the Facilities Reserve Charge imposed are available for any Grant Funds received by the Board for system expansion on a dollar for dollar basis as it relates to:
      i. Source development
      ii. Storage development
      iii. Transmission pipeline construction
      The Manager shall determine which improvements are system improvements eligible for credits.
   b. Credits shall be afforded only to those Applicants that are beneficiaries of the Grant, so long as the Applicants' premises can be served by a system adequate in source, storage or transmission pipeline capacity.
   c. Any approved credit activity will be recorded and deducted from the amount of the grant funds until the original dollar basis of the grant is zero, at which point no further credits will be allowed.

8. **Appeal of Facilities Reserve Charge**
   a. Any person assessed a Facilities Reserve Charge under these rules may contest the amount of the Facilities Reserve Charge assessed by following the requirements in Part 1 of these Rules and Regulations.
PART V
WATER SYSTEM DEVELOPMENT FEES FACILITIES RESERVE CHARGE

within the County of Kauai

1. **Purpose and Authority**
   a. Expansion of capital water facilities is needed in order to accommodate increased demands on existing source, storage, and transmission pipeline capacity due to new development and/or additional demand of existing users. New development and/or additional demand shall be assessed a facilities reserve charge in proportion to its impact and demand on capital water facilities. The facilities reserve charge shall be expended for public capital water facilities projects. These rules were enacted pursuant to Hawaii Revised Statutes (H.R.S.) §46-141 et seq and other applicable State law.

2. **Findings**
   a. In the review of the impact of growth relative to the existing and planned capital water system facilities capacity available to the water system, the Board hereby finds that the recent and anticipated population growth rates and corresponding water demands would place additional burdens on the existing water system. The Board further finds that such growth and increased demand would necessitate increased or excessive expenditures of public funds in order to create adequate facilities and to promote and protect the public health, safety, and welfare. The Board also finds that it is fair and reasonable to impose additional fees to require new costs necessary to accommodate such development. Finally, the Board finds that establishing benefit zones as identified in Hawaii Revised Statutes (H.R.S.) §46-14* is not necessary as a reasonable benefit can otherwise be derived.
   b. The Facilities Reserve Charge, shall be set forth in the Facilities Reserve Charge Schedule in Part 4 of the Department of Water, County of Kauai, Rules and Regulations. The water system facilities reserve charge Facilities Reserve Charge, as laid out in Part 4, was adopted created in accordance with a report prepared by an independent consultant retained as adopted by the Board to assess and study water for the purposes of facilities assessment. The report calculated the costs associated with water development needs as laid out in the Board approved Department of Water facilities needs assessment study entitled “Water Plan 2020” as amended.

3. **Definitions**
   a. Affordable or Workforce Housing Project – any project confirmed or sponsored by the County Housing Agency as a residential development where the majority of housing lots, single-family dwelling units, or multiple-family dwelling units are affordable housing or workforce housing as defined in Chapter 7A of the Kauai County Code 1987, as amended.
   b. Grant Funds – a contribution, gift, or subsidy bestowed to the Board.
4. Collection and Expenditure of Facilities Reserve Charge
   a. Upon collection of the facilities reserve charge, the facilities reserve charge shall be deposited in a special trust fund or interest-bearing account. The portion that constitutes recoupment may be transferred to any appropriate fund.
   b. If the facilities reserve charge is not expended or encumbered within six years from the date of collection, it shall be refunded to the property owner or the property owner's successor in title, together with plus any accrued interest (if any).
   i. An application for a refund shall be submitted to the Board within one year of the date upon which the refund right to claim arises;
   ii. Amounts unclaimed within one year of the date the right to refund arises shall be retained in the special trust fund or interest bearing account and shall be expended for capital facilities improvement projects.
   c. If the Board terminates the facilities reserve charge (or analogous) requirement, all unexpended or unencumbered funds shall be refunded to the developer or the developer's successor in title, together with plus any accrued interest (if any).
   i. The Board shall give public notices of termination and availability of refunds shall be given by the Board at least two times in a manner approved by the Board. All funds available for refund shall be retained for a period of one year and at the end of said one year period, which any remaining funds may be transferred to the Board's general fund and expended for any public purposes involving water supply or service as determined by the Board.
   d. Recoupment shall be exempt from subsections (b) and (c).

5. Facilities Reserve Charge Paid Prior to Enactment of Part 5 Rules
   a. This Section applies to those Applicants that have paid a "Facilities Reserve Charge" prior to enactment of these Part 5 Rules and have failed to install a water meter on the subject property for which the Facilities Reserve Charge was paid, hereinafter referred to as "Prior Applicants".
   b. Prior Applicants shall have six (6) months from the date of enactment of these Part 5 Rules, hereinafter referred to as the "Grace Period", to install a water meter, at no additional Facilities Reserve Charge cost.
   c. After expiration of the Grace Period, Prior Applicants must pay the difference of the original Facilities Reserve Charge paid and the Facilities Reserve Charge in effect at the time the meter is installed.
Mr. McCormick moved to Receive for the Record Mr. Shiraishi’s revised minor redlined changes for Part 5 Facilities Reserve Charge (FRC) within the County of Kauai; seconded by Mr. Nakaya; with no objections, motion was carried with 7 ayes.
a. Grant Funds allocated to Affordable and Work Force Housing Projects shall be used by the Manager to offset Facilities Reserve Charges assessed to AWFHPS on a dollar-for-dollar basis as it relates to:

The Manager shall determine which improvements are system improvements eligible for credits.

b. Credits shall be afforded only to those Applicants that are beneficiaries of the Grantor, so long as the Applicants’ premises can be served by a system adequate in source, storage or transmission pipeline capacity.

c. Any approved credit activity will be reported and deducted from the amount of the grant funds until the original dollar bases of the grant is removed which point no further credits will be allowed.

8. Appeal of Facilities Reserve Charge
   a. Any person assessed a Facilities Reserve Charge under these rules may contest the amount of the Facilities Reserve Charge assessed by following the requirements in Part 1 of these Rules and Regulations.

DISCUSSION:
Mr. Shiraishi commented on the language in Part 5 submitted by the County Housing Agency:

Section 6 – Changed “Facility” Reserve Charge to “Facilities” Reserve Charge

Section 7a – Credits – paragraph was reworded.

Deputy County Attorney, Andrea Suzuki changed the title to Part “5” (not Part “V”) and agreed with Mr. Shiraishi’s language changes which she was ready to go with it.

At 8:29 a.m., Chair Nishimura recessed the meeting.

At 8:40 a.m., Chair Nishimura reconvened the meeting.

Mr. Shiraishi discussed additional changes:
Section 6 - Changed “Facility” to “Facilities”

Section 6a – “The Manager may defer collection of Facilities Reserve Charges for Affordable or Workforce Housing Projects (AWFHP) provided however that applicable Facilities Reserve Charges shall be collected before installation of applicable meters.”

Section 7a - Replace 1st sentence with – “Grant Funds allocated to AWFHP shall be used by the Manager to offset FRC assessed to AWFHP on a dollar-for-dollar bases as it relates to:”
Deputy County Attorney, Andrea Suzuki mentioned this would only be for affordable housing. The Department sometimes gets state money and the state may want those credits to go toward Hawaiian Homelands projects. Affordable Housing would like all grant funds to go towards their projects and was not sure if this can be done by the Department. This applies to who gives the grant fund because it would be hard to receive state money but to give the credit to someone else that the state is not aware of. The County Housing Agency could lobby the legislature for grant funds.

Mr. Shiraishi’s said it was not his intent to limit this to affordable housing since this was proposed to the County Affordable Housing Agency.

Chair Nishimura’s commented that this may limit acquiring grants to only affordable housing.

Mr. Shiraishi suggested other language changes for 7a:
“Grant Funds shall be used by the Manager pursuant to the directions of the grantor.”

Chair Nishimura suggested changing “grant funds allocated” to “grantees.”

Deputy County Attorney, Andrea Suzuki explained that the Board will always be the grantee of the grant fund. It is who the beneficiary is of the grantor. Section 7b says “Credits shall be afforded only to those Applicants that are beneficiaries…” The language does not have to go back to committee.

Mr. Shiraishi mentioned the credits were for affordable housing as a defined term.

Mr. Shiraishi suggested other language changes for 7b:
“Grants Funds allocated to projects shall be used by the Manager to offset credit FRC charges assessed to said projects on a dollar-for-dollar bases as it relates to:”

Deputy County Attorney, Andrea Suzuki suggested doing this as a working order if the language does not work out with the rest of the clause and would check other drafts of Part 5. The Board already knows what the intent is.

Chair Nishimura indicated the language is not final approval on the rule because this will come back from the SBRRB.

Mr. Shiraishi moved to modify the language in Part 5 and refer to the Small Business Regulatory Review Board for review. No second was made

Manager Craddick added changes to read:

Section 7c – Changed to - “Any approved credit activity will be recorded and deducted from the amount of the grant funds until exhausted or expended.”

The following sections should be consistent with each other.

Section 4b – ”If the Facilities Reserve Charge is not expended or encumbered within six years from the date of collection, it shall be refunded to the property owner or the property owner’s successor in title, together with accrued interest (if any).”
Section 4c – “If the Board terminates the Facilities Reserve Charge (or analogous) requirement, all unexpended or unencumbered funds shall be refunded to the property owner or the property owner’s successor in title, together with accrued interest (if any).”

Mr. Shiraishi moved to amend the language changes in Section 4 to be consistent and change “developer or the developer’s successor” to the property owner’s or the property owner’s successor”; seconded by Mr. Dahilig; with no objections, motion carried with 7 ayes.

Mr. Shiraishi moved to modify the language in Part 5 and refer to the Small Business Regulatory Review Board (SBRRB) for review including the language changes in Sections 4c, wording in Section 6 & Section 7; seconded by Mr. Dahilig; with no objections, motion carried with 7 ayes.

2. Manager’s Report No. 13-7- Board Discussion and Possible Action on Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages
   i. DOW Revised Proposed Changes on Part 2 Section IX of the Rules

Manager Craddick recommended that the Board adopt Part 2 Section IX of the DOW’s Rules & Regulations as recommended by the Rules Committee and to forward the recommendation to the SBRRB for comments. As additional information it was mentioned farmers already pay a reduced rate (50%) in Block 1. If farmer’s applied for a leak rebate, their bill would go up. (Refer to Example in Page 2 of report.)

Mr. Dill read paragraph 7 on Page 1 – “The Rules Committee has revised the Rules to limit the number of adjustments for the consumer and have narrowed the allowable justification to strictly undetected underground leaks.”

If somebody goes on a one year vacation and returns to find out most of the leaks are inside their house that would justify for a leak rebate request because the customer did not know of the leak. This is driving the limitation to undetected underground leaks.

Manager Craddick commented that the leak rebate has never been allowed inside the house. He suggested that if a person leaves for an extended time, they should shut their water off.

Mr. Dahilig added if a person was on vacation for a year, that person is responsible for paying their monthly bill and no credit should be given.

Deputy County Attorney, Andrea Suzuki questioned if the leak is undetected, how is it detected?

Mr. Dill commented that the water bill will determine a leak but it does not indicate where the leak is. The Department should be responding to leak requests.

Mr. Dahilig agreed with Mr. Dill and commented that the water bill is one gauge that indicates if there is a leak. The owner could notice a sink hole or a wet spot outside the home. Sufficient notice should be given to the customer if they receive a high bill. If customers are not paying into the system, they should not be rewarded.

Mr. Dill noted there should be considerations for the customer. If a customer is on a two week vacation and finds out a pipe broke (per the rules), there would be no opportunity to request for a leak rebate. But if a customer is gone on a two week vacation and has an underground leak, they could apply for a leak rebate. There is no equity in that situation.
Manager Craddick commented that 90% of the leaks are from toilets and the norm would be to shut off the toilet water when customers are away.

Mr. Strom added that to shut off toilets when a customer is away should not be assumed the norm. This would be a challenge for the entire community to follow the norm. He asked if the Department flags customers who are having large water usage in monthly billings. Are they notified three times? If leak notices are ignored, they should not be entitled to the leak rebate.

Deputy County Attorney, Andrea Suzuki explained when the rule change started several years ago, it was due to the financial management of the Board and the rate payers. Whenever there was a leak a discount was given which meant all other rate payers are paying for the leak on that person’s private side that the Department cannot monitor.

Mr. Dill commented that a rebate program should motivate a customer to reply promptly. If the Department responds to the leaks, it would be a better to conserve the water supply. He suggested a requirement in the leak rebate that could include a customer responding properly when they become aware of the leak.

In response to Manager Craddick’s norm of the freezing pipes, Mr. Dill felt it did not apply and was not justified.

Manager Craddick indicated there are no justifications for leaks. The Department has 7 of 10 leaks that are indoors. The rebates could double from $400,000 to $800,000 that are given away every year if indoor leaks were allowed. An ad program was suggested to inform people to change the norm and to not wait until they get a high bill before they react to leaks in their home.

Mr. Dahilig cannot support a policy if a person cannot maintain their house; the other rate payers should be subsidizing the inability of that customer to maintain their house. He does not like the leak rebate because once you pass the meter it is the owner’s responsibility to repair.

Mr. Dill questioned if there should be a leak rebate at all? His point was that the leak rebate should be consistent in the application.

Mr. Strom agreed with Mr. Dahilig in that maintenance repairs and upkeep of a leaking toilet should be the home owner’s cost. If there was a break in the line and the homeowner acts accordingly, they should qualify. Maintenance on a pipeline from the meter is not done on a regular basis and breaks are accidental. Mr. Strom questioned what qualifies for the rebate? Any transmission or broken lines should qualify.

Manager Craddick provided a compromise to increase substantially the number of years a person can request for a rebate. If there is a break in the line, the customer should be replacing the line to avoid coming back in two years with another rebate request. Previously the rules stated once in ten years which forces people to be diligent in their maintenance. The Department now sees a lot of repeat leak customers.

Mr. Shiraishi mentioned that the rules do state once every two years.

Construction Project Management Officer, Mr. Dustin Moises commented if you go underground, how are backflow leaks dealt with? He sees a lot of backflow dripping which is above ground.
Manager Craddick said it is an above ground leak and is sure how to deal with that situation.

Mr. Dill inquired on the proposed calculation how the rebate would be less for the customer.

Manager Craddick said Block 4 usage is moved to Block 1 usage the customer would still be paying for the Departments cost.

Mr. Dahilig moved to approve Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages, i.e. DOW Revised Proposed Changes on Part 2 Section IX of the Rules to forward to SBRRB for review and comment; seconded by Mr. McCormick; with no objections, motion was carried with 7 ayes.

2. Manager’s Report No. 14-14 – Grant of Easement for Reduced Pressure Detector Assembly and Backflow Preventer for Parcel 64, Kōloa Missionary Church, Hawai’i District, Kōloa, Kaua’i, affecting the following Landowner:
   a. Missionary Church, Hawai’i District, affecting TMK(s): (4) 2-8-010-064, Kōloa, Kaua’i Hawai’i

Mr. Shiraishi moved to approve Manager’s Report No. 14-14 – Grant of Easement for Reduced Pressure Detector Assembly and Backflow Preventer for Parcel 64, Kōloa Missionary Church, Hawai’i District, Kōloa, Kaua’i, affecting the following Landowner: a. Missionary Church, Hawai’i District, affecting TMK(s): (4) 2-8-010-064, Kōloa, Kaua’i; seconded by Mr. Dill; with no objections, motion was carried with 7 ayes.

3. Manager’s Report No. 14-15 – Additional Funds for Job. No. 05-02 (HW-12), Drill and Test Wainiha Well No. 4

Manager Craddick recommended approval for additional funds subject to negotiating a lower well price. The contractor may have to disassemble and assemble the equipment on the other side of the small bridges which would increase the price. Manager Craddick added the project is to drill, case and test.

Chair Nishimura said there was only one bidder for this project.

Mr. Moises indicated $750,000 was the budget. The engineer’s estimate was $625,000. The total bid is $921,000. He explained the scope of work is not traditional which requires more testing. From the last two drill and test projects in the last year the estimate were above the budget. The DOW has not drilled a well in nine years. Estimates have been out dated. The wells are made with stainless casing. Based on the materials and location, efforts will be to negotiate down.

Mr. Strom asked if there were any Value Engineering efforts.

Mr. Moises stated the VE comes from the contractor.

Mr. Moises commented that the area is not developed to fit the well. The well distance below ground is 550’ with a 12” diameter casing. The previous scope, per the Manager was an option during construction to do a pilot hole for a pump test. It was noted that Princeville did a pilot hole and pump test on Well #5.
Manager Craddick mentioned that the cable to a rig is cheaper for this job, but the bidder would not have the ability to a pilot hole. The cable tool method drills the entire hole at one time. If the bidder gets off alignment, they cannot use dynamite to blow a hole and to straighten the hole. This may be the reason a cable tool rig was not cheaper.

Mr. Moises added that there was one bidder that could use a cable tool rig but did not want to bid as a general contractor. The time of the contract was extended from 180 days to 270 days to allow a cable tool rig. The bidder in this case is new and has not worked with the DOW.

Manager Craddick remarked that there is a risk but the new bidder submitted a very good drilling plan. They have done jobs with Maui and tried to come in with change orders. Manager Craddick did not know if anyone gave them any change orders.

Based on the contractor’s references Mr. Moises stated that the bidder is capable in their proposal on drilling and believes the price is high.

Mr. Shiraishi added why would a sole bidder negotiate a lower price?

Mr. Moises answered that the DOW could not award the contract. The project is good to have but not necessary. There are three wells in Wainiha at 50 gpm, 100 gpm, and 200 gpm. If any of those wells goes down that part of the island would be stuck and a backup would be needed. The pump test would be 350 gpm – 750 gpm but the anticipated yield of 200 gpm could help operations. Mr. Moises will meet the bidder at the end of the month to discuss every line item. He recommends the Board approve additional funds to negotiate with the bidder. At the next Board meeting, Mr. Moises’ Board report would indicate the contract was awarded.

Mr. Strom suggested to revisit the scope and to rebid because the project is not urgent with only one bidder.

Mr. Moises said reducing the scope would not get more bidders. It would be changing the location to get other bidders on the other side of the bridge. The DOT would not change their requirements.

Manager Craddick suggested preparing the road first ahead of the contract but a temporary road would be washed out before the project started.

Mr. Dill asked if the well could be moved on the other side of the bridge.

Manager Craddick mentioned that some wells could be by bigger tanks on the other side but if there was an issue, the wells were separate from the tank.

Mr. Moises commented that the Hā'ena tank was renovated with no well nearby and the bridge was the issue. For a 500’ standard well the cost estimate is over $750,000. Kapa’a Homesteads was less than $750,000 which got cancelled because it was too high with drainage issues. Puupani’s bid was $700,000 but got cancelled due to location (by not going over bridges and disassembling the well equipment). The consultant can gauge the temperature based on their well designs.

Mr. Dahilig moved to approve Manager’s Report No. 14-15 – Additional Funds for Job. No. 05-02 (HW-12) Drill and Test Wainiha Well No. 4; seconded by Mr. McCormick; no objections, motion was carried with 7 ayes.


5. **Tentative Board Meeting Dates for 2014**

Mr. Shiraishi moved to approve Board Meeting Dates for 2014; seconded by Mr. Dill; with no objections; motion was carried with 7 ayes.

*At 9:35 a.m., Chair Nishimura recessed the meeting.*

*At 9:42 a.m., Chair Nishimura reconvened the meeting.*

**STAFF REPORTS**

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

**PRESENTATION:**

Accountant IV, Ms. Fay Tateishi presented the Kaua'i County Water Department’s Revenues and Expenditures to the Board.

Mr. Dahilig moved to receive the Statement of Kaua'i County Water Department’s Revenues and Expenditures; seconded by Mr. Nakaya; with no objections, motion was carried with 7 ayes.

**Re: Report by the Public Relations Specialist on Public Relations Activities**

**PRESENTATION:**

Ms. Tamaoka reported on the Press Releases from The Garden Island (TGI) articles.

Press Releases:

- **September 19th** – DOW issues a scheduled water conservation request for the Wainiha community to accommodate system transfer.
- **September 24th** – DOW announced partial closure of Pua Loke Street during 10th Annual Make a Splash Water Festival for fifth grade students.
- **September 26th** – DOW announced the retirement of employees Mr. Gregg Fujikawa and Mr. Mel Yamase after a combined 71 years of service.
- **October 2nd** – DOW issued a water conservation request for the Hanalei community due to a system malfunction.
- **October 3rd** – DOW announced a dedication to commemorate the completion of the Waipouli Pipeline Replacement Project along Kūhiʻō Highway.
- **October 4th** – DOW announced partial closure of Kūhiʻō Highway to allow the DOW to repaving of a section of the road where a water main break occurred in September.

**TGI Articles Published:**

- **September 18th** – “Drilling project creeps ahead – Board calls for economic feasibility study” by Chris D’Angelo
- **September 30th** – “Pipeline project comes in under budget, deadline” by Dennis Fujimoto
- **September 30th** – “5th grade students get WET in morning rains” by Dennis Fujimoto
**September 30th** – “Happy Camper for Monday, September 30, 2013” by Dennis Fujimoto

**October 2nd (online)** – “Breaking News: Water conservation request in Hanalei” by TGI staff

**October 2nd** – Letters to Editor “Concerns remain about drilling project” by Bonnie Bator, Anahola

KHON2 Online Articles:

**October 2nd** – “Kauai: Water conservation request lifted for Hanalei residents” by Web Staff

**October 3rd** – “Dedication held for Kauai pipeline replacement project” by Web Staff

Fun Committee held the “Octoberfest Fun Friday” event on October 4th in the Operations Division kitchen. Pupus and hot dogs were served to the staff.

Miscellaneous: Intern, Bryanna Pacleb completed her PR internship on September 27th.

Mr. Dill commented on the TGI article regarding the water conservation in Hanalei. As an ex-manager of Princeville Utilities Company (PUC) for 13 years, the PUC assisted the DOW when water was out in Hanalei. In the 13 years, the PUC responded and helped each time. It was after he left Princeville that the PUC had issues with the water system and that the paper had no acknowledgement for PUC. Mr. Dill felt happy that PUC helped Hanalei citizens with water in the recent TGI article.

Chair Nishimura thanked Mr. Dill for his kind comment.

Mr. Dahilig moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

**Re:** Chief of Operation’s Summary Report on Monthly Operational Maintenance

**PRESENTATION:**
Mr. Reyna reported the SCADA system upgrade was completed and the historian server is back.

The Operations Division continues to have a good working relationship with PUC. Mr. Dill confirmed that the operations crews have supported the PUC.

Mr. Nakaya moved to receive the Chief of Operation’s Summary Report on Monthly Operational Activities Report; seconded by Mr. McCormick; with no objections, motion was carried with 7 ayes.

**Re:** Manager’s Monthly Update Regarding Activities of Note of the Kaua’i County Water Department

**PRESENTATION:**
Manager Craddick reported on the following:

1. **CONTRACTS AWARDED/EXTENSION/AMENDMENTS:**
   (1) RE: PROFESSIONAL SERVICES CONTRACT NO. 568 AWARDED TO OKAHARA & ASSOCIATES, INC. FOR JOB NO. 12-4, WP2020 PROJECT NO. HE-14 HANAPÉPE-ELEELE BOOSTER PUMP REPLACEMENTS IN THE AMOUNT OF $92,000.00
(2) RE: TIME EXTENSION FOR CONTRACT NO. 564 AWARDED TO R. ELECTRIC, INC. FOR AN ADDITIONAL FIFTY-EIGHT (58) CALENDAR DAYS WITH NO ADDITIONAL FUNDING

(3) RE: FIRST AMENDMENT TO CONTRACT NO. 533 AWARDED TO BELT COLLINS. FOR JOB NO. 09-01 WATER PLAN 2020 #K-01, #K-12 KALĀHEO 1111’ AND 1222’ WATER SYSTEM IMPROVEMENTS IN THE AMOUNT OF $37,900.00

(4) RE: FIRST AMENDMENT FOR CONTRACT NO. 555 TO LYON ASSOCIATES, INC. FOR JOB NO. 11-10 WP2020 #K-18, 8-INCH WATER MAIN REPLACEMENT HALEWILI ROAD (KAUMUALII HIGHWAY TO HAKU HALE STREET) KALĀHEO TO BE EXTENDED TO MARCH 21, 2014

(5) RE: SECOND AMENDMENT TO SCOPE OF WORK FOR CONTRACT NO. 539 WITH MEARS GROUP, INC. FOR KAHILI DIRECTIONALLY DRILLED HORIZONTAL WELL, JOB. PLH-03

Manager Craddick pointed out no additional funds were requested. Mears had part of the $60,000 as a contingency in their bid.

Deputy County Attorney Andrea Suzuki commented that the Traffic, Noise and Air Studies are from the EIS contingency to be no cost.

Chair Nishimura inquired if the DOW does the air study; does the DOW would pay for it?

Manager Craddick answered if the DOW has to add something from what was deleted then yes the DOW would pay.

Chair Nishimura commented that Mears was going to do the EIS in lieu of the Traffic Study. Mears did not indicate the change to the Board and that they were taking out of the EIS study.

Mr. Dill inquired on the Mears contract line item of the contingency scope, if Mears is free to bill that line item?

Deputy County Attorney, Andrea Suzuki mentioned Mears padded one of their line items. There is no line item in the Mears contract that says contingency.

Deputy Manager, Kirk Saiki clarified that Mears built in an EIS contingency in their line item.

3. Warrant Vouchers were paid in the amount of – $2,958,476.65
5. CC&B Billing System Update – A staff member was been Temporary Assigned (TA) in the Billing Supervisor’s position.
6. IT Strategic Plan Update – A former employee form EMA provided a bond. The insurance company needs to be from Hawai‘i.
7. No claims settled.
8. Water Committee Quarterly Report (formerly known as the Rewards Committee) - presented 2nd Quarter WaterBucks winners to Russell Yonohara and Raymond Chow, 3rd Quarter WaterBucks winner Kevin Pongasi.

Manager Craddick stated interviews will be conducted next week to fill the vacancy issue in the Billing Section. The TA is focusing on the accounts that have meters with no customer signed up for the meter instead of doing leak rebates.

Mr. Dill moved to receive the Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department; seconded by Mr. McCormick; with no objections, motion was carried with 7 ayes.

a. Report of the BAB Bond pay down as of September 2013

Mr. Dahilig moved to receive the Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department; seconded by Mr. Dill; with no objections, motion was carried with 7 ayes.

QUARTERLY

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

Mr. Moises presented the following:
➢ Construction - The new building construction RFP will be advertised in December 2013 with opening proposals in February 2014. The cost will be presented to the Board. Two Construction projects completed: Waipouli Main Replacement along Kūhiʻō Highway and Eleele Tanks.

Mr. McCormick and his Department of Transportation staff was acknowledged and thanked by Mr. Moises for being patient with the crew in assisting with the water line and paving the Kapa‘a Town section that saved $60,000 from the BAB water rates.

Two projects will be completed next quarter: Wailua Houselots and Olohena pipeline.

Mr. Dahilig moved to receive the Quarterly Update on the Construction Management Division Status; seconded by Mr. Dill; motion was carried with 7 ayes.

   b. Engineering Division Design Status

➢ Design of new building - The first week of November plans will be routed for signature to various agencies.

Mr. Dahilig moved to receive the Quarterly Update on the Engineering Division Design Status; seconded by Mr. Dill; motion was carried with 7 ayes.

TOPICS FOR NEXT WATER BOARD MEETING (November 2013)

1. Draft Annual Audit – Chair Nishimura explained to the newer members that the Board is required to produce an annual DOW audit. The auditors are from an outside firm. The Board would have an opportunity to review the draft audit at a Special Meeting. The DOW audit is part of the county’s over all audit. The findings are transmitted to the County Finance Department. The final audit is then reported to the County Council. In the past, the deadline was at the end for November. At this time, the auditor’s work is still in process and is not completed. The final audit date has caught the Board by surprise again.
Ms. Tateishi was not aware of when the draft audit is due to the county. The auditors have been sent all the information they requested.

Manager Craddick mentioned Kokolau and Akulikuli could be considered impaired assets (GASB section). Impaired assets require the auditor to write it off. The Department does not believe Kokolau is ground water under the influence. The Department can treat the source and up to standard but would not be an impaired asset. The Department does not want to write off the million dollars and would keep depreciating off what was spent so far. The decision on Kokolau and our management letter could be done by this Friday.

Ms. Tateishi commented that Waterworks Controller, Ms. Yano will meet the auditor on this issue. Ms. Tateishi also mentioned that Accountant III, Ms. Anne Parrott brought up the paragraph on GASB 42 if it is immaterial, then the Department would not have to do anything.

Mr. Strom stated that Manager Craddick should know the draft dates from the auditors and if auditors are slow, the Department needs to monitor the time frame because it has a ripple effect through the county.

Deputy County Attorney, Andrea Suzuki suggested for Ms. Garasi and the Commission Support Clerk informing the Board of the auditor’s deadline date.

According to Manager Craddick, the final audit date to be submitted to the county is November 1st but would have to double check on the date.

Ms. Garasi provided dates from the September 19th Board packet:

- **September 3rd to September 20th** - Audit Field Work
- **October 17th to October 24th** - Draft packet submittal
- **October 31st** - Final packet submittal

The Board requested the draft audit to be furnished by October 24th. A Special Meeting on the audit would be scheduled on October 31, 2013 at 2:00 p.m.

2. Discussion on New Board Policy – Inter-fund Borrowing
5. Agreement between Princeville Utilities & the DOW dated June 1, 1979
7. Proposed CIP Projects

**TOPICS FOR FUTURE WATER BOARD MEETINGS**

1. Election of Officers for 2014 *(December 2013)*
2. Resolution 14-5, Mahalo and Aloha Kaua'i Board of Water Chair, Mr. Randall Nishimura *(December 2013)*

**UPCOMING EVENTS**

1. HWWA Hawai'i Section Maui, HI *(October 23-25, 2013)*
2. DOW Annual Meeting *(December 13, 2013)*
3. AWWA 2014 Hawai'i Section Committee Conference, O‘ahu, HI *(May 6-9, 2014)*
4. AWWA 2014 National Conference, Boston, MA (June 8-14, 2014)
5. HWWA 2014 Kaua'i, HI (October 15-17, 2014)

NEXT WATER BOARD MEETING
1. Thursday, November 21, 2013, 10:00 a.m.
2. Thursday, December 19, 2013, 10:00 a.m.
3. Thursday, January 23, 2014, 10:00 a.m.

Mr. Dahilig moved to adjourn the Regular Board meeting at the end of the Executive Session; seconded by Mr. Nakaya; with no objections, motion was carried with 7 ayes.

Mr. Dahilig read the Executive Session languages for Items #1 and #2.

J. EXECUTIVE SESSION

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

1. Pursuant to Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the Office of the County Attorney requests an Executive Session with the Board to provide the Board with a briefing on Jennings Pacific, LLC, vs. Board of Water Supply of the County of Kauai, David R. Craddick in his official capacity as Manager and Chief Engineer of the County of Kauai Department of Water et. al., Civil No. 12-1-0284 (Fifth Circuit Court) and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item.

2. HRS92-5a (2) & (4) To consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved, provided that if the individual concerned requests an open meeting, an open meeting shall be held; and to consult with the Board’s attorney in questions and issues pertaining to the Board's and County's powers, duties, privileges, immunities, and liabilities as it relates to this agenda item, and to deliberate on the item as deemed necessary.

Mr. Shiraishi moved to approve the Executive Session Meeting minutes of September 19, 2013; seconded by Mr. McCormick; with no objections, motion was carried with 6 ayes.

At 12:30 p.m., Chair Nishimura reconvened the Regular Board Meeting.

ADJOURNMENT
Chair Nishimura ordered to adjourn the Regular Board meeting at 12:10 p.m.; with no objections.

Respectfully Submitted, Approved,

Edie Ignacio Neumiller Sherman Shiraishi
Commission Support Clerk Secretary – Board of Water Supply
Correspondence
November 1, 2013

Mr. Randall Nishimura
Chairman
Kauai Board of Water Supply
4398 Pua Loke Street
Lihue, Hawaii  96766

Re: Hanalei Valley Maintenance Agreement for Taro Farmers

Dear Mr. Nishimura,

The taro farmers in the Hanalei Valley are requesting to be placed on the next agenda of the Board of Water meeting to explain the repair of the breech up in the Hanalei Valley by the State Department of Land and Natural Resources, funded from the State CIP budget. This repair is contingent on another entity signing a Maintenance Agreement after the repair. Rodney Haraguchi, President of the Kauai Taro Growers Association will be making the presentation.

The Department of Land and Natural Resources is in charge of this repair and is working with the US Fish and Wildlife Service, Shannon Smith, Refuge Manager to sign this agreement. It’s taking much longer than anticipated and time is running out, so the farmers are looking for another option and hope that the Board of Water Supply will be able to assist the farmers. The taro farmers have maintained the in-take and irrigation ditches for generations and will continue to do so. They also check the in-take and ditches after major floods and made repairs and will continue to do so.

Time is of the essence to secure a Maintenance Agreement so that DLNR will be able to go out for bids and not have the funds lapse. It has been a long 18 years to get to this this repair and hopefully it will happen. Details of the agreement and any liability and costs will be presented to the Board at the next meeting. We appreciate your time and attention to this matter.

Sincerely,

Rodney Haraguchi
President

Post Office Box 427, Hanalei, Kaua‘i, Hawai‘i 96714
November 1, 2013

Randall Nishimura, Chairperson
Kaua‘i Board of Water Supply
4398 Pua Loke Street
Līhu‘e, HI 96766

Dear Mr. Nishimura,

Re: Clerk Typist Funding for FY 13-14

The Clerk Typist position has been previously funded for three (3) months since the Board has approved FY 13-14 budget.

The Department finds that it should continue to fund the position until any action or justification is received to terminate the employee is given. Funding is available in the administration division budget to support the Clerk Typist position until the end of the fiscal year.

FUNDING:
15. Salaries

Clerk Typist (3 months) ................................................................. $ 7,209.00
Additional Funding Administration – Vacancy Savings (November 2013 – June 2014) .................. $21,627.00

Thank you for your attention to this matter.

Sincerely,

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

KS/mjg
FINANCE COMMITTEE REPORT TO THE BOARD

November 21, 2013


The Finance Committee has reviewed Part 4 Section VII rules regarding fixing rates for water service, FRC.

At the October 21, 2013 Finance Committee meeting, there was a motion to recess to incorporate changes provided by Deputy County Attorney, Andrea Suzuki.

Former Manager & Chief Engineer, David Craddick recommended that the Finance Committee adopt Part 4 Section VII of the Rules & Regulations and forward the recommendation to the full Board. The schedule was simplified as fixture units are no longer used to determine the fee. The staff will need to apply engineering principles and standards to determine the fee for larger meter sizes. Fixture units will still be calculated for the admin fee to get staff familiar with the use of fixture units.

At the October 22, 2013 Finance Committee meeting, action was deferred until the Department of Water (DOW) can get confirmation from SAIC, R. W. Beck that they are in concurrence with Schedule 3. There was no new report generated for the change in Part 4.

Respectfully submitted,

Larry Dill
Finance Committee Chairperson

LD:cin
Old Business
New Business
MANAGER’S REPORT No. 14-17

November 21, 2013

Re: Agreement between Princeville Utilities & the DOW dated June 1, 1979

RECOMMENDATION: It is recommended that the Board approve the amendments to the existing June 1, 1979 water agreement between Princeville Water Systems, Inc. and Kauai County Public Improvement Corporation (now known as Princeville Utilities Company, Inc.), and the Board of Water Supply, Department of Water, County of Kauai (DOW).

BACKGROUND: The current agreement provides a maximum of 50,000 gallons per day of potable water to five DOW customers on Honu Road and allows DOW’s Anini water system to be connected to the Princeville Utilities Company, Inc. (PUCI) water system.

In addition to the changes in uses and additional customers, the amendment was prompted by a request from DOW to PUCI on October 30, 2012. At this time, PUCI requested that DOW allow a DOW water meter to be connected to the PUCI system to serve TMK: 5-4-04:032. The following conditions were presented to PUCI to allow water meter service to TMK: 5-4-04:032:

1. Amend the 1979 agreement to add one more 5/8-inch water meter for residential use or,

2. Provide written documentation that PUCI approves the potable water capacity necessary to supply the requested 5/8-inch water meter for TMK: 5-4-04:032.

PUCI chose to amend the 1979 agreement.

The amendments to the 1979 agreement are as follows:

1. The amount of water provided by PUCI to DOW will be increased to provide potable water needs and fire flow to the following properties:

   a. Ten farm dwelling units on nine lots in Subdivision S-2013-08 (additional units added by PUCI).

   b. One single family dwelling unit (TMK: 5-4-04:032)

2. PUCI will allow DOW to use the PUCI system as an emergency backup system. The additional water allocation from PUCI will be a maximum of 8,250 gallons per day, plus fire flow needs.

The Board can choose to either approve or disapprove amending the existing June 1, 1979 water agreement between PUCI and DOW.
If the Board chooses to amend the existing water agreement, then, all changes to the water agreement that have transpired since its execution can be included into one document.

If the Board chooses not to amend the existing water agreement, then, PUCI will be requested to submit a Memorandum of Understanding (MOU) to DOW in which PUCI would agree to reflect any changes, including the previously approved potable water capacity that will be allocated to the ten farm dwelling units and the single family dwelling unit.

Respectfully submitted,

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

Attachment: Water Agreement Amendment with PUCI
June 1, 1979 Original Agreement
WR&P Correspondence

KS:mjg

Mgrrp/November2013/13-15 Sixth Change Order for Job No. 04-06, Waimea Well A Renovation (Water Plan 2020 Project No. KW-20), Waimea, Kaua‘i (11-29-12):mjg
Mr. David R. Craddick  
Manager & Chief Engineer  
County of Kauai  
Department of Water  
P.O. Box 1706  
Lihue, Hawaii 96766

Re: Water Agreement Amendment

Dear David:

The Kauai Department of Water (KDOW) has an agreement dating to June 1, 1979, with Princeville Water Systems, Inc. (PWS) and the Kauai County Public Improvement Corporation (KCPIC) to provide a maximum of 50,000 gallons per day for the County’s five customers on Honu Road and the County’s Anini water system which is connected to the Princeville system at the end of Wyllie Road. Much has transpired since this agreement was activated and an amendment to account for additional customers and uses is in order. Therefore, this is to amend the agreement to:

A. The amount of water provided by PUCI to the County under Paragraph 2 (Page 2) of the Agreement shall be increased by such amounts as are necessary to provide for the potable needs and the fire flow needs of the following properties:

1. Twenty (20) farm dwelling units on the nine (9) lots in Subdivision S-2013-08, being a subdivision of Lot 2-A-2, identified by Kauai Tax Map Key No. (4) 5-3-006:025.

2. One (1) single family dwelling unit on Lot 4-A (por.), Hanalei, Kauai, Hawaii, Kauai Tax Map Key No. (4) 5-4-004:032 (Owner: Richard Carlson, Trustee).

B. PUCI will allow the County to use the PUCI system as an emergency, back-up system for the County's Maka Ridge (Hanalei) system. The County shall be allowed to install facilities within Honu Road/Hanalei Plantation Road connecting the two systems.
Since the implementation of this agreement, PWS and KCPIC have been merged into PUCI. PUCI became a regulated entity and operates under a tariff approved by the Hawaii Public Utilities Commission. Pursuant to its tariff, PUCI is allocating additional water resources as follows:

1. Lot 4-A – 750 gallons per day, plus fire flow needs.
2. Nine-lot Anini Subdivision – 750 gallons per day per unit, up to twenty (20) units, plus fire flow needs.
3. Maka Ridge system backup service upon request by KDOM but subject to available capacity in PUCI’s sole discretion.

The additional allocation allowed by this agreement is a maximum of 15,750 gallons per day, plus fire flow needs. The amended total allocation is 65,750 gallons per day. Pursuant to PUCI’s tariff, a Contribution in Aid of Construction fee (CIAC) is collectable for each additional lot or dwelling unit. PUCI has already collected a fee for one unit for Lot 4-A and will deal directly with Princeville Prince Golf Course (PPGC) for the remaining Anini Subdivision Units. It is our understanding that PPGC has already paid the County’s Facilities Reserve Charge (FRC) in the total amount of $41,400, and we request those funds be reimbursed to PUCI. The owner of the tenth Anini Subdivision Unit will need to pay the FRC for the owner's unit at the time of installation.

This amendment is effective upon execution by the parties involved and is subject to additional modifications by mutual agreement. If these revised terms and conditions meet with your approval, please sign in the space provided below and return one executed copy to us.

Yours truly,

Michael Loo
Secretary and Manager

Kauai Board of Water Supply

By: __________________________
   Its
Date: __________________________
AGREEMENT

This agreement made by and among PRINCEVILLE WATER SYSTEM, INC., herein "Princeville," KAUAI COUNTY PUBLIC IMPROVEMENT CORPORATION, herein "KCPIC," and the BOARD OF WATER SUPPLY, DEPARTMENT OF WATER, COUNTY OF KAUAI, herein "County."

WITNESSETH:

Whereas, Princeville, a PUC regulated water utility, owns the source and transmission mains serving KCPIC and KCPIC operates and maintains the distribution system for the Princeville development at Hanalei, Kauai; and

Whereas, the County lacks a suitable source to provide water for its consumers adjacent to Honu Road and Kuhio Highway and at Anini and Kalihikai; and

Whereas, the County desires to purchase water from Princeville and transport it through its mains to the KCPIC distribution system and use KCPIC lines to transport the water to the County's distribution intake; and

Whereas, Princeville is willing to sell the water and transport it through its mains, the KCPIC is willing to transport it through its distribution system to the County's connections;

Now, therefore, the parties hereto agree as follows:

PRINCEVILLE:

1. Will sell to the County at the same rate it sells water to KCPIC and will transport it through its mains to the KCPIC pipelines serving the areas where the County consumers are located.
2. Will provide a maximum of 50,000 gallons per day for the County, measurement to be made by totaling the County's (five) customer meters along Honu Road and by a master meter at the beginning of the County's new line to Anini.

3. Will repair and maintain its system at its own expense.

KCPIC:

1. Will receive the water from Princeville and transport it through its system to the County's connection.

2. Will repair breaks in its pipelines up to the County's connections at its expense unless said breaks can be attributable in whole or in part to the transportation of water through said pipelines for the County. In such event, cost of repairs shall be borne solely by County if said breaks are attributable in whole to the County or prorated between KCPIC/County if attributable in part to the County.

COUNTY:

1. Will install and maintain a master meter at the connection between the KCPIC system and the County's Anini system.

2. Will pay to KCPIC a fee of $25 per year for use of KCPIC's pipeline to transport water to the Anini system.

3. Will pay Princeville bimonthly based on metered consumption. Payment shall be made within 30 days of meter reading.

4. Will reimburse KCPIC for repairs to breaks in KCPIC's pipelines, as provided for in Paragraph 2 of KCPIC's covenants, within 30 days of receipt of the billing therefor.

5. Will maintain its pipelines and meters in good working order and will make necessary repairs promptly.
6. Will pay all sums due herein promptly.

7. Will waive any and all claims it may have against Princeville and KCPIC that may arise from any breaks in lines or disruption in supply and delivery other than resulting from a willful refusal to supply and/or transport the water as agreed upon.

8. Will haul water to supply the Anini system for a reasonable time in the event an emergency occurs in the Princeville or KCPIC systems interrupting normal delivery by Princeville to the County.

9. Will hold Princeville and KCPIC harmless from and against all claims and demands for loss or damage, including property damage, personal injury and wrongful death arising out of or in connection with the failure of Princeville and/or KCPIC to supply and transport water to the County as herein required unless such failure results from a willful refusal to supply and/or transport water as agreed upon and will reimburse Princeville and/or KCPIC for all their costs and expenses, including reasonable attorney's fees incurred in connection with the defense of any such claim or demand.

The parties agree that:

1. Any substantial increase in water demand over 50,000 gallons per day by the County's present or future consumers in the Anini area shall be discussed with Princeville and KCPIC.

2. This Agreement shall commence as of June 1, 1979, and shall continue as long as Princeville continues to supply water to the KCPIC. In the event the KCPIC water system is conveyed to the County, this Agreement shall remain in effect.

3. This Agreement shall be reviewed by the parties hereto every three years.
4. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

Dated: This 13th day of July, 1979.

BOARD OF WATER SUPPLY
COUNTY OF KAUA'I

By
Its Chairperson

APPROVED AS TO FORM AND LEGALITY

PRINCEVILLE WATER SYSTEM, INC.

By
Its President

KAUAI COUNTY PUBLIC IMPROVEMENT CORPORATION

By
Its President

By
Its Vice President

M. O. Okura
County Attorney

-4-
STATE OF HAWAI'I } ss.
COUNTY OF KAUAI }

On this 13th day of July, 1979, before me appeared LAWRENCE S. PRICHET and DONN A. CARSWELL, to me personally known, who, being by me duly sworn, did say that they are the President and Vice President, respectively, of PRINCEVILLE WATER SYSTEMS, INC., a Hawaii corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said officers acknowledged said instrument to be the free act and deed of said corporation.

[Signature]
Notary Public, Fifth Judicial Circuit, State of Hawaii

My commission expires: April 27, 1982

STATE OF HAWAI'I } ss.
COUNTY OF KAUAI }

On this 17th day of July, 1979, before me appeared [Signature] and [Signature], to me personally known, who, being by me duly sworn, did say that they are the President and Treasurer, respectively, of KAUAI COUNTY PUBLIC IMPROVEMENT CORPORATION, a nonprofit corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said Officers acknowledged said instrument to be the free act and deed of said corporation.

[Signature]
Notary Public, Fifth Judicial Circuit, State of Hawaii

My commission expires: 7/21/81.
On this 23rd day of July, 1979, before me appeared KENJI TANIGAWA, who, being by me duly sworn, did say that he is the Chairperson of the BOARD OF WATER SUPPLY, COUNTY OF KAUAI, and that the foregoing instrument was signed on behalf of the said Board by authority of said Board, and the said KENJI TANIGAWA acknowledged said instrument to be the free act and deed of said Board, and that said Board has no corporate seal.

\[Signature\]

Kathryn K. Kuba
Notary Public, Fifth Judicial Circuit, State of Hawaii

My commission expires: 6/17/81
October 30, 2012

Mr. Michael Loo
Princeville Utilities Company, Inc.
5-3541 Kuhio Highway, Suite 221
Princeville, HI 96722

Dear Mr. Loo:

Subject: Water Availability for One 5/8-Inch Water Meter for Residential Use on TMK: 5-4-04:032

This is in regard to your letter dated August 17, 2012 and your meeting with William Eddy of my staff on October 8, 2012. The Department of Water (DOW) will allow a DOW water meter to be connected to Princeville Utilities water system.

Prior to the DOW sending our response letter to Mr. Vanderhoof (for owner Richard Carlson) to reflect DOW conditions to allow a DOW water meter to service TMK: 5-4-04:032 from the Princeville Utilities water system the following must be completed:

1. EITHER:
   a) Amend the 1979 agreement with DOW to add one more 5/8-inch water meter for residential use.

   OR:

   b) Provide written documentation that PUCI approves the potable water capacity necessary to supply the requested 5/8-inch water meter for TMK: 5-4-04:032.

2. If item 1.b. is pursued above:
   a) PUCI shall submit a Memorandum of Understanding (MOU) to the DOW in which PUCI will amend the 1979 Agreement with the DOW to reflect said changes or other changes, as necessary. This amendment to the 1979 Agreement shall be completed within one (1) year from the date of the signed MOU. The MOU shall also include provisions that Princeville will withdraw previously approved potable water capacity that will be allocated to TMK: 5-4-04:032 if the amendment to the 1979 Agreement has not been completed by the specified date above. The DOW will then remove the water meter serving TMK: 5-4-04:032.

   b) Princeville shall also be responsible to notify the owner of TMK: 5-4-04:032 of this MOU.

If you have any questions, please contact me at (808) 245-5403.

Sincerely,

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

T: 1-4162 Princeville, Loo/ED/OF:loo

c: Marites Yano, Waterworks Controller, DOW

4398 Pua Loke St., P.O. Box 1766, Lihue, HI 86756 Phone; 808-245-5400
Engineering and Fiscal Fax: 808-245-5813, Operations Fax: 808-245-5402, Administration Fax: 808-245-8628
November 23, 2012

Mr. Scott Vanderhoof
P.O. Box 223616
Princeville, HI 96722

Dear Mr. Vanderhoof:

Subject: Water meter Service Request: First 5/8-Inch Water Meter for Residential Use on TMK: 5-4-04:032 (Vacant Lot, no Existing Water Meter), Kuhio Highway, Princeville, Kauai

This is in regard to the Department of Water’s (DOW) letter to you dated October 30, 2012 (see attached). This letter was inadvertently sent to you early without Princeville Utilities Company, Inc. completing the necessary documentation with the DOW for water service approval to TMK: 5-4-04:032.

Please be made aware that prior to the DOW granting building permit or water meter service approval, Princeville must complete the necessary documentation with the DOW that will allow water service approval to TMK: 5-4-04:032. All other conditions in the DOW’s October 30, 2012 letter to you are still applicable. It is advised that you wait until Princeville completes the necessary documentation with the DOW that will allow water service approval to TMK: 5-4-04:032 before you begin completing the required conditions as shown in the DOW’s October 30, 2012 letter to you.

We apologize for any inconveniences that this may cause.

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

Sincerely,

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

ED:boo
T:13943 amendment to 10-30-12 letter, Princeville-Hanalei, Vanderhoof

c: Mike Loo, Princeville Utilities Company Inc.
Keith Aoki, DOW

Attachment: DOW’s October 30, 2012 Letter
RESOLUTION NO. 14-5 (11/13)

Mahalo and Aloha

DAVID R. CRADDICK
Manager & Chief Engineer

WHEREAS, Mahalo and Aloha are in order for Mr. David R. Craddick serving the Board of Water Supply as the Manager and Chief Engineer for over 4 years; and

WHEREAS, David has been working with the staff on many organizational changes, Water Plan 2020, Water Rate Study, FRC Study, CC&B Project (Loihi), IT Strategic Plan & Implementation, as well as many private and public partnerships such as the East and West Soil Conservation Group, UH Rainfall Study and the Kaua’i Watershed Alliance to protect Kaua’i’s mauka watershed lands to many rule changes along with informational meetings with the public from elementary schools to our senior community group; and

WHEREAS, David will be missed for his genius understanding of our water system and creative ideas that his door is always kept open to those who were willing to consume his overflowing knowledge; and

WHEREAS, David can now give Hawaiian Airlines a break from racking up his miles when visiting his family 222 miles away and finally fly one last time to his permanent home;

WHEREAS, David can now pamper himself in his own bathroom at home instead of keeping all of his personal hygiene products at an arm’s reach in his office;

WHEREAS, David may now be able to see the difference between night and day outside of his office where he would bury himself in his work and now can now go to bed when it gets dark;

WHEREAS, David can enjoy eating his cashews in the comfort of a good book instead of working with excel and its formulas and using his two fingers to flip the pages of his book instead of typing on his keyboard one letter at a time; and

WHEREAS, most importantly devote his undivided attention and time to his loving wife, Florinda to make sure everything is neat and tidy instead of hoarding the attic and finally opening up past Christmas presents; and

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUA’I, STATE OF HAWAII, in recognition of the outstanding service and commitment of DAVID R. CRADDICK to our Garden Island community, does hereby extend to DAVID R. CRADDICK, a fond Mahalo and heartfelt Aloha for the contributions he has made as MANAGER & CHIEF ENGINEER of the Board of Water Supply. We extend our best wishes to DAVID for all the happiness, prosperity and success he deserves in all of his future endeavors.

BE IT FURTHER RESOLVED that a copy of this Resolution to be forwarded to DAVID R. CRADDICK. A toast to you DAVID!

We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on November 21, 2013.

_______________________________
Randall Nishimura, Chairperson

_______________________________
Sherman Shiraishi, Secretary
MANAGER’S REPORT No. 14-18

November 21, 2013

Re: Review, discussion and possible action of Water Supply Policy No. 3, Expenditure of Water Utility Funds Proposed New Language

RECOMMENDATION: It is recommended that the Board review and discuss proposed amendments to Board Policy No. 3.

BACKGROUND: The amendment to this policy is to establish financial stability for the Department of Water by setting the following guidelines for the Water Utility Fund Balance.

The proposed changes are as follows:

BOARD OF WATER SUPPLY POLICY NO. 3

RE: WATER UTILITY FUND

The Department of Water shall maintain various funds of the Water Utility Fund for the orderly conduct of business as follows:

1. Debt Service Fund (DSF) - is a separate fund set aside to account for debt service to pay principal debts and interest expenditures.

2. Emergency Reserve Fund (ERF) – is money set aside for emergency purposes; expenditures shall be based upon the Department’s board policy.

3. Capital Improvement Projects (CIP) Fund – funds set aside to account for resources committed or assigned to expenditures for the acquisition or construction of capital assets.

4. Unrestricted Fund (UF) is used to account for all financial resources not accounted for and reported in another fund.

The Water Utility Fund (WUF) shall include all monies billed and collected from water sales, merchandise and jobbing, meter and service installations and any other reimbursements for labor, equipment and materials provided by the Department to various private entities.

The WUF includes other revenues such as grant funds, interest income from short and/or long term investments, late fees and/or any other reimbursements for facilities constructed using Water Utility Funds, etc.
Withdrawals or transfers from the Water Utility Fund are used to pay operating expenditures, debt service payments, vehicle and equipment purchases, capital project replacements or refurbishments, and any other capital expenditures.

It is the goal of the Department to set parameters and guidelines in the expenditures of these funds.

1. All funds must be expended according to the State of Hawaii procurement laws, administrative rules and regulations and any applicable County of Kauai Ordinances.

2. The Manager & Chief Engineer or his designee shall approve operating and capital expenditures as itemized and approved in the department’s annual budget resolution for the operation and maintenance of the water system.

3. The Manager may approve expenditures for budget line items that are exceeded provided the total budgeted amount within each of the following expenditure classification is not exceeded.

   a. Salaries and provision for accrued vacation
   b. Administrative-office and engineering with the exception of Travel items
   c. Operations and maintenance
   d. Insurance and employee benefits
   e. Debt Service
   f. Miscellaneous Capital Expenditures (as itemized and approved in the budget)

4. Purchases of equipment, furniture, fixtures, etc., in excess of $5,000.00, which will be capitalized and which is not itemized in the budget shall have prior Finance Committee approval.

5. Interfund loans shall be done only by resolution outlining the loan conditions and covenants and approved by a super majority of the Board. The loan shall be repaid to the Water Utility Fund based on the current one year US Treasury Yield Curve Rate on the specified date of transfer.

6. A monthly report shall be provided to the board members with the following as applicable:

   a. Report of operating and capital expenditures every month.
   b. Inter fund transfers
   c. New Agreements or Contracts awarded
   d. Approval signature from the Board Chair person will only be given for encumbrances or contract documents that have been reported to the Board through a Manager’s update or Report to the Manager.

7. Expenditures from the DSF and ERF shall be guided by separate policies approved by the Board to manage each respective fund.
APPROVED BY:

Chairperson, Board of Water Supply

Date: November 21, 2013

RE: Water Utility Fund

Effective Date: November 21, 2013
Supersedes: October 17, 2006

Respectfully submitted:

Marites Yano
Waterworks Controller

Concurred:

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

Attachment: Board Policy No. 3, Expenditure of Water Utility Funds *current* (10-17-06)
Re: EXPENDITURE OF WATER UTILITY FUNDS

1. Expenditures for Operation and Maintenance purposes will require no prior Board approval if the budgeted amount is not exceeded.

2. Purchases of capital waterworks materials (pipe, hydrant, valves, etc.) will require no Board approval if the budgeted amount is not exceeded.

3. Purchases of equipment, furniture, fixtures, etc., (non-waterworks materials), in excess of $5,000.00, which will be capitalized and which are not itemized in the budget shall have prior Finance Committee approval. Purchases less than $5,000.00 shall have prior Manager and Chief Engineer approval.

4. Spending limits for line items can overrun providing the total budgeted amount within each expenditure classification are not exceeded.

   The expenditure classifications to be included are as follows:

   a. salaries and provision for accrued vacation
   b. administrative – office and engineering with the exception of Items 28, 29 and 35
   c. operations and maintenance with the exception of steel tank maintenance fund
   d. insurance and employee benefits

5. Pursuant to Section 19.19 of the Charter of the County of Kaua‘i, “All procurements shall be conducted pursuant to State law. Competitive bidding thresholds lower than the bidding thresholds established under law may be enacted by ordinance.

APPROVED BY:

Chairperson, Board of Water Supply

Date: October 17, 2006

Re: Expenditure of Water Utility Funds

Effective Date: October 17, 2006
Proposed Capital Improvement Projects (CIP)

for the

Department of Water
County of Kaua‘i

"WATER HAS NO SUBSTITUTE - CONSERVE IT"

Request for State Aid

2014 Legislative Session
Our Fiscal Year 2014 request for Capital Improvement Funds is designed to address the urgent needs of our community, including top priority project below that would address public safety and affordable housing by:

1) **Assist in decreasing power costs while providing affordable housing in the Eleele area. (Project Name: Hanapēpē/Eleele Transmission Waterline Improvements Project):**

   Our **first and top priority** project request would fund and construct a transmission line joining Hanapēpē and Eleele. This would assist in providing affordable housing in the Eleele area. The needed improvements to our water systems will improve elevation demand without having to pump to a high elevation and gravity feeding the water back to low elevations.

2) **Our second priority** upcoming project request is to drill and develop a well for needed additional source to support the development of affordable housing and is being planned for photo voltaic operation to reduce power consumption. *(Project Name: Drill and Test Kapa`a Homesteads Well No. 4)*; and

3) **Our third priority** upcoming project to developing storage and transmission infrastructure that currently poses a constraint for development of affordable housing in the Kawaihau District *(Project Name: Kapa`a Storage Improvements)*; and

4) **Our fourth priority** upcoming project request is for transmission improvements in the Kawaihau District, which is a priority area to support the development of affordable housing *(Project Name: Kawaihau, Kahuna and Piliamoo Roads - 12” and 18” Mains)*; and

5) **Our fifth priority** upcoming project request is to design and construct a new 450 gallon per minute (GPM) water source and connecting waterline to support the development of affordable housing, especially since there are several State parcels designed for affordable housing development in this service area. This project is also being planned for Photo Voltaiic power to cut power costs for new sources. *(Project Name: Renovate Kekaha (Amfac) Shaft and 12” Ductile Iron Waterline)*

The Kauai Department of Water’s revenue is derived through water sales and used for the operation and maintenance of our water systems. Our water systems are not highly integrated and typically rely on only a few water sources and storage tanks within a separate water system serving individual communities around the island.

Pipelines originally installed in many of these systems are commonly small and undersized by today’s standards. The Department of Water completed and periodically updates our comprehensive long-range plan, Water Plan 2020, to address the infrastructure needs of Kaua‘i’s water systems and our water rates and revenue needs. Our resources are not enough to develop infrastructure needed to satisfy Kaua‘i’s future needs and replace aging water systems. With a small customer base of approximately 20,000 services, assistance from the State is vital to ensure the long-term viability of our drinking water systems.
The Board of Water Supply and the Department are committed to operating the waterworks of the County in a fiscally responsible fashion, and have taken measures to provide for adequate funding for the Department. We are currently conducting a study on the Water System Development Fee formally known as the Facilities Reserve Charge (a fee to be paid by developers or new consumers for connection to the water system), which are indicative of our willingness to increase revenues towards becoming more self-sufficient. With these proposed rule changes there is a provision to allow for state funded projects to obtain credits for state beneficiaries toward the revised development charges. Examples would be water meters for agricultural needs, Hawaiian Homes projects, state parks, highways or affordable housing. This way the state is not granting funds so much as prefunding its own projects.

We also are moving ahead with the engineering design of the Kapa‘a Storage and Pipeline improvement project. Our Kīlauea School Waterline Project is ready to be bid for construction.

Ultimately, given the high cost of infrastructure development and the Kauai Department of Water’s limited fiscal capability, achieving our goals for Kaua‘i water system improvements depends on the availability of State and Federal grants-in-aid.
# Department of Water, County of Kaua‘i

## SUMMARY REQUEST FOR STATE AID

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

**Fiscal Year 2013**

<table>
<thead>
<tr>
<th>SYSTEM</th>
<th>WATER PLAN 2020 NO.</th>
<th>PROJECT</th>
<th>FISCAL YEAR (in thousands of dollars)</th>
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<tbody>
<tr>
<td><strong>Priority No. 1:</strong></td>
<td></td>
<td><strong>AFFORDABLE HOUSING Infrastructure Development</strong></td>
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<tr>
<td>Elele Affordable Housing</td>
<td>HE-1</td>
<td>Hanapepe to Elele Transmission Line 16”</td>
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<td><strong>Priority No. 2:</strong></td>
<td></td>
<td><strong>Drill &amp; Develop Kapa‘a Homesteads Well No. 4</strong></td>
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<td>Wailua/Kapa‘a Water System</td>
<td>WK-39</td>
<td>Kapa‘a Storage Improvements</td>
<td>8,000</td>
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<td><strong>Priority No. 3:</strong></td>
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<td><strong>Kawaihau, Kahuna &amp; Piliamoo Roads - 12” and 18” Mains</strong></td>
<td>4,500</td>
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<td>Wailua/Kapa‘a Water System</td>
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<td><strong>Priority No. 4:</strong></td>
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<td><strong>Renovate Kekaha (Amfac) Shaft and 12” Ductile Iron Waterline</strong></td>
<td>2,000</td>
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<td>Wailua/Kapaa Water System</td>
<td>WK-27A WK-33</td>
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<td><strong>Priority No. 5:</strong></td>
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<td><strong>TOTALS</strong></td>
<td><strong>22,500</strong></td>
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</table>
County of Kaua‘i, Department of Water

INDIVIDUAL CAPITAL PROJECT REQUIREMENTS
Fiscal Year 2014

| PRIORITY NO. | 1 |

Hanapepe/Eleele WATER SYSTEM

1. PROJECT LOCATION AND DESCRIPTION:

<table>
<thead>
<tr>
<th>16-Inch Water Transmission Line</th>
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<tbody>
<tr>
<td>Water Plan 2020 Project Nos. HE-1</td>
</tr>
</tbody>
</table>

Affordable Housing Infrastructure Development

Design and construct approximately 5,000 feet of 16-inch water main along Hanapepe Road, Puna Road and Kaumualii Highway connecting to the existing 12-inch main in Ka Road connecting to the existing 16” line at the corner of Waialo Road and Kaumualii Highway.

2. ESTIMATED COST:

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<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>FISCAL YEAR</th>
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<tbody>
<tr>
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<td>2-Year Total</td>
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<td>A. Land</td>
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<td>B. Plans</td>
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<tr>
<td>C. Construction</td>
<td>4,000</td>
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<tr>
<td>TOTAL</td>
<td>4,000</td>
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</table>

3. JUSTIFICATION:

The southeast side of El`e`ele including the Port Allen, Ele`ele Shopping center and all of Ele`ele area is served by one transmission pipeline. That pipeline follows a steep cliff out of Hanapepe valley to the DOW 310’ elevation reservoir. From the 310’ elevation reservoir the south side of El`e`ele can be served.

With this project DOW would not have to pump water to the 310’ elevation which the transmission line coming up the side of the cliff serves. Water going through this proposed line would serve the 194’ elevation to sea-level service area. Any damage to the existing line that would take it out of service would result in the need to truck water or taking some other emergency measure to supply water to the area served. The time available to implement these emergency measures would be about 12 hours which the existing 310’ elevation storage reservoir could supply water with no water being feed into the reservoir. The proposed Alternative Transmission project will alleviate this issue by having an alternate way to feed water into the area that would be a part of normal operations.

Since is transmission line would serve an area critical to electricity production on the island we feel this project has benefits beyond saving electricity. This back up line has been required of every developer for the last 20 years that has wanted to build on the southeast side of Eleele. DOW will also be providing funding for alternative booster pump stations and storage reservoirs on the southeast side of Eleele.
HE - 1

1. Replace (2) 0.4 MG Steel Tank with 0.5 MG Concrete Tanks and 212 and 402 Elevation

2. Replace 27-inch steel pipe with Main along Kaumualii Highway

3. Replace Hanapepe Valley Booster Station with Booster Pump at 212 Tank

4. Install PRV Station in Elele Nani

Legend
- Tank
- Pump
- Pipe
- New Facilities

Water Plan 2020
Project Number: HE-1
Project Description:
Reorganize Water System
County of Kaua‘i, Department of Water

INDIVIDUAL CAPITAL PROJECT REQUIREMENTS
Fiscal Year 2014

WAILUA-KAPA‘A WATER SYSTEM

1. **PROJECT LOCATION AND DESCRIPTION:**

   **Drill and Develop Kapa‘a Homesteads Well No. 4**

   Water Plan 2020 Project No. WK-39

   **Affordable Housing Infrastructure Development**

   Drill, test and develop a water well at the Department of Water’s Ornellas Tank Site.

2. **ESTIMATED COST:**

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<tr>
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3. **JUSTIFICATION:**

   The existing source facilities providing water service to the Kapa‘a affordable housing projects are inadequate and additional water source needs to be constructed. The Department of Water has proceeded with the design of this project, and drill and test plan is already done and ready to bid.
County of Kaua‘i, Department of Water

INDIVIDUAL CAPITAL PROJECT REQUIREMENTS
Fiscal Year 2014

PRIORITY NO. 3

WAILUA-KAPA‘A WATER SYSTEMS

1. PROJECT LOCATION AND DESCRIPTION:

| Kapa‘a Storage Improvements | Water Plan 2020 Project No. WK-8 |

Fire Protection Improvements for State Schools

Design and construction of a new 2 (two) 0.5 million gallon storage tank and connecting pipeline within the Department’s Ornellas tank hydraulic zone.

2. ESTIMATED COST:

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<tr>
<th>(in thousands of dollars)</th>
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3. JUSTIFICATION:

The upper Kawaihau area of the Kapa‘a Water System is significantly deficient in storage capacity, requiring additional storage in two (2) separate pressure zones. In recognition of the storage deficiency, the Kaua‘i Board of Water Supply has adopted a meter issuance restriction policy of not more than five (5) meters per lot. This storage deficit, therefore, is a major constraint on development of affordable housing in an area that otherwise will be highly desirable for such housing. For example, several state parcels designed for affordable housing development by the Governor are situated in the service zone that will be served by these projects. There also are current deficiencies in fire protection for the schools and state hospital situated in this service area due to the small size of the existing storage facility. To address this storage deficit, the Department of Water has proceeded with designing of a 2 (two) 0.5 million tank. Funds for land acquisition and construction of this tank are needed.
Water Plan 2020
Project Number: WK-08
Project Description:
Construct Kapaa Homesteads 313 Tank, 0.9 MG

Legend
- Tank
- Pump
- Pipe
- New Facilities

Priority No. 3
County of Kaua‘i, Department of Water

INDIVIDUAL CAPITAL PROJECT REQUIREMENTS
Fiscal Year 2014

PRIORITY NO. 4

WAILUA-KAPAʻA WATER SYSTEM

1. PROJECT LOCATION AND DESCRIPTION:

Kawaihau Road Section, Kahuna and Piliamoo Roads 12-Inch and 16-Inch Water Mains

Water Plan 2020 Project Nos. WK-27 and WK-33

Affordable Housing Infrastructure Development

Design and construct approximately 5,000 feet of 12-inch water main along Kahuna Road, connecting to the existing 12-inch main recently completed by a private developer (with participation by the Department of Water to oversize the main) to the intersection of Kahuna and Kawaihau Roads, then continuing with a 18-inch main along Kawaihau Road approximately 2,000 feet to the Ornellas Tank. In addition, design and construct approximately 4,000 feet of 18-inch water main along Kawaihau Road, connecting to the existing 12-inch water main to the 1.0 MG Makaleha Tank.

2. ESTIMATED COST:

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<td>4,500</td>
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<td>TOTAL</td>
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</table>

3. JUSTIFICATION:

In addition to storage deficits, the upper Kawaihau area of the Kapaʻa Water System has been identified to be deficient in transmission system capacity. With major water source facilities in the upper system, the pipeline deficiencies limit the Department of Water’s ability to transmit water to the central and lower part of the Kapaʻa Water System where water is needed for both fire protection at Kapaʻa High School and Mahelona State Hospital, as well as to allow for development of affordable housing. The two (2) pipeline projects identified will effectively eliminate the pipeline bottleneck of this system.
KEKAHA WATER SYSTEM

1. PROJECT LOCATION & DESCRIPTION:

Kekaha (Amfac) Shaft and 12-Inch Waterline

Water Plan 2020 Project No. KW 28

Affordable Housing Infrastructure Development

Design and construction of a new 500 gallons per minute (GPM) water source and 12-inch connecting pipeline for the Kekaha Water System.

2. ESTIMATED COST:

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>FISCAL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4-Year Total</td>
</tr>
<tr>
<td>A. Land</td>
<td>--</td>
</tr>
<tr>
<td>B. Plans</td>
<td>--</td>
</tr>
<tr>
<td>C. Construction</td>
<td>2,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,000</td>
</tr>
</tbody>
</table>

3. JUSTIFICATION:

The Kekaha area is significantly deficient in source capacity. This source deficit is a major constraint on development of affordable housing in an area that otherwise will be highly desirable for such housing. For example, several state parcels designed for affordable housing development by the Governor are situated in the service zone that will be served by these projects. To address this source deficit, the Department of Water has proceeded with designing of 500 GPM water well, formally used by Kekaha Sugar Company. Additionally, a 1.5 mile length of 12-inch connecting waterline along with an access road will be required. Funds for construction of this tank are needed.
Water Plan 2020
Project Number: KW-28
Project Description:
Renovate Kekaha Shaft 12

Legend
- Tank
- Pump
- Pipe
- New Facilities

PRIORITY NO. 5
## County of Kaua‘i, Department of Water

### BOARD OF WATER SUPPLY

of the

![Department of Water, County of Kaua'i logo]

<table>
<thead>
<tr>
<th>CHAIRPERSON:</th>
<th>RANDALL T. NISHIMURA</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEMBERS:</td>
<td>MICHAEL DAHILIG</td>
</tr>
<tr>
<td></td>
<td>LARRY DILL</td>
</tr>
<tr>
<td></td>
<td>RAYMOND M. McCORMICK</td>
</tr>
<tr>
<td></td>
<td>CLYDE NAKAYA</td>
</tr>
<tr>
<td></td>
<td>SHERMAN T. SHIRAISHI</td>
</tr>
<tr>
<td></td>
<td>HUGH STROM</td>
</tr>
</tbody>
</table>

*Acting MANAGER & CHIEF ENGINEER: KIRK SAIKI*

Email: ksaiki@kauaiwater.org  
Phone No. (808) 245-5408, FAX No. (808) 246-8628  
P. O. Box 1706, Lihu‘e, HI 96766

"WATER HAS NO SUBSTITUTE - CONSERVE IT"
# DEPARTMENT OF WATER
## Budget Status Summary
### September 30, 2013

## I. WATER UTILITY FUND

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2013</td>
<td></td>
<td>$26,657,175.42</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$2,387,257.28</td>
<td>$8,067,044.98</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES:</strong></td>
<td></td>
<td>$34,724,220.40</td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td>$3,060,296.91</td>
<td>$12,390,318.15</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES:</strong></td>
<td></td>
<td>$12,390,318.15</td>
</tr>
<tr>
<td>Ending Balance</td>
<td></td>
<td><strong>$22,333,902.25</strong></td>
</tr>
</tbody>
</table>

## II. FACILITIES RESERVE CHARGE

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2013</td>
<td></td>
<td>$2,663,693.54</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td>$101,781.33</td>
<td>$414,980.86</td>
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<tr>
<td><strong>TOTAL RESOURCES:</strong></td>
<td></td>
<td><strong>$3,078,674.40</strong></td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ending Balance</td>
<td></td>
<td><strong>$3,078,674.40</strong></td>
</tr>
</tbody>
</table>

## III. WATERWORK BUILD AMERICA PROJECT FUND

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2013</td>
<td></td>
<td>$26,029,967.39</td>
</tr>
<tr>
<td>Add: Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES:</strong></td>
<td></td>
<td><strong>$26,029,967.39</strong></td>
</tr>
<tr>
<td>Less: Expenditures</td>
<td>$404,096.09</td>
<td>$686,944.93</td>
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<tr>
<td>Ending Balance</td>
<td>$25,343,022.46</td>
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</tr>
</tbody>
</table>

**TOTAL - ALL FUNDS at September 30, 2013**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$50,755,599.11</strong></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
WATER UTILITY FUND
September 30, 2013

REVENUES:
Cash on hand-Unrestricted as of July 1, 2013 $ 24,257,175.42
Cash on hand-Restricted (Emergency Reserve) $ 2,400,000.00
Add: Revenues To Date $ 8,067,044.98
Sub-Total $ 34,724,220.40

EXPENDITURES:
Loss: Expenditures to Date $ 12,390,318.15
BALANCE AT THE END OF THE MONTH $ 22,333,902.25

SHORT TERM INVESTMENTS - WATER UTILITY FUND

BANK OF HAWAII

CENTRAL PACIFIC BANK

FIRST HAWAIIAN BANK

<table>
<thead>
<tr>
<th>T30020197</th>
<th>0.1200%</th>
<th>INT. DUE</th>
<th>01/29/14</th>
<th>$ 1,200,000.00</th>
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</thead>
</table>

MERRILL-LYNCH

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>0.5200%</th>
<th>INT. DUE</th>
<th>04/06/15</th>
<th>$ 1,000,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSIP#</td>
<td>0.1730%</td>
<td>INT. DUE</td>
<td>10/24/13</td>
<td>$ 998,347.22</td>
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<tr>
<td>CUSIP#</td>
<td>0.1620%</td>
<td>INT. DUE</td>
<td>01/24/14</td>
<td>$ 968,500.00</td>
</tr>
</tbody>
</table>

SUB-TOTAL FOR PAGE A $ 4,196,847.22

9-2013 WU BUDGET STATUS
## SUB-TOTAL FROM PAGE A

$4,196,847.22

### SHORT TERM INVESTMENTS - WATER REVENUES

#### MULTI-BANK

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>Rate</th>
<th>Maturity</th>
<th>Due Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>85508VAC3</td>
<td></td>
<td>2.70000%</td>
<td>INT. DUE</td>
<td>11/18/13</td>
<td>98,000.00</td>
</tr>
<tr>
<td>36160JGY8</td>
<td></td>
<td>1.20000%</td>
<td>INT. DUE</td>
<td>07/13/15</td>
<td>150,000.00</td>
</tr>
<tr>
<td>3134G32T6</td>
<td></td>
<td>0.77000%</td>
<td>INT. DUE</td>
<td>12/28/17</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>3138GOQA2</td>
<td></td>
<td>0.75000%</td>
<td>INT. DUE</td>
<td>07/19/17</td>
<td>1,000,000.00</td>
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</tbody>
</table>

#### UBS

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>Rate</th>
<th>Maturity</th>
<th>Due Date</th>
<th>Amount</th>
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<tbody>
<tr>
<td>3136GOTV3</td>
<td></td>
<td>0.60000%</td>
<td>INT. DUE</td>
<td>01/26/16</td>
<td>1,000,000.00</td>
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<tr>
<td>C3136GOX89</td>
<td></td>
<td>0.75000%</td>
<td>INT. DUE</td>
<td>04/26/17</td>
<td>1,998,000.00</td>
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<tr>
<td>C3133EAVGO</td>
<td></td>
<td>0.80000%</td>
<td>INT. DUE</td>
<td>03/21/16</td>
<td>1,000,111.11</td>
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<tr>
<td>C3134G4EF1</td>
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<td>1.00000%</td>
<td>INT. DUE</td>
<td>02/13/17</td>
<td>$1,000,000.00</td>
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</tbody>
</table>

**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>$3,124,011.34</td>
</tr>
<tr>
<td>CASH ON HAND-FHB Checking (EP)</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>CASH ON HAND-BOH Savings</td>
<td>$8,844,151.30</td>
</tr>
<tr>
<td>Bank transfer check in transit outstanding</td>
<td>$(2,600,000.00)</td>
</tr>
<tr>
<td>CASH ON HAND-FHB Blackrock T-FUND (Sweep Acct)</td>
<td>$4,151,696.86</td>
</tr>
<tr>
<td>CASH ON HAND - FHB Savings</td>
<td>$25,831.09</td>
</tr>
</tbody>
</table>

**LESS:**

September Claims Payable

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>September Claims paid in September</td>
<td>$(2,549,780.56)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to FRC</td>
<td>$(140,005.11)</td>
</tr>
<tr>
<td>Due to Trust Fund</td>
<td>$(14,961.00)</td>
</tr>
</tbody>
</table>

**WATER UTILITY FUND CASH BALANCE AT THE END OF THE MONTH**

$22,333,902.25

### TRUST FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH ON HAND WITH TREASURER - COK</td>
<td>$320,000.00</td>
</tr>
<tr>
<td>CASH ON HAND-FHB Savings Trust Fund</td>
<td>$430,271.90</td>
</tr>
</tbody>
</table>

**TRUST FUND RECEIPTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(750,271.90)</td>
</tr>
</tbody>
</table>
## Water Utility Fund

<table>
<thead>
<tr>
<th>Cash Receipts:</th>
<th>Budgeted Receipts</th>
<th>Total Receipts to Date</th>
<th>Receipts for the Month</th>
<th>% Budget Elapsed</th>
<th>Balance of Budget over Total Actual Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beg. Cash Balance-Unrestricted</td>
<td>$24,257,175.42</td>
<td></td>
<td></td>
<td></td>
<td>$24,257,175.42</td>
</tr>
<tr>
<td>Beg. Cash Balance-Restricted</td>
<td>$2,400,000.00</td>
<td></td>
<td></td>
<td></td>
<td>$2,400,000.00</td>
</tr>
<tr>
<td>1 Water Sales</td>
<td>$27,197,204.00</td>
<td>$7,644,852.37</td>
<td>$2,382,912.21</td>
<td>28%</td>
<td>$19,552,351.63</td>
</tr>
<tr>
<td>Prior Year Receipts</td>
<td>$60,000.00</td>
<td></td>
<td></td>
<td></td>
<td>$60,000.00</td>
</tr>
<tr>
<td>2 Net Miscellaneous Receipts</td>
<td>$60,000.00</td>
<td></td>
<td></td>
<td></td>
<td>$60,000.00</td>
</tr>
<tr>
<td>3 Interest Income</td>
<td>$85,000.00</td>
<td>$13,810.58</td>
<td>$4,225.07</td>
<td>16%</td>
<td>$71,189.42</td>
</tr>
<tr>
<td>4 County Service Charge</td>
<td>$1,630,230.00</td>
<td></td>
<td></td>
<td></td>
<td>$1,630,230.00</td>
</tr>
<tr>
<td>5 State Revolving Fund</td>
<td>$4,611,752.00</td>
<td>$81,258.00</td>
<td></td>
<td></td>
<td>$4,530,494.00</td>
</tr>
<tr>
<td>5a Other Receipts</td>
<td>$2,749,907.00</td>
<td>$445.45</td>
<td>$120.00</td>
<td></td>
<td>$2,749,461.55</td>
</tr>
<tr>
<td>5b OTHER - BAB Subsidy</td>
<td>$649,257.45</td>
<td>$326,678.58</td>
<td></td>
<td></td>
<td>$322,578.67</td>
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<tr>
<td>5c FRC Debt Service Payback</td>
<td>$2,495,227.00</td>
<td></td>
<td></td>
<td></td>
<td>$2,495,227.00</td>
</tr>
<tr>
<td>5d Grant, Drought Mitigation</td>
<td>$230,000.00</td>
<td></td>
<td></td>
<td></td>
<td>$230,000.00</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>$66,365,752.87</td>
<td>$8,067,044.98</td>
<td>$2,387,257.28</td>
<td></td>
<td>$58,298,707.69</td>
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</tbody>
</table>

## Disbursements

<table>
<thead>
<tr>
<th>Salaries:</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>County over charge to payroll</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Salaries - DOW</td>
<td>$5,555,763.70</td>
<td>$1,176,718.51</td>
<td>$399,479.56</td>
<td>21%</td>
<td>$4,379,045.19</td>
</tr>
<tr>
<td>Provision for</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>16 Accrued Vacation</td>
<td>$100,000.00</td>
<td>$177.60</td>
<td></td>
<td></td>
<td>$99,822.40</td>
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<tr>
<td><strong>Total Salaries</strong></td>
<td>$6,655,763.70</td>
<td>$1,176,896.11</td>
<td>$399,479.56</td>
<td></td>
<td>$4,478,867.59</td>
</tr>
</tbody>
</table>

## Normal Expenditures

| 19 County Service Chrg | $1,630,230.00 | | | | |

## Administrative Office and Engineering

| 21 Utilities | $293,540.00 | $54,347.38 | $18,569.27 | 19% | $239,192.62 |
| 22 Postage and Printing | $141,000.00 | $10,156.90 | $717.53 | 7% | $130,843.10 |
| 24 Office Equipment Maintenance | $40,000.00 | $10,574.20 | $6,247.01 | 5% | $145,825.80 |
| 08/13/13 Con 559 Four Winds Group MMIS Phases I & II | $40,000.00 | | | | |
| 24b | $917.66 | | | | $40,917.66 |

9-2013 WU Budget Status
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>$541,999.80</td>
<td>$20,757.44</td>
<td>$4,800.24</td>
<td>4%</td>
<td>$521,242.36</td>
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<tr>
<td>27a</td>
<td>$8,008.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$8,008.00</td>
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<tr>
<td>27b</td>
<td>$1,205.00</td>
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<td>$ -</td>
<td>0%</td>
<td>$1,205.00</td>
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<tr>
<td>27c</td>
<td>$75,000.00</td>
<td>$75,000.00</td>
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<td>$ -</td>
<td></td>
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<tr>
<td>27d</td>
<td>$515,460.00</td>
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<td>$515,460.00</td>
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<td>27e</td>
<td>$7,837.50</td>
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<td>$ -</td>
<td>0%</td>
<td>$7,837.50</td>
</tr>
<tr>
<td>27f</td>
<td>$113,507.16</td>
<td>$28,655.06</td>
<td>$7,078.59</td>
<td>25%</td>
<td>$84,852.10</td>
</tr>
<tr>
<td>28</td>
<td>$25,228.00</td>
<td>$948.25</td>
<td>$948.25</td>
<td>4%</td>
<td>$24,279.75</td>
</tr>
<tr>
<td>29</td>
<td>$43,820.00</td>
<td>$4,461.43</td>
<td>$4,208.23</td>
<td>10%</td>
<td>$39,558.57</td>
</tr>
<tr>
<td>30</td>
<td>$155,000.00</td>
<td>$4,417.74</td>
<td>$1,674.55</td>
<td>$150,582.26</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>$20,000.00</td>
<td>$1,440.71</td>
<td>$288.65</td>
<td>7%</td>
<td>$18,559.29</td>
</tr>
<tr>
<td>32</td>
<td>$80,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$80,000.00</td>
</tr>
<tr>
<td>32c</td>
<td>$43,600.00</td>
<td>$43,600.00</td>
<td>$43,600.00</td>
<td>$43,600.00</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>$88,340.00</td>
<td>$14,189.81</td>
<td>$3,179.31</td>
<td>15%</td>
<td>$74,160.19</td>
</tr>
<tr>
<td>34</td>
<td>$46,000.00</td>
<td>$7,843.63</td>
<td>$2,751.66</td>
<td>17%</td>
<td>$38,156.37</td>
</tr>
<tr>
<td>35</td>
<td>$20,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$20,000.00</td>
</tr>
<tr>
<td>36</td>
<td>$86,500.00</td>
<td>$11,659.32</td>
<td>$1,843.79</td>
<td>13%</td>
<td>$74,656.21</td>
</tr>
<tr>
<td>36.2</td>
<td>$22,718.04</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$22,718.04</td>
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<td>36.3</td>
<td>$230,000.00</td>
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<tr>
<td>37</td>
<td>$86,500.00</td>
<td>$339.59</td>
<td>$229.17</td>
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<td>$86,270.83</td>
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<td>38</td>
<td>$20,000.00</td>
<td>$721.69</td>
<td>$516.12</td>
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<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
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<td>-----------------</td>
<td>---------------------------------</td>
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<tr>
<td>OPERATIONS AND MAINTENANCE:</td>
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<tr>
<td>40</td>
<td>Vehicle - Materials &amp; Service</td>
<td>150,000.00</td>
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<td>41</td>
<td>Vehicle - Fuel</td>
<td>208,550.00</td>
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<td>42</td>
<td>Utilities</td>
<td>95,600.00</td>
<td>$ 18,407.27</td>
<td>$ 4,873.12</td>
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<td>43</td>
<td>Meter Parts</td>
<td>8,300.00</td>
<td>$ 604.05</td>
<td>$ 241.62</td>
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<tr>
<td>43a</td>
<td>Electrical Parts</td>
<td>41,000.00</td>
<td>$ 1,293.56</td>
<td>$ 886.50</td>
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<tr>
<td>44</td>
<td>Miscellaneous</td>
<td>5,000.00</td>
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<td>44a</td>
<td>Misc. - Tapping Team</td>
<td>8,000.00</td>
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<tr>
<td>44b</td>
<td>Misc. - Drought Mitigation</td>
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<td>45</td>
<td>Contractual Services</td>
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<td>Con 540, FluidIQS, LLC, SCADA Maintenance</td>
<td>2,678.00</td>
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<td>Con 563 Glenmount Global Solutions, SCADA Maint</td>
<td>67,988.80</td>
<td>$ 27,184.56</td>
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<td>47</td>
<td>Materials and Supplies</td>
<td>404,000.00</td>
<td>$ 62,862.57</td>
<td>$ 22,227.63</td>
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<td>48</td>
<td>Collective Bargaining Items</td>
<td>30,000.00</td>
<td>$ 11,882.74</td>
<td>$ 9,633.26</td>
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<tr>
<td>51</td>
<td>Pump Electrical</td>
<td>3,445,000.00</td>
<td>$ 883,556.63</td>
<td>$ 301,818.15</td>
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<td>55</td>
<td>Purchase of Water</td>
<td>2,074,326.00</td>
<td>$ 305,825.81</td>
<td>$ 133,328.87</td>
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<td>58</td>
<td>Chemicals</td>
<td>73,000.00</td>
<td>$ 11,223.67</td>
<td>$ 3,385.67</td>
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<td>59</td>
<td>Safe Drinking Water</td>
<td>(60,000.00)</td>
<td></td>
<td></td>
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<tr>
<td>59.1</td>
<td>Act Program</td>
<td>70,000.00</td>
<td>$ 340.08</td>
<td>$ 150.24</td>
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<td>59.1</td>
<td>Con 576 Eurofins Eaton</td>
<td>60,000.00</td>
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<td>TOTAL OPERATIONS:</td>
<td>6,816,442.80</td>
<td>$ 1,387,840.45</td>
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<td>$ 5,428,602.35</td>
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<td>60</td>
<td>Insurance and Bonds</td>
<td>200,000.00</td>
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<tr>
<td>60a</td>
<td>Small Claims</td>
<td>10,000.00</td>
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<td>61</td>
<td>Workmen's Compensation Insurance</td>
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<td>$ 6,477.15</td>
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<td>62</td>
<td>Retirement System</td>
<td>862,254.53</td>
<td>$ 145,487.40</td>
<td>$ 59,611.47</td>
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<td>63</td>
<td>FICA Taxes - Employer's</td>
<td>425,015.92</td>
<td>$ 68,583.59</td>
<td>$ 28,007.78</td>
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<td>64</td>
<td>Health, Life, &amp; Dental (EUTF)</td>
<td>531,052.00</td>
<td>$ 70,189.80</td>
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<tr>
<td>65</td>
<td>Unemployment Compensation</td>
<td>3,204.00</td>
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2,178,322.45  253,941.34  118,222.73  1,684,980.61
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<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
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<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Life Insurance - Retirees &amp; OPEB</td>
<td>$879,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
<td>$879,000.00</td>
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<tr>
<td><strong>EMPLOYEE BENEFITS</strong></td>
<td><strong>$3,057,322.45</strong></td>
<td><strong>$293,941.94</strong></td>
<td><strong>$118,222.73</strong></td>
<td>10%</td>
<td><strong>$2,763,380.51</strong></td>
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<td><strong>TOTAL NORMAL EXPENDITURES:</strong></td>
<td><strong>$14,388,076.41</strong></td>
<td><strong>$1,986,337.12</strong></td>
<td><strong>$713,090.32</strong></td>
<td>14%</td>
<td><strong>$12,401,739.29</strong></td>
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<td><strong>DEBT SERVICE REQUIREMENT:</strong></td>
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<td></td>
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<tr>
<td>SRF Loan Job 97-5 Hanapepe River Crossing</td>
<td>$92,478.16</td>
<td>$48,496.67</td>
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<td>$45,981.49</td>
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<td>SRF Loan Job 97-6</td>
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<tr>
<td>SRF Loan Job 98-33 WK-21</td>
<td>$29,856.44</td>
<td>$14,912.88</td>
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<td>$14,743.46</td>
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<td>$94,475.02</td>
<td>$47,502.46</td>
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<td>50%</td>
<td>$46,972.56</td>
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<td>SRF Loan Job 98-6 WK-07 Omelias 0.2 MG Tank</td>
<td>$61,111.47</td>
<td>$30,724.86</td>
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<td>50%</td>
<td>$30,386.61</td>
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<tr>
<td>SRF Loan Job 97-11 WK-03 16&quot; W/L Along Kuhio Hwy</td>
<td>$173,833.00</td>
<td>$87,497.13</td>
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<td>50%</td>
<td>$86,425.87</td>
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<td>DOW Bond 2005 Issue</td>
<td>$108,850.00</td>
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<tr>
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<td>$55,356.25</td>
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<tr>
<td>SRF Loan Job 96-2 KP-07 KP-08 16&quot; W/L on Poipu Rd</td>
<td>$398,285.85</td>
<td>$195,212.96</td>
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<td>$193,072.89</td>
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<tr>
<td>SRF Loan Job WK-42 PH1 Stable 1.0 MG Tank</td>
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<td>$295,024.12</td>
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<td>$291,977.41</td>
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<td>SRF Loan Job KW-27 Kaumualii Hwy 12&quot; Main Repl</td>
<td>$320,751.29</td>
<td>$161,192.34</td>
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<td>50%</td>
<td>$159,558.95</td>
</tr>
<tr>
<td>SRF Loan Job K-7, LO-13 Wahia, Wawae &amp; Niho Rds</td>
<td>$156,248.96</td>
<td>$78,522.31</td>
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<td>$77,726.65</td>
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<td>DOW Bond Series 2010A</td>
<td>$4,777,552.48</td>
<td>$3,335,440.34</td>
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<td>70%</td>
<td>$1,442,112.14</td>
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<tr>
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<td>$18,750.00</td>
<td>$875.00</td>
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<td>$17,875.00</td>
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<td>SRF Loan Job Kapililao 0.5 MG Tank</td>
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<td>$158,243.81</td>
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<td>$156,680.64</td>
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<td>DOW 2011A</td>
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<td>$77,200.00</td>
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<tr>
<td>DOW Bond 2012A, Issue Series 2005A Refunded SRF Loan Job 97-1</td>
<td>$114,187.50</td>
<td>$57,093.75</td>
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<td>50%</td>
<td>$57,093.75</td>
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<td>SRF Loan Job 97-1 Kokolau Tunnel Repairs</td>
<td>$122,582.09</td>
<td>$61,645.37</td>
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<td>$60,936.72</td>
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<td>SRF Loan Job 96-4 Kapililao Valley Well</td>
<td>$66,082.22</td>
<td>$33,233.69</td>
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<td>$32,848.33</td>
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<td>Provision for Additional Debt Service Requirement</td>
<td>$400,000.00</td>
<td>$ -</td>
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<td></td>
<td>$400,000.00</td>
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<td><strong>TOTAL DEBT SERVICE REQ</strong></td>
<td><strong>$8,580,514.59</strong></td>
<td><strong>$5,304,646.73</strong></td>
<td><strong>$ -</strong></td>
<td>62%</td>
<td><strong>$3,275,867.86</strong></td>
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<tr>
<td><strong>TOTAL SALARIES, NORMAL EXPENDITURES, AND DEBT SERVICE REQUIREMENTS:</strong></td>
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<tr>
<td>$8,624,354.70</td>
<td>$8,467,879.96</td>
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<td>$20,156,474.74</td>
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9-2013 WU BUDGET STATUS
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<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
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<tbody>
<tr>
<td><strong>CAPITAL EXPENDITURES</strong></td>
<td></td>
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<tr>
<td>101 Capital Improvements</td>
<td>$ (92,000.00)</td>
<td>$ 7,297,003.00</td>
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<td>7,115,003.00</td>
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<td>101b Capital Rehabilitation</td>
<td>$ 250,410.00</td>
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<td>-</td>
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<td>$ 250,410.00</td>
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<tr>
<td>Misc. Other Capital</td>
<td>$ (73,436.32)</td>
<td>$ (8,212.47)</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
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<tr>
<td>102 Expenditures, OPS</td>
<td>$ 350,000.00</td>
<td>$ 20,379.23</td>
<td>$ 15,996.56</td>
<td>7%</td>
<td>$ 257,971.98</td>
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<td>103 Office and Engineering</td>
<td>$ 780,000.00</td>
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<td>$ 705,691.44</td>
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<td>105 Recording Meters</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
<td>-</td>
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<tr>
<td>106 Vehicles and Equipment</td>
<td>$ (115,000.00)</td>
<td>$ 465,000.00</td>
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<td>$ 350,000.00</td>
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<td>Con557 cancelled 7/10/13</td>
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<td>rounding differences</td>
<td>$ (0.42)</td>
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<td>106b CIP Reserve Fund</td>
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<td><strong>PAGE 5 SUBTOTALS</strong></td>
<td>$ 27,389,697.87</td>
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<td>ITEM</td>
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<td>----------------------------------</td>
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<tr>
<td>107</td>
<td>Purchase of Meter and Meter Boxes</td>
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<td>Contract #368, Job 97-7 KP-06a Wagner Eng. Replace Lawai Rd 8&quot; W/L</td>
<td>100</td>
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<td>540</td>
<td>Contract #369 (103) Century Computers Job 98-17 Fin. Acctg.</td>
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<td>561</td>
<td>Con 384 (101) LO-07 Fukunaga &amp; Assoc. Job 99-8 Drill Omao Wall No. 1</td>
<td>79,860.00</td>
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<td>586</td>
<td>Con 401 Control Mfg. Co. Job 94-4 SCADA Systems</td>
<td>63,088.49</td>
<td>&quot;FINAL&quot;</td>
<td>$</td>
<td>62,637.87</td>
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<td>Con 403 RM Towill Corp WK-28 Job 02-15 Wallua Halts W/L Repl</td>
<td>63,625.00</td>
<td>35,600.00</td>
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<td>18,620.00</td>
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<td>588</td>
<td>Con 404 Fukunaga &amp; Assoc. WK-32 Job 02-18 Kapaa Hnstds W/L Repl</td>
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<tr>
<td>591</td>
<td>Con 406 Wagner Eng. Inc. H-01 H-02 H-03 Job 02-17 Maka Ridge Deepwell, Tank</td>
<td>12,309.00</td>
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<td>601</td>
<td>Con 420 HI Pacific Eng. Job 02-08 HE-08 Elelele Twin 0.4 MG Tanks</td>
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<tr>
<td>607</td>
<td>Con 425 HI Pacific Eng. Job 02-21PLH-37 Rehab &amp; Deepen Existing Wells</td>
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<td>609</td>
<td>Con 426 Brown Caldwell Job 03-02 HW-02, HW-03 A-04, KW-06 Renovations Wainiha Booster, Haena Steel Tank, Anahola 0.15 MG Tank, Kekaha Shaft</td>
<td>23,838.49</td>
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<td>610</td>
<td>Con 428 Esaki Surveying M-01, M-02 Job 02-11 Molaa 50,000 Gal</td>
<td>125,200.00</td>
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<td>28,420.00</td>
<td>15,930.00</td>
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<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
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<tr>
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<td>----------------------------------</td>
<td>-----------------------------</td>
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<tr>
<td>638</td>
<td>11/16/05 (101b, 106b) Con 453 Bell Collins Hi PLH-30 Job 05-05 Nawiliwili, Niulii &amp; Kupolo Main</td>
<td>![Image] 5,228.00</td>
<td>-</td>
<td>0% $ 18,228.00</td>
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<td>647</td>
<td>06/10/06 (101b) Con 462 Eng Solutions Inc now Kennedy/Weis Consultant KW-05 KW-20 Job 04-06 Waiheka Well A &amp; Koko A B</td>
<td>![Image] 1,447.00</td>
<td>-</td>
<td>0% $ 1,447.00</td>
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<tr>
<td>651</td>
<td>9/11/06 (101b) Con 466 Brown &amp; Caldwell KW-28 Job 06-01 Amtac Shaft Rennovation, State Well No. 5842-02 Phase 1A</td>
<td>![Image] 540,235.78</td>
<td>-</td>
<td>0% $ 540,235.78</td>
<td></td>
</tr>
<tr>
<td>668</td>
<td>01/14/08 (101) Con 484 Wagner Eng. Services Job 02-01 Kukulono Tank Site Exchange, Kalae</td>
<td>![Image] 5,210.47</td>
<td>-</td>
<td>0% $ 5,210.47</td>
<td></td>
</tr>
<tr>
<td>694</td>
<td>9/1/2011 Con 538, Esaki Surveying &amp; Mapping, Inc. Job 11-05, As Needed Surveying Services</td>
<td>![Image] 30,000.00</td>
<td>-</td>
<td>0% $ 30,000.00</td>
<td></td>
</tr>
<tr>
<td>696</td>
<td>9/22/2011 Con 545, SFSM International, Inc Job 11-01, As Needed Construction Management Services</td>
<td>![Image] 50,000.00</td>
<td>-</td>
<td>0% $ 50,000.00</td>
<td></td>
</tr>
<tr>
<td>697</td>
<td>11/23/11 BOD Con 552, Goodfellow Brothers Job 02-15, WK-28; Waialua Hse-Its Main Replacement</td>
<td>![Image] 3,622,435.61</td>
<td>2,238,603.11</td>
<td>$ 1,383,818.92</td>
<td>59% $ 1,583,832.50</td>
</tr>
<tr>
<td>698</td>
<td>Con 555, Lyon Associates Job 11-10, K-18; 8-inch Main Replacement, Halelu Rd, Kalae</td>
<td>![Image] 33,370.49</td>
<td>-</td>
<td>0% $ 33,370.49</td>
<td></td>
</tr>
<tr>
<td>700</td>
<td>9/22/2011 Con 545, AECOM Technical Svc Job 11-11, J-17, PLH-42 Water Treatment Facilities</td>
<td>![Image] 56,213.69</td>
<td>15,678.83</td>
<td>28% $ 40,334.86</td>
<td></td>
</tr>
<tr>
<td>702</td>
<td>Con 539, Mears Group, Inc. PLH-03, Kahili Directionally Drilled Horizontal Well</td>
<td>![Image] 1,549,438.00</td>
<td>6,550.00</td>
<td>0% $ 1,542,888.00</td>
<td></td>
</tr>
<tr>
<td>703</td>
<td>Con 553, Esaki Surveying &amp; Map Job 12-1; H-05, Weke, Ana, Mahimahi and Hee Road; 6&quot; and 8&quot; Main replacement</td>
<td>![Image] 115,567.17</td>
<td>-</td>
<td>0% $ 115,567.17</td>
<td></td>
</tr>
<tr>
<td>704</td>
<td>Con 557, Onahama, Job 11-07 HE-03 Hanapepe &amp; Koloa Well MCC Improvements</td>
<td>![Image] 50,015.00</td>
<td>215,143.80</td>
<td>58,761.80</td>
<td>27% $ 106,367.00</td>
</tr>
<tr>
<td>705</td>
<td>Con 558, R. Electric Job 12-8; Kalepa Back</td>
<td>![Image] &quot;FINAL&quot; 11,602.26</td>
<td>11,602.26</td>
<td>100% $ -</td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-----------------</td>
<td>-----------------------------------</td>
<td>-----------------------------</td>
<td>------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Con 560, EMA Inc. IT Review &amp; Assessment Planning &amp; Implementation</td>
<td>221,500.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$ 221,500.00</td>
</tr>
<tr>
<td>Con 561, Goodfellow Brothers Job 02-19; WK-12; Main Replacement, Kuhio Hwy, Waialua</td>
<td>904,722.53</td>
<td>648,890.93</td>
<td>$ 322,997.32</td>
<td>72%</td>
<td>$ 255,831.60</td>
</tr>
<tr>
<td>Con 564, R. Electric, Inc. Furnish &amp; install, reduced Voltage soft starters, Power Factor Correction Capacitors, Surge Protective Devices.</td>
<td></td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$ 51,150.35</td>
</tr>
<tr>
<td>Con 566, Ko'ula Engineering &amp; Job 04-03, WK-30, Pipeline replacement along Wai'pio Rd &amp; Olomana Road</td>
<td>1,281,071.70</td>
<td>529,393.20</td>
<td>-</td>
<td>41%</td>
<td>$ 751,678.50</td>
</tr>
<tr>
<td>Con 569, Inter Pacific Motors, Inc. (1) 2WD Truck w/Cab &amp; Chassis with Service Body, underdeck PTO Air Compressor</td>
<td>99,160.98</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$ 99,160.98</td>
</tr>
<tr>
<td>Con 570, Glenmount Global Solutions, Inc., SCADA Server System Replacement and Upgrade</td>
<td>8,212.47</td>
<td>127,850.00</td>
<td>$ 53,850.00</td>
<td>78%</td>
<td>$ 44,597.00</td>
</tr>
<tr>
<td>Con 571, Allied Machinery Trailer mounted 125 KVA Emergency Diesel Generator</td>
<td>72,355.37</td>
<td>72,355.37</td>
<td>$ 72,355.37</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>Con 573 Pacific Pipe Co. GS-2013-5 Hydrants &amp; Appurtenances</td>
<td>291,094.10</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$ 291,094.10</td>
</tr>
<tr>
<td>Con 577 Oasis Water Systems EP-2013-1 Emergency Replace Pump &amp; Motor Lawai Well #2</td>
<td>73,436.32</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$ 73,436.32</td>
</tr>
<tr>
<td>8/26/13 (106 + 103) Con 575 Midpac Auto Center (1) SUV 4Dr 4WD &amp; (2) 4WD Extended Cab Pickup Truck</td>
<td>120,001.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$ 120,001.00</td>
</tr>
<tr>
<td>Con 578 Oshkosh &amp; Associates Job 12-04; HI-14 Hanapepe Elele BP Replace</td>
<td>92,000.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$ 92,000.00</td>
</tr>
<tr>
<td><strong>TOTAL CAPITAL EXPENDITURES:</strong></td>
<td><strong>37,741,398.18</strong></td>
<td><strong>3,922,438.19</strong></td>
<td><strong>1,947,727.03</strong></td>
<td></td>
<td><strong>33,818,959.99</strong></td>
</tr>
<tr>
<td><strong>TOTAL SALARIES, NORMAL EXPENDITURES, DEBT REQUIREMENTS AND CAPITAL EXPENDITURES:</strong></td>
<td><strong>37,741,398.18</strong></td>
<td><strong>3,922,438.19</strong></td>
<td><strong>1,947,727.03</strong></td>
<td></td>
<td><strong>33,818,959.99</strong></td>
</tr>
</tbody>
</table>
**STATEMENT OF REVENUES AND EXPENDITURES**  
**FACILITIES RESERVE CHARGE FUND**  
**September 30, 2013**

### REVENUES:
- Cash on hand as of July 1, 2013: $2,663,693.54
- Add: Revenues To Date: $414,980.86
- **Sub-Total**: $3,078,674.40

### EXPENDITURES:
- Less: Expenditures To Date
- **BALANCE AT THE END OF THE MONTH**: $3,078,674.40

### SHORT TERM INVESTMENTS - FRC

<table>
<thead>
<tr>
<th>BANK OF HAWAII</th>
<th>CUSIP#</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>CENTRAL PACIFIC BANK</td>
<td>CUSIP#</td>
<td>$</td>
</tr>
<tr>
<td>FIRST HAWAIIAN BANK</td>
<td>T30020279</td>
<td>0.1200% INT. DUE 02/14/14</td>
</tr>
<tr>
<td>MERRILL LYNCH</td>
<td>CUSIP#</td>
<td>$</td>
</tr>
<tr>
<td>MULTI-BANK</td>
<td>402194CU6</td>
<td>2.5000% INT. DUE 12/23/13</td>
</tr>
<tr>
<td></td>
<td>70455AAGS</td>
<td>2.3000% INT. DUE 12/31/12</td>
</tr>
<tr>
<td></td>
<td>92705SAE3</td>
<td>1.5000% INT. DUE 06/07/13</td>
</tr>
<tr>
<td></td>
<td>033420AX1</td>
<td>1.8000% INT. DUE 09/25/16</td>
</tr>
<tr>
<td></td>
<td>02005Q6MO</td>
<td>1.1000% INT. DUE 09/16/16</td>
</tr>
<tr>
<td>TDI (CSA)</td>
<td>CUSIP#</td>
<td>$</td>
</tr>
<tr>
<td>Vining Sparks</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL SHORT-TERM INVESTMENTS - FRC: $1,730,000.00

- Cash on With Treasurer - COK 09/30/13: $335,742.30
- Cash on Hand - FHB Savings (30-288435) 09/30/13: $677,526.99
- Due from WU: $140,065.11
- Due to WU: $140,065.11
- August Claims paid in August
- Less: CLAIMS FOR August 2013: $(4,600.00)

### CASH BALANCE AT THE END OF THE MONTH: $3,078,674.40
## DEPARTMENT OF WATER
County of Kauai
JULY 1, 2013 TO JUNE 30, 2014
September 30, 2013

### FACILITIES RESERVE CHARGE

<table>
<thead>
<tr>
<th>CASH RECEIPTS</th>
<th>BUDGETED RECEIPTS</th>
<th>ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>% BUDGET OVER ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 2,663,693.54</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 2,663,693.54</td>
</tr>
<tr>
<td>(FRC Refunds)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a Facilities Reserve Charge</td>
<td>$ 1,500,000.00</td>
<td>$ 264,800.00</td>
<td>$ 103,300.00</td>
<td>18% $ 1,235,200.00</td>
</tr>
<tr>
<td>5a Interest Earned</td>
<td>$ 12,000.00</td>
<td>$ 10,175.75</td>
<td>$ 2,081.33</td>
<td>85% $ 1,824.25</td>
</tr>
<tr>
<td>5b BAB Subsidy</td>
<td>$ 279,253.09</td>
<td>$ 140,005.11</td>
<td></td>
<td>50% $ 138,247.98</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$ 4,453,946.63</td>
<td>$ 414,980.86</td>
<td>$ 101,781.33</td>
<td>9% $ 4,038,965.77</td>
</tr>
</tbody>
</table>

### CAPITAL EXPENDITURES

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>% BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 FRC CIP</td>
<td>$ 150,003.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ 150,003.00</td>
</tr>
<tr>
<td>301b FRC Fund Balance</td>
<td>$ 1,532,886.75</td>
<td>$ -</td>
<td></td>
<td>0% $ 1,532,886.75</td>
</tr>
<tr>
<td>301c FRC Debt Service</td>
<td>$ 2,495,227.21</td>
<td>$ -</td>
<td></td>
<td>0% $ 2,495,227.21</td>
</tr>
<tr>
<td>302 Contract #322</td>
<td>$ 2,050.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ 2,050.00</td>
</tr>
<tr>
<td>303 GMP Assoc, Inc. Job 87-1</td>
<td>$ 10,500.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ 10,500.00</td>
</tr>
<tr>
<td>318 Con 457 Kodani &amp; Assoc Inc</td>
<td>$ 110,905.00</td>
<td>$ -</td>
<td></td>
<td>0% $ 110,905.00</td>
</tr>
</tbody>
</table>

9-2013 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>03/31/06 (301, 301b) Con 488 HDR Engineering WK-39 Kapaa Hmsids Well No. 4 Drill &amp; Test</td>
<td>$111,950.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$111,950.00</td>
</tr>
<tr>
<td>1/28/13 (301) Con 567 Esaki Surveying &amp; Mapping, Inc., Job 12-2, WK-23 UH Experimental Stn 605' Tank</td>
<td>$40,425.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$40,425.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$4,453,946.96</td>
<td>$ -</td>
<td>$ -</td>
<td>$4,453,946.96</td>
<td></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
BOND - BAB FUND
September 30, 2013

REVENUES:
Cash on hand as of July 1, 2013 $ 23,782,661.67
Accrued Interest Income at 6/30/13 $ 2,247,305.72
Add: Revenues To Date $ -
Sub-Total $ 26,029,967.39

EXPENDITURES:
Less: Expenditures To Date $ 686,944.93

BALANCE AT THE END OF THE MONTH $ 25,343,022.46

SHORT TERM INVESTMENTS - BOND

BANK OF HAWAII

FIRST HAWAIIAN BANK
CUSIP# 1052140 0.5580% INT. DUE 11/20/15 $ 22,700,000.00

TOTAL SHORT-TERM INVESTMENTS - BOND $ 22,700,000.00

CASH ON HAND WITH TREASURER - COK 09/30/13 799,813.11
BAB Bond Interest Earned with Bond Company 08/31/13 2,247,305.44
Claims Paid in September 2013 0.00
LESS CLAIMS FOR September 2013 09/30/13 (404,096.09) $ 2,643,022.46

BALANCE AT THE END OF THE MONTH $ 25,343,022.46
## BUILD AMERICA BONDS (BABs) - FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td></td>
<td>$ 23,782,661.67</td>
<td>$ -</td>
<td>-</td>
<td>$ 23,782,661.67</td>
</tr>
<tr>
<td>Interest Income, Accrued</td>
<td></td>
<td>$ 2,247,305.72</td>
<td>$</td>
<td>-</td>
<td>$ 2,247,305.72</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td></td>
<td>$</td>
<td>$ -</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>Interest Income, Accrued</td>
<td></td>
<td>$</td>
<td>$ -</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>Project Resources</td>
<td></td>
<td>$ 100,000.00</td>
<td>$</td>
<td>-</td>
<td>$ 100,000.00</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td></td>
<td>$ 26,129,967.39</td>
<td>$</td>
<td>-</td>
<td>$ 26,129,967.39</td>
</tr>
</tbody>
</table>

## CAPITAL EXPENDITURES:

<table>
<thead>
<tr>
<th>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>201-01 <strong>BOND - BAB, CIP</strong></td>
<td>$ (23,795.00)</td>
<td>$ 21,419,673.85</td>
<td></td>
<td>0%</td>
<td>$ 21,395,678.57</td>
</tr>
<tr>
<td>Encumbered Projects</td>
<td>$ 754,500.00</td>
<td>$</td>
<td></td>
<td></td>
<td>$ 754,500.00</td>
</tr>
<tr>
<td>5/11/2010 CON 513</td>
<td></td>
<td>$</td>
<td></td>
<td>0%</td>
<td>$ 57.00</td>
</tr>
<tr>
<td>Jennings Pacific, LLC Job No. 02-18, WK - 32</td>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td>$ 57.00</td>
</tr>
<tr>
<td>Kapaa Hmstds Pipe Repl</td>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td>$ 57.00</td>
</tr>
<tr>
<td>6/30/10 CON 516</td>
<td></td>
<td>$ 924,290.38</td>
<td>$ 166,869.64</td>
<td>18%</td>
<td>$ 757,420.74</td>
</tr>
<tr>
<td>Unlimited Builders, LLC Job No. 03-02, HW-02,</td>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td>$ 757,420.74</td>
</tr>
<tr>
<td>Wainiha Booster Pump Stn</td>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td>$ 757,420.74</td>
</tr>
<tr>
<td>9/30/10 Con 520 (201-01) Fukunaga &amp; Associates</td>
<td></td>
<td>$</td>
<td></td>
<td>0%</td>
<td>$ 241,960.00</td>
</tr>
<tr>
<td>Job # 10-01, Ani-01a</td>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td>$ 241,960.00</td>
</tr>
<tr>
<td>Pipeline Repl - Anini RD</td>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td>$ 241,960.00</td>
</tr>
<tr>
<td>9/30/10 Con 519 (201-01) Park Engineering</td>
<td></td>
<td>$</td>
<td></td>
<td>0%</td>
<td>$ 14,102.70</td>
</tr>
<tr>
<td>Job # 10-02, Upsizing of the Kaumualii Hwy. 16&quot;</td>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td>$ 14,102.70</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$ 23,330,788.65</td>
<td>$ 166,869.64</td>
<td></td>
<td>1%</td>
<td>$ 23,163,919.01</td>
</tr>
</tbody>
</table>
## BUILD AMERICA BONDS (BABs) - FUND

<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>225 Con 405 3rd n 4th Amm Kodani &amp; Associates, Inc. Job 02-19, KW-12 Waipouli Main Repl Wailua-Kapa'a</td>
<td>$3,651.28</td>
<td>$1,900.00</td>
<td>$1,900.00</td>
<td>52%</td>
<td>$1,751.28</td>
</tr>
<tr>
<td>592 6/28/11 Con 409 Esaki Surveying &amp; Mapping, Inc.; Job 02-16, WK-35, P/L replace - Wailua</td>
<td>$23,264.35</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>$23,264.35</td>
</tr>
<tr>
<td>230 Con 529 (201-01) Oceanic Company, Inc. Job 02-08, HE-08 Rehabilitation of Keleele Twin 0.4 MG Steel Tanks</td>
<td>$433,425.72</td>
<td>$377,823.97</td>
<td>$377,823.97</td>
<td>87%</td>
<td>$55,601.75</td>
</tr>
<tr>
<td>621 Kodani &amp; Associates, Inc. Kilauea 1.0 MG Tank and Pipeline, Ph I (fr W/U)</td>
<td>$86,040.20</td>
<td>$57,890.00</td>
<td>-</td>
<td>-</td>
<td>$28,150.20</td>
</tr>
<tr>
<td><strong>SUB - TOTAL</strong></td>
<td><strong>$546,381.55</strong></td>
<td><strong>$437,613.97</strong></td>
<td><strong>$379,723.97</strong></td>
<td>-</td>
<td><strong>$108,767.58</strong></td>
</tr>
<tr>
<td>CAPITAL EXPENDITURES:</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURE S TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>----------------------</td>
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<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Con 530 (201-01) Earthworks Pacific 231 Job 02-19, WK-12 Waipouli Main Replacement</td>
<td>$211,787.34</td>
<td>$</td>
<td>-</td>
<td>0%</td>
<td>$211,787.34</td>
</tr>
<tr>
<td>Con 427 (201-01) Belt Collins Hawaii, Ltd. 232 Job 02-14, Kapaa Hmstds 0.5 MG Storage Tank &amp; Kapahi 1.0 MG Storg Tank</td>
<td>$25,817.34</td>
<td>$</td>
<td>-</td>
<td>0%</td>
<td>$25,817.34</td>
</tr>
<tr>
<td>Con 427 (201-01) Belt Collins Hawaii, Ltd. 608 Job 02-14, Kapaa Hmstds 0.5 MG Storage Tank &amp; Kapahi 1.0 MG Storg Tank</td>
<td>$25,922.00</td>
<td>$</td>
<td>-</td>
<td>0%</td>
<td>$25,922.00</td>
</tr>
<tr>
<td>Con 533 (201-01) Belt Collins Hawaii, Ltd. 233 Job K-01, K-12, Kalaeo 1111' and 1222 Water System Improvements</td>
<td>$412,148.82</td>
<td>$</td>
<td>-</td>
<td>0%</td>
<td>$412,148.82</td>
</tr>
<tr>
<td>Job 10-02, MOA Dept of Transportation/Kiewit-Kaumualii Hwy widening, Anonui Rd and Lihue Mill Bridge. 236</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>$198,023.00</td>
<td>$</td>
<td>-</td>
<td>0%</td>
<td>$198,023.00</td>
</tr>
<tr>
<td>Con 544, HONUA Engineering, Job 11-04 (L-08, L-10) Water Main Replacement &amp; Service Improvement 238</td>
<td>$29,654.95</td>
<td>$</td>
<td>-</td>
<td>0%</td>
<td>$29,654.95</td>
</tr>
<tr>
<td>6/28/11 Con 512 - Architects Hawaii, Ltd., Job No. PLH-39; Lihue Baseyard Improvements for DOW 692</td>
<td>$1,542.70</td>
<td>$1,466.25</td>
<td>$1,466.25</td>
<td>95%</td>
<td>$76.45</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$24,933,093.62</td>
<td>$605,949.86</td>
<td>$381,190.22</td>
<td>25.00%</td>
<td>$24,327,143.76</td>
</tr>
<tr>
<td>CAPITAL EXPENDITURES:</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURE S TO DATE</td>
<td>EXPENDITURE S FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
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<td>---------------------------------------------</td>
</tr>
<tr>
<td>Con 542, (201-01) MEI Corporation Job 02-17, H-01, H-02, H-03 Maka Ridge Facilities Rehab &amp; Princeville Interconnection Plan</td>
<td>$ 886,705.12</td>
<td>$ 52,569.20</td>
<td>8%</td>
<td>$ 634,135.92</td>
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</tr>
<tr>
<td>Con 543, (201-01) Oceant Laboratories, Inc Job 11-03, M-03 Land &amp; Well Acquisition, Moloa and Waimea, Kauai</td>
<td>$ 75,615.00</td>
<td>$ 5,520.00</td>
<td>7%</td>
<td>$ 70,095.00</td>
<td></td>
</tr>
<tr>
<td>Con 457, (201-01) Kodani &amp; Associates Inc Job 05-02, H-8, HW-12 Drill &amp; Test Hanalei Well #2 &amp; Wainihia Well #4</td>
<td>$ 32,430.00</td>
<td>-</td>
<td>0%</td>
<td>$ 32,430.00</td>
<td></td>
</tr>
<tr>
<td>Contract 550 (201-01) Honua Engineering, Inc Job 11-06, WK-01</td>
<td>$ 81,340.00</td>
<td>-</td>
<td>0%</td>
<td>$ 81,340.00</td>
<td></td>
</tr>
<tr>
<td>Con 551, (201-01) Esaki Surveying &amp; Mapping, Inc Job K-05A, Kukuiolono 0.5 MG 886' Tank</td>
<td>$ 202,766.65</td>
<td>-</td>
<td>0%</td>
<td>$ 202,766.65</td>
<td></td>
</tr>
<tr>
<td>Con 429, Esaki Surveying &amp; Mapping, Inc Job 02-11, M-02, 100,000 Gal. Tank &amp; Pipeline, Moloa</td>
<td>$ 94,222.00</td>
<td>-</td>
<td>0%</td>
<td>$ 94,222.00</td>
<td></td>
</tr>
<tr>
<td>8/28/13 (201-01) Con 428 Brown &amp; Caldwell Job 03-02 Wainihia Pump Stn + Haena Steel Tank HW-02+03</td>
<td>$ 23,785.00</td>
<td>$ 22,906.87</td>
<td>$ 22,905.87</td>
<td>$ 889.13</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
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<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$ 26,129,967.39</td>
<td>$ 686,944.93</td>
<td>$ 404,096.09</td>
<td>$ 25,443,022.46</td>
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<td>---------</td>
<td>----------------</td>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>$2,346,892</td>
<td>$2,389,827</td>
<td>$42,935</td>
<td>1.83%</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>$4,399,666</td>
<td>$4,918,306</td>
<td>$518,640</td>
<td>11.79%</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>$6,828,224</td>
<td>$7,671,889</td>
<td>$843,665</td>
<td>12.36%</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>$9,056,386</td>
<td>$9,818,946</td>
<td>$762,560</td>
<td>8.42%</td>
<td></td>
</tr>
</tbody>
</table>

**AFS error in billing AJE $288,133**

BILLED REVENUES COMPARATIVE REPORT
AS OF OCTOBER 2013 & 2014


BILLED REVENUES COMPARATIVE CHART
As of October, FY 2013 & 2014

1 revenue comparison
<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>Cum. Inc (Dec)</th>
<th>% of Inc (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$1,964,915</td>
<td>$2,594,170</td>
<td>$629,255</td>
<td>32%</td>
</tr>
<tr>
<td>August</td>
<td>$4,275,571</td>
<td>$5,157,089</td>
<td>$881,518</td>
<td>21%</td>
</tr>
<tr>
<td>September</td>
<td>$6,370,743</td>
<td>$7,551,676</td>
<td>$1,180,934</td>
<td>19%</td>
</tr>
<tr>
<td>October</td>
<td>$9,006,500</td>
<td>$10,458,869</td>
<td>$1,452,369</td>
<td>16%</td>
</tr>
<tr>
<td>November</td>
<td>$11,197,586</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>$13,332,029</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>$15,496,524</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>$17,978,954</td>
<td>$0</td>
<td></td>
<td></td>
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<tr>
<td>March</td>
<td>$20,124,259</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>$22,135,604</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>$23,853,871</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>$25,268,445</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CASH RECEIPTS COMPARATIVE REPORT
AS OF OCTOBER 2013 & 2014

Cash Receipts Comparative Chart
As of October, FY 2013 & 2014
<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>CUM. INC (DEC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>436,238</td>
<td>391,161</td>
<td>-45,077</td>
</tr>
<tr>
<td>August</td>
<td>797,837</td>
<td>774,839</td>
<td>-22,998</td>
</tr>
<tr>
<td>September</td>
<td>1,213,013</td>
<td>1,191,526</td>
<td>-21,487</td>
</tr>
<tr>
<td>October</td>
<td>1,597,947</td>
<td>1,520,781</td>
<td>-77,166</td>
</tr>
</tbody>
</table>

**METERED CONSUMPTION (000 GALLONS) COMPARATIVE REPORT**

**AS OF OCTOBER 2013 & 2014**

(expressed in thousands)

**WATER CONSUMPTION COMPARATIVE CHART**

As of October, FY 2013 & 2014
PR SPECIALIST REPORT

November 21, 2013

Press Releases:

• Released October 8, 2013 – The Department issued a scheduled water outage for the Wainiha area from 9 a.m. to 1 p.m., on Thursday, Oct. 10, to accommodate a system transfer.

• Released October 8, 2013 – The Department corrected the date on its door-to-door notifications regarding the scheduled water outage in the Wainiha area for Thursday, Oct. 10.

• Released October 8, 2013 – The Department announced it postponed its roadwork on Kuhio Highway’s southbound contra-flow lane fronting Coconut Marketplace due to weather conditions. All lanes were open on Wednesday. The partial closure of Kuhio Highway was rescheduled for Thursday, Oct. 10 from 8 a.m. to 3:30 p.m.

• Released October 9, 2013 – The Department announced the completion of a capital rehabilitation project for the ‘Ele’ele water system. The project involved the rehabilitation of two 0.2 MG steel tanks and improvements of the control building, connecting waterlines, drainage, security, accessibility and landscaping.

• Released October 15, 2013 – The Department issued a water conservation request for the Kilauea community. DOW’s systems were experiencing low water pressure due to an electrical power outage.

• Released October 15, 2013 – The Department issued a water conservation request for the Lihue and Hanamaulu area. DOW’s systems were experiencing low water pressure due to an electrical power outage.

• Released October 16, 2013 – The Department announced that the water conservation requests for Lihue, Hanamaulu and Kilauea areas were lifted and water systems were back in full operation.

hawaiiahe.com:

• Published October 16, 2013 (online) – “Water Conservation Request Issued for Lihue, Hanamaulu” (see attached) by hawaiiahe.com

TGI Articles:

• Published October 15, 2013 (online) – “Breaking News: Lihue and Hanamaulu residents asked to conserve water” by TGI Staff (see attached)

• Published October 26, 2013 (online) – “Wootens Produce, DOW get conservationist nods” by Dennis Fujimoto (see attached)

• Published October 30, 2013 – “Water and ag panel discussion Monday” by Chris D’Angelo (see attached)

• Published November 5, 2013 – “What to do with farming’s future” by Chris D’Angelo (see attached)

Connect-CTY Messages:

Wailua Houselots experienced scheduled shutdowns on November 5, 6, 12, 13 and 14. PR is working with Operations and Construction Management on how to improve communication strategies regarding future consecutive scheduled shutdowns.
East & West SWCD:
The Department of Water was the selected location for the East & West Soil Water Conservation Districts “Outstanding Water Conservationists for 2013” awards ceremony. Members of SWCDs, DOW, Board of Water and award recipients – John and Nandanie Wooten of Wooten’s Produce, and Dow AgroSciences – were in attendance at the October 22nd ceremony.

Conservation:
A conservation half-page ad was published in the 2013 holiday issue of Kaua‘i Family Magazine (see attached). A copy of the ad can also be viewed in the magazine’s digital issue at http://issuu.com/kauaifamily/docs/kfm_holiday_2013_issue_final_pdf

Career Day:
Jeff Mendez and Sandi Nadatani-Mendez represented the Department and attended Wilcox Elementary School’s career day on October 30. Jeff gave a presentation about Information Technology to four Kindergarten classes. Students were given shower timers and pencils as gifts from the Department.

Senior Citizen Steering Committee Water Update Meeting
Carl Arume and David Craddick gave presentations to the Senior Citizen Steering Committee on October 29, at the Lihue Neighborhood Center. Carl presented the difference between tap water and bottled water. He explained the pros and cons for each, showing that bottled water is very useful when on-the-go, but that tap water really is the most economic and highly-tested choice. David presented the Department’s current rates and the benefits of the Kahili horizontal directionally drilled well proposal. Many of the attendees asked great questions and all were very appreciative for the information presented.

Kauai Planning & Action Alliance Meeting
PR attended the Kauai Planning & Action Alliance (KPAA) meeting on November 4, at Kauai Community College. A water and agriculture panel discussed, “The State of Water and Agriculture on Kauai.” Presenters on the water panel were University of Hawaii SeaGrant Extension’s Dr. Adam Asquith, Water Expert David Craddick, and Kauai Surfrider Foundation’s Dr. Carl Berg. Dr. Asquith’s presentation covered Kauai’s streams and groundwater conditions. He gave reasons why additional sources of groundwater should be sought, and supported DOW’s proposed horizontal well. David Craddick’s presentation covered the Water Use and Development Plan and rainfall projections. Dr. Carl Berg’s presentation covered the island’s water quality and stated statistics about pollution.

Miscellaneous:
• Attended Skillpath Seminar “The Conference for Adobe Photoshop Users,” on Thursday, October 31, at the Doubletree Alana Hotel Waikiki. Learned new tools and design methods that can be used for future graphic design projects such as newsletters, flyers and advertisements for the Department.
• Attended an Employee Council (EC) meeting on November 8 to recap the 10th Annual Spooktacular Halloween Event and to begin planning for the County’s 10th Annual Holly Jolly event scheduled for December 13. The DOW received praise from the EC for
manning the public hospitality table. Improvements were discussed for next year. Special thanks to Kirk Saiki, Mary-jane Garasi and Kim Tamaoka for volunteering their time to keep the refreshments flowing throughout the evening. Also a special thanks to Mary-jane Garasi, Christine Erorita and Kim Tamaoka for participating in the pumpkin carving contest for the Department.

- At the time of this report, the Fun Committee has announced the upcoming Family Fun Day Potluck in Poipu on November 16, at Kukuiula Boat Harbor. All DOW staff, board members and family were invited to attend.

Respectfully submitted,

Kim Tamaoka
Public Relations Specialist

Attachments:

TGI, “Breaking News: Lihue and Hanamaulu residents asked to conserve water” dated October 15, 2013
TGI, “Wootens Produce, DOW get conservationist nods” dated October 26, 2013
TGI, “Water and ag panel discussion Monday” dated October 30, 2013
TGI, “What to do with farming’s future” dated November 5, 2013
KFM 2013 Holiday ad
KAUAI

Water Conservation Request Issued For Līhu‘e, Hanamā‘ulu

Posted on October 16, 2013 by hawa6217

By Staff Reports

(LĪHU‘E)—The Department of Water (DOW) is issuing a water conservation request for the Līhu‘e and Hanamā‘ulu area until further notice. Residents and businesses are asked to limit water consumption to essential uses only.

The DOW’s system is experiencing low water pressure due to a recent electrical power outage caused by Monday night’s storm. Water conservation will allow the water storage tank serving the Līhu‘e and Hanamā‘ulu area to refill to normal levels, thus providing higher water pressure.

Essential water needs includes: cooking; bathing; and toilet flushing.

Water conservation measures include: refraining from car washing; reducing outdoor irrigation; and using water wisely indoors and outdoors.

The DOW thanks Līhu‘e and Hanamā‘ulu residents and visitors for conserving water during this time, and for their patience while crews work to restart systems.

For more information, please call the Department of Water at 245-5455 during business hours, 7:45 a.m. to 4:30 p.m. or Police Dispatch at 241-1711 after business hours.

http://hawaiiahe.com/2013/10/16/water-conservation-request-issued-lihue-hanamau/
LIHUE — The Department of Water (DOW) is issuing a water conservation request for the Lihue and Hanamaulu area until further notice.

Residents and businesses are asked to limit water consumption to essential uses, such as cooking, bathing and toilet flushing, only.

Water conservation measures include refraining from car washing, reducing outdoor irrigation, and using water wisely indoors and outdoors.

The DOW’s system is experiencing low water pressure due to a recent electrical power outage caused by Monday night’s storm. Water conservation will allow the water storage tank serving the Lihue and Hanamaulu area to refill to normal levels, thus providing higher water pressure.

For more information, call the Department of Water at 245-5455 during business hours, 7:45 a.m. to 4:30 p.m., or Police Dispatch at 241-1711 after business hours.
Wooten’s Produce, Dow get conservationist nods

LIHUE — John Wooten remembers reading copies of “Organic Gardening” while his mother worked the farm in California.

“I want to dedicate this award to my mother because as a youngster, I read copies of ‘Organic Gardening’ to learn about mulch,” Wooten said. “I piled mulch everywhere and my mom thought it was disgusting. But I told her, ‘your generation created the dust bowl, our generation is going to transform it back to fertile land.’”

Wooten, along with his wife Nandanie Wooten of Wooten’s Produce of Kauai, were announced one of two conservationists of the year by the East and West Soil and Water Conservation Districts Tuesday during an informal gathering at the county’s Department of Water.

Dow Agrosciences was announced the winner of the West Kauai Soil and Water Conservation District by Peter Towsend for its efforts at transforming an aging irrigation system.

“Today’s agricultural land users face the challenge of working with aging infrastructure from Kauai’s former sugar plantations,” Towsend said. “Much of the equipment is useable and farmers often make-do with what is available, despite it being inefficient and old.”

Towsend said this includes the irrigation systems from the sugar cane fields.

“But what if wasting water and low water quality are not acceptable?’ Towsend said. “Wasting water is not only expensive, it can also reduce the available water as well as the quality for both people and the environment.

When Dow Agrosciences opened its doors four years ago, it faced a challenge of fixing 17-year-old filter stations and more than 100 tanks leaking about 30 gallons of water each day.

Leaks in the stations made it difficult to remove sediments, particulates and debris from the water — factors which can plug the irrigation lines used to water their fields.

Keith Horton, Dow Agrosciences project lead for the renovation project, said Dow was pleased to partner...
with the West Kauai Soil and Water Conservation District to address the problems it faced.

Dow Agrosciences applied nearly $250,000 toward replacing the old water filter stations and water tanks, resulting in saving more than a million gallons of water annually.

“For farming, if the right water practices are not used, plants may not get the right moisture resulting in greatly reduced productivity,” said Ed Kawamura Jr., representing the East Kauai Soil and Water Conservation District, presenting the award to the Wootens. “John and Nandanie of Wooten’s Produce of Kauai face this challenge through their entire operation, using innovative ideas and working with the Natural Resource Conservation Service to create a farm with the best water efficiency, working toward their ultimate goal of creating a ‘naturally harmonious ecosystem.’”

Some of the practices on the Anahola farm include installation of several hundred feet of main water pipeline leading to the farm’s micro-irrigation system which provides water directly to the plants.

• Dennis Fujimoto, staff writer and photographer, can be reached at 245-0453 or dfujimoto@thegardenisland.com.

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3 comments:

• **RVLeaf** posted at 5:59 pm on Sat, Oct 26, 2013.

  Posts: 143

  Rakelashanti: Big MAHALO, to your statement. exactly. it’s similar to the food prize to Monsanto, or the Nobel peace prize to Obummer. same fake stunts, while they enjoy the real good money, delusional grouping of ignorant pretenders. they need lot's of prayer, and time to research the information, that can freely be seen. i would like to charge two of them with Anthropogenic Ecocide, and Genocide. they have no idea, what they are really doing. mahalo

  • Log In to report.
  • Link

• **rakelashanti** posted at 12:57 pm on Sat, Oct 26, 2013.

  Posts: 3

  Dow criminal GMO poisoning the Island playing PR.

  • Log In to report.
  • Link

• **MichaelMann** posted at 11:54 am on Sat, Oct 26, 2013.

  Posts: 259
I'm sure it must have chafed the Wooten's hides to share the stage with one of the "evil" ag companies.

Don't quite get why you would dedicate an award to someone who found what you were doing "disgusting," but rationality hasn't been a hallmark of much of what goes on here.
LIHUE — Water and agriculture have been identified by members of the Kauai Planning and Action Alliance as top issues impacting Kauai and its future.

Both will be addressed during a panel discussion Monday as part of the KPAA’s fall membership meeting.

“The State of Water & Agriculture on Kauai” begins at 2 p.m. at Kauai Community College.

Two panels of guest speakers have been invited to address the topics, offer their visions, challenges to overcome, initiatives and suggestions for what actions are needed, according to a release for the event.

Diane Zachary, president and CEO of KPAA, said the event will help ensure members have a better understanding of the complexity of the issues.

The guest panelists on water will be Adam Asquith of the University of Hawaii SeaGrant Extension, Dr. Carl Berg of the Surfrider Foundation Kauai Chapter and David Craddick, manager of the Kauai Department of Water.

Panelists confirmed to speak on agriculture are George Costa, director of the county Office of Economic Development, and Ray Maki, owner and operator of Permaculture Kauai.

Every few years, KPAA members identify and select issues that the organization should focus on for the next few years, according to Zachary.

“That’s how our current goals related to park improvements, support for education and sustainability were developed,” she wrote in an email.

In the spring, KPAA surveyed its members and the general public, asking where it could be of assistance. Three issues rose to the top, according to Zachary.

“The condition of our county and state parks continues to be a priority and goal for KPAA,” she wrote. “Water and agriculture were identified as the two other top priorities.”

Suggestions received by KPAA for improving agriculture on Kauai included making land available for and supporting development of small, sustainable enterprises, as well as improving access to healthy foods. For water, suggestions included restoring the health of Kauai’s reefs, preventing runoff and sand migration, considering the impacts of climate change on rainfall and water supply, and encouraging water conservation, according to Zachary.

KPAA is a nonprofit organization that has been serving Kauai for the past decade by fostering dialogue and taking action on difficult issues facing the island, in partnership with volunteers serving on committees and action teams, according to the release.
Mondays discussion is from 2 to 5 p.m. in KCC’s OCET Building, Room 106C/D. Pre-registration is required for the free event. Contact KPAA at 632-2005 or kpaa-info@kauainetwork.org.
PUHI — “Farming is not just an economic endeavor,” Ray Maki said. “It’s a personal and spiritual endeavor.”

And it’s an endeavor that bears no fruit without water.

Maki, owner and operator of Permaculture Kauai, was one of six panelists to discuss “The State of Water and Agriculture on Kauai” during the Kauai Planning and Action Alliance’s fall membership meeting Monday afternoon.

In addition to county and state parks, the KPAA has identified water and ag as top issues impacting Kauai and its future.

About 70 people attended the discussion, held at Kauai Community College.

Attendee Isobel Storch is the owner of a small, 1-acre organic farm in Puhi.

“Obviously, land and water issues are of great concern to us,” she said. “Clearly, we would like to see more farmland become available to small farmers. Small plots, one to five acres available at reasonable rents, with available good, clean water that’s not polluted.”

Right now, she said that doesn’t seem to be an option.

“I was sort of hoping today to get some idea of whether there was going to be support for doing that,” she said. “It’s hard because you really don’t have the overall support to be a successful farmer.”

Each of the six guest panelists — three on water and three on ag — offered their vision for the future, challenges to overcome, initiative and suggestions.

For small Kauai farmers, Maki said marketing and distribution continue to be major problems.

“Supporting the small farmer here on Kauai is not just an economic choice, but it’s a sociological issue that supports not only our economy, but our people and strong cultural health,” he said.

Panelist Gary Ueunten and his wife, Glenna, operate a small, third generation farm on Kauai, started by
his grandparents in the 1930s. He said major challenges include susceptibility to pests and diseases, limited resources and marketing.

Moving forward, Ueunten said partnerships and cooperatives will be keys to success.

"We need professionalism in agriculture," he said. "We need to raise the bar. We need farmers to be correct in everything they do. Raise the right crops. Make a profit. Protect the environment. And we need to build our image. And that's maybe one way we can attract new farmers."

George Costa, director of the county Office of Economic Development, discussed a number of initiatives and projects at the county level.

One major challenge, according to Costa, is convincing the younger generation to consider farming as a career. He said the county must begin grooming the farming community.

"We're going to need to look at raising our own farmers," he said. "And my understanding is the average age of a farmer here on Kauai is well over 57 years of age."

Panelists on water included Adam Asquith of the University of Hawaii SeaGrant Extension, Dr. Carl Berg of the Surfrider Foundation Kauai Chapter and David Craddick, who just resigned as manager of the Kauai Department of Water.

Asquith said Kauai must find a balanced use of its waters. Today, most surface water on the island is either completely unused, or over used.

"The law in Hawaii demands a balanced use of water," he said.

Among other things, Craddick discussed the purpose of DOW's proposal for a high level, horizontal well on Mount Kahili, which is to stop using existing water wells which are negatively impacting the flow of nearby streams.

Berg shared detailed information about water quality around the island, and said one of the greatest polluters of ocean waters and streams is agriculture.

"There is an old adage that the solution to pollution is dilution, you just add more water," he said. "But that has led us into a terrible fate because it makes the assumption that that pollution is just magically going to go away. And it doesn't."

When it comes to water and agricultural issues on Kauai, Diane Zachary, president and CEO of KPAA, said there is no simple solution, but that she hopes Monday's event was the beginning of an ongoing discussion.

"There are just lots of different ways we can all take action," she said.

For more information, visit KPAA's website at www.kauainetwork.org of call 632-2005.

• Chris D'Angelo, environmental reporter, can be reached at 245-0441 or cdangelo@thegardenisland.com.
The Department of Water wishes everyone a Merry Christmas and a Prosperous 2014

Water Has No Substitute... Conserve It!
It is better to sweep your driveway than to hose it down because there is no need to waste water. Think about water, and when you do, think about conserving it.

For more water saving tips visit www.kauaiwater.org

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Eugenia Man Photography

bellies | babies | children
eugeniaman.com | photographer@eugeniaman.com | 510.708.0583

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Aloha Island Properties
EXCEEDING YOUR EXPECTATIONS

HAPPY HOLIDAYS, FROM OUR HOME TO YOURS!

---

The Best Place for Nails
ProfessionNAIL
...our reputation is on your hands!

Congratulations Kaua'i Family Magazine on your Third Year Anniversary! We are looking forward to flipping through your pages and reading about family-friendly events and activities that are happening on our island.

Mahalo for bringing this resource to Kaua'i's families!

Happy Holidays!

Kukui Grove Shopping Center
3-2600 Kaumualii Hwy #1504
Lihue, HI 96766
(808) 245-9299
Operations Division Report for the Month of October 2013

Personnel

- Interview for the long vacant Waterworks Investigator II is scheduled for first week of November.

Source and Storage

- In-house replacement of old motors with premium efficiency motors at twelve (12) various remote sites were completed on October 26th. Sites replaced with premium efficiency motors are:
  - KCC Well – 50Hp
  - Puhi Well 5B – 75Hp
  - Kapilimao Well – 60Hp
  - Maka Ridge – 30Hp
  - Kilauea Well #1 – 125Hp
  - Garlinghouse Well – 50Hp
  - Anahola Well A – 50Hp
  - Koloa Well A – 100Hp
  - Hanapepe Well A – 60Hp
  - Nonou Well B – 75Hp
  - Nonou Well C – 75Hp
  - Koloa Well D – 100Hp

Distribution

- Operations crews continue to perform leak repair of service laterals and mainlines including those that were damaged by contractors performing work for Water Plan 2020 as well as assist Water Plan 2020 project management section in operating valves.
- Assisted other Divisions in preparing water outage notifications by preparing the paper handouts and delivering door-to-door notices.
- Five (5) temporary Hydrant meters were installed.
- Forty one (41) water meters were issued for new installations and replacement requests.

Fleet, Inventory, Warehouse and Baseyard Area

- We received a total of 53 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including 11 called-in complaints of no water and low pressure while 2 calls were received for high pressure.
- For the month of October, a total of two hundred sixty four (264) work orders were issued for Operations Division. Works included: electrical repairs and maintenance, automotive repairs and maintenance, water meter installation and replacement, service lateral installations, leak repairs, well and tank site maintenance, replace damaged meter boxes, replace damaged or leaking hydrant, Hawaii One Call request for markings, door-to-door
customer notifications for tie-ins of new lines to existing lines, callouts due to customer complaints/reports.

- Of the 162 work Orders issued in September, 126 were completed.

Respectfully submitted,

[Signature]

Valentino P. Reyna
Chief, Operations Division

VPR: ein

Attachments: Overtime Chart
Leak Report Chart

Work Orders by Job Reason Code for Selected Date Range

08-Nov-2013

10/01/2012 to 10/31/2013

<table>
<thead>
<tr>
<th># of W/O’s</th>
<th>Job Reason Code</th>
<th>Description</th>
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</thead>
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<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
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<tr>
<td>1</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
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<tr>
<td>78</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
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<tr>
<td>96</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
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</table>

Work Orders by Job Reason Code

- LEAK-BOX: 8 (4.4%)
- LEAK-CUST: 1 (0.5%)
- LEAK-MAIN: 78 (42.6%)
- LEAK-S/L: 96 (52.5%)

Total: 100.0%

Number of Leak Repairs per Month

- LEAK-BOX
- LEAK-CUST
- LEAK-MAIN
- LEAK-S/L
MANAGER’S UPDATE

November 21, 2013

MANAGER’S UPDATE for November 2013

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

(1) RE: 6th Amendment to Contract No. 466 with Brown & Caldwell to extend to February 28, 2014 with no additional funding

FUNDING:

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<th>Account Nos. 101b, 106b</th>
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<td>Contract No. 466: Brown and Caldwell</td>
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<td>$537,137.00</td>
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<td>Second Contract Amendment</td>
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<td>Fourth Contract Amendment</td>
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<tr>
<td>Fifth Contract Amendment</td>
<td>&lt;$121.00&gt;</td>
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</tbody>
</table>

Total Amount Certified | $699,147.00

Sixth Contract Amendment (time extension to restart project) | $0.00

NO ADDITIONAL FUNDS REQUESTED | $0.00

Total Funding Balance | $699,147.00

BACKGROUND:

The results of some important water quality parameters (including total coliform and E. coli) from the first pumping test and water quality sampling conducted in 2008 were positive and raised a question on whether deleterious constituents were present in the water. The Department determined the need to conduct additional water quality sampling for AMFAC Shaft 11 to evaluate if the water supply should be categorized as ground water under the influence (GWUDI) of surface water that would trigger more extensive and costly water treatment measures to develop AMFAC Shaft 11 as a potable water source. The Department informed Brown and Caldwell that it needed more time to conduct additional water quality testing, and would be handling the work with Department staff and equipment. As a result, all other Phase 1B tasks have been on hold since then pending the additional water quality test results.

In March 2012, based upon the updated water quality results, both the Department and the Consultant agreed to restart the project. Brown and Caldwell submitted an amended proposal from the original scope of services of Phase 1B. The additional fees are based on the following information:

- Original scope of work and fee estimate as shown on Exhibits A and B respectively of Amendment No. 5 to Contract No. 466 – Job No. 06-01 (KW-28)
- Current status and remaining tasks for phase 1B
• Brown and Caldwell current professional services rates and other direct costs

In order to prepare an updated DOH Engineering Report, Task 1B3 of Phase 1B, the following will be performed:

• Brown and Caldwell will provide management of remaining work related to Tasks 1B1 and 1B3 and coordinate with the Department, DOH and other regulatory agencies to obtain information needed for the project
• For Task 1B1 – Pumping Capacity and Water Quality Evaluation Report, Brown and Caldwell will coordinate with the Department to update the final AMFAC Shaft 11 Pumping Capacity and Water Quality Evaluation Report.
• For Task 1B3 – Department of Health (DOH) Engineering Report, Brown and Caldwell will coordinate with the Department to revise the pre-final DOH engineering report.
• For Task 1B4 – Basis of Design Inspection and Report, Brown and Caldwell will defer completion of this Task as requested and the work to be undertaken will be discussed with the Department after completion of Task 1B3.

The additional lump sum fixed fee for professional services for completing Task 1B1 and 1B3 can be performed under the funding allocated for Task 1B5 (Deductive Task Item), and at no additional cost to the Department of Water. The proposed level of compensation of a lump sum fee of $55,691.00 for completing Tasks 1B1 and 1B3 includes Hawaii general excise tax (GET) and would leave a balance of $13,021.00 available for Task 1B5 (Deductive Task item).

The Department issued a notice to proceed with the terms of the subject contract and tasks superseded by the revised fee proposal dated March 7, 2012. We reviewed Brown and Caldwell’s amended proposal for the additional scope of services and find it acceptable; therefore, all work shall be completed and submitted on or prior to February 28, 2014.

PUMP INSTALLATION PERMITS:
None

WAIVER RELEASE & INDEMNITY APPLICATIONS:
None

PERSONNEL MATTERS UPDATE

November 6, 2013

PERSONNEL FILES
The Department of Water (DOW) continues to submit the official employee medical records to the Department of Personnel Services (DPS). The official personnel records are in the process of being sent to the DPS as well. This is with the mutual understanding that copies of new documents placed by DPS in the medical and personnel files of DOW employees shall be forwarded to the DOW.
RECRUITMENT AND POSITION CHANGES

Operations Division
1. Assistant Chief of Water Operations #2400. Request to recruit submitted to the Department of Personnel Services.
3. Pipefitter #2456. Requested list of eligibles.
6. Waterworks Electronics/Plant Electrical Tradesperson I #2311. Pending list of eligibles.

Fiscal Division
2. Accountant IV #2304 (Billing). Interviews held.
3. Billing Section Position Re-descriptions. DPS finalizing requested actions.
4. Procurement Specialist IV #New Position. DPS finalizing position description.

Engineering Division, Construction Management (CM) Division, Water Quality Division and Water Resources & Planning Division
1. Civil Engineer II #2458. DOW reviewing duties.
2. Civil Engineer V #2358. Pending clearance from DPS.
3. Civil Engineer VI #2430 (EM5) Engineering Division. Interview held.
4. Project Assistant #2484 re-description. Pending DPS review.
5. Waterworks Project Manager #2351 re-description. Pending DPS review
7. Waterworks Inspector III #2353. DOW to submit request to DPS to recruitment.
9. Civil Engineer I #2360 (Water Resources & Planning Div.) Selection pending.

Administration
1. Clerical Assistant (Community Relations). Pending position number assigned by DPS.
3. Computer Systems Support Technician #2492. Pending clearance from DPS.
4. HR Coordinator #2489. Pending DPS review.
5. Private Secretary #E-35. Pending DPS review.

SUMMARY OF WARRANT VOUCHERS PAID – October 31, 2013
Warrant vouchers were paid in the amount of $1,631,342.60
Please see attached Warrant Vouchers Report.

STAFF REPORTS - FY 13-14:

Conveyance of Water Facility:
   TMK: 4-4-010:023 Kawaihau $7000.00
2. Seina Holdings, LLC
   TMK: 4-4-003:004 Kawaihau $13800.00
   Total $20,800.00
CC&B BILLING SYSTEM UPDATE:

November 12, 2013

It has been 10 (ten) months since going live.

Phase 2 began in May with Credit and Collections (C&C), Late Payment Charges (LPC) and new rates. New Rates went into effect on July 1, 2013.

On August 29th we received word that HBWS stopped the Credit & Collections Process. CC&B were manually handled until end of business day on September 19th. On September 20th business was back as usual. The impact on the collection process to Kauai was limited. UPDATE: As of October 7, 2013 the C&C threshold was upped to $300 to enter or cancel Collections. Bill Max Threshold increased and has shown less Hi/Lo ToDo’s as well as System Estimated Bills. We’ve also been proactive in notifying customer of high usage/bills.

Sandi is working with Andrea on a Payment Arrangement Agreement for customers who have high water bills.

Phase 3 will be implemented after Phase II which will include Summary Billing, Low Groundwater Condition, and Web Services.

On June 14, 2013 the department implemented eBill & eStatement where our customers can view their bills online. On October 7, 2013, 294 customers have signed up with eBill and eStatement and 86 out of the 294 customers have elected to receive their bill electronically thereby saving the department paper & postage. As of November 12, 2013, 343 customers have signed up with eBill and eStatement and 104 out of the 343 customers have elected to receive their bills electronically.

On September 30, 2013 - Mel Yamase, one of the main people involved in CC&B has retired leaving a hole in the Billing Section. Sandi has been assigned temporarily to assume the vacant Accountant IV position until the Department fills the position.

Since October, staff has been verifying meter reads to make sure the transponders are still working; they have also been catching customers who had illegal usages from meters who are properly activated.

IT STRATEGIC PLAN UPDATE:

November 12, 2013

The Novation has been executed naming BRIO as the lead, and BRIO has provided a Performance Bond for the project.

Training has been finalized for December 5th, 6th, 9th, and 10th. Training will be provided on typical water utility accounting practices with work sessions thereafter to review and refine the mapping of the DOW chart of accounts.

AFFORDABLE HOUSING UPDATE:

The Council is holding meetings regarding affordable housing. We will be monitoring the discussion and provide input if needed.
COMMUNITY DISCUSSION REGARDING WATER RATE USE AND OTHER WATER RATE RELATED ISSUES.
The DOW has done an informational meeting for the Senior Citizen Steering Committee comprised of 50-60 members on October 29th to talk about the DOW’s current water rates and any concerns that the members may have. Our PR Specialist, Kim Tamaoka has transmitted a report on what transpired during the meeting.

FY 2012-2013 Financial Statement Audit Report
The Board has approved the draft financial statements for the DOW for FY 12-13 at its Special Board meeting dated November 14, 2013 and has been transmitted to the County Finance Department to meet the County’s CAFR (Comprehensive Annual Financial Report) deadline.

A final will be given to the Board in the December 19, 2013 Board meeting along with the DOW’s Single Audit Report.

Respectfully submitted,

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

KS:mjg
Mgrp/Manager’s Update (11-21-13):mjg

### DEPARTMENT OF WATER

**Summary of Warrant Vouchers Paid**

**October 31, 2013**

#### WATER UTILITY FUND

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Other Expenses, Department of Water</td>
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<tr>
<td>Capital Expenditures</td>
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<tr>
<td>Other Expenses, Department of Water</td>
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<tr>
<td>Normal Expenditures</td>
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<tr>
<td><strong>TOTAL WATER UTILITY FUND</strong></td>
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#### BOND FUND

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#### F R C FUND

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<tr>
<td>KODANI &amp; ASSOCIATES, INC.</td>
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#### BOND - BAB

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<th>Description</th>
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<td>MEI CORPORATION</td>
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<td><strong>TOTAL BAB BOND FUND</strong></td>
<td>$146,916.95</td>
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**TOTAL CLAIMS PAYABLE** $1,631,342.60

#### WATER UTILITY FUND

**10/31/13 AP** $1,424,064.65

**VOID CK#020166** $80.91 $1,424,145.56

#### BOND FUND

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#### F R C FUND:

**10/31/13 AP** $60,361.00 $60,361.00

#### BOND - BAB:

**10/31/13 AP** $146,916.95 $146,916.95

#### BANK TRANSFER -

$1,631,423.51

**Bank Transfer Adjustments:**

**VOID CK#020166** $80.91

$1,631,342.60

1,631,342.60

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**TOTAL NORMAL EXPENDITURES**

$603,688.25
## NOVEMBER 22, 2013 BOARD MEETING

### WATER UTILITY FUND

#### DEPARTMENT OF WATER

**October 31, 2013**

### CAPITAL EXPENDITURES:

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#### SUB-TOTAL

$16,063.15

### WATER UTILITY FUND

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**CONTRACT PAYMENTS - WU**

$804,313.25

**TOTAL WATER UTILITY -CAPITAL EXPENDITURES**

$820,376.40

### BOND

**CONTRACT PAYMENTS - BOND:**

$-

### FRC

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**FRC PAYMENTS**

$60,361.00

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**CONTRACT PAYMENTS - BAB**

$146,916.95

**TOTAL CAPITAL EXPENDITURES**

$1,027,654.35
2010 Bond Encumbrance and Spend Down Status (Dollars)