WEDNESDAY, NOVEMBER 21, 2018

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 26, 2018

E. CORRESPONDENCE/ANNOUNCEMENTS
1. Correspondence from Mr. Donald Heacock regarding Statement of Grievances and Relief Sought, Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-03-003:016, Niumalu, Kaua‘i, dated October 18, 2018

2. Correspondence from Mr. David Penn, Attorney for Mr. Donald Heacock regarding Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-03-003:016, Niumalu, Kaua‘i, dated November 14, 2018

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS

G. OLD BUSINESS
   1. Manager’s Report No. 18-82 - Discussion and Possible Action on the Status Update on Water Plan 2020

H. NEW BUSINESS
   1. Manager’s Report No. 19-22 – Discussion and Possible Action on the DOW’s response to Mr. Don Heacock’s correspondence regarding Statement of Grievances and Relief Sought, Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-03-003:016, Niumalu, Kaua‘i, dated October 18, 2018
H. **NEW BUSINESS (cont’d)**


3. *Manager’s Report No. 19-24* - Discussion and Possible Action on the Revised Table of Organization for the Department of Water’s Operations


5. Resolution No. 19-06 – Farewell to Peter Spinoso (Retiree), Operations Equipment Operator II, Operations Division

6. Election of Officers for 2019

7. Board Meeting Dates for 2019

I. **CONSENT CALENDAR**

1. *Manager’s Report No. 19-26* - Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for the Water System Improvements at Coconut Beach Resort, affecting the following:
   a. SPD II Makaiwa Resort Development, LLC, TMK: (4) 4-3-002:15&16, Kapa’a, Kaua‘i, Hawai‘i

2. *Manager’s Report No. 19-27* - Discussion and Possible Action to approve a Grant of Easement Agreement for the Ala Kukui‘ula Phase 3B, Ala Kukui‘ula Phase 3A and Parcel A projects, affecting the following:
   a. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-015:01, Koloa, Kaua‘i, Hawai‘i (Easement W-1)
   b. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:21, Koloa, Kaua‘i, Hawai‘i (Easement W-2, W-3, W-7, and W-10)
   c. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:20, Koloa, Kaua‘i, Hawai‘i (Easement W-4, W-5, and W-9)
   d. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:19, Koloa, Kaua‘i, Hawai‘i (Easement W-6)
   e. McBryde Sugar Company, LLC, TMK: (4) 2-6-003:32, Koloa, Kaua‘i, Hawai‘i (Easement W-8)
   f. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:23, Koloa, Kaua‘i, Hawai‘i (Easement AU-1)
   g. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:24, Koloa, Kaua‘i, Hawai‘i (Easement AU-2)
   h. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:22, Koloa, Kaua‘i, Hawai‘i (Easement AU-3)
I. CONSENT CALENDAR (cont’d)

3. Manager’s Report No. 19-28 - Discussion and Possible Action on the Conveyance of Water Facility from Kukui‘ula Development Company (Hawaii), LLC., for the Ala Kukui‘ula Phase 3A (S-2013-16) Project, TMK: (4) 2-6-022:021 & 023, and (4) 2-6-015:015, Koloa, Kaua‘i, Hawaii


J. STAFF REPORTS

MONTHLY

1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures
   a. October Monthly Summary Budget
   b. Accounts Receivable Aging Summary

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

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

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

K. 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 § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as they may relate to Kiai Wai O Waialeale v. Department of Water, et al., Civil No. 18-1-0063 (Environmental Court)

2. Pursuant to Hawai‘i Revised Statutes § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as they may relate to Proportionate Cost Share Agreements for private developers with Water Master Plans

L. TOPICS FOR NEXT WATER BOARD MEETING (December 2018)

1. Resolution - Farewell to Warren Rita (Retiree), Lead Pipefitter, Operations Division

2. Resolution - Mahalo and Aloha Board Member, Sherman Shiraishi

3. Department of Water’s Capital Improvement Projects for 2019-2020 (Update)

4. IT Strategic Plan Presentation
L. **TOPICS FOR NEXT WATER BOARD MEETING (cont’d) (December 2018)**
   5. Discussion and Possible Action for Board Approval to enter into a Land Exchange Agreement between the Director of Finance, County of Kaua‘i, the Board of Water Supply, County of Kaua‘i, and Bank of Hawai‘i, a Hawai‘i corporation, by its division Pacific Century Trust, successor by merger to Hawaiian Trust Company, Limited, as Trustee under that certain indenture made between Walter D. McBryde and said Hawaiian Trust Company, Limited, dated August 20, 1918, recorded in the Bureau of Conveyances of the State of Hawai‘i in Liber 498 at Page 488, as amended from time to time, to enter into a Land Exchange Agreement affecting:
      a. County of Kaua‘i, TMKs: 2-3-005:006, 2-3-005:007; and
      b. Bank of Hawai‘i, a Hawai‘i corporation, TMKs: 2-3-005:025

M. **TOPICS FOR FUTURE WATER BOARD MEETINGS**
   1. Workshop presentation regarding the Table of Organization
   2. Department of Water Performance Audit (Update)
   3. Discussion and Possible Action to hire a consultant to provide a Policy in the Development of Priorities for the Current Rate Study & 2018-2019 Budget Process for:
      a. Capital Budget
      b. Operating Budget
      c. Reserves
      d. Debt
   4. Request Board Approval of Resolution for Employee of the Year (January 2019)
   5. Workshop presentation regarding the Master Plan of the Department of Water’s former Administration Building, Baseyard, Micro Lab, Information Technology (2019)

N. **UPCOMING EVENTS**
   1. Annual Employee Meeting (December 7, 2018)
   2. AWWA HWWA & HWEA 6th Annual Joint Conference (February 19-21, 2019)
   3. AWWA ACE 20th Conference, Denver, Colorado (June 9-12, 2019)
   4. HWWA/HRWA Conference, Honolulu, Hawai‘i (TBA)

O. **NEXT WATER BOARD MEETING**
   1. Friday, December 28, 2018, 10:00 a.m.
   2. Friday, January 25, 2019, 10:00 a.m.
   3. Friday, February 22, 2019, 10:00 a.m.
   4. Friday, March 22, 2019, 10:00 a.m.

P. **ADJOURNMENT**
Draft Minutes
MEETING MINUTES
BOARD OF WATER SUPPLY
October 26, 2018

The Board of Water Supply, County of Kaua’i, met in regular meeting at the Board Conference Room in Lihue on Friday, October 26, 2018. Chair Beth Tokioka called the meeting to order at 10:03 a.m. The following Board members were present:

BOARD: Ms. Beth Tokioka, Chair
Mr. Sherman Shiraishi, Vice Chair
Mr. Lyle Tabata
Ms. Laurie Ho
Mr. Michael Dahilig
Mr. Thomas Canute
Mr. Lawrence Dill (exited @ 10:03 a.m. before Roll Call, re-entered @ 10:06 a.m.)

Quorum was achieved with 6 members present at Roll Call.

STAFF: Mr. Bryan Wienand
Mr. Valentino Reyna
Mr. Eddie Doi
Mr. Marcelino Soliz
Mrs. Jonell Kaohelaulii
Mr. Carl Arume
Mr. Eric Fujikawa
Deputy County Attorney Mahealani Krafft

Mr. Dustin Moises
Mr. Michael Hinazumi
Mrs. Sandi Nadatani-Mendez
Mr. Ryan Smith
Mr. Jeff Mendez
Mrs. Sandi Nadatani-Mendez
Mr. Jason Fujinaka
Mrs. Mary-jane Akuna

C. ACCEPTANCE OF AGENDA
Mr. Dahilig moved to approve the agenda as circulated; seconded by Mr. Canute; with no objections motion carried with 6 ayes.

At 10:06 a.m., Mr. Dill re-entered the meeting.

D. MEETING MINUTES
Review and approval of:
Regular Board Meeting – September 28, 2018

Mr. Shiraishi moved to approve as amended the Regular Board Meeting minutes of September 28, 2018; seconded by Mr. Tabata; with no objections motion carried with 7 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS
None.

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS
None.

G. OLD BUSINESS
1. Manager’s Report No. 18-82 – Discussion and Possible Action on the Status Update on Water Plan 2020

DISCUSSIONS:
Mr. Dahilig posed several questions regarding Question No. 1 - For the Puhi-Lihu’e-Hanama’ulu water system - Where are the deficiencies in the system with respect to providing water service to future development? The Planning Department’s goals include providing housing for local residents. Mr. Dahilig
stressed water is needed to build affordable housing and that water in the Līhu'e/Puhi area is urgent. He asked what points of infrastructure are deficient? Is it with the water treatment plant not having enough water? Is it with transmissions lines with certain areas that need to be upgraded? Does storage need to be upgraded? What specific projects are needed?

Board action in these areas are critical with a need for 4,000 units to be built by 2035 with a growth rate of 1% a year with the local population. Housing is added at that rate to meet the demand that will increase housing prices which drives local residents leaving Kaua'i. He added that the Water Plan updates need to be pushed up soon.

Manager Wienand mentioned the 250 units in Question No. 1, and asked Mr. Dahilig if it was for the existing source capacity vs. specific source, storage capacity? Mr. Dahilig is looking at this from a tracking backwards perspective and referred to Question No. 4 regarding the projected need for housing development in the Līhu'e/Puhi area. He asked what needs to happen to do that? What source elements need to be taken care of? What storage and transmission requirements are needed (dollars & cents)?

Manager Wienand will provide an updates on Mr. Dahilig’s specific questions for the November Board meeting with respect to source and storage, and he noted that transmission facilities are complex in nature. Source and storage would be comparatively simple to address where there is shortage.

Mr. Dill asked if there are other areas on the island slated for growth in the General Plan? Mr. Dahilig said a predominant area for growth is Kalāheo, Kōloa, Lāwai'i, Omao and Po'ipū (South Kaua'i) by keeping housing close to jobs. There are 2,000+ homes projected for in-fill and development. By the Department making investments in those areas, are these private projects for growth? In-fill projects? If there are private developments, are these projects moving forward in a timely basis? Need to make sure infrastructure is available to avoid a bottleneck.

Mr. Dahilig said if there are better levies that can be done by in the loop construction, rather than relay on the Department to put infrastructure in, this could be communicated better. He said development is not a linear process, having the information available to developers if they are looking into a greenfield, helps the Department to communicate for help in sharing the cost of the construction in this area.

Manager Wienand mentioned the Department is working toward executing a contract for the next Water Plan document which is high priority. The Department has been extremely busy with the Facility Reserve Charge (FRC) requests related to the grace period which may go into December, but at the start of the new year there will be a strong emphasis put on moving the next Water Plan forward.

Manager Wienand will also include an update on Questions No. 1 and the discussion on the South Kaua'i areas relative to source, storage, and transmission for each system.

H. NEW BUSINESS

1. Resolution No. – 19-03 – Farewell to Gloria Rafael (Retiree), Meter Reader/Field Collections Supervisor, Fiscal Division

Mr. Dahilig moved to approve and adopt Resolution No. – 19-03 – Farewell to Gloria Rafael (Retiree), Meter Reader/Field Collections Supervisor, Fiscal Division; seconded by Mr. Dill; with no objections, motion carried with 7 ayes.

2. Resolution No. 19-04 – Discussion and Adoption of Resolution No. 19-04, Mahalo Department of Water Participants 2018 Make a Splash Water Festival
DISCUSSION:
The Board thanked Mrs. Kaohelaulii and her team for a successful Make a Splash Water Festival. Mrs. Kaohelaulii extended her thanks to everyone that participated in Make a Splash (community volunteers, staff and Board members). Participants present at the meeting were part of the photo op with the Resolution.

Ms. Ho moved to approve and adopt Resolution No. 19-04 – Discussion and Adoption of Resolution No. 19-04, Mahalo Department of Water Participants 2018 Make a Splash Water Festival; seconded Mr. Tabata; with no objections, motion carried with 7 ayes.

3. Manager’s Report No. 19-19 - Discussion and Possible Action for Board Approval to enter into a Memorandum of Agreement between the Director of Finance, County of Kaua‘i and the Board of Water Supply, County of Kaua‘i to share the costs of remediation of TMKs: 2-3-005:006 and 2-3-005:007

BACKGROUND:
Manager Wienand explained that the Department of Water (DOW) is working to obtain the land rights for an existing Kalāheo tank site, the site includes a tank in service and space for a new tank that is under design which will be constructed adjacent to the existing tank to supplement storage. There is an abandoned tank nearby since the early 2000’s which is owned by the County of Kaua‘i (COK) located in Kukui‘olono Golf Course, a McBryde property. Referring to Exhibit A, Page 40 – TMK: 2-3-005-015 is owned by McBryde Trust, the site of existing DOW tank and future 0.5 MG tank. Parcels owned by the COK are TMK: 2-3-005:006, 2-3-005:007.

A three-way agreement needs to start between the DOW, COK and McBryde Trust. Manager Wienand said the Department will benefit from obtaining land rights to the existing site tank which is currently leased by McBryde Trust. The Trust initiated the current agreement whereby DOW pays a monthly tank site payment of $1,667. McBryde is motivated to get the abandoned tank off of the golf course property (a COK parcel) because it is unsightly. A discovery revealed there was an underground storage tank at the abandoned tank site, which is a liability concern for the COK. The Department has been working with the COK to get the agreement executed and to share potential costs of potential remediation for the underground storage tank when the above ground tank is demolished.

Manager Wienand credited Civil Engineer Mr. Eric Fujikawa for his endless efforts in working with the COK and McBryde to get this agreement prepared. Today, the Department wants to first execute the agreement with the COK; the DOW is agreeing to the split the cost of the remediation for the below ground tank. Estimated costs for the above ground tank - $50K; removing the underground storage tank - $30K (contamination unknown). The Department has worked with our insurance agent to ensure our current policy ($3M) includes pollution liability coverage should the below ground tank require contamination mitigation. Next, the three way agreement would be executed with McBryde Trust and COK to begin the land exchange.

DISCUSSION:
Mr. Dill asked if the insurance policy covers the entire COK including the DOW? Manager Wienand indicated the insurance policy is with the COK which covers the DOW.

Mr. Canute inquired if there was anything else in the below ground tank besides water? Manager Wienand said nobody knows what is in the below ground tank which dates back to the 1940’s. The tank was only discovered from the surface in the 2000’s when the DOW was going to demolish the above ground tank which halted the whole process. Manager Wienand mentioned the Department has
researched the potential costs of contamination remediation and with $3M in coverage we believe the DOW is more than covered with the insurance, but we cannot guarantee it.

Mr. Dill was concerned that the insurance policy expires on November 1, 2019 until it is renewed by the COK. He asked who initiates the renewal, the COK? If the rest of the COK doesn’t renew the policy, it is assumed the Department has to get their own policy? Manager Wienend said this was not considered to be a substantial concern because it is a County-wide policy. Mr. Dill questioned if the DOW is covering 100% of the demolition cost and 50% of remedial work to be done. Mr. Fujikawa commented that the agreement is to share the cost of the underground tank only with the possible remediation of contaminated soils. Mr. Shiraishi clarified and referred to Item IV. Cost Sharing, #d. of the Memorandum of Agreement (MOA) – The County and the Board agree to share all expenses related to and arising from all actions performed pursuant to, and to effectuate, this Agreement on a 50%-50% basis. This relates to all expenses related to Part II Site Assessment and Demolition of County Parcels – Mr. Shiraishi, Mr. Dill and Mr. Fujikawa agreed that this encompasses all structures from the COK parcels, which includes both the above ground tank and underground tank.

Chair Tokioka questioned the time line and Manager Wienend said the three party agreement is intended to be executed by next month for the Board. The remediation work could start after today’s Board approval. The Department has a contract prepared with the environmental services consultants to start the sampling on the remediation and the duration of the contract is four (4) months. If all goes as planned, by next fiscal year, the DOW could be free of the lease cost which is currently $20,000 per year.

Mr. Tabata moved to approve Manager’s Report No. 19-19 - Discussion and Possible Action for Board Approval to enter into a Memorandum of Agreement between the Director of Finance, County of Kaua‘i and the Board of Water Supply, County of Kaua‘i to share the costs of remediation of TMKs: 2-3-05:006 and 2-3-05:007; seconded by Mr. Dahilig; with no objections; motion carried with 7 ayes.

4. **Manager’s Report No. 19-20** – Discussion and Possible Action to Request Board Approval for Indemnification, Attorney’s Fees, and Governing Law for use of Veritas Technologies, LLC software between the Board of Water Supply, County of Kaua‘i and Veritas Technologies, LLC

Mr. Dahilig moved to approve Manager’s Report No. 19-20 – Discussion and Possible Action to Request Board Approval for Indemnification, Attorney’s Fees, and Governing Law for use of Veritas Technologies, LLC software between the Board of Water Supply, County of Kaua‘i and Veritas Technologies, LLC; seconded by Mr. Canute; with no objections, motion carried with 7 ayes.

5. **Manager’s Report No. 19-21** – Discussion and Possible Action to Request Board Approval for RFP IT-2019-1, Customer Care & Billing Cloud Hosting and Support for additional funding in the amount of $62,500.00

**BACKGROUND:**
Manager Wienand explained that the proposed contract with Prithibi Consulting with Customer Care and Billing (CC&B) would be moved to Cloud hosting solution and technical support. Customer service improvements include credit card payment options, a payment app and online portal for bill payments. Estimated initial budget was $200,000 (best guess) but after review from the proposal, $250,000 is reasonable. The additional funds of $62,500.00 is necessary for the contract. This software is critical for the billing system. He added that Oracle notified the Department that they will not support
this software by this December. The current staff does not have the technical expertise to do all the technical support for CC&B. The additional technical support and improvement will be valuable.

DISCUSSION:
Mr. Dahilig inquired if there was a migration plan to the new software? Manager Wienand mentioned that CC&B will remain as is. The contract is for the technical support and any software related updates for the system to work smoothly. The $62,500 funding would be moved from the Water Utility fund.

Mr. Dahilig moved to approve Manager’s Report No. 19-21 – Discussion and Possible Action to Request Board Approval for RFP IT-2019-1, Customer Care & Billing Cloud Hosting and Support for additional funding in the amount of $62,500.00; seconded by Mr. Tabata; with no objections, motion carried with 7 ayes.

I. CONSENT CALENDAR
None.

J. STAFF REPORTS
MONTHLY
1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures
   a. September Monthly Summary Budget
   b. Accounts Receivable Aging Summary

Information & Education Specialist Mrs. Kaohelaulii added to Mr. Soliz response regarding the reason for low water consumption which could be from “Fix A Leak Week” tablets that were given to customers in its effort for water conservation.

Mrs. Kaohelaulii highlighted Make a Splash and was grateful for the many partners that assisted with the water education event. She commended the staff, division heads and Board members who came out for this public relations event.

Received – 7 members

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

DISCUSSION:
Mr. Marcelino Soliz reported for Waterworks Controller Ms. Yano on the Statement of Revenues. Mr. Shiraishi asked what was the different on the water revenue that was 18% lower from last year? Mr. Soliz explained there was a down slope on the water consumption the last two month, and it’s hard to say why, but it’s possibly due to heavy rainfall throughout the year.

Received – 7 members

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

BACKGROUND:
Chief of Operations, Mr. Reyna highlighted the following:
1. Operations vacancies – are being aggressively worked on with the Department of Human Resources to fill 20% of the Operations staff. At the end of this year, 60% of the lead Pipefitters
may be transferring, in temporary assignments, and retirement. There are five (5) Lead Pipefitters and Operations could end up with two (2) Pipe Fitters by the end of the year. This affects daily response time to emergencies (day or night). Recently a Lead Pipefitter requested to be taken off Stand by regarding family matters. This situation may lead to burn out with one (1) Pipefitter and supervisors but could provide opportunity to existing personnel to step up to the plate to assist.

2. Gas Chlorine – Operations is 100% off of gas chlorine to sodium chlorine which is safer. Operations was notified by Brewer Environmental Industries that they would no longer be delivering gas chlorine. Conversions were done in-house the past 7 – 8 years.

3. Pilot project – Operations will generate their own on-site sodium hypochlorite and will no longer have to purchase this product.

Received – 7 members

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

BACKGROUND:
Manager Wienand highlighted:

1. CONTRACT AWARD TO ENVIRONMENT SERVICES & TRAINING CENTER, LLC IN THE AMOUNT OF $25,692.54, JOB NO. 18-07: KUKUIOLONO UST AND TANK REMOVAL

2. Personnale Matters – Department continues to recruit vacant positions.  

3. IT Strategic Plan – Brio consultants interviewed staff the first week of October. The final draft recommendations for the next IT Strategic Plan will be submitted soon and are anticipated to be presented to the Board in the December Board meeting. Brio’s initial feedback and recommendations had far-reaching implications across the Department.

4. HWWA Conference – Approximately 140 people will be in attendance.

5. FRC Updates:
   a. Po’ipù Beach Estates (refer to Page 93) – Letter was sent to Mr. Chet Hunt memorializing what was discussed and agreed upon at the previous Board meeting.
   b. Kukui’ula Development (Page 93) – The Manager is working on an a draft agreement that grants an exemption to the FRC increase in exchange for the operations and maintenance component cost to be covered for undeveloped lots until a full build out occurs. Intent was to find a fair proportionate agreement to capture the fair share of costs to operate and maintain the system in place so that it is not subsidized by all other ratepayers. There may be another update in December if Kukui’ula agreements with the terms.

6. Meter Installation Charge (Update) – A question was posed by the Board to find the means to assess the monthly service charge without physically installing a meter based on the internal process. By excluding the Kukui’ula situation (separate agreement), it would be complex and could create potential problems within the Department to try to introduce this capability. The Department does not have a system to track and charge the connection between meter and process (mixing and matching who has meter or not).

7. CIP – The Department is working on procurement for a legislative liaison by November or December with a final request for State aid.

Received – 7 members
K. **QUARTERLY** (July – September 2018)

1. Discussion and Receipt of the DOW’s Quarterly Project Status Update
   a. Construction Management Division Status

**BACKGROUND:**
Chief of Construction Manager, Mr. Moises highlighted the following:
1. Executive Summary – Reviewed plans & specs for Paua Valley Tank Rehabilitation.
3. Project Management Software – Received electronic Project Management software that is new to the State of Hawai‘i. The DOW is the only agency in Hawai‘i that has a Construction Management System with all users from design contractors and internal user on the same platform. Kinks on the software are being worked out.
4. Staffing Levels – are back on track from beginning of the year. CM is waiting to fill the CE III & CE V positions and pending an applicant list. Inspection positions are fully staffed and are not working on projects that were on moratorium.

**DISCUSSION:**
Mr. Moises said the As Needed consultants are working on:
- Kapa’a Well No. 4. – RM Towill
- Koloa well No. 16 – SSFM
- Hanapēpē Pipeline – RM Towill
- Eleele Booster – Internal; future is to maintain internal projects

Mr. Moises has trained the As Needed CM’s with the Department’s jobs who are getting paid 4 x the dollar amount. The SSFM contract is paid $200,000 a year to manage two (2) projects. If he had two CE’s, they would be paid about $500,000 to manage 50 projects.

b. Engineering Division Design Status

**BACKGROUND:**
Mr. Fujikawa was reporting for Civil Engineer Mr. Keith Aoki. Engineering Division completed design for Packages A, B, & C of the Kalâheo improvement projects. The packages involved 1/2M gallon tank, 100,000 gallon tank and 11,000 feet of transmission and distribution mains along Kikala Road, Puʻuhiwi Road & Puʻuawai Road. Projects Kilauea MCC & Well Replacement and Paua Valley Tank Rehabilitation in Kekaha are anticipated to be completed this fiscal year.

c. Water Resources & Planning Division Status

**BACKGROUND:**
Chief of Water Resources & Planning Mr. Doi highlighted the Water Use and Development Plan. A meeting was held to discuss the Līhu'e aquifer system. Based on feedback from the meeting, a draft was finalized and work is being done on other aquifer systems around the island. The FRC grace period issue and implementation is ongoing.

L. **EXECUTIVE SESSION**

1. Pursuant to Hawai‘i Revised Statutes § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as they may relate to this agenda item.
M. TOPICS FOR NEXT WATER BOARD MEETING (November 2018)
1. Discussion and Receipt of the Department of Water’s Draft Audit Financial Statements and Independent Auditor’s Report by Accuity, Inc. for FY 2017-18
3. Election of Officers for 2019
4. Board Meeting Dates for 2019
5. Department of Water Employees of the Year Resolution
6. Discussion and Suggestions of the Department of Water’s Capital Improvement Projects for 2019-2020 (Update)
7. Workshop presentation regarding the Table of Organization for the Operations Division

N. TOPICS FOR FUTURE WATER BOARD MEETINGS
1. Resolution No. 19-XX - Farewell to Warren Rita (Retiree), Lead Pipefitter, Operations Division (December 2018)
2. Workshop presentation regarding the Table of Organization
3. Department of Water Performance Audit (Update)
4. Discussion and Possible Action to hire a consultant to provide a Policy in the Development of Priorities for the Current Rate Study & 2018-2019 Budget Process for:
   a. Capital Budget
   b. Operating Budget
   c. Reserves
   d. Debt
5. Workshop presentation regarding the Master Plan of the Department of Water’s former Administration Building, Baseyard, Micro Lab, Information Technology (2019)

N. UPCOMING EVENTS
1. HWWA Conference, Līhu’e, Hawaii (November 7 – 9, 2018), Kōloa Landing
2. Annual Employee Meeting (December 7, 2018)
3. HWWA & HWEA Pacific Water Conference, Honolulu, Hawaii (February 21 – 23, 2019)

O. NEXT WATER BOARD MEETING
1. Wednesday, November 21, 2018, 10:00 a.m.
2. Friday, December 28, 2018, 10:00 a.m.
3. Friday, January 25, 2019, 10:00 a.m.
4. Friday, February 22, 2019, 10:00 a.m.

P. ADJOURNMENT
Mr. Shiraishi moved to adjourn the Regular Board meeting at 11.04 a.m.; seconded by Ms. Ho; with no objections, motion carried with 7 ayes.

Respectfully submitted,                                    Approved,

Edith Ignacio Neumiller                                    Thomas Canute
Commission Support Clerk                                    Secretary – Board of Water Supply
Correspondence
October 18, 2018

Ms. Beth Tokioka, Chairman of the Board
Board of Water Supply of the County of Kaua’i
4398 Pua Loke Street
Lihu’e, Hawai’i 96766
VIA HAND DELIVERY

Subject: Statement of Grievances and Relief Sought, Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua’i

Dear Ms. Tokioka:

I thank the entire Department of Water (DOW) for its ongoing efforts to finalize the existing conditional approval of the subject water meter service request. However, after first taking up this matter with the Manager and Chief Engineer—and then receiving a sequence of formal letters that communicated differing determinations, instructions, and sources of authority from the DOW—I decided to write this letter to the Board stating my grievances and the relief sought and requesting that this matter be put on the agenda of the Board at the earliest practicable time, and not later than November 23, 2018. Please consider the grievances stated below as a reflection of the difficulty that many others may face in understanding DOW requirements; navigating the existing processes for both complying with and obtaining relief from certain DOW requirements; and stomaching the seeming inequity of BWS policy as applied to supplying municipal water for domestic use to bona-fide on-farm residences, kuleana landowners, and new, affordable housing constructed by long-standing, small-time, property-owning taxpayers of Kaua’i County.

DOW Letter Dated September 6, 2018

1. I request relief from the DOW decision that my request to have the DOW install the subject water meter is not approved. In addition, I request that the DOW provide the established fixed charges or an estimate of the charges for the installation of a new service connection and meter water.

2. I request relief from the DOW’s determinations that (1) "dual water systems (private source for non-potable use and County water for domestic use)” exist on the subject parcel and (2) "trigger the requirement for a backflow preventer to be installed."

3. I request relief from the DOW’S determination that "a backflow prevention device and water meter service connection shall be installed simultaneously via construction drawings stamped by a Professional Engineer licensed in the State of Hawai’i and installation from from a private construction contractor."
4. I request relief from the DOW’s requirement that I submit "a request to access a
government record form ... in order to obtain "a copy of the standards booklet entitled
"The Cross-Connections and Backflow."" I also request that the DOW provide me with a
copy of the standards booklet at the cost established by DOW Rules and Regulations.

DOW Letter dated August 28, 2018

5. I request relief in the form of a final recommendation from the DCW for water meter
service approval.

6. I request relief from the DOW statement that defines "dual water systems" as "public
and private." I also request that the DOW continue to apply its implication that
disconnection of the existing private water system from the existing dwelling would render
moot the DOW’s statement that "the DOW does not allow dual water systems (public and
private) to service the same lot for domestic use."

7. I request relief from the DOW’s requirements to "[p]repare and receive DOW’s approval
of construction drawings for the necessary water system facilities," and from the
requirement to "construct said facilities" to include "The fire service connection" and a
"backflow protection device for the proposed water meter," other than those backflow and
back-siphonage prevention devices that are routinely incorporated into the interior
plumbing.

8. I request relief from the DOW’s lack of certainty about the applicability of "The fire
service connection" as a component of the necessary water system facilities. I also request
that the DOW determine that the inclusion of "The fire service connection" in "the
necessary water system facilities" is not applicable.

9. I request relief in the form of an exception to the DOW Rules and Regulations: Part 5 Facilities
Reserve Charge, Section IV Collection and Refund of Facilities Reserve Charge, Subsection 6.d.
Facilities Reserve Charge Paid Prior to Enactment of Part 5 Rules, such that the DOW shall nor
require that I pay the difference between the Facilities Reserve Charge paid and the current
Facilities Reserve Charge rates until after the later of (1) the expiration of the DOW’s conditional
approval issued on August 28, 2018; (2) one year after the DOW approves construction drawings
for water service and service connections; (3) the final resolution of all the grievances stated in
this letter by the Board, or (4) the final resolution of all the grievances stated in this letter by a
court of competent jurisdiction.

DOW letter dated January 24, 2017

10. I request relief as stated in paragraphs 6, 7, 8, and 9 above.
I thank the Board of Water Supply for considering the grievances and requests for relief stated above, and request that this matter be put on the agenda of the Board at the earliest practicable time, and not later than November 23, 2018.

Sincerely,

Donald E. Heacock

[Signature]

☑️ copy: Mr. Bryan Wienand, P.E., Kaua‘i County Department of Water
   Mr. David Penn, Penn Law Center
September 6, 2018

Mr. Don Heacock

Subject: Water Meter Service Request for one 5/8-inch water meter for domestic use
TMK: 3-2-003:016, Niumalu, Kaua‘i

This letter is in response to your letter dated August 14, 2018 and the subsequent meeting we held on August 14, 2018 at the Department of Water along with Mr. Eddie Doi. Thank you for taking the time to meet with us to provide your input regarding the DOW’s requirements to obtain the first 5/8-inch water meter for TMK: 3-2-003:016.

In response to your June 18, 2018 water service request, the DOW’s conditions to obtain the first 5/8-inch water meter to TMK: (4) 3-2-003:016 are shown in the attached letter dated August 28, 2018. After careful consideration, your request to have the DOW install the first 5/8-inch water meter for TMK: 3-2-003:016 is not approved.

As discussed, the DOW requirements are based on the following criteria:

1. Rules and Regulations:
   a. The dual water systems (private source for non-potable use and County water for domestic use; Water system Standards – Division 100 – Planning, Section 107 – Backflow Prevention Assembly, 107.03 Requirements for Backflow Prevention, Table 100-17 page 107-2) will trigger the requirement for a backflow preventer to be installed.

   b. DOW policy requires the applicant to provide construction drawings and install the facilities when both a water meter service connection and backflow prevention device is required (Standard Operating Procedure No. 46, page 4, Types of Meter Installation Methods:). Therefore, a backflow prevention device and water meter service connection shall be installed simultaneously via construction drawings stamped by a Professional Engineer licensed in the State of Hawai‘i and installation from a private construction contractor. This ensures:

      i. Protection from the potential of water back-flowing into the DOW’s domestic water system.
      ii. Systematic and sequential coordination of plan review, construction and inspection of the water meter service and backflow prevention device.
      iii. The backflow prevention device is installed, inspected, and accepted prior to the DOW allowing water meter service.
      iv. Efficient use of resources to ensure the DOW’s requirements are met.
Mr. Don Heacock
Subject: Water Meter Service Request for one 5/8-inch water meter for domestic use
       TMK: 3-2-003:016, Niumalu, Kaua'i
September 6, 2018
Page 2 of 2

Should you decide not to obtain water service from the DOW and continue to use the existing private water system, the DOW will refund the Facilities Reserve Charge (FRC) that you previously paid. This would be initiated by a written request to the DOW for refund of the FRC because you will not be pursing the requested 5/8-inch water meter.

In regards to your request for a copy of the standards booklet entitled “The Cross-Connections and Backflow,” please fill out a request to access a government record form (attached) that may be found on our website at http://kauaiwater.org/ReqGvtRec.pdf. This form can be dropped off at the DOW or mailed to 4398 Pua Loke Street Lihu‘e, HI 96766. Depending on the government record requesting, there may be applicable fees for processing record requests of which you will be notified within 10 business days from the date we receive your request.

For your reference, we have attached a copy of a list of “certified backflow prevention assembly testers.” The DOW does not provide a list of plumbing contractors that are certified to install the backflow prevention assembly.

Standards and Requirement for the construction drawing can be found in the “Water System Standards 2002 State of Hawaii (WSS)” on the DOW website (www.kauaiwater.org). Please refer to Division 100 – Planning, section 112 Construction Plans and other Divisions/Sections in the WSS, as applicable.

If you have any further questions, please feel free to contact me at 245-5408 or via email at bwienand@kauaiwater.org, or contact Mr. Edward Doi at 245-5417 or via email at edoi@kauaiwater.org.

Sincerely,

[Signature]
Bryan Wienand, P.E.
Manager and Chief Engineer

Attachments:
August 14, 2018 Letter from Mr. Don Heacock “Our meeting today to discuss installation of my water meter and related subjects”
DOW letter August 28, 2018 response to Mr. Don Heacock
Approved list of certified backflow prevention assembly testers

BW/mja
Subject: Our meeting today to discuss installation of my water meter and related subjects

Dear Mary Jane,

Please forward this email to both Brian Wienand and Ed Doi.

Mahalo Brian (and Ed) for meeting with me today. A summary of key points we discussed is as follows:

My house currently is connected to a spring water (ground water) source, not a surface water source. The KDOW's “backflow prevention device” requirements do not differentiate between groundwater and surface water sources for a secondary private system. In general, cross-connection with a surface-water system has far greater potential for harmful cross-contamination than does a cross-connection with a groundwater system.

Further, before my water meter is installed and connected to my house, I will disconnect my private groundwater system from my house, and my house will use Only residential water from the KDOW’s water meter located 1 mile away. Your concern about my system being potentially precedent setting could be resolved by relying upon a case-specific decision rationale that simply differentiates between groundwater and surface water as the source for a secondary private system, or by issuing a formal variance.

Ed Doi said he would email me copies of:
1) Standards booklet entitled, “The Cross-connection and Backflow”;
2) “Standards and Requirements for the construction drawings for the necessary water systems facilities”; and
3) List of plumbing contractors that are certified to install the “Backflow Prevention Device”. (Mahalo Ed!)

Finally, in order to resolve this situation, I would like the KDOW to install my water meter (what would be the cost?), have a registered, certified, plumber contractor install the backflow prevention device at the water meter (which is 1 mile away from my house), make sure it is all legal and puts public safety first, and we can all move forward. Having a licensed engineer design the water system and provide construction drawings for $20-30,000 is cost prohibitive and not an option for me.

Sincerely,

Don Heacock
August 28, 2018

Mr. Donald Heacock

Dear Mr. Heacock:

Subject: Water Meter Service Request: First 5/8-Inch Water Meter (One Existing 5/8-Inch Water Meter) to TMK: 3-2-03:016, Niulaulu, Kauai

This is in regard to your request dated June 18, 2018. We understand that there is an existing dwelling on the lot that is obtaining water from a private water system. The private water system will be disconnected from the dwelling (not for domestic use) and it will only be used for agricultural purposes. Please contact us if this is incorrect, our conditions may change.

Your request for the first 5/8-inch water meter to TMK: 3-2-03:016 is conditionally approved for residential use.

Prior to the Department of Water (DOW) recommending water meter service approval, the applicant must:

1. The applicant is made aware that the DOW does not allow dual water systems (public and private) to service the same lot for domestic use. The private water system shall be disconnected from the existing dwelling on the lot when County water service is available.

2. Prepare and receive DOW's approval of construction drawings for the necessary water system facilities and construct said facilities. These facilities shall include but not be limited to:
   a) The domestic service connection.
   b) The fire service connection, if applicable.
   c) The interior plumbing with the appropriate backflow prevention device for the proposed water meter.

3. Pay the applicable charges in effect at the time of payment to the Department. At the present time, these charges shall include but not be limited to:
   a) The Facilities Reserve Charge (FRC) of $14,115 per 5/8-inch water meter. DOW records indicate that the FRC for the first 5/8-inch meter was previously paid at the lower rate of $4,600 per 5/8-inch water meter on November 24, 2015 with Receipt No. 92869. Therefore, the FRC for the first 5/8-inch water meter will not be required at this time.
The applicant is made aware that effective November 30, 2018, in accordance with the DOW’s Rules and Regulations, Part 5, Section IV, Item No. 6, the applicant will be required to pay the difference between the FRC paid ($4,600) and the current FRC rate ($14,115). This FRC difference amounts to $9,515 per 5/8-inch water meter.

4. Receive a “Certification of Completion” for the construction of the necessary water system facilities from the DOW.

This conditional approval is valid for a period of one (1) year from the date of this letter. All conditions in this approval are subject to the Rules and Regulations of the DOW as amended or as will be amended. After this one year period, this conditional approval will be null and void and the applicant must re-apply to the Department for water service. Any request for water service will be dependent on the adequacy of the source, storage, and transmission facilities existing at that time.

If you have any questions concerning the construction drawings, please contact Mr. Eric Fujikawa at (808) 245-5412 or efujikawa@kauaiwater.org. For questions concerning the Certification of Completion, please contact Ms. Bekki Dee Malapit at (808) 245-5433 or bmalapit@kauaiwater.org. For other questions, please contact Ms. Regina Flores at (808) 245-5418 or rflores@kauaiwater.org.

Sincerely,

Edward Doi
Edward Doi, P.E.
Chief of Water Resources and Planning

RF:inhm
3-2-03-016, T-19644, Heacock
<table>
<thead>
<tr>
<th>COMPANY</th>
<th>PHONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Controls &amp; Pump Systems</td>
<td></td>
</tr>
<tr>
<td>Malama Systems</td>
<td></td>
</tr>
<tr>
<td>Ladd Construction Inc.</td>
<td></td>
</tr>
<tr>
<td>Allen Ladd Elmore</td>
<td></td>
</tr>
<tr>
<td>Parke Whitten Elmore II</td>
<td></td>
</tr>
<tr>
<td>Elizabeth Jenkins</td>
<td></td>
</tr>
<tr>
<td>Estenzo Plumbing</td>
<td></td>
</tr>
<tr>
<td>Pural Water Specialty Co.</td>
<td></td>
</tr>
<tr>
<td>Lani’s Plumbing</td>
<td></td>
</tr>
<tr>
<td>Thomas K. Matsuyoshi</td>
<td></td>
</tr>
<tr>
<td>Bryan DePlumber LLC</td>
<td></td>
</tr>
<tr>
<td>Bryan Yoon</td>
<td></td>
</tr>
<tr>
<td>Uniform Plumbing Fire &amp; Solar</td>
<td></td>
</tr>
<tr>
<td>Robin Murayama</td>
<td></td>
</tr>
</tbody>
</table>
REQUEST TO ACCESS A GOVERNMENT RECORD

DATE: ____________________________

TO: ____________________________________________

FROM: Name or Alias

Contact Information

Although you are not required to provide any personal information, you should provide enough information to allow the agency to contact you about this request. The processing of this request may be stopped if the agency is unable to contact you. Therefore, please provide any information that will allow the agency to contact you (name or alias, telephone or fax number, mailing address, e-mail address, etc.).

I WOULD LIKE THE FOLLOWING GOVERNMENT RECORD:

Describe the government record as specifically as possible so that it can be located. Try to provide a record name, subject matter, date, location, purpose, or names of persons to whom the record refers, or other information that could help the agency identify the record. A complete and accurate description of the government record you request will prevent delays in locating the record. Attach a second page if needed.

I WOULD LIKE: (please check one or more of the options below)

☐ To inspect the government record.

☐ A copy of the government record: (Please check one of the options below.) See the back of this page for information about fees that you may be required to pay for agency services to process your record request. Note: Copying and transmission charges may also apply to certain options.

☐ Pick up at agency (date and time): ____________________________

☐ Mail

☐ Fax (toll free and only if available)

☐ Other, if available (please specify): ____________________________

☐ If the agency maintains the records in a form other than paper, please advise in which format you would prefer to have the record.

☐ Electronic ☐ Audio ☐ Other (please specify): ____________________________

☐ Check this box if you are attaching a request for waiver of fees in the public interest (see waiver information on back).

I understand and agree to the following understandings and conditions:

Due to security concerns, the water system facilities information for the subject project is for the applicants use only. The water system information provided by the Department will not be viewed or distributed to others and will not be used for purposes other than for the site assessment.

Print Name: ____________________________ Title: ____________________________

Signature: ____________________________
FEES FOR PROCESSING RECORD REQUESTS

You may be charged fees for the services that the agency must perform when processing your record request, including fees for making photocopies and other lawful fees. The first $30 of fees charged for searching for a record, reviewing, and segregating will not be charged to you. Any amount over $30 will be charged to you. Fees are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search for a Record</td>
<td>$2.50 for 15 minutes</td>
</tr>
<tr>
<td>Review and Segregation of a Record</td>
<td>$5.00 for 15 minutes</td>
</tr>
</tbody>
</table>

WAIVER OF FEES IN THE PUBLIC INTEREST

Up to $60 of fees for searching for, segregating and reviewing records may be waived when the waiver would serve the public interest as described in section 2-71-32, Hawaii Administrative Rules. If you wish to apply for a waiver of fees in the public interest, you must attach to this request a statement of facts, including your identity as the requester, to show how the waiver of fees would serve the public interest. The criteria for this waiver, found at section 2-71-32, Hawaii Administrative Rules, are:

1. The requested record pertains to the operations or activities of an agency;
2. The record is not readily available in the public domain; and
3. The requester has the primary intention and the actual ability to widely disseminate information from the government record to the public at large.

AGENCY RESPONSE TO YOUR REQUEST FOR ACCESS

The agency to which you addressed your request must respond within a set time period. The agency will normally respond to you within 10 business days from the date it receives your request; however, in extenuating circumstances the agency must respond within 20 business days from the date of your request. If you have questions about the response time, you may contact the agency’s UIPA contact person. If you are not satisfied with the agency’s response, you may call the Office of Information Practices at 808-586-1400.

REQUESTER’S RESPONSIBILITIES

You have certain responsibilities under §2-71-16, Hawaii Administrative Rules. You may obtain a copy of these rules from the Lieutenant Governor’s Office or from the Office of Information Practices. These responsibilities include making arrangements to inspect and copy records, providing further clarification or description of the requested record as instructed by the agency’s notice, and making a prepayment of fees, if assessed.
STANDARD LETTER OR LEGAL SIZE REPORTS

10 Pages or Less.............................................................. 50 ¢ per page

More than 10 Pages....................................................... 50 ¢ per page for the first 10 pages and
25 ¢ per page thereafter

More than 50 Pages....................................................... 10 ¢ per page if done by self-service
The operator must be trained & authorized
to run the machine, otherwise charge
shall be 25 ¢ per page

Any department of agency shall impose and collect the following charges for a reproduced
copy of any of the public records in its custody as described below, the reproduction of
which is requested by any person for private use:

1) Copyflex Paper......................................................... 50 ¢ per square foot

2) Area Maps - Ranges from $2.00 - $2.75
   a) 18" X 30" & 18" X 32"...........$2.00
   b) 18" X 36".............................$2.25
   c) 18" X 39".............................$2.45
   d) 18" X 43".............................$2.65
   e) 18" X 45".............................$2.70
   f) 22" X 36".............................$2.75

3) Subdivision, Zoning & Tax Maps (Maximum size 8 1/2" X 14")
.................................................................$1.00 per sheet

4) Supia Paper .............................................................. $5.00 per square foot

5) Mylar Film .............................................................. $10.00 per square foot

6) Aerial Contour Maps on Copyflex Paper ...................$30.00 per sheet

7) Aerial Contour Maps on Sepia Paper .......................$550.00 per sheet

8) Aerial Contour Maps on Mylar Film .........................$600.00 per sheet
November 14, 2018

Ms. Beth Tokioka, Chairman of the Board
Board of Water Supply of the County of Kaua‘i
4398 Pua Loke Street
Lihu‘e, Hawai‘i 96766
VIA EMAIL TO: eineumiller@kauaiwater.org

Subject: Written Statement for November 21, 2018
Water Meter Service Request for one 5/8-inch water meter for domestic use,
TMK: 3-2-003:016, Niumalu, Kaua‘i
Prepared and submitted by David Penn, Attorney for Requestor Donald E. Heacock

SUMMARY:

A requestor for water meter service seeks final approval for water meter service at his principal residence, with removal of the current Department of Water conditions for backflow prevention and construction drawings, and an exception to the Department’s requirement to pay the Facilities Reserve Charge in effect at the time the meter is installed. The requestor also seeks assistance from the Department to install the new service connection and water meter at the charges fixed by the Department.

BACKGROUND:

Requestor Donald E. Heacock is a senior citizen, civil servant, taro farmer, and fish farmer seeking final approval for water meter service at his principal residence, with removal of the current Department of Water (DOW) conditions for backflow prevention and construction drawings, and with an exception to the DOW’s requirement to pay the Facilities Reserve Charge in effect at the time the meter is installed. Mr. Heacock also requests assistance from the DOW to install the new service connection and water meter at the charges fixed by the DOW.

Mr. Heacock moved to Kaua‘i from Maui in 1981 and lived here ever since, raising two daughters that grew up attending public schools and graduated from Kaua‘i High School. He paid property tax for a principal residence for nearly twenty years, and continues to do so. Mr. Heacock purchased the property that houses his current principal residence in 1988; secured a building permit in 2004; completed construction in 2007; and intends to continue living in the house for the rest of his life. The house meets or exceeds all County Building Division requirements, including the Plumbing Code.

After thirty-seven years on this island, this is the first time that Mr. Heacock seeks water meter service for a principal residence or other property. As he nears retirement from state employment, one way to simplify his life, reduce his workload, and further enhance
his family's future well-being is to secure municipal water as the sole source of water supply for his principal residence, at an equitable, fair, and reasonable cost.

Neighboring landowners in the Niumalu area have developed at least five properties into horizontal property regimes, transforming five parcels of land into 36 separate condominium units that are capable of supporting the construction of multiple dwellings on each unit, while conveniently circumventing state and county subdivision requirements. Mr. Heacock’s water service request embodies unique and exceptional circumstances and conditions, such as the indication from current DOW reports that he is the only active requestor of water service for a principal residence on a single, never-divided parcel of kuleana origin in the Lihue-Puhi-Hanamaulu Service Area. See Agenda for October 28, 2018, page 152.

In a letter to Mr. Heacock dated January 4, 2017, the DOW conditionally approved his request—as received November 3, 2016—for the first 5/8-inch water meter to his property, for residential use. Over the course of the next twenty-one months, the DOW’s conditions for final approval changed, per two subsequent letters dated August 28, 2018 and September 6, 2018. During this period, Mr. Heacock struggled to reach mutual understanding and agreement with the DOW about the meaning and applicability of its rules and regulations as applied to the unique and exceptional circumstances and conditions of the water system situation on his property. In its letter dated September 6, 2018, the DOW stated that "conditions to obtain the first 5/8-inch water meter to TMK (4) 3-2-003:016 are shown in the attached letter dated August 28, 2018. After careful consideration, your request to have the DOW install the first 5/8-inch water meter for TMK: 3-2-003:016 is not approved."

Due to the serious financial hardship from increased Facilities Service Charges that would kick in if the DOW rigidly enforces upcoming deadlines for final approval, meter installation, and service connection, Mr. Heacock filed a Statement of Grievances and Relief Sought with the DOW on October 18, 2018, and we thank the Board for scheduling this matter for action on November 21, 2018. The following discussion presents an analysis of the DOW’s governing authorities, applied to the facts of Mr. Heacock’s unique and exceptional circumstances and conditions, in hopes that the Board will (1) grant final approval for water meter service at Mr. Heacock’s principal residence and (2) provide for DOW assistance to install the new service connection and water meter at the charges fixed by the Department, without requiring backflow prevention, construction drawings, and additional Facilities Reserve Charges.

DISCUSSION:

1.a. Meter Installation

DOW Rules and Regulations require that "[w]hen the application for service connection has been approved, such connection will be installed by the Department at the expense of the applicant." Rules and Regulations Part 2, Section VI, paragraph 1. Meter installation includes "the shut-off valve or outlet installed by the Department," which serves as the
point for service connection with a consumer's supply pipe. See paragraph 3. "The Department may establish fixed charges for installation" (paragraph 2.a), which appears to be $180 for a 5/8" meter. See Agenda for October 26, 2018, page 94.

In accordance with DOW Rules and Regulations, the water meter will be installed in the public roadway at the boundary of a utility easement that benefits Mr. Heacock's property. Part 2, Section VI, paragraph 8.a.

1.b. Service Connection

DOW Rules and Regulations require that "[i]f the consumer's supply pipe is installed before the service connection is set, the Department will make the connection to it; provided, however, it is requested by the consumer prior to the installation of the service connection." Rules and Regulations Part 2, Section VI, paragraph 3. Mr. Heacock will install his supply pipe before the service connection is set, extending it to the nearest public street on which a main exists (paragraph 7), so that the DOW can make the connection to it.

Monthly reports for the DOW's Fleet, Inventory, Warehouse and Baseyard Area routinely note the issuance and completion of work orders that included water meter installation and service lateral installation. Thus, it seems unclear why, with conditional approval for water service in place, the DOW did not approve Mr. Heacock's request to have the DOW install the meter, pending final approval for water service.

2. Backflow Prevention

Backflow prevention is a critical tool for managing health risks in water supply systems. Unfortunately, the multiple and sometimes redundant layers of management tools and authorities upon which the DOW relies in its decisionmaking appear to be inconsistent with each other in some key areas, lack clear-cut definitions for certain key terms, and have been applied by the DOW to Mr. Heacock's unique and exceptional circumstances and conditions in a way that appears to cause a seemingly absurd, unfair, and unreasonably harsh result.

DOW Rules and Regulations, Part 2, Section XX

In accordance with paragraph 1, a cross-connection with other water supplies, or other physical connections, does not exist and will not be installed, located, maintained or operated on the property. In accordance with paragraph 5, after the DOW completes the service connection, Mr. Heacock will present an Affidavit of Compliance certifying to the fact that there are no connections or other installations on his premises of the type prohibited in paragraph 1, Part 2, Section XX of the DOW Rules and Regulations.

Cross-Connection Control and Backflow Prevention, March 1985

DOW Rules and Regulations, Part 2, Section XX, paragraph 8 indicates that the subject "standards booklet . . . shall be used in conjunction with" the rest of Section XX (paragraphs
Cross-Connections and Backflow Prevention. However, the DOW Rules and Regulations don't explain how the standards booklet "shall be used," although it seems clear that the standards booklet no longer serves as a basis for DOW regulatory authority, as it is not explicitly incorporated by reference into the current version of the DOW Rules and Regulations. Nonetheless, in conformance with the standards booklet:

(1) Mr. Heacock's property achieves the purpose of protecting the public water system from the possibility of contamination or pollution. The property includes a private, potable water system that is isolated from the public water system and will be disconnected from the house before the DOW's scheduled date for water meter installation and service connection. An actual or potential cross-connection does not exist between the Department's customer's in-plant potable water system and non-potable water systems, plumbing fixtures and industrial piping systems (Purpose, page PUR-1).

(2) Mr. Heacock's property complies with Rules and Regulations paragraphs 1 (¶1, page RULES-1), 2 (¶2, page RULES-2), and 5 (¶5, page RULES-2). A cross-connection with other water supplies, or other physical connection, does not exist on the property and will not be installed, operated, maintained, or operated on the property (¶1). Affidavit of Compliance attached (¶5).

(3) Mr. Heacock does not maintain a separate pressure system or a separate storage facility; does not in any way increase the pressure of water within the premises above the pressure furnished by the Department; and does not have such equipment devices or arrangement of piping, storage or industrial methods or processes that might under certain conditions raise the pressure or the water within the premises above the pressure of the water in the mains of the Department (¶2).

(4) The facility to be serviced by the Department is a private building which is two stories or less where no cross-connection exists and street water main pressure is adequate and a backflow prevention device is not required (Recommended Type of Backflow Prevention Device, Facility 6, CASE I, page DEV-1).

(5) The Department's prior review and approval of the building permit construction plans did not result in a determination that a backflow prevention device is required (Installation of Backflow Prevention Devices on New Facilities, paragraph 3, page INST(N)-1).

(6) Mr. Heacock's property does not contain cross-connections, which are considered to be "[b]y-pass arrangements, jumper connections, removable sections, swivel or change-over devices, and other temporary or permanent devices through which or because of which "backflow" can or may occur" (Definitions, page DEF-2).

(7) The Department's continuing program of cross-connection control provides for field survey and inspection of existing consumers to determine the need to install a backflow prevention device, and for termination of water service after 135 days of resistance to an installation request (Installation of Backflow Prevention Devices on New Facilities,
Unfortunately, the Department’s Rules and Regulations did not adopt the more stringent penalties imposed by State regulations, which provide for fines and imprisonment. See Section 11-21-9(b), Hawai‘i Administrative Rules. Regardless, it appears the DOW has ample authority to proactively monitor and enforce compliance with its Rules and Regulations concerning cross-connection control and backflow prevention, and that this authority provides ample disincentives to non-compliance (i.e. termination of County water service), such that it may seem absurd, unfair, and unreasonably harsh to require backflow prevention at the County meter just because of the mere presence of private, potable water system on the property.

**2002 Water System Standards**

DOW Rules and Regulations specify that the 2002 Water System Standards (as amended) are "incorporated by reference into the Department's rules." However, DOW Rules and Regulation also provide that "[t]he Manager and Chief Engineer may, for good cause shown, permit departure from the Standards (as amended)." Part 2, Section 2, paragraph 1.c. Similarly, the 2002 Water System Standards provide that "[a]ll design and construction within the scope of the Water System Standards shall be in accordance with the requirements herein, unless specifically modified or required otherwise by the Manager" (Forward, Conformity and Use, page 30), and that "[t]he Manager may grant exception to the Standards to permit reasonable utilization of engineering judgment while at the same time securing substantial conformance with the objectives of these Standards" (Division 100 – Planning, Section 101 – General, page 101-1).

In its letter dated September 6, 2018, the DOW wrote that its requirements for final approval of Mr. Heacock’s water service "are based on the following criteria," including criterion 1.a, which states that "[t]he dual water systems (private source for non-potable use and County water for domestic use . . . will trigger the requirement for a backflow preventer to be installed" (citing Water System Standards – Division 100 – Planning, Section 107 – Backflow Prevention Assembly, 107.03 Requirements for Backflow Prevention, Table 100-17 page 107-2). However, the Water System Standards, and other governing authorities, do not define “dual water systems;” the private water source that Mr. Heacock and his neighbors use is completely separate and isolated from the County system; and that private water source provides potable water, not nonpotable water. Thus Mr. Heacock maintains that the separation and isolation of the private source of potable water from the County water system ensures adequate protection from the potential of water back-flowing into the DOW’s domestic water system. *See DOW letter dated September 6, 2018, criterion 1.b.i.*

**3. Construction Drawings**

In accordance with DOW Rules and Regulations, Mr. Heacock identified the number of residential dwelling units to be served by the service connection (one unit) and the Department has determined the proper location and size of the service connection. Part 2, Section XXVII, paragraph 1. The Rules and Regulations establish that the Department "may require construction drawings" in certain situations, but do not clearly establish that the
consumer must provide construction drawings in all situations. *Ibid.* In Mr. Heacock's circumstances, the service connection or water system will not be connected within a state highway and will not intersect an underground utility (does not trigger situation (a)) and the meter will be located at the boundary pin (does not trigger situation (b)). *See* paragraph 1. Given the information and technology that is readily available to the DOW, it seems unlikely that the DOW will have difficulty in determining the development to be served (Mr. Heacock's principal residence), and under the present circumstances it also seems unlikely that other difficult conditions may arise. *See* paragraph 1.

In its letter dated September 6, 2018, the DOW wrote that its requirements for final approval of Mr. Heacock's water service "are based on the following criteria," including criterion 1.b, which states that "DOW policy requires the applicant to provide construction drawings [stamped by a Professional Engineer licensed in the State of Hawai'i] and install the facilities [using a private construction contractor] when both a water meter service connection and backflow prevention device is required (Standard Operating Procedure No. 46, page 4, Types of Meter Installation Methods)." We note that this is the first DOW correspondence that Mr. Heacock received that refers to and cites DOW Standard Operating Procedure (SOP), and we request that the DOW provide us with the complete SOP document.

Based on the analysis presented in our Section 2, above (Backflow Prevention), Mr. Heacock maintains that a backflow prevention device is not required for final approval of water meter service, and that Standard Operating Procedure 46 does not apply to the circumstances and conditions for installing his water meter service connection.

Alternatively, if the DOW continues to assert that a backflow prevention device is required, then Mr. Heacock maintains that he has shown good cause for the Manager and Chief Engineer to permit departure from the 2002 Water System Standards and to waive the requirement for a backflow prevention device. *See* Rules and Regulations, Part 2, Section 2, paragraph 1.c.

4. Fire Service Connection

Because the DOW and other County authorities did not explicitly require that Mr. Heacock construct a fire service connection, and because Mr. Heacock did not request a fire service connection, it seems reasonable to presume that DOW's condition to "[p]repare and receive DOW's approval of construction drawings for . . . [t]he fire service connection, if applicable" is not applicable. DOW Letter dated August 28, 2018, condition 2.b.

5. Facilities Reserve Charge

The County administration notes that "[e]ach year Kaua‘i residents make an investment in their County when they pay their real property taxes. Every dollar is returned in the form of vital services we often take for granted; services such as fire and police protection, street maintenance and lighting, water, sewer and refuse collection, and recreational facilities and activities."
These services are financed through a variety of revenue sources including federal and state grants, water and sewer fees, fuel tax, motor vehicle weight tax and, most importantly, the real property tax. The County of Kaua‘i could not operate without the real property tax as approximately 45% of every revenue dollar collected comes from this source. See https://www.kauai.gov/Government/Departments-Agencies/Finance/Real-Property/Understanding-Real-Property-Taxes.

Revenue for sources for County water services also include the DOW's fees and charges, including the Facilities Reserve Charge (FRC). Under a recent amendment to the DOW Rules and Regulations:

"Prior Applicants [that paid a FRC prior to the rule amendment] shall have three (3) years 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." Part 5, Section IV, paragraph 6.b.

and

"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." Part 5, Section IV, paragraph 6.c.

Minutes from the Board’s September 2018, pages 2-8, provide a glimpse of current Board and DOW practice with regard to exceptions to the FRC Grace Period for applicants that are constructing large commercial and residential developments involving multiple lots (including subdivision and condominium lots) and multiple water meter service requests. For example, the minutes indicate that the Board determined that (1) an owner/applicant for a lot in the Po‘ipū Beach Estates subdivision, and (2) the Kukui‘ula Development Company, must apply for water meter installation prior to November 29, 2018, or be subject to the difference of the current and previous FRC (emphasis added).

For Mr. Heacock, who already applied for water meter installation and received conditional approval—and is contesting the conditions imposed—the DOW, in its letter dated August 28, 2018, stated that "the FRC for the first 5/8-inch water meter will not be required at this time (due to previous payment in full at the rate in place on November 24, 2015). However, the DOW mandated that "effective November 30, 2018 . . . the applicant will be required to pay the difference between the FRC paid . . . and the current FRC rate . . . amount[ing] to $9,515 per 1/8-inch water meter" (emphasis added).

DOW Rules and Regulations, Part 5, Section 4, paragraph 6.d, provides that "[t]he Manager may grant exceptions to item 6c if the Manager finds all of the following:

i. Strict application of the rule would cause an absurd, unfair, or unreasonably harsh result; and
ii. The Prior Applicant’s circumstance or condition is unique or exceptional and the Manager would grant the same request if made by ever[y] similarly situated Prior Applicant; and

iii. Such exception thereof is [ae] reasonably necessary or expedient and not contrary to law or the intent and purposes of these rules.

Mr. Heacock’s principal residence sits on a small, single parcel that has the same boundaries as it did over 150 years ago at the time of its initial transition to private land ownership. This parcel has existed as single residential lot ever since the inception of public water supply planning for Kaua’i, and was counted as such in the full-buildout scenarios used in the planning process to date. It is not a new development that places additional pressure on water supply capacity, and represents a de minimis portion of overall water use within with the Lihue-Puhi-Hanamaulu Service Area.

Given the exceptions already granted for large developers; the challenges faced by Mr. Heacock in securing final approval for his water meter request; the unique and exceptional nature of Mr. Heacock’s circumstance and condition; the looming $10,000 question of additional FRC for water meter service; and the multiple sources of authority that enable the DOW Manager to grant exceptions to strict application of the DOW’s Rules and Regulations, we urge the Board to conclude that a time-limited exception to the requirement for additional FRC for Mr. Heacock is reasonably necessary and expedient, and is not contrary to the law or the intent of the DOW's rules.

6. Governing Authorities and Precedential Decisions

The DOW repeatedly expressed to Mr. Heacock its concerns about setting a precedent that the DOW would be compelled to apply in the future for "the same request" made by another applicant in a similarly situated unique or exceptional circumstance or condition. See Rules and Regulations, Part 5, Section 4, paragraph 6.d.ii. If the precedent that we set here today is a good and fair one, one that promotes community sustainability, resilience, and overall well-being, isn't that a good thing? Establishing good precedents is good business because it facilitates future decisionmaking and fosters consistent results for DOW and all of its constituents.

RELIEF REQUESTED:

1. Extend, through August 27, 2019, the Grace Period for Mr. Heacock and the DOW to install one 5/8-inch water meter for domestic use at TMK: 3-2-003:016, Niumalu, Kaua’i at no additional Facilities Reserve Charge cost, based on findings that strict application of DOW Rules and Regulations Part 5, Section IV, paragraph 6.c. would (i) cause an absurd, unfair, and unreasonably harsh result; and (ii) Mr. Heacock’s circumstance and condition is unique and exceptional and the Manager would grant the same request if made by every similarly situated Prior Applicant; and (iii) such exception thereof is reasonably necessary and expedient and not contrary to law or the intent and purposes of the Department's Rules and Regulations.
2. Remove—from DOW’s conditional approval of Mr. Heacock’s Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua’i, dated August 28, 2018—the requirement to prepare and receive DOW approval of construction drawings for the domestic service connection and for the interior plumbing with a backflow prevention device for the water meter.

3. Grant final approval for Mr. Heacock’s Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua’i, with removal of the current Department of Water conditions for backflow prevention and construction drawings, and an exception to the Department’s requirement to pay the Facilities Reserve Charge in effect at the time the meter is installed.

4. Initiate a DOW work order to install a new water meter and service connection as enabled by final approval of Mr. Heacock’s Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua’i.

5. Complete, no later than August 27, 2019, DOW installation of a new water meter and service connection as enabled by final approval of Mr. Heacock’s Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua’i, and as implemented through a DOW work order.
Old Business
MANAGER’S REPORT No. 18-82 (Update)

November 21, 2018

Re: Discussion and Possible on the Status Update on Water Plan 2020

RECOMMENDATION:
As requested by the Board, the following is the WP2020 Project Status Update for review and receipt.

FUNDING: N/A.

BACKGROUND:
At the November 22, 2017 Board meeting, Manager’s Report 18-82, Table “WP2020 Project Summary Report” provided the Board with an updated status of WP2020 projects.

At the May 25, 2018 Board meeting, Member Michael Dahilig requested a status update on WP2020 projects. An updated WP2020 Project Evaluation Summary Report is attached.

At the July 27, 2018 Board meeting, Member Michael Dahilig requested additional follow up questions regarding Manager’s Report 18-82 submitted for July 27, 2018 Board Meeting

At the October 26, 2018 Board meeting, Board Members acknowledged the Manager’s Report 18-82 responding to follow up questions requested by Board Member Michael Dahilig at the July 27, 2018 Board meeting. Board Member Michael Dahilig then requested that the Manager provide more detail in identifying areas of deficiencies. Mr. Dahilig requests follow up from the Manager regarding two areas of concern which include the Līhu'e and South Side water systems.

The DOW responses to Board Member Michael Dahilig’s request is in response to the projected need for the Puhi-Līhu'e-Hanamā'ulu water system to have water capacity for 4,000 additional single family dwellings by year 2035. Similarly, DOW responses for the South Side Area, which encompasses Kalāheo, Lāwa'i, Omao, Kōloa and Po'ipū, are in response to the projected infill and growth for 2,000 additional single family dwellings by 2035. When and where development will occur within any service area is unknown. Water consumption is based on 2011 water consumption data.

In September 2002, the Water System Standards, State of Hawai‘i was incorporated into the Department’s Rule and Regulations. These standards establish criteria for evaluating and planning sources of supply, fire protection, storage, transmission and distribution systems, pump stations, treatment and system redundancy. The criteria for developing water system source, storage and transmission facilities are listed below:

Source Criteria:
Total Pump Capacity must meet the maximum day demand with an operating time of 24 hours and with the largest pumping unit considered to be out of service (i.e. standby must be provided).

Storage Criteria: There are two sizing criteria for storage facilities:
1. Meet maximum day consumption. Reservoir full at the beginning of the 24-hour period with no source input to the reservoir.

2. Total storage tank capacity must meet the maximum day demand plus fire flow for the duration of the fire with the tank at 3/4 full at the start of fire, with credit for incoming flow from pumps, one maximum size pump out of service.

Transmission Criteria:
1. Meet maximum daily flow plus fire flow with a residual pressure of 20 psi at the critical fire hydrant.
2. Peak hour flow with minimum residual pressure of 40 psi.
3. Maximum velocity in distribution main (without fire flow) is 6 feet per second.

Present source and storage system capacity is monitored by the Department. The system capacity is analyzed by water system and by sub-water system as needed. The monitoring and analysis of the existing source and storage facilities include the tracking of water system capacity and water system consumption demands that include pending (future water consumption) demands.

It is also worth noting that water service requests are approved on a first-come first-service basis and available capacity of water infrastructure (i.e. source, storage, and transmission) is subject to change over time. In the event existing DOW water infrastructure (source, storage, and/or transmission facilities) is not adequate for proposed developments, the applicant/developer has the option of constructing necessary water system facilities or waiting for the DOW to construct the necessary water system facilities to meet the domestic and fire flow demands for the development, which must occur prior to the DOW approving building permits for the development.

A summary of Mr. Dahilig’s questions are as follows, with the Manager’s responses shown beneath each question:

1. What are the specific deficiencies in infrastructure that identify why the infrastructure is not able to meet the projected infill and growth for the Puhi-Līhu'e-Hanamā'ulu and South Side Area? Infrastructure includes Source, Storage and Transmission Facilities.

Puhi-Līhu'e-Hanamā'ulu

Table 1a. Puhi-Līhu'e-Hanamā'ulu Source Data
(units: MDD – Max Day Demand; MG – Million Gallons; MGD - Million Gallons Per Day; GPM – Gallons Per Minute)

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Maximum Daily Demand (MDD)*</th>
<th>Total Source Capacity</th>
<th>Available Source Capacity**</th>
<th>Number of Single Family Dwellings (SFD)</th>
<th>Number of Multi-Family Units (MFU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puhi-Līhu'e-Hanamā'ulu</td>
<td>7.017 MGD</td>
<td>7.202 MGD</td>
<td>0.185 MGD</td>
<td>247</td>
<td>353</td>
</tr>
</tbody>
</table>

*MDD represents current source allocation.

**Available Source Capacity equates to 247 SFD or 353 MFU.

Table 1b. Puhi-Līhu'e-Hanamā'ulu Storage Data
(units: MDD – Max Day Demand; MG – Million Gallons; MGD - Million Gallons Per Day; GPM – Gallons Per Minute)

<table>
<thead>
<tr>
<th>Service Zone</th>
<th>Maximum Daily Demand (MDD)*</th>
<th>Total Storage Capacity</th>
<th>Available Storage Capacity**</th>
<th>Number of Single Family Dwellings (SFD)</th>
<th>Number of Multi-Family Units (MFU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puhi-Līhu'e-Hanamā'ulu</td>
<td>7.017 MGD</td>
<td>7.300 MGD</td>
<td>0.283 MGD</td>
<td>378</td>
<td>540</td>
</tr>
</tbody>
</table>

*MDD represents current source allocation.

**Available Storage Capacity equates to 378 SFD or 540 MFU.
In order to meet the projected 4,000 single family dwellings in the Puhi-Līhu'e-Hanamā'ulu area:

- Additional source capacity of 2.815 MGD (3,753 SFDs; 1,955 GPM) is required.
- Additional storage capacity of 2.717 MG (3,622 SFDs) is required.

The DOW will need to work closely with the Planning Department as well as Grove Farm to determine what portion of the estimated 4,000 single family dwellings in the Puhi-Līhu'e-Hanamā'ulu area, if any, are part of Grove Farm’s approved Water Master Plan. Per the Master Plan, Grove Farm is responsible to provide source, storage, and transmission for their planned developments.

Puhi- Līhu'e-Hanamā'ulu Transmission Data:

Identifying deficiencies in transmission facilities (water main) to provide domestic capacity and fire flow capacity is more complex and analysis of transmission facilities are determined with more specific information regarding the potential future development. For example, dependent upon the development facility’s type, density, and proximity to the supporting water system, a determination is made as to whether the existing transmission facilities (water main) are adequate, or if additional and/or upgraded infrastructure would be required to provide sufficient domestic and/or fire flow per Water System Standards. Additionally, the next long range water infrastructure maintenance and improvement plan will target potential deficiencies in the water system to identify and prioritize projects.

There are two ongoing transmission projects in the Puhi-Līhu'e-Hanamā'ulu system:

1) Kapaia Cane Haul Rd. 18” Main

The DOW proposes to construct an approximately 9,000 foot long, 18-inch diameter water transmission main (“Relief Line”) beginning at the intersection of ‘Ehiku Street and Kūhiō Highway, crossing into private property and travelling along the Kapaia Cane Haul Road from Kūhiō Highway toward and ending at Mā`alo Road. The proposed Relief Line will connect to existing KDOW 16-inch diameter water transmission mains on each end.

The DOW currently has transmission lines within the Līhu’e system that range from 12-inch to 24-inch in diameter. The proposed Relief Line will connect on each end to existing KDOW 16-inch diameter water mains, effectively creating a “loop” in the water system which provides redundancy. The proposed Relief Line will alleviate the capacity limitation caused by the inadequate segment of water transmission main on Kūhiō Highway between Kapaia Bridge and Wilcox Medical Center. Fire flow capacity will also improve as a result of the Relief Line.

Furthermore, the redundancy will allow KDOW to maintain water service to customers in the event of problems with other transmission mains in the area, which especially benefits DOW’s critical customers such as the Wilcox Medical Center and Wilcox Elementary School. Overall, the proposed Relief Line will improve the efficiency, redundancy, and stability of the Līhu’e system.

2) Kūhiʻō Hwy (Hardy-Oxford) Waterline Replacement Project:

The scope of this project is to replace the existing 16-inch asbestos-cement pipe with 16-inch ductile iron pipe along portions of Kūhiʻō Highway, located between Hardy Street and Oxford
Street, and along portions of Poinciana Street, located between Kūhiʻō Highway and Jerves Street, in Līhuʻe. The existing pipelines in this area are aged and have been showing signs of degradation and leaking. Through the efforts completed during the formulation of Water Plan 2020, it was identified that the Kūhiʻō Hwy (Hardy-Oxford) Waterline Replacement Project is necessary for the health and safety of the public. The construction of this project will help to reduce water loss due to leaking and remove hazardous asbestos-cement piping from our water system.

**South Side Area**
*(Includes four water service area which are Kalāheo, Lāwaʻi-Omao, Kōloa and Poʻipū)*

Table 2a. **South Side Source Data**
*(units: MDD – Max Day Demand; MG – Million Gallons; MGD - Million Gallons Per Day; GPM – Gallons Per Minute)*

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Maximum Daily Demand (MDD)</th>
<th>Total Source Capacity</th>
<th>Available Source Capacity</th>
<th>Number of Single Family Dwellings (SFD)</th>
<th>Number of Multi-Family Units (MFU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalāheo</td>
<td>0.900 MGD</td>
<td>1.296 MGD</td>
<td>0.396 MGD</td>
<td>527</td>
<td>753</td>
</tr>
<tr>
<td>Lāwaʻi-Omao</td>
<td>0.517 MGD</td>
<td>0.873 MGD</td>
<td>0.356 MGD</td>
<td>475</td>
<td>678</td>
</tr>
<tr>
<td>Kōloa</td>
<td>0.803 MGD</td>
<td>2.058 MGD</td>
<td>1.255 MGD</td>
<td>1,673</td>
<td>2,390</td>
</tr>
<tr>
<td>Poʻipū</td>
<td>3.442 MGD</td>
<td>6.336 MGD</td>
<td>2.894 MGD</td>
<td>3,858</td>
<td>5,512</td>
</tr>
</tbody>
</table>

Table 2b. **South Side Storage Data**
*(units: MDD – Max Day Demand; MG – Million Gallons; MGD - Million Gallons Per Day; GPM – Gallons Per Minute)*

<table>
<thead>
<tr>
<th>Service Zone</th>
<th>Maximum Daily Demand (MDD)</th>
<th>Total Storage Capacity</th>
<th>Available Storage Capacity</th>
<th>Number of Single Family Dwellings (SFD)</th>
<th>Number of Multi-Family Units (MFU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalāheo</td>
<td>0.900 MGD</td>
<td>1.250 MGD</td>
<td>0.350 MGD</td>
<td>466</td>
<td>666</td>
</tr>
<tr>
<td>Lāwaʻi-Omao</td>
<td>0.517 MGD</td>
<td>0.880 MGD</td>
<td>0.363 MGD</td>
<td>485</td>
<td>692</td>
</tr>
<tr>
<td>Kōloa</td>
<td>0.803 MGD</td>
<td>1.500 MGD</td>
<td>0.697 MGD</td>
<td>929</td>
<td>1,328</td>
</tr>
<tr>
<td>Poʻipū</td>
<td>3.442 MGD</td>
<td>3.250 MGD</td>
<td>(-) 0.192 MGD</td>
<td>(-) 256</td>
<td>(-) 366</td>
</tr>
</tbody>
</table>

In order to meet the projected 2,000 single family dwellings in the South side area:

- Additional storage capacity of 0.282 MG (376 SFDs) is required.
- Source facilities for the South side area are adequate.

**Southside (Kalāheo, Lāwaʻi-Omao, Kōloa & Poʻipū) Transmission Data:**
Identifying deficiencies in transmission facilities (water main) to provide domestic capacity and fire flow capacity is more complex and analysis of transmission facilities are determined with more specific information regarding the potential future development. For example, dependent upon the development facility’s type, density, and proximity to the supporting water system, a determination is made as to whether the existing transmission facilities (water main) are adequate, or if additional and/or upgraded infrastructure would be required to provide sufficient domestic and/or fire flow per Water System Standards. Additionally, the next long range water infrastructure maintenance and improvement plan will target potential deficiencies in the water system to identify and prioritize projects.

2. What projects are needed to provide capacity for deficiency in both source and storage?

**Puhi-Līhu'e-Hanamā'ulu**

**Source:** Deficiency of 1,955 gpm (assume four 500 gpm wells at an estimated 3 million dollars each, for an estimated total cost of 12 million dollars)

**Storage:** Deficiency of 2.7 million gallons (assume three 1.0 MG tanks at an estimated 5 million dollars each, for an estimated total cost of $15 million dollars).

**South Side Area**  
*(Includes four water service area which are Kalāheo, Lāwa‘i-Omao, Kōloa and Po'ipū)*

**Source:** None, Tables 2a shows that the total available source facilities (4.901 MG, 6,533 single family dwellings) for the water service areas can provide for 2,000 single family dwellings.

Actual adequacy of the source facilities will be dependent on the extent of development occurring in the individual service areas.

**Storage:** 0.282 MG (assume one 0.5 MG tank at $4 million dollars).

Actual adequacy of the storage facilities will be dependent on the extent of development occurring in the individual service areas.

Water service requests are approved on a first-come first-service basis and available capacity of water infrastructure (i.e. source, storage, and transmission) is subject to change over time. In the event existing DOW water infrastructure (source, storage, and/or transmission facilities) is not adequate for proposed developments, the applicant/developer has the option of constructing necessary water system facilities or waiting for the DOW to construct the necessary water system facilities to meet the domestic and fire flow demands for the development, which must occur prior to the DOW approving building permits for the development.
<table>
<thead>
<tr>
<th>Project No.</th>
<th>Water System</th>
<th>Project Title</th>
<th>Condition Assessment</th>
<th>Health Safety</th>
<th>Service Level</th>
<th>Total Score</th>
<th>Fund Type</th>
<th>Project Type</th>
<th>Strategic Initiative as of 2007</th>
<th>Status/Phase</th>
<th>Priority as of 11/22/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>KW-14</td>
<td>Kekaha-Waima</td>
<td>Waima Canyon 12'' Main Replacement (1,868')</td>
<td>10 10 10 30</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-15</td>
<td>Kekaha-Waima</td>
<td>Kaumualii Hwy 12'', Huakai to Moana Road Main Replacement (1,950')</td>
<td>10 10 10 30</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-25</td>
<td>Kekaha-Waima</td>
<td>Construct Kapilima 156' Tank, 5.5MG</td>
<td>10 10 10 30</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-27</td>
<td>Kekaha-Waima</td>
<td>Kaumualii Hwy - Kekaha Rd to Huakai 12'' D. I Main Replacement</td>
<td>10 10 10 30</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-02</td>
<td>Puhi-Lihe-Hanamalu</td>
<td>Kokolau Tunnel to Mano St. 16'' Main Replacement (14,630')</td>
<td>10 10 10 30</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-13</td>
<td>Puhi-Lihe-Hanamalu</td>
<td>Develop Puhi Well #5A, #5B and Puhi #1 re-pipe to 393'</td>
<td>10 10 10 30</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-09</td>
<td>Waialua-Kapaa</td>
<td>Construct Kapaa Homesteads Well 530 Tank, 0.5 MG</td>
<td>10 10 10 30</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-21</td>
<td>Waialua-Kapaa</td>
<td>Drill &amp; Develop Waialua Homesteads Well #307</td>
<td>10 10 10 30</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-28</td>
<td>Waialua-Kapaa</td>
<td>Waialua House lots 8'S. Main Replacement (11,004')</td>
<td>10 10 10 30</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-42</td>
<td>Waialua-Kapaa</td>
<td>Construct Stable 1.0MG Tank, 214'</td>
<td>10 10 10 30</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-16</td>
<td>Puhi-Lihe-Hanamalu</td>
<td>Drill &amp; Develop Hanamalu Well #4, 150 gpm</td>
<td>10 9 9 28</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-14</td>
<td>Puhi-Lihe-Hanamalu</td>
<td>Develop Puhi Well #120 gpm</td>
<td>10 8 9 27</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-15</td>
<td>Puhi-Lihe-Hanamalu</td>
<td>Develop Hanamalu Well #3, 160 gpm</td>
<td>10 8 9 27</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HW-07</td>
<td>Haena-Wainiha</td>
<td>Replace Wainiha Redwood Tank, 5,000 gal</td>
<td>10 10 5 25</td>
<td>CRPL</td>
<td>STORAGE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-11</td>
<td>Kekaha-Waima</td>
<td>Kapilimo Valley Well Development</td>
<td>8 8 9 25</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-12</td>
<td>Kekaha-Waima</td>
<td>Kekaha-Waima</td>
<td>8 8 9 25</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-12</td>
<td>Waialua-Kapaa</td>
<td>Waipouli 6''8'Main Replacement (7,286')</td>
<td>9 8 8 25</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-14</td>
<td>Waialua-Kapaa</td>
<td>Vivian Heights/Kamea Rd 6'', 6'Main Replacement (13,678') &amp; relocate PRV</td>
<td>9 7 9 25</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-30</td>
<td>Waialua-Kapaa</td>
<td>Waipouli Rd. / Hauki Rd. 6'' Main Replacement (18,419')</td>
<td>9 8 8 25</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-32</td>
<td>Waialua-Kapaa</td>
<td>Kapaa Homesteads 6'' Main Replacement (24,778')</td>
<td>9 8 8 25</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-36</td>
<td>Waialua-Kapaa</td>
<td>Waialua, Kuamo'o, Anolani Rd., Lehika Ln. 6'' Main Replacement (2,000')</td>
<td>9 8 8 25</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WWK-14</td>
<td>Waipake-Kilauea-Kalihwi</td>
<td>Construct East Kilauea Booster Pump Station, 300 gpm</td>
<td>8 8 9 25</td>
<td>CIP</td>
<td>BOOSTER PUMP</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-07</td>
<td>Kalaeo</td>
<td>Waha, Wawae, Niho Main Replacement (3,309')</td>
<td>9 7 8 24</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-09</td>
<td>Puhi-Lihe-Hanamalu</td>
<td>Ihue Town 6'' &amp; 8'' Main Replacement (2,070')</td>
<td>9 7 8 24</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-10</td>
<td>Kalaeo</td>
<td>0.5 MG Kalaeo 908 Tank, Generator Storage</td>
<td>8 8 7 23</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-25</td>
<td>Puhi-Lihe-Hanamalu</td>
<td>Ehwa, Umi, Akahi, Elua &amp; Hardy St. 8'' Main Replacement (5,970')</td>
<td>10 8 5 23</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-30</td>
<td>Puhi-Lihe-Hanamalu</td>
<td>Nawaliwi-Nisamu &amp; Kupolo 6,8 &amp; 12'' Main Replacement (12,380')</td>
<td>9 7 7 23</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-24</td>
<td>Waialua-Kapaa</td>
<td>Develop Kapaa Homesteads Well 3 400gpm &amp; 8'' DI (1,600')</td>
<td>9 7 6 23</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HW-02</td>
<td>Haena-Wainiha</td>
<td>Rehabilitate Wainiha Redwood Tank booster pumps</td>
<td>9 9 4 22</td>
<td>CRPL</td>
<td>BOOSTER PUMP</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP-01</td>
<td>Koloa-Poipu</td>
<td>Develop Koloa Well F</td>
<td>9 7 6 22</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP-06a</td>
<td>Koloa-Poipu</td>
<td>Lavae Road (Alania Road - Spouting Horn) 8'' Main Replacement (2,800')</td>
<td>9 4 9 22</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP-07</td>
<td>Koloa-Poipu</td>
<td>Poipu Road (Lavae Rd - Kiahuna Plant) 6'' Main Replacement (5,900')</td>
<td>9 7 6 22</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-71</td>
<td>Kalaeo</td>
<td>Pulu Road 12'' Main (5,465) &amp; 0.2 MG Tank</td>
<td>9 7 6 21</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WWK-09</td>
<td>Waipake-Kilauea-Kalihwi</td>
<td>Kolo Road (Pualani Place - Hoeki Rd) Main Replacement (1,687')</td>
<td>5 9 7 21</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-16</td>
<td>Kekaha-Waima</td>
<td>Waima 6'' Main Replacement (6,250')</td>
<td>10 7 3 20</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-20</td>
<td>Kekaha-Waima</td>
<td>Waima Well #4A Rehabilitation</td>
<td>10 10 0 20</td>
<td>CRPL</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LD-01</td>
<td>Lihue-Lomao</td>
<td>Lihue Well #2 mercury seal</td>
<td>10 10 0 20</td>
<td>CRPL</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-11</td>
<td>Puhi-Lihe-Hanamalu</td>
<td>Rehabilitate Lihue Steel Tanks #1 &amp; 2, 1.0 MG</td>
<td>10 10 0 20</td>
<td>CRPL</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-05</td>
<td>Waialua-Kapaa</td>
<td>Kapaa Homesteads Well No. 1 (Makaleha Well FA') mercury seals</td>
<td>10 10 0 20</td>
<td>CRPL</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-07</td>
<td>Waialua-Kapaa</td>
<td>Rehabilitate Ornellas Tank, 0.2 MG</td>
<td>10 10 0 20</td>
<td>CRPL</td>
<td>SOURCE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-10</td>
<td>Waipake-Kilauea-Kalihwi</td>
<td>Construct Namaha Tank 722 Tank, 0.1MG</td>
<td>8 5 7 20</td>
<td>CRPL</td>
<td>STORAGE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-18</td>
<td>Waipake-Kilauea-Kalihwi</td>
<td>Construct Pulu Pune Tank, 0.1MG</td>
<td>8 5 7 20</td>
<td>CRPL</td>
<td>STORAGE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H-10</td>
<td>Hanalei</td>
<td>maka Ridge Tank to Hanalei Town 12'' Main Replacement (7,190')</td>
<td>5 8 6 19</td>
<td>CRPL</td>
<td>STORAGE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HE-07</td>
<td>Hanapepe-Eileie</td>
<td>Hanapepe Vv to Eileie Steel Tanks Rehab/Replace 27'' Pipeline (1,175')</td>
<td>9 10 0 19</td>
<td>CRPL</td>
<td>STORAGE</td>
<td>0</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project No.</td>
<td>Water System</td>
<td>Project Title</td>
<td>Condition</td>
<td>Health Assessment</td>
<td>Service Level</td>
<td>Total Score</td>
<td>Fund Type</td>
<td>Project Type</td>
<td>Strategic Initiative as of 2007</td>
<td>Status/Phase</td>
<td>Priority as of 11/22/2017</td>
</tr>
<tr>
<td>-------------</td>
<td>--------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>-----------</td>
<td>-------------------</td>
<td>---------------</td>
<td>-------------</td>
<td>------------</td>
<td>--------------</td>
<td>-----------------------------</td>
<td>--------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>HE-10a</td>
<td>Hanapepe-Eilele</td>
<td>Ululii Rd; Ulula Rd 12&quot; Main Replacement</td>
<td>19</td>
<td>CRPL</td>
<td>0</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KP-08</td>
<td>Koloa-Poipu</td>
<td>Poipu Rd (Kahuna Plant. Drv - Kau Rd) 16&quot; Main Replacement (3,200')</td>
<td>9</td>
<td>6</td>
<td>19</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WK-22</td>
<td>Wallau-Kapaia</td>
<td>Drill &amp; Develop Kapaia Homesteads Well No. 3, 500 gpm, DLNR Project</td>
<td>10</td>
<td>6</td>
<td>19</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>A-11</td>
<td>Anahola</td>
<td>Develop Anahola Well No. 3, 350 gpm</td>
<td>0</td>
<td>8</td>
<td>10</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>HE-06</td>
<td>Hanapepe-Eilele</td>
<td>Hanapepe Stream Crossing 12&quot; Main and slope control, 2 Design Phases</td>
<td>8</td>
<td>10</td>
<td>0</td>
<td>CRP</td>
<td>PIPELINE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KP-16</td>
<td>Koloa-Poipu</td>
<td>Omao Tank - Poipu Road 12&quot; Main Replacement (6,660')</td>
<td>8</td>
<td>7</td>
<td>3</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KW-06</td>
<td>Kekaha-Waima</td>
<td>Rehabilitation Kekaha Shaft 12</td>
<td>10</td>
<td>8</td>
<td>0</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>A-04</td>
<td>Anahola</td>
<td>Rehabilitation Anahola Tank, 0.15 MG</td>
<td>9</td>
<td>8</td>
<td>0</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>K-02</td>
<td>Kalaheo</td>
<td>Rehabilitation Jelly Factory B P. Sta. (3-250' gpm)</td>
<td>8</td>
<td>8</td>
<td>1</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KW-22a</td>
<td>Kekaha-Waima</td>
<td>MCC, Chlorination Facilities, Waima Well &quot;A&quot;</td>
<td>7</td>
<td>10</td>
<td>0</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WK-15</td>
<td>Wallau-Kapaia</td>
<td>Generator Storage - Kapaia Homesteads Well No. 1</td>
<td>7</td>
<td>10</td>
<td>0</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>H-05</td>
<td>Hanakei</td>
<td>Rehabilitation Maka Ridge Tank, 225'0.25 MG [Concrete Tanks]</td>
<td>8</td>
<td>8</td>
<td>0</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>HE-08</td>
<td>Hanapepe-Eilele</td>
<td>Hanapepe Refurbish Eilele Steel Tanks</td>
<td>8</td>
<td>8</td>
<td>0</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KW-09a</td>
<td>Kekaha-Waima</td>
<td>MCC, Chlorination Facilities, Kekaha Shaft #12</td>
<td>7</td>
<td>9</td>
<td>0</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>PLH-39a</td>
<td>Puhui-Lihue-Hanamaua</td>
<td>Lihue Baseyard Complex Improvements - Phase I</td>
<td>7</td>
<td>7</td>
<td>2</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>H-02</td>
<td>Hanakei</td>
<td>MCC, Chlorination Facilities&quot; Maka Ridge Well&quot; Separate pumps &amp; MCC, Rehab Chlorination</td>
<td>5</td>
<td>10</td>
<td>0</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>HW-03</td>
<td>Haena-Wainiha</td>
<td>Rehabilitation Haena Steel Tank 144</td>
<td>9</td>
<td>6</td>
<td>0</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KW-03</td>
<td>Kekaha-Waima</td>
<td>Eilepa Road (Aukau - Kaumuali) 8&quot; Main Replacement (970')</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>CRP</td>
<td>PIPELINE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KW-09b</td>
<td>Kekaha-Waima</td>
<td>MCC, Chlorination Facilities, Paua Valley Well</td>
<td>7</td>
<td>8</td>
<td>0</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KW-09c</td>
<td>Kekaha-Waima</td>
<td>MCC, Chlorination Facilities, Kekaha (Waipao) Well &quot;B&quot;</td>
<td>7</td>
<td>8</td>
<td>0</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>LO-13</td>
<td>Lawai-Omao</td>
<td>Lawai/Kalaeo Water System Interconnection 8&quot; Main Replacement (8,628')</td>
<td>5</td>
<td>10</td>
<td>0</td>
<td>CRP</td>
<td>PIPELINE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WK-03</td>
<td>Wallau-Kapaia</td>
<td>Kuioi Hwy, { N. Leho Rd. - Papaloa Rd Main Replacement (8,500')</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>CRP</td>
<td>PIPELINE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>PLH-19</td>
<td>Puhui-Lihue-Hanamaua</td>
<td>Barrier Removal - DOW Office and Lab buildings, ADA compliance</td>
<td>8</td>
<td>4</td>
<td>2</td>
<td>CRP</td>
<td>OTHER</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>H-03</td>
<td>Hanakei</td>
<td>Maka Ridge Tank to Kuhi Highway Road improvement</td>
<td>8</td>
<td>4</td>
<td>0</td>
<td>CRP</td>
<td>OTHER</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KW-24</td>
<td>Kekaha-Waima</td>
<td>Permanent Generator and Housing Kapilimoa Valley</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>PLH-17</td>
<td>Puhui-Lihue-Hanamaua</td>
<td>Lihue Baseyard Landscaping</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>CRP</td>
<td>OTHER</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>PLH-39b</td>
<td>Puhui-Lihue-Hanamaua</td>
<td>Lihue Baseyard Complex Expansion</td>
<td>0</td>
<td>8</td>
<td>2</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>PLH-31</td>
<td>Puhui-Lihue-Hanamaua</td>
<td>Lihue Steel Tanks 1 &amp; 2, KCC 393 Tank</td>
<td>7</td>
<td>8</td>
<td>0</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KW-05</td>
<td>Kekaha-Waima</td>
<td>Hydro-cell Improvement, Kekaha (Waipao) Well &quot;B&quot;</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>K-11</td>
<td>Kalaheo</td>
<td>Install MCC for Kalaeo Well No. 1</td>
<td>8</td>
<td>8</td>
<td>7</td>
<td>CRP</td>
<td>OTHER</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>LO-04</td>
<td>Lawai-Omao</td>
<td>Construct Omao 677 Tank, 0.5 MG</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>K-18</td>
<td>Kalaheo</td>
<td>8&quot; Water Main Replacement Haleiwi Road</td>
<td>CRP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>PLH-41</td>
<td>Puhui-Lihue-Hanamaua</td>
<td>Lihue Mill Bridge 24&quot; Main (State DOT Project)</td>
<td>CRP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>PLH-44b</td>
<td>Puhui-Lihue-Hanamaua</td>
<td>Lihue Mill Bridge 24&quot; Main (State DOT Project)</td>
<td>CRP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WK-14b</td>
<td>Wallau-Kapaia</td>
<td>Vivan Hghts/Kanaio Rd 8&quot;, 6&quot; Main Repl (11,325'), Ph II</td>
<td>CRP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WK-32b</td>
<td>Wallau-Kapaia</td>
<td>Kapaia Homesteads 6&quot; Main Replacement (24,773'), Phase II</td>
<td>CRP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WK-42b</td>
<td>Wallau-Kapaia</td>
<td>Construct Stable 1.0MG Tank, 214&quot;, Phase II Connecting Pipeline</td>
<td>CRP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>HE-14</td>
<td>Hanapepe-Eilele</td>
<td>Hanapepe-Eilele Booster Pump Replacements</td>
<td>CRP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>KP-09</td>
<td>Koloa-Poipu</td>
<td>MCC, Chlorination Facilities, Koloa Well &quot;16&quot;A &amp; &quot;E&quot;, &amp; &quot;16&quot;B Site &amp; Bidg Improvement</td>
<td>9</td>
<td>9</td>
<td>0</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WK-39</td>
<td>Wallau-Kapaia</td>
<td>Drill and Develop Kapaia Homesteads Well No. 4, 500GPM</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>CRP</td>
<td>SOURCE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WK-02b</td>
<td>Waipake-Kilauea-Kalihawi</td>
<td>Drill &amp; Develop New Kilauea Tanks 10, 0.5 MG</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WK-08</td>
<td>Wallau-Kapaia</td>
<td>Construct Kapaia Homesteads 325&quot; Tanks, 2.0 MG Tanks</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WK-23</td>
<td>Wallau-Kapaia</td>
<td>Construct U.H. Exp. Station 605&quot; Tank, 0.25 MG &amp; 12&quot; Dr (2900') pipeline</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>WKX-15</td>
<td>Waipake-Kilauea-Kalihawi</td>
<td>Construct Kilauea 466 Tank, 1.0 MG</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>CRP</td>
<td>STORAGE</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>Project No.</td>
<td>Water System</td>
<td>Project Title</td>
<td>Condition Assessment</td>
<td>Health Safety</td>
<td>Service Level</td>
<td>Total Score</td>
<td>Fund Type</td>
<td>Project Type</td>
<td>Strategic Initiative as of 2007</td>
<td>Status/Phase</td>
<td>Priority as of 11/22/2017</td>
</tr>
<tr>
<td>------------</td>
<td>--------------</td>
<td>---------------</td>
<td>----------------------</td>
<td>---------------</td>
<td>--------------</td>
<td>-------------</td>
<td>------------</td>
<td>--------------</td>
<td>-----------------------------</td>
<td>-------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>HW-12</td>
<td>Haena-Wainiha</td>
<td>Drill &amp; Dev. Wainiha/Haena Well 100 gpm</td>
<td>10 10 10</td>
<td>30</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0.7</td>
<td>In Design</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M-02</td>
<td>Molaa</td>
<td>Construct Molaa Tank, 100,000 Gallon Storage Tank</td>
<td>10 10 10</td>
<td>30</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-12</td>
<td>Puhu-Uluhanamau</td>
<td>Kohohana Wells A, B, F &amp; I Permanent Generator</td>
<td>8 10 8</td>
<td>26</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0.7</td>
<td>Upcoming Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H-05</td>
<td>Hanalei</td>
<td>Weke, Anae, Mahimahi and He'e Roads 6' and 8' Main Replacement (2,760')</td>
<td>8 8 7</td>
<td>23</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>4</td>
<td>Design Complete - Construction on Hold</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-01</td>
<td>Kalaeo</td>
<td>Kalaeo 1111’ &amp; 1222’ Water System Improvements (0.5 MG Tank &amp; 0.1 MG Tank)</td>
<td>8 5 7</td>
<td>20</td>
<td>CIP</td>
<td>OTHER</td>
<td>0.7</td>
<td>In Design</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-02</td>
<td>Kalaeo</td>
<td>Kalaeo 1111’ &amp; 1222’ Water System Improvements (8’ Main)</td>
<td>8 5 7</td>
<td>20</td>
<td>CIP</td>
<td>OTHER</td>
<td>0.7</td>
<td>In Design</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-03</td>
<td>Kalaeo</td>
<td>Kalaeo 1111’ &amp; 1222’ Water System Improvements (Well)</td>
<td>8 5 7</td>
<td>20</td>
<td>CIP</td>
<td>OTHER</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-05a</td>
<td>Kalaeo</td>
<td>Kalaeo New Tank, 0.5MG, 866</td>
<td>8 10 10</td>
<td>20</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-21</td>
<td>Puhu-Uluhanamau</td>
<td>Kuhio Hwy (Hardy - Oxford) 11’ Main Replacement (1,680’)</td>
<td>7 7 4</td>
<td>18</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0.7</td>
<td>In Design</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HW-11</td>
<td>Haena-Wainiha</td>
<td>Construct Ha'e'o 0.2 MG Storage Tank, 144’</td>
<td>9 0 8 18</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0.7</td>
<td>In Design</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-33b</td>
<td>Puhu-Uluhanamau</td>
<td>Kapaa Cane haul Road 18’ Main</td>
<td>9 6 10</td>
<td>16</td>
<td>CIP</td>
<td>Other</td>
<td>0.5</td>
<td>Under Construction</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WKK-03</td>
<td>Waipae-Kilauea-Kalihawai</td>
<td>MCC, Chlorination Facilities, Kohohana Wells #1 &amp; #2</td>
<td>8 8 0</td>
<td>14</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HE-01</td>
<td>Hanapepe-Eilele</td>
<td>Kaumuali'i Hwy. 16’ Main &amp; Emergency Booster Pump Connection Hanapèpè-Èle'le’</td>
<td>8 5 0</td>
<td>13</td>
<td>CIP</td>
<td>OTHER</td>
<td>0.5</td>
<td>Under Construction</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M-01</td>
<td>Molaa</td>
<td>Koaulau Road, Molaa 6’ Main &amp; Water Meter &amp; Backflow Device (1,500’)</td>
<td>9 0 5 8</td>
<td>13</td>
<td>CIP</td>
<td>PIPELINE</td>
<td>0.7</td>
<td>In Design - on hold</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ani-01a</td>
<td>Anini</td>
<td>Anini and Kila'ihawi Road 6’ Main (9,156') - Phase 1.</td>
<td>3 6 2</td>
<td>11</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-07</td>
<td>Kekaha Waimea</td>
<td>Rehabilitate Fausa valley tank 1’ 0.5 MG Concrete</td>
<td>4 4 0</td>
<td>8</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>0.7</td>
<td>In Design</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Puhu-Uluhanamau</td>
<td>Hanamalu’ulu Well #1 &amp; #2 Abandonment</td>
<td>OTHER</td>
<td>0.5</td>
<td>Under Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TBD</td>
<td>Hanapepe-Eilele</td>
<td>Repair Hanapèpè Stream Crossing</td>
<td>OTHER</td>
<td>0.7</td>
<td>Upcoming Design</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TBD</td>
<td>Island Wide</td>
<td>Island Wide Rehabilitation of Tanks Projects</td>
<td>OTHER</td>
<td>0.7</td>
<td>Upcoming Design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TBD</td>
<td>Haena-Wainiha</td>
<td>Limahuli Stream and Mänoa Stream Water Line Repairs</td>
<td>PIPELINE</td>
<td>0.7</td>
<td>Upcoming Design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TBD</td>
<td>Waialua-Kapa’a</td>
<td>Makaleha Stream Water Line Repairs</td>
<td>OTHER</td>
<td>0.7</td>
<td>Upcoming Design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KD-05</td>
<td>Koalo-Poipu</td>
<td>Construct Poipu 245 TAx, 1.0 MG</td>
<td>10 10 10</td>
<td>30</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M-03</td>
<td>Molaa</td>
<td>Acquire Source / Install Pump, Controls, and 12’ Pipeline</td>
<td>10 10 10</td>
<td>30</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H-08</td>
<td>Hanalei</td>
<td>Drill &amp; Dev Hanalei Well, 300 gpm</td>
<td>9 10 10</td>
<td>30</td>
<td>CIP</td>
<td>SOURCE</td>
<td>2</td>
<td>Under Construction</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-33</td>
<td>Waialua-Kapa’a</td>
<td>Kaahuna Road 12’ Main Replacement (9500’)</td>
<td>10 10 10</td>
<td>30</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-09</td>
<td>Kalaeo</td>
<td>Kaahuna Town 8’, 8’ &amp; 12’ Main Replacement (8,530’)</td>
<td>9 8 8</td>
<td>21</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>2</td>
<td>Under Construction</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-13</td>
<td>Waialua-Kapa’a</td>
<td>Kaahuna Town 8’ Main Replacement (3,437’)</td>
<td>9 8 4</td>
<td>21</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>2</td>
<td>Under Construction</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP-13</td>
<td>Koloa-Poipu</td>
<td>Waikomo Road (Poipu Rd - Welliwell Rd) 8’ Main Replacement (1,828’)</td>
<td>8 5 7</td>
<td>20</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>2</td>
<td>Under Construction</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LD-12</td>
<td>Lawai-Dilmao</td>
<td>Isipoo 8’ &amp; Lawoo 6’ Main Replacement (8,400’)</td>
<td>6 7 6</td>
<td>19</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>2</td>
<td>Under Construction</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-23</td>
<td>Waialua-Kapa’a</td>
<td>Kawalaup Rd (Omellas Tl - Pillamo Rd.) 12’ Main Replacement (14,357’)</td>
<td>7 7 5</td>
<td>19</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>2</td>
<td>Under Construction</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-25</td>
<td>Waialua-Kapa’a</td>
<td>Kawalaup Rd. (N. Papaloa - Kawalaup Rd) 16’ and 12’ Main Replacement (10,800’)</td>
<td>7 8 3</td>
<td>18</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>2</td>
<td>Under Construction</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HE-11</td>
<td>Hanapepe-Eilele</td>
<td>Lele Road to Salt Pond 6’ Main Replacement (5,379’)</td>
<td>8 5 4</td>
<td>17</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>2</td>
<td>Under Construction</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-10</td>
<td>Waialua-Kapa’a</td>
<td>Construct Waialua Homesteads 5,384 Tank, 1.0 MG</td>
<td>10 10 10</td>
<td>30</td>
<td>CIP</td>
<td>OTHER</td>
<td>3</td>
<td>Under Construction</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H-07</td>
<td>Hanalei</td>
<td>New 0.150 MG Tank, Abandon Hanalei Tank</td>
<td>10 10 10</td>
<td>30</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HW-13</td>
<td>Haena-Wainiha</td>
<td>Construct 0.1 MG Storage Tank, 213’</td>
<td>10 10 10</td>
<td>30</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-38</td>
<td>Puhu-Uluhanamau</td>
<td>Construct Uluhanamau New 1.0 MG Tank, 393</td>
<td>10 10 10</td>
<td>30</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WWK-19</td>
<td>Waipae-Kilauea-Kalihawai</td>
<td>Construct Kilua 0.25MG Tank, 466’</td>
<td>10 10 10</td>
<td>30</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LW-03</td>
<td>Lawai-Dilmao</td>
<td>Construct Lawai (Andrade) Tank 823, 0.05 MG</td>
<td>7 10 10</td>
<td>27</td>
<td>CIP</td>
<td>STORAGE</td>
<td>0.7</td>
<td>In Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-12a</td>
<td>Puhu-Uluhanamau</td>
<td>Kohohana Wells A, B, F &amp; I Rehab MCC, Chlorination Facilities, Kohohana Wells</td>
<td>8 10 8</td>
<td>26</td>
<td>CIP</td>
<td>PIPELINE</td>
<td>3</td>
<td>Under Construction</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A-02</td>
<td>Anahola</td>
<td>Drill &amp; Dev. Anahola Well 460gpm</td>
<td>8 8 9</td>
<td>25</td>
<td>CIP</td>
<td>SOURCE</td>
<td>0.7</td>
<td>Under Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WWK-07</td>
<td>Waipae-Kilauea-Kalihawai</td>
<td>Kilauea Tanks 1 &amp; 2 - Pukalani Place, 16’Main Replacement (8,050’)</td>
<td>7 9 9</td>
<td>25</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>Under Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-19</td>
<td>Waialua-Kapa’a</td>
<td>Puupoa/Puapoa/Kalama/Kipapa Rds. 8’ Main Replacement (15,417’)</td>
<td>8 7 9</td>
<td>24</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>Under Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project No.</td>
<td>Water System</td>
<td>Project Title</td>
<td>Condition Assessment</td>
<td>Health Safety</td>
<td>Service Level</td>
<td>Total Score</td>
<td>Fund Type</td>
<td>Priority as of 11/22/2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>----------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>----------------------</td>
<td>---------------</td>
<td>--------------</td>
<td>-------------</td>
<td>------------</td>
<td>--------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP-14</td>
<td>Koloa-Poipu</td>
<td>Koloa 6&quot; &amp; 12&quot; Main Replacement (13,756')</td>
<td>8 8 7 23</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP-17</td>
<td>Koloa-Poipu</td>
<td>Paauao Tank - Puipu Road 16&quot; Main Replacement (1,150')</td>
<td>8 8 7 23</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LO-07</td>
<td>Lawai-Omao</td>
<td>Drill &amp; Develop Omao Well</td>
<td>8 8 7 23</td>
<td>CIP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LO-08</td>
<td>Lawai-Omao</td>
<td>Koloa Rd (Alakone PI - Pika Rd) 8&quot; Main Replacement (1,700')</td>
<td>7 6 9 22</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-26</td>
<td>Pahi-Lihue-Hanamaulu</td>
<td>Isenberg/Camp A 6 &amp; 8&quot; Main Replacement (12,240')</td>
<td>9 8 5 22</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-26a</td>
<td>Wailua-Kapaia</td>
<td>Kanoepooni Road 12&quot; Main replacement (6,000')</td>
<td>8 7 7 22</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-31</td>
<td>Wailua-Kapaia</td>
<td>Kamalu, Crossley Rd., Polaini, Kimani PI. 8.&quot; Main Replacement (4,000')</td>
<td>10 6 6 22</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-41</td>
<td>Wailua-Kapaia</td>
<td>Kawahau Road 16&quot; Main Replacement</td>
<td>4 8 10 22</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-04</td>
<td>Waipake-Kilauea-Ka`ihewai</td>
<td>Kahohe Road / Kalihiwai Road 6&quot; Main Replacement (4,510') &amp; PRV</td>
<td>10 7 5 22</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-08</td>
<td>Waipake-Kilauea-Ka`ihewai</td>
<td>Kiluaena Road ( Pukalani PI - FH K-76) Main Replacement (4,370')</td>
<td>5 8 9 22</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A-05</td>
<td>Anahola</td>
<td>North Anahola Area 6&quot; Main Replacement (3,160')</td>
<td>6 8 7 21</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP-22</td>
<td>Koloa-Poipu</td>
<td>Wailau Road 12&quot; Main Replacement</td>
<td>7 7 7 21</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-17</td>
<td>Kekeha-Waimau</td>
<td>Waimau Heights 6&quot;, 8&quot;, 12&quot; Main Replacement (5,505')</td>
<td>10 5 6 21</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LD-11</td>
<td>Lawai-Omao</td>
<td>Omao 6&quot; Main Replacements (6,200')</td>
<td>6 7 8 21</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-29</td>
<td>Wailua-Kapaia</td>
<td>Hauaula/ Keapana Roads 6&quot; Main Replacement (10,611')</td>
<td>7 8 6 21</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HQ-08b</td>
<td>Haena-Wainiha</td>
<td>Waimea Powerhouse Road 6&quot; Main Replacement (5,310')</td>
<td>7 7 6 20</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-08b</td>
<td>Kalaheo</td>
<td>Puu, I lu Roads 6&quot; Main Road (12,321)</td>
<td>7 6 7 20</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-13</td>
<td>Kalaheo</td>
<td>Kalaheo Well No. 3</td>
<td>0 10 10 20</td>
<td>CIP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-14</td>
<td>Kalaheo</td>
<td>Kalaheo Well No. 3</td>
<td>10 10 10 20</td>
<td>CIP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP-15</td>
<td>Koloa-Poipu</td>
<td>Hoomia &amp; Pani Rd 6&quot;, Hoomani Rd 12&quot; Main Replacement (5,098')</td>
<td>8 7 5 20</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP-20</td>
<td>Koloa-Poipu</td>
<td>Drill and Develop Koloa Well G</td>
<td>0 10 10 20</td>
<td>CIP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-26</td>
<td>Kekeha-Waimau</td>
<td>Construct Waimau 196 Tank, 0.5MG</td>
<td>0 10 10 20</td>
<td>CIP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-01</td>
<td>Wailua-Kapaia</td>
<td>Rehabilitate Moepole Tub &amp; improve access road</td>
<td>10 10 10 20</td>
<td>CIP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-35</td>
<td>Wailua-Kapaia</td>
<td>Construct Upper Waipouli 0.25MG Tank, 680&quot;</td>
<td>10 10 10 20</td>
<td>CIP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-40</td>
<td>Wailua-Kapaia</td>
<td>Construct Upper Makaleha 0.25MG Tank, 75&quot;</td>
<td>0 10 10 20</td>
<td>CIP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LD-10</td>
<td>Lawai-Omao</td>
<td>Lawai 6&quot; &amp; 8&quot; Main Replacement (6,400')</td>
<td>5 7 7 19</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HS-10</td>
<td>Hanapape-Eleece</td>
<td>Reorganize Water System: Hanapape-Eleece</td>
<td>8 8 4 19</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-13b</td>
<td>Kekeha-Waimau</td>
<td>Keoke &amp; Aie Rd 12&quot; Main Replacement (4,150')</td>
<td>8 8 3 19</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-08</td>
<td>Pahi-Lihue-Hanamaulu</td>
<td>Nawaiwai Rd [Nokelula, Asapane, Elekt] 2 1/2&quot; Main Replacement &amp; Transfer Services, N</td>
<td>8 7 4 19</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-29</td>
<td>Pahi-Lihue-Hanamaulu</td>
<td>Kuhio Hwy/Hanamaulu Rd. 12&quot; Main Replacement (3,530')</td>
<td>9 7 3 19</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-16</td>
<td>Wailua-Kapaia</td>
<td>MCC, Chlorination Facility Nonov Well 9-1A &amp; 9-1B</td>
<td>9 10 0 19</td>
<td>CRPL</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-28b</td>
<td>Pahi-Lihue-Hanamaulu</td>
<td>Hanamaulu 6&quot; Main Replacement (3,520')</td>
<td>9 6 3 18</td>
<td>CRPL</td>
<td>Pipeline</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HW-01</td>
<td>Haena-Wainiha</td>
<td>Improve access to Wainia 217 Tank</td>
<td>9 9 0 18</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HW-09</td>
<td>Haena-Wainiha</td>
<td>Alamu, Aileala, Alamo'o Main Replacement (4,900')</td>
<td>5 7 6 18</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KW-01</td>
<td>Kekeha-Waimau</td>
<td>Kekeha Road, Fusero Rd - Kaumuali'i Hwy 12&quot; Main Replacement (4,490')</td>
<td>8 7 3 18</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LD-05a</td>
<td>Lawai-Omao</td>
<td>MCC, Chlorination Facilities, Lawai Wells No. 1 (22) &amp; No. 2</td>
<td>8 10 0 18</td>
<td>CRPL</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LD-09</td>
<td>Lawai-Omao</td>
<td>Piko, Halloma, Koloa 12&quot; Main Replacement (2,800')</td>
<td>5 6 7 18</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-06</td>
<td>Pahi-Lihue-Hanamaulu</td>
<td>MCC, Chlorination Facilities, Pahi Well 1 (KCC)</td>
<td>8 10 0 18</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-07</td>
<td>Pahi-Lihue-Hanamaulu</td>
<td>MCC, Chlorination Facilities, Pahi Wells 2 &amp; 3</td>
<td>8 10 0 18</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-10</td>
<td>Pahi-Lihue-Hanamaulu</td>
<td>MCC, Chlorination Facilities, Ulu Ulu School Well</td>
<td>8 10 0 18</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLH-20</td>
<td>Pahi-Lihue-Hanamaulu</td>
<td>Pahi Rd - Haleia Valley Rd. 6&quot; Main Replacement (5,550') &amp; 3 PRVs</td>
<td>10 4 4 18</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WWK-06</td>
<td>Waipake-Kilauea-Ka`ihewai</td>
<td>Ku`iohi Hwy. ( Pukalani Pl. - Kahiholo Rd) Main Replacement (9,370')</td>
<td>5 6 7 18</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP-21</td>
<td>Koloa-Poipu</td>
<td>Makaniu Road 6&quot; Main Replacement</td>
<td>5 7 5 17</td>
<td>CRPL</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Water Plan 2020 Project Evaluation Summary Report

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Water System</th>
<th>Project Title</th>
<th>Condition Assessment</th>
<th>Health Safety</th>
<th>Service Level</th>
<th>Total Score</th>
<th>Fund Type</th>
<th>Project Type</th>
<th>Strategic Initiative as of 2007</th>
<th>Priority as of 11/22/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>KW-22b</td>
<td>Kekaha-Waima</td>
<td>MCC, Chlorination Facilities, Waima Well 7.0&quot;</td>
<td>7</td>
<td>10</td>
<td>0</td>
<td>17</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>LO-17</td>
<td>Lawai-Omao</td>
<td>Akemama Road / li Road 8&quot;</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>17</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>LO-18</td>
<td>Lawai-Omao</td>
<td>Koa Road 6&quot; Main Replacement</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>17</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WK-15a</td>
<td>Wailua-Kapaau</td>
<td>Kapaa Homesteads Well No. 1, MCC, Chlorination Facility</td>
<td>7</td>
<td>10</td>
<td>0</td>
<td>17</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WK-17a</td>
<td>Wailua-Kapaau</td>
<td>MCC, Chlorination Facility and Site Improvements Nonou Well 9.1C</td>
<td>7</td>
<td>10</td>
<td>0</td>
<td>17</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WK-18</td>
<td>Wailua-Kapaau</td>
<td>MCC, Chlorification Facility Wailua Homestead Wells A&quot; &amp; B&quot;</td>
<td>7</td>
<td>10</td>
<td>0</td>
<td>17</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WKK-17</td>
<td>Waipake-Kilauea-Kalihiwai</td>
<td>Kuhiu Hwy. (Pukalani Pl. - Kolo Road) New Main (4,790)</td>
<td>0</td>
<td>9</td>
<td>8</td>
<td>17</td>
<td>CIP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>A-01</td>
<td>Anahola</td>
<td>Anahola Road 8&quot; Main Replacement(6,980)</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>16</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>A-08</td>
<td>Anahola</td>
<td>Kealia Road 12&quot; Main Replacement (1,940&quot;)</td>
<td>7</td>
<td>7</td>
<td>2</td>
<td>16</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HW-04</td>
<td>Haena-Wainihina</td>
<td>MCC, Chlorination Facilities, Haena Well 66 &amp; Wainiha Well 67 &amp; 2</td>
<td>6</td>
<td>10</td>
<td>0</td>
<td>16</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>K-06</td>
<td>Kalaheo</td>
<td>Piuwaw, Opu Roads 12&quot; Main Replacement (3,320&quot;)</td>
<td>7</td>
<td>7</td>
<td>2</td>
<td>16</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KW-13a</td>
<td>Kekaha-Waima</td>
<td>Kapa Road (Alika) 12&quot; Main Replacement, Kala Road 8&quot; Main (4,900&quot;)</td>
<td>6</td>
<td>12</td>
<td>2</td>
<td>16</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>PLH-32</td>
<td>Pahi-Lihue-Hanaulu</td>
<td>Rice Street (Kauai Imn Tank - Pana Rd) 12&quot; Main Replacement &amp; PRV (4,850&quot;)</td>
<td>7</td>
<td>6</td>
<td>3</td>
<td>16</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>PLH-35a</td>
<td>Pahi-Lihue-Hanaulu</td>
<td>Kuhiu Hwy 18&quot; Main Replacement</td>
<td>4</td>
<td>2</td>
<td>10</td>
<td>16</td>
<td>CRPL</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>WK-06</td>
<td>Wailua-Kapaau</td>
<td>Rehabilitation Makaleha Tank, 1.0 MG</td>
<td>10</td>
<td>6</td>
<td>0</td>
<td>16</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WK-11</td>
<td>Wailua-Kapaau</td>
<td>Upper Wailua Houselets 6&quot; Main Replacement (3,451&quot;) &amp; booster pump</td>
<td>10</td>
<td>6</td>
<td>0</td>
<td>16</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WKK-01</td>
<td>Waipake-Kilauea-Kalihiwai</td>
<td>Rehabilitation Kilauea Tanks #1 &amp; #2, 0.25 MG</td>
<td>8</td>
<td>8</td>
<td>0</td>
<td>16</td>
<td>CRP</td>
<td>BOOSTER PUMP</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WKK-16</td>
<td>Waipake-Kilauea-Kalihiwai</td>
<td>Waipake, Namahana, Kalihiwai Booster Pump Stations - Install PRV</td>
<td>0</td>
<td>8</td>
<td>8</td>
<td>16</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HE-03a</td>
<td>Hanapepe-Eleile</td>
<td>Hanapepe Town Well MCC, Chlorination Facilities</td>
<td>7</td>
<td>8</td>
<td>0</td>
<td>15</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WX-34</td>
<td>Wallua-Kapaau</td>
<td>Kalamoo Road 8&quot; Main Replacement (6,500&quot;)</td>
<td>8</td>
<td>5</td>
<td>2</td>
<td>15</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HE-03b</td>
<td>Hanapepe-Eleile</td>
<td>Hanapepe Well A MCC, Chlorination Facilities</td>
<td>7</td>
<td>8</td>
<td>0</td>
<td>15</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KP-11</td>
<td>Koloa-Poipu</td>
<td>Poipu Tank (Mahualele)- Poipu By-pass Rd 18&quot; Main (7,200&quot;)</td>
<td>0</td>
<td>8</td>
<td>7</td>
<td>15</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KW-23</td>
<td>Kekaha-Waima</td>
<td>Menehune Road 8&quot; Main Replacement (9,340&quot;)</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>15</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>L6-05b</td>
<td>Lawai-Omao</td>
<td>Permanent Generator and Housing, Lawai-Omao Tank, 67</td>
<td>0</td>
<td>10</td>
<td>5</td>
<td>15</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>PLH-33</td>
<td>Pahi-Lihue-Hanaulu</td>
<td>Pua Loke 6&quot; Main Replacement (8,640&quot;)</td>
<td>8</td>
<td>7</td>
<td>0</td>
<td>15</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WK-26</td>
<td>Wailua-Kapaau</td>
<td>Moolepe Tu. - Wailua Hmstds,5.38 Tank 12&quot; Main Replacement (12,726&quot;)</td>
<td>8</td>
<td>7</td>
<td>0</td>
<td>15</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HE-03c</td>
<td>Hanapepe-Eleile</td>
<td>Hanapepe Well B MCC, Chlorination Facilities</td>
<td>7</td>
<td>7</td>
<td>0</td>
<td>14</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>K-04</td>
<td>Kalaheo</td>
<td>Kalaheo Wells, Rehabilitation Chlorine Facilities (CHECK)</td>
<td>6</td>
<td>8</td>
<td>0</td>
<td>14</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KP-23</td>
<td>Koloa-Poipu</td>
<td>Kapuili Road New 12&quot; Main</td>
<td>0</td>
<td>7</td>
<td>7</td>
<td>14</td>
<td>CIP</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>KW-04</td>
<td>Kekaha-Waima</td>
<td>Pre-lube Improvement Paua Valley Well</td>
<td>6</td>
<td>8</td>
<td>0</td>
<td>14</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KW-18</td>
<td>Kekaha-Waima</td>
<td>Rehabilitation Waima Tank 1, 0.25 MG</td>
<td>8</td>
<td>6</td>
<td>0</td>
<td>14</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>M-04</td>
<td>Moloka'i</td>
<td>Koolau Road / Mooloa Road 6&quot; Main Replacement</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>14</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>PLH-05</td>
<td>Pahi-Lihue-Hanaulu</td>
<td>Rehabilitation Kalaepa Tank, 0.5 MG</td>
<td>7</td>
<td>7</td>
<td>0</td>
<td>14</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>PLH-22</td>
<td>Pahi-Lihue-Hanaulu</td>
<td>Nawiwilu Rd. (Lihue Grammar School Well - Kukui Grove St) 12&quot; Main Repl. (680') &amp; 1 PRV</td>
<td>7</td>
<td>7</td>
<td>0</td>
<td>14</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WK-38</td>
<td>Wailua-Kapaau</td>
<td>Rehabilitation Puu Pile Booster Station</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>14</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HE-02</td>
<td>Hanapepe-Eleile</td>
<td>Hanapepe Valley Main Replacement (1,500') and Main Abandonment (9,830')</td>
<td>8</td>
<td>5</td>
<td>0</td>
<td>13</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HE-04</td>
<td>Hanapepe-Eleile</td>
<td>Rehabilitation Hanapepe Heights 0.5 MG Tank, 212&quot;</td>
<td>5</td>
<td>8</td>
<td>0</td>
<td>13</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HE-09</td>
<td>Hanapepe-Eleile</td>
<td>Lower Hanapepe Hgt's 6&quot; Main Replacement (7,190&quot;)</td>
<td>7</td>
<td>6</td>
<td>0</td>
<td>13</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KP-19</td>
<td>Koloa-Poipu</td>
<td>Koloa Well C 18&quot; Main Replacement</td>
<td>6</td>
<td>5</td>
<td>2</td>
<td>13</td>
<td>CRP</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>LO-14</td>
<td>Lawai-Omao</td>
<td>Kaumualii Hwy 16&quot; Main Replacement</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>13</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>PLH-04</td>
<td>Pahi-Lihue-Hanaulu</td>
<td>Puu Subd. / Leluena St. 2.12' &amp; 1.2&quot; Main replacement (930&quot;)</td>
<td>6</td>
<td>7</td>
<td>0</td>
<td>13</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WK-04</td>
<td>Wailua-Kapaau</td>
<td>Rehabilitation Nonou Tank, 2.0 MG</td>
<td>7</td>
<td>6</td>
<td>0</td>
<td>13</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>A-09</td>
<td>Anahola</td>
<td>Kuhiu Hwy 8&quot; Main (500&quot;)</td>
<td>0</td>
<td>7</td>
<td>5</td>
<td>12</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KW-02a</td>
<td>Kekaha-Waima</td>
<td>East Kekaha 6&quot; &amp; 8&quot; Main Replacement (9,580&quot;)</td>
<td>7</td>
<td>5</td>
<td>0</td>
<td>12</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Project No.</td>
<td>Water System</td>
<td>Project Title</td>
<td>Condition Assessment</td>
<td>Health Safety</td>
<td>Service Level</td>
<td>Total Score</td>
<td>Fund Type</td>
<td>Project Type</td>
<td>Strategic Initiative as of 2007</td>
<td>Status/Phase</td>
</tr>
<tr>
<td>-------------</td>
<td>--------------</td>
<td>---------------</td>
<td>----------------------</td>
<td>---------------</td>
<td>--------------</td>
<td>-------------</td>
<td>------------</td>
<td>--------------</td>
<td>-----------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>KW-02b</td>
<td>Kekaha-Waima</td>
<td>West Kekaha 6'' &amp; 8'' Main Replacement (9,430')</td>
<td>7</td>
<td>5</td>
<td>0</td>
<td>12</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>LO-16</td>
<td>Lawai-Omao</td>
<td>East Koloa Road New 8'' Mainline</td>
<td>0</td>
<td>5</td>
<td>7</td>
<td>12</td>
<td>CIP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>PLH-21</td>
<td>Puhui-Lihue-Hanamaulu</td>
<td>Haleko Rd. ( Rte 51 - Kukui Grove St.) 16'' Main Replacement (3,500')</td>
<td>4</td>
<td>5</td>
<td>0</td>
<td>12</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>H-04</td>
<td>Hanalei</td>
<td>Hanalei River 8'' Main Replacement (1,670')</td>
<td>4</td>
<td>7</td>
<td>0</td>
<td>11</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HW-10</td>
<td>Haena-Wainiha</td>
<td>Kuhio Hwy 6'' Main Replacement (4,530')</td>
<td>4</td>
<td>7</td>
<td>0</td>
<td>11</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>A-06</td>
<td>Anahola</td>
<td>Puuhale/Kikko Loop 6'' Main Replacement (2,260')</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>10</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>M-11</td>
<td>Hanalei</td>
<td>Kuhio Hwy 6'' Main Replacement (7,700')</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>10</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KP-12</td>
<td>Koloa-Poipu</td>
<td>Rehabilitation Paanau Tank, 0.23 MG</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>10</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WKK-12</td>
<td>Waipake-Kilauea-Kilahele</td>
<td>Kilauea Road (Iwali Lane - Kaupea Road) 6'' Main replacement (5,720')</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>10</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HE-03d</td>
<td>Hanapepe-ilele</td>
<td>Hanapepe Well #4 MCC, Rehab Chlorination Facilities,generator storage</td>
<td>1</td>
<td>8</td>
<td>0</td>
<td>9</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HW-06</td>
<td>Haena-Wainiha</td>
<td>Alii Ike Road 6'' Main Replacement (2,570')</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>9</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HW-15</td>
<td>Hanalei</td>
<td>Wainiha 21'' Tank to Wainiha Well 6.08 Main Replacement (4,880')</td>
<td>7</td>
<td>2</td>
<td>0</td>
<td>9</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>LO-15</td>
<td>Lawai-Omao</td>
<td>Construct Omao New Tank, 0.25 MG, 677'</td>
<td>5</td>
<td>0</td>
<td>4</td>
<td>9</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WKK-13</td>
<td>Waipake-Kilauea-Kilahele</td>
<td>Koolau Road (Kuhio Hwy. - HF X.122) 6'' Main replacement (4,880')</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>9</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HW-14</td>
<td>Haena-Wainiha</td>
<td>Construct Water Treatment : Wainiha Well &amp; 2</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>8</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KP-10</td>
<td>Koloa-Poipu</td>
<td>MCC, Chlorination Facilities, Koloa Well 6'' &amp; 10'</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>8</td>
<td>CRP</td>
<td>SOURCE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WKK-20</td>
<td>Waipake-Kilauea-Kilahele</td>
<td>Kuhio Hwy 12'' Main Replacement (Kolo Road to Koolau Road) (14,000')</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>8</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HE-12</td>
<td>Hanapepe-ilele</td>
<td>New PRV Station at Alii Road/Ahi Road Intersection</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>7</td>
<td>CRP</td>
<td>OTHER</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HE-13</td>
<td>Hanapepe-ilele</td>
<td>Demolish Eleee Tank, 97' 80,000 Gallon</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>7</td>
<td>CRP</td>
<td>OTHER</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>PLH-24</td>
<td>Puhui-Lihue-Hanamaulu</td>
<td>Rice Street [Haikeko &amp; Kapule Hwy] 12'' Main Replacement (5,160')</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WK-43</td>
<td>Waialua-Kapa</td>
<td>Demolish Kondo Tank, 520'</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>7</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WKK-11</td>
<td>Waipake-Kilauea-Kilahele</td>
<td>Kapuna Rd (Waipake S62Tank - Kula School) Main replacement (1,740)</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>6</td>
<td>CRPL</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>A-07</td>
<td>Anahola</td>
<td>ManaK/kukuihale Road 8'' Main (2,200')</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>PLH-34</td>
<td>Puhui-Lihue-Hanamaulu</td>
<td>Kapule Hwy. (Kuhio Hwy - Atukini Rd) 18'' Main (8,750')</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>5</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KP-03</td>
<td>Koloa-Poipu</td>
<td>Construct Koloa 366 Tank, 0.5 MG</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KP-04</td>
<td>Koloa-Poipu</td>
<td>Construct Koloa 366 Tank, 0.25 MG</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>WKK-05</td>
<td>Waipake-Kilauea-Kilahele</td>
<td>Rehabilitation Mainline Service Road (Kilauea Tanks - Kahihiho Road) (5,130')</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>CRP</td>
<td>OTHER</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>A-10</td>
<td>Anahola</td>
<td>Construct Anahola 0.25MG Tank, 288'</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>K-15</td>
<td>Kalaheo</td>
<td>Kalaheo 12'' Main Replacement</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>K-16</td>
<td>Kalaheo</td>
<td>Abandon Kalaheo Well No. 24</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>H-09</td>
<td>Hanalei</td>
<td>Paint 0.05 MG Hanalei Tank</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>LO-13</td>
<td>Lawai-Omao</td>
<td>Omao Microtunnel</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>CRP</td>
<td>STORAGE</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>KW-28</td>
<td>Kekaha-Waima</td>
<td>Renovate Kekaha Shaft(584-02) &amp; 12' D.I.</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>30</td>
<td>CRP</td>
<td>SOURCE</td>
<td>4</td>
<td>Shelved</td>
</tr>
<tr>
<td>PLH-01a</td>
<td>Puhui-Lihue-Hanamaulu</td>
<td>Replace Grove Farm Tanks #12 &amp; #2</td>
<td>8</td>
<td>4</td>
<td>0</td>
<td>12</td>
<td>CRP</td>
<td>STORAGE</td>
<td>4</td>
<td>Design Complete - Construction on Hold</td>
</tr>
<tr>
<td>Ani-01b</td>
<td>Anini</td>
<td>Anini and Kilahele Road 6'' Main (3,500') - PH. 2</td>
<td>0</td>
<td>7</td>
<td>4</td>
<td>11</td>
<td>CRP</td>
<td>PIPELINE</td>
<td>3</td>
<td>Design Complete - Construction on Hold</td>
</tr>
<tr>
<td>K-17</td>
<td>Kalaheo</td>
<td>Construct Kalaheo Surface Water Treatment Facility, 0.5MGD</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>30</td>
<td>CRP</td>
<td>SOURCE</td>
<td>5</td>
<td>On-Hold</td>
</tr>
<tr>
<td>PLH-42</td>
<td>Puhui-Lihue-Hanamaulu</td>
<td>Construct Koloa Tunnel WTP, 4000m</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>30</td>
<td>CRP</td>
<td>SOURCE</td>
<td>5</td>
<td>On-Hold</td>
</tr>
<tr>
<td>WKK-02</td>
<td>Waialua-Kapa</td>
<td>Rehabilitation Akulikuli Tunnel &amp; surface water infiltration</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>30</td>
<td>CRP</td>
<td>SOURCE</td>
<td>5</td>
<td>On-Hold</td>
</tr>
<tr>
<td>PLH-03</td>
<td>Puhui-Lihue-Hanamaulu</td>
<td>Drill &amp; Develop Horizental wells</td>
<td>0</td>
<td>8</td>
<td>9</td>
<td>17</td>
<td>CRP</td>
<td>SOURCE</td>
<td>5</td>
<td>On-Hold</td>
</tr>
<tr>
<td>PLH-41</td>
<td>Puhui-Lihue-Hanamaulu</td>
<td>DOW Buyout Dedication Option of Kapaau SWTP (3.0 MGDI)</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>30</td>
<td>CRP</td>
<td>SOURCE</td>
<td>5</td>
<td>On-Hold</td>
</tr>
<tr>
<td>PLH-36</td>
<td>Puhui-Lihue-Hanamaulu</td>
<td>Kapaau SWTP Expansion, 1.5MGD</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>60</td>
<td>CRP</td>
<td>Storage</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>PLH-37</td>
<td>Puhui-Lihue-Hanamaulu</td>
<td>Shopen Kikihula Well #1, 2 &amp; 3</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>CRP</td>
<td>Storage</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>K-12</td>
<td>Kalaheo</td>
<td>Nursery 1111'' Tank Booster-Ramp Station (2.300 gpm)</td>
<td>6</td>
<td>8</td>
<td>2</td>
<td>23</td>
<td>CRP</td>
<td>ROOSTER-RAMP</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>KR-03</td>
<td>Koloa-Poipu</td>
<td>Rehabilitation Omao Tank 0.2 MG</td>
<td>6</td>
<td>6</td>
<td>2</td>
<td>23</td>
<td>CRP</td>
<td>STORAGE</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>Project No.</td>
<td>Water System</td>
<td>Project Title</td>
<td>Condition Assessment</td>
<td>Health Safety</td>
<td>Service Level</td>
<td>Total Score</td>
<td>Fund Type</td>
<td>Project Type</td>
<td>Strategic Initiative as of 2007</td>
<td>Status/Phase</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>----------------------</td>
<td>--------------</td>
<td>--------------</td>
<td>-------------</td>
<td>-----------</td>
<td>-------------</td>
<td>--------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>PLH-40</td>
<td>Puhi-Lihue-Hanamaulu</td>
<td>Install CO2 Removal System at Puhi Well No. 3 and 4</td>
<td>20</td>
<td>10</td>
<td>0</td>
<td>20</td>
<td>CPR</td>
<td>SOURCE</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>PLH-07</td>
<td>Poipu</td>
<td>Renegotiate Water Purchase Agreement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>CPR</td>
<td>SOURCE</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>A-03</td>
<td>Anahola</td>
<td>Rehabilitate Chlorination Facilities, Anahola Well A &amp; B</td>
<td>9</td>
<td>0</td>
<td>9</td>
<td>18</td>
<td>CPR</td>
<td>SOURCE</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>WA-36</td>
<td>Waimea-Kapa</td>
<td>Develop Alaka Street AKA Artesian Well</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>15</td>
<td>CPR</td>
<td>SOURCE</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>L-05</td>
<td>Lihuau</td>
<td>Rehabilitate Kukuiolono 0.73 MG tank</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>CPR</td>
<td>STORAGE</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>KN-18</td>
<td>Kekaha-Waimea</td>
<td>Relocate Waimea Heights Boosters</td>
<td>20</td>
<td>6</td>
<td>0</td>
<td>16</td>
<td>CPR</td>
<td>SOURCE</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>KI-34</td>
<td>Kulama</td>
<td>Rehabilitate 12” Main (Waiohai Hotel Site)</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>14</td>
<td>CPR</td>
<td>RESERVE</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>PLH-01b</td>
<td>Puhi-Lihue-Hanamaulu</td>
<td>Rehabilitate Grove Farm Tanks B1 &amp; B2</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>13</td>
<td>CPR</td>
<td>SOURCE</td>
<td>6</td>
<td>Deleted</td>
</tr>
<tr>
<td>KN-21</td>
<td>Kekaha-Waimea</td>
<td>Waimea Shaft 89 Water Treatment Plant</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>CPR</td>
<td>SOURCE</td>
<td>6</td>
<td>Deleted</td>
</tr>
</tbody>
</table>
New Business
MANAGER’S REPORT No. 19-22

November 21, 2018

Re: Discussion and Possible Action on the DOW’s response to Mr. Don Heacock’s correspondence regarding Statement of Grievances and Relief Sought, Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-03-003:016, Niumalu, Kaua‘i, dated October 18, 2018

RECOMMENDATION:
It is recommended that the Board uphold the requirements put forth by the Department of Water in previous correspondence to Mr. Don Heacock regarding his request for water service.

FUNDING: N/A

BACKGROUND:
The following documents are attached in chronological order as follows:

1. Letter from Mr. Don Heacock to Department of Water dated August 14, 2018.
3. Letter from Department of Water, Bryan Wienand, Manager & Chief Engineer to Mr. Don Heacock, dated September 6, 2018.
4. Email correspondence between Mr. Don Heacock and Mr. Bryan Wienand, Manager & Chief Engineer to Mr. Don Heacock, dated September 13, 2018.
5. Letter from Mr. Don Heacock to Board of Water Supply, Ms. Beth Tokioka, dated October 18, 2018.
6. Email from Department of Water, Ms. Mary-jane Akuna, Private Secretary to Mr. Don Heacock dated November 2, 2018 providing a digital copy of the “Cross Connection Control and Backflow Prevention Booklet”.

OPTIONS:
Option 1: Deny Mr. Heacock’s requests for relief sought as specified in his letter to the Board of Water supply dated October 18, 2018.

Pros: Upholding the Department’s requirements ensures:
   i. Protection from the potential of water back-flowing into the DOW’s domestic water system.
   ii. Systematic and sequential coordination of plan review, construction and inspection of the water meter service and backflow prevention device.
   iii. The backflow prevention device is installed, inspected, and accepted prior to the DOW allowing water meter service.
   iv. Efficient use of resources to ensure the DOW’s requirements are met.

Con: None known.
Option 2: Approve Mr. Heacock’s requests for relief sought as specified in his letter to the Board of Water supply dated October 18, 2018.

Pro: None known.

Cons: Approving Mr. Heacock’s requests would contradict the Department’s requirements as previously stated.

Attachments:

1. Letter from Mr. Don Heacock to Department of Water dated August 14, 2018.
3. Letter from Department of Water, Bryan Wienand, Manager & Chief Engineer to Mr. Don Heacock, dated September 6, 2018.
4. Email correspondence between Mr. Don Heacock and Mr. Bryan Wienand, Manager & Chief Engineer to Mr. Don Heacock, dated September 13, 2018.
5. Letter from Mr. Don Heacock to Board of Water Supply, Ms. Beth Tokioka, dated October 18, 2018.
6. Email from Department of Water, Ms. Mary Jane Akuna, Private Secretary to Mr. Don Heacock dated November 2, 2018 providing a digital copy of the “Cross Connection Control and Backflow Prevention Booklet”.

Mgrp/November 2018/19-22/Discussion and Possible Action on the DOW’s response to Mr. Don Heacock’s correspondence regarding Statement of Grievances and Relief Sought, Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-03-003:016, Niumalu, Kaua'i, dated October 18, 2018 (11-21-28):ein
To: Brian Wienand

Thru: Mary Jane (makuna@kauaiwater.org)

Fm: Don Heacock

Subject: Our meeting today to discuss installation of my water meter and related subjects

Dear Mary Jane,

Please forward this email to both Brian Wienand and Ed Doi.

Mahalo Brian (and Ed) for meeting with me today. A summary of key points we discussed is as follows:

My house currently is connected to a spring water (groundwater) source, not a surface water source. The KDOW’s “backflow prevention device” requirements do not differentiate between groundwater and surface water sources for a secondary private system. In general, cross-connection with a surface-water system has far greater potential for harmful cross-contamination than does a cross-connection with a groundwater system.

Further, before my water meter is installed and connected to my house, I will disconnect my private groundwater system from my house, and my house will use Only residential water from the KDOW’s water meter located 1 mile away. Your concern about my system being potentially precedent setting could be resolved by relying upon a case-specific decision rationale that simply differentiates between groundwater and surface water as the source for a secondary private system, or by issuing a formal variance.

Ed Doi said he would email me copies of:
1) Standards booklet entitled, “The Cross-connection and Backflow”;
2) “Standards and Requirements for the construction drawings for the necessary water systems facilities”; and
3) List of plumbing contractors that are certified to install the “Backflow Prevention Device”. (Mahalo Ed!)

Finally, in order to resolve this situation, I would like the KDOW to install my water meter (what would be the cost?), have a registered, certified, plumber contractor install the backflow prevention device at the water meter (which is 1 mile away from my house), make sure it is all legal and puts public safety first, and we can all move forward. Having a licensed engineer design the water system and provide construction drawings for $20-30,000 is cost prohibitive and not an option for me.

Sincerely,

Don Heacock
August 28, 2018

Mr. Donald Heacock

Dear Mr. Heacock:

Subject: Water Meter Service Request: First 5/8-Inch Water Meter (One Existing 5/8-Inch Water Meter) to TMK: 3-2-03:016, Niunlua, Kauai

This is in regard to your request dated June 18, 2018. We understand that there is an existing dwelling on the lot that is obtaining water from a private water system. The private water system will be disconnected from the dwelling (not for domestic use) and it will only be used for agricultural purposes. Please contact us if this is incorrect, our conditions may change.

Your request for the first 5/8-inch water meter to TMK: 3-2-03:016 is conditionally approved for residential use.

Prior to the Department of Water (DOW) recommending water meter service approval, the applicant must:

1. The applicant is made aware that the DOW does not allow dual water systems (public and private) to service the same lot for domestic use. The private water system shall be disconnected from the existing dwelling on the lot when County water service is available.

2. Prepare and receive DOW's approval of construction drawings for the necessary water system facilities and construct said facilities. These facilities shall include but not be limited to:
   a) The domestic service connection.
   b) The fire service connection, if applicable.
   c) The interior plumbing with the appropriate backflow prevention device for the proposed water meter.

3. Pay the applicable charges in effect at the time of payment to the Department. At the present time, these charges shall include but not be limited to:
   a) The Facilities Reserve Charge (FRC) of $14,115 per 5/8-inch water meter. DOW records indicate that the FRC for the first 5/8-inch meter was previously paid at the lower rate of $4,600 per 5/8-inch water meter on November 24, 2015 with Receipt No. 92869. Therefore, the FRC for the first 5/8-inch water meter will not be required at this time.
The applicant is made aware that effective November 30, 2018, in accordance with the DOW’s Rules and Regulations, Part 5, Section IV, Item No. 6, the applicant will be required to pay the difference between the FRC paid ($4,600) and the current FRC rate ($14,115). This FRC difference amounts to $9,515 per 5/8-inch water meter.

4. Receive a “Certification of Completion” for the construction of the necessary water system facilities from the DOW.

This conditional approval is valid for a period of one (1) year from the date of this letter. All conditions in this approval are subject to the Rules and Regulations of the DOW as amended or as will be amended. After this one year period, this conditional approval will be null and void and the applicant must re-apply to the Department for water service. Any request for water service will be dependent on the adequacy of the source, storage, and transmission facilities existing at that time.

If you have any questions concerning the construction drawings, please contact Mr. Eric Fujikawa at (808) 245-5412 or efujikawa@kauaiwater.org. For questions concerning the Certification of Completion, please contact Ms. Bekki Dee Malapit at (808) 245-5433 or bmalapit@kauaiwater.org. For other questions, please contact Ms. Regina Flores at (808) 245-5418 or rflores@kauaiwater.org.

Sincerely,

Edward Doi, P.E.
Chief of Water Resources and Planning

Kauai Water
3-2-03-016, T-19644, Heacock
<table>
<thead>
<tr>
<th>COMPANY</th>
<th>PHONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Controls &amp; Pump Systems</td>
<td></td>
</tr>
<tr>
<td>Mark Berry</td>
<td></td>
</tr>
<tr>
<td>Malama Systems</td>
<td></td>
</tr>
<tr>
<td>Keith Putman</td>
<td></td>
</tr>
<tr>
<td>Ladd Construction Inc.</td>
<td></td>
</tr>
<tr>
<td>Allen Ladd Elmore</td>
<td></td>
</tr>
<tr>
<td>Parke Whitten Elmore II</td>
<td></td>
</tr>
<tr>
<td>Elizabeth Jenkins</td>
<td></td>
</tr>
<tr>
<td>Estenzo Plumbing</td>
<td></td>
</tr>
<tr>
<td>Pural Water Specialty Co.</td>
<td></td>
</tr>
<tr>
<td>Lani’s Plumbing</td>
<td></td>
</tr>
<tr>
<td>Thomas K. Matsuyoshi</td>
<td></td>
</tr>
<tr>
<td>Bryan DePlumber LLC</td>
<td></td>
</tr>
<tr>
<td>Bryan Yoon</td>
<td></td>
</tr>
<tr>
<td>Uniform Plumbing Fire &amp; Solar</td>
<td></td>
</tr>
<tr>
<td>Robin Murayama</td>
<td></td>
</tr>
</tbody>
</table>
REQUEST TO ACCESS A GOVERNMENT RECORD

DATE: ________________________________

TO: ________________________________

FROM: 
Name or Alias
Contact Information

Although you are not required to provide any personal information, you should provide enough information to allow the agency to contact you about this request. The processing of this request may be stopped if the agency is unable to contact you. Therefore, please provide any information that will allow the agency to contact you (name or alias, telephone or fax number, mailing address, e-mail address, etc.).

I WOULD LIKE THE FOLLOWING GOVERNMENT RECORD:

Describe the government record as specifically as possible so that it can be located. Try to provide a record name, subject matter, date, location, purpose, or names of persons to whom the record refers, or other information that could help the agency identify the record. A complete and accurate description of the government record you request will prevent delays in locating the record. Attach a second page if needed.

I WOULD LIKE: (please check one or more of the options below)

☐ To inspect the government record.
☐ A copy of the government record: (Please check one of the options below.) See the back of this page for information about fees that you may be required to pay for agency services to process your record request. Note: Copying and transmission charges may also apply to certain options.

☐ Pick up at agency (date and time): ________________________________
☐ Mail
☐ Fax (toll free and only if available)
☐ Other, if available (please specify): ________________________________

☐ If the agency maintains the records in a form other than paper, please advise in which format you would prefer to have the record.

☐ Electronic ☐ Audio ☐ Other (please specify): ________________________________

☐ Check this box if you are attaching a request for waiver of fees in the public interest (see waiver information on back).

I understand and agree to the following understandings and conditions:

Due to security concerns, the water system facilities information for the subject project is for the applicants use only. The water system information provided by the Department will not be viewed or distributed to others and will not be used for purposes other than for the site assessment.

Print Name: ________________________________ Title: ________________________________

Signature: ________________________________
FEES FOR PROCESSING RECORD REQUESTS

You may be charged fees for the services that the agency must perform when processing your record request, including fees for making photocopies and other lawful fees. **The first $30 of fees charged for searching for a record, reviewing, and segregating will not be charged to you. Any amount over $30 will be charged to you.** Fees are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search for a Record</td>
<td>$2.50 for 15 minutes</td>
</tr>
<tr>
<td>Review and Segregation of a Record</td>
<td>$5.00 for 15 minutes</td>
</tr>
</tbody>
</table>

WAIVER OF FEES IN THE PUBLIC INTEREST

Up to $60 of fees for searching for, segregating and reviewing records may be waived when the waiver would serve the public interest as described in section 2-71-32, Hawaii Administrative Rules. If you wish to apply for a waiver of fees in the public interest, you must attach to this request a statement of facts, including your identity as the requester, to show how the waiver of fees would serve the public interest. The criteria for this waiver, found at section 2-71-32, Hawaii Administrative Rules, are:

1. The requested record pertains to the operations or activities of an agency;
2. The record is not readily available in the public domain; and
3. The requester has the primary intention and the actual ability to widely disseminate information from the government record to the public at large.

AGENCY RESPONSE TO YOUR REQUEST FOR ACCESS

The agency to which you addressed your request must respond within a set time period. The agency will normally respond to you within 10 business days from the date it receives your request; however, in **extenuating circumstances** the agency must respond within 20 business days from the date of your request. If you have questions about the response time, you may contact the agency's UIPA contact person. If you are not satisfied with the agency's response, you may call the Office of Information Practices at 808-586-1400.

REQUESTER'S RESPONSIBILITIES

You have certain responsibilities under §2-71-16, Hawaii Administrative Rules. You may obtain a copy of these rules from the Lieutenant Governor’s Office or from the Office of Information Practices. These responsibilities include making arrangements to inspect and copy records, providing further clarification or description of the requested record as instructed by the agency’s notice, and making a prepayment of fees, if assessed.
STANDARD LETTER OR LEGAL SIZE REPORTS

10 Pages or Less......................................................... 50 ¢ per page

More than 10 Pages....................................................... 50 ¢ per page for the first 10 pages and 25 ¢ per page thereafter

More than 50 Pages....................................................... 10 ¢ per page if done by self-service
The operator must be trained & authorized to run the machine, otherwise charge shall be 25 ¢ per page

Any department of agency shall impose and collect the following charges for a reproduced copy of any of the public records in its custody as described below, the reproduction of which is requested by any person for private use:

1) Copyflex Paper...................................................... 50 ¢ per square foot

2) Area Maps - Ranges from $2.00 - $2.75
   a) 18" X 30" & 18" X 32".............. $2.00
   b) 18" X 36".............................. $2.25
   c) 18" X 39".............................. $2.45
   d) 18" X 43".............................. $2.65
   e) 18" X 45".............................. $2.70
   f) 22" X 36".............................. $2.75

3) Subdivision, Zoning & Tax Maps (Maximum size 8 1/2" X 14")
......................................................................................... $1.00 per sheet

4) Supia Paper .............................................................. $5.00 per square foot

5) Mylar Film .............................................................. $10.00 per square foot

6) Aerial Contour Maps on Copyflex Paper......................... $30.00 per sheet

7) Aerial Contour Maps on Sepia Paper............................... $550.00 per sheet

8) Aerial Contour Maps on Mylar Film............................... $600.00 per sheet
September 6, 2018

Mr. Don Heacock

Subject: Water Meter Service Request for one 5/8-inch water meter for domestic use
TMK: 3-2-003:016, Niumalu, Kaua‘i

This letter is in response to your letter dated August 14, 2018 and the subsequent meeting we held on August 14, 2018 at the Department of Water along with Mr. Eddie Doi. Thank you for taking the time to meet with us to provide your input regarding the DOW’s requirements to obtain the first 5/8-inch water meter for TMK: 3-2-003:016.

In response to your June 18, 20018 water service request, the DOW’s conditions to obtain the first 5/8-inch water meter to TMK: (4) 3-2-003:016 are shown in the attached letter dated August 28, 2018. After careful consideration, your request to have the DOW install the first 5/8-inch water meter for TMK: 3-2-003:016 is not approved.

As discussed, the DOW requirements are based on the following criteria:

1. Rules and Regulations:
   a. The dual water systems (private source for non-potable use and County water for domestic use: Water system Standards – Division 100 – Planning, Section 107 – Backflow Prevention Assembly, 107.03 Requirements for Backflow Prevention, Table 100-17 page 107-2) will trigger the requirement for a backflow preventer to be installed.

   b. DOW policy requires the applicant to provide construction drawings and install the facilities when both a water meter service connection and backflow prevention device is required (Standard Operating Procedure No. 46, page 4, Types of Meter Installation Methods). Therefore, a backflow prevention device and water meter service connection shall be installed simultaneously via construction drawings stamped by a Professional Engineer licensed in the State of Hawai‘i and installation from a private construction contractor. This ensures:

      i. Protection from the potential of water back-flowing into the DOW’s domestic water system.

      ii. Systematic and sequential coordination of plan review, construction and inspection of the water meter service and backflow prevention device.

      iii. The backflow prevention device is installed, inspected, and accepted prior to the DOW allowing water meter service.

      iv. Efficient use of resources to ensure the DOW’s requirements are met.
Mr. Don Heacock  
Subject: Water Meter Service Request for one 5/8-inch water meter for domestic use  
TMK: 3-2-003:016, Niumalu, Kaua'i  
September 6, 2018  
Page 2 of 2

Should you decide not to obtain water service from the DOW and continue to use the existing private water system, the DOW will refund the Facilities Reserve Charge (FRC) that you previously paid. This would be initiated by a written request to the DOW for refund of the FRC because you will not be pursuing the requested 5/8-inch water meter.

In regards to your request for a copy of the standards booklet entitled “The Cross-Connections and Backflow,” please fill out a request to access a government record form (attached) that may be found on our website at http://kauaiwater.org/ReqGvtRec.pdf. This form can be dropped off at the DOW or mailed to 4398 Pua Loke Street Lihu'e, HI 96766. Depending on the government record requesting, there may be applicable fees for processing record requests of which you will be notified within 10 business days from the date we receive your request.

For your reference, we have attached a copy of a list of “certified backflow prevention assembly testers.” The DOW does not provide a list of plumbing contractors that are certified to install the backflow prevention assembly.

Standards and Requirement for the construction drawing can be found in the “Water System Standards 2002 State of Hawaii (WSS)” on the DOW website (www.kauaiwater.org). Please refer to Division 100 – Planning, section 112 Construction Plans and other Divisions/Sections in the WSS, as applicable.

If you have any further questions, please feel free to contact me at 245-5408 or via email at bwienand@kauaiwater.org, or contact Mr. Edward Doi at 245-5417 or via email at edoi@kauaiwater.org

Sincerely,

Bryan Wienand, P.E.  
Manager and Chief Engineer

Attachments:  
  August 14, 2018 Letter from Mr. Don Heacock “Our meeting today to discuss installation of my water meter and related subjects”  
  DOW letter August 28, 2018 response to Mr. Don Heacock  
  Approved list of certified backflow prevention assembly testers

BW/mja
Aloha Mr. Heacock,

I just wanted to follow up to make sure you received the DOW’s response letter dated September 6, 2018. I would think you probably received it within a few days of your most recent email on Friday, September 7, but wanted to make sure. I’ve attached a PDF for your reference.

Thank you,
Bryan

---

**Bryan Wienand**  
Manager & Chief Engineer, P.E.  
County of Kaua‘i  
Dept. of Water  
Phone (808) 245-5403  
bwienand@kauaiwater.org

---

On Aug 30, 2018, at 8:22 PM, Wienand, Bryan <bwienand@kauaiwater.org> wrote:

> Aloha Mr. Heacock,

> Thank you for your patience. The storm threat last week really disrupted our ongoing work, but I anticipate providing a formal response to your letter by next week.
From: Don Heacock
Sent: Saturday, August 18, 2018 9:19 PM
To: Wienand, Bryan <bwienand@kauaiwater.org>; Doi, Edward <EDoi@kauaiwater.org>
Subject: Follow-up letter from our meeting last week regarding Don Heacock's water meter installation (Don Heacock, Brian Wienand and Ed Doi)

Aloha Brian and Ed,

I have attached a one-page letter that I believe captures the salient issues we discussed last week.

Please let me know how to progress.

Sincerely,

Don Heacock
Cell:
October 18, 2018

Ms. Beth Tokioka, Chairman of the Board
Board of Water Supply of the County of Kaua‘i
4398 Pua Loke Street
Lihu‘e, Hawai‘i 96766
VIA HAND DELIVERY

Subject: Statement of Grievances and Relief Sought, Water Meter Service Request for one 5/8-inch water meter for domestic use, TMK: 3-2-003:016, Niumalu, Kaua‘i

Dear Ms. Tokioka:

I thank the entire Department of Water (DOW) for its ongoing efforts to finalize the existing conditional approval of the subject water meter service request. However, after first taking up this matter with the Manager and Chief Engineer—and then receiving a sequence of formal letters that communicated differing determinations, instructions, and sources of authority from the DOW—I decided to write this letter to the Board stating my grievances and the relief sought and requesting that this matter be put on the agenda of the Board at the earliest practicable time, and not later than November 23, 2018. Please consider the grievances stated below as a reflection of the difficulty that many others may face in understanding DOW requirements; navigating the existing processes for both complying with and obtaining relief from certain DOW requirements; and stomaching the seeming inequity of BWS policy as applied to supplying municipal water for domestic use to bona-fide on-farm residences, kuleana landowners, and new, affordable housing constructed by long-standing, small-time, property-owning taxpayers of Kaua‘i County.

DOW Letter Dated September 6, 2018

1. I request relief from the DOW decision that my request to have the DOW install the subject water meter is not approved. In addition, I request that the DOW provide the established fixed charges or an estimate of the charges for the installation of a new service connection and water meter.

2. I request relief from the DOW’s determinations that (1) "dual water systems (private source for non-potable use and County water for domestic use)" exist on the subject parcel and (2) "trigger the requirement for a backflow preventer to be installed."

3. I request relief from the DOW’S determination that "a backflow prevention device and water meter service connection shall be installed simultaneously via construction drawings stamped by a Professional Engineer licensed in the State of Hawai‘i and installation from from a private construction contractor."
4. I request relief from the DOW’s requirement that I submit "a request to access a
government record form ... in order to obtain "a copy of the standards booklet entitled
"The Cross-Connections and Backflow."" I also request that the DOW provide me with a
copy of the standards booklet at the cost established by DOW Rules and Regulations.

DOW Letter dated August 28, 2018

5. I request relief in the form of a final recommendation from the DCW for water meter
service approval.

6. I request relief from the DOW statement that defines "dual water systems" as "public
and private." I also request that the DOW continue to apply its implication that
disconnection of the existing private water system from the existing dwelling would render
moot the DOW’s statement that "the DOW does not allow dual water systems (public and
private) to service the same lot for domestic use."

7. I request relief from the DOW’s requirements to "[p]repare and receive DOW’s approval
of construction drawings for the necessary water system facilities," and from the
requirement to "construct said facilities" to include "The fire service connection" and a
"backflow protection device for the proposed water meter," other than those backflow and
back-siphonage prevention devices that are routinely incorporated into the interior
plumbing.

8. I request relief from the DOW’s lack of certainty about the applicability of "The fire
service connection" as a component of the necessary water system facilities. I also request
that the DOW determine that the inclusion of "The fire service connection" in "the
necessary water system facilities" is not applicable.

9. I request relief in the form of an exception to the DOW Rules and Regulations: Part 5 Facilities
Reserve Charge, Section IV Collection and Refund of Facilities Reserve Charge, Subsection 6.d.
Facilities Reserve Charge Paid Prior to Enactment of Part 5 Rules, such that the DOW shall nor
require that I pay the difference between the Facilities Reserve Charge paid and the current
Facilities Reserve Charge rates until after the later of (1) the expiration of the DOW’s conditional
approval issued on August 28, 2018; (2) one year after the DOW approves construction drawings
for water service and service connections; (3) the final resolution of all the grievances stated in
this letter by the Board, or (4) the final resolution of all the grievances stated in this letter by a
court of competent jurisdiction.

DOW letter dated January 24, 2017

10. I request relief as stated in paragraphs 6, 7, 8, and 9 above.
I thank the Board of Water Supply for considering the grievances and requests for relief stated above, and request that this matter be put on the agenda of the Board at the earliest practicable time, and not later than November 23, 2018.

Sincerely,

Donald E. Heacock

[Signature]

☑ copy: Mr. Bryan Wienand, P.E., Kaua‘i County Department of Water
Mr. David Penn, Penn Law Center
Wienand, Bryan

From: Akuna, Mary-jane
Sent: Friday, November 02, 2018 11:41 AM
To: koadonheacock@yahoo.com
Subject: Government Records Request - Mr. Don Heacock, Cross Connection Control and Backflow
Attachments: Government Records Request - Don Heacock, Cross Connection Control and Backflow (11-02-18) Completed.pdf

Aloha Mr. Heacock,

Hope all is well! Mahalo for your patience. Attached is the Department of Water, County of Kaua‘i’s Cross-Connection Control and Backflow Prevention standards booklet as requested in your August 13th letter to the DOW.

Feel free to call me should you have any questions.

Aloha

Mary-jane Akuna
Private Secretary on behalf of Bryan Wienand, P.E., Manager & Chief Engineer
Department of Water, County of Kauai
4398 Pua Loke Street Lihue, HI 96766
Phone: 808.245.5408 | FAX: 808.245.5813
Website: www.kauaiwater.org

“Together, we provide safe, affordable and sufficient drinking water through wise management of our resources and with excellent customer service for the people of Kaua‘i”

CONFIDENTIAL COMMUNICATION: This message (and any attachments) is intended only for the use of the designated recipient named above. If the reader of this message is not the intended recipient, you are hereby notified that you have received this document in error, and that any review, dissemination, distribution or copying of this message is strictly prohibited. If you receive this communication in error, please notify the sender(s) immediately by telephone or e-mail and delete this message and any attachments. Mahalo:
MANAGER’S REPORT No. 19-23

November 21, 2018

Re: Discussion and Receipt of the Department of Water’s Draft Audit Financial Statements and Independent Auditor’s Report by Accuity, Inc. for FY 2017-18

RECOMMENDATION:
It is recommended that the Board receive for discussion and necessary action the Department of Water’s (DOW’s) draft Financial Statements as of June 30, 2018 and June 30, 2017 together with the Independent Auditor’s Report.

BACKGROUND:
The independent auditor, Accuity, LLP has completed the audit of the DOW’s financial accounts and information technology operations, including review of internal controls, accounting and reporting procedures for the Fiscal Year (FY) ending June 30, 2018. A draft copy of the audited Financial Statements as of June 30, 2018 and June 30, 2017 together with the Independent Auditor’s Report are hereby submitted for your review, discussion and necessary action. The Auditors representing Accuity, LLP are here to discuss the results of the audit and to answer any questions that the Board may have.

The Board’s acceptance of the audited financial statements is crucial to meeting the County of Kauai’s (COK’s) timeline in finalizing the County’s Comprehensive Annual Financial Report (CAFR). DOW is a component unit of the County and the DOW’s financial statements are an integral part of the County of Kauai’s (COK’s) CAFR. The County has respectfully requested that the final financial statements be provided by November 26, 2018.

It is therefore recommended that the Board accepts the draft Financial Statements for the FY ending June 30, 2018 and June 30, 2017 as presented and to approve the transmittal of the same to the County Finance Director, COK. If the Board accepts the draft as presented, the final copy of the same Audit report will be submitted at the next Board meeting.

OPTIONS:

Option 1: It is recommended that the Board accept as presented the DOW’s Financial Statements as of June 30, 2018 and June 30, 2017 with the accompanying Independent Auditor’s Report.

Pros: The DOW can transmit a copy of the audited Financial Statements to the County Finance Director, County of Kauai in a timely manner.

Cons: None.

Option 2: Defer discussion.

Pros: The Board can have additional time to discuss additional questions that they may have regarding the results of the audit.

Con: Deferral will affect the COK’s timeline in meeting the County’s deadline to submit to the Council’s meeting.

MY/ein

Attachments: Accuity, LLP Financial Audit Result Presentation June 30, 2018
Accuity, LLP Department of Water Financial Statement June 30, 2018 and 2017

Department of Water
County of Kauai
June 30, 2018 Audit Results

Presentation to the Board
November 21, 2018

Presented by:
Donn Nakamura
Matthew Oda
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope of Services</td>
<td>1</td>
</tr>
<tr>
<td>Financial Statement Highlights</td>
<td>2</td>
</tr>
<tr>
<td>Required Communications</td>
<td>3–8</td>
</tr>
<tr>
<td>Adjusting Journal Entries</td>
<td>9–10</td>
</tr>
<tr>
<td>Reclassifying Journal Entries</td>
<td>11</td>
</tr>
<tr>
<td>Audit Plan for June 30, 2019 – Timeline</td>
<td>12</td>
</tr>
<tr>
<td>Cybersecurity: Managing the Risk</td>
<td>13</td>
</tr>
</tbody>
</table>
Scope of Services

• Provide an opinion on the fair presentation of the Department of Water’s ("DOW") financial statements.

• Consider DOW’s internal control over financial reporting in relation to our audit of the financial statements.

• Perform tests of the DOW’s compliance with certain provisions of laws, regulations, contracts and grant agreements in relation to the financial statements.
Financial Statement Highlights

- Net position decreased $2.2 million in fiscal 2018 to $188.8 million compared to the $4.4 million increase in fiscal 2017. The decrease is due to the implementation of GASB 75 which had a cumulative impact of $7.5 million decrease to the fiscal 2018 beginning net position. The decrease was offset by $5.4 million increase in net position due to current fiscal year activity, which was a $1.0 million increase compared to fiscal 2017. The increase as a result of current fiscal year activity was primarily related to a $2.3 million increase in contributions offset by $500 thousand decrease in operating revenue.

- Current assets at June 30, 2018 of $40.3 million exceeded total current liabilities by $30.0 million.

- Net pension liability was $15.4 million as of June 30, 2018, a decrease of $1.5 million from the prior year end.

- Net OPEB liability was $8.4 million as of June 30, 2018, a $500,000 decrease from the $8.9 million net OPEB liability recognized upon the implementation of GASB 75 as of July 1, 2017.

- Equity interest in pooled investments decreased by $6.8 million to $52.6 million. This decrease was due to investment purchases offset by investment sales and maturities to fund capital activity.

- Bonds payable decreased by $3.0 million due to current payments and no new additions.

- SRF loans payable decreased by $1.9 million due to current payments and no new additions.
Required Communications

- **AU-C Section 260 – The Auditor’s Communication With Those Charged with Governance.** These required communications are addressed in the following pages. Our procedures and scope require communication of various matters to the individuals responsible consistent with our planned audit strategy.

- As a result of our audit procedures performed relating to the financial statements for the year ended June 30, 2018, there are no matters which came to our attention that would require further communication or action by management other than those discussed in the following pages.
## Required Communications

<table>
<thead>
<tr>
<th>Required Communications</th>
<th>Application to DOW</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auditors’ responsibility under Generally Accepted Auditing Standards.</strong> The auditors should communicate the level of responsibility assumed for fraud and illegal acts, whether the financial statements are free of material misstatement and whether management’s assessment of the effectiveness of the entity’s internal control over financial reporting is fairly stated.</td>
<td>Our primary responsibility as the Department of Water’s (“DOW”) independent auditors is to evaluate and report on the fairness of the DOW’s financial statements prepared in accordance with generally accepted accounting principles (“GAAP”). Based upon the results of our audit, which was performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards, we are prepared to issue an unmodified opinion on the DOW’s financial statements.</td>
</tr>
<tr>
<td><strong>Overview of the planned scope of the audit.</strong> The overview of the planned scope and timing of the audit should be communicated to those charged with governance.</td>
<td>This was communicated in our Contract No. 638 dated June 23, 2017.</td>
</tr>
</tbody>
</table>
| **Significant accounting policies, including critical accounting policies and the auditors’ judgment about the quality of accounting principles.** The entity’s initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus should be communicated to those charged with governance. | GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, an Amendment to GASB Statement No. 45, was adopted effective July 1, 2017.  
GASB No. 85, Omnibus 2017, was adopted effective July 1, 2017.  
As a result of the adoptions, there was a $7.5 million restatement to the beginning net position. |
## Required Communications

<table>
<thead>
<tr>
<th>Required Communications</th>
<th>Application to DOW</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management judgments and accounting estimates.</strong> Those charged with governance should be informed about the process used by management in formulating sensitive accounting estimates and about the auditors’ conclusions regarding the reasonableness of those estimates.</td>
<td>The more difficult and subjective judgments and estimates were:</td>
</tr>
<tr>
<td></td>
<td>• Allowance for uncollectible receivables.</td>
</tr>
<tr>
<td></td>
<td>• Revenue recognized related to unbilled accounts.</td>
</tr>
<tr>
<td></td>
<td>• Depreciation and useful lives of capital assets.</td>
</tr>
<tr>
<td></td>
<td>• Calculation of net pension benefits, net other postemployment benefits and workers’ compensation liabilities.</td>
</tr>
<tr>
<td>Management’s estimates were evaluated and appeared to be reasonable.</td>
<td>There were five adjusting journal entries and four reclassifying journal entries for fiscal 2018. All of these journal entries were recorded by management in the audited financial statements and are shown on pages 9 through 11.</td>
</tr>
<tr>
<td><strong>Audit adjustments.</strong> All significant financial statement adjustments arising from the audit or proposed during the audit and any uncorrected misstatements that were determined to be immaterial by management individually and in the aggregate should be communicated to those charged with governance.</td>
<td>There were no uncorrected misstatements above our de minimis noted in the current year.</td>
</tr>
</tbody>
</table>
## Required Communications

<table>
<thead>
<tr>
<th>Required Communications</th>
<th>Application to DOW</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Potential effect on the financial statements of any significant risks and exposures.</strong> Those charged with governance should be aware of major risks and exposures facing the entity and how they are disclosed.</td>
<td>No major risks or exposures noted.</td>
</tr>
<tr>
<td><strong>Material uncertainties related to events and conditions, specifically going concern issues.</strong> Any doubt regarding the entity’s ability to continue as a going concern and any other material uncertainties should be communicated.</td>
<td>No issues related to the DOW’s ability to continue as a going concern or other material uncertainties were noted.</td>
</tr>
<tr>
<td><strong>Other information in documents containing audited financial information.</strong> Those charged with governance should be informed of the auditors’ responsibility for information in a document containing audited financial statements, as well as of any procedures performed and the results.</td>
<td>We are unaware of any documents that will be submitted containing the audited financial statements.</td>
</tr>
<tr>
<td><strong>Disagreements with management.</strong> Disagreements with management, whether or not satisfactorily resolved, about matters that could be significant to the entity’s financial statements or the auditors’ report should be communicated.</td>
<td>No such matters noted.</td>
</tr>
<tr>
<td><strong>Consultation with other accountants.</strong> When the auditors are aware that management has consulted with other accountants about significant accounting or auditing matters, the auditors’ view about the consultation subject should be communicated to those charged with governance.</td>
<td>We know of no such consultations made by management.</td>
</tr>
</tbody>
</table>
## Required Communications

<table>
<thead>
<tr>
<th>Required Communications</th>
<th>Application to DOW</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major issues discussed with management prior to retention.</strong> Any major accounting,</td>
<td>There were none.</td>
</tr>
<tr>
<td>auditing or reporting issues discussed with management in connection with our initial</td>
<td></td>
</tr>
<tr>
<td>or recurring retention should be communicated.</td>
<td></td>
</tr>
<tr>
<td><strong>Difficulties encountered in performing the audit.</strong> Serious difficulties encountered</td>
<td>There were no serious difficulties encountered in</td>
</tr>
<tr>
<td>in dealing with management that related to the performance of the audit are required to</td>
<td>performing the audit.</td>
</tr>
<tr>
<td>be brought to the attention of those charged with governance.</td>
<td></td>
</tr>
<tr>
<td><strong>Internal control deficiencies.</strong> Those charged with governance should be informed of</td>
<td>There were no material weaknesses noted while</td>
</tr>
<tr>
<td>any significant deficiencies or material weaknesses in the design or operation of</td>
<td>performing the audit.</td>
</tr>
<tr>
<td>internal control that came to the auditors’ attention during the audit.</td>
<td></td>
</tr>
<tr>
<td><strong>Fraud and illegal acts.</strong> Fraud or illegal acts involving senior management, or</td>
<td>We are not aware of any fraud or illegal acts.</td>
</tr>
<tr>
<td>those responsible for internal controls, or causing a material misstatement of the</td>
<td></td>
</tr>
<tr>
<td>financial statements where the auditors determine there is evidence that such fraud</td>
<td></td>
</tr>
<tr>
<td>may exist should be communicated. Any illegal acts coming to the auditors’ attention</td>
<td></td>
</tr>
<tr>
<td>involving senior management and any other illegal acts, unless clearly</td>
<td></td>
</tr>
<tr>
<td>inconsequential.</td>
<td></td>
</tr>
</tbody>
</table>
## Required Communications

<table>
<thead>
<tr>
<th>Required Communications</th>
<th>Application to DOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other material written communications.</td>
<td></td>
</tr>
<tr>
<td>• Management representation letter.</td>
<td>• Management representation letter is available upon request.</td>
</tr>
<tr>
<td>• Schedule of findings.</td>
<td>• Refer to financial statements.</td>
</tr>
<tr>
<td>• Engagement letter.</td>
<td>• Contract is available upon request.</td>
</tr>
</tbody>
</table>
### Adjusting Journal Entries

<table>
<thead>
<tr>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To properly reflect the pension liability related amounts to the GASB 68 allocation schedules</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net pension liability</td>
<td>1,497,615</td>
<td></td>
</tr>
<tr>
<td>Pension expense</td>
<td>1,220,368</td>
<td></td>
</tr>
<tr>
<td>Deferred outflows on net pension liability</td>
<td></td>
<td>2,193,265</td>
</tr>
<tr>
<td>Deferred inflows on net pension liability</td>
<td></td>
<td>524,718</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,717,983</strong></td>
<td><strong>2,717,983</strong></td>
</tr>
<tr>
<td><strong>To properly reflect the prior year contributions as a pension expense in FY18</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension expense</td>
<td>937,609</td>
<td></td>
</tr>
<tr>
<td>Deferred outflows on net pension liability</td>
<td></td>
<td>937,609</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>937,609</strong></td>
<td><strong>937,609</strong></td>
</tr>
<tr>
<td><strong>To properly reflect contributions subsequent to the measurement date as deferred outflows in FY18</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred outflows on net pension liability</td>
<td>1,016,417</td>
<td></td>
</tr>
<tr>
<td>Pension expense</td>
<td>1,016,417</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>1,016,417</strong></td>
<td><strong>1,016,417</strong></td>
</tr>
</tbody>
</table>
## Adjusting Journal Entries

<table>
<thead>
<tr>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To properly reflect excess contributions subsequent to the measurement date</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>as deferred outflows in FY18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred outflows on net pension liability</td>
<td>19,513</td>
<td></td>
</tr>
<tr>
<td>Pension expense</td>
<td></td>
<td>19,513</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,513</td>
<td>19,513</td>
</tr>
<tr>
<td><strong>To properly implement GASB 75</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position</td>
<td>7,535,681</td>
<td></td>
</tr>
<tr>
<td>Deferred outflows on net other postemployment benefits liability</td>
<td>948,000</td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits expense</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>Net other postemployment benefits liability</td>
<td></td>
<td>8,367,698</td>
</tr>
<tr>
<td>Deferred inflows on net other postemployment benefits liability</td>
<td></td>
<td>135,783</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,503,681</td>
<td>8,503,681</td>
</tr>
</tbody>
</table>
# Reclassifying Journal Entries

<table>
<thead>
<tr>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To reclassify the noncurrent portion of the vacation/comp time accrual at 6/30/18</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued vacation and compensatory pay</td>
<td>912,823.00</td>
<td></td>
</tr>
<tr>
<td>Accrued vacation and compensatory pay, net of current portion</td>
<td></td>
<td>912,823.00</td>
</tr>
<tr>
<td></td>
<td>912,823.00</td>
<td>912,823.00</td>
</tr>
<tr>
<td><strong>To reclassify the current and noncurrent portions of equity interest in pooled investments at 6/30/18</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity interest in pooled investments</td>
<td>17,708,567.00</td>
<td></td>
</tr>
<tr>
<td>Equity interest in pooled investments, noncurrent</td>
<td></td>
<td>17,708,567.00</td>
</tr>
<tr>
<td></td>
<td>17,708,567.00</td>
<td>17,708,567.00</td>
</tr>
<tr>
<td><strong>To reclassify the Bulk Water Purchase balance from Source of Supply to Transmission and Distribution in FY18</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission and distribution operating expense</td>
<td>792,000.00</td>
<td></td>
</tr>
<tr>
<td>Source of supply operating expense</td>
<td></td>
<td>792,000.00</td>
</tr>
<tr>
<td></td>
<td>792,000.00</td>
<td>792,000.00</td>
</tr>
<tr>
<td><strong>To reclassify equity interest in pooled investment from equity interest in pooled investments, noncurrent at 6/30/17</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity interest in pooled investments - current</td>
<td>10,200,000.00</td>
<td></td>
</tr>
<tr>
<td>Equity interest in pooled investments - noncurrent</td>
<td></td>
<td>10,200,000.00</td>
</tr>
<tr>
<td></td>
<td>10,200,000.00</td>
<td>10,200,000.00</td>
</tr>
</tbody>
</table>
# Audit Plan for June 30, 2019 - Timeline

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussion with management to understand any key risks or areas of focus for current year</td>
<td>May 2019</td>
</tr>
<tr>
<td>Planning</td>
<td>July 2019</td>
</tr>
<tr>
<td>Year-end financial statement fieldwork</td>
<td>August – September 2019</td>
</tr>
<tr>
<td>Draft report to management</td>
<td>Mid-October 2019</td>
</tr>
<tr>
<td>Issue final report</td>
<td>October 31, 2019 if pension allocation and OPEB valuation audits are completed by ERS and EUTF auditors in a timely manner</td>
</tr>
</tbody>
</table>
Cybersecurity: Managing the Risks

• Have you assessed your cybersecurity risks?
  ◦ The average cost of a data breach exceeds $1 million for small and mid-size businesses (Ponemon Institute, 2017).
  ◦ Boards and senior management are responsible for oversight of cyber risk.

• Have you developed a formal cybersecurity program?
  ◦ Aligning your cybersecurity controls with your cyber risks is key to managing and mitigating cyber threats.
  ◦ Accuity’s IT Risk team helps clients develop and prioritize cyber controls to address identified risks.

• Have you had an independent assessment?
  ◦ Accuity’s independent cybersecurity assessments can help give you confidence your controls are working.
Department of Water
County of Kauai
Financial Statements
June 30, 2018 and 2017
# Department of Water County of Kauai

## Index

<table>
<thead>
<tr>
<th>Report of Independent Auditors</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management's Discussion and Analysis</td>
<td>4–10</td>
</tr>
<tr>
<td>Basic Financial Statements</td>
<td></td>
</tr>
<tr>
<td>Statements of Net Position</td>
<td>11–12</td>
</tr>
<tr>
<td>Statements of Revenues, Expenses and Changes in Net Position</td>
<td>13</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>14–15</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>16–48</td>
</tr>
<tr>
<td>Required Supplementary Information</td>
<td></td>
</tr>
<tr>
<td>Schedule of the Department’s Proportionate Share of the Net Pension Liability Last Ten Fiscal Years</td>
<td>49</td>
</tr>
<tr>
<td>Schedule of the Department’s Pension Contribution Last Ten Fiscal Years</td>
<td>50</td>
</tr>
<tr>
<td>Schedule of the Department’s Proportionate Share of the Net OPEB Liability Last Ten Fiscal Years</td>
<td>51</td>
</tr>
<tr>
<td>Schedule of the Department’s OPEB Contributions Last Ten Fiscal Years</td>
<td>52</td>
</tr>
<tr>
<td>Supplementary Information</td>
<td></td>
</tr>
<tr>
<td>Schedule I – Supplemental Schedule of Utility Plant in Service Year Ended June 30, 2018</td>
<td>53</td>
</tr>
<tr>
<td>Schedule II – Supplemental Schedule of Selective Account Classifications Five Years Ended June 30, 2018</td>
<td>54</td>
</tr>
<tr>
<td>Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</td>
<td></td>
</tr>
<tr>
<td>Schedule of Findings and Questioned Costs</td>
<td></td>
</tr>
<tr>
<td>Section I – Financial Statement Findings Year Ended June 30, 2018</td>
<td>57</td>
</tr>
<tr>
<td>Section II – Federal Award Findings and Questioned Costs Year Ended June 30, 2018</td>
<td>58</td>
</tr>
<tr>
<td>Summary Schedule of Prior Audit Findings</td>
<td></td>
</tr>
</tbody>
</table>
Report of Independent Auditors

To the Board of Water Supply
Department of Water, County of Kauai

Report on the Financial Statements
We have audited the accompanying financial statements of the Department of Water (the "Department"), a component unit of the County of Kauai (the "County"), as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Department’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Department’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department as of June 30, 2018 and 2017, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.
Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4 through 10 and schedule of the Department’s proportionate share of the net pension liability, schedule of the Department’s pension contributions, schedule of the Department’s proportionate share of the net other postemployment benefits (“OPEB”) liability, and schedule of Department’s OPEB contributions on pages 49 through 52, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to such inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department’s basic financial statements. The accompanying Supplemental Schedules I and II are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Supplemental Schedules I and II are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information in Schedules I and II is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter
As discussed in Note 2, the basic financial statements of the Department are intended to present the financial position, changes in financial position, and cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the County as of June 30, 2018 and 2017, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Change in Accounting Principle
As discussed in Note 2 to the basic financial statements, effective July 1, 2017 the Department adopted new accounting guidance under Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As a result of adopting these standards and management’s determination, the restatement of the basic financial statements as of and for the year ended June 30, 2017 is not practical because the Department’s other postemployment benefit plan information, prepared in accordance with the requirements of Statement No. 75, was not available prior to July 1, 2017. Therefore, the Department has restated the beginning net position for fiscal year ended June 30, 2018. Our opinion is not modified with respect to this matter.
Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated November __, 2018 on our consideration of the Department’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Department’s internal control over financial reporting and compliance.

Honolulu, Hawaii
November __, 2018
Management’s Discussion and Analysis
The Department of Water, County of Kauai (the “Department”) is a semiautonomous agency consisting of a Board of Water Supply, Manager and Chief Engineer, and support staff. The Board of Water Supply is responsible for the management, control and operation of the County of Kauai’s water system. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements.

Governmental Accounting Standards Board (“GASB”) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, was implemented by the Department effective July 1, 2017. As a result, a negative adjustment of $7.5 million was recorded to reduce the beginning net position for the fiscal year ended June 30, 2018 to account for net OPEB liability related to prior years.

Prior to GASB Statement No. 75, the reporting guidance used to account for other postemployment benefits other than pensions was GASB Statement No. 45. In comparison, both standards serve the same purpose; that is, to value an entity’s OPEB. The difference is how the liability is disclosed on the financial statements. GASB Statement No. 45 reported the liability in the notes to the basic financial statements and only a portion of the total OPEB liability was recorded in the financial statements, whereas GASB Statement No. 75 recognizes the net OPEB liability to be recorded in the basic financial statements. The net OPEB liability is the difference between the total OPEB liability and OPEB plan assets. The Department did not restate the basic financial statements as of and for the year ended June 30, 2017 because the Department’s other postemployment benefit plan information, prepared in accordance with the requirements of Statement No. 75, was not available prior to July 1, 2017. Therefore, other postemployment benefits other than pension, for 2017, are accounted for under Statement No. 45.

The total OPEB liability is determined through an actuarial valuation measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to past periods of service.

Financial Highlights

- Total assets and deferred outflows at fiscal year-end (“FY”) June 30, 2018 were $297.3 million (“M”) and exceeded liabilities and deferred inflows by $188.8M.

- Total net position at June 30, 2018 had a negative net change of $2.2M. The current year’s income before contributions of $377 thousand (“K”) and capital contributions of $5.0M brought in a combined $5.4M increase in net position. To comply with GASB Statement No. 75, the net position at the beginning of year was restated with a negative $7.5M adjustment for prior year related transactions.

- Total cash and investments at June 30, 2018 were $70.4M, an increase of $1.9M from June 30, 2017.

- The Department’s liquidity ratio is 3.9 at June 30, 2018 and 2.9 at June 30, 2017.

- The Department finances part of its capital improvement and rehabilitation programs through Build America Bonds (“BAB”) and State Revolving Fund (“SRF”) loans. There were no new debts for FY 2018. The debt-to-equity ratio, including capital leases, is 41% at June 30, 2018 and 44% at June 30, 2017.
Operating revenues for FY 2018 were $30.4M, a slight decrease of $500K from FY 2017. Water rates in FY 2018 were the same as FY 2017. The decrease is attributed to the 10.2 million gallon ("MG") decrease in billed water consumption as compared to the prior FY 2017.

Operating expenses for the current year totaled $26.6M, an increase of $673K as compared to the prior year. Details of this increase are further explained on pages 7 through 9.

Long-term debt at June 30, 2018 was $77.3M, a decrease of $4.9M from June 30, 2017. The decrease is from principal payments made for both the SRF loans and BAB.

Overview of the Financial Statements

The financial statements are presented using the economic resources measurement focus and accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. The financial statements are designed to provide readers with a broad overview of the Department’s finances in a manner similar to a private-sector business.

The basic financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, a statement of cash flows, and notes to basic financial statements. The statement of net position presents all of the Department’s assets and deferred outflows of resources ("deferred outflows") and liabilities, deferred inflows of resources ("deferred inflows") and net position, and provides information on the nature of its resources and obligations. The statement of revenues, expenses and changes in net position presents the results of operations and the resulting change in net position for the year. The statement of cash flows presents changes in cash resulting from operating activities, capital and related financing activities, and investing activities.

The notes to the basic financial statements provide required disclosures and additional information that is essential to a full understanding of the data provided in the basic financial statements. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information on utility plant-in-service and selective account classifications.
Financial Analysis

**Statements of Net Position – Condensed**

**June 30, 2018, 2017 and 2016**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>FY 18 − 17 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current and other assets</td>
<td>$40,264,662</td>
<td>$28,682,725</td>
<td>$34,167,182</td>
<td>40%</td>
</tr>
<tr>
<td>Net capital assets</td>
<td>216,914,030</td>
<td>217,059,494</td>
<td>220,462,421</td>
<td>(0%)</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>34,892,358</td>
<td>44,946,715</td>
<td>36,150,668</td>
<td>(22%)</td>
</tr>
<tr>
<td>Deferred outflows of resources</td>
<td>5,218,846</td>
<td>6,382,072</td>
<td>2,439,088</td>
<td>(18%)</td>
</tr>
<tr>
<td><strong>Total assets and deferred outflows</strong></td>
<td>$297,289,896</td>
<td>$297,071,006</td>
<td>$293,219,359</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$10,290,202</td>
<td>$10,030,581</td>
<td>$10,281,862</td>
<td>3%</td>
</tr>
<tr>
<td>Long-term debt, net</td>
<td>72,454,400</td>
<td>77,396,363</td>
<td>82,290,036</td>
<td>(6%)</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>24,708,858</td>
<td>18,288,117</td>
<td>13,322,300</td>
<td>35%</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>998,605</td>
<td>338,104</td>
<td>755,026</td>
<td>195%</td>
</tr>
<tr>
<td><strong>Total liabilities and deferred inflows</strong></td>
<td>$108,452,065</td>
<td>$106,053,165</td>
<td>$106,649,224</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$151,506,070</td>
<td>$148,854,813</td>
<td>$147,807,716</td>
<td>2%</td>
</tr>
<tr>
<td>Restricted</td>
<td>809,295</td>
<td>539,799</td>
<td>1,864,457</td>
<td>50%</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>36,522,466</td>
<td>41,623,229</td>
<td>36,897,962</td>
<td>(12%)</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$188,837,831</td>
<td>$191,017,841</td>
<td>$186,570,135</td>
<td>(1%)</td>
</tr>
</tbody>
</table>

**Statements of Revenues, Expenses and Changes in Net Position – Condensed**

**Years Ended June 30, 2018, 2017 and 2016**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>FY 18 − 17 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$30,449,591</td>
<td>$30,916,260</td>
<td>$31,690,693</td>
<td>(2%)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>26,570,522</td>
<td>25,897,784</td>
<td>23,603,123</td>
<td>3%</td>
</tr>
<tr>
<td>Income from operations</td>
<td>3,879,069</td>
<td>5,018,476</td>
<td>8,087,570</td>
<td>(23%)</td>
</tr>
<tr>
<td>Nonoperating expenses</td>
<td>(3,501,720)</td>
<td>(3,238,418)</td>
<td>(3,404,704)</td>
<td>8%</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>4,978,322</td>
<td>2,667,648</td>
<td>6,053,281</td>
<td>87%</td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td>5,355,671</td>
<td>4,447,706</td>
<td>10,736,147</td>
<td>20%</td>
</tr>
<tr>
<td>Beginning of year, as previously reported</td>
<td>191,017,841</td>
<td>186,570,135</td>
<td>175,833,988</td>
<td>2%</td>
</tr>
<tr>
<td>Restatement due to change in accounting principle</td>
<td>(7,535,681)</td>
<td>-</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Net position at beginning of year, as restated</td>
<td>183,482,160</td>
<td>186,570,135</td>
<td>175,833,988</td>
<td>(2%)</td>
</tr>
<tr>
<td><strong>End of year</strong></td>
<td>$188,837,831</td>
<td>$191,017,841</td>
<td>$186,570,135</td>
<td>(1%)</td>
</tr>
</tbody>
</table>
The Department’s financial condition remains positive at year-end. As described earlier, net position is the reported difference between assets and deferred outflows and liabilities and deferred inflows which over time, may serve as a useful indicator of the Department’s overall financial position. Total assets and deferred outflows at year-end for the Department was $297.3M which exceeded liabilities and deferred inflows of $108.5M by $188.8M (net position).

The beginning net position of $191.0M was restated to $183.5M by a negative adjustment of $7.5M related to prior year transactions to comply with GASB Statement No. 75. The net position at end of year increased to $188.8M by $5.4M derived from income from operations of $377K and capital contributions of $5.0M.

Total cash and investments (including restricted funds) increased by $1.9M from $68.5M at June 30, 2017 to $70.4M at June 30, 2018.

The Department’s liquidity ratio (current assets divided by current liabilities) was 3.9 at June 30, 2018 and 2.9 at June 30, 2017.

The Department finances part of its capital improvement and rehabilitation program through BAB and SRF loans. The debt-to-equity ratio, including capital leases, at June 30, 2018, 2017 and 2016 was 41%, 44% and 48%, respectively.

The debt service coverage, including capital leases, for FY 2018 is 1.8 which is above the Department’s debt service coverage target of 1.5.

The change in net position, as a result of operating and nonoperating activities and contributions, for FY 2018 was $5.4M and is basically a result of the current year’s operations and capital contributions. Key elements of this increase are as follows:

- Income from operations for FY 2018 was $3.9M and nonoperating expenses was $3.5M resulting in income before contributions of $377K. Total capital contributions were $5.0M bringing in a total of $5.4M change in net position, as a result of operating and nonoperating activities and contributions, for FY 2018.

- Total operating expenses increased by $672K or 2.6% higher from $25.9M in FY 2017 to $26.6M in FY 2018.

- Salaries and wages increased by 4.0%. This increase is in line with the salary increases approved for each bargaining unit that Department employees are members of and these are: the Hawai‘i Government Employees Association (“HGEA”), United Public Workers (“UPW”), and Excluded Managerial groups (“EM”). The Federal Insurance Contributions Act (“FICA”) and health benefits had a corresponding net increase of 4.0%, other postemployment benefits had a net 2.0% increase, while the retirement benefits had a net decrease of 5.0% in FY 2018 due to a decrease in the pension liability related to GASB Statement No. 68.
• Other variances in the major components of operating expenses are explained below:

➢ Depreciation and amortization increased by $192K or 2.6% from the previous fiscal year. The increase is due to the increase in the Department’s utility plant-in-service balance by $4.4M in the current fiscal year.

➢ Administrative and general expenses increased by $520K. This 6.6% increase from the previous fiscal year is attributed mainly from the following:
  o Salaries, wages and related employee benefits increased by $51K.
  o Professional services increased by $435K due to various Information Technology ("IT") program implementations and several projects for Water Resources and Planning ("WRP") and Engineering Design and Construction ("EDC").
  o Insurance expense increased by $210K due to Workers Compensation ("WC") payments and an increase in the WC liability per actuary.
  o Office supplies, books and subscriptions increased by $34K.
  o An offset to these increases was a decrease in repairs and maintenance – non-water system by $225K. The higher cost incurred in FY 2017 was to implement an upgrade to the Customer Care & Billing System ("CC&B").

➢ Power and pumping expenses increased by $33K. This 1.1% increase from the previous fiscal year is attributed to the following:
  o Salaries, wages and related employee benefits increased by $18K.
  o Utility services increased by $26K. This was due to a slight increase in the unit price per kilowatt hour ("KWH") usage of electricity.
  o An offset to these increases was a combined decrease of $12K for operating supplies and cost of repairs and maintenance.

➢ Transmission and distribution ("TandD") expenses increased by $122K. This 3.0% increase is mainly attributed to the following:
  o Salaries, wages and related employee benefits decreased by $61K. The decrease was the net effect of a onetime payment for excess pension costs of a retiree paid in FY 2017.
  o Repairs and maintenance – water systems increased by $272K due to various emergency repairs to several water systems damaged during the heavy rainfall in April 2018.
  o Repairs and maintenance – non-water systems decreased by $161K and rentals and leases also decreased by $65K. The decreased costs were associated to not incurring the same major repairs of equipment and base yard improvements that were done in FY 2017. Same is true for decrease in rentals and leases.
  o Operating supplies and inventory stock purchases increased by $158K.
  o Travel, training and development decreased by $20K.
Source of supply expenses decreased by $13K. This 0.9% decrease from previous fiscal year is attributed mainly to the following:

- Salaries, wages and related employee benefits increased by $137K.
- Bulk water purchases decreased by $161K. The decrease is associated with the decrease in billed water consumption for FY 2018 compared to FY 2017.
- Operating supplies increased by $12K.

Customer accounting and collection expenses decreased by $164K. This 13.3% decrease from previous fiscal year is attributed mainly to the following:

- Salaries, wages and related employee benefits increased by $11K.
- Uncollectible expense decreased by $123K. There were no major write offs in FY 2018.
- Billing costs decreased by $51K. The decrease in billing costs is associated with the last payment made in FY 2017 to the Honolulu Board of Water Supply (“HBWS”) for their support services that ended on December 31, 2016.

Purification expenses decreased by $17K. This 2.0% decrease from the previous fiscal year is attributed mainly to the following:

- Salaries, wages and related employee benefits decreased by $37K. The decrease in salaries was due in part to a partial vacancy of one position and less overtime cost.
- Professional services increased by $8K. The increased cost was for additional water quality testing performed during the fiscal year.
- Operating supplies increased by $12K.

Capital contributions, which are included in nonoperating income, amounted to $5.0M for FY 2018, an increase of $2.3M or 86.6% as compared to last year's $2.7M in capital contributions.
Capital Assets and Debt Administration

Capital assets are made up of property, plant and equipment. As of June 30, 2018, the Department had net capital assets of $216.9M. Utility plant-in-service additions completed in FY 2018 amounted to $4.4M. Major capital asset additions included:

- **PM Web Project Management Software**
  - Intangible Assets - Software $175,500
- **CC&B Java Upgrade**
  - Intangible Assets - Software 343,806
- **DR Horton-Schuler Homes LLC Hydrants, Distribution Lines, and Laterals**
  - Utility Plant 1,867,908
- **Kalepa Tank Control Valve**
  - Utility Plant 435,962
- **Makahuena Subdivision Hydrants, Distribution Lines, and Laterals**
  - Utility Plant 244,938
- **Marshall MacCready Hydrants, Distribution Lines, and Laterals**
  - Utility Plant 174,991
- **Piwai Well #3 Improvements**
  - Utility Plant 156,223

Long-term debt obligations outstanding as of June 30, 2018 amounted to $77.3M which consisted of $57.1M in BAB and $20.2M in SRF loans. The Department made a total of $4.9M in principal payments for both the BAB and SRF loans. There was no new debt or borrowing activity for FY 2018. More detailed information about the Department’s long-term debt is provided in Note 6 of the notes to the basic financial statements.

Current Known Facts, Decisions or Conditions

As of this date, management is not aware of any known facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations of the Department.

Requests for Information

This financial report is designed to provide a general overview of the Department’s finances as of June 30, 2018. Questions concerning any information provided in this report or requests for additional information should be addressed to the Manager and Chief Engineer, Department of Water, County of Kauai at 4398 Pua Loke Street, Lihue, Kauai, Hawaii 96766.
Basic Financial Statements
### Department of Water
### County of Kauai
### Statements of Net Position
### June 30, 2018 and 2017

#### Assets and Deferred Outflows of Resources

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$16,724,481</td>
<td>$6,362,826</td>
</tr>
<tr>
<td>Equity interest in pooled investments</td>
<td>18,938,291</td>
<td>17,354,576</td>
</tr>
<tr>
<td><strong>Receivables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts, net of allowance for doubtful accounts of approximately $260,000 and $278,000 in 2018 and 2017, respectively</td>
<td>1,529,511</td>
<td>1,507,738</td>
</tr>
<tr>
<td>Unbilled accounts</td>
<td>29,493</td>
<td>1,525,416</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>248,015</td>
<td>584,944</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>217,639</td>
<td>144,635</td>
</tr>
<tr>
<td><strong>Total receivables</strong></td>
<td>3,323,154</td>
<td>3,762,733</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>1,087,256</td>
<td>1,097,060</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>191,480</td>
<td>105,530</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>40,264,662</td>
<td>28,682,725</td>
</tr>
<tr>
<td><strong>Restricted assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility reserve charge funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>681,404</td>
<td>373,175</td>
</tr>
<tr>
<td>Accounts receivable and other</td>
<td>106,316</td>
<td>109,088</td>
</tr>
<tr>
<td><strong>Total facility reserve charge funds</strong></td>
<td>787,720</td>
<td>482,263</td>
</tr>
<tr>
<td>Bond funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>367,486</td>
<td>2,354,946</td>
</tr>
<tr>
<td>Equity interest in pooled investments</td>
<td>12,071,974</td>
<td>12,907,649</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>29,424</td>
<td>57,536</td>
</tr>
<tr>
<td><strong>Total bond funds</strong></td>
<td>12,468,884</td>
<td>15,320,131</td>
</tr>
<tr>
<td><strong>Total restricted assets</strong></td>
<td>13,256,604</td>
<td>15,802,394</td>
</tr>
<tr>
<td>Equity interest in pooled investments, noncurrent</td>
<td>21,635,754</td>
<td>29,144,321</td>
</tr>
<tr>
<td><strong>Utility plant</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In service</td>
<td>337,176,568</td>
<td>332,813,883</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(127,779,001)</td>
<td>(120,359,826)</td>
</tr>
<tr>
<td><strong>Total utility plant</strong></td>
<td>209,397,567</td>
<td>212,454,057</td>
</tr>
<tr>
<td>Construction work in progress</td>
<td>7,516,463</td>
<td>4,605,437</td>
</tr>
<tr>
<td><strong>Net capital assets</strong></td>
<td>216,914,030</td>
<td>217,059,494</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>216,914,030</td>
<td>217,059,494</td>
</tr>
</tbody>
</table>

#### Deferred outflows of resources

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred loss on refunding</td>
<td>17,348</td>
<td>33,630</td>
</tr>
<tr>
<td>Deferred outflows on net pension liability</td>
<td>4,253,498</td>
<td>6,348,442</td>
</tr>
<tr>
<td>Deferred outflows on net other postemployment benefits liability</td>
<td>948,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td>5,218,846</td>
<td>6,382,072</td>
</tr>
<tr>
<td><strong>Total assets and deferred outflows of resources</strong></td>
<td>$297,289,896</td>
<td>$297,071,006</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Department of Water  
County of Kauai  
Statements of Net Position  
June 30, 2018 and 2017

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities, Deferred Inflows of Resources, and Net Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>$4,883,749</td>
<td>$4,835,459</td>
</tr>
<tr>
<td>Current portion of capital lease obligation</td>
<td>522,000</td>
<td>742,000</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>3,406,396</td>
<td>2,844,191</td>
</tr>
<tr>
<td>Contracts payable, including retainages</td>
<td>127,590</td>
<td>579,744</td>
</tr>
<tr>
<td>Accrued vacation and compensatory pay</td>
<td>489</td>
<td>88</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>80,779</td>
<td>537,432</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$1,292,020</td>
<td>10,030,581</td>
</tr>
<tr>
<td>Long-term debt, net of current portion and unamortized premiums</td>
<td>72,454,40</td>
<td>77,396,363</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>15,423,518</td>
<td>16,921,133</td>
</tr>
<tr>
<td>Net other postemployment benefits liability</td>
<td>8,367,898</td>
<td>-</td>
</tr>
<tr>
<td>Capital lease obligation, net of current portion</td>
<td>4,619</td>
<td>527,084</td>
</tr>
<tr>
<td>Accrued vacation and compensatory pay, net of current portion</td>
<td>912,823</td>
<td>839,900</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>107,453,460</td>
<td>105,715,061</td>
</tr>
<tr>
<td><strong>Deferred Inflows of Resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred inflows on net pension liability</td>
<td>862,822</td>
<td>338,104</td>
</tr>
<tr>
<td>Deferred inflows on net other postemployment benefits liability</td>
<td>135,783</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>998,605</td>
<td>338,104</td>
</tr>
<tr>
<td><strong>Commitments and Contingencies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>151,506,070</td>
<td>148,854,813</td>
</tr>
<tr>
<td>Restricted for capital activities</td>
<td>809,295</td>
<td>539,799</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>36,522,466</td>
<td>41,623,229</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$188,837,831</td>
<td>$191,017,841</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
# Department of Water
## County of Kauai

### Statements of Revenues, Expenses and Changes in Net Position

**Years Ended June 30, 2018 and 2017**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water sales</td>
<td>$27,910,074</td>
<td>$28,445,297</td>
</tr>
<tr>
<td>Other water revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public fire protection service</td>
<td>2,136,510</td>
<td>2,133,294</td>
</tr>
<tr>
<td>Other</td>
<td>403,007</td>
<td>337,669</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>30,449,591</td>
<td>30,916,260</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7,272</td>
<td>7,440,452</td>
</tr>
<tr>
<td>Administrative and general</td>
<td>8,393,57</td>
<td>7,873,972</td>
</tr>
<tr>
<td>Transmission and distribution</td>
<td>4,165,09</td>
<td>4,043,097</td>
</tr>
<tr>
<td>Power and pumping</td>
<td>2,982,323</td>
<td>2,949,414</td>
</tr>
<tr>
<td>Customer accounting and collection</td>
<td>1,067,167</td>
<td>1,231,299</td>
</tr>
<tr>
<td>Purification</td>
<td>855,414</td>
<td>872,638</td>
</tr>
<tr>
<td>Source of supply</td>
<td>1,474,139</td>
<td>1,486,912</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>26,570,522</td>
<td>25,897,784</td>
</tr>
<tr>
<td><strong>Income from operations</strong></td>
<td>3,879,069</td>
<td>5,018,476</td>
</tr>
<tr>
<td><strong>Nonoperating income (expenses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income (expense), net</td>
<td>(87,982)</td>
<td>183,120</td>
</tr>
<tr>
<td>Interest expense, net of amounts capitalized</td>
<td>(3,413,738)</td>
<td>(3,440,092)</td>
</tr>
<tr>
<td>Gain on disposal of assets</td>
<td>-</td>
<td>18,554</td>
</tr>
<tr>
<td><strong>Total nonoperating expenses</strong></td>
<td>(3,501,720)</td>
<td>(3,238,418)</td>
</tr>
<tr>
<td><strong>Income before contributions</strong></td>
<td>377,349</td>
<td>1,780,058</td>
</tr>
<tr>
<td>Contributions</td>
<td>4,978,322</td>
<td>2,667,648</td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td>5,355,671</td>
<td>4,447,706</td>
</tr>
</tbody>
</table>

### Net position

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year, as previously reported</td>
<td>191,017,841</td>
<td>186,570,135</td>
</tr>
<tr>
<td>Restatement due to change in accounting principle</td>
<td>(7,535,681)</td>
<td>-</td>
</tr>
<tr>
<td>Net position at beginning of year, as restated</td>
<td>183,482,160</td>
<td>186,570,135</td>
</tr>
<tr>
<td><strong>End of year</strong></td>
<td>$188,837,831</td>
<td>$191,017,841</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Department of Water  
County of Kauai  
Statements of Cash Flows  
Years Ended June 30, 2018 and 2017

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from customers</td>
<td>$28,085,784</td>
<td>$28,476,866</td>
</tr>
<tr>
<td>Cash payments to suppliers for goods and services</td>
<td>(10,859,837)</td>
<td>(12,182,257)</td>
</tr>
<tr>
<td>Cash payments to employees for services</td>
<td>(5,986,800)</td>
<td>(5,738,803)</td>
</tr>
<tr>
<td>Other cash receipts</td>
<td>2,539,517</td>
<td>2,489,517</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>13,778,664</td>
<td>13,045,323</td>
</tr>
<tr>
<td><strong>Cash flows from capital and related financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(4,477,741)</td>
<td>(2,537,828)</td>
</tr>
<tr>
<td>Principal paid on revolving fund loan</td>
<td>(1,925,59)</td>
<td>(1,917,297)</td>
</tr>
<tr>
<td>Principal paid on public improvement bond maturities</td>
<td>(2,910,00)</td>
<td>(2,800,000)</td>
</tr>
<tr>
<td>Principal paid on capital lease obligation</td>
<td>(742,465)</td>
<td>(699,064)</td>
</tr>
<tr>
<td>Interest paid on long-term debt</td>
<td>(3,695,586)</td>
<td>(3,773,638)</td>
</tr>
<tr>
<td>Proceeds from Build America Bond interest subsidies</td>
<td>874,992</td>
<td>785,874</td>
</tr>
<tr>
<td>Net proceeds from FRC Program</td>
<td>834,735</td>
<td>348,145</td>
</tr>
<tr>
<td>Proceeds from state government capital grants</td>
<td>327,632</td>
<td>122,145</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(11,723,892)</td>
<td>(10,471,663)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(25,654,110)</td>
<td>(45,856,673)</td>
</tr>
<tr>
<td>Sales and maturities of investments</td>
<td>31,503,380</td>
<td>34,614,257</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>778,382</td>
<td>639,998</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td>6,627,652</td>
<td>(10,602,418)</td>
</tr>
<tr>
<td><strong>Net change in cash (including restricted cash)</strong></td>
<td>8,682,424</td>
<td>(8,028,758)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>9,090,947</td>
<td>17,119,705</td>
</tr>
<tr>
<td>End of year (including $1,048,890 and $2,728,121 in restricted cash at June 30, 2018 and 2017, respectively)</td>
<td>$17,773,371</td>
<td>$9,090,947</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Department of Water  
County of Kauai  
Statements of Cash Flows  
Years Ended June 30, 2018 and 2017

Reconciliation of cash flows from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from operations</td>
<td>$3,879,069</td>
<td>$5,018,476</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>7,632,727</td>
<td>7,440,452</td>
</tr>
<tr>
<td>Gain on sale of assets</td>
<td>-</td>
<td>18,554</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>123,326</td>
</tr>
<tr>
<td>Decrease (increase) in assets and deferred outflows of resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(55,13)</td>
<td>4,960</td>
</tr>
<tr>
<td>Unbilled accounts and other receivables</td>
<td>2,0923</td>
<td>(96,717)</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>804</td>
<td>(207,066)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(85,90)</td>
<td>(71,886)</td>
</tr>
<tr>
<td>Deferred outflows of resources</td>
<td>1,146,945</td>
<td>(3,959,265)</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities and deferred inflows of resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>631,053</td>
<td>(484,069)</td>
</tr>
<tr>
<td>Accrued vacation and compensatory pay</td>
<td>70,856</td>
<td>82,505</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>323,347</td>
<td>(18,156)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(1,497,615)</td>
<td>5,611,131</td>
</tr>
<tr>
<td>Net other postemployment benefits liability</td>
<td>968,000</td>
<td>-</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>524,718</td>
<td>(416,922)</td>
</tr>
</tbody>
</table>

Net cash provided by operating activities $13,778,664 $13,045,323

Supplemental Disclosure of Noncash Capital and Related Financing Activities

The Department received approximately $3,281,000 and $1,104,000 for the years ended June 30, 2018 and 2017, respectively, in contributions of property, plant and equipment from governmental agencies, developers and customers which are recorded as contributions at estimated fair value at the date of donation.

The accompanying notes are an integral part of these financial statements.
1. Background

On May 10, 1960, by authority of Act 20, Session Laws of Hawaii 1960, the Board of Water Supply (the "Board") of the County of Kauai, Hawaii (the "County") was created. The County transferred to the Board the operation and management of the water transmission and distribution systems. Under Act 20, the Board has the power to make and alter rules and regulations relating to the management, control, operation, preservation and protection of the waterworks. The rules and regulations adopted by the Board have the force and effect of law.

As of January 2, 1969, under a new charter for the County, the policy-making responsibility for the water system was retained by the Board. The Board, however, specifically stated to be an executive department of the County government. To the extent that they were not in conflict with the provisions of the charter, laws governing the County water supply which were in existence at the time of the enactment of the charter continued in effect. The water system is now being operated as the Department of Water, County of Kauai (the "Department"), a self-supporting component unit (enterprise fund) of the County, which renders water services throughout the island.

The Department is responsible for establishing rates for services based upon current operating costs and expected future capital and operating revenue requirements. The rates determined by the Department are subject to approval by the Board.

2. Summary of Significant Accounting Policies

Financial Statement Presentation
The Department is a component unit of the County (the primary government). The accompanying financial statements present only the activities of the Department and do not include other organizations, activities and functions of the County.

Basis of Accounting
The accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred.

The Department distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Department's principal ongoing water operations. The principal operating revenues are from charges for water usage, while operating expenses include cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash
The Department's cash includes cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments
The Department has stated its investments at fair value, except for non-negotiable certificates of deposit which are recorded at amortized cost. Changes in the fair value of investments are recognized in investment income in the accompanying statements of revenues, expenses and changes in net position. The net decrease in the fair value of investments for the years ended June 30, 2018 and 2017 approximated $911,000 and $524,000, respectively.
Management Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include revenue recognized related to unbilled accounts, accrued liability for workers’ compensation claims and judgments, accrued liability for post-retirement health care benefits, and net pension liability. Actual results could differ from those estimates.

Utility Plant-in-Service ("UPIS") and Depreciation
In July 2007, a detailed report on the inventory and valuation of water utility properties of the Board was prepared by consultants. The estimated original cost of $161,835,811 and the accumulated depreciation of $59,014,249 were recorded. Additions to the utility plant since the date of the valuation are stated at cost and include contributions by government agencies, private developers and customers at their fair value at the date of contribution.

The utility plant is depreciated using the straight-line basis by applying composite rates based on the useful lives below. The composite rates are applied to beginning plant balances including contributions in aid of construction to calculate depreciation expense for the year.

The estimated useful lives of the various individual and group assets are as follows:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor vehicles</td>
<td>7 – 10 years</td>
</tr>
<tr>
<td>Equipment and machinery</td>
<td>5 – 20 years</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>40 – 50 years</td>
</tr>
<tr>
<td>Transmission and distribution equipment</td>
<td>18 – 63 years</td>
</tr>
</tbody>
</table>

Normal maintenance and repairs are charged to operations as incurred. All expenditures for major additions, betterments and replacements for the utility plant are capitalized, and expenditures for the general plant greater than $5,000 are capitalized. The Department capitalizes certain indirect costs related to construction work orders based upon actual contract labor hours.

Capitalization of Interest
Interest costs have been capitalized, in accordance with accounting principles generally accepted in the United States of America, based on an average of expended costs through the end of the year. Capitalized interest in 2018 and 2017 was approximately $213,000 and $401,000, respectively.

Material and Supplies
Materials and supplies are stated at lower of average cost (which approximates the first-in, first-out method) or market. The cost of materials and supplies is recorded as an expense when consumed rather than when purchased.
Deferred Outflows and Inflows of Resources
Deferred outflows of resources represent consumptions of net position that apply to future periods and will not be recognized as an outflow of resources (expenses) until then. Deferred charges on refunding bonds resulting from the difference between the carrying value of debt and its reacquisition price are reported as deferred outflows of resources. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt on a basis that approximates the effective-interest method.

Under Governmental Accounting Standards Board (“GASB”) Statement No. 68, Accounting and Financial Reporting for Pensions, and Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, for differences between expected and actual experience and changes in assumptions are recognized in pension and other postemployment benefits (“OPEB”) expense, respectively, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan and OPEB through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.

Additionally, differences between projected and actual returns on pension and OPEB plan investments are recognized in the pension and OPEB expense, respectively, using a systematic and rational method over a closed five-year period. Contributions to the pension and OPEB plan from the employer subsequent to the measurement date of the net pension and OPEB liability, respectively, and before the end of the reporting period are reported as deferred outflows of resources.

Revenue Recognition
The Department recognizes revenue on the accrual method of accounting as services are rendered. Revenue recognized for services rendered but not billed is reflected as unbilled accounts receivable in the accompanying statements of net position.

Risk Management
The Department is exposed to various risks of loss from: (1) torts, (2) theft of, damage to and destruction of assets, (3) employee injuries and illnesses, (4) natural disasters, (5) employee health, death and accident benefits, and (6) miscellaneous others. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims in excess of this commercial coverage were not significant in any of the three preceding years. The Department is self-insured for workers’ compensation claims and judgments.

Contribution
For the years ended June 30, 2018 and 2017, the following transactions represent voluntary non-exchange transactions, recorded at fair value, and are included as nonoperating income in the statements of revenues, expenses and changes in net position:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions of property, plant and equipment, and grant money from governmental agencies, developers and customers</td>
<td>$3,280,608</td>
<td>$1,434,462</td>
</tr>
<tr>
<td>Build America Bond interest subsidies</td>
<td>862,979</td>
<td>885,041</td>
</tr>
<tr>
<td>Facility reserve charge fees</td>
<td>834,735</td>
<td>348,145</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,978,322</strong></td>
<td><strong>$2,667,648</strong></td>
</tr>
</tbody>
</table>
At June 30, 2018 and 2017, the Department recorded approximately $354,000 and $364,000, respectively, of accrued interest subsidies in grants and subsidies receivable in the accompanying statements of revenues, expenses and changes in net position.

**Facilities Reserve Charge (“FRC”)**
Under the authority provided to the Board mentioned in Note 1, the Department assesses a fee to commercial and residential developers based upon the number and size of water meters installed at respective projects. These fees are restricted to fund the capital improvements of the water supply system and recorded as contributions in the statements of revenues, expenses and changes in net position.

**Net Position**
Net position comprises the various accumulated net earnings from operating and nonoperating revenues, expenses and contributions in aid of construction. Net position is classified in the following three components: net investment in capital assets; restricted for capital activity; and unrestricted net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction or improvement of those assets. Debt related to unspent proceeds or other restricted cash and investments at year-end are not included in the calculation of net investment in capital assets. Restricted for capital activity consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed ethical mandates. Unrestricted consists of all other net position not included in the above categories. When both restricted and unrestricted resources are available for use, generally, it is the Department’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Pensions**
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employee Retirement System of the State of Hawaii (“ERS”) and additions to/deductions from ERS’s fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

**Postemployment Benefits Other Than Pensions (“OPEB”)**
For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Hawaii Employer-Union Health Benefits Trust Fund (“EUTF”) and additions to/deductions from the EUTF’s fiduciary net position have been determined on the same basis as they are reported by the EUTF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at their fair value.
New Accounting Pronouncements

GASB Statement No. 75
In 2018, the Department implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Statement No. 75 establishes standards of accounting and financial reporting for other postemployment benefits provided to the employees of state and local government employers through OPEB plans that are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the editors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan member.

Statement No. 75 replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as they relate to other postemployment benefits other than pensions that are provided through OPEB plans administered as trusts that meet certain criteria. As the Department’s basic financial statements are comparative, other postemployment benefits in 2017 were still subject to GASB Statement No. 45.

The adoption of Statement No. 75 has resulted in approximately a $7,536,000 restatement of the Department’s beginning net position for the fiscal year ended June 30, 2018. Refer to Note 9 for more information regarding the Department’s OPEB.

GASB Statement No. 83
In November 2016, GASB issued Statement No. 83, Certain Asset Retirement Obligations. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Department has not yet determined the effect this Statement will have on its financial statements.

GASB Statement No. 85
In March 2017, GASB issued Statement No. 85, Omnibus 2017. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). This Statement is effective for periods beginning after June 15, 2017. The Department has adopted the amendments related to postemployment benefits.

GASB Statement No. 87
In June 2017, GASB issued Statement No. 87, Leases. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement is effective for periods beginning after December 15, 2019. The Department has not yet determined the effect this Statement will have on its financial statements.
GASB Statement No. 88
In April 2018, GASB issued Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. This Statement increase the usefulness of governments' financials by providing the users with essential information about resources to liquidate debt and the risk associated with changes in terms associated with debt will be disclosed. This Statement is effective for periods beginning after June 15, 2018. The Department has not yet determined the effect this Statement will have on its financial statements.

GASB Statement No. 89
In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. This Statement will improve financial reporting by providing users with more relevant information about capital assets and the cost of borrowing for a reporting period. This Statement is effective for periods beginning after December 15, 2019. The Department has not yet determined the effect this Statement will have on its financial statements.

Reclassifications
Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation. Such reclassifications had no effect on the total net position or change in net position as previously reported.

3. Deposits
The Department’s deposits consist of cash on hand, cash held at financial institutions, and cash held at the County of Kauai.

At June 30, 2018 and 2017, the carrying value of the Department’s cash deposits amounted to approximately $17,773,000 and $9,091,000, respectively, of which approximately $1,060,000 and $3,480,000, respectively, were held by the County in the County’s name. The bank balances at June 30, 2018 and 2017 amounted to approximately $17,259,000 and $9,389,000, respectively. The County Director of Finance has arranged for all of the Department’s deposits at June 30, 2018 and 2017 to be collateralized with securities held by the pledging financial institution in the County’s name.

4. Investments
The Department’s investments are controlled by the Director of Finance of the County of Kauai and are generally invested in money market mutual funds, certificates of deposit, repurchase agreements, government treasury obligations and agencies (i.e., Federal Home Loan Bank notes and bonds, Federal Home Loan Mortgage Corporation bonds, and Federal National Mortgage Association notes and bonds) with federally insured financial institutions and mutual funds. The Department’s investment vehicles are consistent with the investment guidelines contained in the Hawaii Revised Statutes (“HRS”).

The Department participates in an investment pool with the County. The Department’s portion of this pool is displayed on the statements of net position as equity interest in pooled investments.

The Department categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.
The following table presents the fair value of the Department's investments by level of input at June 30, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value Measurements Using</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reported Value</td>
<td>Quoted Prices in Active Markets (Level 1)</td>
<td>Significant Other Observable Inputs (Level 2)</td>
<td>Significant Unobservable Inputs (Level 3)</td>
</tr>
<tr>
<td>2018 Investments by fair value level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. treasury obligations</td>
<td>$956,800</td>
<td>$956,800</td>
<td>-</td>
<td>$ -</td>
</tr>
<tr>
<td>U.S. government agencies</td>
<td>$30,370,302</td>
<td>-</td>
<td>370,302</td>
<td>-</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>$2,200,000</td>
<td>-</td>
<td>2,000</td>
<td>-</td>
</tr>
<tr>
<td>Money market mutual funds</td>
<td>$6,608,917</td>
<td>6,608,917</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total investments by fair value level</td>
<td>$40,136,019</td>
<td>$7,565,717</td>
<td>$32,570,302</td>
<td>-</td>
</tr>
<tr>
<td>Investments measured at amortized cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>$12,510,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity interest in pooled investments</td>
<td>$52,646,019</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017 Investments by fair value level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. treasury obligations</td>
<td>$975,000</td>
<td>$975,980</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>U.S. government agencies</td>
<td>$41,093,866</td>
<td>-</td>
<td>41,079,386</td>
<td>-</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>$3,000,000</td>
<td>-</td>
<td>3,300,000</td>
<td>-</td>
</tr>
<tr>
<td>Money market mutual funds</td>
<td>$540,584</td>
<td>540,584</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total investments by fair value level</td>
<td>$489,590</td>
<td>$1,516,564</td>
<td>$44,379,386</td>
<td>$ -</td>
</tr>
<tr>
<td>Investments measured at amortized cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>$13,510,596</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity interest in pooled investments</td>
<td>$59,406,546</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The following table represents the Department’s investments by maturity as of June 30, 2018 and 2017:

<table>
<thead>
<tr>
<th>Maturity (in years)</th>
<th>Reported Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0–1</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------</td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>U.S. treasury obligations</td>
<td>$956,800</td>
</tr>
<tr>
<td>U.S. government agencies</td>
<td>30,370,302</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>12,510,000</td>
</tr>
<tr>
<td>Money market mutual funds</td>
<td>6,608,917</td>
</tr>
<tr>
<td>Total equity interest in pooled investments</td>
<td>$52,666,019</td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>U.S. government agencies</td>
<td>$975,980</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>41,079,386</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>3,300,000</td>
</tr>
<tr>
<td>Money market mutual funds</td>
<td>540,584</td>
</tr>
<tr>
<td>Total equity interest in pooled investments</td>
<td>$59,406,546</td>
</tr>
</tbody>
</table>

- **Interest Rate Risk** – State law limits the Department’s investment portfolio to maturities of less than five years. The Department does not have a formal investment policy that further limit investment maturities.

- **Credit Risk** – State law limits investments to the top rating issued by nationally recognized statistical rating organizations (“NRSROs”). The Department has no investment policy that would further limit its investment choices. As of June 30, 2018, with the exception of the Department’s investment in certain fixed income and money market funds which were not rated, all of the Department’s investments were rated AA or greater.

- **Custodial Credit Risk** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Department will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

- **Concentration of Credit Risk** – The Department places no limit on the amount which may be invested in any one issuer. As of June 30, 2018, more than 5% of the Department’s investments are held in the following: Federal Farm Credit Bank (24%), First Hawaiian Bank (18%), Freddie Mac (15%), BlackRock (13%), Federal Home Loan Bank (10%), and Fannie Mae (9%).
5. Capital Assets

Capital asset activity during 2018 and 2017 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2017</th>
<th>Additions</th>
<th>Reductions/Transfers</th>
<th>Balance June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital assets not being depreciated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and land rights</td>
<td>$1,307,422</td>
<td>$-</td>
<td>$-</td>
<td>$1,307,422</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>4,605,437</td>
<td>4,368,156</td>
<td>(1,457,130)</td>
<td>7,516,463</td>
</tr>
<tr>
<td><strong>Total capital assets not being depreciated</strong></td>
<td>5,912,859</td>
<td>4,368,156</td>
<td>(1,457,130)</td>
<td>8,823,885</td>
</tr>
<tr>
<td><strong>Capital assets being depreciated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility plant</td>
<td>300,202,562</td>
<td>3,521</td>
<td>7</td>
<td>304,021,737</td>
</tr>
<tr>
<td>General plant</td>
<td>22,529,860</td>
<td>20,683</td>
<td>(215,842)</td>
<td>22,516,701</td>
</tr>
<tr>
<td>Capital leases</td>
<td>7,415,346</td>
<td>-</td>
<td>-</td>
<td>7,415,346</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,358,693</td>
<td>-</td>
<td>5,669</td>
<td>1,915,362</td>
</tr>
<tr>
<td><strong>Total capital assets being depreciated</strong></td>
<td>331,506,461</td>
<td>3,724,350</td>
<td>638,335</td>
<td>335,869,146</td>
</tr>
<tr>
<td>Less: Accumulated depreciation and amortization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility plant</td>
<td>(106,672,3)</td>
<td>(6,076,841)</td>
<td>21,304</td>
<td>(112,728,210)</td>
</tr>
<tr>
<td>General plant</td>
<td>(6,534,85)</td>
<td>(836,024)</td>
<td>215,842</td>
<td>(7,159,667)</td>
</tr>
<tr>
<td>Capital leases</td>
<td>(6,338,8)</td>
<td>(547,068)</td>
<td>-</td>
<td>(6,885,572)</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(809,16)</td>
<td>(196,388)</td>
<td>-</td>
<td>(1,005,552)</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation and amortization</strong></td>
<td>(120,359,826)</td>
<td>(7,656,321)</td>
<td>237,146</td>
<td>(127,779,001)</td>
</tr>
<tr>
<td><strong>Total capital assets, net</strong></td>
<td><strong>$217,059,494</strong></td>
<td><strong>$436,185</strong></td>
<td><strong>(581,649)</strong></td>
<td><strong>$216,914,030</strong></td>
</tr>
</tbody>
</table>

In 2018 and 2017, no impairment losses were identified by the Department.
6. Long-Term Liabilities

Bonds Payable
The full faith and credit of the County is pledged for the payment of the Department’s bond obligations. The County has the power and is obligated to levy ad valorem taxes, without limitation as to rate or amount, on all real property subject to taxation by the County.

As of June 30, 2018 and 2017, bonds payable consisted of the following:

<table>
<thead>
<tr>
<th>Bond Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Improvement Bonds – County Series 2012A, last installment 2029</td>
<td>$2,445,000</td>
<td>$2,600,000</td>
</tr>
<tr>
<td>Maturing serially from August 1, 2016. Interest rate – 3.00% to 5.00%. Date issued – July 10, 2012. Original amount – $2,745,000.</td>
<td>$2,445,000</td>
<td>$2,600,000</td>
</tr>
<tr>
<td>Public Improvement Bonds – County Series 2011A, last installment 2025. Maturing serially from August 1, 2012. Interest rate – 2.00% to 5.00%. Date issued – July 7, 2011. Original amount – $5,125,000.</td>
<td>3,005,000</td>
<td>3,325,000</td>
</tr>
<tr>
<td>Build America Bonds – County Series 2010A, last installment 2033. Maturing serially from August 1, 2013. Interest rate – 1.96% to 5.76%. Date issued – March 24, 2010. Original amount – $60,000,000.</td>
<td>50,110,000</td>
<td>52,210,000</td>
</tr>
<tr>
<td>Public Improvement Bonds – County Series 005A, last installment 2021. Maturing serially from August 1, 2008. Interest rate – 3.25% to 5.00%. Date issued – February 1, 2006. Original amount – $3,165,000.</td>
<td>1,100,000</td>
<td>1,435,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>56,660,000</th>
<th>59,570,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium on bond issuance</td>
<td>439,943</td>
<td>498,156</td>
</tr>
<tr>
<td></td>
<td>$57,099,943</td>
<td>$60,068,156</td>
</tr>
</tbody>
</table>

The approximate annual debt service requirements to maturity as of June 30, 2018 are as follows:

<table>
<thead>
<tr>
<th>Years ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$2,950,000</td>
<td>$2,844,000</td>
<td>$5,794,000</td>
</tr>
<tr>
<td>2020</td>
<td>3,075,000</td>
<td>2,717,000</td>
<td>5,792,000</td>
</tr>
<tr>
<td>2021</td>
<td>3,210,000</td>
<td>2,581,000</td>
<td>5,791,000</td>
</tr>
<tr>
<td>2022</td>
<td>3,260,000</td>
<td>2,440,000</td>
<td>5,700,000</td>
</tr>
<tr>
<td>2023</td>
<td>3,175,000</td>
<td>2,293,000</td>
<td>5,468,000</td>
</tr>
<tr>
<td>2024–2028</td>
<td>17,500,000</td>
<td>8,960,000</td>
<td>26,460,000</td>
</tr>
<tr>
<td>2029–2033</td>
<td>20,500,000</td>
<td>3,874,000</td>
<td>24,374,000</td>
</tr>
<tr>
<td>2034</td>
<td>2,990,000</td>
<td>86,000</td>
<td>3,076,000</td>
</tr>
<tr>
<td></td>
<td>$56,660,000</td>
<td>$25,795,000</td>
<td>$82,455,000</td>
</tr>
</tbody>
</table>
**Loans Payable**
As of June 30, 2018 and 2017, the loans payable consisted of the following:

<table>
<thead>
<tr>
<th>Loan Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Revolving Fund (“SRF”) Loan – Stable 1.0 MG Tank, last installment 2029.</td>
<td>$4,237,041</td>
<td>$4,616,314</td>
</tr>
<tr>
<td>Interest rate – 0.26%. Semi-annual loan fee rate – 1.625%. Date issued – March 15, 2009.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRF Loan – Poipu Road 16-Inch Main Replacement, last installment 2027. Interest rate – 0.16%. Semi-annual loan fee rate – 1.625%. Date issued – January 15, 2007.</td>
<td>2,405,273</td>
<td>2,670,414</td>
</tr>
<tr>
<td>SRF Loan – Wailua Houselots Main Replacement, last installment 2033. Interest rate – 0.5%. Semi-annual loan fee rate – 0.5%. Date issued – April 15, 2013.</td>
<td>2,918,727</td>
<td>3,105,653</td>
</tr>
<tr>
<td>SRF Loan – Kaumualii Highway 12-Inch Main Replacement, last installment 2029. Interest rate – 0.32%. Semi-annual loan fee rate – 1.625%. Date issued – August 15, 2009.</td>
<td>2,389,737</td>
<td>2,593,431</td>
</tr>
<tr>
<td>SRF Loan – Kapilimao 0.5 MG Tank, last installment 2030. Interest rate – 0.42%. Semi-annual loan fee rate – 1.625%. Date issued – January 15, 2010.</td>
<td>2,414,070</td>
<td>2,609,805</td>
</tr>
<tr>
<td>SRF Loan – Lihue Basin I projects for the Department of Water, last installment 2034. Interest rate – 0.5%. Semi-annual loan fee rate – 0.5%. Date issued – December 15, 2014.</td>
<td>1,697,939</td>
<td>1,796,540</td>
</tr>
<tr>
<td>SRF Loan – Waha, Wawae &amp; Niho Roads Main Replacement, last installment 2029. Interest rate – 0.32%. Semi-annual loan fee rate – 1.625%. Date issued – August 15, 2009.</td>
<td>1,164,198</td>
<td>1,263,422</td>
</tr>
<tr>
<td>SRF Loan – 16-Inch Waterline Replacement along Kuhio Highway, Leho Drive to North Papaloa Road, last installment 2026. Interest rate – 0.16%. Semi-annual loan fee rate – 1.625%. Date issued – August 15, 2005.</td>
<td>979,539</td>
<td>1,101,113</td>
</tr>
<tr>
<td>Subtotal</td>
<td>18,206,524</td>
<td>19,756,692</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 2018</th>
<th>Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal carried forward</td>
<td>18,206,524</td>
<td>19,756,692</td>
</tr>
<tr>
<td>SRF Loan – Rehabilitate Lihue Steel Tanks 1 &amp; 2, last installment 2025.</td>
<td>474,336</td>
<td>540,811</td>
</tr>
<tr>
<td>Interest rate – 0.46%. Semi-annual loan fee rate – 1.625%. Date issued –</td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 15, 2005. Original amount – $1,243,017.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRF Loan – Damage Repairs to Kokolau Tunnel, last installment 2021.</td>
<td>333,57</td>
<td>425,696</td>
</tr>
<tr>
<td>Interest rate – 1.37%. Semi-annual loan fee rate – 1.625%. Date issued –</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRF Loan – Replace Pipeline at Hanapepe River Crossing and Control of Slope; Failure at Hanapepe Well No. 3, last installment 2023. Interest rate – 0.99%. Semi-annual loan fee rate – 1.625%. Date issued – July 15, 2003. Original amount – $1,243,976.</td>
<td>375,240</td>
<td>441,306</td>
</tr>
<tr>
<td>SRF Loan – Ornellas 0.2 MG Tank, last installment 2025. Interest rate – 0.58%. Semi-annual loan fee rate – 1.625%. Date issued – January 15, 2005. Original amount – $809,398.</td>
<td>305,786</td>
<td>348,480</td>
</tr>
<tr>
<td>SRF Loan – Kekaha Well, last installment 2022. Interest rate – 1.01%. Semi-annual loan fee rate – 1.625%. Date issued – April 15, 2002. Original amount – $862,883.</td>
<td>203,256</td>
<td>252,799</td>
</tr>
<tr>
<td>SRF Loan – Wailua Homesteads Well No. 3, last installment 2024. Interest rate – 0.54%. Semi-annual loan fee rate – 1.62%. Date issued – March 15, 2004. Original amount – $397,737.</td>
<td>130,550</td>
<td>151,908</td>
</tr>
<tr>
<td>Total</td>
<td>$ 20,238,206</td>
<td>$ 22,163,666</td>
</tr>
</tbody>
</table>
The approximate annual debt service requirements to maturity as of June 30, 2018 are as follows:

<table>
<thead>
<tr>
<th>Years ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 1,934,000</td>
<td>$ 616,000</td>
<td>$ 2,550,000</td>
</tr>
<tr>
<td>2020</td>
<td>1,942,000</td>
<td>551,000</td>
<td>2,493,000</td>
</tr>
<tr>
<td>2021</td>
<td>1,951,000</td>
<td>486,000</td>
<td>2,437,000</td>
</tr>
<tr>
<td>2022</td>
<td>1,910,000</td>
<td>42,000</td>
<td>2,331,000</td>
</tr>
<tr>
<td>2023</td>
<td>1,816,000</td>
<td>9,000</td>
<td>2,175,000</td>
</tr>
<tr>
<td>2024–2028</td>
<td>7,732,000</td>
<td>975,000</td>
<td>8,707,000</td>
</tr>
<tr>
<td>2029–2033</td>
<td>2,795,000</td>
<td>121,000</td>
<td>2,916,000</td>
</tr>
<tr>
<td>2034–2035</td>
<td>158,000</td>
<td>2,000</td>
<td>160,000</td>
</tr>
<tr>
<td></td>
<td><strong>$ 20,238,000</strong></td>
<td><strong>$ 3,531,000</strong></td>
<td><strong>$ 23,769,000</strong></td>
</tr>
</tbody>
</table>

**Capital Lease Obligation**

On February 19, 2004, the Department entered into a Water Treatment and Delivery Agreement ("Agreement") with an unrelated third party developer. The Agreement requires the developer to build, operate and maintain a surface water treatment plant ("SWTP") with a capacity of 3.0 million gallons per day ("MGD"). The Department is required to purchase, at a minimum, 2.0 MGD and also to provide the developer a credit towards its facility reserve charge. The term of the Agreement is 15 years and the Agreement also provides the Department with the option of accepting the dedication of the SWTP at no cost after the reimbursement date, as defined. The Department commenced water purchases on January 1, 2006. This arrangement has been recorded as a capital lease accompanying basic financial statements.

The capital lease obligation is amortized at an implicit rate of approximately 6.0%. The utility plant related to the SWTP facility approximated $7,181,000 as of June 30, 2018 and 2017. The accumulated depreciation related to the SWTP facility approximated $6,688,000 and $6,136,000 as of June 30, 2018 and 2017, respectively.

The approximate annual requirements to amortize all capital lease obligations as of June 30, 2018 are approximately as follows:

<table>
<thead>
<tr>
<th>Years ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 522,000</td>
<td>$ 13,000</td>
<td>$ 535,000</td>
</tr>
<tr>
<td>2020</td>
<td>4,000</td>
<td>-</td>
<td>4,000</td>
</tr>
<tr>
<td></td>
<td><strong>$ 526,000</strong></td>
<td><strong>$ 13,000</strong></td>
<td><strong>$ 539,000</strong></td>
</tr>
</tbody>
</table>
### Changes in Long-term Liabilities

Long-term liability activity for the years ended June 30, 2018 and 2017 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2017 (As Restated)</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2018</th>
<th>Amounts Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds payable</td>
<td>$ 59,570,000</td>
<td>$ -</td>
<td>$ 2,910,000</td>
<td>$ 56,660,000</td>
<td>$ 2,950,000</td>
</tr>
<tr>
<td>Deferred costs –</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premiums on bond issuance</td>
<td>498,156</td>
<td>-</td>
<td>58,213</td>
<td>439,943</td>
<td>-</td>
</tr>
<tr>
<td>Total bonds payable</td>
<td>60,068,156</td>
<td>-</td>
<td>2,968,213</td>
<td>57,099,943</td>
<td>2,950,000</td>
</tr>
<tr>
<td>Loans payable</td>
<td>22,163,666</td>
<td>-</td>
<td>1,925,460</td>
<td>20,238,206</td>
<td>1,933,749</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>82,231,822</td>
<td>-</td>
<td>4,893,677</td>
<td>77,338,149</td>
<td>4,883,749</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>16,921,133</td>
<td>-</td>
<td>1,497,615</td>
<td>423,518</td>
<td>-</td>
</tr>
<tr>
<td>Net other postemployment benefit liability</td>
<td>8,863,111</td>
<td>-</td>
<td>495,213</td>
<td>8,367</td>
<td>-</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>1,331,655</td>
<td>520,075</td>
<td>449,219</td>
<td>1,402,511</td>
<td>489,688</td>
</tr>
<tr>
<td>Capital lease obligation</td>
<td>1,269,084</td>
<td>-</td>
<td>742,465</td>
<td>526,619</td>
<td>522,000</td>
</tr>
<tr>
<td></td>
<td>$ 110,616,805</td>
<td>$ 520,075</td>
<td>$ 8,185</td>
<td>$ 103,058,695</td>
<td>$ 5,895,437</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2016</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2017</th>
<th>Amounts Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds payable</td>
<td>$ 62,370,000</td>
<td>$ -</td>
<td>$ 2,800,000</td>
<td>$ 59,570,000</td>
<td>$ 2,910,000</td>
</tr>
<tr>
<td>Deferred costs –</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premiums on bond issuance</td>
<td>556,369</td>
<td>-</td>
<td>58,213</td>
<td>498,156</td>
<td>-</td>
</tr>
<tr>
<td>Total bonds payable</td>
<td>62,926,369</td>
<td>-</td>
<td>2,858,213</td>
<td>60,068,156</td>
<td>2,910,000</td>
</tr>
<tr>
<td>Loans payable</td>
<td>24,080,963</td>
<td>-</td>
<td>1,917,297</td>
<td>22,163,666</td>
<td>1,925,459</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>87,007,332</td>
<td>-</td>
<td>4,775,510</td>
<td>82,231,822</td>
<td>4,835,459</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>1,310,002</td>
<td>5,611,131</td>
<td>-</td>
<td>16,921,133</td>
<td>-</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>1,249,150</td>
<td>530,652</td>
<td>448,147</td>
<td>1,331,655</td>
<td>491,755</td>
</tr>
<tr>
<td>Capital lease obligation</td>
<td>148</td>
<td>-</td>
<td>699,064</td>
<td>1,269,084</td>
<td>742,000</td>
</tr>
<tr>
<td></td>
<td>$ 101,534,632</td>
<td>$ 6,141,783</td>
<td>$ 5,922,721</td>
<td>$ 101,753,694</td>
<td>$ 6,069,214</td>
</tr>
</tbody>
</table>
7. Net Position

At June 30, 2018 and 2017, net position consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>$ 216,914,030</td>
<td>$ 217,059,494</td>
</tr>
<tr>
<td>Less: Long-term debt, net</td>
<td>(77,338,49)</td>
<td>(82,231,822)</td>
</tr>
<tr>
<td>Less: Capital lease obligation</td>
<td>(52,619)</td>
<td>(1,269,084)</td>
</tr>
<tr>
<td>Add: Unspent debt proceeds</td>
<td>12,434,60</td>
<td>15,262,595</td>
</tr>
<tr>
<td>Add: Deferred outflows – deferred refunding costs</td>
<td>17,480</td>
<td>33,630</td>
</tr>
<tr>
<td></td>
<td><strong>151,506,070</strong></td>
<td><strong>148,854,813</strong></td>
</tr>
<tr>
<td>Restricted for capital activity, debt service and reserved funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FRC net position</td>
<td>779,871</td>
<td>482,263</td>
</tr>
<tr>
<td>Restricted cash – Bond funds</td>
<td>367,486</td>
<td>2,354,946</td>
</tr>
<tr>
<td>Restricted investments – Bond funds</td>
<td>12,071,974</td>
<td>12,907,649</td>
</tr>
<tr>
<td>Restricted accrued interest – Bond funds</td>
<td>29,424</td>
<td>57,536</td>
</tr>
<tr>
<td>Less: Unspent debt proceeds</td>
<td>(12,439,460)</td>
<td>(15,262,595)</td>
</tr>
<tr>
<td></td>
<td><strong>809,295</strong></td>
<td><strong>539,799</strong></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>36,522,466</td>
<td>41,623,229</td>
</tr>
<tr>
<td>Total net position</td>
<td>$ 188,837,831</td>
<td>$ 191,017,841</td>
</tr>
</tbody>
</table>

As of June 30, 2018 and 2017, FRC net position consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRC assets restricted for utility plant construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 681,404</td>
<td>$ 373,175</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>106,316</td>
<td>109,088</td>
</tr>
<tr>
<td></td>
<td><strong>787,720</strong></td>
<td><strong>482,263</strong></td>
</tr>
<tr>
<td>FRC liabilities</td>
<td>7,849</td>
<td>-</td>
</tr>
<tr>
<td>FRC net position</td>
<td><strong>779,871</strong></td>
<td><strong>482,263</strong></td>
</tr>
</tbody>
</table>

For the years ended June 30, 2018 and 2017, FRC change in net position consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$ 1,093,628</td>
<td>$ 613,656</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(796,020)</td>
<td>(1,933,657)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>297,608</td>
<td>(1,320,001)</td>
</tr>
<tr>
<td>FRC net position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td><strong>482,263</strong></td>
<td><strong>1,802,264</strong></td>
</tr>
<tr>
<td>End of year</td>
<td>$ 779,871</td>
<td>$ 482,263</td>
</tr>
</tbody>
</table>
8. Employees’ Retirement System

Description of Plan
All eligible employees of the State of Hawaii (the “State”) and counties are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by the ERS. Benefit terms, eligibility and contribution requirements are established by HRS Chapter 88 and can be amended through legislation. The ERS issues a publicly available financial report that can be obtained at ERS’s website at http://ers.ehawaii.gov/.

Benefits Provided
The ERS provides retirement, disability and death benefits that are governed by the provisions of the noncontributory, contributory and hybrid retirement membership class. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% or 2%) multiplied by the average final compensation multiplied by years of credited service. The benefit multiplier decreased by 0.25% for new hybrid and contributory plan members hired after June 30, 2012. Average final compensation is an average of the highest salaries during any three years of credited service, excluding any salary paid in lieu of vacation for employees hired January 1, 1971 or later and the average of the highest salaries during any five years of credited service including any salary paid in lieu of vacation for employees hired prior to January 1, 1971. For members hired after June 30, 2012, average final compensation is an average of the highest salaries during any five years of credited service excluding any salary paid in lieu of vacation.

For members hired before July 1, 2012, the original retirement allowance is increased by 2.5% each July 1 following the calendar year of retirement. This cumulative benefit is not compounded and increases each year by 2.5% of the original retirement allowance without a ceiling (2.5% of the original retirement allowance the first year, 5.0% the second year, 7.5% the third year, etc.). For members hired after June 30, 2012, the post-retirement annuity increase was decreased to 1.5% per year.

Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges and elected officials, vary from general employees.

- Noncontributory Class

  Retirement Benefits
  General employees’ retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with ten years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.

  Disability Benefits
  Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 12.5% of average final compensation.
Death Benefits
For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a monthly benefit of 30% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. Additional benefits are payable to surviving dependent children up to age 18. If there is no spouse/reciprocal beneficiary or dependent children, no benefit is payable.

Ten years of credited service is required for ordinary death benefits. For ordinary death benefits, the surviving spouse/reciprocal beneficiary (until remarriage or re-entry into a new reciprocal beneficiary relationship) and dependent children (up to age 18) receive a benefit equal to a percentage of member’s accrued maximum allowable reduced for age or, if the member was eligible for retirement at the time of death, the surviving spouse/reciprocal beneficiary receives 100% joint and survivor lifetime pension.

- Contributory Class for Employees Hired Prior to July 1, 2012

Retirement Benefits
General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 55.

Disability Benefits
Members are eligible for service-related disability benefits regardless of length of service and receive a one-time payment of their member’s contributions and accrued interest plus a lifetime pension of 50% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined as 1.75% of average final compensation multiplied by the years of credited service but are payable immediately, without an actuarial reduction, and at a minimum of 30% of average final compensation.

Death Benefits
For service-connected deaths, the designated beneficiary receives a lump sum payment of the member’s contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or dependent children/parents, the death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least one year of service. Ordinary death benefits consist of a lump sum payment of the member’s contributions and accrued interest plus a percentage of the salary earned in the 12 months preceding death, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% Joint and Survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.
Contributory Class for Employees Hired After June 30, 2012

Retirement Benefits
General employees’ retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 60.

Disability Benefits
Disability and death benefits for contributory class members hired after June 30, 2012 are generally the same as those for contributory class members hired June 30, 2012 and prior.

Hybrid Class for Employees Hired Prior to July 1, 2012

Retirement Benefits
General employees’ retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 62. General employees with 30 years of credited service are eligible to retire at age 55.

Disability Benefits
Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation plus refund of their contributions and accrued interest. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 25% of average final compensation.

Death Benefits
For service-connected death, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member’s contributions and accrued interest plus a monthly benefit of 50% of the average final compensation to the surviving spouse/reciprocal beneficiary until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no surviving spouse/reciprocal beneficiary or dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least five years of service. Ordinary death benefits consist of a lump sum payment of the member’s contributions and accrued interest plus a percentage multiplied by 150%, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.
Hybrid Class for Employees Hired After June 30, 2012

Retirement Benefits
General employees’ retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 65. Employees with 30 years of credited service are eligible to retire at age 60. Sewer workers, water safety officers and EMTs may retire with 25 years of credited service at age 55.

Disability Benefits
Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least ten years of service. Ordinary death benefits consist of a lump sum payment of the member’s contributions and accrued interest, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary or if less than ten years of service, return of member’s contributions and accrued interest.

Contributions
Contributions are established by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every five years. Since July 1, 2005, the employer contribution rate is a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The Department’s required contributions for the years ended June 30, 2018 and 2017 were approximately $1,036,000 and $938,000, respectively. The contribution rate was 18.0% and 17.0% for the years ended June 30, 2018 and 2017, respectively.

On May 18, 2017, the Governor signed into law Act 17 SLH 2017. Per Act 17, future employer contributions from the State and counties are expected to increase pursuant to a phased-in increase over four years beginning July 1, 2017. The rate for all other employees, other than police and firefighters, increases to 18.00% on July 1, 2017; 19.00% on July 1, 2018; 22.00% on July 1, 2019; and 24.00% on July 1, 2020.

The employer is required to make all contributions for members in the noncontributory plan.

- For contributory class employees hired prior to July 1, 2012, general employees are required to contribute 7.8% of their salary.
- Contributory class employees hired after June 30, 2012 are required to contribute 9.8% of their salary.
- Hybrid members hired prior to July 1, 2012 are required to contribute 6.0% of their salary.
- Hybrid members hired after June 30, 2012 are required to contribute 8.0% of their salary.
Notes to Financial Statements
June 30, 2018 and 2017

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018 and 2017, the Department reported a liability of approximately $15,424,000 and $16,921,000, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and 2016, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Department’s proportion of the net pension liability was based on a projection of the Department’s long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2017 the Department’s proportion was 0.12%, a decrease of approximately 0.01% from its proportionate share measured as of June 30, 2016.

The average of expected remaining service lives for the purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2017 fiscal year is 5,664 years.

There were no changes in actuarial assumptions in 2018.

There were no other changes between the measurement date, June 30, 2017, and the reporting date, June 30, 2018, that are expected to have a significant effect on the proportionate share of the net pension liability.

For the year ended June 30, 2018 and 2017, the Department recognized pension expense of approximately $2,157,000 and $2,229,000 respectively.

At June 30, 2018 and 2017, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>2018 Outflows</th>
<th>2018 Inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference between actual and expected experience</td>
<td>$247,175</td>
<td>$165,286</td>
</tr>
<tr>
<td>Net difference between projected and actual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>earnings on pension plan investments</td>
<td>-</td>
<td>45,667</td>
</tr>
<tr>
<td>Change of assumptions</td>
<td>2,355,113</td>
<td>-</td>
</tr>
<tr>
<td>Changes in proportion and differences between employer contributions</td>
<td>615,280</td>
<td>651,869</td>
</tr>
<tr>
<td>and proportionate share of contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department contributions subsequent to the measurement date</td>
<td>1,035,930</td>
<td>-</td>
</tr>
<tr>
<td>Total outflows and inflows</td>
<td>$4,253,498</td>
<td>$862,822</td>
</tr>
</tbody>
</table>
Deferred outflows of resources related to pensions of approximately $1,036,000 at June 30, 2018 resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Years ending June 30,</th>
<th>Deferred Outflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 661,664</td>
</tr>
<tr>
<td>2020</td>
<td>945,795</td>
</tr>
<tr>
<td>2021</td>
<td>696,326</td>
</tr>
<tr>
<td>2022</td>
<td>133,163</td>
</tr>
<tr>
<td>2023</td>
<td>(82,202)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 2,354,746</strong></td>
</tr>
</tbody>
</table>

**Actuarial Assumptions**

The total pension liability in the June 30, 2017 and 2016 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.50%
- Projected salary increases, including inflation: 3.50% – 6.50%
- Investment rate of return, including inflation: 7.00%
- Payroll growth: 3.50%

The same rates were applied to all periods. There were no changes to ad hoc postemployment benefits including cost of living allowance ("COLA"). Post-retirement mortality rates are based on the 2016 Public Retirees of Hawaii mortality table with adjustments based on generational projections of the BB projection table for 2016 and full generational projections in future years. Pre-retirement mortality rates are based on multiples of RP-2014 mortality table based on the occupation of the member. The actuarial assumptions used in the June 30, 2017 and 2016 valuations were based on the results of actuarial experience study for the five-year period ended June 30, 2015. ERS updates their experience studies every five years.
The discount rate used to measure the net pension liability at June 30, 2018 and 2017 was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions were made at the current contribution rate and that employer contributions were made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Department’s proportionate share of the net pension liability as of June 30, 2017 calculated using the discount rate of 7.00%, as well as what the Department’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

<table>
<thead>
<tr>
<th>1% Decrease Discount Rate (6.00%)</th>
<th>Current Discount Rate (7.00%)</th>
<th>1% Increase Discount Rate (8.00%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department’s proportionate share of the net pension liability</td>
<td>$19,987,333</td>
<td>$15,423,518</td>
</tr>
</tbody>
</table>

The long-term expected rate of return on pension investments was determined using a “top down approach” of the Bespoke Client Constrained Simulation-based Optimization Model (a statistical technique known as “re-sampling with replacement” that directly keys in on specific plan-level risk factors as stipulated by the ER Board) in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class used in the actuarial valuation as of the June 30, 2017 valuation are summarized in the following table:

<table>
<thead>
<tr>
<th>Long-Term Target Allocation</th>
<th>Long-Term Expected Geometric Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad growth 63 %</td>
<td>8.05 %</td>
</tr>
<tr>
<td>Principal protection 7 %</td>
<td>2.45 %</td>
</tr>
<tr>
<td>Real return 10 %</td>
<td>5.80 %</td>
</tr>
<tr>
<td>Crisis risk offset 20 %</td>
<td>5.35 %</td>
</tr>
<tr>
<td>100 %</td>
<td></td>
</tr>
</tbody>
</table>
The target allocation and best estimates of geometric real rates of return for each major asset class used in the actuarial valuation as of the June 30, 2016 valuation are summarized in the following table:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long-Term Target Allocation</th>
<th>Long-Term Expected Geometric Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad growth</td>
<td>63 %</td>
<td>8.40 %</td>
</tr>
<tr>
<td>Principal protection</td>
<td>7 %</td>
<td>2.20 %</td>
</tr>
<tr>
<td>Real return</td>
<td>10 %</td>
<td>6.20 %</td>
</tr>
<tr>
<td>Crisis risk offset</td>
<td>20 %</td>
<td>5.50 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100 %</td>
</tr>
</tbody>
</table>

**Pension Plan Fiduciary Net Position**

The pension plan’s fiduciary net position is determined on the same basis used by the pension plan. ERS’s financial statements are prepared using the actual basis of accounting under which expenses are recorded when the liability is incurred, and revenues are recorded in the accounting period in which they are earned and become measurable. Employer and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded as of their trade date. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the pension plan’s fiduciary net position is available in the separately issued ERS financial report. ERS’s complete financial statements are available at http://www.ers.ehawaii.gov.

**Payables to the Pension Plan**

As of June 30, 2018 and 2017, the Department had no payables to ERS.

**9. Post-Retirement Health Care and Life Insurance Benefits**

**Plan Description**

The Department provides certain health care and life insurance benefits to all qualified employees. Pursuant to Act 88, SLH 2001, the Department contributes to EUTF, an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003. EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees and their dependents. EUTF issues a publicly available annual financial report that can be obtained at http://eutf.hawaii.gov.

For employees hired before July 1, 1996, the Department pays the entire base monthly contribution for employees retiring with ten years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect a family plan to cover dependents.
For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less than ten years of service, the Department makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the Department pays 50% of the base monthly contribution. For employees retiring with at least 15 years but fewer than 25 years of service, the Department pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the Department pays 100% of the base monthly contribution. Retirees in this category can elect a family plan to cover dependents.

For employees hired on or after July 1, 2001, and who retire with less than ten years of service, the Department makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the Department pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the Department pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the Department pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

Employees Covered by Benefit Terms
At July 1, 2017, the following number of plan members were covered by the benefit terms:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive plan members or beneficiaries currently receiving benefits</td>
<td>50</td>
</tr>
<tr>
<td>Inactive plan members entitled to but not yet receiving benefits</td>
<td>6</td>
</tr>
<tr>
<td>Active plan members</td>
<td>88</td>
</tr>
<tr>
<td><strong>Total plan members</strong></td>
<td><strong>144</strong></td>
</tr>
</tbody>
</table>

Contributions
Contributions are governed by HRS Chapter 8A and may be amended through legislation. Contributions to the OPEB plan from the Department was $948,000 for the fiscal year ended June 30, 2018. The employer is required to make all contributions for members.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
At June 30, 2018, the Department reported a net OPEB liability of approximately $8.4 million. The net OPEB liability was measured as of July 1, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

There were no changes between the measurement date, July 1, 2017, and the reporting date, June 30, 2018, that are expected to have a significant effect on the net OPEB liability.
For the year ended June 30, 2018, the Department recognized OPEB expense of approximately $928,000. At June 30, 2018, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net difference between projected and actual earnings on OPEB plan investments</td>
<td>$ -</td>
</tr>
<tr>
<td>Department contributions subsequent to the measurement date</td>
<td>948,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 948,000</strong></td>
</tr>
</tbody>
</table>

The $948,000 reported as deferred outflows of resources related to OPEB resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<table>
<thead>
<tr>
<th>Years ending June 30,</th>
<th>Deferred Outflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ (33,946)</td>
</tr>
<tr>
<td>2020</td>
<td>(33,946)</td>
</tr>
<tr>
<td>2021</td>
<td>(33,946)</td>
</tr>
<tr>
<td>2022</td>
<td>(33,945)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(135,783)</strong></td>
</tr>
</tbody>
</table>
**Actuarial Assumptions**

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions adopted by the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund of the State of Hawaii, on January 8, 2018, based on the experience study covering the five year period ended June 30, 2015:

<table>
<thead>
<tr>
<th>Valuation date</th>
<th>July 1, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial cost method</td>
<td>Entry age normal</td>
</tr>
<tr>
<td>Discount rate</td>
<td>7.00%</td>
</tr>
<tr>
<td>Inflation</td>
<td>2.50%</td>
</tr>
<tr>
<td>Salary Increases</td>
<td>3.50% to 7.00%; including inflation</td>
</tr>
<tr>
<td>Demographic assumptions</td>
<td>Based on the experience study covering the five year period ending June 30, 2015</td>
</tr>
<tr>
<td>Mortality</td>
<td>System-specific mortality tables utilizing scale BB to project generational mortality improvement</td>
</tr>
<tr>
<td>Participation rates</td>
<td>98% healthcare participation assumption for retirees that receive 100% of the Base Monthly Contribution (“BMC”). Healthcare participation rates of 25%, 65% an 0% for retirees that receive 0%, 50%, or 75% of the BMC, respectively. 100% for life insurance and 98% for Medicare Part B</td>
</tr>
</tbody>
</table>

**Healthcare cost trend rates**

- **PPO***: Initial rate of 6.60% and 9.00%, declining to a rate of 4.86% after 14 years
- **HMO***: Initial rate of 9.00%, declining to a rate of 4.86% after 14 years
- **Part B & B Monthly Contribution (“BMC”)**: Initial rate of 2.00% and 5.00%, declining to a rate of 4.70% after 14 years
- **Dental**: 3.50%
- **Vision**: 2.50%
- **Life Insurance**: 0.00%

* Blended rates for medical and prescription drug.

Mortality rates are based on system-specific mortality tables utilizing scale BB to project generational mortality improvement.
The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

<table>
<thead>
<tr>
<th>Strategic Allocation</th>
<th>Long-Term Target Allocation</th>
<th>Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. equity</td>
<td>19 %</td>
<td>5.50%</td>
</tr>
<tr>
<td>International equity</td>
<td>19 %</td>
<td>7.00%</td>
</tr>
<tr>
<td>U.S. microcap</td>
<td>7 %</td>
<td>7.00%</td>
</tr>
<tr>
<td>Private equity</td>
<td>10 %</td>
<td>9.25%</td>
</tr>
<tr>
<td>REITs</td>
<td>6 %</td>
<td>5.85%</td>
</tr>
<tr>
<td>Core real estate</td>
<td>0 %</td>
<td>3.80%</td>
</tr>
<tr>
<td>Global options</td>
<td>7 %</td>
<td>5.50%</td>
</tr>
<tr>
<td>Core bonds</td>
<td>%</td>
<td>0.55%</td>
</tr>
<tr>
<td>Long treasuries</td>
<td>7 %</td>
<td>1.90%</td>
</tr>
<tr>
<td>Trend following</td>
<td>7 %</td>
<td>1.75%</td>
</tr>
<tr>
<td>TIPS</td>
<td>5 %</td>
<td>0.50%</td>
</tr>
<tr>
<td></td>
<td>100 %</td>
<td></td>
</tr>
</tbody>
</table>

**Single Discount Rate**

The discount rate used to measure the net OPEB liability was 7.00%, based on the expected rate of return on OPEB plan investments of 7.00% and the municipal bond rate of 3.56% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-year Municipal GO AA index”). Beginning with the fiscal year 2019 contribution, the Department’s funding policy is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.
Changes in Net OPEB Liability
The following table represents a schedule of changes in the net OPEB liability. The ending balances are as of the measurement date, July 1, 2017.

<table>
<thead>
<tr>
<th></th>
<th>Total OPEB Liability</th>
<th>Plan Fiduciary Net Position</th>
<th>Net OPEB Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>$15,331,541</td>
<td>$6,468,430</td>
<td>$8,863,111</td>
</tr>
<tr>
<td>Service cost</td>
<td>380,075</td>
<td>-</td>
<td>380,075</td>
</tr>
<tr>
<td>Interest on the total OPEB liability</td>
<td>1,073,630</td>
<td>-</td>
<td>1,073,630</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>-</td>
<td>(1,287,000)</td>
<td>(1,287,000)</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>654,92</td>
<td>(654,929)</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(368,000)</td>
<td>(368,000)</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>-</td>
<td>(1,485)</td>
<td>1,485</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>8,474</td>
<td>(8,474)</td>
</tr>
<tr>
<td>Net changes</td>
<td>1,085,705</td>
<td>1,580,918</td>
<td>(495,213)</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$16,417,24</td>
<td>$8,049,348</td>
<td>$8,367,898</td>
</tr>
</tbody>
</table>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates
The following table presents the Department's net OPEB liability calculated using the discount rate of 7.00%, as well as what the Department's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (6.00%)</th>
<th>Current Discount Rate (7.00%)</th>
<th>1% Increase (8.00%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department's proportionate share of the net OPEB liability</td>
<td>$11,073,323</td>
<td>$8,367,898</td>
<td>$6,176,735</td>
</tr>
</tbody>
</table>

The following table presents the Department's net OPEB liability calculated using the assumed healthcare cost trend rate, as well as what the Department's net OPEB liability would be if it were calculated using the trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease</th>
<th>Healthcare Cost Trend Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department's proportionate share of the net OPEB liability</td>
<td>$6,031,341</td>
<td>$8,367,898</td>
<td>$11,320,142</td>
</tr>
</tbody>
</table>
Payables to the OPEB Plan
At June 30, 2018 and 2017, the Department had no payables to EUTF.

As the Department’s basic financial statements are comparative, the following disclosures have been included as OPEB related balances in 2017 were subject to GASB Statement No. 45 prior to the adoption of GASB Statement No. 75 in 2018.

Funding Policy
For active employees, the employer’s contributions are based upon negotiated collective bargaining agreements. Employer contributions for employees not covered by collective bargaining agreements and for retirees are prescribed by HRS.

The Department is required to contribute the annual required contribution (“ARC”) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over 30 years. The current ARC rate for the Department is approximately 18% of annual covered payroll.

Annual OPEB Cost
The following table shows the components of the Department’s annual OPEB cost for 2017, the amount actually contributed to the plan, and changes in the Department’s net OPEB asset to EUTF:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution</td>
<td>$968,000</td>
</tr>
<tr>
<td>Interest on net OPEB asset</td>
<td>(2,000)</td>
</tr>
<tr>
<td>Adjustment to the ARC</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Annual OPEB cost</strong></td>
<td><strong>968,000</strong></td>
</tr>
<tr>
<td>Contributions made</td>
<td>968,000</td>
</tr>
<tr>
<td>Change in net OPEB asset</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net OPEB asset</strong></td>
<td><strong>23,000</strong></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>23,000</td>
</tr>
<tr>
<td>End of year</td>
<td>$23,000</td>
</tr>
</tbody>
</table>
The Department’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2017 and 2016 were approximately as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>Annual OPEB Cost</th>
<th>Percentage of Annual OPEB Cost Contributed</th>
<th>Net OPEB Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ 913,000</td>
<td>96.7 %</td>
<td>$ 23,000</td>
</tr>
<tr>
<td>2017</td>
<td>968,000</td>
<td>100.0 %</td>
<td>23,000</td>
</tr>
</tbody>
</table>

**Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2015, the effective date of the most recent biennial actuarial valuation, was as follows:

- Actuarial accrued liability (“AAL”) $14,848,000
- Assets 6,006,000
- Unfunded AAL (“UAAL”) $8,842,000
- Covered payroll $5,052,000
- UAAL as a percentage of covered payroll 175%

Actuarial valuations of an ongoing plan involve estimation of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the ARC are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes of the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.
Actuarial Methods and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions from the Department’s actuarial valuation were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation date</td>
<td>July 2015</td>
</tr>
<tr>
<td>Actuarial cost method</td>
<td>Entry age normal</td>
</tr>
<tr>
<td>Amortization method</td>
<td>Level percentage of pay, closed</td>
</tr>
<tr>
<td>Amortization period</td>
<td>30 years</td>
</tr>
<tr>
<td>Actuarial assumptions</td>
<td></td>
</tr>
<tr>
<td>Investment rate of return</td>
<td>7.0%</td>
</tr>
<tr>
<td>Healthcare cost trend rate</td>
<td></td>
</tr>
<tr>
<td>Medical and prescription drug (&quot;PPO&quot;)</td>
<td>Initial rate of 9.0%, declining to</td>
</tr>
<tr>
<td></td>
<td>a rate of 5% after 8 years</td>
</tr>
<tr>
<td>Medical and prescription drug (&quot;HMO&quot;)</td>
<td>Initial rate of 7.0%, declining to</td>
</tr>
<tr>
<td></td>
<td>a rate of 5% after 8 years</td>
</tr>
<tr>
<td>Dental</td>
<td>4.0%</td>
</tr>
<tr>
<td>Vision</td>
<td>3.0%</td>
</tr>
<tr>
<td>Projected salary increases</td>
<td>3.5%</td>
</tr>
<tr>
<td>Inflation rate</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

The number of participants as of July 1, 2015, the effective date of the most recent biennial OPEB valuation follows. There have been no significant changes in the number of covered or the type of coverage since that date.

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active employees</td>
<td>83</td>
</tr>
<tr>
<td>Retired employees</td>
<td>50</td>
</tr>
<tr>
<td>Deferred vested employees</td>
<td>4</td>
</tr>
</tbody>
</table>

Total: 137
10. Deferred Compensation Plan

The Department offers its employees, through the County, a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The plan, available to all full-time Department employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. The plan’s assets have been placed in trust accounts with the plan administrators for the exclusive benefit of participants and their beneficiaries and are not considered assets of the County or the Department.

In accordance with GASB Statement No. 32, Accounting and Financial Reporting Code Section 457 – Deferred Compensation Plans, the Department has excluded the plan assets from the financial statements. All such amounts are not subject to the claims of the Department or the County’s general creditors.

11. Commitments and Contingencies

Sick Leave
Accumulated sick leave as of June 30, 2018 and 2017 was approximately $2,160,000 and $2,023,000, respectively. Sick leave accumulates at the rate of 14 hours for each month of service, as defined, without limit. Sick pay can be taken only in the event of illness and is not convertible to pay upon termination of employment. As a result, no liability for sick pay is recorded in the accompanying financial statements. However, a public employee who retires or leaves government service in good standing with sixty days or more of unused sick leave is entitled to additional service credit in the EPS.

Workers’ Compensation Insurance
Prior to July 1, 2001, the Department was fully self-insured for workers’ compensation claims. Beginning July 1, 2001, the Department purchased insurance with a deductible of $550,000. Claims are reported to and managed by the County. The Department provides reserves for claims not covered by insurance that in the opinion of counsel will result in probable judgment against the Department. These reserves include an estimate of claims that have been incurred but not reported (“IBNR”). Claim liabilities, including IBNR, are based on the estimated ultimate cost of settling the claims. Claim liabilities are estimated by a case-by-case review of all claims and the application of historical experience to outstanding claims. As of June 30, 2018 and 2017, the workers’ compensation liability amounted to approximately $314,000 and $113,000, respectively, and is recorded in accounts payable and accrued liabilities in the accompanying statements of position.

Safe Drinking Water Act
The Department is subject to the requirements of the Safe Drinking Water Act (the “Act”) which is administered by the State of Hawaii Department of Health on behalf of the United States Environmental Protection Agency. Management indicated that the Department is in full compliance with the requirements of the Act and is not aware of any matters under the Act that materially affected or is currently affecting the Department’s customer service area.
Other Legal Matters
The Department is party to various legal proceedings arising in the normal course of business. The outcome of individual matters is not predictable. However, management believes that the ultimate resolution of all such matters will not have a material adverse effect on the Department’s financial position or results of operations.

Other
Other commitments, primarily for utility plant construction, approximated $22,239,000 and $3,102,000 at June 30, 2018 and 2017, respectively.

12. Billing Service Contract
The Department entered a memorandum of agreement for water billing services with the Board of Water Supply, City and County of Honolulu, effective September 30, 2014 through June 30, 2024. The amount charged approximated $200,000 in 2017. The memorandum of agreement was terminated effective December 31, 2016.

Effective January 1, 2017, the Department entered into a memorandum of agreement with the Department of Water Supply, County of Maui, to split the cost of licenses for a shared Customer Care & Billing System. The amounts charged approximated $325,000 in 2018.

13. Related Party Transactions
The Department charges the County for fire protection services (hydrant use) at agreed-to rates that approximate the cost for such services. The County provides certain services to the Department and charges the Department for these services at an amount equal to the charge for fire protection services. The amounts charged approximated $2,137,000 and $2,133,000 in 2018 and 2017, respectively.

At June 30, 2018 and 2017, amounts due to the County for reimbursement of payroll expenses were approximately $184,000 and $324,000, respectively.
Required Supplementary Information
## Department of Water  
**County of Kauai**  
Schedule of the Department’s Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years*  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Department’s proportion of the net pension liability</td>
<td>0.12%</td>
<td>0.13%</td>
<td>0.13%</td>
<td>0.12%</td>
<td>0.12%</td>
</tr>
<tr>
<td>Department’s proportionate share of the net pension liability</td>
<td>$15,423,518</td>
<td>$16,921,133</td>
<td>$11,310,002</td>
<td>$9,317,991</td>
<td>$10,322,299</td>
</tr>
<tr>
<td>Department’s covered payroll</td>
<td>$5,515,000</td>
<td>$5,110,000</td>
<td>$4,836,000</td>
<td>$4,645,000</td>
<td>$4,385,000</td>
</tr>
<tr>
<td>Department’s proportionate share of the net pension liability as a percentage of its covered payroll</td>
<td>279.66%</td>
<td>331.14%</td>
<td>233.87%</td>
<td>200.60%</td>
<td>235.40%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>54.80%</td>
<td>51.28%</td>
<td>62.4%</td>
<td>63.92%</td>
<td>57.96%</td>
</tr>
</tbody>
</table>

* This data is presented for years for which information is available.

See accompanying independent auditors’ report.
## Department of Water
### County of Kauai
#### Schedule of the Department’s Pension Contributions
##### Last Ten Fiscal Years*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutorily required contribution</td>
<td>$1,016,000</td>
<td>$938,000</td>
<td>$911,000</td>
<td>$798,000</td>
<td>$745,000</td>
<td>$679,000</td>
<td>$642,000</td>
<td>$601,000</td>
</tr>
<tr>
<td>Contributions in relation to the statutorily required contribution</td>
<td>000</td>
<td>938,000</td>
<td>911,000</td>
<td>798,000</td>
<td>745,000</td>
<td>679,000</td>
<td>642,000</td>
<td>601,000</td>
</tr>
<tr>
<td>Contributions deficiency (excess)</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Department’s covered payroll</td>
<td>$5,633,000</td>
<td>$5,110,000</td>
<td>$4,836,000</td>
<td>$4,645,000</td>
<td>$4,385,000</td>
<td>$4,285,000</td>
<td>$4,014,000</td>
<td></td>
</tr>
<tr>
<td>Contributions as a percentage of covered payroll</td>
<td>18.04%</td>
<td>17%</td>
<td>17.83%</td>
<td>16.50%</td>
<td>16.04%</td>
<td>15.48%</td>
<td>14.98%</td>
<td>14.97%</td>
</tr>
</tbody>
</table>

* This data is presented for years for which information is available.

See accompanying independent auditors’ report.
## Department of Water
### County of Kauai

### Schedule of the Department’s Proportionate Share of the Net OPEB Liability
### Last Ten Fiscal Years*

<table>
<thead>
<tr>
<th>2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total other postemployment benefits liability</td>
</tr>
<tr>
<td></td>
<td>Service cost</td>
</tr>
<tr>
<td></td>
<td>Interest on the total other postemployment benefits liability</td>
</tr>
<tr>
<td></td>
<td>Benefit payments</td>
</tr>
<tr>
<td></td>
<td>Net change in total other postemployment benefits liability</td>
</tr>
<tr>
<td></td>
<td>Total other postemployment benefits liability – beginning</td>
</tr>
<tr>
<td></td>
<td>Total other postemployment benefits liability – ending</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Plan fiduciary net position</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employer contributions</td>
<td>$1,287,000</td>
</tr>
<tr>
<td></td>
<td>Net investment income</td>
<td>$654,929</td>
</tr>
<tr>
<td></td>
<td>Benefit payments</td>
<td>$(368,000)</td>
</tr>
<tr>
<td></td>
<td>Other postemployment benefits plan administrative expense</td>
<td>$(1,485)</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>$8,474</td>
</tr>
<tr>
<td></td>
<td>Net change in plan fiduciary net position</td>
<td>$1,580,918</td>
</tr>
<tr>
<td></td>
<td>Plan fiduciary net position – beginning</td>
<td>$6,468,430</td>
</tr>
<tr>
<td></td>
<td>Plan fiduciary net position – ending</td>
<td>$8,049,348</td>
</tr>
<tr>
<td></td>
<td>Net other postemployment benefits liability – ending</td>
<td>$8,367,898</td>
</tr>
</tbody>
</table>

|      | Plan fiduciary net position as a percentage of total other postemployment benefits liability | 49.03% |
|      | Covered-employee payroll | $5,699,844 |

|      | Net other postemployment benefits liability as a percentage of covered-employee payroll | 146.81% |

*This data is presented for years for which information is available.

See accompanying independent auditors’ report.
## Department of Water
### County of Kauai
#### Schedule of the Department’s OPEB Contributions
##### Last Ten Fiscal Years*

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$1,002,000</td>
<td>$968,000</td>
<td>$914,000</td>
<td>$884,000</td>
</tr>
<tr>
<td>Contributions in relation to the actuarially required contribution</td>
<td>948,000</td>
<td>968,000</td>
<td>883,000</td>
<td>885,000</td>
</tr>
<tr>
<td>Contributions deficiency (excess)</td>
<td>$54,000</td>
<td>$ -</td>
<td>$31,000</td>
<td>$(1,000)</td>
</tr>
<tr>
<td>Department’s covered-employee payroll</td>
<td>$5,699,844</td>
<td>$5,269,000</td>
<td>$5,668,000</td>
<td>$5,052,000</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>16.63%</td>
<td>18.37%</td>
<td>14.42%</td>
<td>17.52%</td>
</tr>
</tbody>
</table>

* This data is presented for years for which information is available.

See accompanying independent auditors’ report.
Supplementary Information
### Department of Water
### County of Kauai
### Supplemental Schedule of Utility Plant in Service
### Year Ended June 30, 2018

**Schedule I**

<table>
<thead>
<tr>
<th>Cost basis</th>
<th>July 1, 2017 Balance</th>
<th>Additions</th>
<th>Reductions/ Transfers</th>
<th>June 30, 2018 Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land and land rights</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Source</td>
<td>$ 837,879</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 837,879</td>
</tr>
<tr>
<td>Pumping</td>
<td>156</td>
<td>-</td>
<td>-</td>
<td>156</td>
</tr>
<tr>
<td>Water treatment</td>
<td>150</td>
<td>-</td>
<td>-</td>
<td>150</td>
</tr>
<tr>
<td>Transmission and distribution</td>
<td>469,237</td>
<td>-</td>
<td>-</td>
<td>469,237</td>
</tr>
<tr>
<td><strong>Total land and land rights</strong></td>
<td>1,307,422</td>
<td>-</td>
<td>-</td>
<td>1,307,422</td>
</tr>
<tr>
<td><strong>Utility plant</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Source</td>
<td>9,925,976</td>
<td>-</td>
<td>68,145</td>
<td>9,994,121</td>
</tr>
<tr>
<td>Pumping</td>
<td>45,953,872</td>
<td>29,033</td>
<td>212,485</td>
<td>46,195,390</td>
</tr>
<tr>
<td>Water treatment</td>
<td>2,349,126</td>
<td>-</td>
<td>-</td>
<td>2,349,126</td>
</tr>
<tr>
<td>Transmission and distribution</td>
<td>241,973,588</td>
<td>3,492,634</td>
<td>878</td>
<td>245,483,100</td>
</tr>
<tr>
<td><strong>Total utility plant capital assets</strong></td>
<td>300,202,562</td>
<td>3,521,667</td>
<td>297,538</td>
<td>304,021,737</td>
</tr>
<tr>
<td><strong>General plant</strong></td>
<td>22,529,860</td>
<td>202,683</td>
<td>(215,842)</td>
<td>22,516,701</td>
</tr>
<tr>
<td>Capital leases</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water treatment</td>
<td>7,181,456</td>
<td>-</td>
<td>-</td>
<td>7,181,456</td>
</tr>
<tr>
<td>General</td>
<td>233,890</td>
<td>-</td>
<td>-</td>
<td>233,890</td>
</tr>
<tr>
<td><strong>Total capital leases assets</strong></td>
<td>7,415,346</td>
<td>-</td>
<td>-</td>
<td>7,415,346</td>
</tr>
<tr>
<td><strong>Intangible assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easements</td>
<td>35,722</td>
<td>-</td>
<td>-</td>
<td>35,722</td>
</tr>
<tr>
<td>Software</td>
<td>1.2971</td>
<td>-</td>
<td>556,669</td>
<td>1,879,640</td>
</tr>
<tr>
<td><strong>Total intangible assets</strong></td>
<td>1,358.93</td>
<td>-</td>
<td>556,669</td>
<td>1,915,362</td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td>$ 3,838,883</td>
<td>$ 3,724,350</td>
<td>$ 638,335</td>
<td>$ 337,176,568</td>
</tr>
<tr>
<td><strong>Utility plant</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Source</td>
<td>$ 5,351,528</td>
<td>$ 217,869</td>
<td>$ -</td>
<td>$ 5,569,397</td>
</tr>
<tr>
<td>Pumping</td>
<td>26,121,068</td>
<td>1,668,532</td>
<td>-</td>
<td>27,789,600</td>
</tr>
<tr>
<td>Water treatment</td>
<td>2,176,063</td>
<td>8,787</td>
<td>-</td>
<td>2,184,850</td>
</tr>
<tr>
<td>Transmission and distribution</td>
<td>73,024,014</td>
<td>4,181,653</td>
<td>(21,304)</td>
<td>77,184,363</td>
</tr>
<tr>
<td><strong>Total utility plant accumulated depreciation</strong></td>
<td>$106,672,673</td>
<td>6,076,841</td>
<td>(21,304)</td>
<td>$112,728,210</td>
</tr>
<tr>
<td><strong>General plant</strong></td>
<td>6,539,485</td>
<td>836,024</td>
<td>(215,842)</td>
<td>7,159,667</td>
</tr>
<tr>
<td>Capital leases</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water treatment</td>
<td>6,135,698</td>
<td>532,663</td>
<td>-</td>
<td>6,668,361</td>
</tr>
<tr>
<td>General</td>
<td>202,806</td>
<td>14,405</td>
<td>-</td>
<td>217,211</td>
</tr>
<tr>
<td><strong>Total capital leases accumulated depreciation</strong></td>
<td>$6,338,504</td>
<td>$547,068</td>
<td>-</td>
<td>$6,885,572</td>
</tr>
<tr>
<td><strong>Intangible assets</strong></td>
<td>809,164</td>
<td>196,388</td>
<td>-</td>
<td>1,005,552</td>
</tr>
<tr>
<td><strong>$ 120,359,826</strong></td>
<td><strong>$ 7,656,321</strong></td>
<td><strong>(237,146)</strong></td>
<td></td>
<td><strong>$ 127,779,001</strong></td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
Department of Water  
County of Kauai  
Supplemental Schedule of Selective Account Classifications  
Five Years Ended June 30, 2018  
(All Dollars in Thousands)

<table>
<thead>
<tr>
<th>Schedule II</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td><strong>Statements of Net Position</strong></td>
</tr>
<tr>
<td>Utility plant in service</td>
</tr>
<tr>
<td>Net position</td>
</tr>
<tr>
<td>Net investment in capital assets</td>
</tr>
<tr>
<td>Restricted for capital activity and debt service</td>
</tr>
<tr>
<td>Unrestricted</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Statements of Revenues, Expenses and Changes in Net Position</strong></td>
</tr>
<tr>
<td>Resources</td>
</tr>
<tr>
<td>Water sales</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Operating expenses</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
</tr>
<tr>
<td>Administrative and general</td>
</tr>
<tr>
<td>Transmission and distribution</td>
</tr>
<tr>
<td>Power and pumping</td>
</tr>
<tr>
<td>Accounting and collection</td>
</tr>
<tr>
<td>All other</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Non-operating expense</td>
</tr>
<tr>
<td>Contributions</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

* Not adjusted for restatement.

See accompanying independent auditors’ report.
Report of Independent Auditors on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

To the Board of Water Supply
Department of Water, County of Kauai

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Department of Water, County of Kauai (the “Department”) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Department’s basic financial statements, and have issued our report thereon dated November __, 2018.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Department’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Department’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Department’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Department’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.
Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Department’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Honolulu, Hawaii
November 20, 2018
Schedule of Findings and Questioned Costs
Section I – Financial Statement Findings

None noted.
Section II – Federal Award Findings and Questioned Costs

None noted.
Summary Schedule of Prior Audit Findings
<table>
<thead>
<tr>
<th>Finding No.</th>
<th>Description</th>
<th>Classification</th>
<th>Status</th>
<th>Current Year Finding No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-001</td>
<td>IT General Control Deficiencies</td>
<td>Significant Deficiency</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
MANAGER’S REPORT No. 19-24

November 21, 2018

Re: Discussion and Possible Action on the Revised Table of Organization for the Department of Water’s Operations Division

RECOMMENDATION:
It is recommended that the Board approve Option 1 for the creation of new positions within the Operations Division as shown on the revised Table of Organization (TO). With Board approval, the revised TO would be submitted to the County Department of Human Resources. Funding is not being requested at this time.

FUNDING:
Funds are not being requested at this time. Procedurally, Board approval is being requested to move forward with the Department of Human Resources to create the new position descriptions. Funding would then be requested after the positions are officially created by the Department of Human Resources. For reference and transparency, the salary schedule and estimated timeframe for filling each of the proposed new positions are shown on Table 1 in the Background, below.

BACKGROUND:
The Operations Division is responsible for the upkeep, repair, maintenance, and operation of all DOW facilities, including the distribution network, water storage facilities, and water producing sources. As water is an essential commodity, emergency repairs and trouble calls are provided round-the-clock on an as-needed basis with Operations personnel on standby duty to respond to emergencies and requests for assistance from both internal and external customers.

The Operations Division’s daily activities are comprised primarily of the following:

- Operating, monitoring, and maintaining 52 deep-well pumping stations, 19 booster pumping stations along with its associated electrical motor control centers and chlorination disinfection equipment, four tunnel sources, 60 storage tanks, and 75 control valve stations.
- Maintaining, repairing, and replacing mechanical and electrical components, equipment, and infrastructure to maintain water service.
- Maintaining and repairing the DOW’s 54 vehicles, two backhoes, two skid steer loaders along with their various attachments, three mini-excavators, one portable air compressor, 11 trailers, 14 trailer-mounted generators ranging in sizes from 70 KW to 400 KW, two light towers, and numerous motorized hand-operated construction equipment.
- Operating, monitoring, maintaining, and repairing more than 440 miles of pipelines, approximately 21,700 consumer water service connections, and over 4,000 valves, and over 2,600 hydrants and standpipes.
- Installing new service connections and meters including the replacement of defective meters and those in service for twenty (20) years or more. Providing temporary water services through hydrant meter connections for construction activities.

The Division performs in-house construction and rehabilitation projects to reduce overall costs to the DOW and its ratepayers. The DOW has plans to continue to construct additional well sites and new storage
tanks. Furthermore, older facilities require more attention with increasing maintenance needs to ensure continuous operation of the water system. A significant percentage of the DOW’s source and storage sites are in remote areas, and projects are currently in design which will be constructed in remote areas.

The Operations Division is focusing on more in-house pipe line replacement and installation, construction, maintenance, and rehabilitation projects to reduce the amount of contracted outside work and reduce overall costs. Field Operations personnel are performing more new service lateral installations as well as meter testing and leak detection programs while Plant Operations personnel are performing drainage, driveway and access road rehabilitation projects as well as painting, plumbing, carpentry, roofing, masonry for construction, maintenance, and repairs of buildings and structures for both, and other water system facilities such as PRV vaults and pump houses. Both Field and Plant Operations personnel also provide assistance to internal customers for various requests.

The Department of Water (DOW) is expanding with hundreds of new customers from new housing and subdivision developments island-wide. The DOW’s infrastructure is also expanding, with increased distribution lines and appurtenances from private developments and additional infrastructure from WP2020 projects, including wells (source) and new storage tanks. Operations Division duties also include, but are not limited to: preparation of bid documents and solicitations, procurement and administration of repair and construction contracts not specifically included in Water Plan 2020 projects, procurement and management of professional services contracts, maintenance contracts, and goods and services contracts.

The Operations Division is comprised of three sections: the Administrative section, the Plant Operations section, and the Field Operations section. In April 2018, the Board approved of the creation of the Waterworks Program Assistant position within the Administrative section of the Operations division. Each of the positions being requested now are within the Field and Plant Operations sections, respectively.

New Positions being proposed for the Field Operations Section:

1. Water Service Investigator III
2. Water Meter Mechanic II
3. Utility Worker

As shown on the current Operations Division’s Table of Organization (TO), there is currently only one Meter Mechanic, one Water Service Investigator, and one Utility Worker. In addition to performing current duties of the existing positions, all three proposed new positions along with the three current positions will perform the meter testing and maintenance program as well as the leak detection program for our 21,700+ customer accounts and over 440 miles of mainlines. Both programs are continuous year-round programs aimed at reducing non-revenue water, which represents a significant energy-cost savings to the Department. The water audit results for the 2017 calendar year showed that the Department’s non-revenue water costs were approximately $618,146.00. These proposed positions would also provide much needed flexibility to assist other teams and other Sections. In both the short term and the long term, water conservation through meter testing and leak detection programs will help efficiently reduce non-revenue water, which represents an energy-cost savings to the Department.

Furthermore, the Hawaii Fresh Water Council (a blue ribbon advisory panel of individuals) recommends that Hawai‘i implement and advance leak detection and leak reduction policies by the end of 2018. One
such policy seeks to encourage leak detection systems by requiring all Department of Health-regulated potable water system operators to report to the Commission on Water Resource Management (CWRM) annually regarding what leak detection system(s) they have in place and the water system operator’s plans are to achieve national standard leakage rates by 2030. Accordingly, it is recommended that two-person teams of Water Service Investigators and Meter Mechanics be created as shown on the proposed Organizational Chart.

Lastly, in 2016 the new State Water Audit Law required the submittal of an annual water audit. Under the guidance of the CWRM, the Department completed and submitted the water audit for calendar year 2017. The first step to water loss recovery is data management which includes both a meter testing program and a leak detection program. Both programs are designed to reduce non-revenue water, which represents an energy-cost savings to the Department. The water audit results for the 2017 calendar year showed that the Department’s non-revenue water costs were approximately $618,146.00. At this time, the Division has one meter mechanic responsible for the monitoring, repair and maintenance of over 21,700+ water meters island-wide. Also, the Division currently has one Water Service Investigator who provides leak detection and pipe location (Hawai‘i One Call) services island-wide.

**New Positions being proposed for the Plant Operations Section:**

1. Maintenance Worker II
2. Maintenance Worker I
3. Repair Shop Supervisor
4. Automotive Mechanic I
5. Mechanic Helper
6. Automotive Stores Clerk

The DOW currently has only two Maintenance Worker positions who are tasked with the upkeep of over 90 sites, including many remote sites. The addition of a team of Maintenance Workers will allow the Plant Section to complete construction projects, keep up with maintenance projects for roads, drainage, driveways, vegetation and remote site general maintenance, motor replacements, and demolition projects. Two additional Maintenance Workers for the Plant Section will also allow for better scheduling and timely completion of work orders assigned to assist both internal and external customers.

Along with the responsibilities of providing potable water, the Operations Division provides maintenance of the DOW’s facilities including fleet management functions, and the division is responsible for the maintenance, repair, and replacement of all DOW-owned facilities, vehicles, and equipment. The Department’s fleet of light, medium, and heavy vehicles, as well as construction equipment, has also expanded. As of November 2018, the DOW has 38 automobiles and light trucks, 7 super duty trucks, 4 dump trucks, 10 trailers, 12 heavy equipment (backhoe, skid steer loader, excavator, etc.), and has budgeted for the purchase of 9 more vehicles.

Subsequently the Division needs to expand our mechanic’s repair shop to allow for more in-house repairs. Without expansion, maintenance and repair work for DOW vehicles and equipment is more expensive and takes more time. The responsibilities for the Mechanics have also evolved and increased over time with advancements in technology, and they now include research, parts and materials procurement, planning, acquisitions, data entry, and training of subordinates.
With the procurement and delivery of numerous pieces of heavy equipment, as well as emergency generators of various sizes, and the planned expansion of the mechanic’s repair shop to include a new lift, tire machine, and wheel balancer, the mechanic’s will perform more in-house repairs which will subsequently require more parts and materials requisitions, budgetary monitoring, inventory tracking, proper scheduling, and data entry to support the mechanics performing in-house repairs.

**Cost Comparison:**

**Table 1 – Estimated Annual Cost of Proposed Positions and Timeframe for Filling Positions**

<table>
<thead>
<tr>
<th>Proposed Position</th>
<th>Salary Schedule</th>
<th>Estimated Timeframe for Filling Position</th>
<th>Operations Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance Worker II (WS-09)</td>
<td>$57,168</td>
<td>6 to 18 months</td>
<td>Plant</td>
</tr>
<tr>
<td>Maintenance Worker I (BC-09)</td>
<td>$53,856</td>
<td>6 to 18 months</td>
<td>Plant</td>
</tr>
<tr>
<td>Repair Shop Supervisor (FII-11)</td>
<td>$75,084</td>
<td>6 to 18 months</td>
<td>Plant</td>
</tr>
<tr>
<td>Automotive Mechanic I (BC-10)</td>
<td>$55,908</td>
<td>6 to 18 months</td>
<td>Plant</td>
</tr>
<tr>
<td>Water Service Investigator III (SR-16)</td>
<td>$39,228</td>
<td>6 to 18 months</td>
<td>Field</td>
</tr>
<tr>
<td>Water Meter Mechanic II (WS-09)</td>
<td>$57,168</td>
<td>6 to 18 months</td>
<td>Field</td>
</tr>
<tr>
<td>Utility Worker (BC-05)</td>
<td>$44,688</td>
<td>6 to 18 months</td>
<td>Field</td>
</tr>
<tr>
<td>Mechanic Helper (BC-05)</td>
<td>$44,688</td>
<td>2 to 5 years</td>
<td>Plant</td>
</tr>
<tr>
<td>Automotive Stores Clerk (SR-10)</td>
<td>$31,056</td>
<td>2 to 5 years</td>
<td>Plant</td>
</tr>
<tr>
<td><strong>Estimated Annual Total</strong></td>
<td><strong>$458,844</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 2 – Estimated Annual Costs for Non-Revenue Water, Overtime, and Vehicle & Equipment Repairs being sent to external parties**

<table>
<thead>
<tr>
<th>Estimated Annual Cost (per 2017 calendar year Water Audit results)</th>
<th>$618,146</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Annual Cost of Overtime for Operations Budget</td>
<td>$320,000</td>
</tr>
<tr>
<td>Estimated Annual Cost of Vehicle &amp; Equipment Fleet Repairs being sent to external parties</td>
<td>$57,000</td>
</tr>
<tr>
<td><strong>Estimated Annual Total</strong></td>
<td><strong>$995,146</strong></td>
</tr>
</tbody>
</table>

Note: Costs shown above represent a significant opportunity for savings. However, the specific amount of cost reduction for each category is difficult to quantity.
OPTIONS:
Option 1: Approve the proposed new positions for the Operations Division
Pros: This will allow the Operations Division and the Department as a whole to take a more proactive posture in maintaining the DOW’s expanding source, storage, and distribution systems island-wide for our nine public water systems. Current staffing is not sufficient to meet the demands of customers and the expansion of infrastructure and equipment. The new State Law, Act 169, requires the submission of an annual water audit and the audit’s subsequent findings indicate that the creation of additional positions is necessary to accurately monitor and reduce non-revenue water, which ultimately represents an energy-cost savings to the Department. Current staffing levels are not sufficient to operate and maintain 52 deep-well pumping stations, 19 booster pumping stations (along with its associated electrical motor control centers and chlorination disinfection equipment), 60 storage tanks, tunnel sources, and 75 control valve stations. The water audit results for the 2017 calendar year showed that the Department’s non-revenue water costs were approximately $618,146.00. The Department’s Operations division’s overtime costs are approximately $320,000 per year. The estimated annual cost of vehicle and equipment fleet repairs being sent to external parties is $57,000 per year. While it is difficult to estimate specifically how much savings could be realized through the reduction of overtime, non-revenue water, and in-house vehicle and equipment repairs and maintenance, the creation of these new positions would certainly serve to position the DOW to improve these figures significantly and operate much more efficiently.
Cons: New positions will add costs and it is difficult to estimate specifically how much corresponding savings will be realized by the creation of these positions. The estimated total annual cost for all of the proposed new positions is $458,844.

By comparison, the water audit results for the 2017 calendar year showed that the Department’s non-revenue water costs were approximately $618,146.00. The Department’s Operations division’s overtime costs are approximately $320,000 per year. The estimated annual cost of vehicle and equipment fleet repairs being sent to external parties is $57,000 per year. The sum of these three categories is $995,146.

Option 2: Do not approve the new positions for the Operations Division
Pro: No additional labor costs to the Department. Current positions will have to continue to perform above expectations.
Cons: Current staff are bearing the burden of an increased workload to operate and maintain the system. The volume of operation and maintenance work is not sustainable with current staffing levels. Current employees may burn-out and/or pursue other opportunities, further augmenting the challenges of continuously operating and maintaining the DOW’s water systems.

Option 3: Approve only the new positions for the Operations Division that are estimated to be filled within the next 6 – 18 months: Maintenance Worker II (WS-09), Maintenance Worker I (BC-09), Repair Shop Supervisor (FII-11), Automotive Mechanic I (BC-10), Water Service Investigator III (SR-16), Water Meter Mechanic II (WS-09), Utility Worker (BC-05).
Do not approve the creation of the Mechanic Helper (BC-05) and Automotive Stores Clerk (SR-10) positions at this time as the estimated timeframe for filling these positions is 2 to 5 years.

Pros: This option is very similar to Option 1 and would still benefit the Department greatly as compared to Option 2.

Cons: Similar to Option 1, new positions will still add costs. The estimated total annual cost for all of the proposed new positions listed in Option 3 is $383,100, whereas the estimated total annual cost for all of the proposed new positions in Option 1 is $458,844.

By comparison, the water audit results for the 2017 calendar year showed that the Department’s non-revenue water costs were approximately $618,146.00. The Department’s Operations division’s overtime costs are approximately $320,000 per year. The estimated annual cost of vehicle and equipment fleet repairs being sent to external parties is $57,000 per year. The sum of these three categories is $995,146.

The Department would need to submit another request to the Board in the future for the creation of the Mechanic Helper (BC-05) and Automotive Stores Clerk (SR-10) positions.

VR/in

Attachments:
- Attachment 1 – Operations Division Existing and Proposed New Positions
- Attachment 2 - Operations Division – Field Section – Existing and Proposed New Positions
- Attachment 3 - Operations Division – Plant Section – Existing and Proposed New Positions
- Attachment 4 – Proposed Operations Division – New Positions
- Attachment 5 – Proposed Operations Division – Field Section New Positions
- Attachment 6 – Proposed Operations Division – Plant Section New Positions

Mgrp/November 2018/19-24/Discussion and Possible Action on the Revised Table of Organization for the Department of Water’s Operations Division (11-21-18);in
COU NY OF KAUAI
DEPARTMENT OF WATER
OPERATIONS
FIELD SECTION

Water Field Operations
Superintendent
SR-24, Pos. 2491

Water Meter Mechanic
BC-09, Pos. 2409

Utility Worker
BC-05, Pos. 2438

Water Service Supervisor
FII-09, Pos. 2416, 2425

Waterworks Investigator II
SR-14, Pos. 2486

Lead Pipefitter
WS-09, Pos. 2404, 2407, 2412, 2434, 2481

Equipment Operator II
BC-09, Pos. 2402, 2408, 2439, 2451

Pipefitter
BC-09, Pos. 2418, 2443, 2456, 2472, 2473

Pipefitter Helper
BC-05, Pos. 2405, 2410, 2471, 2454

Key:
- Seasonal
- Section 3
- Temporary Reallocation
COUNTY OF KAUAI
DEPARTMENT OF WATER OPERATIONS
ATTACHMENT 1
PROPOSED OPERATIONS DIVISION NEW POSITIONS

Chief of Water Operations
EM-05, Pos. 2347

Assistant Chief of Water Operations
EM-03, Pos. 2400

Waterworks Operations Program Assistant SR-___, Pos. _____
Janitor BC-02, Pos. 2310, 2603

Water Field Operations Superintendent SR-24, Pos. 2491
Field Section

Clerk Dispatcher II SR-14, Pos. 2403
Senior Account Clerk SR-13, Pos. 2602
Account Clerk SR-11, Pos. 2464

Water Plant Superintendent SR-24, Pos. 2490
Plant Section

Key:
- Seasonal
- Section 3
- Temporary Reallocation
- NEW Position
COUNTY OF KAUAI
DEPARTMENT OF WATER
ATTACHMENT 2
PROPOSED NEW POSITIONS
OPERATIONS
FIELD SECTION

Water Field Operations Superintendent SR-24, Pos. 2491

Utility Worker BC-05, Pos. 2438
Utility Worker BC-05, Pos. ____
Water Meter Mechanic II WS-09, Pos. ____
Water Service Supervisor FII-09, Pos. 2416, 2425
Water Service Investigator III SR-16, Pos. ____

Water Meter Mechanic I BC-09, Pos. 2409
Lead Pipefitter WS-09, Pos. 2404, 2407, 2412, 2434, 2481
Equipment Operator II BC-09, Pos. 2402, 2408, 2439, 2451
Water Service Investigator II SR-14, Pos. 2486

Pipefitter BC-09, Pos. 2418, 2443, 2456, 2472, 2473
Pipefitter Helper BC-05, Pos. 2405, 2410, 2471, 2454

Key:
○ – Seasonal
○ – Section 3
● – Temporary
Reallocation
● – NEW Position
County of Kauai
Department of Water
Attachment 3
Proposed New Positions
Operations
Plant Section

Key:
- Seasonal
- Section 3
- Temporary
- Relocation
- NEW Position

Water Plants
Superintendent SR-24,
Pos. 2490

- Maintenance Worker II, WS-09, Pos. ___
  - Maintenance Worker I BC-09, Pos. ___
    - Plant Electrician BC-11, Pos. 2457
    - Plant Electrician Helper BC-05, Pos. 2432
  - Waterworks Electronics/Plant Electrical Tradesperson II WS-15, Pos. 2440
    - Water Plant Operator II WS-11, Pos. 2496
- Water Plant Operator I BC-11, Pos. 2417, 2461
- Automotive Stores Clerk SR-10, Pos. ___
- Automotive Mechanic I BC-10, Pos. ___
- Mechanic Helper BC-05, Pos. ___
- Assistant Water Plant Operator BC-05, Pos. 2312, 2414

- Repair Shop Supervisor Fill-11, Pos. ___
- Automotive Mechanic II WS-10, Pos. 2429
- Heavy Vehicle & Construction Equipment Mechanic I BC-11, Pos. 2469
- Automotive Mechanic I BC-10, Pos. 2449
- Welder BC-10, Pos. 2441

- Construction & Maintenance Worker II WS-10, Pos. 2487
- Construction & Maintenance Worker I BC-09, Pos. 2401
- Groundskeeper BC-02, Pos. 2601
- Maintenance Worker I BC-09, Pos. 2453
- Maintenance Worker II WS-09, Pos. 2452

Department of Human Resources
Date

DEPARTMENT USE

Date uploaded to SharePoint:
Revision
Date:

HUMAN RESOURCES USE ONLY
MANAGER’S REPORT No. 19-25

November 21, 2018

Re: Request Board Approval of Resolution No. 19-05 (11/18), Mahalo and Aloha Board Member, Michael Dahilig

It is requested that the Board approve Resolution No. 19-05 (11/18), Mahalo and Aloha Board Member, Michael Dahilig.

BW/ein
Attachment: Resolution No. 19-05 (12/18), Mahalo and Aloha Board Member, Michael Dahilig

Mgrrp/November 2018/19-25/Request Board Approval of Resolution No. 19-05 (11/18), Mahalo and Aloha Board Member, Michael Dahilig (11-21-18):ein
H. NEW BUSINESS

5. Resolution No. 19-06 – Farewell to Peter Spinoso (Retiree), Operations Equipment Operator II, Operations Division

RESOLUTION PENDING
H. NEW BUSINESS

4. Manager’s Report No. 19-25 - Resolution 19-05 (11/18) Mahalo and Aloha Ex-Officio Board Member, Michael Dahilig

RESOLUTION PENDING
DEPARTMENT OF WATER
County of Kaua'i

“Water has no Substitute – Conserve It!”

Board of Water Supply

2018 - Current Officers 2019 – Officers (effective: 1/1/19)

Chair: Beth Tokioka Chair: __________________

Vice-Chair: Sherman Shiraishi Vice-Chair: ________________

Secretary: Tom Canute Secretary: ________________
BOARD OF WATER SUPPLY

BOARD MEETING DATES FOR 2019

(Department of Water, County of Kaua‘i Rules & Regulations, Part I, Section II – Regular Meetings of the Board shall be held in the Department of Water’s Board Room or any designated place during the fourth week of each month, or on a date to be determined by the Board.)

1. January     Friday, January 25     10:00 a.m.
2. February    Friday, February 22    10:00 a.m.
3. March       Friday, March 22       10:00 a.m.
4. April       Friday, April 26       10:00 a.m.
5. May         Friday, May 24         10:00 a.m.
6. June        Friday, June 28        10:00 a.m.
7. July        Friday, July 26        10:00 a.m.
8. August      Friday, August 23      10:00 a.m.
9. September   Friday, September 27   10:00 a.m.
10. October    Friday, October 25     10:00 a.m.
11. November   Friday, November 22    10:00 a.m.
12. December   Friday, December 20    10:00 a.m.
Consent Calendar
MANAGER’S REPORT No. 19-26

November 21, 2018

Re: Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for the Water System Improvements at Coconut Beach Resort, affecting the following:
a. SPD II Makaiwa Resort Development, LLC, TMK: (4) 4-3-002:15&16, Kapa‘a, Kaua‘i, Hawai‘i

RECOMMENDATION:
It is recommended that the Board approve the Grant of Easement document; whereby, the above landowners, grant to the Board of Water Supply, County of Kauai, easement “W-1, W-2, and W-3” on, over and under that certain parcel of land located TMK: (4) 4-3-002:15&16 as specified above in Kapa‘a, Kaua‘i, Hawai‘i, for the following work:

1. Reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances.

Further, the GRANTEE shall indemnify and save the GRANTOR harmless from and against all damage to the GRANTOR’s property and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

FUNDING: N/A

BACKGROUND:
As part of the constructions plans for the subject project, the above owner installed an 8-inch Reduced Pressure Detector Assembly (RPDA), a 6-inch compound meter, and a 1 ½” meter. The facilities are on private property which requires an easement in favor of DOW.

OPTIONS
Option 1: Approve the Grant of Easement.
Pro: The project can be completed as designed. The Reduced Pressure Detector Assembly water meter and domestic meters will be installed to activate service.
Con: None.

Option 2: Do not approve the Grant of Easement.
Pro: None.
Con: The project won’t be completed as designed. The RPDA and domestic meters will remain uninstalled and will not be active.

DM/ein

Attachment(s): Grant of Easement TMKs: (4) 4-3-002:015 & (4) 4-3-002:016

Mgrp/November 2018/19-26/Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for the Water System Improvements at Coconut Beach Resort, affecting the following: a. SPD II Makaiwa Resort Development, LLC, TMK: (4) 4-3-002:15&16, Kapa’a, Kaua‘i, Hawai‘i (11-21-18):ein
LAND COURT SYSTEM

REGULAR SYSTEM

After Recordation Return By: MAIL [XX] Pickup [    ]

TO:

DEPARTMENT OF WATER

4398 PUA LOKE STREET

LIHUE, KAUAI, HAWAII 96766

GRANT OF EASEMENT

for

TMK: (4) 4 - 3 - 0 0 2 : 0 1 5;
(4) 4 - 3 - 0 0 2 : 0 1 6;

THIS INDENTURE is made on this ______ day of ____________________, 2018,
between:

SPD II Makaiwa Resort Development, LLC, a New York limited liability company

whose principal place of business is:

One Pennsylvania Plaza, 19th Floor New York, New York 10119

and whose mailing address is

One Pennsylvania Plaza, 19th Floor New York, New York 10119
(hereafter "GRANTOR") and the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, whose mailing address is 4398 Pua Loke Street, Līhu'e, Kaua'i, Hawai'i 96766 (hereafter "GRANTEE");

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE an easement in perpetuity on, over, and under that certain parcel of land located generally at Līhu'e District, Kaua'i, Hawai'i,

Tax Map Key No. (4) 4 - 3 - 0 0 2 : 0 1 5 ; and (4) 4 - 3 - 0 0 2 : 0 1 6 ;
Project Name: Water System Improvements at Coconut Beach Resort Subdivision No.: S-2017-3, and more particularly described in Exhibit "A" as "W-1", "W-2", and "W-3", which is attached and incorporated by reference into this grant of easement (hereafter "easement area").

This easement is granted for the reading of water meters and for the construction, installation, re-installation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement area, with or without vehicles or equipment, as the Grantee deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the Easement Area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR. In such an event, this Grant of Easement shall cease to exist by operation of the GRANTEE's non-use, without any necessary action on the GRANTOR’s part.
AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE and the
benefits accruing to the GRANTOR under this Grant of Easement, the GRANTOR and
GRANTEE further covenant, agree, and promise as follows:

1. That should the GRANTEE disturb in any way the ground which is the subject of the
easement area, the GRANTEE shall at its own expense restore the ground to its original
condition to the extent that such restoration is reasonable,

2. That the GRANTEE shall indemnify and save the GRANTOR harmless from and against
all damage to the GRANTOR’s property and all liability for injury to or the death of persons
when such damage, injury, or death is caused by the negligence of the GRANTEE, its
officers, agents, and employees while using the easement area;

3. That the GRANTEE shall not assign its rights under this easement without the prior written
consent of the GRANTOR; provided that the GRANTEE may assign its rights to a
successor of the GRANTEE duly created by law;

4. That should the GRANTOR’s development plans require that the easement area and/or
waterworks facility improvements within, on, or under the Easement Area be re-located,
the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s
instructions and specifications, re-locate the affected easement area and waterworks
facility improvements and appurtenances without interruption of the GRANTEE’s services;

5. That the GRANTOR shall at no time erect any building foundation of any kind below the
surface of the land which is the subject of the easement area or any building or structure
of any kind (other than roads, sidewalks, curbs or similar appurtenances) on the surface of
the land over which is the subject of the easement area unless the GRANTOR receives
the prior written consent of the GRANTEE.

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and
other waterworks facility improvements and appurtenances. No trees with aggressive root
systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other
waterworks facility improvements and appurtenances.
This Paragraph No. 5, though, shall not prevent the GRANTOR from crossing over, constructing, and maintaining roadways within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not interfere with the exercise of the GRANTEE's rights under this easement; and

6. That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons.

When used within this document the term "GRANTOR" shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The term shall also mean the GRANTOR's or GRANTOR's estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This agreement may be executed in counterparts. Each counterpart shall be executed by one or more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[Remainder of this page was intentionally left blank]
APPROVED:

[Signature]
Bryan Wienand, P.E.
Manager & Chief Engineer
Department of Water, County of Kaua'i

APPROVED AS TO FORM
AND LEGALITY:

[Signature]
Mahealani M. Krafft
Deputy County Attorney

ACCEPTED:
BOARD OF WATER SUPPLY,
COUNTY OF KAUA'I

By: Beth Tokioka
Its: Chairperson

GRANTEE

STATE OF HAWAI'I )
) ss.
COUNTY OF KAUA'I )

On this ______ day of _______________________, 2018 in the ___ Circuit, State of Hawai'i, before me personally appeared ____________, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person is the Chairperson for the Board of Water Supply, County of Kaua'i executed Grant of Easement for TMK: (4) 4 - 3 - 0 0 2 ; 0 1 5 ; and (4) 4 - 3 - 0 0 2 ; 0 1 6 dated __________________ and consisting of ___ pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

[Signature]
Notary Public, State of Hawaii
Name of Notary: Mary-jane Akuna
My Commission expires: March 30, 2022

Water System Improvements at Coconut Beach Resort
SPD II Maka'iaa Resort Development, LLC / Jeffrey Laytin 5
OWNER:
SPD II Makaiwa Resort Development, LLC,
A New York limited liability company

By: Jeffrey Laytin
Its: Member

GRANTOR

STATE OF New York ss
COUNTY OF New York ss

On this 25th day of July, 2018, in the ___ Circuit, State of ___ , before me appeared Jeffrey Laytin who is personally known to me or whose identity I proved on the basis of satisfactory evidence, being by me duly sworn or affirmed, did say that such person is the Member of SPD II Makaiwa Resort Development, LLC, a New York limited liability company, executed Grant of Easement for TMK: (4) 4 - 3 - 0 0 2 : 0 1 5 ; (4) 4 - 3 - 0 0 2 : 0 1 6 dated 7/17/18 and consisting of ___ pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, have been duly authorized to execute such instrument in such capacity.

Cindy Bomzer-Stein
Notary Public, State of New York
Name of Notary: Cindy Bomzer-Stein (Affix Seal)
My Commission expires: 4/15/21

CINDY BOMZER-STEIN
NOTARY PUBLIC, STATE OF NEW YORK
QUEENS COUNTY
LIC #01B06207375
COMM.EXP.JUNE 15, 2021
EXHIBIT "A"

EASEMENT W-1

FOR WATER METER PURPOSES
AFFECTING LOT 5 OF
LAND COURT APPLICATION 1166 (MAP 6)

AT WAIPOLI, NORTH & SOUTH OLOHENA, PUNA, ISLAND OF KAUA'I, HAWAII

Beginning at the Northeast corner of this Easement, situated on the Southeasterly side of Aleka Loop, the coordinates of said point of beginning, referred to Government Survey Triangulation Station "Nanou" being 1,268.64 feet South and 9,937.31 feet East and thence running by azimuths measured clockwise from True South:

1. 328°41' 8.15 feet along the remainder of Lot 5, Land Court Application 1166 (Map 6);
2. 58°41' 25.00 feet along the same;
3. 148°41' 8.00 feet along the same;
4. Thence along the Southeasterly side of Aleka Loop, on a curve to the left with a radius of 7,530.03 feet, the chord azimuth and distance being:
   238°20'53.5" 23.01 feet,
   to the point of beginning and containing an area of 202 Square Feet, more or less.

TOWILL, SHIGEOKA & ASSOCIATES

By: Robert K.Y. Lee

June 6, 2018
2152 North King Street, Suite 308
Honolulu, Hawaii 96819

Robert K.Y. Lee
Licensed Professional Surveyor
Certificate Number 5073
EASEMENT W-2

FOR WATER METER PURPOSES
AFFECTING LOT 5 OF
LAND COURT APPLICATION 1166 (MAP 6)

AT WAIPOULI, NORTH & SOUTH OLOHENA, PUNA, ISLAND OF KAUA‘I, HAWAII

Beginning at the Northerly corner of this Easement, situated on the Southeasterly side of Aleka Loop, the coordinates of said point of beginning, referred to Government Survey Triangulation Station "Nonou" being 1,835.80 feet South and 9,961.20 feet East and thence running by azimuths measured clockwise from True South:

1. 328°41' 14.00 feet along the remainder of Lot 5, Land Court Application 1166 (Map 6);

2. 58°41' 23.00 feet along the same;

3. 148°41' 13.78 feet along the same;

4. Thence along the Sotheasterly side of Aleka Loop, on a curve to the left with a radius of 7,530.00 feet, the chord azimuth and distance being:
   238°07'35" 23.00 feet,
   to the point of beginning and containing an area of 319 Square Feet, more or less.

TOWILL, SHIGEOKA & ASSOCIATES

June 6, 2018
2153 North King Street, Suite 308
Honolulu, Hawaii 96819
#8343-1

Robert K.Y. Lee
Licensed Professional Surveyor
Certificate Number 5075
EASEMENT W-3

FOR WATER METER PURPOSES
AFFECTING LOT 6 OF
LAND COURT APPLICATION 1166 (MAP 6)

AT WAIPOLI, NORTH & SOUTH OLOHENA, PUNA, ISLAND OF KAUA'I, HAWAII

Beginning at the Northerly corner of this Easement, situated on the Southeasterly side of Aleka Loop, the coordinates of said point of beginning, referred to Government Survey Triangulation Station "Nonou" being 1,729.74 feet South and 10,153.48 feet East and thence running by azimuths measured clockwise from True South:

1. 326°16' 9.50 feet along the remainder of Lot 6, Land Court Application 1166 (Map 6);
2. 56°16' 12.50 feet along the same;
3. 146°16' 9.52 feet along the same;
4. Thence along the Southeasterly side of Aleka Loop, on a curve to the left with a radius of 7,550.00 feet, the chord azimuth and distance being:
   236°20' 42.5" 12.50 feet,
   to the point of beginning and containing an area of 119 Square Feet, more or less.

TOWILL, SHIGEOKA & ASSOCIATES

By: Robert K.Y. Lee

June 6, 2018
2153 North King Street, Suite 308
Honolulu, Hawaii 96819
#5343-1

Robert K.Y. Lee
Licensed Professional Surveyor
Certificate Number 5075
MANAGER’S REPORT No. 19-27

November 21, 2018

Re: Discussion and Possible Action to approve a Grant of Easement Agreement for the Ala Kukui‘ula Phase 3B, Ala Kukui‘ula Phase 3A and Parcel A projects, affecting the following:

a. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-015:01, Kōloa, Kaua‘i, Hawai‘i (Easement W-1)
b. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:21, Kōloa, Kaua‘i, Hawai‘i (Easement W-2, W-3, W-7, and W-10)
c. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:20, Kōloa, Kaua‘i, Hawai‘i (Easement W-4, W-5, and W-9)
d. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:19, Kōloa, Kaua‘i, Hawai‘i (Easement W-6)
e. McBryde Sugar Company, LLC, TMK: (4) 2-6-03:32, Kōloa, Kaua‘i, Hawai‘i (Easement W-8)
f. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:23, Kōloa, Kaua‘i, Hawai‘i (Easement AU-1)
g. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:24, Kōloa, Kaua‘i, Hawai‘i (Easement AU-2)
h. Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:22, Kōloa, Kaua‘i, Hawai‘i (Easement AU-3)

RECOMMENDATION:
It is recommended that the Board approve the Grant of Easement documents; whereby, the above landowners, grant to the Board of Water Supply, County of Kaua‘i, easement “W-1, W-2, W-3, W-4, W-5, W-6, W-7, W-8, W-9, W-10, AU-1, AU02 and AU-3” on, over and under that certain parcel of land located TMK: (4) 2-6-015:01, (4) 2-6-022:19-24 as specified above in Kōloa, Kaua‘i, Hawai‘i, for the following work:

1. Reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances.

Further, the GRANTEE shall indemnify and save the GRANTOR harmless from and against all damage to the GRANTOR’s property and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

FUNDING: N/A.

BACKGROUND:
As part of the constructions plans for the subject projects, the above owner installed various waterlines, cleanouts, blow offs, and stub outs. The facilities are on private property which require easements in favor of the Department of Water (DOW).
OPTIONS

Option 1: Approve the Grant of Easement.
Pro: Project can be completed as designed. DOW will have access to facilities as necessary.

Con: None.

Option 2: Do not approve the Grant of Easement.
Pro: None.

Con: Project won’t be completed as designed. The DOW will not have access to the facilities as necessary.

DM/ein

Attachment(s): Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-015:01, Kōloa, Kaua‘i, Hawai‘i (Easement W-1)
Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:21, Kōloa, Kaua‘i, Hawai‘i (Easement W-2, W-3, W-7, and W-10)
Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:20, Kōloa, Kaua‘i, Hawai‘i (Easement W-4, W-5, and W-9)
Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:19, Kōloa, Kaua‘i, Hawai‘i (Easement W-6)
McBryde Sugar Company, LLC, TMK: (4) 2-6-03:32, Kōloa, Kaua‘i, Hawai‘i (Easement W-8)
Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:23, Kōloa, Kaua‘i, Hawai‘i (Easement AU-1)
Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:24, Kōloa, Kaua‘i, Hawai‘i (Easement AU-2)
Kukui‘ula Development Company (Hawai‘i), LLC TMK: (4) 2-6-022:22, Kōloa, Kaua‘i, Hawai‘i (Easement AU-3)

Mgrp/November 2018/19-27/Discussion and Possible Action to approve a Grant of Easement Agreement for the Ala Kukui‘ula Phase 3B, Ala Kukui‘ula Phase 3A and Parcel A projects affecting attachments (11-21-18):ein
Return by Mail ( ) Pickup (X) To:
Department of Water
4398 Pua Loa Street
Lihu‘e, Hawai‘i 96766

This document contains ______ pages.

Tax Map Key No.: (4) 2-6-015:001

---

GRANT OF EASEMENT
for
TMK: (4) 2-6-015: 001
(Easeament W-1)

THIS INDENTURE is made on this ______ day of ________, 2018, by and between KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company, whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I, whose mailing address is 4398 nPua Loa Street, Lihue, Hawaii 96766 (hereafter “GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-015: 001; District: Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Ala Kukui‘ula Phase 3A, PROJECT NO. N/A,
SUBDIVISION NO.: N/A, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter “easement area”). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukui‘ula dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

1. That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

2. That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR’s property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

4. That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

5. That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

6. That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

[Signature]
Manager & Chief Engineer
Department of Water, County of Kaua‘i

GRANTOR:

KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

By: [Signature]
Name: Richard L. Albrecht
Its: President

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I

By: ____________________________
Its: ____________________________

Deputy County Attorney
STATE OF HAWAII
COUNTY OF KAUA'I

On this 26th day of October, 2018, before me personally appeared
Richard L Albrecht, to me personally known, who, being by me duly sworn or
affirmed, did say that such person executed the foregoing instrument as the free act and deed of such
person, and if applicable in the capacities shown, having been duly authorized to execute such instrument
in such capacities.

(Signed)

Print Name: Shelly Gerardo
Notary Public, State of Hawaii
My commission expires: 12/28/19

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-015: 001 (Easement W-1)

Doc. Date: 10/25/18 or \ Undated at time of notarization.

No. of Pages: 11

Signature of Notary

Date of Notarization and
Certification Statement

Printed Name of Notary

(Official Stamp or Seal)
STATE OF HAWAII

COUNTY OF KAUAI

On this day of ____________, 2018, before me appeared ____________________, to me personally known, who, being by me duly sworn, did say that said officer is the ____________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUAI; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name:__________________________________________
Notary Public, State of Hawaii
My commission expires:________________________________

(Official Stamp or Seal)

<table>
<thead>
<tr>
<th>NOTARY CERTIFICATION STATEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Identification or Description: Grant of Easement for</td>
</tr>
<tr>
<td>TMK: (4) 2-6-015: 001 (Easement W-1)</td>
</tr>
<tr>
<td>Doc. Date: ____________ or □ Undated at time of notarization.</td>
</tr>
<tr>
<td>No. of Pages: ________ Jurisdiction: Fifth Circuit</td>
</tr>
<tr>
<td>(in which notarial act is performed)</td>
</tr>
<tr>
<td>Signature of Notary Date of Notarization and Certification Statement</td>
</tr>
<tr>
<td>(Official Stamp or Seal)</td>
</tr>
</tbody>
</table>

Printed Name of Notary
EASEMENT W-1
FOR WATER PURPOSES

Affecting Lot 1 of Kukui‘ula Large-Lot Subdivision III, being also a portion of Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Kekuialwa no M. Kekuanaoa.

Situate at Kōloa (Makai), Kōloa, Kona, Kauai, Hawaii.

Beginning at the Southeast corner of this easement, being also along the Northerly side of Lot 15 (Ala Kukui‘ula) of Kukui‘ula Large-Lot Subdivision III, the coordinates of said point of beginning referred to Government Survey Triangulation Station “WAHIWA” being 7,213.12 feet South and 14,365.91 feet East thence running by azimuths measured clockwise from true South:

Along Lot 15 (Ala Kukui‘ula) of Kukui‘ula Large-Lot Subdivision III, on a curve to the left with a radius of 330.00 feet, the chord azimuth and distance being:

1. 76° 03’ 22” 20.16 feet;

Thence along the remainder of Lot 1 of Kukui‘ula Large-Lot Subdivision III, on a curve to the left with a radius of 138.00 feet, the chord azimuth and distance being:

2. 154° 55’ 58” 21.01 feet;

3. 240° 34’ 28.00 feet along same;

Thence along same, on a curve to the right with a radius of 166.00 feet, the chord azimuth and distance being:
4. 335" 30' 17" 28.58 feet to the point of beginning and containing an area of 689 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
October 5, 2018

TMK: (4) 2-6-015: 001
X:\\DynamiKuului\Parcel A\WATER EASEMENTS\EASEMENT W-1.docx
GRANT OF EASEMENT

for

TMK: (4) 2-6-022: 021
(Ease ment W-2)

THIS INDENTURE is made on this ___ day of __________, 2018, by and between KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company, whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I, whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereafter “GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-022: 021; District: Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Ala Kukui‘ula Phase 3A, PROJECT NO. N/A,
SUBDIVISION NO.: S-2013-16, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter "easement area"). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE's rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, re-installation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR's re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE's non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR's part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukiulua dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

1. That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

2. That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR's property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

4. That should the GRANTOR's development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR's own expense and pursuant to the GRANTEE's
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

5. That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

6. That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

**IT IS FURTHER MUTUALLY AGREED** that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

[Signature]
Manager & Chief Engineer
Department of Water, County of Kaua‘i

GRANTOR:

KUKUI‘ULA DEVELOPMENT COMPANY
(HAWAII), LLC, a Hawaii limited liability company

By: [Signature]
Name: Richard L. Albrecht
Its: President

APPROVAL AS TO FORM
AND LEGALITY

[Signature]
Deputy County Attorney

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I

By: ____________________________
Its: ____________________________
STATE OF HAWAII

COUNTY OF KAUA'I

On this 25th day of October, 2018, before me personally appeared Richard L. Albrecht, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

(Signature)

(Official Stamp or Seal)

SHELLY GERARDO
NOTARY PUBLIC
Comm. No. 93-314
STATE OF HAWAII

SHELLY GERARD
Notary Public, State of Hawaii
My commission expires: 12/25/19

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 021 (Easement W-2)

Doc. Date: or Undated at time of notarization.

No. of Pages: 11

Signature of Notary

Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Shelly Gerarzdo
Date of Notarization and Certification Statement

Shelly Gerardo
Printed Name of Notary

(Official Stamp or Seal)
STATE OF HAWAII

COUNTY OF KAUA'I

On this day of __________, 2018, before me appeared __________________, to me personally known, who, being by me duly sworn, did say that said officer is the ______________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name: __________________________

Notary Public, State of Hawaii
My commission expires: __________________________

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for

TMK: (4) 2-6-022: 021 (Easement W-2)

Doc. Date: __________ or □ Undated at time of notarization.

No. of Pages: _________ Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary

Date of Notarization and Certification Statement

Printed Name of Notary

(Official Stamp or Seal)
EASEMENT W-2
FOR WATER PURPOSES

Affecting Lot W of Kukui‘ula Parcel A Subdivision, Phase I, being also a portion of Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Kekuanao no M. Kekuanaoa.

Situate at Koloa (Makai), Koloa, Kauai, Hawaii.

Beginning at the Northeast corner of this easement, being also along the Southerly side of Lot 15 (Ala Kukui‘ula) of Kukui‘ula Large-Lot Subdivision III, the coordinates of said point of beginning referred to Government Survey Triangulation Station “WAHIAWA” being 7,272.09 feet South and 14,377.02 feet East thence running by azimuths measured clockwise from true South:

Along the remainder of Lot W of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 137.00 feet, the chord azimuth and distance being:

1. 354°  21′  11″  20.12 feet;

Thence along same, on a curve to the left with a radius of 250.00 feet, the chord azimuth and distance being:

2.  74°  37′  03″  28.03 feet;

Thence along same, on a curve to the left with a radius of 110.00 feet, the chord azimuth and distance being:

3.  176°  41′  35″  20.68 feet;

Thence along Lot 15 (Ala Kukui‘ula) of Kukui‘ula Large-Lot Subdivision III, on a curve to the right with a radius of 270.00 feet, the chord azimuth and distance being:
4. 255° 26' 20" 27.11 feet to the point of beginning and containing an area of 550 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9026

Honolulu, Hawaii
October 5, 2018

TMK: (4) 2-6-022: 021
X:\BINAME\Rukuiula\Parcel A\WATER BASEMENTS\BASEMENT N-2.docx
Return by Mail ( ) Pickup ( X ) To:
Department of Water
4398 Pua Loke Street
Lihu‘e, Hawai‘i 96766

This document contains _______ pages.

Tax Map Key No.: (4) 2-6-022:021

GRANT OF EASEMENT
for
TMK: (4) 2-6-022: 021
(Ease ment W-3)

THIS INDENTURE is made on this ___ day of __________, 2018, by and between
KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company,
whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I, whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-022: 021; District:
Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Ala Kukui‘ula Phase 3A, PROJECT NO. N/A,
SUBDIVISION NO.: S-2013-16, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter “easement area”). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukui‘ula dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

1. That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

2. That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR’s property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

4. That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

5. That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

6. That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same
effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

Manager & Chief Engineer
Department of Water, County of Kauaʻi

GRANTOR:

KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

By: [Signature]
Name: Richard Abernat
Its: President

APPROVAL AS TO FORM AND LEGALITY

Deputy County Attorney

ACCEPTED:

BOARD OF WATER SUPPLY, COUNTY OF KAUAʻI

By: 
Its: 

InUseageDB:4572977.1
STATE OF HAWAII

COUNTY OF KAUA\n
On this 25th day of October, 2018, before me personally appeared Richard L. Albrecht, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Shelly Gerardo
Print Name: Shelly Gerardo
Notary Public, State of Hawaii
My commission expires: 12/25/19

TO NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 021 (Basement W-3)

Doc. Date: or Undated at time of notarization.

No. of Pages: 11

Shelly Gerardo
Signature of Notary

10/25/19

Shelly Gerardo
Date of Notarization and Certification Statement

Shelly Gerardo
Printed Name of Notary

(Official Stamp or Seal)
STATE OF HAWAII

COUNTY OF KAUA'\n
On this day of __________, 2018, before me appeared ________________, to me personally known, who, being by me duly sworn, did say that said officer is the ___________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'\n; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name:
Notary Public, State of Hawaii
My commission expires:

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 021 (Easement W-3)

Doc. Date: __________ or □ Undated at time of notarization.

No. of Pages: ________ Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary Date of Notarization and Certification Statement

Printed Name of Notary (Official Stamp or Seal)
EASEMENT W-3
FOR WATER PURPOSES

Affecting Lot W of Kukui‘ula Parcel A Subdivision, Phase I, being also a portion of Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Kekui‘wa no M. Kekuanaoa.

Situate at Kōloa (Makai), Kōloa, Kona, Kauai, Hawaii.

Beginning at the Northwest corner of this easement, being also along the Southerly side of Lot 15 (Ala Kukui‘ula) of Kukui‘ula Large-Lot Subdivision III, the coordinates of said point of beginning referred to Government Survey Triangulation Station “WAHIWA” being 7,605.39 feet South and 13,899.48 feet East thence running by azimuths measured clockwise from true South:

Along Lot 15 (Ala Kukui‘ula)
of Kukui‘ula Large-Lot Subdivision III, on a curve to the left with a radius of 430.00 feet, the chord azimuth and distance being:

1. 240° 20’ 18” 19.00 feet;
2. 338° 36’ 32.35 feet along the remainder of Lot W of Kukui‘ula Parcel A Subdivision, Phase I;
3. 68° 36’ 19.00 feet along same;
4. 158° 36’ 32.26 feet along same to the point of beginning and containing an area of 613 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
October 5, 2018

TMK: (4) 2-6-022: 021
X:\DYNAME\Kukuiula\Parcel A\WATER EASEMENTS\EASEMENT W-3.docx
Return by Mail ( ) Pickup ( X ) To:
Department of Water
4398 Pua Loke Street
Lihu‘e, Hawai‘i  96766

This document contains ____ pages.

Tax Map Key No.: (4) 2-6-022:021

---

GRANT OF EASEMENT
for
TMK: (4) 2-6-022: 021
(Easeoment W-7)

THIS INDENTURE is made on this ____ day of ______________, 2018, by and between
KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company,
whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I, whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-022: 021; District:
Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Ala Kukui‘ula Phase 3B, PROJECT NO. N/A,
SUBDIVISION NO.: S-2013-16, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter "easement area"). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE's rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR's re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE's non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR's part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukui'ula dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

1. That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

2. That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR's property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

4. That should the GRANTOR's development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR's own expense and pursuant to the GRANTEE's
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

5. That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

6. That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

**IT IS FURTHER MUTUALLY AGREED** that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

Manager & Chief Engineer
Department of Water, County of Kaua‘i

GRANTOR:

KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

By: __________
Name: Richard L. Albrect
Its: President

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I

By: __________
Its: __________
STATE OF HAWAII
COUNTY OF KAUAI

On this 25th day of October, 2018, before me personally appeared Richard L. Albrecht, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

SHELLY GERARDO
Notary Public, State of Hawaii
My commission expires: 12/25/19

Print Name: Shelly Gerardo
(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 021 (Easement W-7)

Doc. Date: or Undated at time of notarization.

No. of Pages: 11

Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary: Shelly Gerardo 10/25/18

Date of Notarization and Certification Statement

Printed Name of Notary: Shelly Gerardo

(Official Stamp or Seal)
STATE OF HAWAII

COUNTY OF KAUA'I

On this day of __________, 2018, before me appeared ____________________, to me personally known, who, being by me duly sworn, did say that said officer is the ____________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name: ____________________
Notary Public, State of Hawaii
My commission expires: ____________________

(Official Stamp or Seal)

<table>
<thead>
<tr>
<th>NOTARY CERTIFICATION STATEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Identification or Description: Grant of Easement for</td>
</tr>
<tr>
<td>TMK: (4) 2-6-022: 021 (Easement W-7)</td>
</tr>
<tr>
<td>Doc. Date: __________ or ☐ Undated at time of notarization.</td>
</tr>
<tr>
<td>No. of Pages: _______ Jurisdiction: Fifth Circuit</td>
</tr>
<tr>
<td>(in which notarial act is performed)</td>
</tr>
<tr>
<td>Signature of Notary Date of Notarization and</td>
</tr>
<tr>
<td>Certification Statement</td>
</tr>
<tr>
<td>____________________ (Official Stamp or Seal)</td>
</tr>
<tr>
<td>Printed Name of Notary</td>
</tr>
</tbody>
</table>
EASEMENT W-7
FOR WATER PURPOSES

Affecting Lot W of Kukui'ula Parcel A Subdivision, Phase I, being also a portion of Royal Patent 4512, Mehele Award 43 to J.Y. Kanehoa.

Situate at Lāwa'i, Kōloa, Kona, Kauai, Hawaii.

Beginning at the Northwest corner of this easement, being also the Southwest corner of Lot Z (Makani Kai Street) of Kukui'ula Parcel A Subdivision, Phase I, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIWA" being 8,168.10 feet South and 13,090.22 feet East thence running by azimuths measured clockwise from true South:

1. 236°  29'    29.00 feet along Lot Z (Makani Kai Street) of Kukui'ula Parcel A Subdivision, Phase I;

2. 326°  29'    26.47 feet along the remainder of Lot W of Kukui'ula Parcel A Subdivision, Phase I;

3. 56°  29'    29.13 feet along same;

Thence along same, on a curve to the left with a radius of 272.00 feet, the chord azimuth and distance being:

4. 147°  22'  22''  8.44 feet;
5. 146° 29'  18.02 feet along same to the point of
beginning and containing an
area of 768 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
October 5, 2018

TMK: (4) 2-6-022: 021
X:\BYNAME\Kukuiula\Parcel\WATER EASEMENTS\EAPEMENT W-7.docx
Return by Mail ( ) Pickup (X) To:
Department of Water
4398 Pua Loke Street
Lihue, Hawaii 96766

This document contains _____ pages.

Tax Map Key No.: (4) 2-6-022:021

GRANT OF EASEMENT
for
TMK: (4) 2-6-022: 021
(Easeement W-10)

THIS INDENTURE is made on this _____ day of __________, 2018, by and between
KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company,
whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I, whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kauai‘i, Hawaii, Tax Map Key No. (4) 2-6-022: 021; District:
Koloa, Kauai‘i, Hawai‘i; PROJECT NAME: Parcel A, PROJECT NO. N/A, SUBDIVISION NO.: S-
2013-16, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter “easement area”). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukui‘ula dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR’s property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE's services;

That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE's rights under this easement;

That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

1. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms "GRANTOR" and "GRANTEE" shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

Manager & Chief Engineer
Department of Water, County of Kaua‘i

GRANTOR:

KUKUI‘ULA DEVELOPMENT COMPANY
(HAWAII), LLC, a Hawaii limited liability company
By: __________________________
Name: Richard L. Altstatt
Its: President

APPROVAL AS TO FORM
AND LEGALITY

Deputy County Attorney

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I

By: __________________________
Its: __________________________
STATE OF HAWAII

COUNTY OF KAUA'I

On this 26th day of October, 2018, before me personally appeared
Richard A. Allacht, to me personally known, who, being by me duly sworn or
affirmed, did say that such person executed the foregoing instrument as the free act and deed of such
person, and if applicable in the capacities shown, having been duly authorized to execute such instrument
in such capacities.

Shelly Gerardo
Notary Public, State of Hawaii
My commission expires: 12/35/19

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 021 (Easement W-10)

Doc. Date: ___________ or x Undated at time of notarization.

No. of Pages: 10

Signature of Notary: Shelly Gerardo

Date of Notarization and Certification Statement: 10/26/18

Printed Name of Notary: Shelly Gerardo
STATE OF HAWAII

COUNTY OF KAUA'I

On this day of __________, 2018, before me appeared ____________________, to me personally known, who, being by me duly sworn, did say that said officer is the ____________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name:______________________________
Notary Public, State of Hawaii
My commission expires:____________________

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 021 (Easement W-10)

Doc. Date: ___________ or ☐ Undated at time of notarization.

No. of Pages: _______ Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary

Date of Notarization and Certification Statement
(Official Stamp or Seal)

Printed Name of Notary
EXHIBIT A

EASEMENT W-10
FOR WATER PURPOSES

Affecting Lot W of Kukui‘ula Parcel A Subdivision, Phase I, being also a portion of Royal Patent 4512, Mahele Award 43 to J.Y. Kanehoa.

Situate at Lāwa‘i, Kōloa, Kona, Kauai, Hawaii.

Beginning at the Northeast corner of this easement, being also along the Southeasterly side of Lot X (Noho Kai Street) of Kukui‘ula Parcel A Subdivision, Phase I, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIAWA" being 8,677.29 feet South and 13,501.56 feet East thence running by azimuths measured clockwise from true South:

1. 310° 50’ 10.49 feet along the remainder of Lot W of Kukui‘ula Parcel A Subdivision, Phase I;

2. 40° 50’ 10.00 feet along same;

3. 130° 50’ 10.64 feet along same;

Thence along Lot X (Noho Kai Street) of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the left with a radius of 202.00 feet, the chord azimuth and distance being:

4. 221° 41’ 04” 10.00 feet to the point of beginning and containing an area of 105 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9026

Honolulu, Hawaii
October 26, 2018

TMK: (4) 2-6-022: 021
X:\BYNAME\Kukuiula\Parcel A\WATER EASEMENTS\EASEMENT W-10.docx
Return by Mail ( ) Pickup ( X ) To:
Department of Water
4398 Pua Loke Street
Lihue, Hawai‘i 96766

This document contains ____ pages.

Tax Map Key No.: (4) 2-6-022:020

GRANT OF EASEMENT
for
TMK: (4) 2-6-022:020
(Easeement W-4)

THIS INDENTURE is made on this ___ day of __________, 2018, by and between
KUKUI‘ULa DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company,
whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I, whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESSETH;

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-022:020; District:
Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Ala Kukui‘ula Phase 3B, PROJECT NO. N/A,
SUBDIVISION NO.: S-2013-16, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter “easement area”). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, re-installation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukui‘ula dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

1. That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

2. That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR’s property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

4. That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

5. That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

6. That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietors and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same
effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

Manager & Chief Engineer
Department of Water, County of Kauaʻi

GRANTOR:

KUKUIʻULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

By: Richard L. Albrecht
Name: Richard L. Albrecht
Its: President

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAUAʻI

By: __________________________
Its: __________________________
STATE OF HAWAII
COUNTY OF KAUA'I

On this 25th day of October, 2018, before me personally appeared
Richard L. Albrecht, to me personally known, who, being by me duly sworn or
affirmed, did say that such person executed the foregoing instrument as the free act and deed of such
person, and if applicable in the capacities shown, having been duly authorized to execute such instrument
in such capacities.

Shelly Gerardo
Print Name: Shelly Gerardo
Notary Public, State of Hawaii
My commission expires: 1/3/2019

Shelly Gerardo
Signature of Notary
10/25/18
Date of Notarization and
Certification Statement

Shelly Gerardo
Printed Name of Notary

NOTARY CERTIFICATION STATEMENT
Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 020 (Easement W-4)

Doc. Date: 10/25/18 or Undated at time of notarization.

No. of Pages: 11

Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Shelly Gerardo
Signature of Notary

PAGE 242
STATE OF HAWAII

COUNTY OF KAUAI

On this day of __________, 2018, before me appeared ________________, to me personally known, who, being by me duly sworn, did say that said officer is the ________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name: ________________
Notary Public, State of Hawaii
My commission expires: ________________

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 020 (Easement W-4)

Doc. Date: ___________ or □ Undated at time of notarization.

No. of Pages: _______ Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary Date of Notarization and Certification Statement

(Official Stamp or Seal)

Printed Name of Notary
EASEMENT W-4
FOR WATER PURPOSES

Affecting Lot V of Kukui‘ula Parcel A Subdivision, Phase I, being also a portion of Royal Patent 4512, Mahele Award 43 to J.Y. Kanehoia.

Situate at Lāwai‘i, Kōloa, Kona, Kauai, Hawaii.

Beginning at the Northeast corner of this easement, being an azimuth and distance of 9°09'24" 59.39 feet from the Northeast corner of Lot Z (Makani Kai Street) of Kukui‘ula Parcel A Subdivision, Phase I, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIAWA" being 7,500.48 feet South and 12,410.13 feet East thence running by azimuths measured clockwise from true South:

1. 9° 09' 24" 10.00 feet along Lot Z (Makani Kai Street) of Kukui‘ula Parcel A Subdivision, Phase I;

2. 99° 52' 17.87 feet along the remainder of Lot V of Kukui‘ula Parcel A Subdivision, Phase I;

3. 189° 52' 10.00 feet along same;

4. 279° 52' 17.75 feet along same to the point of beginning and containing an area of 178 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
October 5, 2018

TMK: (4) 2-6-022: 020
X:\RNAME\Kukuiula\ Parcel A\WATER EASEMENTS\EASEMENT W-4.docx
GRANT OF EASEMENT
for
TMK: (4) 2-6-022: 020
(Easeement W-5)

THIS INDENTURE is made on this ___ day of __________, 2018, by and between KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company, whose mailing address is

2700 Kc Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY, COUNTY OF KAUAI, whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereafter “GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of land located generally at Koloa District, Kauai, Hawaii, Tax Map Key No. (4) 2-6-022: 020; District: Koloa, Kauai, Hawaii; PROJECT NAME: Ala Kukui'ula Phase 3B, PROJECT NO. N/A,
SUBDIVISION NO.: S-2013-16, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter "easement area"). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukui’ula dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

1. That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

2. That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR’s property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

4. That should the GRANTOR's development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

5. That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

6. That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

[Signature]
Manager & Chief Engineer
Department of Water, County of Kaua‘i

GRANTOR:

KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

By: [Signature]
Name: Richard L. Albrecht
Its: President

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAUAI

By: ____________________________
Its: ____________________________

[Signature]
Deputy County Attorney
STATE OF HAWAII  
COUNTY OF KAUAI  

On this 25th day of October, 2018, before me personally appeared  
Richard L. Albracht,  

who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Shelly Gerardo  
Print Name  
Notary Public, State of Hawaii  
My commission expires: 12/25/18  

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for  
TMK: (4) 2-6-022: 020 (Easement W-5)

Doc. Date: ___________ or ☒ Undated at time of notarization.

No. of Pages: 11  
Jurisdiction: Fifth Circuit  
(in which notarial act is performed)

Signature of Notary  
Date of Notarization and Certification Statement  
Shelly Gerardo  
10/25/18  

Printed Name of Notary  
(Official Stamp or Seal)
STATE OF HAWAII
COUNTY OF KAUAI

On this day of __________, 2018, before me appeared ________________, to me personally known, who, being by me duly sworn, did say that said officer is the __________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name:________________________
Notary Public, State of Hawaii
My commission expires:________________________

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 020 (Easement W-5)

Doc. Date: __________ or □ Undated at time of notarization.

No. of Pages: _______ Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary

Date of Notarization and Certification Statement ____________________________________________ (Official Stamp or Seal)

Printed Name of Notary
Exhibit A

EASEMENT W-5
FOR WATER PURPOSES

Affecting Lot V of Kukui'ula Parcel A Subdivision, Phase I, being also a portion of Royal Patent 4512, Mahele Award 43 to J.Y. Kaneho.

Situate at Lāwai, Kōloa, Kona, Kauai, Hawaii.

Beginning at the Southeast corner of this easement, being also along the Westerly side of Lot Z (Makani Kai Street) of Kukui'ula Parcel A Subdivision, Phase I, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIAWA," being 7,755.01 feet South and 12,902.82 feet East thence running by azimuths measured clockwise from true South:

1. 85° 28' 4.98 feet along the remainder of Lot V of Kukui'ula Parcel A Subdivision, Phase I;

   Thence along same, on a curve to the right with a radius of 144.00 feet, the chord azimuth and distance being:

2. 87° 28' 10.05 feet;

3. 174° 17' 30" 28.14 feet along same;

   Thence along same, on a curve to the left with a radius of 116.00 feet, the chord azimuth and distance being:

4. 268° 05' 37" 10.63 feet;

5. 265° 28' 4.40 feet along same;

   Thence along Lot Z (Makani Kai Street) of Kukui'ula Parcel A Subdivision, Phase I, on a curve to the left with a radius of 678.00 feet, the chord azimuth and distance being:
6. 354° 17' 06" 28.00 feet to the point of beginning and containing an area of 418 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
October 5, 2018

TMK: (4) 2-6-022: 020
X:\BYNAME\Kukuiula\Parcel A\WATER EASEMENTS\BASEMENT H-5.docx
GRANT OF EASEMENT
for
TMK: (4) 2-6-022: 020
(Easeent W-9)

THIS INDENTURE is made on this ___ day of __________, 2018, by and between
KUKUULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company,
whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA’I, whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kauai, Hawaii, Tax Map Key No. (4) 2-6-022: 020; District:
Koloa, Kauai, Hawaii; PROJECT NAME: Parcel A, PROJECT NO. N/A, SUBDIVISION NO.: S-
2013-16, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter "easement area"). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE's rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, re-installation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR's re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE's own-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR's part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukui'ula dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR's property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

That should the GRANTOR's development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR's own expense and pursuant to the GRANTEE's
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

1. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same
effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

[Signature]
Manager & Chief Engineer
Department of Water, County of Kaua‘i

GRANTOR:

KUKUI‘ULA DEVELOPMENT COMPANY
(HAWAII), LLC, a Hawaii limited liability company

By: [Signature]
Name: Richard L. Albrecht
Its: President

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAU‘A‘I

By: [Signature]
Its: [Signature]
STATE OF HAWAII
COUNTY OF KAUAII

On this 26th day of October, 2018, before me personally appeared Richard A. Altstadt, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Shelly Gerardo
Print Name: Shelly Gerardo
Notary Public, State of Hawaii
My commission expires: 12/31/19

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMRK: (4) 2-6-022: 020 (Easement W-9)

Doc. Date: Undated at time of notarization.

No. of Pages: 10  Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary  Date of Notarization and Certification Statement

Shelly Gerardo  10/30/18

Printed Name of Notary

(Official Stamp or Seal)
STATE OF HAWAII

COUNTY OF KAUAʻI

On this day of __________, 2018, before me appeared ________________________, to me personally known, who, being by me duly sworn, did say that said officer is the ________________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUAʻI; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

________________________________________
Print Name:

Notary Public, State of Hawaii

My commission expires:

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 020 (Easement W-9)

Doc. Date: __________ or ☐ Undated at time of notarization.

No. of Pages: ________ Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary

Date of Notarization and Certification Statement

Printed Name of Notary
EXHIBIT A

EASEMENT W-9
FOR WATER PURPOSES

Affecting Lot V of Kukui‘ula Parcel A Subdivision, Phase I, being also a portion of Royal Patent 4512, Mahele Award 43 to J.Y. Kanehoa.

Situate at Lāwa‘i, Kōloa, Kona, Kauai, Hawaii.

Beginning at the Northeast corner of this easement, being also along the Westerly side of Lot X (Noho Kai Street) of Kukui‘ula Parcel A Subdivision, Phase I, the coordinates of said point of beginning referred to Government Survey Triangulation Station “WAHIWA” being 8,514.50 feet South and 11,511.45 feet East thence running by azimuths measured clockwise from true South:

1. 7° 57’ 10.00 feet along Lot X (Noho Kai Street) of Kukui‘ula Parcel A Subdivision, Phase I;
2. 97° 57’ 25.98 feet along the remainder of Lot V of Kukui‘ula Parcel A Subdivision, Phase I;
3. 44° 00’ 15.38 feet along same;
4. 134° 00’ 10.00 feet along same;
5. 224° 00’ 30.00 feet along same;
6. 314° 00’ 10.00 feet along same;
7. 44° 00’ 2.25 feet along same;
8. 277° 57' 18.70 feet along same to the point of beginning and containing an area of 523 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
October 26, 2018

TMK: (4) 2-6-022: 020
X:\BYNAME\Kukuiula\Parcel A\WATER EASEMENTS\EASEMENT W-9.docx
Return by Mail ( ) Pickup ( X ) To:
Department of Water
4398 Pua Loke Street
Lihu‘e, Hawai‘i 96766

Tax Map Key No.: (4) 2-6-022:019

GRANT OF EASEMENT
for
TMK: (4) 2-6-022: 019
(Easeament W-6)

THIS INDENTURE is made on this ___ day of __________, 2018, by and between
KUKUI‘ULA DEVELOPMENT COMPANY (HAWAI‘I), LLC, a Hawaii limited liability company,
whose mailing address is
2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I, whose mailing address is 4398 Pua Loke Street, Lihu‘e, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-022: 019; District:
Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Ala Kukui‘ula Phase 3B, PROJECT NO. N/A,
SUBDIVISION NO.: S-2013-16, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter "easement area"). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukui‘ula dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR’s property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

1. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

**IT IS FURTHER MUTUALLY AGREED** that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

[Signature]
Manager & Chief Engineer
Department of Water, County of Kaua'i

GRANTOR:

[Signature]
KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company
By: [Signature]
Name: Richard L. Albrecht
Its: President

APPROVAL AS TO FORM AND LEGALITY

[Signature]
Deputy County Attorney

ACCEPTED:

[Signature]
BOARD OF WATER SUPPLY, COUNTY OF KAUA'I
By: [Signature]
Its: [Signature]
STATE OF HAWAII

COUNTY OF KAUAI

On this 25th day of October, 2018, before me personally appeared
Richard L Albrecht_____, to me personally known, who, being by me duly sworn or
affirmed, did say that such person executed the foregoing instrument as the free act and deed of such
person, and if applicable in the capacities shown, having been duly authorized to execute such instrument
in such capacities.

(Official Stamp or Seal)

Print Name: Shelly Gerardo
Notary Public, State of Hawaii
My commission expires: 12/25/19

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 019 (Easement W-6)

Doc. Date: ________ or Undated at time of notarization.

No. of Pages: 11

Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary: Shelly Gerardo
Date of Notarization and Certification Statement: 10/25/18

Printed Name of Notary

(Official Stamp or Seal)
STATE OF HAWAII  
)  
COUNTY OF KAUA'I  
)  
) ss. 

On this day of __________, 2018, before me appeared ________________, to me personally known, who, being by me duly sworn, did say that said officer is the ________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name:__________________________________________
Notary Public, State of Hawaii
My commission expires:__________________________________

(Official Stamp or Seal)

<table>
<thead>
<tr>
<th>NOTARY CERTIFICATION STATEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Identification or Description: Grant of Easement for</td>
</tr>
<tr>
<td>TMI: (4) 2-6-022: 019 (Easement W-6)</td>
</tr>
<tr>
<td>Doc. Date: __________ or ☐ Undated at time of notarization.</td>
</tr>
<tr>
<td>No. of Pages: _____ Jurisdiction: Fifth Circuit</td>
</tr>
<tr>
<td>(in which notarial act is performed)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature of Notary</th>
<th>Date of Notarization and Certification Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>____________________</td>
<td>(Official Stamp or Seal)</td>
</tr>
</tbody>
</table>

Printed Name of Notary
Exhibit A

EASEMENT W-6
FOR WATER PURPOSES

Affecting Lot U of Kukui'ula Parcel A Subdivision, Phase I, being also a portion of Royal Patent 4512, Mahele Award 43 to J.Y. Kanehoa.

Situate at Lāwai, Kōloa, Kona, Kauai, Hawaii.

Beginning at the Southwest corner of this easement, being also along the Easterly side of Lot 2 (Makani Kai Street) of Kukui'ula Parcel A Subdivision, Phase I, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAIWAI" being 7,749.53 feet South and 12,958.56 feet East thence running by azimuths measured clockwise from true South:

Along Lot 2 (Makani Kai Street) of Kukui'ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 622.00 feet, the chord azimuth and distance being:

1. 174° 16' 33" 28.00 feet;
2. 264° 20' 15.03 feet along the remainder of Lot U of Kukui'ula Parcel A Subdivision, Phase I;
3. 354° 20' 28.00 feet along same;
4. 84° 20' 15.00 feet along same to the point of beginning and containing an area of 423 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
October 5, 2018

TMK: (4) 2-6-022: 019
K:\HYNAMES\Kukuiula\Parcel A\WATER EASEMENTS\EASEMENT W-6.docx
Return by Mail ( ) Pickup ( X ) To:
Department of Water
4398 Pua Loke Street
Lihu‘e, Hawai‘i 96766

This document contains _____ pages.

Tax Map Key No.: (4) 2-6-003: 001 & 032

GRANT OF EASEMENT
for
TMK: (4) 2-6-003: 032
(Easeement W-8)

THIS INDENTURE is made on this ___ day of __________, 2018, by and between
MCBRYDE SUGAR COMPANY, LLC, a Delaware limited liability company, whose mailing address
is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I, whose mailing address is 4398 Pua Loke Street, Lihu‘e, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-003: 032; District:
Koloa, Kaua‘i, Hawaii; PROJECT NAME: Ala Kukui‘ula Phase 3B, PROJECT NO.
N/A, SUBDIVISION NO.: N/A, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter "easement area"). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, re-installation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

1. That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

2. That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR’s property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

3. That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

4. That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;
5. That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

6. That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

7. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

Pursuant to Section 18-215 of the Delaware Limited Liability Company Act, Grantor established within itself Series R, to which the easement area has been allocated. Grantor is hereby entering into this instrument on behalf of Series R.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

[Signature]
Manager & Chief Engineer
Department of Water, County of Kaua‘i

GRANTOR:

McBRYDE SUGAR COMPANY, LLC,
a Delaware limited liability company

By: Alexander & Baldwin, LLC, Series R
   Its Manager

[Signature]
Name: [Name]
   Its: [Title]

[Signature]
Name: [Name]
   Its: [Title]

APPROVAL AS TO FORM AND LEGALITY

[Signature]
Deputy County Attorney

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAU‘A‘I

By: [Signature]
   Its: [Title]
STATE OF HAWAII

COUNTY OF KAUAI

On this day of ___________, 2018, before me appeared ________________, to me personally known, who, being by me duly sworn, did say that said officer is the ________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

______________________________
Print Name:

Notary Public, State of Hawaii

My commission expires: __________________________

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for TMK: (4) 2-6-003: 032 (Easement W-8)

Doc. Date: __________ or □ Undated at time of notarization.

No. of Pages: ______ Jursidiction: Fifth Circuit

(in which notarial act is performed)

Signature of Notary __________________________ Date of Notarization and Certification Statement __________________________

(Official Stamp or Seal)

Printed Name of Notary __________________________
STATE OF HAWAII

COUNTY OF KAUAI

On this ___ day of ____________, 2018, before me personally appeared
________________________________________, to me personally known, who, being by me duly sworn or
affirmed, did say that such person executed the foregoing instrument as the free act and deed of such
person, and if applicable in the capacities shown, having been duly authorized to execute such instrument
in such capacities.

Print Name: ________________________________
Notary Public, State of Hawaii
My commission expires: ______________________

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-003: 032 (Easement W-8)

Doc. Date: __________ or □ Undated at time of notarization.

No. of Pages: _______ Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary Date of Notarization and
Certification Statement

Printed Name of Notary (Official Stamp or Seal)
STATE OF HAWAII  
CITY & COUNTY OF HONOLULU  

On this 1st day of November, 2018, before me appeared NELSON N.S. CHUN and ALYSON J. NAKAMURA, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons, and if applicable in the capacities shown, has been duly authorized to execute such instrument in such capacities.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Signature:  
Print Name:  
Notary Public, State of Hawaii  
My commission expires:  

NOTARY CERTIFICATE (Hawaii Administrative Rules §5-11-8)
Document Identification or Description:  

Doc. Date:  
No. of Pages:  
Jurisdiction:  
Signature of Notary  
Date of Certificate  
Printed Name of Notary  

PAGE 286
Exhibit A

EASEMENT W-8
FOR WATER PURPOSES

Affecting Lot B-1 of Kukui‘ula Large Lot Subdivision II and Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Kekua'io no M. Kekuanaoa.

Situate at Kōloa (Makai), Kōloa, Kona, Kauai, Hawaii.

Beginning at the Southwest corner of this easement, being also along the Northerly side of Lot Y (Ala Kukui‘ula) of Kukui‘ula Parcel A Subdivision, Phase I, the coordinates of said point of beginning referred to Government Survey Triangulation Station “WAHIWA” being 7,537.38 feet South and 13,410.13 feet East thence running by azimuths measured clockwise from true South:

1. 186° 15’ 53.00 feet along the remainder of R.P. 6714, L.C. Aw. 7714-B, Ap. 2 to M. Kekua‘io no M. Kekuanaoa;

2. 276° 15’ 15.00 feet along the remainders of R.P. 6714, L.C. Aw. 7714-B, Ap. 2 to M. Kekua‘io no M. Kekuanaoa and Lot B-1 of Kukui‘ula Large Lot Subdivision II;

3. 6° 15’ 53.00 feet along the remainder of Lot B-1 of Kukui‘ula Large Lot Subdivision II;

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
CIVIL ENGINEERS + SURVEYORS
581 SINNER STREET, SUITE 301
HONOLULU, HAWAII 96817-2001
1471 WILU PA LOOP, SUITE A
WAIKIKI, MAUI, HAWAII 96723
100 PALANI STREET, SUITE 207
HILO, HAWAII 96720
4. 96" 15' 15.00 feet along Lot Y (Ala Kukui'ula) of Kukui'ula Parcel A Subdivision, Phase I, to the point of beginning and containing an area of 795 square feet.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.
Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
October 5, 2018

THK: (4) 2-6-003: 001, 032
X:\\BYNAME\\Kukuiula\\Parcel A\\WATER EASEMENTS\\EASEMENT W-8.docx
Return by Mail ( ) Pickup ( X ) To:
Department of Water
4398 Pua Loke Street
Lihu‘e, Hawai‘i 96766

This document contains ______ pages.

Tax Map Key No.: (4) 2-6-022: 023

GRANT OF EASEMENT
for
TMK: (4) 2-6-022: 023
(Easeement AU-1)

THIS INDENTURE is made on this ___ day of _____________, 2018, by and between
KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company,
whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I, whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-022: 023; District:
Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Ala Kukui‘ula Phase 3A and Phase 3B, PROJECT
2013-16, and more particularly described in **Exhibit A** and as shown on the maps attached as **Exhibit B** and **Exhibit C**, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter "easement area"). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE's rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, re-installation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTOR deems necessary for the proper operation of its water system.

**TO HAVE AND TO HOLD** the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR's re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE's non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR's part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

**SUBJECT, HOWEVER,** to that certain Second Amended and Restated Community Charter for Kukui‘ula dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

**AND IN FURTHER CONSIDERATION** of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR's property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

That should the GRANTOR's development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR's own expense and pursuant to the GRANTEE's
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

1. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

**IT IS FURTHER MUTUALLY AGREED** that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

Manager & Chief Engineer
Department of Water, County of Kaua‘i

GRANTOR:

KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

By:
Name: Richard L. Allen
Its: President

ACCEPTED:

BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I

By:
Its:
STATE OF HAWAII
COUNTY OF KAUA'I

On this 25th day of October, 2018, before me personally appeared Richard L. Albrecht, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for TMK: (4) 2-6-022: 023 (Easement AU-1)

Doc. Date: or Undated at time of notarization.

No. of Pages: 11 Jurisdiction: Fifth Circuit

Signature of Notary (in which notarial act is performed)

Shelly Gerard

Date of Notarization and Certification Statement

Shelly Gerard

Printed Name of Notary

(Official Stamp or Seal)
STATE OF HAWAII

COUNTY OF KAUA'I

On this day of __________, 2018, before me appeared ________________________, to me personally known, who, being by me duly sworn, did say that said officer is the ________________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name: ________________________________
Notary Public, State of Hawaii
My commission expires: _____________________

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 023 (Easement AU-1)

Doc. Date: _________ or □ Undated at time of notarization.

No. of Pages: _________ Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary Date of Notarization and Certification Statement

Printed Name of Notary ____________________________ (Official Stamp or Seal)
KUKUI‘ULA PARCEL A SUBDIVISION, PHASE I

BASEMENT AU-1
FOR ACCESS AND UTILITY PURPOSES

Affecting all of Lot Y (Ala Kukui‘ula) of Kukui‘ula Parcel A Subdivision, Phase I, being also portions of Royal Patent 6714, Land Commission Award 7714-B, Apana 2 to M. Kekauliwa no M. Kekuanaoa and Royal Patent 4512, Mahelo Award 43 to J.Y. Kanehoa.

Situate at Kōloa (Makai) and Lāwa‘i, Kōloa, Kona, Kauai, Hawaii.

Beginning at the Southeast corner of this easement, being also the Southwest corner of Lot 15 (Ala Kukui‘ula) of Kukui‘ula Large-Lot Subdivision III, the coordinates of said point of beginning referred to Government Survey Triangulation Station “WAIAMAI” being 7,626.99 feet South and 13,817.29 feet East thence running by azimuths measured clockwise from true South:

Along Lot W of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 430.00 feet, the chord azimuth and distance being:

1. 88° 35’ 50" 114.53 feet;
2. 96° 15’ 713.38 feet along Lots W and U of Kukui‘ula Parcel A Subdivision, Phase I;

Thence along Lot U of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the left with a radius of 30.00 feet, the chord azimuth and distance being:

3. 51° 15’ 42.43 feet;
4. 186° 15’ 90.00 feet along Lot Z (Makani Kai Street) of Kukui‘ula Parcel A Subdivision, Phase I;

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

100 PAULI STREET, SUITE 207
H871, HAWAII 89770
(808) 848-4413
(808) 847-5656

ImanageDB:4588350.1
5. 276° 15' 567.30 feet along Lot B of Kukui'ula Large-Lot Subdivision II and remainder of R.P. 6714, L.C. Aw. 7714-B, Ap. 2 to M. Kekuia no M. Kekuanaoa;

    Thence along remainder of R.P. 6714, L.C. Aw. 7714-B, Ap. 2 to M. Kekuia no M. Kekuanaoa, on a curve to the left with a radius of 1,800.00 feet, the chord azimuth and distance being:

6. 271° 54' 33" 272.48 feet;

7. 350° 56' 40" 67.78 feet along Lots 1 and 15 (Ala Kukui'ula) of Kukui'ula Large-Lot Subdivision III, to the point of beginning and containing an area of 1.209 acres.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

[Signature]

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
March 14, 2017

TMK: (4) 2-6-015: 014 (Portion)

X:\BYNAMB\Kukuiula\Parcel A\Descriptions\PARCEL A - BASEMENT AU-1.docx
GRANT OF EASEMENT

for

TMK: (4) 2-6-022: 024
(Ease ment AU-2)

THIS INDENTURE is made on this ___ day of __________, 2018, by and between KUKUI’ULA DEVELOPMENT COMPANY (HAWAI’I), LLC, a Hawaii limited liability company, whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY, COUNTY OF KAUA’I, whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereafter “GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of land located generally at Koloa District, Kaua’i, Hawaii, Tax Map Key No. (4) 2-6-022: 024; District: Koloa, Kaua’i, Hawaii; PROJECT NAME: Ala Kukui’ula Phase 3B, PROJECT NO. N/A,
SUBDIVISION NO.: S-2013-16, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter "easement area"). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukui‘ula dated August 5, 2015, recorded in the Bureau as Document No. A-569551009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR’s property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

1. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transferee. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

Manager & Chief Engineer
Department of Water, County of Kaua‘i

GRANTOR:

KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

By: Richard L. Albrecht
Name: Richard L. Albrecht
Its: President

ACCEPTED:

BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I

By: __________________________
Its: __________________________
STATE OF HAWAII

COUNTY OF KAUAI

On this 25th day of October, 2018, before me personally appeared
Richard L. Albrecht, to me personally known, who, being by me duly sworn or
affirmed, did say that such person executed the foregoing instrument as the free act and deed of such
person, and if applicable in the capacities shown, having been duly authorized to execute such instrument
in such capacities.

Shelly Gerardo
Print Name: Shelly Gerardo
Notary Public, State of Hawaii
My commission expires: 12/25/19

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 024 (Easement AU-2)

Doc. Date: or Undated at time of notarization.

No. of Pages: 11 Jurisdiction: Fifth Circuit

Signature of Notary (in which notarial act is performed)
Shelly Gerardo 10/25/18

Date of Notarization and Certification Statement
Shelly Gerardo
Printed Name of Notary
STATE OF HAWAII  )  
COUNTY OF KAUA'I  ) ss.  

On this day of __________, 2018, before me appeared ____________________, to me personally known, who, being by me duly sworn, did say that said officer is the ________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

Print Name: ____________________________
Notary Public, State of Hawaii
My commission expires: ____________________________

(Official Stamp or Seal)

<table>
<thead>
<tr>
<th>NOTARY CERTIFICATION STATEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Identification or Description: Grant of Easement for</td>
</tr>
<tr>
<td>TMK: (4) 2-6-022: 024 (Easement AU-2)</td>
</tr>
<tr>
<td>Doc. Date: __________ or □ Undated at time of notarization.</td>
</tr>
<tr>
<td>No. of Pages: ________ Jurisdiction: Fifth Circuit</td>
</tr>
<tr>
<td>(in which notarial act is performed)</td>
</tr>
<tr>
<td>Signature of Notary Date of Notarization and Certification Statement</td>
</tr>
<tr>
<td>____________________________ (Official Stamp or Seal)</td>
</tr>
<tr>
<td>Printed Name of Notary</td>
</tr>
</tbody>
</table>

ImangeDB:4588357.1
KUKUI'ULA PARCEL A SUBDIVISION, PHASE I

EASEMENT AU-2
FOR ACCESS AND UTILITY PURPOSES

Affecting all of Lot Z (Makani Kai Street) of Kukui‘ula Parcel A Subdivision, Phase I, being also a portion of Royal Patent 4512, Mahele Award 43 to J.Y. Kanchoa.

Situate at Lāwa‘i, Kōloa, Kona, Kauai, Hawaii.

Beginning at the Northeast corner of this easement, being also the Northwest corner of Lot Y (Ala Kukui‘ula) of Kukui‘ula Parcel A Subdivision, Phase I, the coordinates of said point of beginning referred to Government Survey Triangulation Station “WAHIANA” being 7,489.22 feet South and 12,970.37 feet East thence running by azimuths measured clockwise from true South:

1. 6° 15' 117.34 feet along Lots Y (Ala Kukui‘ula) and U of Kukui‘ula Parcel A Subdivision, Phase I;
   Thence along Lot U of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the left with a radius of 622.00 feet, the chord azimuth and distance being:

2. 346° 22' 423.09 feet;

3. 326° 29’ 144.11 feet along Lots U and W of Kukui‘ula Parcel A Subdivision, Phase I;

4. 56° 29’ 56.00 feet along Lot W of Kukui‘ula Parcel A Subdivision, Phase I;

5. 146° 29’ 144.11 feet along Lots X (Noho Kai Street) and V of Kukui‘ula Parcel A Subdivision, Phase I;
Thence along Lot V of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 676.00 feet, the chord azimuth and distance being:

6. 166° 22′ 461.18 feet;
7. 186° 15′ 28.06 feet along same;

Thence along same, on a curve to the left with a radius of 30.00 feet, the chord azimuth and distance being:

8. 142° 42′ 12″ 41.34 feet;
9. 189° 09′ 24″ 59.40 feet along same;
10. 276° 15′ 81.47 feet along Lot B of Kukui‘ula Large-Lot Subdivision II, to the point of beginning and containing an area of 0.957 of an acre.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

[Signature]

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
March 14, 2017

TMK: (4) 2-6-015: 014 (Portion)

X:\SYNAN\Kukuiuula\Parcel A\Descriptions\PARCEL A - EASEMENT AU-2.docx
Return by Mail ( ) Pickup ( X ) To:
Department of Water
4398 Pua Loke Street
Lihu‘e, Hawai‘i 96766

This document contains ______ pages.

Tax Map Key No.: (4) 2-6-022: 022

GRANT OF EASEMENT
for
TMK: (4) 2-6-022: 022
(Easeement AU-3)

THIS INDENTURE is made on this ___ day of __________, 2018, by and between
KUKUPAULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company,
whose mailing address is

2700 Ke Alaula Street, Suite B
Koloa, Kauai, Hawaii 96756

(hereinafter individually or collectively “GRANTOR”) and the BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I, whose mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereafter
“GRANTEE”);

WITNESSETH:

THAT IN CONSIDERATION of the sum of one dollar ($1.00) paid by the GRANTEE to the
GRANTOR, the receipt of which is acknowledged, and the covenants contained in this grant of easement
to be performed by the GRANTEE, the GRANTOR does hereby grant, bargain, sell and convey to the
GRANTEE a non-exclusive easement in perpetuity on, over, and under a portion of that certain parcel of
land located generally at Koloa District, Kaua‘i, Hawaii, Tax Map Key No. (4) 2-6-022: 022; District:
Koloa, Kaua‘i, Hawaii‘i; PROJECT NAME: Parcel A, PROJECT NO. N/A, SUBDIVISION NO.: S-
NO. N/A, SUBDIVISION NO.: S-2013-16, and more particularly described in Exhibit A and as shown on the maps attached as Exhibit B and Exhibit C, all of which exhibits are attached and incorporated by reference into this grant of easement (hereafter "easement area"). The GRANTOR and GRANTEE agree that the non-exclusive nature of this easement shall mean that GRANTOR shall have the right to grant to governmental entities, any public or private utility and/or any other person or entity, additional easement rights over, under across, along, upon in and through the easement area as GRANTOR deems necessary or appropriate; provided, however, that such use or grant shall not materially interfere with the exercise of the GRANTEE’s rights under this easement and shall be subject to all other terms of this easement.

This easement is granted for the reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other associated waterworks facility improvements and appurtenances. The GRANTEE is further allowed the right of ingress and egress at any time to, from, and through the easement areas, with or without vehicles or equipment, as the GRANTEE deems necessary for the proper operation of its water system.

TO HAVE AND TO HOLD the same unto the GRANTEE forever; provided that should the GRANTEE cease to use the easement area for the purposes described for a continuous period of two (2) calendar years, this easement shall terminate and the interest granted shall immediately and without the GRANTOR’s re-entry revert to the GRANTOR; and provided further that this easement shall terminate as to any portion of the easement area upon dedication and conveyance of such portion of the easement area to the County of Kauai. In any such an event, this easement shall cease to exist by operation of the GRANTEE’s non-use or dedication and conveyance to any governmental authority, without any necessary action on the GRANTOR’s part. Notwithstanding the foregoing, upon the request of GRANTOR, GRANTEE shall execute a recordable document sufficient to evidence the termination of the easement granted herein pursuant to this paragraph.

SUBJECT, HOWEVER, to that certain Second Amended and Restated Community Charter for Kukui‘ula dated August 5, 2015, recorded in the Bureau as Document No. A-56951009, as amended, restated, and supplemented, and as may be hereafter amended, restated or supplemented.

AND IN FURTHER CONSIDERATION of the rights granted to the GRANTEE the benefits accruing to the GRANTOR under this easement, the GRANTOR and GRANTEE further covenant, agree, and promise as follows:

That should the GRANTEE disturb in any way the ground which is the subject of the easement area, the GRANTEE shall at its own expense restore the ground to its original condition to the extent that such restoration is reasonable;

That the GRANTEE shall indemnify and save the GRANTOR and its successors and assigns, harmless from and against all damage to the GRANTOR’s property and the easement area and all liability for injury to or the death of persons when such damage, injury, or death is caused by the negligence of the GRANTEE, its officers, agents and employees while using the easement area;

That the GRANTEE shall not assign its rights under this easement without the prior written consent of the GRANTOR; provided that the GRANTEE may assign its rights to a successor of the GRANTEE duly created by law;

That should the GRANTOR’s development plans require that the easement area and/or waterworks facility improvements within, on, or under the easement area be relocated, the GRANTOR will, at the GRANTOR’s own expense and pursuant to the GRANTEE’s
instructions and specifications, re-locate the affected easement area and waterworks facility improvements and appurtenances without interruption of the GRANTEE’s services;

That the GRANTOR shall at no time erect any building foundation of any kind below the surface of the land which is subject of the easement area or any building or structure of any kind (other than roads, sidewalks, utility lines, curbs or similar appurtenances) on the surface of the land which is the subject of the easement area unless the GRANTOR receives the prior written consent of the GRANTEE;

Only lawn grass shall be planted within three (3) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances. No trees with aggressive root systems shall be planted within twenty (20) feet of all meter boxes, fire hydrants, and other waterworks facility improvements and appurtenances;

This Paragraph No. 5 though, shall not prevent the GRANTOR or any others to whom the GRANTOR grants any rights in the easement area from crossing over, constructing, and maintaining roadways and other utility improvements within the easement area or laying, operating, maintaining, repairing, or removing conduits and drains which do not materially interfere with the exercise of the GRANTEE’s rights under this easement;

That the GRANTOR covenants with the GRANTEE that the GRANTOR is the lawful owner of the land which is the subject of this easement area, that the GRANTOR has good right and title to grant this easement, and that the GRANTOR will warrant and defend the same unto the GRANTEE against the claims and demands of all persons;

1. That, in the event that any lot encumbered by this Grant of Easement is subdivided, then this Grant of Easement shall automatically affect and encumber only the subdivided lot or lots upon which the easement area described in Exhibit A and Exhibit B attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Grant of Easement for all purposes without any further action of the parties hereto; and

8. That the GRANTOR may, without the consent or joinder of GRANTEE, dedicate all or any portion of the easement area to the County of Kauai, Hawaii, or to any other local, state, or federal governmental or quasi-governmental entity, with or without payment or compensation from such transference. In such event, GRANTOR will use good faith efforts to notify GRANTEE of such dedication.

When used within this document the terms “GRANTOR” and “GRANTEE” shall mean the singular and plural, masculine and feminine, and natural persons, trustees, corporations, partnerships, limited partnerships, sole proprietorships and other forms of business entities. The terms shall also mean each such party and their respective estates, heirs, personal representatives, successors, successors-in-trust and assigns.

IT IS FURTHER MUTUALLY AGREED that the terms of this easement shall be binding upon and inure to the benefit of all the parties to this document and that all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed in this document.

This Agreement may be executed in counterparts. Each counterpart shall be executed by one or
more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

APPROVED:

[Signature]
Manager & Chief Engineer
Department of Water, County of Kaua‘i

GRANTOR:

KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company

By: [Signature]
Name: Richard L. Morcutt
Its: President

ACCEPTED:

BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I

By: [Signature]
Its: [Signature]
STATE OF HAWAII

COUNTY OF KAUAI

On this 25th day of October, 2018, before me personally appeared

Richard L. Albrecht

to me personally known, who, being by me duly sworn or
affirmed, did say that such person executed the foregoing instrument as the free act and deed of such
person, and if applicable in the capacities shown, having been duly authorized to execute such instrument
in such capacities.

Shelly Gerardo
Print Name

Notary Public, State of Hawaii
My commission expires: 12/31/19

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Grant of Easement for
TMK: (4) 2-6-022: 022 (Easement AU-3)

Doc. Date: or Undated at time of notarization.

No. of Pages: 19 Jurisdiction: Fifth Circuit

(Official Stamp or Seal)

Signature of Notary Date of Notarization and
Certification Statement

Shelly Gerardo 10/31/18

Printed Name of Notary
STATE OF HAWAII
COUNTY OF KAUAI

On this day of __________, 2018, before me appeared ____________________, to me personally known, who, being by me duly sworn, did say that said officer is the ________________ of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I; and that the foregoing instrument was signed on behalf of said Department and said officer acknowledged said instrument to be the free act and deed of said Department and the said Department has no seal.

______________________________
Print Name:

Notary Public, State of Hawaii
My commission expires: ____________________________

(Official Stamp or Seal)

<table>
<thead>
<tr>
<th>NOTARY CERTIFICATION STATEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Identification or Description: Grant of Easement for</td>
</tr>
<tr>
<td>TMK: (4) 2-6-022: 022 (Easement AU-3)</td>
</tr>
<tr>
<td>Doc. Date: __________ or □ Undated at time of notarization.</td>
</tr>
<tr>
<td>No. of Pages: ________ Jurisdiction: Fifth Circuit</td>
</tr>
<tr>
<td>(in which notarial act is performed)</td>
</tr>
<tr>
<td>Signature of Notary Date of Notarization and</td>
</tr>
<tr>
<td>Certification Statement</td>
</tr>
<tr>
<td>____________________________ (Official Stamp or Seal)</td>
</tr>
<tr>
<td>Printed Name of Notary</td>
</tr>
</tbody>
</table>

ImageryDB:4588367.1
XUKUI‘ULA PARCEL A SUBDIVISION, PHASE I

BASEMENT AU-3
FOR ACCESS AND UTILITY PURPOSES

Affecting all of Lot X (Maho Kai Street) of Kukui‘ula Parcel A Subdivision, Phase I, being also a portion of Royal Patent 4512, Mahele Award 43 to J.Y. Kanehoia.

Situate at Lāwa‘i, Kōloa, Kona, Kauai, Hawaii.

Beginning at the Southeast corner of this easement, being also the Southwest corner of Lot Z (Makani Kai Street) of Kukui‘ula Parcel A Subdivision, Phase I, the coordinates of said point of beginning referred to Government Survey Triangulation Station “MAHIAWA” being 8,168.10 feet South and 13,090.20 feet East thence running by azimuths measured clockwise from true South:

- Along Lot W of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being:
  
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>101° 29’</td>
<td>28.28 feet;</td>
</tr>
<tr>
<td>2.</td>
<td>56° 29’</td>
<td>37.18 feet along same;</td>
</tr>
</tbody>
</table>

Thence along same, on a curve to the right with a radius of 250.00 feet, the chord azimuth and distance being:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>01° 40’ 45”</td>
<td>212.86 feet;</td>
</tr>
<tr>
<td>4.</td>
<td>106° 52’ 30”</td>
<td>131.24 feet along same;</td>
</tr>
</tbody>
</table>

Thence along same, on a curve to the right with a radius of 1,522.00 feet, the chord azimuth and distance being:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>109° 32’ 30”</td>
<td>141.62 feet;</td>
</tr>
<tr>
<td>6.</td>
<td>112° 12’ 30”</td>
<td>105.74 feet along same;</td>
</tr>
</tbody>
</table>
Thence along same, on a curve to the left with a radius of 203.00 feet, the chord azimuth and distance being:

7. 81° 34' 45" 206.85 feet;

8. 50° 57' 59.94 feet along same;

Thence along same, on a curve to the right with a radius of 272.00 feet, the chord azimuth and distance being:

9. 66° 42' 147.66 feet;

10. 82° 27' 68.52 feet along same;

Thence along same, on a curve to the left with a radius of 153.00 feet, the chord azimuth and distance being:

11. 71° 36' 57.60 feet;

12. 60° 45' 94.69 feet along same;

Thence along same, on a curve to the right with a radius of 272.00 feet, the chord azimuth and distance being:

13. 69° 55' 86.66 feet;

14. 79° 05' 53.86 feet along same;

Thence along same, on a curve to the left with a radius of 228.00 feet, the chord azimuth and distance being:

15. 43° 31' 265.23 feet;

16. 7° 57' 54.61 feet along same;
Thence along Lots W, A and B of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 202.00 feet, the chord azimuth and distance being:

17.  \(55^\circ 55'\) 300.07 feet;

18.  \(103^\circ 53'\) 101.07 feet along Lot B of Kukui‘ula Parcel A Subdivision, Phase I;

Thence along Lots B and C of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the left with a radius of 276.00 feet, the chord azimuth and distance being:

19.  \(96^\circ 36'\) 70.49 feet;

20.  \(89^\circ 19'\) 97.11 feet along Lots C and D of Kukui‘ula Parcel A Subdivision, Phase I;

Thence along Lots D and E of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 422.00 feet, the chord azimuth and distance being:

21.  \(97^\circ 12'\) 115.76 feet;

22.  \(105^\circ 05'\) 152.29 feet along Lots E and F of Kukui‘ula Parcel A Subdivision, Phase I;

Thence along Lots F through H, inclusive, and Lot J of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the left with a radius of 528.00 feet, the chord azimuth and distance being:
23. 77° 02' 30" 496.44 feet;

24. 49° 00' 54.55 feet along Lots J and K of Kukui'ula Parcel A Subdivision, Phase I;

Thence along Lot K of Kukui'ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 172.00 feet, the chord azimuth and distance being:

25. 55° 11' 37.05 feet;

26. 61° 22' 67.78 feet along Lots K and L of Kukui'ula Parcel A Subdivision, Phase I;

Thence along Lot L of Kukui'ula Parcel A Subdivision, Phase I, on a curve to the left with a radius of 278.00 feet, the chord azimuth and distance being:

27. 47° 18' 135.14 feet;

28. 33° 14' 51.96 feet along Lots L and M of Kukui'ula Parcel A Subdivision, Phase I;

Thence along Lot M of Kukui'ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 422.00 feet, the chord azimuth and distance being:

29. 41° 21' 10" 119.20 feet;

30. 49° 28' 20" 15.56 feet along same;
Thence along same, on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being:

31. 26° 41’ 09” 15.49 feet;

Thence along same, on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:

32. 44° 21’ 48” 51.92 feet;

Thence along Lot N of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:

33. 100° 07’ 49” 21.11 feet;

Thence along Lot P of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:

34. 152° 39’ 08” 48.39 feet;

Thence along Lot Q of Kukui‘ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:

35. 232° 27’ 29” 54.14 feet;

Thence along same, on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being:

-5-
36. 252° 15' 31" 15.49 feet;

37. 229° 28' 20" 15.56 feet along same;

Thence along same, on a curve to the left with a radius of 379.00 feet, the chord azimuth and distance being:

38. 221° 37' 52" 103.14 feet;

Thence along Lots Q and R of Kukui'ula Parcel A Subdivision, Phase I, on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being:

39. 160° 30' 42" 28.42 feet;

40. 123° 14' 23.57 feet along Lot R of Kukui'ula Parcel A Subdivision, Phase I;

Thence along same, on a curve to the right with a radius of 90.00 feet, the chord azimuth and distance being:

41. 159° 12' 06" 105.72 feet;

Thence along Lot S of Kukui'ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 90.00 feet, the chord azimuth and distance being:

42. 223° 52' 36" 86.46 feet;

Thence along Lot T of Kukui'ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 90.00 feet, the chord azimuth and distance being:
43. 260° 34' 15" 25.01 feet; Thence along Lot V of Kukui'ula Parcel A Subdivision, Phase I, on a curve to the right with a radius of 90.00 feet, the chord azimuth and distance being:
44. 287° 06' 45" 57.28 feet;
45. 305° 40' 35.22 feet along same;
   Thence along same, on a curve to the left with a radius of 59.00 feet, the chord azimuth and distance being:
46. 273° 31' 62.79 feet;
47. 241° 22' 42.51 feet along same;
   Thence along same, on a curve to the left with a radius of 128.00 feet, the chord azimuth and distance being:
48. 235° 11' 27.57 feet;
49. 229° 00' 54.55 feet along same;
   Thence along same, on a curve to the right with a radius of 572.00 feet, the chord azimuth and distance being:
50. 257° 02' 30" 537.81 feet;
51. 285° 05' 152.29 feet along same;
   Thence along same, on a curve to the left with a radius of 378.00 feet, the chord azimuth and distance being:
52. 277° 12' 103.69 feet;
53. 269° 19' 97.11 feet along same;

-7-
54. 276° 36’ 81.64 feet;
55. 283° 53’ 101.07 feet along same;

Thence along same, on a curve to the left with a radius of 158.00 feet, the chord azimuth and distance being:

56. 235° 55’ 234.71 feet;
57. 187° 57’ 54.61 feet along same;

Thence along same, on a curve to the right with a radius of 272.00 feet, the chord azimuth and distance being:

58. 223° 31’ 316.42 feet;
59. 259° 05’ 53.86 feet along same;

Thence along same, on a curve to the left with a radius of 228.00 feet, the chord azimuth and distance being:

60. 249° 55’ 72.64 feet;
61. 240° 45’ 94.69 feet along same;

Thence along same, on a curve to the right with a radius of 197.00 feet, the chord azimuth and distance being:

62. 251° 36’ 74.17 feet;
63. 262° 27’ 68.52 feet along same;
Thence along same, on a curve to the left with a radius of 228.00 feet, the chord azimuth and distance being:

64. 246° 42' 123.78 feet
65. 230° 57' 59.94 feet along same;

Thence along same, on a curve to the right with a radius of 247.00 feet, the chord azimuth and distance being:

66. 261° 34' 45" 251.68 feet
67. 292° 12' 30" 105.74 feet along same;

Thence along same, on a curve to the left with a radius of 1,478.00 feet, the chord azimuth and distance being:

68. 289° 32' 30" 137.53 feet
69. 286° 52' 30" 102.42 feet along same;

Thence along same, on a curve to the left with a radius of 190.00 feet, the chord azimuth and distance being:

70. 261° 40' 45" 161.77 feet
71. 236° 29' 67.88 feet along same;

Thence along same, on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being:

72. 191° 29' 28.28 feet;
73. 326° 29’ 112.00 feet along Lot Z (Makani Kai Street) of Kukui’ula Parcel A Subdivision, Phase I, to the point of beginning and containing an area of 4.438 acres.

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
March 14, 2017

TMK: (4) 2-6-015: 014 (Portion)

X:\SYNAMS\Kukuiula\Parcel A\Descriptions\PARCEL A - EASEMENT AU-3.docx
MANAGER’S REPORT No. 19-28

November 21, 2018

Re: Discussion and Possible Action on the Conveyance of Water Facility from Kukuiʻula Development Company (Hawai‘i), LLC., for the Ala Kukuiʻula Phase 3A (S-2013-16) Project, TMK: (4) 2-6-022:21&23, and (4 )2-6-015:15, Kōloa, Kauaʻi, Hawaiʻi

RECOMMENDATION:
It is recommended that the Conveyance of Water Facility document be approved; whereby Kukuiʻula Development Company (Hawai‘i), LLC transfers unto the Board of Water Supply, County of Kauaʻi, all of its right, title and interest to the following items, in place complete:

3,752 LF of 12” DI Waterline
105 LF of 8” DI Waterline
9 – 12” gate valves
2 – 8” gate valves
2 – 1” ARVs
3 – 2 ½” cleanouts
1 – 4” cleanout
4 – Fire hydrant assemblies
4 – 6” gate valves

In place complete in accordance with the as-built construction drawings for ALA KUKU‘IULA PHASE 3A (S-2013-16) PLANS, prepared by Austin Tsutsumi and Associates, Kōloa, Kaua‘i, Hawai‘i.

FUNDING: N/A.

BACKGROUND:
The owner installed the new waterline facilities and appurtenances as noted above. Board Policy 24 requires a Manager’s Report for conveyances exceeding $500,000. This project Conveyance of Water Facility amount totals $589,927.00.

OPTIONS:
Option 1: Approve as recommended.
Pro: Project can be completed as designed and constructed. Certificate of completion could be issued when all other requirements are completed.
Con: None known, as the facilities were designed and constructed per the approved plans.

Option 2: Do not approve conveyance.
Pro: None known.
Con: The Project won’t be completed as designed and constructed. The Certificate of Completion will be delayed.

DM/ein

Attachment: Conveyance of Water Facility, TMKs: (4) 2-6-22: 023 & 021, TMK: (4) 2-6-015: 015 por) & 001

Mgrp/November 2018/19-28/Discussion and Possible Action on the Conveyance of Water Facility from Kukui‘ula Development Company (Hawai‘i), LLC., for the Ala Kukui‘ula Phase 3A (S-2013-16) Project, TMK: (4) 2-6-22:21&23, and (4 )2-6-015:15, Kōloa, Kaua‘i, Hawai‘i (11-21-18):ein
CONVEYANCE OF WATER FACILITY
for
TMKs: (4) 2-6-22: 023 & 021
(4) 2-6-015: 015 (por) & 001

KNOW ALL MEN BY THESE PRESENTS:

In compliance with the Rules and Regulations of the Department of Water, County of Kaua‘i, State of Hawai‘i, and in consideration of the water supply, service and maintenance hereafter to be provided by said department,

KUKUI‘ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company, herein called the “OWNER”, whose mailing address is 2700 Ke Alaula Street, Suite B Koloa, Hawaii 96756,

does hereby convey and transfer unto the BOARD OF WATER SUPPLY, COUNTY OF KAUA‘I, HEREBIN CALLED THE “BOARD”, whose mailing address is 4398 Pua Loke Street, Lihu’e, Kaua‘i, Hawai‘i, 96766, for: Tax Map Key No. (TMK) (4) 2-6-022: 023 & 021 and (4) 2-6-015:015 & 001; District: Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Ala Kukui‘ula Phase 3A, PROJECT NO. Not Applicable, SUBDIVISION NO.: S-2013-16, all its right, title and interest in and to:

the water facilities more particularly described in Exhibit A attached hereto and made a part hereof, and in place complete.
The "OWNER" covenants with the "BOARD", its successors and assigns, that it is the lawful owner of the facilities above conveyed and that the same is free and clear of all liens and claims and that it will hold said "BOARD" free and clear of all claims against said facilities of all persons whomsoever.

The parties hereto agree that, in the event that any lot encumbered by this Conveyance of Water Facility is subdivided, then this Conveyance of Water Facility shall automatically affect and encumber only the subdivided lot or lots upon which the water facilities described in Exhibit A attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Conveyance of Water Facility for all purposes without any further action of the parties hereto.

This instrument may be executed in counterparts. Each counterpart shall be executed by one or more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[remainder of page intentionally left blank]
IN WITNESS WHEREOF, OWNER has executed this CONVEYANCE this ______ day of
____________________, 20__.

APPROVED:

Manager & Chief Engineer
Department of Water, County of Kaua‘i

OWNER:

KUKUI‘ULA DEVELOPMENT COMPANY
(Hawaii), LLC, a Hawaii limited liability
company

By: ________________________________
Name: Richard L. Albrecht
Its: President

APPROVED AS TO FORM
AND LEGALITY:

Deputy County Attorney

ACCEPTED:
BOARD OF WATER SUPPLY,
COUNTY OF KAUA‘I

By: ________________________________
Its: ________________________________
On this 25th day of October, 2018 before me appeared Richard L. Albrecht to me known, who, being by me duly sworn, did say that he is the President of Kukui’ula Development Company (Hawaii), LLC, a Hawaii limited liability company, and that the said instrument was signed on behalf of said Company, and he acknowledged said instrument to be the free act and deed of said Limited Liability Company.

Signature: Shelly Gerardo
Name: Shelly Gerardo
Notary Public, State of Hawaii
My commission expires: 12/25/19

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Conveyance of Water Facility for TMK (4) 2-6-022-022 and (4) 2-6-015-015

☐ Doc. Date: ______________ or ☑ Undated at time of notarization

No. of Pages: 8 Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Shelly Gerardo 10/25/18
Signature of Notary Date of Notarization and Certification Statement

Shelly Gerardo
Printed Name of Notary

(Official Stamp or Seal)
STATE OF HAWAI‘I  
COUNTY OF KAUAI

On this _________ day of ________________, ______, before me appeared
______________________, to me personally known, who, being by me duly sworn, did say that said
officer is the ______________ of the BOARD OF WATER SUPPLY, COUNTY OF
KAUAI, and that the foregoing instrument was signed on behalf of said Department, and said
officer acknowledged said instrument to be the free act and deed of said Department, and that
said Department has no corporate seal.

Notary Public, State of Hawai‘i  
Name of Notary: ____________________________  
My commission expires: ______________________

(Official Stamp or Seal)

<table>
<thead>
<tr>
<th>NOTARY CERTIFICATION STATEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Identification or Description: Conveyance of Water Facility</td>
</tr>
<tr>
<td>for TMK (4) 2-6-022-023 &amp; 021 and (4) 2-6-015-015 (por) &amp; 001</td>
</tr>
<tr>
<td>□ Doc. Date: _______________ or □ Undated at time of notarization</td>
</tr>
<tr>
<td>No. of Pages: _____________ Jurisdiction: Fifth Circuit</td>
</tr>
<tr>
<td>(in which notarial act is performed)</td>
</tr>
<tr>
<td>Signature of Notary</td>
</tr>
<tr>
<td>Certification Statement</td>
</tr>
<tr>
<td>Printed Name of Notary</td>
</tr>
</tbody>
</table>
# Exhibit A

## DESCRIPTION OF WATER FACILITIES

**Kukui'ula - MPR 3A Kula Makai Subdivision**

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>12&quot; DI Waterline In-Place Complete</td>
<td>3752</td>
<td>LF</td>
</tr>
<tr>
<td>2</td>
<td>8&quot; DI Waterline In-Place Complete</td>
<td>105</td>
<td>LF</td>
</tr>
<tr>
<td>3</td>
<td>12&quot; Gate Valve w/Cast Iron Valve Box &amp; Cover</td>
<td>9</td>
<td>EA</td>
</tr>
<tr>
<td>4</td>
<td>8&quot; Gate Valve w/Cast Iron Valve Box &amp; Cover</td>
<td>2</td>
<td>EA</td>
</tr>
<tr>
<td>5</td>
<td>1&quot; Copper Air Relief Valve Assembly In-Place Complete</td>
<td>2</td>
<td>EA</td>
</tr>
<tr>
<td>6</td>
<td>2.5&quot; Clean Out In-Place Complete</td>
<td>3</td>
<td>EA</td>
</tr>
<tr>
<td>7</td>
<td>4&quot; Clean Out In-Place Complete</td>
<td>1</td>
<td>EA</td>
</tr>
<tr>
<td>8</td>
<td>Fire Hydrant Assembly w/1-4.5&quot; &amp; 1-2.5&quot; Outlet In-Place Complete</td>
<td>4</td>
<td>EA</td>
</tr>
<tr>
<td>9</td>
<td>6&quot; Gate Valve w/Cast Iron Valve Box &amp; Cover for Fire Hydrant</td>
<td>4</td>
<td>EA</td>
</tr>
</tbody>
</table>
MANAGER’S REPORT No. 19-29

November 21, 2018

Re: Discussion and Possible Action on the Conveyance of Water Facility from Kukui‘ula Development Company (Hawaii), LLC., for the Parcel A (S-2013-16) Project, TMK: (4) 2-6-022:020,021 and 022, Kōloa, Kaua‘i, Hawaii

RECOMMENDATION:
It is recommended that the Conveyance of Water Facility document be approved; whereby Kukui‘ula Development Company (Hawaii), LLC transfers unto the Board of Water Supply, County of Kaua‘i, all of its right, title and interest to the following items, in place complete:

4,148 LF of 12” DI Waterline
22 LF of 8” DI Waterline
1 – 6” gate valve
14 – 8” gate valves
3 – 1” ARVs
4 – 2 ½” cleanouts
1 – 6” blowoff assembly
9 – Fire hydrant assemblies
2 – 1” copper single service laterals for 5/8” water meters
14 – 1 ½” copper double service laterals for 5/8” water meters

In place complete in accordance with the as-built construction drawings for PARCEL A (S-2013-16) PLANS, prepared by Austin Tsutsumi and Associates, Kōloa, Kaua‘i, Hawai‘i.

FUNDING: N/A.

BACKGROUND:
The owner installed the new waterline facilities and appurtenances as noted above. Board Policy 24 requires a Manager’s Report for conveyances exceeding $500,000. This project Conveyance of Water Facility amount totals $619,767.00.

OPTIONS:
Option 1: Approve as recommended.
Pro: Project can be completed as designed and constructed. Certificate of completion could be issued when all other requirements are completed.
Con: None known, as the facilities were designed and constructed per the approved plans.

Option 2: Do not approve conveyance.
Pro: None at this point.
Con: The Project won’t be completed as designed and constructed. The Certificate of Completion will be delayed.

DM/ein

Attachment: Conveyance of Water Facility, TMK: (4) 2-6-022:020,021 and 022

Mgrp/November 2018/19-29/Discussion and Possible Action on the Conveyance of Water Facility from Kukui‘ula Development Company (Hawaii), LLC., for the Parcel A (S-2013-16) Project, TMK: (4) 2-6-022:020,021 and 022, Kōloa, Kaua‘i, Hawaii (11-21-18):ein

4398 Pua Loke Street Līhu‘e, HI 96766 Phone: 808-245-5400 Fax: 808-245-5813 Operations Fax: 808-245-5402
CONVEYANCE OF WATER FACILITY
for
TMKs: (4) 2-6-022: 020, 021 & 022

KNOW ALL MEN BY THESE PRESENTS:

In compliance with the Rules and Regulations of the Department of Water, County of Kaua‘i, State of Hawai‘i, and in consideration of the water supply, service and maintenance hereafter to be provided by said department,

KUKI‘ULA DEVELOPMENT COMPANY (HAWAI‘I), LLC, a Hawaii limited liability company, herein called the “OWNER”, whose mailing address is 2700 Ke Alaula Street, Suite B Koloa, Hawaii 96756,

does hereby convey and transfer unto the BOARD OF WATER SUPPLY, COUNTY OF KAUÂ‘I, HEREBIN CALLED THE “BOARD”, whose mailing address is 4398 Pua Loke Street, Lihu‘e, Kaua‘i, Hawai‘i, 96766, for: Tax Map Key No. (TMK) (4) 2-6-022: 020, 021 & 022; District: Koloa, Kaua‘i, Hawai‘i; PROJECT NAME: Parcel A, PROJECT NO. Not Applicable, SUBDIVISION NO.: S-2013-16, all its right, title and interest in and to:

the water facilities more particularly described in Exhibit A attached hereto and made a part hereof, and in place complete.
The "OWNER" covenants with the "BOARD", its successors and assigns, that it is the lawful owner of the facilities above conveyed and that the same is free and clear of all liens and claims and that it will hold said "BOARD" free and clear of all claims against said facilities of all persons whomsoever.

The parties hereto agree that, in the event that any lot encumbered by this Conveyance of Water Facility is subdivided, then this Conveyance of Water Facility shall automatically affect and encumber only the subdivided lot or lots upon which the water facilities described in Exhibit A attached hereto is located and the other unaffected subdivided lot or lots shall be deemed free and clear of this Conveyance of Water Facility for all purposes without any further action of the parties hereto.

This instrument may be executed in counterparts. Each counterpart shall be executed by one or more parties hereinbefore named and the several counterparts shall constitute one instrument to the same effect as though the signatures of all the parties are upon the same document.

[remainder of page intentionally left blank]
IN WITNESS WHEREOF, OWNER has executed this CONVEYANCE this ______ day of
__________________, 20__.

APPROVED:

[Signature]
Manager & Chief Engineer
Department of Water, County of Kaua‘i

APPROVED AS TO FORM
AND LEGALITY:

[Signature]
Deputy County Attorney

OWNER:

KUKUI‘ULA DEVELOPMENT COMPANY
(Hawaii), LLC, a Hawaii limited liability
company

By: ______________________________
Name: Richard L. Allrecht
Its: President

ACCEPTED:
BOARD OF WATER SUPPLY,
COUNTY OF KAUAI

By: ___________________________________________
Its: ___________________________________________
STATE OF HAWAI'I
COUNTY OF KAUA'I

On this 25th day of October, 2018 before me appeared Richard Albraeckto me known, who, being by me duly sworn, did say that he is the President of Kukui'ula Development Company (Hawaii), LLC, a Hawaii limited liability company, and that the said instrument was signed on behalf of said Company, and he acknowledged said instrument to be the free act and deed of said Limited Liability Company.

Signature: Shelly Gerard
Name: Shelly Gerard
Notary Public, State of Hawaii
My commission expires: 12/25/19

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Conveyance of Water Facility for TMK (4) 2-6-022

☐ Doc. Date: ________________ or ☒ Undated at time of notarization

No. of Pages: 8

Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary

Date of Notarization and Certification Statement

Printed Name of Notary

(Official Stamp or Seal)
STATE OF HAWAI‘I

COUNTY OF KAUA‘I

On this __________ day of ________________, ______, before me appeared
____________________, to me personally known, who, being by me duly sworn, did say that said
officer is the ___________________ of the BOARD OF WATER SUPPLY, COUNTY OF
KAUA‘I, and that the foregoing instrument was signed on behalf of said Department, and said
officer acknowledged said instrument to be the free act and deed of said Department, and that
said Department has no corporate seal.

__________________________________________
Notary Public, State of Hawai‘i
Name of Notary: ________________________________
My commission expires: ________________________

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Conveyance of Water Facility
for TMK (4) 2-6-022-020, 021 &022

☐ Doc. Date: ___________________ or ☐ Undated at time of notarization

No. of Pages: ______________ Jurisdiction: Fifth Circuit
(in which notarial act is performed)

Signature of Notary

Date of Notarization and
Certification Statement

(printed name of notary)

(Official Stamp or Seal)
# Exhibit A

**DESCRIPTION OF WATER FACILITIES**

**Kukui'ula - Parcel A Kula Makai Subdivision**

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8&quot; DI Waterline In-Place Complete</td>
<td>4148</td>
<td>LF</td>
</tr>
<tr>
<td>2</td>
<td>6&quot; DI Waterline In-Place Complete</td>
<td>22</td>
<td>LF</td>
</tr>
<tr>
<td>3</td>
<td>6&quot; Gate Valve w/Cast Iron Valve Box &amp; Cover</td>
<td>1</td>
<td>EA</td>
</tr>
<tr>
<td>4</td>
<td>8&quot; Gate Valve w/Cast Iron Valve Box &amp; Cover</td>
<td>14</td>
<td>EA</td>
</tr>
<tr>
<td>5</td>
<td>1&quot; Copper Air Relief Valve Assembly In-Place Complete</td>
<td>3</td>
<td>EA</td>
</tr>
<tr>
<td>6</td>
<td>2.5&quot; Clean Out In-Place Complete</td>
<td>4</td>
<td>EA</td>
</tr>
<tr>
<td>7</td>
<td>6&quot; Blowoff Assembly</td>
<td>1</td>
<td>EA</td>
</tr>
<tr>
<td>8</td>
<td>Fire Hydrant Assembly w/1-4.5&quot; &amp; 1-2.5&quot; Outlet In-Place Complete</td>
<td>9</td>
<td>EA</td>
</tr>
<tr>
<td>9</td>
<td>6&quot; Gate Valve w/Cast Iron Valve Box &amp; Cover for Fire Hydrant</td>
<td>9</td>
<td>EA</td>
</tr>
<tr>
<td>10</td>
<td>1&quot; Copper Single Service Lateral for 5/8&quot; Water Meter In-Place Complete</td>
<td>2</td>
<td>EA</td>
</tr>
<tr>
<td>11</td>
<td>1.5&quot; Copper Double Service Lateral for 5/8&quot; Water Meter In-Place Complete</td>
<td>14</td>
<td>EA</td>
</tr>
</tbody>
</table>
Staff Reports
FISCAL REPORT: MONTHLY SUMMARY HIGHLIGHTS – OCTOBER, 2018

I. BUDGET SUMMARY VS. ACTUAL (see attached report for details)

YEAR TO DATE (YTD) BUDGET & ACTUAL EXPENSES SUMMARY – AS OF OCTOBER, 2018

<table>
<thead>
<tr>
<th></th>
<th>BUDGET</th>
<th>EXPENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td>$12,270,698.44</td>
<td>$7,351,724.26</td>
</tr>
<tr>
<td>Debt Principal Payment</td>
<td>3,866,430.02</td>
<td>3,866,430.02</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>24,675,217.12</td>
<td>1,349,084.35</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$40,812,345.58</td>
<td>$12,567,238.63</td>
</tr>
</tbody>
</table>

REVENUES: VARIANCE = “ACTUAL” LESS “BUDGET”; POSITIVE INDICATES HIGHER PERFORMANCE THAN EXPECTED.

- Total Revenue as of October, 2018 was 20% below projection.
  - Water sales of $9.5 million (M) was $304.58 thousand (“K”) lower or -3%.
  - Other Water Revenue - Receipts of $162.4K exceeded projection by 79K or 95%.
  - Capital Contributions: Cash contributions including Federal & State Grants – $287.7K.
  - Investment Income & Net Increase in FV of Investments – $95.3K.
  - Miscellaneous Revenues - $62.4K

OPERATING EXPENSES: VARIANCE = BUDGET LESS ACTUAL EXPENSES; POSITIVE INDICATES LESS SPENDING THAN PLANNED. REVISED YTD BUDGET COLUMNS INCLUDE PO ROLLOVER FROM FY ENDING 2018.

- YTD Operating Expenses before depreciation and amortization was $7.4M. Total spending was $4.9M less than planned or budgeted; a positive variance of 40%.
  - Employee Related Expenses – $3.1M with a 13% positive variance.
  - Contracts & Services – $1.3M with a 74% positive variance.
    - Professional Services, Insurance, Repairs and Maintenance, water and non-water systems are the main items contributing to the 78% positive variance.
  - Exceptional Expenses – None.
  - Fuel & Utilities – $970.3K; 3% positive variance.
  - Bulk Water Purchase – $576.7K, 4% positive variance.
  - Office & Operating Supplies – $261.2K, 59% positive variance.
  - Training, Travel & Meeting Expenses – $27.4K.
  - Debt Service – Interest Expense - $1.1M.
  - Depreciation & Amortization (non-cash expenses) is $2.6M.

NET OPERATING INCOME:

- Net Operating Income before depreciation and amortization - $3.45M.
- Net Operating Income after depreciation & amortization was $845.7K.
NON-OPERATING PROCEEDS & DISBURSEMENTS

- SRF Loan Proceeds – None.
- FRC – Facility Reserve Charge – $239K.
- YTD Debt Principal Payment is $3.87M.

CAPITAL PROJECTS BUDGET: YTD DISBURSEMENTS = $1,349,084.35

- Capital Projects: Water Utility Fund - $761.9K.
- Capital Projects: FRC Fund – $58.5K
- Capital Projects: BAB Fund - $528.6K.
- Capital Projects: SRF Loan Fund - None.


<table>
<thead>
<tr>
<th></th>
<th>REPORT TO MANAGER (with approved Budget)</th>
<th>MANAGER’S REPORT (New Budget Requests)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Utility Fund</td>
<td>$1,337,691.12</td>
<td>$856,523.00</td>
</tr>
<tr>
<td>FRC Fund</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>BAB Fund</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total</td>
<td>$1,337,691.12</td>
<td>$856,523.00</td>
</tr>
</tbody>
</table>

III. COMPARATIVE CHARTS:

METERED CONSUMPTION:

- October, 2018 metered consumption – 328.6 million gallons (mg), decreased by 44.7 mg as compared from the same month of FY 2018.
- Year to Date (YTD) metered consumption as of 10/31/18 – 1,347 mg; YTD decrease of 190.2 mg as compared from the same month of FY 2018.

IV. COMPARATIVE BALANCE SHEET:

- Statement of Net Positions as of October 31, 2018 & 2017. See attached.

V. OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:

- Five (5) years Water Rate Study – The Rate Study period was changed from FY 2017-2021 to FY 2019-2023; the financial model was updated with the latest approved FY 2018-2019 budget and re-prioritized CIP lists. The DOW Staff is still reviewing the revised CIP list to be submitted to the Consultants.
- The Management IT Steering Committee was formed to comply with the Financial Statement Finding 2017-001 IT Controls Deficiencies (Significant Deficiency) on IT Governance. After several meetings held, the Committee submitted a list of DOW IT priorities for review and consideration by management.
- The Financial Statements Audit Report – submitted for Board’s review.
- The proposed budget for FY 2019-2020 is upcoming.
- Procurement for CCB & hosting services is now managed by the IT staff.
- Develop Financial Policies for DOW – Procurement budget is included in FY 2019 proposed budget.
- Budget Program Solution – It will be addressed concurrently with the Financial Policies Development procurement.
### I. OPERATING BUDGET

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Sales</td>
<td>$2,446,230.58</td>
<td>$2,446,230.58</td>
<td>$2,255,579.27</td>
<td>($300,651.31)</td>
</tr>
<tr>
<td>Revenue from Public Fire Protection</td>
<td>177,774.50</td>
<td>177,774.50</td>
<td>178,042.50</td>
<td>268.00</td>
</tr>
<tr>
<td>Other Water Revenue</td>
<td>20,833.33</td>
<td>20,833.33</td>
<td>56,859.84</td>
<td>36,026.51</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>22,600.09</td>
<td>22,600.09</td>
<td>(22,600.09)</td>
<td>90,640.32</td>
</tr>
<tr>
<td>State Grants</td>
<td>655,799.58</td>
<td>655,799.58</td>
<td>(655,799.58)</td>
<td>2,623,108.32</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>52,873.50</td>
<td>52,873.50</td>
<td>71,614.90</td>
<td>19,041.40</td>
</tr>
<tr>
<td>Net Increase in Fair Value of Investments</td>
<td>(2,500.00)</td>
<td>(2,500.00)</td>
<td>2,500.00</td>
<td>(0.00)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>13,750.00</td>
<td>13,750.00</td>
<td>(131,745.37)</td>
<td>(4,496.37)</td>
</tr>
<tr>
<td>Gain or Loss on Disposal of Capital Assets</td>
<td>416.67</td>
<td>416.67</td>
<td>1,666.68</td>
<td>(1,250.00)</td>
</tr>
<tr>
<td>Miscellaneous Revenues</td>
<td>83.33</td>
<td>83.33</td>
<td>509.95</td>
<td>509.92</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>3,387,921.57</td>
<td>3,387,921.57</td>
<td>2,431,244.29</td>
<td>(956,677.48)</td>
</tr>
<tr>
<td><strong>Employee-Related Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages (Includes Leaves &amp; CTO)</td>
<td>538,249.89</td>
<td>538,249.89</td>
<td>706,907.83</td>
<td>175,657.94</td>
</tr>
<tr>
<td>Temporary Assignment</td>
<td>5,155.50</td>
<td>5,155.50</td>
<td>7,415.15</td>
<td>(2,259.65)</td>
</tr>
<tr>
<td>Overtime</td>
<td>43,250.01</td>
<td>43,250.01</td>
<td>27,704.34</td>
<td>15,545.68</td>
</tr>
<tr>
<td>Standby</td>
<td>15,132.94</td>
<td>15,132.94</td>
<td>15,869.61</td>
<td>(736.67)</td>
</tr>
<tr>
<td>FICA</td>
<td>49,617.28</td>
<td>49,617.28</td>
<td>35,737.16</td>
<td>11,959.04</td>
</tr>
<tr>
<td>Retirement Contribution</td>
<td>115,202.89</td>
<td>115,202.89</td>
<td>24,223.41</td>
<td>231,979.52</td>
</tr>
<tr>
<td>Life &amp; Health Insurance</td>
<td>40,353.90</td>
<td>40,353.90</td>
<td>42,499.27</td>
<td>(2,145.37)</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>1,250.00</td>
<td>1,250.00</td>
<td>4,642.30</td>
<td>(3,392.30)</td>
</tr>
<tr>
<td>Unemployment Compensation</td>
<td></td>
<td></td>
<td>1,250.00</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Post Employment Benefits (OPERF)</td>
<td>84,249.90</td>
<td>84,249.90</td>
<td>90,605.79</td>
<td>(14,355.89)</td>
</tr>
<tr>
<td><strong>Total Employee-Related Expenses</strong></td>
<td>889,476.31</td>
<td>889,476.31</td>
<td>756,983.93</td>
<td>132,492.38</td>
</tr>
<tr>
<td><strong>Contracts &amp; Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Services-General</td>
<td>326,856.76</td>
<td>326,856.76</td>
<td>53,835.77</td>
<td>272,030.46</td>
</tr>
<tr>
<td>Professional Services-Accounting &amp; Auditing</td>
<td>8,900.00</td>
<td>8,900.00</td>
<td>11,414.60</td>
<td>(2,514.60)</td>
</tr>
<tr>
<td>Other Services-General</td>
<td>5,073.17</td>
<td>5,073.17</td>
<td>3,204.36</td>
<td>1,868.78</td>
</tr>
<tr>
<td>Other Services-Billing Costs</td>
<td>17,221.47</td>
<td>17,221.47</td>
<td>26,874.56</td>
<td>(9,653.09)</td>
</tr>
<tr>
<td>Public Relations-General</td>
<td>6,275.00</td>
<td>6,275.00</td>
<td>16,904.06</td>
<td>(7,719.06)</td>
</tr>
<tr>
<td>Procurement Advertising</td>
<td>833.33</td>
<td>833.33</td>
<td>3,333.32</td>
<td>3,333.29</td>
</tr>
<tr>
<td>Communication Services</td>
<td>10,030.00</td>
<td>11,000.20</td>
<td>8,607.40</td>
<td>2,192.60</td>
</tr>
<tr>
<td>Freight and Prestige</td>
<td>1,304.16</td>
<td>1,304.16</td>
<td>507.68</td>
<td>796.48</td>
</tr>
<tr>
<td>Rentals and Leases</td>
<td>12,756.22</td>
<td>12,756.22</td>
<td>20,541.46</td>
<td>(7,785.24)</td>
</tr>
<tr>
<td>Insurance</td>
<td>99,583.33</td>
<td>99,583.33</td>
<td>90,583.33</td>
<td>9,999.99</td>
</tr>
<tr>
<td>County Service Charge</td>
<td>177,774.50</td>
<td>177,774.50</td>
<td>178,042.50</td>
<td>(268.00)</td>
</tr>
<tr>
<td>Repairs and Maintenance-Water System</td>
<td>18,416.67</td>
<td>18,416.67</td>
<td>18,416.67</td>
<td>18,416.67</td>
</tr>
<tr>
<td>Repairs and Maint-Non Water System</td>
<td>52,262.49</td>
<td>52,262.49</td>
<td>50,862.37</td>
<td>1,400.12</td>
</tr>
<tr>
<td><strong>Total Contracts &amp; Services</strong></td>
<td>739,357.10</td>
<td>741,172.30</td>
<td>371,236.89</td>
<td>369,840.41</td>
</tr>
</tbody>
</table>

**FY 2019**

<table>
<thead>
<tr>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($9,764,822.32)</td>
<td>($9,490,428.52)</td>
</tr>
<tr>
<td>711,068.00</td>
<td>712,170.00</td>
<td>1,072.00</td>
</tr>
<tr>
<td>83,333.32</td>
<td>182,326.52</td>
<td>99,014.24</td>
</tr>
<tr>
<td>90,640.32</td>
<td>216,310.00</td>
<td>(90,640.32) (100%)</td>
</tr>
<tr>
<td>2,623,108.32</td>
<td>75,966.62</td>
<td>21,041.40</td>
</tr>
<tr>
<td>10,000.00</td>
<td>1,135.22</td>
<td>8,864.78</td>
</tr>
<tr>
<td>55,000.00</td>
<td>96,379.39</td>
<td>41,379.39</td>
</tr>
<tr>
<td>416.67</td>
<td>1,666.68</td>
<td>(1,250.00)</td>
</tr>
<tr>
<td>502.95</td>
<td>509.92</td>
<td>7.97</td>
</tr>
<tr>
<td>333.32</td>
<td>42,351.23</td>
<td>(39,017.91) (99%)</td>
</tr>
<tr>
<td>3,387,921.57</td>
<td>13,551,882.08</td>
<td>10,164,960.50</td>
</tr>
<tr>
<td>2,431,244.29</td>
<td>(956,677.48)</td>
<td>2,371,584.98 (20%)</td>
</tr>
<tr>
<td>2,152,999.56</td>
<td>1,725,161.12</td>
<td>427,838.44</td>
</tr>
<tr>
<td>173,000.04</td>
<td>102,410.65</td>
<td>70,589.39</td>
</tr>
<tr>
<td>60,531.36</td>
<td>65,870.12</td>
<td>(5,338.76) (8%)</td>
</tr>
<tr>
<td>168,695.20</td>
<td>146,804.17</td>
<td>21,891.03</td>
</tr>
<tr>
<td>469,811.92</td>
<td>387,131.55</td>
<td>82,680.37</td>
</tr>
<tr>
<td>161,415.60</td>
<td>170,532.51</td>
<td>(9,116.91) (6%)</td>
</tr>
<tr>
<td>19,288.41</td>
<td>19,288.41</td>
<td>0.00</td>
</tr>
<tr>
<td>84,249.90</td>
<td>396,959.52</td>
<td>342,709.61</td>
</tr>
<tr>
<td>14,800.00</td>
<td>402,202.43</td>
<td>(397,402.43) (19%)</td>
</tr>
<tr>
<td>889,476.31</td>
<td>3,557,905.20</td>
<td>3,091,352.75</td>
</tr>
<tr>
<td>756,983.93</td>
<td>132,492.38</td>
<td>646,500.52</td>
</tr>
</tbody>
</table>

**Page 349**
### Department of Water, County of Kauai
Monthly Budget Summary vs. Actual
SUMMARY
10/31/2018

<table>
<thead>
<tr>
<th>Description</th>
<th>October</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Budget</td>
<td>Revised Budget</td>
</tr>
<tr>
<td><strong>Exceptional Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2014 &amp; FY 2015 Kalaeao Emergency</td>
<td>261,975.00</td>
<td>261,975.00</td>
</tr>
<tr>
<td>FY 2015 Kilauea</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abandoning Hanamalu Wells 1 &amp; 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Exceptional Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fuel &amp; Utilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility Services</td>
<td>239,795.00</td>
<td>239,795.00</td>
</tr>
<tr>
<td>Utility Services</td>
<td>9,625.00</td>
<td>9,625.00</td>
</tr>
<tr>
<td><strong>Total Fuel &amp; Utilities</strong></td>
<td>249,420.00</td>
<td>249,420.00</td>
</tr>
<tr>
<td><strong>Bulk Water Purchase</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk Water Purchase</td>
<td>150,848.00</td>
<td>150,848.00</td>
</tr>
<tr>
<td><strong>Total Bulk Water Purchase</strong></td>
<td>150,848.00</td>
<td>150,848.00</td>
</tr>
<tr>
<td><strong>Office &amp; Operating Supplies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Supplies</td>
<td>1,833.33</td>
<td>1,833.33</td>
</tr>
<tr>
<td>Operating Supplies</td>
<td>104,337.49</td>
<td>97,029.29</td>
</tr>
<tr>
<td>Banks, Subscriptions and Dues</td>
<td>2,500.75</td>
<td>2,500.75</td>
</tr>
<tr>
<td>Banks, Subscriptions and Dues - Board</td>
<td>95.42</td>
<td>95.42</td>
</tr>
<tr>
<td><strong>Total Office &amp; Operating Supplies</strong></td>
<td>106,758.99</td>
<td>102,117.79</td>
</tr>
<tr>
<td><strong>Training, Travel &amp; Meeting Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training and Development</td>
<td>10,631.67</td>
<td>10,631.67</td>
</tr>
<tr>
<td>Travel and Per Diem</td>
<td>7,047.49</td>
<td>7,047.49</td>
</tr>
<tr>
<td>Travel and Per Diem - Board</td>
<td>1,457.50</td>
<td>1,457.50</td>
</tr>
<tr>
<td>Meeting Expenses</td>
<td>2,200.00</td>
<td>2,200.00</td>
</tr>
<tr>
<td>Meeting Expenses - Board</td>
<td>1,172.92</td>
<td>1,172.92</td>
</tr>
<tr>
<td><strong>Total Training, Travel &amp; Meeting Expenses</strong></td>
<td>22,509.58</td>
<td>22,509.58</td>
</tr>
<tr>
<td><strong>Dependence</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>284,846.30</td>
<td>284,846.30</td>
</tr>
<tr>
<td><strong>Total Dependence</strong></td>
<td>284,846.30</td>
<td>284,846.30</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td></td>
<td>2,445,217.28</td>
</tr>
<tr>
<td><strong>Net Operating Income (Loss) Before Depreciation &amp; Amortization</strong></td>
<td>$942,704.29</td>
<td>$947,575.29</td>
</tr>
<tr>
<td><strong>Depreciation &amp; Amortization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>608,562.50</td>
<td>609,652.50</td>
</tr>
<tr>
<td>Amortization</td>
<td>58,333.33</td>
<td>58,333.33</td>
</tr>
<tr>
<td><strong>Total Depreciation &amp; Amortization</strong></td>
<td>666,895.83</td>
<td>667,985.83</td>
</tr>
<tr>
<td><strong>Net Operating Income (Loss)</strong></td>
<td>274,808.46</td>
<td>279,690.46</td>
</tr>
<tr>
<td></td>
<td>October</td>
<td>FY 2019</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td>Original</td>
<td>Revised</td>
</tr>
<tr>
<td>Non Operating Proceeds</td>
<td>33,333.33</td>
<td>33,333.33</td>
</tr>
<tr>
<td>FRC-Facility Reserve Charge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Non Operating Proceeds</td>
<td>33,333.33</td>
<td>33,333.33</td>
</tr>
<tr>
<td>Transfers Out(In) to Other Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Principal Payment</td>
<td>118,750.25</td>
<td>118,750.25</td>
</tr>
<tr>
<td>Net Proceeds (Expenditures)</td>
<td>186,391.54</td>
<td>194,263.54</td>
</tr>
<tr>
<td>II. CAPITAL BUDGET</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects (See Attached for Details)</td>
<td>607,958.32</td>
<td>612,830.32</td>
</tr>
</tbody>
</table>
## Capital Projects (See Attached for Details):

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>*Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Utility - Capital Projects (See Attached for Details)</td>
<td>607,958.32</td>
<td>612,830.32</td>
<td>55,362.50</td>
<td>567,467.82</td>
<td>16,986,120.44</td>
<td>761,923.56</td>
<td>16,224,106.88</td>
<td>98%</td>
</tr>
<tr>
<td>FRG Special Trust Fund - Capital Projects (See Attached for Details)</td>
<td>41,595.83</td>
<td>(41,595.83)</td>
<td></td>
<td></td>
<td>555,755.84</td>
<td>58,522.70</td>
<td>497,233.14</td>
<td>89%</td>
</tr>
<tr>
<td>BAB Fund - Capital Projects (See Attached for Details)</td>
<td>289,912.86</td>
<td>(289,912.86)</td>
<td></td>
<td></td>
<td>5,133,340.64</td>
<td>528,636.09</td>
<td>4,604,702.75</td>
<td>90%</td>
</tr>
<tr>
<td>SRF Loan Fund - Capital Projects (See Attached for Details)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Projects (See Attached for Details)</strong></td>
<td>607,958.32</td>
<td>612,830.32</td>
<td>386,871.19</td>
<td>225,959.13</td>
<td>24,675,217.12</td>
<td>1,346,084.35</td>
<td>23,328,132.77</td>
<td>95%</td>
</tr>
</tbody>
</table>
PAGE 353


Department of Water, County of Kauai  
Monthly Budget Summary vs. Actual  
20  
10/31/2018

Capital Projects (See Attached for Details):
- 20-20-00-605-017 FRC-Job 16-02 18IN Cane Haul Road Main
- 20-20-00-605-104 FRC-Eng-ALLE-05-02 HW-12 Drill Wainiha-Haena Well
- 20-20-00-605-117 FRC-Eng-ALLE-12-02 WK-23 UW Exemptal Storage Tank
- 20-20-00-605-118 Job 04-08 WK-39 Drill Kapaa Homestead Wall 4
- 20-20-00-605-120 FRC-Eng-90%-Kilauea 1.0MG Tank Job 02-06
- 20-20-00-605-153 Job 15-08-HW-11-Haena 0.2MO Tank
- 20-20-00-605-154 Job 17-11 Drill & Test Kilauea Well #3

<table>
<thead>
<tr>
<th>October</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>FY 2019</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20,333.33</td>
<td>20,333.33</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>47,869.00</td>
<td>47,869.00</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>26,832.00</td>
<td>26,832.00</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>107,183.79</td>
<td>107,183.79</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7,212.24</td>
<td>7,212.24</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>49,105.48</td>
<td>56,522.70</td>
<td>(7,417.22)</td>
<td>(19%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>297,240.00</td>
<td>297,240.00</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>41,595.83</td>
<td>(41,595.83)</td>
<td>555,755.84</td>
<td>497,233.14</td>
<td>89%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Capital Projects (See Attached for Details):

<table>
<thead>
<tr>
<th>Project Code</th>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-20-00-604-101</td>
<td>BAB-Eng-ALLR-10-01 Anini Ana &amp; Kalihiwai Rd 6-</td>
<td>76,428.25</td>
<td>76,428.25</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-20-00-604-105</td>
<td>BAB-Eng-ALLR-09-01 K-01 Kalakaua 1111FT &amp; 1222FT</td>
<td>282,012.21</td>
<td>282,012.21</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-20-00-604-112</td>
<td>BAB-Eng-ALLR-11-02 PLH-01a Grove Farm Tanks 1 &amp; 2</td>
<td>28,000.00</td>
<td>28,000.00</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-20-00-605-104</td>
<td>BAB-Eng-ALLE-05-02 HW-12 Wailua-Haena Well</td>
<td>32,430.00</td>
<td>32,430.00</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-20-00-605-116</td>
<td>BAB-Eng-ALLE-02-14 WK-08 Kapaa Homesteads Tank</td>
<td>89,231.75</td>
<td>18,650.80</td>
<td>70,580.95</td>
<td>79%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-605-120</td>
<td>BAB-Chs-ALLE-02-06WK15-Kilauea 466 Tank Pau Pau</td>
<td>25,175.00</td>
<td>20,123.00</td>
<td>5,052.00</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>30-20-00-605-125</td>
<td>BAB-Eng-98dl-02-01 Land for Kukulololu Tank Site</td>
<td>53,508.05</td>
<td>53,508.05</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-20-00-605-139</td>
<td>BAB-Eng-ALLE-02-11 M-02 100K Trnk &amp; Pipeline Molokai</td>
<td>94,222.00</td>
<td>94,222.00</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-20-00-605-158</td>
<td>BAB-Eng-ALLE-11-3 MO-03 Land &amp; Well Acq Moloa &amp; Wailea</td>
<td>9,187.00</td>
<td>9,187.00</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-21-00-604-017</td>
<td>Job 16-02 PLH-356 Kapaa Cane Haul Rd 18° Main</td>
<td>1,137,325.00</td>
<td>1,137,325.00</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-21-00-604-107</td>
<td>Job 11-07 KP-09-MCC Oihr KoloaWell16-A,B,E</td>
<td>1,755,864.12</td>
<td>1,755,864.12</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-21-00-605-118</td>
<td>Job 02-14 WK39 WK08 Kapaa Hnsld Well 4; Pkg A Well</td>
<td>1,535,000.00</td>
<td>1,535,000.00</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-40-00-604-114</td>
<td>BAB Ops PLH-39a Lihue Basinyard Improvement</td>
<td>14,957.46</td>
<td>14,957.46</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Capital Projects (See Attached for Details)

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Revised YTD Budget</th>
<th>FY 2019</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>289,912.86</td>
<td>5,133,340.84</td>
<td>4,604,702.75</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>DATE</td>
<td>Contract #</td>
<td>Description</td>
<td>ACCOUNT #</td>
<td>CO/ OE</td>
</tr>
<tr>
<td>------------</td>
<td>------------</td>
<td>------------------------------------------------------------------------------</td>
<td>-----------</td>
<td>--------</td>
</tr>
<tr>
<td>7/1/2018</td>
<td>660</td>
<td>Sole Source no. 35 2018-1, to furnish laboratory testing services.</td>
<td>10-10-40-540-010</td>
<td>OE</td>
</tr>
<tr>
<td>7/1/2018</td>
<td>666</td>
<td>Funding available 7/1/18</td>
<td>10-02-10-540-010</td>
<td>OE</td>
</tr>
<tr>
<td>7/1/2018</td>
<td>668</td>
<td>Solicitation GS 2018-4, Furnishing and delivery of two (2) SUV 4 wheel drive or all wheel drive vehicles.</td>
<td>10-01-00-604-999</td>
<td>CO</td>
</tr>
<tr>
<td>7/6/2018</td>
<td>632</td>
<td>1st Amendment; 17-02- Scada System Maintenance and Professional Consultation Services</td>
<td>10-40-60-560-000</td>
<td>OE</td>
</tr>
<tr>
<td>7/17/2018</td>
<td>xxx</td>
<td>Job 18-B Limahuli Stream and Mānoa Stream Water Line Repairs</td>
<td>10-00-00-604-163</td>
<td></td>
</tr>
<tr>
<td>7/24/2018</td>
<td>xxx</td>
<td>Job 18-9, Makaleha Tunnel Water Line Repairs (MR # 19-06)</td>
<td>10-20-00-540-164/10-20-10-540-010</td>
<td></td>
</tr>
<tr>
<td>8/6/2018</td>
<td>636</td>
<td>New budget request - Job No. 16-4, WP 2020 WKK-03, Chlorination, MCC, Kiluaea Wells no. 1 &amp; 2. (MR #19-07)</td>
<td>10-20-00-604-157</td>
<td></td>
</tr>
<tr>
<td>9/28/2018</td>
<td>MOA</td>
<td>MOA - COK, Dept. of Public Works - Reconstruction of Weke Road and Reinstallation of damaged water main and appurtenances.</td>
<td>10-20-20-604-165</td>
<td></td>
</tr>
<tr>
<td>10/9/2018</td>
<td>669</td>
<td>Job No. 18-07, Kukuiiano UST and tank removal</td>
<td>10-20-10-640-010</td>
<td></td>
</tr>
<tr>
<td>10/9/2018</td>
<td>630</td>
<td>CO #2, Job No. 17-05, Puhi well SA Repair</td>
<td>10-40-00-404-999</td>
<td></td>
</tr>
<tr>
<td>10/9/2018</td>
<td>651</td>
<td>Special counsel</td>
<td>10-01-10-540-010</td>
<td></td>
</tr>
<tr>
<td>10/16/2018</td>
<td>670</td>
<td>CC&amp;B Cloud and Hosting</td>
<td>10-02-10-561-000</td>
<td></td>
</tr>
<tr>
<td>10/16/2018</td>
<td>670</td>
<td>New budget request - CC&amp;B Cloud and Hosting</td>
<td>10-02-10-561-000</td>
<td></td>
</tr>
<tr>
<td>11/1/2018</td>
<td>671</td>
<td>Solicitation GS 2019-2, HT&amp;T Truck Center - furnishing &amp; delivery of one (1) 37,600 GVW Cab and Chassis w/ (8) Cubic Yard dump body</td>
<td>10-40-00-604-999</td>
<td></td>
</tr>
<tr>
<td>11/8/2018</td>
<td>672</td>
<td>Solicitation GS 2019-3, Hawthorn Pacific Corporation, furnishing and delivery of various size emergency generators.</td>
<td>10-40-00-605-999</td>
<td></td>
</tr>
<tr>
<td>11/8/2018</td>
<td>673</td>
<td>Solicitation GS 2019-4, King auto Center, furnishing and delivery of one (1) regular cab pick up truck with liftgate and accessories.</td>
<td>10-40-00-605-999</td>
<td></td>
</tr>
<tr>
<td>11/8/2018</td>
<td>674</td>
<td>Job. No. 19-02, DOW baseyard masterplan, Līhu'e, HI 96766</td>
<td>10-20-10-540-010</td>
<td></td>
</tr>
<tr>
<td>11/8/2018</td>
<td>675</td>
<td>Solicitation GS-2019-6, Contract award to Miller Industries Inc. furnishing and delivery of heavy duty two</td>
<td>10-40-00-605-999</td>
<td></td>
</tr>
</tbody>
</table>

**Total:** 1,337,691.12  
856,523.00  
**Sub-Total:** 2,194,214.12
III. BILLED REVENUES COMPARATIVE REPORT
For Fiscal Years 2017, 2018 & 2019

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Cum. Inc (Dec)</th>
<th>% Inc. (Dec.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$2,389,827</td>
<td>$2,760,278</td>
<td>$2,459,791</td>
<td>$(300,488)</td>
<td>-10.89%</td>
</tr>
<tr>
<td>August</td>
<td>$4,860,565</td>
<td>$5,480,992</td>
<td>$4,944,154</td>
<td>$(536,837)</td>
<td>-9.79%</td>
</tr>
<tr>
<td>September</td>
<td>$7,531,310</td>
<td>$8,381,960</td>
<td>$7,331,598</td>
<td>$(1,050,362)</td>
<td>-12.53%</td>
</tr>
<tr>
<td>October</td>
<td>$9,994,494</td>
<td>$11,028,260</td>
<td>$9,638,616</td>
<td>$(1,389,644)</td>
<td>-12.60%</td>
</tr>
</tbody>
</table>

BILLED REVENUES COMPARATIVE CHART
As of October: FY 2017, 2018 & 2019

1. revenue comparison
## CASH RECEIPTS (W/U) COMPARATIVE REPORT
For Fiscal Years 2017, 2018 & 2019

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Cum. Inc (Dec)</th>
<th>% of Inc (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$2,036,499</td>
<td>$2,385,872</td>
<td>$2,449,372</td>
<td>$63,500</td>
<td>3%</td>
</tr>
<tr>
<td>August</td>
<td>$4,881,715</td>
<td>$5,504,876</td>
<td>$4,946,100</td>
<td>$(558,776)</td>
<td>-10%</td>
</tr>
<tr>
<td>September</td>
<td>$7,182,779</td>
<td>$8,155,772</td>
<td>$7,122,906</td>
<td>$(1,032,866)</td>
<td>-1.3%</td>
</tr>
<tr>
<td>October</td>
<td>$9,806,314</td>
<td>$11,034,364</td>
<td>$9,651,558</td>
<td>$(1,382,805)</td>
<td>-1.3%</td>
</tr>
</tbody>
</table>

## Cash Receipts Comparative Chart
As of October: FY 2017, 2018 & 2019

- **FY 2017**: Blue Line
- **FY 2018**: Red Line
- **FY 2019**: Green Line
METERED CONSUMPTION (000 GALLONS) MONTHLY COMPARATIVE CHART
For Fiscal Years 2017, 2018 & 2019
(expressed in thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>INC (DEC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>436,238</td>
<td>383,831</td>
<td>344,364 *</td>
<td>-39,467 *</td>
</tr>
<tr>
<td>August</td>
<td>361,599</td>
<td>380,414</td>
<td>348,569</td>
<td>-31,845</td>
</tr>
<tr>
<td>September</td>
<td>415,176</td>
<td>399,598</td>
<td>325,351</td>
<td>-74,247</td>
</tr>
<tr>
<td>October</td>
<td>384,934</td>
<td>373,247</td>
<td>328,575</td>
<td>-44,672</td>
</tr>
</tbody>
</table>

MONTHLY CONSUMPTION COMPARATIVE CHART
As of October, FY 2017, 2018 & 2019

* refer to monthly summary highlights

3. 12 mo. consumption comp
YTD METERED CONSUMPTION (000 GALLONS) COMPARATIVE REPORT
For Fiscal Years 2017, 2018 & 2019
(expressed in thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>CUM. INC (DEC)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>363,695</td>
<td>383,831</td>
<td>344,364</td>
<td>-39,467</td>
<td>-10%</td>
</tr>
<tr>
<td>August</td>
<td>699,151</td>
<td>764,245</td>
<td>692,933</td>
<td>-71,312</td>
<td>-9%</td>
</tr>
<tr>
<td>September</td>
<td>1,070,588</td>
<td>1,163,843</td>
<td>1,018,284</td>
<td>-145,559</td>
<td>-13%</td>
</tr>
<tr>
<td>October</td>
<td>1,415,130</td>
<td>1,537,090</td>
<td>1,346,859</td>
<td>-190,231</td>
<td>-12%</td>
</tr>
</tbody>
</table>

YTD WATER CONSUMPTION COMPARATIVE CHART
As of October: FY 2017, 2018 & 2019

4. ytdconsumption (000 gallons)
### Assets and Deferred Outflows

**Current Assets**

<table>
<thead>
<tr>
<th></th>
<th>October 31,</th>
<th>October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Cash</td>
<td>11,630,317</td>
<td>8,176,194</td>
</tr>
<tr>
<td>Equity interest in pooled investments</td>
<td>21,940,096</td>
<td>5,143,934</td>
</tr>
</tbody>
</table>

**Receivables:**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts, net of allowance for doubtful accounts*</td>
<td>1,466,659</td>
<td>1,664,765</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unbilled accounts</td>
<td>1,294,493</td>
<td>1,525,416</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>148,085</td>
<td>169,693</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>-</td>
<td>80,749</td>
</tr>
<tr>
<td><strong>Total receivables</strong></td>
<td>2,090,237</td>
<td>3,440,623</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials and supplies</td>
<td>1,087,256</td>
<td>1,097,060</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>121,821</td>
<td>69,980</td>
</tr>
<tr>
<td><strong>Total current asset</strong></td>
<td>37,688,727</td>
<td>17,927,792</td>
</tr>
</tbody>
</table>

**Restricted Assets:**

**Facility reserve charge funds:**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>986,351</td>
<td>702,796</td>
</tr>
<tr>
<td>Accounts receivable and other</td>
<td>68,065</td>
<td>72,726</td>
</tr>
<tr>
<td><strong>Total facility reserve charge funds</strong></td>
<td>1,054,416</td>
<td>775,522</td>
</tr>
</tbody>
</table>

**Bond funds:**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>(135,915)</td>
<td>1,537,566</td>
</tr>
<tr>
<td>Investments</td>
<td>12,128,545</td>
<td>12,940,213</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>26,147</td>
<td>57,536</td>
</tr>
<tr>
<td><strong>Total bond funds</strong></td>
<td>12,018,777</td>
<td>14,535,316</td>
</tr>
</tbody>
</table>

**Total restricted assets**

<table>
<thead>
<tr>
<th></th>
<th>October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Total restricted assets</strong></td>
<td>13,073,192</td>
</tr>
</tbody>
</table>

**Equity Interest in Pooled Investment - Noncurrent**

<table>
<thead>
<tr>
<th></th>
<th>October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Equity Interest in Pooled Investment - Noncurrent</strong></td>
<td>21,635,754</td>
</tr>
</tbody>
</table>

**Utility Plant:**

<table>
<thead>
<tr>
<th></th>
<th>October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>In service</td>
<td>338,615,449</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(130,381,833)</td>
</tr>
<tr>
<td><strong>Total utility plant</strong></td>
<td>208,233,616</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Construction work in progress</td>
<td>7,426,667</td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td>215,660,283</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>288,057,956</td>
</tr>
</tbody>
</table>

**Deferred Outflow of Resources**

<table>
<thead>
<tr>
<th></th>
<th>October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Deferred Outflow of Resources</strong></td>
<td>5,213,419</td>
</tr>
</tbody>
</table>

**Total assets and deferred outflows of resources**

<table>
<thead>
<tr>
<th></th>
<th>October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Total assets and deferred outflows of resources</strong></td>
<td>293,271,374</td>
</tr>
</tbody>
</table>

*Allowance for doubtful accounts

<table>
<thead>
<tr>
<th></th>
<th>October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Allowance for doubtful accounts</strong></td>
<td>(249,820)</td>
</tr>
</tbody>
</table>

Schedule IV - Comparative Balance Sheet
**Liabilities, Deferred Inflows and Net Position**

<table>
<thead>
<tr>
<th></th>
<th>October 31, 2018</th>
<th>October 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>2,364,629</td>
<td>2,001,174</td>
</tr>
<tr>
<td>Contracts payable, including retainages</td>
<td>154,961</td>
<td>11,607</td>
</tr>
<tr>
<td>Due to/Due From Other Funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customer overpayment</td>
<td>191,979</td>
<td>131,753</td>
</tr>
<tr>
<td>Customer deposits and advances</td>
<td>462,680</td>
<td>420,345</td>
</tr>
<tr>
<td>Current portion of long term debt</td>
<td>4,883,749</td>
<td>4,835,459</td>
</tr>
<tr>
<td>Current portion of capital lease obligation</td>
<td>522,561</td>
<td>742,465</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>8,580,559</td>
<td>8,142,804</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>68,568,566</td>
<td>73,554,407</td>
</tr>
<tr>
<td>Capital Lease Obligation</td>
<td>4,058</td>
<td>526,619</td>
</tr>
<tr>
<td>OPEB &amp; Retirement Benefits</td>
<td>23,842,823</td>
<td>17,312,468</td>
</tr>
<tr>
<td>Accrued Vacation and Compensatory Pay</td>
<td>1,354,351</td>
<td>1,329,046</td>
</tr>
<tr>
<td>Deferred Inflow of Assets</td>
<td>1,052,128</td>
<td>338,104</td>
</tr>
<tr>
<td><strong>Total liabilities and deferred inflows:</strong></td>
<td>103,402,484</td>
<td>101,203,448</td>
</tr>
<tr>
<td><strong>Net Position:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Utility Reserves</td>
<td>10,200,000</td>
<td>10,200,000</td>
</tr>
<tr>
<td>Restricted FRC</td>
<td>1,046,565</td>
<td>771,727</td>
</tr>
<tr>
<td>Restricted Build American Bonds</td>
<td>11,889,458</td>
<td>14,531,191</td>
</tr>
<tr>
<td>Invested in Capital Assets Net of Related Debt</td>
<td>141,697,327</td>
<td>136,060,336</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>25,035,539</td>
<td>31,357,358</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>189,868,890</td>
<td>192,920,611</td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows and net position:</strong></td>
<td>293,271,374</td>
<td>294,124,059</td>
</tr>
</tbody>
</table>
## Accounts Receivable Aging Summary

**As of October, 2018**

### Bar Graph

- **Accounts Receivable Aging Summary**
- **Bar Graph**
- **0-30 days**
- **31-60 days**
- **61-90 days**
- **91-120 days**
- **121 days and over**
- **Total AR**

### Table

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30 days</td>
<td>$1,700,000.00</td>
<td>$1,381,000.00</td>
<td>$1,129,000.00</td>
<td>$1,256,328.29</td>
<td>$1,298,122.24</td>
<td>$1,314,863.92</td>
<td>$1,351,227.24</td>
<td>$1,600,020.74</td>
<td>$1,620,852.50</td>
<td>$1,579,024.18</td>
<td>$1,548,580.07</td>
<td>$1,493,136.73</td>
</tr>
<tr>
<td>31-60 days</td>
<td>$1,819,608.00</td>
<td>$1,314,000.00</td>
<td>$1,198,000.00</td>
<td>$1,256,328.29</td>
<td>$1,298,122.24</td>
<td>$1,314,863.92</td>
<td>$1,351,227.24</td>
<td>$1,600,020.74</td>
<td>$1,620,852.50</td>
<td>$1,579,024.18</td>
<td>$1,548,580.07</td>
<td>$1,493,136.73</td>
</tr>
<tr>
<td>61-90 days</td>
<td>$1,381,000.00</td>
<td>$1,314,000.00</td>
<td>$1,198,000.00</td>
<td>$1,256,328.29</td>
<td>$1,298,122.24</td>
<td>$1,314,863.92</td>
<td>$1,351,227.24</td>
<td>$1,600,020.74</td>
<td>$1,620,852.50</td>
<td>$1,579,024.18</td>
<td>$1,548,580.07</td>
<td>$1,493,136.73</td>
</tr>
<tr>
<td>91-120 days</td>
<td>$1,819,608.00</td>
<td>$1,314,000.00</td>
<td>$1,198,000.00</td>
<td>$1,256,328.29</td>
<td>$1,298,122.24</td>
<td>$1,314,863.92</td>
<td>$1,351,227.24</td>
<td>$1,600,020.74</td>
<td>$1,620,852.50</td>
<td>$1,579,024.18</td>
<td>$1,548,580.07</td>
<td>$1,493,136.73</td>
</tr>
<tr>
<td>121 days and over</td>
<td>$1,819,608.00</td>
<td>$1,314,000.00</td>
<td>$1,198,000.00</td>
<td>$1,256,328.29</td>
<td>$1,298,122.24</td>
<td>$1,314,863.92</td>
<td>$1,351,227.24</td>
<td>$1,600,020.74</td>
<td>$1,620,852.50</td>
<td>$1,579,024.18</td>
<td>$1,548,580.07</td>
<td>$1,493,136.73</td>
</tr>
<tr>
<td>Total AR</td>
<td>$2,860,351.81</td>
<td>$2,519,208.00</td>
<td>$2,055,000.00</td>
<td>$2,454,328.93</td>
<td>$2,670,322.24</td>
<td>$2,874,863.92</td>
<td>$3,101,227.24</td>
<td>$3,500,020.74</td>
<td>$3,620,852.50</td>
<td>$3,579,024.18</td>
<td>$3,548,580.07</td>
<td>$3,493,136.73</td>
</tr>
</tbody>
</table>

*Total AR is net of Customer deposits and overpayments.

**AR Aging Summary**

($124,798.31) ($137,657.02) ($124,798.31) ($124,798.31) ($124,798.31) ($124,798.31) ($124,798.31) ($124,798.31) ($124,798.31) ($124,798.31) ($124,798.31) ($124,798.31)
### DEPARTMENT OF WATER

**SUMMARY OF MCUTS**  
As of October, 2018

<table>
<thead>
<tr>
<th>FY</th>
<th>MONTHS</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Count</td>
<td>19</td>
<td>28</td>
<td>38</td>
<td>42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>127</td>
</tr>
<tr>
<td></td>
<td>Delinquent</td>
<td>$2,234.03</td>
<td>$2,776.27</td>
<td>$2,111.04</td>
<td>$5,865.59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12,986.93</td>
</tr>
<tr>
<td></td>
<td>Collection</td>
<td>$3,279.94</td>
<td>$3,121.47</td>
<td>$5,710.27</td>
<td>$7,216.63</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19,328.31</td>
</tr>
</tbody>
</table>

*No MCuts, new cloud service products were being tested and validated for roll out. Staff were working closely with Consultants, training, testing and validating customer accounts into a test company.*

<table>
<thead>
<tr>
<th>FY</th>
<th>MONTHS</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Count</td>
<td>86</td>
<td>16</td>
<td>33</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>17</td>
<td>66</td>
<td>126</td>
<td>79</td>
<td>37</td>
<td>39</td>
<td>510</td>
</tr>
<tr>
<td></td>
<td>Delinquent</td>
<td>$34,440.52</td>
<td>$5,406.27</td>
<td>$7,888.51</td>
<td>$3,824.19</td>
<td>*</td>
<td>*</td>
<td>$4,480.86</td>
<td>$27,291.52</td>
<td>$32,214.96</td>
<td>$8,170.17</td>
<td>$4,851.25</td>
<td>$5,256.04</td>
<td>$133,824.29</td>
</tr>
<tr>
<td></td>
<td>Collection</td>
<td>$24,657.80</td>
<td>$3,169.74</td>
<td>$8,051.50</td>
<td>$3,672.65</td>
<td>*</td>
<td>*</td>
<td>$4,175.66</td>
<td>$21,376.92</td>
<td>$30,795.56</td>
<td>$7,472.17</td>
<td>$5,693.23</td>
<td>$3,217.21</td>
<td>$112,282.44</td>
</tr>
</tbody>
</table>

*No MCuts, new cloud service products were being tested and validated for roll out. Staff were working closely with Consultants, training, testing and validating customer accounts into a test company.*

<table>
<thead>
<tr>
<th>FY</th>
<th>MONTHS</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Count</td>
<td>37</td>
<td>0</td>
<td>0</td>
<td>58</td>
<td>22</td>
<td>22</td>
<td>23</td>
<td>11</td>
<td>9</td>
<td>14</td>
<td>33</td>
<td>142</td>
<td>371</td>
</tr>
<tr>
<td></td>
<td>Delinquent</td>
<td>$17,602.72</td>
<td>**</td>
<td>**</td>
<td>$35,186.00</td>
<td>$12,573.35</td>
<td>$13,892.54</td>
<td>$16,357.08</td>
<td>$5,635.81</td>
<td>$6,548.66</td>
<td>$15,735.65</td>
<td>$9,379.66</td>
<td>$40,447.77</td>
<td>$172,856.48</td>
</tr>
<tr>
<td></td>
<td>Collection</td>
<td>$12,908.83</td>
<td>$ -</td>
<td>$ -</td>
<td>$31,389.78</td>
<td>$9,791.37</td>
<td>$8,088.34</td>
<td>$15,205.41</td>
<td>$3,596.94</td>
<td>$2,520.71</td>
<td>$6,793.88</td>
<td>$8,051.50</td>
<td>$37,144.99</td>
<td>$136,209.11</td>
</tr>
</tbody>
</table>

**No MCuts for August & September, 2016. DOW implemented its own instance of CC&B on October 3, 2016. The staff were doing testing and validations prior to the 10/16 conversion rollout.**

<table>
<thead>
<tr>
<th>FY</th>
<th>MONTHS</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>Count</td>
<td>11</td>
<td>26</td>
<td>33</td>
<td>61</td>
<td>17</td>
<td>12</td>
<td>58</td>
<td>31</td>
<td>30</td>
<td>9</td>
<td>21</td>
<td>0</td>
<td>309</td>
</tr>
<tr>
<td></td>
<td>Delinquent</td>
<td>$5,744.14</td>
<td>$13,988.13</td>
<td>$25,960.00</td>
<td>$37,591.19</td>
<td>$13,892.54</td>
<td>$5,260.00</td>
<td>$38,283.90</td>
<td>$18,769.82</td>
<td>$22,316.40</td>
<td>$27,403.03</td>
<td>$15,672.69</td>
<td>$ -</td>
<td>$224,881.84</td>
</tr>
<tr>
<td></td>
<td>Collection</td>
<td>$3,137.70</td>
<td>$7,426.69</td>
<td>$16,528.53</td>
<td>$16,453.27</td>
<td>$11,492.90</td>
<td>$4,585.84</td>
<td>$18,475.00</td>
<td>$9,384.49</td>
<td>$17,195.51</td>
<td>$19,383.85</td>
<td>$11,733.26</td>
<td>$ -</td>
<td>$135,797.04</td>
</tr>
</tbody>
</table>
Public Notices and Announcements
All news releases were also published on the Department’s Facebook and Twitter social media pages.

- **Water service shutdown in Lāwa‘i on November 1**
  - A news release was issued on October 29, 2018 to announce a scheduled water service shutdown for customers located on a portion of Akemama Road; from Kaumualii‘i Highway to the north end of Akemama Road, including Lawaiuka Road, Paliuli Lane, Ilī Road, Uumauma Road and a portion of Kua Road; from Ilī Road to the north end of Kua Road in Lāwa‘i on Thursday, November 1, 2018 from 9 a.m. to 3 p.m., weather permitting.
  - A televised news announcement on the scheduled service shutdown was featured on KITV news on Nov. 1, 2018. *(Attached)*

- **Blessing held for Hanapēpē-Ele‘ele Booster Pump Station Project**
  - A news release was issued on November 7, 2018 announcing the commencement and completed blessing ceremony for the Hanapēpē-Ele‘ele Booster Pump Station Project. The blessing was held at the project site located on Ko Road in Hanapēpē.

Public Relations Program
Education & Community Outreach
- A water education editorial and advertisement was composed and submitted for the Kaua‘i Family Magazine’s Winter Issue. *(Attached)*
- The October 31st water conservation presentation; in partnership with YWCA, at Waimea Canyon Middle School was postponed due to the program’s schedule conflict.
- Jonell Kaohelaulii and Jason Fujinaka participated in the Career Day event at Wilcox Elementary School on November 2, 2018. The presentation focused on the working relationships and positions within the Department’s seven divisions and also included a behind the scenes slideshow of a recent service lateral repair. A total of three presentations were conducted, reaching approximately 150 students. All students received a copy of the Project WET Groundwater activity booklet.

Coordination of Department Projects & Events
- PR coordinated the project blessing ceremony for the Hanapēpē-Ele‘ele Booster Pump Station Project on October 19, 2018 at the project’s site on Ko Road in Hanapēpē. Contractor Wasa Electrical Hawai‘i Inc. assisted with set up of the event tent and provided tables and chairs.

Upcoming Community Outreach & Educational Events
- November 28, 2018 – Career Day at King Kaumualii‘i Elementary School
- February 20-21, 2019 – Project WET presentation at the Pacific Water Conference

Project WET Hawaii
Project WET Certification Workshops
- A Project WET Educator training workshop was held on October 11, 2018 in Hilo, Hawai‘i and was conducted by facilitator, Dan Chang of the Department of Health-Safe Drinking
Water Branch with assistance by Department of Water, County of Hawai‘i. Three Hilo Educators were certified in Project WET at the workshop.

- Following the Hilo workshop, Project WET received additional interest for training from educators at Hilo Union Elementary School. A certification workshop is being planned for summer 2019, to meet the requested needs of both the school and Project WET’s statewide goals.

**Project WET Hawai‘i Outreach**

- Jonell Kaohelaulii was a speaker at the Hawai‘i Water Works Association 57th Annual Conference on Nov. 8th to advocate for Project WET Hawai‘i and share the Department’s experience and successful application of Project WET’s award-winning water education curriculum in community education and outreach efforts. Approximately 30 attendees participated in the session and Jonell received 2 candidates for facilitator positions.
- Project WET has received requests from Maui and O‘ahu to provide certification workshops for both Facilitator and Educator positions. Jonell will coordinate resources and training opportunities these requests to continue to support the expansion of Project WET statewide. Training workshops are being planned for the first quarter of 2019.

**Miscellaneous**

- DOW participated in the County of Kaua‘i Employee Council’s “Spooktacular” event on Friday, Oct 26, 2018 by providing a water and juice station for attendees.

JSK/ein

Attachments:  
- “Evaporation, Condensation, Precipitation and Repeat” Kaua‘i Family Magazine  
- “Water service shutting down for some Kaua‘i residents” KITV news.com

Mgrp/November 2018/Information & Education Specialist Report (11-21-18):ein
Where does our drinking water come from?
When rain water is absorbed by the earth’s soil, the water begins an underground journey, percolating downward through soil and volcanic rock to produce clean, purified water. The water is then collected naturally and stored within the island’s porous volcanic fractures to form a lens-shaped body of fresh water called an aquifer. The aquifer is the source of most of Kaua‘i’s drinking water.

How does the water cycle affect our drinking water?
Our fresh water supply is closely dependent upon the water cycle.

The ocean, streams, vegetated landscapes, trade winds and other elements of the environment work together to form a continuous water cycle that creates evaporation, condensation, and eventually leads to precipitation; such as rain. Rain falls from the clouds to the earth and helps to replenish our aquifers. During winter, in areas where precipitation turns into snow, aquifers are replenished at a slower pace.

The Kaua‘i Department of Water (DOW) is committed to water conservation and education to support a healthy and sustainable water future. For more info www.kauaiwater.org
Water service shutting down for some Kaua’i residents

Ili, Umauma and Kua Road’s service will also be shut down until 3 p.m. Thursday to conduct improvements to a water main line.

Thursday, November 1st, 2018, 2:01 PM HST by Lindsey Fukano

DEPARTMENT OF WATER
SHUTTING DOWN SERVICE IN LAWA”, KAUA’I

› For improvements to water main line
› Akemama Road
› Kaumualii Highway
› Lawai’uka Road
› Pali’uli Lane

HONOLULU - Heads up for Kaua’i residents!

The Department of Water is shutting down service starting Thursday along portions of Akemama Road, Kaumualii Highway, Lawai'uka Road and Pali'uli Lane.

Ili, Umauma and Kua Road’s service will also be shut down until 3 p.m. Thursday to conduct improvements to a water main line.
Operations Division Report for the Month of October 2018

Personnel

- Two Operations personnel took the Distribution System Operator exam. Results pending.

Source and Storage

- Maintenance Workers continued cleaning of various remote facilities island-wide. Works included clearing of vegetation and drainage as well as repair and construction of structures and facilities.

- Water Plant Operators performed routine inspection and maintenance at all sites including valve maintenance, piping repair and replacement, chlorination equipment maintenance, and mixing of sodium hypochlorite.

- Kekaha Shaft/Well refurbishment contract on-going. DOW personnel flushing and sampling/testing the well.

- Waipao Valley Well refurbishment contract on-going.

- Hanamā'ulu Wells 1 & 2 abandonment contract on-going. Contractor preparing schedule.

- Electrical workers performed routine electrical maintenance at all sites including SCADA radio troubleshooting, electrical wiring for motor controls, lighting repair and replacement.

- Auto mechanics performed routine maintenance of all DOW vehicle and equipment including light, medium and heavy vehicles as well as construction equipment and generators.

Distribution

- Operations Division Field Section crews continue to perform live taps and routine leak repair of service laterals and mainlines. Field Section personnel assisted for the tie-in of 2 development projects; and responded to and completed forty (40) leak repair work orders.

- Field Section personnel installed/relocated three (3) service laterals.

- Operations personnel continue coordinating with FEMA on completion and submittal of documents as well as site inspections of damaged facilities.
• We received a total of 70 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including complaints of no water, complaints of low pressure, high pressure, calls requesting remote site/facility grounds and vegetation maintenance, calls for assistance in shutting off the water meter, calls reporting damaged meter box and cover, reports of leaking or damaged fire hydrants and report of white milky water. Work orders were generated and all calls resolved. Leak after the meter needs to be addressed by the customer.

Fleet, Inventory, Warehouse and Baseyard Area

• For the month of October, a total of one hundred ninety (190) work orders were issued for Operations Division. Works included: electrical repairs and maintenance; automotive repairs and maintenance including power generator maintenance; Hawai‘i one call requests for markings; water meter installation and replacement; service lateral installations; leak repairs; well, tank site and PRV maintenance; replace damaged meter boxes; repair defective meters; replace damaged or leaking hydrant; door-to-door customer notifications for tie-ins of new lines to existing lines as well as notifications regarding scheduled repairs; callouts due to customer complaints/reports; meter replacement requests; Hawai‘i One Call relative to contractor’s requests for markings.

• For the month of October 2018, forty four (44) Hawaii One Call requests for markings were received. Also, 42 meters were either replaced, repaired, issued or installed.

• A consultant for the Baseyard Renovation - Preliminary Engineering Report and Assessment was selected, finalizing costs and fund transfer from Operations to Engineering.

VPR/ein

Attachments: Overtime Chart
Leak Report Chart
Consumption Chart
## Work Orders by Job Reason Code for Selected Date Range

**Date Range:**
- From 10/01/2017 to 10/31/2018

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>6</td>
<td>LEAK-CALOU</td>
<td>LEAK CALL OUT</td>
</tr>
<tr>
<td>3</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>109</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>124</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
</tbody>
</table>

### Work Orders by Job Reason Code

- **LEAK-BOX:** 26 orders (9.7%)
- **LEAK-CALOU:** 6 orders (2.2%)
- **LEAK-CUST:** 3 orders (1.1%)
- **LEAK-MAIN:** 109 orders (40.7%)
- **LEAK-S/L:** 124 orders (46.3%)

Total: 100.0%
Number of Leak Repairs per Month
### Monthly Water Produced, Customer Meter Read and Waterloss Comparison For Calendar Year 2017/2018

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Produced (Kgals.)</strong></td>
<td>405,489</td>
<td>373,942</td>
<td>350,459</td>
<td>369,875</td>
<td>316,833</td>
<td>321,327</td>
<td>351,030</td>
<td>367,094</td>
<td>377,075</td>
<td>386,875</td>
<td>379,321</td>
<td>370,788</td>
<td>3,233,123</td>
</tr>
<tr>
<td><strong>Customer Meter Read (Kgals.)</strong></td>
<td>373,660</td>
<td>332,876</td>
<td>322,236</td>
<td>323,671</td>
<td>292,441</td>
<td>295,052</td>
<td>293,328</td>
<td>322,593</td>
<td>329,262</td>
<td>377,682</td>
<td>325,351</td>
<td></td>
<td>2,885,119</td>
</tr>
<tr>
<td><strong>Waterloss (Kgals.)</strong></td>
<td>31,829</td>
<td>41,066</td>
<td>28,223</td>
<td>46,204</td>
<td>24,392</td>
<td>26,275</td>
<td>57,703</td>
<td>44,501</td>
<td>47,813</td>
<td>9,193</td>
<td>53,970</td>
<td>370,788</td>
<td>348,004</td>
</tr>
<tr>
<td><strong>Waterloss (%)</strong></td>
<td>7.8</td>
<td>11.0</td>
<td>8.1</td>
<td>12.5</td>
<td>7.7</td>
<td>8.2</td>
<td>16.4</td>
<td>12.1</td>
<td>12.7</td>
<td>2.4</td>
<td>14.2</td>
<td>100.0</td>
<td>10.8</td>
</tr>
<tr>
<td><strong>Waterloss (G)</strong></td>
<td>40,646</td>
<td>52,441</td>
<td>36,041</td>
<td>59,002</td>
<td>31,148</td>
<td>33,553</td>
<td>73,686</td>
<td>56,827</td>
<td>61,057</td>
<td>11,739</td>
<td>68,919</td>
<td>473,497</td>
<td>444,401</td>
</tr>
<tr>
<td><strong>Waterloss (gal/conv/day)</strong></td>
<td>48.86</td>
<td>61.01</td>
<td>43.33</td>
<td>66.50</td>
<td>36.24</td>
<td>38.73</td>
<td>87.85</td>
<td>68.32</td>
<td>71.03</td>
<td>14.11</td>
<td>80.18</td>
<td>550.86</td>
<td>43.56</td>
</tr>
</tbody>
</table>

---

**Note:** The table and chart above provide a detailed comparison of water produced, customer meter reads, waterloss, un billed percentage, and waterloss per gallon per convolution per day for each month of the calendar year 2017/2018.
MANAGER’S UPDATE

November 21, 2018

Pursuant to Board Policy No. 3

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

(1) CONTRACT AWARD TO HT&T TRUCK CENTER FOR THE FURNISHING AND DELIVERY OF ONE (1) 37,600 GVW CAB AND CHASSIS WITH (8) CUBIC YARD DUMP BODY IN THE AMOUNT OF $155,731.95

FUNDING:

<table>
<thead>
<tr>
<th>Account No.</th>
<th>10-40-00-604-999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acct Description</td>
<td>WU/Ops/Capital Outlay – Rehabilitation and Replacement/Equipment</td>
</tr>
<tr>
<td>Funds Available</td>
<td>Verified by WWC</td>
</tr>
<tr>
<td></td>
<td>$165,000.00</td>
</tr>
<tr>
<td>Contract No.</td>
<td></td>
</tr>
<tr>
<td>Vendor</td>
<td>HT&amp;T Truck Center</td>
</tr>
<tr>
<td>Contract Amount</td>
<td>$155,731.95</td>
</tr>
<tr>
<td>5% Contingency</td>
<td>$0</td>
</tr>
<tr>
<td>Total Funds Certified</td>
<td>$155,731.95</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>$9,268.05</td>
</tr>
</tbody>
</table>

BACKGROUND:
The Department procured the purchase of a new dump truck for the Equipment Operator position within Operations Division Field Section. This vehicle will replace the existing dump truck, which has been incurring a high number of expenses due to the heavy usage required to perform the daily activities of the position.

(2) CONTRACT AWARD TO HAWTHORNE PACIFIC CORPORATION FOR THE FURNISHING AND DELIVERY OF VARIOUS SIZE EMERGENCY GENERATORS IN THE AMOUNT OF $156,913.01

FUNDING:

<table>
<thead>
<tr>
<th>Account No.</th>
<th>10-40-00-605-999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acct Description</td>
<td>WU/Ops/Capital Outlay – Expansion/Equipment</td>
</tr>
<tr>
<td>Funds Available</td>
<td>Verified by WWC</td>
</tr>
<tr>
<td></td>
<td>$328,000.00</td>
</tr>
<tr>
<td>Contract No.</td>
<td></td>
</tr>
<tr>
<td>Vendor</td>
<td>Hawthorne Pacific Corporation</td>
</tr>
</tbody>
</table>
MANAGER'S UPDATE
Re: Manager's Update for October 2018 through November 2018
November 21, 2018
Page 2 of 7

<table>
<thead>
<tr>
<th>Contract Amount</th>
<th>$156,913.01</th>
</tr>
</thead>
<tbody>
<tr>
<td>5% Contingency</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Total Funds Certified</td>
<td>$156,913.01</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>$171,086.99</td>
</tr>
</tbody>
</table>

BACKGROUND:

The Department procured the purchase of four new emergency generators for deployment to remote sites that currently have no emergency power backup. The new generators will allow for a more resilient water system and provide water for more customers in emergencies.

10 kW Diesel Generator – Wainiha Booster Pump Site
25 kVA Diesel Generator – Nursery Tank Booster Pump Site
45 kVA Diesel Generator – Puupuilo Booster Pump Site
125 kVA Diesel Generator – Operations Baseyard Facilities

(3) CONTRACT AWARD TO KING AUTO CENTER FOR THE FURNISHING AND DELIVERY OF ONE (1) REGULAR CAB PICKUP TRUCK WITH LIFTGATE AND ACCESSORIES IN THE AMOUNT OF $39,766.94

FUNDING:

<table>
<thead>
<tr>
<th>Account No.</th>
<th>10-40-00-605-999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acct Description</td>
<td>WU/Ops/Capital Outlay – Expansion/Equipment</td>
</tr>
<tr>
<td>Funds Available</td>
<td>Verified by WWC</td>
</tr>
<tr>
<td></td>
<td>$171,086.99</td>
</tr>
</tbody>
</table>

Contract No.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>King Auto Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Amount</td>
<td>$39,766.94</td>
</tr>
<tr>
<td>5% Contingency</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Total Funds Certified</td>
<td>$39,766.94</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>$131,320.05</td>
</tr>
</tbody>
</table>

BACKGROUND:

The Department procured the purchase of a new truck for the Groundskeeper position within Operations Division Plant Section. This vehicle will allow the Groundskeeper to perform the functions of his position which include removing vegetation from worksites and hauling equipment for grounds maintenance of remote area sites. With this purchase, the groundskeeper can work independently at remote sites without having to wait for an available vehicle.
(4) CONTRACT AWARD TO HDR FOR JOB NO. 19-02, DEPARTMENT OF WATER BASEYARD MASTER PLAN IN THE AMOUNT OF $301,983.34

FUNDING:

<table>
<thead>
<tr>
<th>Account No.</th>
<th>10-20-10-540-010</th>
<th>Acct Description</th>
<th>WU/Eng/Admin/Professional Services</th>
<th>$ 398,022.84</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Transfer of Funds from:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Account No.</td>
<td>10-40-60-540-010</td>
<td>Acct Description</td>
<td>WU/Ops/TandD/Professional Services-General</td>
<td>$(275,000.00) $ 275,000.00</td>
</tr>
<tr>
<td>Funds Available</td>
<td>10-20-10-540-010</td>
<td>Verified by WWC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract No.</td>
<td>HDR</td>
<td>Vendor</td>
<td>HDR</td>
<td></td>
</tr>
<tr>
<td>Contract Amount</td>
<td>$ 301,983.34</td>
<td>5% Contingency</td>
<td>$ 15,099.00</td>
<td></td>
</tr>
<tr>
<td>Total Funds Certified</td>
<td>$ 317,082.34</td>
<td>Fund Balance</td>
<td>$ 355,940.50</td>
<td></td>
</tr>
</tbody>
</table>

BACKGROUND:

The Department of Water (DOW) is in need of addressing the current uses of its baseyard facilities and space to accommodate changing needs and future growth of DOW. DOW is facing spatial challenges for a number of needs, including employee and equipment parking, staff work areas, and material and equipment storage. With the construction of the new administration building in 2016, the old administration building left an opportunity for DOW to efficiently plan for the development of the baseyard to accommodate all current and project future needs through proper development and analysis.

The DOW Baseyard Master Plan project will address all existing and projected personnel, equipment, material, and facility needs and map out phases of improvements that DOW can construct to satisfy needs of the DOW while still efficiently accomplishing its daily operations.

The funding for the project was originally budgeted under the Operations Division’s professional services. However, Engineering will be managing the contract and the budgeted amount of $275,000.00 will be transferred from the Operations professional services account to the Engineering professional services account. Remaining funds from Engineering professional services will be used to supplement funding for the project.

Funding was budgeted for the project at an estimated amount of $275,000.00. The Department solicited the project and the proposal fee was $301,983.34 to accomplish the work. Upon review of the proposal, the price was determined to be fair and reasonable. Sufficient funding is available to fund the proposed amount plus a 5% contingency for the project.

WAIVER RELEASE & INDEMNITY APPLICATIONS:
None
STAFF REPORTS - FY 17-18:

PERSONNEL MATTERS

November 13, 2018

RECRUITMENT AND POSITION ACTIONS

Construction Management Division

1. Civil Engineer III #2351. As of 11/13/2018, received eligibles list from the Department of Human Resources (DHR).
2. Civil Engineer V #2355. As of 11/13/2018, pending eligibles list.

Engineering Division

1. Civil Engineer II #2458. Coordinated interviews on 11/19/2018.

Fiscal Division

1. Accountant I #2488. As of 11/13/2018, pending eligibles list. Accounting also reviewing position description for potential re-description.

Operations Division

2. Construction and Maintenance Worker II #2487. As of 11/13/2018, DHR reviewing request for re-description.

Hires, Separations and Position Changes:

3. Maintenance Worker II #2452. Separation (Resignation) effective 11/21/2018 COB.
Pursuant to Board Policy No. 24

CONVEYANCE OF WATER FACILITIES $570,510.00

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Project Numbers</th>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/21/2018</td>
<td>SPD II Makaiwa Resort Development LLC, a New York limited liability company</td>
<td>4-3-002:015; 4-3-002:016; 4-3-002:020</td>
<td>Kapaa</td>
<td>$83,420.00</td>
</tr>
<tr>
<td>11/21/2018</td>
<td>Kukui‘ula Development Company (Hawai‘i) LLC, a Hawai‘i limited liability company</td>
<td>2-6-022:019; 2-6-022:020; 2-6-022:021; 2-6-022:023; 2-6-022:024; 2-6-003:032;</td>
<td>Poipu</td>
<td>$487,090.00</td>
</tr>
</tbody>
</table>

CUSTOMER CARE AND BILLING (CC&B) SYSTEM UPDATE:
At the October 26, 2018 Board meeting the Board approved additional funds necessary for the Request for Proposal Customer Care and Billing Cloud Hosting and Support, which allows for the Department to enter into a contract with Prithibi Consulting Services. The Department is currently working towards executing a contract with Prithibi.

Background:
On October 3, 2016, the Department of Water (DOW) moved to our own billing system; Oracle Customer Care & Billing (CC&B). We have since upgraded the system and it is currently on version 2.5.0.2. The Department finds that the need to convert CC&B to a hosted solution is critical to the DOW’s operations to ensure that the billing system is functioning reliably. In addition, a hosted solution will allow for I.T. Staff to focus on the day to day operations of the DOW.

If the Department chose to forego the Cloud Hosting and Support, the cost just to renew our current Oracle products is approximately $170,000. While this amount would include upgrades, it would not include project management, technical support for upgrades and updates, and it would not include additional payment options or an online Customer Service Portal. In addition, our current version of CC&B would only be supported by Oracle until 2020 and the DOW would need to hire a consultant to help with the upgrade. Such an upgrade is estimated to cost over $800,000 and would also require additional staff time to assist with the testing.

There are no other viable options to pursue at this time which would provide reliable support for the Billing system prior to December 2018. The Department’s existing contract for CC&B management and technical support will end in December 2018 and without technical support the DOW could potentially lose functionality of the entire CC&B billing system. The repercussions of losing support for the billing system could be far reaching as the Department may not have a reliable means to accurately collect and track payments for the 21,700+ customers actively being billed. The DOW would also miss an opportunity to implement a customer service portal and provide long-awaited payment options to our customers such as credit card payments.

The proposal for cloud-hosting includes upgraded project management and other items which would benefit the department and increase our customer’s payment options. These benefits include, but are not limited to: a customer support portal which allows customers to view their account information online, the ability for customers to make payments via credit card, and the option for customers to download a payment application for mobile devices.
I.T. STRATEGIC PLAN UPDATE:
IT Plan:

November 13, 2018

BRIO came to the DOW October 1-5, 2018 and met with all Division Heads and requested staff from each division. BRIO conducted interviews and obtained feedback, determined requirements, and learned what and how divisions worked. BRIO presented their preliminary recommendations to the I.T. Steering Committee and Manager on October 4, 2018. It is anticipated that Brio will present their draft final recommendations to the DOW in November and will then incorporate any feedback from the Department into their final recommendations which will be presented to the Board. This is anticipated to occur in either the December 2018 or January 2019 Board meeting. The Department intends to initiate implementation of the I.T. Strategic Plan early in 2019.

GIS:
Mapping for the following water systems has been completed and has been released to the Department’s GIS users: Anahola / 'Anini / Hā'ena-Wainiha / Hanalei / Kīlauea / Lāwa‘i-Omao / Kalāheo / Kōloa-Poipu / Wailua-Kapa’a / Hanapēpē-'Ele'ele / Waimea-Kekaha

I.T. is currently working on Puhi-Lihue-Hanamaulu system and it is approximately 70% complete. I.T. is targeting completing this work within the 2018 calendar year.

I.T. is concurrently working on collecting GPS points island wide, primarily for the purpose of locating all 21,700+ water meters in the DOW’s system. We have collected approximately 60% of all the meters on the island to date and are targeting a goal of 99.0% identification within this fiscal year. This will better enable the meter readers and billing staff to locate and address any water meter related matters, ultimately providing improved customer service.

The DOW’s GIS license is expired and the County no longer provides for concurrent licensing. I.T. has subsequently installed a new license for individuals who have requested it.

IT Infrastructure:
I.T. is working with Hawaiian Tel and has generated a Telephone Change Request to take over a circuit we obtained through LavaNet.

Help Desk Update for October 2018:

October No. of Received Tickets: 183
October No. of Resolved Tickets: 169
Avg Response Time (hrs): 19:36
Avg Resolution Time (hrs): 02:55

To date, I.T. has received 520 requests and has 21 Open Tickets.

Miscellaneous:
- I.T. was instrumental in the set up and organization of the HWWA conference held at Koloa Landing from 11/7-11/9/18. Sandi Nadatani-Mendez was the Conference Chair.
- I.T. purchased 5 computers for WRP that will include dual monitors. Dual monitors are backlogged until mid-December.
- I.T. purchased Adobe Acrobat and has started installing Adobe Acrobat for the Department.
• Varidesk units has been set up for the Accounting, Billing, Construction Management, and Administration divisions. Operations division will be next. These units provide for employees to either sit or stand at their work station, which can improve health and productivity.

HAWAII WATERWORKS ASSOCIATION CONFERENCE, LIHU‘E KAUA‘I HAWAII (NOVEMBER 7-9, 2018) KOLOA LANDING UPDATE

The DOW hosted the 57th annual HWWA conference at Kōloa Landing and the event was considered a great success. Approximately 150 people attended the three day conference with the theme “Ka Wai Ola – Life Giving Waters”. The Department sent approximately half of our staff over the three day conference and benefited from a wide range of topics, speakers, and technical content. This year’s conference included keynote speaker Ka‘ala Souza, who presented additional sessions entitled “Four Lessons on Work-Life Balance”, “Where’s My Energy?”, and “Customer Service”. The conference also included a full day session for the ‘Water Audit Evaluation and Next Steps’, which featured a morning presentation and an afternoon field visit to a Department of Water production well site. Attendees provide positive feedback about the quality of the event and the hospitality shown by the staff from the County of Kaua‘i Department of Water.

MJA

Mgrrp/Manager’s Update (11-21-18):mja