BOARD OF WATER SUPPLY of the COUNTY OF KAUA‘I

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

THURSDAY, October 21, 2010

10:15 a.m.

Or thereabouts

A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES: Regular Meeting – September 16, 2010

E. CORRESPONDENCE / ANNOUNCEMENTS

None

F. BOARD COMMITTEE REPORTS

1. Report of the Finance Committee of the Kaua‘i County Board of Water Supply
   a. Claims Payable

2. Report of the Rules Committee of the Kaua‘i County Board of Water Supply
   a. Manager’s Report No. 11-23 – Request Approval of Payment of Claims and Disbursement of Funds Policy 15A
         i. Attached Proposed Draft Bill No. 2380

3. Report of the Committee of the Whole of the Kaua‘i County Board of Water Supply
   a. Manager’s Report No. 11-16 – Request Board approval for Grant Funding from the Department of Health Safe Drinking Water Branch to Develop and Initiate Implementation of a Wellhead Protection Program for the County of Kaua‘i
      b. Manager’s Report No. 11-17 – Request Board Approval of the Proposed Revised Organizational Chart to organize for future operations.
G. OLD BUSINESS

1. *Manager’s Report No. 11-20* – Budget Amendments
   a. Transfer of $3.8 million in Revenue Funded Payments to BAB

2. *Manager’s Report No. 11-10* - Staff Recommendations on Mayor Carvalho’s “Consortium for Kaua’i’s Sustainable Regional General Plan.

H. NEW BUSINESS

1. *Manager’s Report No. 11-27* – Request Board Approval of the following documents from the following applicants for their respective projects:
   a. Conveyance of Water Facility from Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company for the CC/FF Subdivision (S-2009-3), TMK: (4) 2-6-015:013 (por), Koloa, Kaua’i, Hawaii.
   b. Grant of Easements W-1 and W-2 from Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company, for the CC/FF Subdivision (S-2009-3), TMK: (4) 2-6-015:013 (por), Koloa, Kaua’i, Hawaii
   c. Conveyance of Water Facility from Lokelani Makai Property LLC, a Hawaii limited liability company for the “2nd Water Meter Plan Serving Lots 28-A and 28-B”, TMK: (4) 4-4-05:039, Lot 28-B, Unit 2, Kapaa, Kauai, Hawaii
   d. Conveyance of Water Facility from Lokelani Mauka LLC, a Hawaii limited liability company for the “2nd Water Meter Plan Serving Lots 28-A and 28-B”, TMK: (4) 4-4-05:128, Lot 28-A, Unit 2, Kapaa, Kauai, Hawaii
   e. Conveyance of Water Facility from Peter F. Fisher, Trustee under that certain Declaration of Trust known as the Peter F. Fisher Trust dated April 24, 2006, and Elizabeth A. Fisher-Lavoie, Trustee under that certain Declaration of Trust known as the Elizabeth A. Fisher-Lavoie Trust dated April 24, 2006 for the “Use Permit U-2008-18, Variance Permit V-2008-6, Class IV Zoning Permit Z-IV-2008-19, Subdivision of Lot 55 (S-2010-09) For Kayak Wailua, LLC”, TMK: (4) 4-1-06:034, Kapaa, Kauai, Hawaii
   f. Conveyance of Water Facility from Kawaihau 31 Acres LLC, TMK: (4) 4-6-007:017, Kawaihau Road, Kapaa, Kauai, Hawaii

2. *Manager’s Report No. 11-28* - Request Board Approval of FRC Changes
H. NEW BUSINESS – contd.

3. Manager’s Report No. 11-29 - Request Board Approval of the Annual Extension (11-18-10 to 11-17-11) of Volunteer Agreement with Mike Fernandes for Grounds Maintenance of our Nonou 02. MG Tank Site

4. Manager’s Report No. 11-30 - Request Board approval for the Third Contract Amendment with Belt Collins Hawaii, for Job No. 05-05, PLH 30, Nawiliwili, Niumalu and Kupolo Pipeline Replacements, Nawiliwili, Kaua‘i, Hawaii

5. Manager’s Report No. 11-31 - Request Board approval for the Second Contract Amendment With Timberline Engineering, Inc., for Job No. 94-04, Supervisory Control and Data Acquisition (SCADA) for the Department of Water

6. Manager’s Report No. 11-32 - Request Board approval Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, Hanalei, Kauai, Right of Entry Agreement for a portion of Tax Map Key: (4) 5-6-002 parcel 2 and 4 from Joseph N. Kobayashi, Christine Y. Kobayashi, Glenn I. Kobayashi and Nancy K. Kobayashi, Trustee of the unrecorded Nancy Katayama Kobayashi Revocable Living Trust dated October 21, 1990.

7. Manager’s Report No. 11-33 - Staff Recommendations on Piwai Tank / Akemama Tank Agreement

8. Manager’s Report No. 11 – 34 - Discussion on whether the Board wants the Manager and Chief Engineer to be on the Board of the Hawaii Rural Water Association.

9. Manager’s Report No. 11-35 - Request Board Approval of Upsizing of the Kaumualii Highway 16-Inch Waterline to a 24-Inch Waterline and Approximately 1,300 feet of additional 24-inch water line from the beginning of the 24-inch main by the Puhi road/Kaumualii Highway intersection (baseline sta 294+55) and Westward To the Vicinity of Baseline Station 281+50 in Conjunction with the State’s Kaumualii Highway Widening, Vicinity of Anonui Street to Vicinity of Lihue Mill Bridge Project, Lihue, Kauai, Hawaii


I. STAFF REPORTS

MONTHLY:
1. Statement of Kaua‘i County Water Department’s Revenues and Expenditures
2. Report by the Public Relations Specialist on Public Relations Activities
I. STAFF REPORTS – contd.

3. Deputy Manager’s Summary Report on Monthly Operational Maintenance
4. Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department

QUARTERLY:
1. For the Board’s Information on the Kaua‘i County Water Department Briefing on Departmental Projects
2. Strategic Plan Update: Issue Champions & Affordable Housing Reports

J. EXECUTIVE SESSION

Pursuant to H.R.S. §92-7(a), the Commission 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. Review of Executive Session Minutes: September 16, 2010

2. Pursuant to Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to discuss the Board’s duties and liabilities at Department of Water facilities under the Endangered Species Act, 16 United States Code § 1531, et seq., and the Migratory Bird Treaty Act, 16 United States Code § 703, et seq. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item.

K. TOPICS FOR NEXT WATER BOARD MEETING
1. Board Meeting Dates for Next Year
2. Election of Officers in Committee Meetings
3. Amended Agreement with Grove Farm for Kawaikini School
4. Draft Audit – Special Board Meeting

L. TOPICS FOR FUTURE WATER BOARD MEETINGS
1. Election of Officers in Regular Meetings (December 2010)
2. Board appointment of PA, Finance and Rules Committee (December 2010)
3. Board Discussion on the Next Year’s Goals for the Manager (December 2010)

M. UPCOMING EVENTS

N. NEXT WATER BOARD MEETING
1. Thursday, November 18, 2010, 10:00 a.m.
2. Thursday, December 16, 2010, 10:00 a.m.
N. **NEXT WATER BOARD MEETING – contd.**

3. Thursday, January 20, 2011, 10:00 a.m.
4. Thursday, February 17, 2011, 10:00 a.m.
5. Thursday, March 17, 2011, 10:00 a.m.
6. Thursday, April 21, 2011, 10:00 a.m.

O. **ADJOURNMENT**

---

**NOTE:** Special Accommodations for persons with disabilities are available upon request five (5) days prior to the meeting date. Please call the Department of Water, County of Kaua‘i, at 245-5408 or drop by at 4398 Pua Loke Street, Lihu‘e, Kauai. Our mailing address is P. O. Box 1706, Lihu‘e, HI 96766
Draft Minutes
Committee Meetings

September 16, 2010

Board Present: Chair Randall Nishimura, Ian Costa, Dee Crowell, Raymond McCormick, Roy Oyama. Absent and excused: Donald Fujimoto, Leland Kahawai

Staff Present: David Craddick, William Eddy, Keith Aoki, Gregg Fujikawa, Keith Fujimoto, Faith Shiramizu, Marites Yano, DOW Deputy County Attorney Andrea Suzuki and Board’s Deputy County Attorney Amy Esaki.

FINANCE COMMITTEE MEETING:
Finance Committee Chair Roy Oyama called the meeting to order at about 10:05 a.m.
Chair Nishimura recused himself from voting on this item.

Re: Claims Payable (as of August 31, 2010)

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER UTILITY FUND</td>
<td>$1,095,560.30</td>
</tr>
<tr>
<td>BOND FUND</td>
<td>$ 20,476.13</td>
</tr>
<tr>
<td>FRC FUND</td>
<td>$ 30,386.80</td>
</tr>
<tr>
<td>BOND BAB</td>
<td>$ 342,214.55</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$1,487,637.78</strong></td>
</tr>
</tbody>
</table>

Mr. Costa moved that the claims be approved for payment, seconded by Mr. McCormick; by a unanimous vote; motion was carried.

The Finance Committee was duly adjourned at about 10:05 a.m.

COMMITTEE OF THE WHOLE MEETING:
Chair Nishimura called the meeting to order at about 10:06 a.m.

Re: Performance Evaluation of the Manager and Chief Engineer

Chair Nishimura asked Manager Craddick if he would like to go into Executive Session or waive that right; however, as there was a letter that Manager Craddick would need to review, Chair Nishimura suggested that this be dealt with in Executive Session.

Pursuant to Haw. Rev. Stat §§92-4 and 92-5(a)(2), the purpose of this executive session is to consider the Job Performance Evaluation of the Department of Water’s Manager and Chief Engineer. This deliberation involves matters affecting the privacy of the Manager and Chief Engineer. If the individual concerned requests an open meeting, an opening meeting shall be held.

Mr. Costa moved to go into Executive Session, seconded by Mr. Oyama; by a unanimous vote; motion was carried.
Committee Meetings
September 16, 2010

At the conclusion of the Executive Session, the Committee of the Whole was called back to order at about 10:38 a.m. With no further comments from Manager Craddock, Mr. Crowell moved to send the Performance Evaluation of the Manager and Chief Engineer to the full Board for a vote, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Manager’s Report No. 11-17 – Request Board Approval of the Proposed Revised Organizational Chart to organize for future operations.

BACKGROUND
In order to better plan for the future, the Department of Water has proposed reorganizational revisions to the Organizational Chart.

The changes include;

3. Changing the EM-7 from 2020 Plan implementer to in charge of both engineering sections. No change in pay level.

DISCUSSION
Chair Nishimura reported that one of the Manager’s goals was to look at his long term vision for staffing and the adoption of a proposed organizational chart.

Manager Craddock requested the Board adopt the organizational chart for long term planning. Manager Craddock noted that HR will now be getting credit and recognition for training and safety responsibilities. Upon query from Chair Nishimura if the Commission Support Clerk position will remain as well as the Private Secretary position, Manager Craddock indicated it would be left that way for now.

Upon query from Chair Nishimura why there was not an organizational chart for Water Resources and Planning, Mr. Fujikawa felt it was because there were no changes in his division. Manager Craddock was requested to provide an overall organizational chart, including all divisions, whether there were changes or not.

Chair Nishimura has heard that procurement is increasing and taking up more staff resources, and wondered if this is because of Water Plan 2020. Upon query from Chair Nishimura if there was enough support from County Purchasing, Mr. K. Fujimoto indicated that DOW had never requested assistance. Ms. Shiramizu noted that she once asked for help and was notified that DOW is on its own; she felt it would be helpful if the DOW had its own procurement person. Mr. Costa suggested revisiting establishing a good relationship with County Purchasing. Ms. Esaki indicated that, because the DOW is semi-autonomous, this has not been visited. The three CFOs are Manager
Committee Meetings
September 16, 2010

Craddick, the Council Chair, and Mr. Wallace Rezentes, and each one has their own purchasing functions. Manager Craddick felt that a $20 million volume would not justify it, but $60 million in contracts certainly does make more procurement work but it is relatively short term.

Upon query from Chair Nishimura if a procurement position may be needed at least part-time, if not full time, Mr. K. Fujimoto indicated that interpretation of the purchasing rules is time consuming. Manager Craddick also indicated that a lot of Deputy Eddy’s time is spent on procurement, i.e., equipment, emergency jobs, etc. Upon query from Chair Nishimura, Manager Craddick felt that some of the load would be taken off Deputy Eddy when the Operations Chiefs are hired. Mr. K. Fujimoto noted that on the project management side, it is really an issue, as it takes from their day to day duties, e.g., Ms. Shiramizu’s RFP.

Upon query from Chair Nishimura if one person has this as a specialty, Mr. K. Fujimoto stated it procedurally needs to be done; technically they can do it, but the challenge is administratively. Manager Craddick will talk to staff to see how this would best fit in and add it in now to the organizational chart. Manager Craddick did not want to pay an EM 7. Chair Nishimura indicated that he was not suggesting it be an EM 7 or which SR level, but if the Manager is contemplating adding this position to the chart, he would need to determine if it would fall under Finance, Engineering, Administration, Deputy, etc.

Mr. D. Fujimoto felt that procurement is a challenge. The procurement person would try to establish a template to make it easier, but the template is always a “moving target”. Maybe a consulting firm would do the template and the project people do the procurement. Each procurement is a stand alone, and more than one person might be needed. It would be very advantageous for the project people to understand the whole process. Mr. D. Fujimoto also indicated that the County procurement people are extremely busy and that DOW would have to “stand in line”, so this route would be a longer process.

Mr. Crowell moved to defer this item to the October meeting, seconded by Mr. Oyama.

Chair Nishimura reiterated that Manager Craddick include WRP in the revised organizational chart and provide clarification on the Operations charts.

With no further discussion; by a unanimous vote; motion was carried.

There being no further business, the Committee meetings were duly adjourned at 10:55 a.m.

cab
REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, September 16, 2010

The Board of Water Supply, County of Kaua‘i, met in regular meeting at its office in Lihu‘e on Thursday, September 16, 2010. Chairperson Randall Nishimura called the meeting to order at 11:02 a.m. On roll call, the following answered present:

BOARD:  
Mr. Randall Nishimura, Chairperson  
Mr. Ian Costa (was excused and left the meeting at about 12:40 p.m.)  
Mr. Dee Crowell  
Mr. Donald Fujimoto (present at about 10:15 a.m.)  
Mr. Raymond McCormick  
Mr. Roy Oyama

Absent & Excused:  
Mr. Leland Kahawai

STAFF:  
Mr. David Craddick  
Mr. William Eddy  
Mr. Keith Aoki  
Mr. Gregg Fujikawa  
Mr. Keith Fujimoto  
Ms. Faith Shiramizu  
Ms. Marites Yano  
DOW Deputy County Attorney Andrea Suzuki  
First Deputy County Attorney Amy Esaki

GUESTS:  
Ms. Marie Williams, County of Kaua‘i Planning Department

Quorum was achieved.

AGENDA:  
Chair Nishimura requested to have Item G.3 – Manager’s Report No. 11-10 – Request Board Approval to Concur with Mayor Carvalho’s “Consortium for Kaua‘i’s Sustainable Regional General Plan”, moved to follow Item E – Correspondence/Announcements, due to the presence of Ms. Williams from the Planning Department who would be making a presentation. Mr. Costa moved to approve, seconded by Mr. Oyama; as there were no objections, the Agenda was so reordered by Chair Nishimura.

MINUTES:  
Manager Craddick wished to note that for his Manager’s Update (pages 28-33), the action was to receive the Manager’s Update, as noted in the Minutes. No other action was taken by the Board. There are some items in the Manager’s Update that need to come before the Board for their action. Chair Nishimura confirmed that Mr. Oyama moved to receive the Report and that was the only action that was taken at the time.

Mr. Costa moved to approve the Regular Meeting Minutes of August 19, 2010, seconded by Mr. Oyama; by a unanimous vote; motion was carried.
CORRESPONDENCE / ANNOUNCEMENTS:

Re: Letter from Kukuiula requesting approval of Piwai Tank / Akemama Tank Agreement

Manager Craddick stated that this was really a question of an allocation of water. Mr. Oyama moved to receive the letter dated November 23, 2009, and refer to staff for recommendations, seconded by Mr. Costa.

Chair Nishimura asked that the Department give this their full attention, as the letter is ten months old.

With no further discussion; by a unanimous vote; motion was carried.

Re: Request Board Approval to Concur with Mayor Carvalho’s “Consortium for Kaua‘i’s Sustainable Regional General Plan”

RECOMMENDATION
It was recommended that the Board approve DOW participation in the Administration’s effort to form a Consortium for Kaua‘i’s Sustainable Regional General Plan.

BACKGROUND
The County intends to pursue the HUD/DOT/EPA Sustainable Communities Regional Planning Grant by forming a group of stakeholders in the process.

We believe we are an important cog in the wheel. This group should be able to take advantage of the Kaua‘i community collective desire for sustainable development by building the necessary partnerships among Kaua‘i’s governmental agencies, organizations, service providers and non-profit organizations that will be needed to implement a sustainable vision over the long term.

DISCUSSION
Ms. Marie Williams from the Planning Department indicated that this was a Federal grant through the U.S. Department of Housing and Urban Development, and was one of the first times that the Federal government had given money to do local planning so communities can develop a consistent framework for all their planning. This would involve land use, water planning, economic development, housing, transportation, etc. The relationship to the General Plan is if we receive the grant, it will serve as the County’s General Plan. The DOW is requested to sign on as a partner as it is a requirement of the grant which gives communities an opportunity for all agencies to participate. The requested amount is $1 million with a $600k match for the General Plan update, so it is a $1.6 million project.

Upon request from Manager Craddick on the cost for our Water Use and Development Plan, Mr. Fujikawa stated that he was not sure of the budgeted amount. Manager Craddick felt we should utilize the match to get more money.

Ms. Williams indicated the contract has been signed by KIUC, KCC, Housing, County Transportation, DOT, DHHL, KPAA and Get-Fit Kaua‘i. If the grant is received, there is a chance to add additional partners and DOW is a big part of that. Approval is being requested
for DOW to sign on as a member. The Planning Department would be the lead and be responsible for reporting, the funds, etc.

Mr. D. Fujimoto stated that the main objective of the grant is to coordinate the major agencies and synergize the projects. The Department of Public Works is included as part of the County.

Chair Nishimura asked how much additional manpower resources would be required of the DOW. Ms. Williams stated that this was not yet finalized, but would include data on forecasting potable water needs, growth management, etc. Chair Nishimura asked if the hours dedicated to the Plan would be reimbursable or would DOW have to absorb the cost. Manager Craddick asked if we need to get a consultant for the Water Use and Development Plan, if the money could be matched, and have the consultant do the work.

Mr. D. Fujimoto stated that the primary purpose of this consultant is to establish the Master Plan that everyone is going to participate in. It should help relieve the staff requirement of finding information. Chair Nishimura felt it was actually the other way round. Mr. D. Fujimoto felt the consultant should come here to get the information, rather than the staff doing it. It would be very time consuming for the staff.

Mr. Crowell felt that the County should be coming up with this information, but Mr. D. Fujimoto felt this should be done by the consultant. Mr. Crowell expressed concern about the consultant gathering the raw data as there is a possibility it could be manipulated.

Manager Craddick noted that the Water Use and Development Plan is a requirement of the State Water Commission. The Council has to pass an ordinance accepting the plan that it meets the needs of the community plan so the two things have to be very integrated. Manager Craddick wondered if we could use our money to leverage additional funds to pay for this. However, Ms. Williams indicated that the County had applied for the maximum amount already.

Mr. D. Fujimoto met with Mr. Ken Stokes on sustainability and the importance of an integrated plan was stressed, and it would not make sense for KIUC to have its own plan, for instance, separate from the master plan.

Chair Nishimura requested a copy of the grant application be sent to the Department along with the executive summary. Ms. Williams reported that it is essentially the same process that was done ten years ago but with a bigger scope.

Mr. Crowell still thinks the individual agencies would want to do the data gathering themselves, so they know how to do it. Mr. D. Fujimoto wondered what would be the time commitment from each agency, and Mr. Costa felt it would probably be just involve the position that works with data in the agencies. Although Mr. D. Fujimoto thought the staff should be involved in the process, he again reiterated his concern over the possible amount of time involved. He would like Manager Craddick and the staff to be involved in the decision because of the time commitment.

Ms. Williams reported that she would hear if we got the grant in November, and it is a very competitive process. Chair Nishimura requested that Ms. Williams also include the initial scope of work for the DOW in the submittal to the department. Ms. Williams also indicated that data would still be requested for the General Plan even if this grant does not happen.
Mr. Costa moved to receive the report on the Sustainable Regional General Plan, seconded by Mr. Oyama.

Chair Nishimura felt that the staff needs a chance to review the grant application to see the details and the extent of involvement. Mr. Costa then amended his motion and moved to receive the report and refer to the Department, seconded by Mr. Oyama.

Mr. D. Fujimoto understands that Manager Craddick is trying to leverage for more money, however, nothing is free, and we may have to come up with additional resources to move this along. Mr. D. Fujimoto is willing to support this. Ms. Williams will provide the information to the Department today.

With no further discussion; by a unanimous vote; motion was carried.

**BOARD COMMITTEE REPORTS**

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

Chair Nishimura recused himself from voting on this item.

Re: Claims Payable
Finance Chair Oyama reported that at the September 16, 2010 Finance Committee Meeting the Committee approved the Claims Payables for a total of $1,487,637.78. Mr. Costa moved to receive the Claims Payable and place on file, seconded by Mr. D. Fujimoto; by a unanimous vote; motion was carried.

**Re: Committee of the Whole of the Kaua‘i County Board of Water Supply**

Re: Performance Evaluation of the Manager and Chief Engineer

Committee of the Whole Chair Nishimura reported that at the September 16, 2010 Committee of the Whole meeting, findings of the Evaluation of the Manager and Chief Engineer were presented. Manager Craddick had no objections on the findings.

Mr. Crowell moved to approve the Evaluation and forward to the Department of Personnel Services, seconded by Mr. Costa; by a unanimous vote; motion was carried.

Chair Nishimura noted that, for the record, the Board went this route in an effort to get a broader basis for the evaluation and is hoping that other departments would also send out for peer review as required by DPS. On the whole, the Manager’s performance is on the up side. This is the Manager's first full year so this is the baseline. Keep up the good work Manager Craddick!

Chair Nishimura requested the secretary draft a cover letter under his signature to send with the Evaluation to DPS.
Re: Manager's Report No. 11-17 – Request Board Approval of the Proposed Revised Organizational Chart to organize for future operations

Chair Nishimura reported that the Committee of the Whole at its September 16, 2010 meeting decided to defer this topic to the October meeting for changes and clarification by Manager Craddick.

Mr. Costa moved to approve deferring this topic to the October meeting, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

OLD BUSINESS

Re: Performance Evaluation of the Manager and Chief Engineer

Action taken was to send the approved Evaluation to DPS.

Re: Board Discussion and Possible Action on Board Policy No. 16, Reports for Out-of-State Travel

Chair Nishimura reviewed the revised policy, which was modified to eliminate the requirement for staff members which will be done as an administrative function.

Mr. Costa moved to approve Board Policy No. 16 as revised, seconded by Mr. Crowell; by a unanimous vote; motion was carried.

Re: Request Board Approval of the Proposed Revised Organizational Chart to organize for future operations

Mr. D. Fujimoto moved to defer this item to the October meeting, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Chair Nishimura advised the staff to get their input for the future of the organization to Manager Craddick for inclusion.

Re: Manager's Report No. 11-18 – Letter from Governor Linda Lingle concerning the DOW request to replace the 8-inch waterline with a 12-inch waterline to improve water services to Waimea Canyon School and surrounding facilities, options to take care of shortfall

BACKGROUND

Memoranda were sent to Governor Lingle on September 2, 2009 and June 17, 2010, requesting approval for the release of $2,500,000 in capital improvement program funds, as appropriated by Act 162, SLH 2009, as amended by Act 180, SLH 2010, to replace the 8-inch waterline with a 12-inch waterline to improve water services to the Waimea Canyon School and surrounding facilities. The project would increase the water flow required to meet the County of Kauai’s Water System Standards adopted in 2002 for the school and the residents in the town of Waimea. Governor Lingle replied that, due to the current fiscal circumstances and the uncertainty of the revenue projections, our request was returned without action. She
noted that the State must protect its financial resources today to maintain a stronger financial condition in the future.

RECOMMENDATION:
It was recommended that the Board wait for the Governor to change and make another request.

DISCUSSION
Manager Craddick confirmed that the funds do not lapse until June 30, 2012. There is nothing preventing us from resubmitting when the Governor changes. Manager Craddick noted it is encumbered with the General Revenue funds. The State does not give you cash, they give you tax-exempt bonds. Manager Craddick was not aware of what the legal issue would be if we leave it where it is currently funded and not put it on the BAB for now. Manager Craddick has a meeting with the Bond Council on Friday, September 17 and this is one of the issues.

Mr. Crowell moved to receive Manager’s Report No 11-18 and place on file, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

NEW BUSINESS

Re: Manager’s Report No. 11-19 – Request Board Approval of the following documents from the following applicants for their respective projects:

1. Conveyance of Water Facility from Kauai Bible Church, a Hawaii Non-Profit Corporation; Alexander and Baldwin, Inc., a Hawaii Corporation; McBryde Sugar Company, Limited, a Hawaii Corporation; and Kukuiula Development Company Hawaii), LLC, a Hawaii limited liability company for the Piwai Wells 16-inch Transmission Line, TMK’s: (4) 2-5-01: 002(par), 008(par), 011(par) and 012(par), Koloa, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Kauai Bible Church, a Hawaii Non-Profit Corporation; Alexander and Baldwin, Inc., a Hawaii Corporation; McBryde Sugar Company, Limited, a Hawaii Corporation, and Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

Waterline:
3,585 lineal feet of 16” Ductile Iron Waterline
5 each 16-inch Resilient Wedge Gate Valve
1 each 16-inch x 12-inch Reducer
3 each 16-inch x 16-inch x 16-inch Tee
92 lineal feet of 8-inch Ductile Iron Waterline
2 each 8-inch Blow Off Assembly
1 each Air Relief Valve

Base and Paving:
4,120 square yards of 2-inch Asphalt Concrete over 6-inches of Aggregate Base Course

Concrete
7,070 square feet of 8-inch x 6-inch Concrete Header Curb
100 lineal feet of 12-foot wide Concrete (Ford) Roadway

Gates
4 each Double Swing Gate
172 lineal feet of fencing

in place complete, for the Piwai Wells 16-Inch Transmission Line, TMK’s: (4) 2-5-01: 002(por), 008(por), 011(por) and 012(por), Koloa, Kauai, Hawaii.

This facility is subject to the Acquisition and Funding Agreement between the County of Kauai and Kukuiʻula.

Mr. Crowell moved to approve the Conveyance of Water Facility from Kauai Bible Church, Alexander and Baldwin, Inc., McBryde Sugar Company, Limited, and Kukuiula Development Company Hawaii), LLC, for the Piwai Wells 16-inch Transmission Line, TMK’s: (4) 2-5-01: 002(por), 008(por), 011(por) and 012(por), Koloa, Kauai, Hawaii, seconded by Mr. Oyama; by a unanimous vote; motion was carried.


It was recommended that the Board approve the Grant of Easement document whereby, Alexander & Baldwin, Inc. and McBryde Sugar Company, LTD., both Hawaii corporations, grant to the Board of Water Supply, County of Kauai, a perpetual easement, A-2, on, over and under that certain parcel of land located in TMK: (4) 2-5-01:002; 2-5-01:008 and 2-5-01:011, Omao, Koloa District, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system for the construction plans for the Piwai Wells, Tank, and 16-inch Transmission Line; TMK: (4) 2-5-01:002; 2-5-01:008 and 2-5-01:011, Omao, Koloa District, Kauai, Hawaii.

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

Easement A-2 is replacing Easement A, which is being cancelled.

Mr. Crowell moved to approve the Grant of Easement A-2 from Alexander & Baldwin, Inc. and McBryde Sugar Company, LTD., both Hawaii Corporations, for the Piwai Wells, Tank, and 16-inch Transmission Line; TMK: (4) 2-5-01:002; 2-5-01:008 and 2-5-01:011, Omao, Koloa District, Kauai, Hawaii, including its indemnification provision, seconded by Mr. Oyama; by a unanimous vote; motion was carried.
3. **Cancellation of Easement “A” between Alexander & Baldwin, Inc. and the Board of Water Supply, County of Kauai, for the Piwai Wells, Tank, and 16” Transmission Line, TMK: (4) 2-5-01:002; 2-5-01:008 and 2-5-01:011, Koloa District, Kauai, Hawaii**

It was recommended that the Cancellation of Easement document be approved; whereby, The Easement (Easement “A”), on over and under that certain parcel of land located in TMK: (4) 2-5-01:002; 2-5-01:008 and 2-5-01:011, Koloa District, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment for the proper operation of its project known as Piwai Wells, Tank, and 16” Transmission Line. Alexander & Baldwin, Inc., wishes to terminate and cancel the Easement (Easement A) so that it shall be of no further force or effect from or after the date that this cancellation of easement is recorded. Easement A is being cancelled due to change in land ownership and a small change in the easement boundaries. Easement A-2 is being granted by the current owners for the new easement boundaries.

The Grant of Easement (Easement “A”) being terminated is dated February 19, 2009 and recorded in the Bureau of Conveyances of the State of Hawaii as Document Number 2009-126557.

Mr. Crowell moved to approve the Cancellation of Easement “A” between Alexander & Baldwin, Inc. and the Board of Water Supply, County of Kauai, for the Piwai Wells, Tank, and 16” Transmission Line, TMK: (4) 2-5-01:002; 2-5-01:008 and 2-5-01:011, Koloa District, Kauai, Hawaii, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

4. **Conveyance of Water Facility from the Earl C. Loder, M.D. Pension Trust, by Nancy Loder its Trustee, for the Installation of a Single Service Lateral for Unit II of the Hale Opeu Condominium, Lot A-10-26, TMK: (4) 5-5-10:080, Hanalei, Kauai, Hawaii**

It was recommended that the Conveyance of Water Facility document be approved; whereby, the Earl C. Loder, M.D. Pension Trust, by Nancy Loder its Trustee, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8” water meter, in place complete, for the Installation of a Single Service Lateral for Unit II of the Hale Opeu Condominium, Lot A-10-26, TMK: (4) 5-5-10:080, Hanalei, Kauai, Hawaii.

Mr. Crowell moved to approve the Conveyance of Water Facility from the Earl C. Loder, M.D. Pension Trust, by Nancy Loder its Trustee, for the Installation of a Single Service Lateral for Unit II of the Hale Opeu Condominium, Lot A-10-26, TMK: (4) 5-5-10:080, Hanalei, Kauai, Hawaii, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

5. **Right of Entry Agreement for the Pipeline Replacement, Kapaa Homesteads, Phase II, Job No. 02-18, Water Plan 2020 Project No. WK-32, Affecting the Following Landowner in Kapaa, Kauai, Hawaii**
a. Board of Water Supply, County of Kauai, affecting Portion of TMK: (4) 4-6-011:003, Kapaa, Kauai, Hawaii

It was recommended that the Board approve the Right of Entry documents; whereby, the Board of Water Supply, County of Kauai, grant to Jennings Pacific, LLC., a right of entry, on, over and under that certain parcel of land located as specified above in Kapaa, Kauai, Hawaii, for the following work:

Storage of materials and equipment necessary to complete the subject project at the Ornellas Tank site.

It shall be noted Jennings Pacific, LLC. agrees to indemnify and hold harmless the Board from any loss or damage. Further, Jennings Pacific, LLC. agrees, upon completion of all its work on the project to mildly regrade and restore the subject property to its original condition or better. Jennings Pacific LLC will provide, at no cost to the Board, a certificate of insurance showing the Board as Additional Insured during the course of the project.

BACKGROUND:
Jennings Pacific, LLC. is in need of a storage area for the duration of the construction project. The Ornellas tank site is situated in a strategic location for the work that must be done. The major components of the pipeline project are:
- 120 linear feet of 12-inch ductile iron pipe.
- 30 linear feet of 8-inch ductile iron pipe.
- 11,650 linear feet of 6-inch ductile iron pipe.
- 570 linear feet of 4-inch ductile iron pipe.
- 40 linear feet of 2 1/2” copper pipe.
- Removal and disposal of existing waterlines
- Valves
- Fire Hydrants
- Service Connections
- 12,300 sq. yd. AC pavement

Mr. Crowell moved to approve the Right of Entry Agreement for the Pipeline Replacement, Kapaa Homesteads, Phase II, Job No. 02-18, Water Plan 2020 Project No. WK-32, in Kapaa, Kauai, Hawaii, including its indemnification provision, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

6. Right of Entry Agreement for the Waimea Main Replacement, Job No. 05-01, Water Plan 2020 Project No. KW-16, Affecting the Following Landowners in Waimea, Kauai, Hawaii

a. West Properties, LLC., affecting Portion of TMK: (4) 1-6-05:021, Waimea, Kauai, Hawaii
b. Robinson Family Partners, affecting Portion of TMK: (4) 1-6-03:024 & (4) 1-6-03:052, Waimea, Kauai, Hawaii

It was recommended that the Board approve the Right of Entry documents; whereby, the above landowners, grant to the Board of Water Supply, County of Kauai, a right of entry, on, over and under that certain parcel of land located as specified above in Waimea, Kauai, Hawaii, for the following work:
Relocation of existing water meters from private property to County of Kauai Right of Way, together with the right of ingress and egress at any time to and from the said lot with or without vehicles or other equipment as the Department of Water shall deem necessary to complete the work.

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

BACKGROUND:
Portions of the existing waterlines along Kaumuali‘i Highway, Gay Road, Alawai Road, Panako Road, Menehune Road, Pule Road, Laau Road, Kahakai Road and Moana Road will be replaced in 2010 - 2011. During the waterline design phase, it was observed that existing water meters are currently installed outside of the County Right of Way. The right of entry will allow our contractor, Goodfellow Brothers, Inc. to relocate all affected meters to within the County Right of Way.

Mr. Crowell moved to approve the Right of Entry Agreement for the Waimea Main Replacement, Job No. 05-01, Water Plan 2020 Project No. KW-16, including its indemnification provision, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Suggestion for Capital Improvement Projects (CIP) for Next Year’s Legislative Session

Manager Craddick noted that we did not receive any funds last year, so we rolled it over to this year. Chair Nishimura asked if additional infrastructure might be needed for the affordable housing project in Elele. Mr. Fujikawa reported that we do not know at this point because the housing agency does not know. The Affordable Housing Task Force (AHTF) is trying to include this in the scope of the feasibility reports, and they are communicating with their consultants. Upon query from Chair Nishimura, Mr. Fujikawa noted he did not have an indication of the density requirements.

Mr. D. Fujimoto suggested that we try a 50/50 match for one or two of the projects, which worked at the County level with funds they have received from the Legislature. There has to be a “State purpose” but at least some kind of match, versus not funding anything. Manager Craddick indicated we could try some of the 50% projects, i.e. Wainiha/Haena, Project #4. Mr. K. Fujimoto clarified which project this was. The 50% match could possibly be tried for next year.

Mr. D. Fujimoto moved to approve the Suggestions for Capital Improvement Projects for Next Year’s Legislative Session and transmit same, seconded by Mr. Crowell; by a unanimous vote; motion was carried.
Re: Manager's Report No. 11-20 – Budget Amendments:

a. Transfer of SRF Funded projects to BAB

RECOMMENDATION
Board approval was requested to recertify the funding for certain DOW projects from SRF loans to BAB funds in the total amount of $3,883,607.09.

BACKGROUND
Debt service payments for the SRF loans would increase SRF payments $320K per year above what they currently are. The subsidized debt service for the BAB would be about $240K. This is a difference of $80K. Reimbursement of the listed amounts has not been requested by DOW from DOH administered DWSRF. The ratio of yearly savings to yearly income $80K/$20,000K amounts to approximately 0.4% less revenue needed in water rates. The bond funds must be expended within three years. DOW cash would be conserved for future projects or delaying future rate increases but would not be subject to arbitrage payments or reduction of federal subsidy on bond proceeds for failure to pay out bond funds for the purposes authorized. These are the reasons I am recommending this action.

A detailed list of each project affected with relevant information is listed below.

<table>
<thead>
<tr>
<th>Contract No.</th>
<th>Description</th>
<th>Amount to be Recertified</th>
<th>SRF Int</th>
<th>Loan Fee</th>
<th>SRF Total</th>
<th>W/subsidy</th>
<th>BAB Int**</th>
<th>Approx Debt payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>491</td>
<td>Stable Tank</td>
<td>$1,033,673</td>
<td>0.26%</td>
<td>3.50%</td>
<td>3.76%</td>
<td>2.60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>492</td>
<td>Stable TK Ph II</td>
<td>$277,296</td>
<td>0.26%</td>
<td>3.50%</td>
<td>3.76%</td>
<td>2.60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>493</td>
<td>Stable TK Ph I</td>
<td>$250,330</td>
<td>$</td>
<td></td>
<td>$1,561,299</td>
<td>0.26%</td>
<td>3.50%</td>
<td>3.76%</td>
</tr>
<tr>
<td></td>
<td>sub total Kapilimao Tank</td>
<td>$2,091,182</td>
<td>0.32%</td>
<td>3.50%</td>
<td>3.82%</td>
<td>2.60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>497</td>
<td>Kaumualii Hwy</td>
<td>$231,126</td>
<td>0.42%</td>
<td>3.50%</td>
<td>3.92%</td>
<td>2.60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$3,883,607</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

BAB pro rata share of interest $1,972,263
SRF interest and loan fee $1,495,778
SRF interest total ($476,485) loss

Regular Meeting: Thursday, September 16, 2010 – Page 11 of 22
For this transaction there is a net loss of $476,485 over twenty five years but 1.5% interest on the $3.9 million is about $58K per year. I do not expect we would hold on to this money for the length of time needed to make up the difference. We would probably hold it for three years.

The above listed jobs are not complete except the PH I and PH II Stable Tank pipelines.

** To arrive at the BAB interest cost for the SRF projects I took $3883607/$60000000= 6.472678% of the total BAB interest minus the subsidy $30,470579 = $1,972,263 This would include issuance costs. This same percentage is used to arrive at the BAB interest related debt service payments above.

The reason the cost is higher for the BAB even though it has the lower interest rate is because the BAB has deferred principal and a longer pay off time (same issue with fifteen year and thirty year mortgage) and on first review does not appear beneficial. The unknown or risk part of this action is the effect of subsidy reduction if we do not spend down the bond proceeds in the required time. However, when we look at the debt service payments noted above we see a different financial view point which you may appreciate.

DISCUSSION
Mr. K. Fujimoto indicated that we would advertise for these projects as soon as we get the funding. Manager Craddick wanted a legal fix before tomorrow’s meeting if we do not spend this money down.

Deputy County Attorney Esaki reported the language on the Tax Certificate:

Pursuant to Paragraph 7(a), “with respect to the amounts on deposit in the Build America Project Funds, the County and the Water Department have incurred or reasonably expect to incur, within 6 months after the date hereof, substantial binding obligations to expend at least 5% of the net sale proceeds of the Bonds of the costs of the Build America Projects. The County reasonably expects that the construction and acquisition of the Build America Projects will proceed with due diligence to completion, and that at least 85% of the net proceeds of the Bonds will be expended for costs of the Build America Projects within three years from the date hereof.”

We have encumbered 10% and are therefore in compliance.

Manager Craddick stated that for some of the projects we would need a Memorandum of Agreement. Ms. Esaki recommended that we note down what we have encumbered and then figure out where they are – “reasonable expectation”.

Mr. Costa moved to defer action the transfer in Item a, Transfer of SRF Funded Projects to BAB, seconded by Mr. Oyama. Chair Nishimura indicated there may be a need to hold a Special Meeting. Manager Craddick felt this would be necessary only if we need to expend 10% by the end of this month, $3.883 million.

The 2010 Bond Project Priority Spend Down spreadsheet was reviewed.

Chair Nishimura requested that Ms. Yano and Manager Craddick work together to make sure their spreadsheets are consistent with each other, as there is a $10 million gap.

Ms. Esaki will have clarification at tomorrow’s meeting.
With no further discussion; by a unanimous vote; motion was carried.

b. Waimea Well ‘A’ Water Utility Funded Project

RECOMMENDATION:
It was recommended that the Board reallocate $1,000,000.00 from Account 101b, CRP Kalaheo Nursery Tank and Clearwell Renovations to Job No. 04-06, KW-20, Waimea Well ‘A’ Renovations.

FUNDING:
Job No. 04-06, KW-20, Waimea Well ‘A’
Renovations, engineers estimate $1,000,000.00

101b. CRP Kalaheo, Nursery Tank and
Clearwell Tank Renovation $1,500,000.00
Balance Remaining: $500,000.00

BACKGROUND:
Job No. 04-06, KW-20, Waimea Well ‘A’ Renovations major improvements includes:

- Replace existing line shaft pump with submersible pump.
- Replace existing motor control center.
- Replace gas chlorination system with sodium hypochlorite system.
- Replace existing control building wooden roof with new concrete roof. Add new supports as needed.
- Provide addition to control building to separate motor control center with chlorination equipment.
- Security improvements, including new steel doors, louvered windows, barbed wire on top of the existing fencing, etc.
- Repaint building and piping.
- Replace existing propeller flow meter with new venturi tube flow meter and control valve piping.

The State highway right of way for the portion of Waimea Canyon Drive fronting the Waimea Well ‘A’ has not been determined yet, resulting in the Department of Transportation’s reluctance to approve this project. They have since proceeded with sufficient progress that they are reasonably comfortable that our facilities will not affect the road right of way and have since approved the project. The Department did not anticipate having this issue resolved so expeditiously so did not fund the project construction for this year. We acknowledge and appreciate the State’s efforts in allowing the Department to proceed before finalizing their right of way.

The funding for the Kalaheo Nursery Tank and Clearwell Renovations is already included with Account 201.01 Bond (BAB) so we do not anticipate needing to use all of the funds allocated from Account 101b CRP for that project.

Mr. Oyama moved to approve reallocating funding $1 million from Account 101b to Job No. 04-06, KW-20, seconded by Mr. Crowell; by a unanimous vote; motion was carried.
It was confirmed to Chair Nishimura Job No. 04-06, KW-20, is not on the bond list.

Re: Manager’s Report No. 11-21 – Request Board Approval of Amendment No. 1 to Memorandum of Agreement Executed June 18, 2008 between the State of Hawaii, Commission on Water Resource Management and the County of Kaua‘i, Board of Water Supply to Implement Drought Mitigation Projects on Kaua‘i

RECOMMENDATION
It was recommended that the Board approve Amendment No. 1 to Memorandum of Agreement executed June 18, 2008 between the State of Hawaii, Commission on Water Resource Management (CWRM) and the County of Kauai, Board of Water Supply (KBWS) to Implement Drought Mitigation Projects on Kauai.

BACKGROUND
In June 2008, CWRM and KBWS entered into an agreement which provided grant funding in the amount of $700,000.00 for Drought Mitigation projects on Kauai. To date, we have expended $522,535.49 and received reimbursement for $479,028.09.

The majority of unexpended funds will be used for the purchase of leak detection equipment. After visiting the many vendors at the AWWA Conference, it is evident that we will require more time in creating the scope of work and specs that will best benefit the department.

Ms. Shiramizu noted that there were two portions for which an amendment was required. Some of the reimbursement for the Kekaha project was not listed in the additional requests so changes had to be made. At the same time, we also decided to ask for an extension because more research is needed on the leak detection equipment, and having a procurement person would help!

Mr. Costa moved to approve Amendment No. 1 to the Memorandum of Agreement, seconded by Mr. D. Fujimoto; by a unanimous vote; motion was carried.

Re: Manager’s Report No. 11-22 – Request Board Approval for Release of Mortgage for the Ayabe Family

RECOMMENDATION
It was recommended that the Board approve the attached release of Mortgage.

BACKGROUND
A parcel with the meter restrictions was allowed a second building permit provided the existing, hurricane-damaged house using the meter was torn down when the new house was built. The old house is now torn down and the family cannot refinance without the Mortgage restrictions being cancelled. The mortgage restriction is an agreement between Ayabe and DOW to allow DOW to sell the property and use the funds to tear down the old house if the family does not tear it down when the new house is built. You may understand the bank’s concern over a deed restriction that allows selling the house from under its Mortgage. As noted previously the family has torn down the old house. Based on my review of photos sent to DOW there is no need to keep this agreement in effect.

Upon query from Chair Nishimura, the staff indicated there was no reason to not release the mortgage.
Mr. Costa moved to approve the Release of Mortgage for the Ayabe family; seconded by Mr. Oyama; by a unanimous vote; motion was carried.

**Re: Manager's Report No. 11-23 – Request Approval of Payment of Claims and Disbursement of Funds Policy 15A**

**RECOMMENDATION:**
Board action was requested to rescind Board Policy No.15 – Payment of Claim and Disbursement of Funds and approve Board Policy No.15A – Payment of Claim and Disbursement of Funds.

**BACKGROUND:**
The policy change requested would give the Manager and Chief Engineer the authority to sign on behalf of the Board all claim warrant vouchers provided procedures are in accordance with Board Policy No 15 A.

The current Board Policy regarding disbursal of monies for claims upon the Board of Water Supply with checks issued by the County Finance Director is routinely approved by the Board after Board Finance Committee recommendation to the Board and a Board vote authorizing the Chair to sign the claims. This process is redundant and ministerial at the point the Board is asked to approve the claims. In other words there is no ability to stop legitimate invoices at this point and there is not sufficient time spent to find fraudulent claims. The process is redundant as the Manager has already signed the invoices and relevant staff has approved the invoices. A synopsis of relevant HRS section and current policies are enclosed for your review.

Haw. Rev. Stat (“H.R.S.”) 54-25 Disbursement of Fund, the County Treasurer shall disburse all monies of the board only upon warrants issued by the county auditor or other county authorized signatory on vouchers signed by the chairperson or the acting chairperson of the board, except as provided herein. The Board may delegate through rules and policies adopted pursuant to Chapter 91, its powers and duties regarding the disbursement of funds to the manager and chief engineer.

The Board has changed its rules to allow this delegation to occur subject to following approved policies. Current relevant policies are listed below.

Board Policy No. 3 – allows expenditures for Operation and Maintenance and capital waterworks materials (inventory) purposes when the budgeted amount is not exceeded. Purchases for non-waterworks material less than $5k are also allowed. (This Policy is added for completeness and is not relevant to the request being made and nothing will be changed with this policy.)

Board Policy No 15 - Payment of Claims, claims against the Department shall be paid monthly upon signature of the Chairman following a review of the claims by the Finance Committee; the claims shall be first signed by the Manager. (This is the Policy which is relevant to this request.)
Board Policy 22 – Budget and Contract Award process. (This Policy is added for completeness and is not relevant to the request being made and nothing will be changed with this policy.)

Procedural processes that are suggested to be affected by Policy 15A, if approved by the Board, are enclosed for your review.

Approval of this request will allow the finance committee and Board to focus on financial issues that that are not ministerial in duty. The Board could require a personal Bond for the Manager which would be paid by the Board which could protect the Board from fraudulent acts.

The recommended Board of Water Supply Policy 15A was provided.

Mr. Oyama moved to receive and refer Manager’s Report No. 11-23 to the Rules Committee, seconded by Mr. Costa.

Manager Craddick noted that the existing Board Policy No. 15 will be replaced by Board Policy 15 A. There was no modification of Board Policy No. 3 unless the Board wanted to modify it.

The motion was amended to receive and refer Manager’s Report No. 11-23 to the Rules Committee for consideration, and to look at Board Policy No. 3 to see if any changes are necessary.

With no further discussion; by a unanimous vote; motion was carried.

Re: Manager’s Report No. 11-24 – Committee Discussion and Possible Action on Part III Rule Amendments – Establishing Standards for Subdivision Water Systems

RECOMMENDATION
It was recommended that the Board amend the Part III Standards for Subdivision Water Systems noted in the attached rule change.

BACKGROUND
The rule currently allows the Manager to make changes and various Managers have exempted various subdivisions. I would prefer to have regulation established by rule rather than by the current thought or even changing thoughts of the Manager.

The goal of these changes is twofold:

1. To allow subdivisions for governmental purposes to move forward provided water is not needed for the lot. There is always the portion of land that will stay in the hands of the current owner or some other owner. This non-government piece will have whatever rights it had prior to the subdivision. The action may result in a higher cost per square foot to meet DOW water requirements. In the end it is a decision of the land owner to require or not require the government to put in infrastructure improvements before a particular piece of land is subdivided for either purchase or through donation to the government.
2. Allow subdividers with existing land locked lots or boundary changes that do not affect water demand to relocate them to more convenient locations. In this case we limit the changes to lots that are buildable. In other words if they are in a gulch or in a stream or other such non-buildable site we would not allow the change.

Manager Craddick noted that we have additional material as a handout on what the Council is doing on the same matter, and we should see how it fits in with what we are proposing.

Mr. Oyama moved to receive Manager’s Report No. 11-24 and refer the draft Rule Amendments to the Rules Committee for the October meeting, with the staff providing the proposed language, seconded by Mr. Costa; by a unanimous vote; motion was carried.

Re: Manager’s Report No. 11-25 – Memorandum of Agreement, Job No. 05-05, PLH-30, Nawiliwili, Nu‘uanu and Kupolo Pipeline Replacement, Lihu‘e Water System

RECOMMENDATION:
It was recommended that the Board approve the Memorandum of Agreement (MOA) document; whereby, the Board of Water Supply, County of Kauai, agrees to abandon existing waterline facilities within certain County roads located as specified above in the Nawiliwili and Lihu‘e Districts, Kauai, Hawaii. The MOA binds the Board to remove the abandoned waterlines should the Department of Public Works require its removal in the future.

BACKGROUND:
Construction plans call for the abandoning of all existing water facilities as required during the Nawiliwili-Kupolo Mainline Replacement installation. The Department of Public Works, County of Kauai, has asked the Department of Water to enter into the Memorandum of Agreement in order to leave existing water facilities abandoned in place. The MOA binds the Board to remove the abandoned waterline in the County Right-of-Ways should the Department of Public Works require its removal in the future.

Mr. K. Fujimoto noted that the MOA has been signed by the County but we are still waiting for the State to reply on our request for the same.

Mr. Costa moved to approve the Memorandum of Agreement for Job No. 05-05, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Manager’s Report No. 11-26 – Dedication Deed for Water Tank Site and Water Well Sites from Alexander & Baldwin, Inc., and McBryde Sugar Company Limited, TMK: 2-5-001:002(por) and 001(por), Omao, Koloa District, Kaua‘i, Hawaii

It was recommended that the Dedication Deed for TMK: 2-5-001:002(por) and 011(por), Omao, Koloa District, Kauai, Hawaii be approved; whereby Alexander & Baldwin, Inc. and McBryde Sugar Company, Limited, both Hawaii Corporations, hereby dedicate, grant and convey unto the Board of Water Supply, the real property described as Lot C-1-B, Lot C-1-C and Lot C-1-D, and further described in exhibit “A”.

Manager Craddick indicated that Kukuiula wants an agreement for water allocation. That agreement will be forthcoming once we get it.
Mr. K. Fujimoto noted that the tank site also includes an area for the new tank and there is no mention of cost involved, but there may be a request that we pay for the land.

Mr. Costa moved to approve the Dedication Deed for the Water Tank Site and Water Well Sites, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

STAFF REPORTS

Re: Statement of Kaua‘i County Water Department’s Revenues and Expenditures

Mr. Costa moved to receive the Statement of Kaua‘i County Water Department’s Revenues and Expenses report and placed it on file, seconded by Mr. Fujimoto; by a unanimous vote; motion was carried.

Re: Public Relations Specialist’s Monthly Update Regarding DOW Public Relations Activities

Project WET: Make a Splash 2010 is scheduled for Thursday, September 23rd. We currently have 620 students with 34 teachers registered. School confirmations have been sent and volunteer schedules, assignments and training are being finalized. Detailed tasks are being completed so at 8:30 a.m. on September 23rd, we will be ready to go.

The Teacher Workshop at Kauai Community College on September 2, 2010 was cancelled due to lack of interest.

Promotional fliers for the October workshops have been finalized and distributed. We are working on the agendas and coordination with Oahu and Maui.

Public Relations Services Request for Proposal: ADDENDUM No. 1 was sent out to the Public Relations Firms that are eligible to submit proposals. A verbal update will be provided at the board meeting.

Drought Mitigation: A request for reimbursement has been sent.

HWWA Conference: Continuing to assisting Sandi with various portions of the upcoming conference. She is doing an outstanding job of covering every detail.

Ms. Shiramizu reported that she is very busy with “Make a Splash” and working on the RFP – we need a procurement officer! For the RFP, the top three consultants were notified and we are working with them to make their presentations to the Evaluation Committee.

The HWWA Conference is still within budget. Board members should contact Sandi Nadatani-Mendez if they are interested in signing up. Chair Nishimura encouraged all Board members to attend. Mr. D. Fujimoto indicated that, because it is on-island and our expenses are therefore less, all Board members should try to attend and give support to the Department. Upon query from Mr. Crowell if the Board is expected to participate in any of the functions and activities, Ms. Shiramizu requested that the members “meet and greet and network”.
Mr. Costa moved to receive the Public Relations Update and place on file; seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Deputy Manager’s Summary Report on Monthly Operational Maintenance

Deputy Eddy indicated that the last time the pumps were changed out on the Kalaheo Well was in March 2004, Well #1 only, so it’s only lasted around 6.5 years. Although the pumps run 12 hours per day, they alternate. Upon query from Mr. D. Fujimoto if the make was the same as the previous one, Deputy Eddy noted that it was, and that the failure is the bearings. This Well has a long shaft, around 900 feet.

Mr. Costa moved to approve the Deputy Manager’s Summary report and place on file; seconded by Mr. Oyama.

Mr. D. Fujimoto mentioned that for future meetings, the second bullet point refers to the hours worked, and if we should re-evaluate the effectiveness of the furlough and how it is working out. It does not make sense if we are spending more money than we are saving. Manager Craddick stated HGEA and UPW are the unions for the whole County and the staff would not want to come to work and also have their pay reduced, they would rather have the furlough day. Mr. D. Fujimoto noted the Council will also re-evaluate the furloughs.

Manager Craddick reported that the Accounting Department is fully staffed except for the Controller. If we work and the State is on furlough and we cannot do the job as they are shut down, then there is no point in working anyway. Mr. D. Fujimoto expressed concern about us operationally and this needs to be evaluated.

With no further discussion; by a unanimous vote; motion was carried.

Re: MANAGER’S UPDATE for AUGUST, 2010 to SEPTEMBER, 2010

CONTRACTS AWARDED BY THE MANAGER:
None

PUMP INSTALLATION PERMITS SIGNED BY MANAGER:
None.

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

PERSONNEL MATTERS UPDATE:

Updated September 2, 2010

RECRUITMENT:

Ops Division:
1. Account Clerk vacancy. Pending list of names to interview from Department of Personnel Services.
2. Lead Pipefitter vacancies. Applications received. Met with union and awaiting input from the UPW.
4. Water Plants Superintendent. Currently under open recruitment via DPS. Pending eligibles list.
5. Water Field Operations Superintendent. Currently under open recruitment via DPS. Pending eligibles list.
6. Automotive Mechanic I pending position update via reallocation action. Eligibles list will be provided after position is established.

**Fiscal Division:**
1. Waterworks Controller. Pending eligibles list.

**Engineering and Special Projects Divisions:**
1. Civil Engineer V vacancy in Special Projects. Start date re-scheduled for October 1, 2010.
2. Project Assistant (Special Projects Division). Pending selection.
3. Civil Engineer VI (Engineering Division head) vacancy. Submitted request to recruit to Department of Personnel Services.

**Administration Division:**
1. Clerical Assistant – Community Relations. Pending selection.
2. Computer Systems Support Technician I. Department of Personnel Services conducting open recruitment for position.
4. Temporary Administration Position being developed. Funding is available.

**Affordable Housing Update:** No Report
{Next meeting will be announced by Housing.}

**Hawaii Water Works Association (HWWA)**
Please see attached Agenda.

Manager Craddick gave an overview of Recruitment as outlined in the Report.

*Mr. Costa was excused and left the meeting at around 12:40 p.m.*

Chair Nishimura asked if we are asking our contractors to work on furlough Fridays. Manager Craddick noted that if we have not received a letter from the agency, we would have to negotiate a change order with the contractor. On the County ones, we need to get a letter from the Mayor. If we want to work we can but we have to be responsible for it. Chair Nishimura asked who pays for the inspections on furlough Fridays on the jobs. Mr. D. Fujimoto confirmed that his letter says if they are not providing inspection they need to be indemnified for the project. Mr. D. Fujimoto stated they do not know what was or was not inspected so their position is, if the County signs it, DOW would indemnify the County for any damage to the road because of improper compaction. Mr. D. Fujimoto reported they will only insure the area where they test and nowhere else. The DOW would have to go back and fix it. Manager Craddick stated that the contractor would do it. Chair Nishimura asked what the warranty period is for the contractor as most of the settlement occurs after several years.
If inspections cannot be done, they we should not be working. Mr. D. Fujimoto stressed that all this needs to be documented.

With no further discussion, Mr. Oyama moved to receive the Manager’s Update for August 2010 – September 2010 and place on file; seconded by Mr. Crowell; by a unanimous vote, motion was carried.

EXECUTIVE SESSION

_Pursuant to H.R.S. §92-7(a), the Commission 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)._"

REVIEW OF EXECUTIVE SESSION MINUTES: None from the August 19, 2010 meeting.

_Pursuant to Haw. Rev. Stat §§92-4 and 92-5(a)(2), the purpose of this executive session is to consider the Job Performance Evaluation of the Department of Water’s Manager and Chief Engineer. This deliberation involves matters affecting the privacy of the Manager and Chief Engineer. If the individual concerned requests an open meeting, an open meeting shall be held._

1. Job Performance Evaluation of the DOW Manager and Chief Engineer

At the Committee of the Whole Meeting, it was approved to forward the findings to the Department of Personnel Services.

Mr. Oyama moved to receive the findings of the Executive Session, seconded by Mr. Fujimoto; by a unanimous vote; motion was carried.

TOPICS FOR NEXT BOARD MEETING
1. First look at the FRC Report from the consultant
2. Annual extension (11-18-10 to 11-17-11) of Volunteer Agreement with Mike Fernandes for Grounds Maintenance of our Nonou 0.2 MG Tank Site Located in Wailua House lots, Wailua, Hawai‘i

Quarterly Reports:
1. For the Board’s Information on the Kaua‘i County Water Department Briefing on Departmental Projects
2. Strategic Plan Update: Issue Champions & Affordable Housing Reports
3. Informational Report on Manager’s Goals

For the Rules Committee
1. Request Approval of Payment of Claims and Disbursement of Claims and Disbursement of Funds Policy 15 A.
For the Committee of the Whole
1. Request Board Approval for Grant Funding from the Department of Health Safe Drinking Water Branch to Develop and Initiate Implementation of a Wellhead Protection Program for the County of Kaua‘i
2. Request Board Approval of the Proposed Revised Organizational Chart to organize for future operations

TOPICS FOR FUTURE WATER BOARD
1. Election of Officers in Regular Meetings (December 2010)
2. Board appointment of PA, Finance and Rules Committee (December 2010)
3. Board Discussion on the Next Year’s Goals for the Manager (December 2010)

UPCOMING EVENTS

NEXT WATER BOARD MEETINGS
1. Thursday, September 16, 2010, 10:00 a.m.
2. Thursday, October 21, 2010, 10:00 a.m.
3. Thursday, November 18, 2010, 10:00 a.m.
4. Thursday, December 16, 2010, 10:00 a.m.
5. Thursday, January 20, 2011, 10:00 a.m.
6. Thursday, February 17, 2011, 10:00 a.m.
7. Thursday, March 17, 2011, 10:00 a.m.
8. Thursday, April 21, 2011, 10:00 a.m.

ADJOURNMENT
There being no further business, the meeting was adjourned at 12:50 p.m.

Respectfully submitted,

Carol A. Beardmore
Commission Support Clerk

Approved,

David R. Craddick, PE
Manager and Chief Engineer

cab
Old Business
BOARD REPORT

October 12, 2010

Subject: Board’s Committee Reports

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

1. Report of the Finance Committee of the Kaua‘i County Board of Water Supply
   a. Claims Payable

2. Report of the Rules Committee of the Kaua‘i County Board of Water Supply
   a. Manager’s Report No. 11-23 – Request Approval of Payment of Claims and Disbursement of Funds Policy 15A
      i. Attached Proposed Draft Bill No. 2380

3. Report of the Committee of the Whole of the Kaua‘i County Board of Water Supply
   a. Manager’s Report No. 11-16 – Request Board approval for Grant Funding from the Department of Health Safe Drinking Water Branch to Develop and Initiate Implementation of a Wellhead Protection Program for the County of Kaua‘i
   b. Manager’s Report No. 11-17 – Request Board Approval of the Proposed Revised Organizational Chart to organize for future operations.
MANAGER'S REPORT 11-23

September 9, 2010

Re: Request Board Approval of Board Policy No. 15 A - Payment of Claims and Disbursement of Funds, and Rescinding Policy 15.

RECOMMENDATION:

Your action is requested to rescind Board Policy No. 15 – Payment of Claims and Disbursement of Funds and approve Board Policy No. 15 A – Payment of Claim and Disbursement of Funds.

FUNDING: N/A

BACKGROUND:

The policy change requested would give the Manager and Chief Engineer the authority to sign on behalf of the Board all claim warrant vouchers provided procedures are in accordance with Board Policy No 15 A.

The current Board Policy regarding disbursal of monies for claims upon the Board of Water Supply with checks issued by the County Finance Director is routinely approved by the Board after Board Finance Committee recommendation to the Board and a Board vote authorizing the Chair to sign the claims. This process is redundant and ministerial at the point the Board is asked to approve the claims. In other words there is no ability to stop legitimate invoices at this point and there is not sufficient time spent to find fraudulent claims. The process is redundant as the Manager has already signed the invoices and relevant staff has approved the invoices. A synopsis of relevant HRS section and current policies are enclosed for your review.

Haw. Rev. Stat ("H.R.S.") 54-25 Disbursement of Fund, the County Treasurer shall disburse all moneys of the board only upon warrants issued by the county auditor or other county authorized signatory on vouchers signed by the chairperson or the acting chairperson of the board, except as provided herein. The Board may delegate through rules and policies adopted pursuant to Chapter 91, its powers and duties regarding the disbursement of funds to the manager and chief engineer.

The Board has changed its rules to allow this delegation to occur subject to following approved policies. Current relevant policies are listed below.

Board Policy No. 3 – allows expenditures for Operation and Maintenance and capital waterworks materials (inventory) purposes when the budgeted amount is not exceeded. Purchases for non-waterworks material less than $5k are also allowed. (This Policy is added for completeness and is not relevant to the request being made and nothing will be changed with this policy.)
Manager’s Report No. 11-23
Request Board Approval of Board Policy No. 15-A – Payment of Claims/Disbursement of Funds, and Rescinding Policy No. 15
September 16, 2010 Board Meeting
Page 2

Board Policy No 15 - Payment of Claims, claims against the Department shall be paid monthly upon signature of the Chairman following a review of the claims by the Finance Committee; the claims shall be first signed by the Manager. (This is the Policy which is relevant to this request.)

Board Policy 22 – Budget and Contract Award process. (This Policy is added for completeness and is not relevant to the request being made and nothing will be changed with this policy.)

Procedural processes that are suggested to be affected by Policy 15A, if approved by the Board, are enclosed for your review.

Approval of this request will allow the finance committee and Board to focus on financial issues that are not ministerial in duty. The Board could require a personal Bond for the Manager which would be paid by the Board which could protect the Board from fraudulent acts.

Attached is the recommended Board of Water Supply Policy 15A.

Respectfully submitted,

[Signature]

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

DRC/cab
Attachments
Mgrp/Board Policy No. 15 A-Payment of Claims/Disbursement of Funds, and Rescinding Policy 15 (9-16-10).cab
Board of Water Supply Policy No. 15 A

Re: Payment of Claims and Disbursement of Funds

Purpose:
To streamline and improve the procedure for the payment of claims and disbursement of monies of the Board of Water Supply for its operating and capital projects expenditures that have been approved in the Annual Operating and Capital Improvement Budget while maintaining Board of Water Supply oversight.

Procedure:

1. The Board delegates its authority to approve funds disbursement vouchers as described in HRS 54-25 to the Manager and Chief Engineer to approve accounts payable vouchers on its behalf provided that the following conditions are met:
   a. The payment of claims are for those operating and capital projects expenditures approved in the annual operating budget as revised from time to time which have been approved by the Board.
   b. The payment of claims are for those operating expenditures resulting from emergencies in which Public health or safety is involved and a report is made at the earliest time to the Board.
   c. The Department follows applicable procurement procedures.
   d. Payments of claims are in accordance with Board Policy No. 3 - EXPENDITURE OF WATER UTILITY FUNDS.
   e. Payments of claims are in accordance with Board Policy No. 22 – BUDGET AND CONTRACT AWARD PROCESS.
   f. There shall be no redirection of funds not approved in the budget.

3. A Claims Payable Summary Report shall be given to the Board, on a monthly basis.

4. In the absence of the Manager and Chief Engineer and Deputy, the Board Chair is authorized to sign all claim warrant vouchers based on invoices that have been previously approved by the Manager and Chief Engineer or the Deputy.

This action for Board Policy No. 15A was officially approved and effective as of the September 16, 2010 Board Meeting.

APPROVED BY:

Chairperson, Board of Water Supply

Dated: September 16, 2010
Board Policy No. 3

Re: EXPENDITURE OF WATER UTILITY FUNDS

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

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

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

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

The expenditure classifications to be included are as follows:

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

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

APPROVED BY:

Chairperson, Board of Water Supply  Date: October 17, 2006

Re: Expenditure of Water Utility Funds  Effective Date: October 17, 2006
BOARD OF WATER SUPPLY POLICY NO. 15:

RE: PAYMENT OF CLAIMS

Claims against the Department (i.e., bills) shall be paid monthly upon signature of the Chairman following a review of the claims by the Finance Committee. Prior to review by the Finance Committee, the claims shall be signed by the Manager. (Note: see Rules of Procedure, Rule VIII, Duties of Finance Committee.)

Exception: Emergency claims payment may be made prior to the Finance Committee meeting upon approval of the Chairman if, in his opinion, a delay of payment will cause a hardship to the Claimant or if, in his opinion, such early payment will be in the best interests of the Department. Such early payment shall be reported to the Finance Committee at its next regular meeting.

George R. Parsons 8/23/74
Chairman
Board of Water Supply

RE: PAYMENT OF CLAIMS

Effective Date: August 23, 1974
Board Policy No. 22

Re:  Budget and Contract Award Process

Purpose:
To streamline and improve the efficiency of the procedure for the department to procure and award formal contracts for services, equipment, materials, and construction while maintaining Board of Water Supply oversight.

Procedure:
1. The Board approves the Department's Annual Operating and Capital Improvement Projects Budget.

2. The Board authorizes the Manager and Chief Engineer to procure, award and approve formal contracts for services, equipment, materials, and construction as approved in the budget that previously would come before the Board for its approval (e.g., formal bid contracts), provided that the following guidelines are followed:

   a. The contract for services, equipment, materials and supplies, or construction is within the approved budget amount.

   b. The department follows applicable procurement procedures.

   c. The County Attorney approves and signs contract as to form and legality.

   d. Should the department require additional funds above the approved budget amount (e.g., contract amount exceeds the approved budget amount, additional funds required for contingencies or change orders that exceed the approved budget amount, etc.), the department will come to the Board for its approval.

   e. The contingency percentage, unless otherwise approved by the Board, shall be 5 percent of the total contract award amount.

   f. Redirection of funds for other purposes not approved in the budget shall come to the Board for its approval.

3. The Department shall report to the Board, on a monthly basis, contracts awarded under this policy (e.g. formal bid contracts).

4. The Manager and Chief Engineer is authorized to sign such contracts.

5. The Board Chair is authorized to sign such contracts, as necessary.

6. When a competitive process is used and if a proposed contract award will be to other than the lowest bidder, the DOW will seek Board approval prior to award.

APPROVED BY:

Chairperson, Board of Water Supply

Re:  Budget and Contract Award Process

Effective Date:  June 12, 2002

Bd. Gen./Bd. Policy No. 22 (6-12-02):rm
MANAGER’S REPORT NO. 11-24:

September 9, 2010


RECOMMENDATION
It is recommended that the Board amend the Part III Standards for Subdivision Water Systems noted in the attached rule change.

BACKGROUND

The rule currently allows the Manager to make changes and various Managers have exempted various subdivisions. I would prefer to have regulation established by rule rather than by the current thought or even changing thoughts of the Manager.

The goal of these changes is twofold:

1. To allow subdivisions for governmental purposes to move forward provided water is not needed for the lot. There is always the portion of land that will stay in the hands of the current owner or some other owner. This non-government piece will have whatever rights it had prior to the subdivision. The action may result in a higher cost per sq foot to meet DOW water requirements. In the end it is a decision of the land owner to require or not the government to put in infrastructure improvements before a particular piece of land is subdivided for either purchase or through donation to the government.

2. Allow subdividers with existing land locked lots or boundary changes that do not affect water demand to relocate them to more convenient locations. In this case we limit the changes to lots that are buildable. In other words if they are in a gulch or in a stream or other such non-buildable site we would not allow the change.

Respectfully submitted,

[Signature]

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

cab
Attachments

Mgrp/Rule Amendment-Part III-Establishing Standards for Subdivision Water Systems (9-16-10).cab
A BILL FOR AN ORDINANCE TO
AMEND CHAPTER 9, KAUA’I COUNTY CODE 1987, AS AMENDED,
RELATING TO THE SUBDIVISION ORDINANCE

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF KAUA’I, STATE OF HAWAII:

SECTION 1. Findings and Purpose:

(a) The Council finds that county agencies, at times impose infrastructure requirements not in rough proportionality to the impact of a proposed subdivision application.

(b) The “rough proportionality” takings argument has been successfully argued at the U.S. Supreme Court to overturn local government exactions (Dolan vs. City of Tigard) where the degree of the exactions required by the local agency does not bear the required relationship to the projected impact of the proposed development.

(c) For the County of Kaua‘i, this is especially true with smaller applications where the applicant is required to upgrade substantial portions of offsite county infrastructure.

(d) There has been instances where an applicant, in order to provide for their children a buildable lot and an affordable home, applies for a subdivision that proposes no additional lots or additional residential density than what is already allowed, are stopped because of off-site infrastructure requirements imposed.

(e) The purpose of this amendment is to clarify the extent to which County agencies impose off-site infrastructure requirements and to allow subdivisions that create no additional lots or additional residential density to proceed without unwarranted conditions or requirements.

(f) Thresholds already exist in the CZO that allow exemptions to development standards:

(1) CZO Sec. 8-7.4(c)(4) allows an exemption from one time subdivision provision in the Agriculture District where: Consolidation and resubdivision of properties where no additional lots or parcels are created provided that the resulting properties would not permit greater density.”

Proposed Draft Bill (No. 2380)
(2) Sec. 8-3.7 of the CZO allows up to four houses to be served by a driveway, without the requirement of a County standard road.

(g) Conditions requiring infrastructure improvements that are normally applied to subdivisions resulting in an increase in density and places additional demands on the existing public infrastructure, should not apply to consolidations and re-subdivisions where no additional density or demands on the public infrastructure are created.

SECTION 2. Section 9-2.13 of the Kaua‘i County Code 1987, as amended, is hereby amended to read as follows:

“Sec. 9-2.13 Consolidation of Lots

All consolidation of lots, shall be processed through the Planning Commission and shall require its approval before recordation of any maps or documents pertinent to the consolidation. Consolidation involving not more than four (4) existing lots or parcels of record and re-subdivision where no additional lots or density are created by the resultant properties, shall not be required to provide any off-site county infrastructure improvements, except as needed to connect to an adjacent roadway or utility line. If the resulting lots or parcels do not place an increased demand on public infrastructure, then the Planning Commission shall not impose additional conditions pursuant to Section 9-3.4(b). The Planning Commission shall establish rules and fee for consolidation of lots.”

SECTION 3. Section 9-3.4 of the Kaua‘i County Code 1987, as amended, is hereby amended to read as follows:

“Sec. 9-3.4 Approval Of Preliminary Subdivision Map.

(a) Compliance and Distribution.

(1) The Planning Department within ten (10) calendar days shall check for compliance of form and contents of the map. If the form and contents are found not to be in compliance, it shall be rejected and returned to the applicant in writing.

(2) After the maps have been preliminarily accepted, the Planning Department shall forward copies to the Department of Public Works, the Department of Water, the State Department of Health, and other affected agencies, departments and utility companies, as the Planning Director determines for comment or approval[...], except for consolidation and re-subdivision of lots exempted by Sec. 9-2.13.
Accompanying application, if any, for required zoning permits, shall also be referred.

(b) Review. After the preliminary subdivision maps have been preliminarily accepted as to form and contents, the following review schedule shall apply:

<table>
<thead>
<tr>
<th>Various governmental agency review to Planning Director.</th>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>After receipt of the agency reviews, the Planning Director shall prepare a report to the Planning Commission. The Planning Commission shall approve, approve with condition or disapprove preliminary subdivision map.**</td>
<td>30 Calendar Days*</td>
<td>45 Calendar Days*</td>
</tr>
<tr>
<td></td>
<td>45 Calendar Days*</td>
<td>45 Calendar Days*</td>
</tr>
</tbody>
</table>

** Column 1: For subdivisions not including streets and improvements where the number of lots to be created is twenty (20) or less.

** Column 2: For subdivisions requiring new streets and improvements.

* Or within a longer period as may be agreed to by the applicant.

** If the Planning Commission fails to take action within the time limit prescribed in this Section, unless the applicant assents to a delay, the preliminary subdivision map shall be deemed approved.”

SECTION 4. Severability. If any provision of this ordinance or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are declared to be severable.

SECTION 5. This Ordinance shall take effect upon its approval.

Introduced By:

DEREK S. K. KAWAKAMI

Date of Introduction:

Līhuʻe, Kauaʻi, Hawaiʻi
MANAGER’S REPORT No. 11-16

August 12, 2010

Re: Request Board Approval to Apply for Grant Funding from the Department of Health Safe Drinking Water Branch to Develop and Initiate Implementation of a Wellhead Protection Program for the County of Kaua‘i

RECOMMENDATION:
Recommend your approval to apply for grant funds available through the Department of Health Safe Drinking Water Branch to develop and initiate implementation of a Wellhead Protection Program.

FUNDING: n/a

BACKGROUND:
The Department of Health Safe Drinking Water Branch has grant monies available through the EPA for projects that address wellhead or source water protection. Erin Borger, Source Water Specialist from the National Rural Water Association, is currently working on a Wellhead/Source Protection Plan for the County of Kaua‘i. The grant money would be used for implementation of the plan.

Mr. Dan Chang from the Department of Health Safe Drinking Water Branch will be available at the Board Meeting to address any of the Board’s questions. Mr. Chang indicated that we would be able to request a minimum of $200,000 or thereabouts, with the dollar amount to be determined as the scope of work for the Wellhead Protection Program is developed.

Respectfully submitted,

Faith Shiraniizu
Public Relations Specialist

CONCURRED:

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

FS:rm
Mgr/cpp Grant Monies from DOH for Wellhead Protection Program (8-19-10):rm
MANAGER'S REPORT No. 11-17 – Second Revision

October 12, 2010

Re: Request Board Approval of the Proposed Revised Organizational Chart

RECOMMENDATION:

Your approval is requested for the Proposed Revised Organizational Chart. For additional discussion, referral to the Committee of the Whole may also be appropriate.

BACKGROUND

In order to better plan for the future, the Department of Water has proposed reorganizational revisions to the Organizational Chart.

The changes include;

3. Changing the EM-7 from 2020 Plan implementer to in charge of both engineering sections. No change in pay level.
5. Private Secretary to oversee Secretary. Secretary to oversee Senior Clerk and Clerk/Typist.

Respectfully submitted,

[Signature]

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

DRC:cab
Mgr/Rev Organizational Chart (8 19 10) (9 16 10) (10 21 10)
DEPARTMENT OF WATER
County of Kauai

TABLE OF ORGANIZATION

Functional & Staffing Charts
COUNTY OF KAUAI
KAUAI DEPARTMENT OF WATER
ORGANIZATION CHART
BASIC STRUCTURE

MAYOR

KAUAI BOARD OF WATER SUPPLY

ADMINISTRATION OFFICE

FISCAL DIVISION
  - Billing Section
  - Accounting Section

OPERATIONS DIVISION
  - Field Section
  - Plant Section

WATER RESOURCES AND PLANNING DIVISION

ENGINEERING DIVISION

SPECIAL PROJECTS DIVISION
COUNTY OF KAUA'I
KAUA'I DEPARTMENT OF WATER
ORGANIZATION CHART
OPERATIONS DIVISION
- FIELD SECTION
Chief of Water Resources and Planning
EM-7
Pos. 2460

Civil Engineer VI
EM-5
Pos. 2428

Civil Engineer IV
SR-24
Pos. 2458

Civil Engineer III
SR-22
Pos. 2360

Engineering Drafting Technician III
SR-19, Pos. 2352

Engineering Support Technician III
SR-17, Pos. 2445
Civil Engineer VI
EM-5
Pos. 2470

Water Microbiologist IV
SR-24
Pos. 2467

Water Microbiologist III
SR-22
Pos. 2477

Chemist
SR-20
Pos. 2480

Civil Engineer V
SR-26
Pos. 2358

Waterworks Project Manager
SR-24, Pos. 2351

Project Assistant
SR-18, Pos. 2484

Waterworks Inspector III
SR-21, Pos. 2353

Waterworks Inspector II
SR-19, Pos. 2357
Civil Engineer VI  
EM-5  
Pos. 2430

Civil Engineer V  
SR-26  
Pos. 2476

Civil Engineer II  
SR-20  
Pos. 2468

Waterworks Inspector II  
SR-19  
Pos. 2355

Waterworks Inspector II  
SR-19  
Pos. 2483
DEPARTMENT OF WATER
COUNTY OF KAUAI

Function Statement

BOARD OF WATER SUPPLY
Determines policies and prescribe regulations for the operation and control of all the County-owned water systems on Kauai.

ADMINISTRATION OFFICE
Administer and manage the affairs of the Department in accordance with policies and regulations adopted by the Board and the provisions of the County Charter.

FISCAL DIVISION
Administer the affairs of the Fiscal Division and all programs assigned to it. Assists the Manager in development of the annual budget. Conducts technical studies in the review, analysis, development and establishment of procedures, for budgetary, utility and revenue and customer accounting systems and directs their modification and installation. Insures the acquisition of valid and consistent data for use in planning and budgetary, performance control and evaluating managerial decisions and reporting requirements. Prepare financial and statistical reports; conduct internal audits and financial and statistical studies of the Department. Compile and analyze financial, consumption and statistical data for reports and rate making.

Accounting Section
Maintain inventories and property records; prepares time sheets and employee leave records; audit and process disbursement vouchers; responsible for purchasing, storing and issuing of office supplies; maintain physical and fiscal control of storerooms and responsible for purchasing of Department’s materials and supplies. Process and maintain all accounts receivables and payables and prepares financial statements, statement of demands, status of the budget and other information required by management. Conducts preparation of annual audit.

Billing Section
Conduct the Department’s water-billing operations and its related functions which includes meter reading, pre-auditing water billing data, and maintaining accounts receivable. Establish and maintain meter reading routes and meter reading. Prepare water revenue estimates and unaccounted water reports. Administer and process meter applications and new services. Formulate, establish and maintain cashiering service for payment of bills. Maintain records of delinquent and inactive accounts. Service walk-in and mail customers on billing, payment and collection matters; and perform all office and field collection work required to maintain an effective bill collection program. Handle inquiries regarding DOW rates and high water bills.

OPERATIONS DIVISION
Administer the affairs of the Operations Division and all programs assigned to it. Conducts operational hydraulic analysis and determines systems weaknesses for improvements and corrections. Makes hydraulic calculations and analysis on consumer service complaints and recommends solutions. Responsible for implementing programs for pump efficiency testing, analyzing recording charts, insuring water quality, preventive maintenance, safety and employee motivation and control. Provide engineering analysis and support for field and plant operations. Liaison to management and other divisions.

Field Section
Conduct all major repair operations involving water mains, hydrants, reservoirs and pump stations. Construct pipelines and appurtenances and miscellaneous force account and jobbing projects. Conduct all carpentry, masonry and heavy equipment operations. Install new service connections and meters. Conduct the installation of interconnections
of new water mains to the existing system. Maintain DOW pump stations, reservoir sites and all other physical water facilities. Provide staffing for 24-hour control of the Department's islandwide water systems.

**Plant Section**

Investigate and determine causes of abnormalities, interruptions and reductions in water supply. Monitor the quality of water and as needed locate the source and eliminate contamination and other adverse conditions. Maintain 24-hour control over the Department's islandwide water systems. Responsible for all electrical, mechanical and automotive work for the Department. Plan, modify, install, operate and maintain all water system equipment including, but not limited to, electric motors, pumps, hydraulic valves, chlorination equipment, water treatment facilities, reservoirs, valves, meters, communication system, welding equipment and leak detection operations. Operate disinfection program to produce good quality water.

**WATER RESOURCE AND PLANNING DIVISION**

Review and coordinate the planning of water systems of proposed developments (hotels, subdivisions, etc.) to assure compatibility with the Department's water general plan. Determine hydraulic criteria for reservoirs, pumping stations and water mains. Evaluate and develop water network requirements. Conduct long-range planning and research and make analytical studies of water consumption and maximum demand to meet the water needs of Kauai. Prepare population projections and estimates for future water use. Prepare reviews of subdivision and zoning amendments requests as it applies to water. Conduct investigations to obtain and analyze data to determine capabilities of existing water sources. Conduct investigation for the development of potential sources. Conduct and/or administer studies relating to the protection of water sheds and water resources. Maintains maps and records of all water facilities.

**ENGINEERING DIVISION**

Directs & reviews the specifications & plans for waterworks facilities for both public & private constructed projects. Coordinates construction projects other than WP 2020 (Water Plan 2020). Conducts inspections & monitors work in progress, making final inspections of completed work. Coordinates procurement of professional services & other purchases of goods & services except for Water Plan 2020 projects.

**SPECIAL PROJECTS DIVISION**

Coordinates & administers engineering consultant contracts. Coordinates & reviews construction plans of private developers. Maintains the department's Water System Standards. Coordinates & implements some of the department's State & Federal programs. Administer and coordinate activities and functions of the Water Quality Laboratory. Monitors integrity & quality of the department's water source & system. Coordinates & administers SCADA, AMR, GIS & any other special projects or maintenance projects which require engineering & procurement support for the department.

Revised: 03/2008
COUNTY OF KAUA\[\]
KAUA\[\] DEPARTMENT OF WATER
ORGANIZATION CHART
BASIC STRUCTURE

PREPARED BY: ___________________________  8/13/2010
DEPARTMENT HEAD  DATE

APPROVED BY: ___________________________  DATE
BOARD CHAIRPERSON

CUSTOMERS

MAYOR

KAUAI BOARD OF WATER SUPPLY

ADMINISTRATION OFFICE

FISCAL DIVISION

DISTRIBUTION DIVISION

PLANT OPERATIONS DIVISION

WATER RESOURCES AND PLANNING DIVISION

ENGINEERING and PROJECT MANAGEMENT DIVISION

Billing Section

Accounting Section
Manager and Chief Engineer
Ordinance, E-19

Deputy Manager-Engineer
Ordinance, E-30

Private Secretary
SR-20, Position E-35

Secretary
SR-16, Position 2354

Senior Clerk
SR-10, Position 2474

Clerk-Typist
SR-8, Position 2479

Commission Support Clerk
Appointed (Boards & Comm Pos.)

Public Relations Specialist
SR-20, Position 2478

Clerical Assistant (Community Relations)
SR-15, Pos. 2492

DISTRIBUTION DIVISION
PLANT OPS DIVISION
ENGINEERING and PROJECT MANAGEMENT DIVISION

FISCAL DIVISION
WATER RESOURCES & PLANNING DIVISION
MICROLAB SECTION
Chief of Distribution Division  
EM-5  
Pos. 2491

Water Service Supervisor III  
F-209  
Pos. 2416, 2425

Lead Pipefitter  
WS-9  
Pos. 2404, 2407, 2412, 2434, 2481

Pipefitter, BC-9  
Pos. 2418, 2443, 2454, 2456, 2472, 2473

Pipefitter Helper, BC-5  
Pos. 2405, 2410, 2471,  
(future position # _____)

Equipment Operator II, BC-9  
Pos. 2402, 2408, 2439, 2451,  
(future position # _____)

Waterworks Investigator II  
SR-14, Pos. 2486

Clerk Dispatcher II  
SR-14, Pos. 2403

Account Clerk  
SR-11, Pos. 2464

Utility Worker  
BC-5,  
Pos. 2438
**ITEM A**

**Re: Transfer of $3.8 million in Revenue Funded Payments to BAB**

Dear Chairman and Members;

Your approval is requested to recertify the funding for certain DOW projects from SRF loans to BAB funds in the total amount of $3,883,607.09.

Debt service payments for the SRF loans would increase SRF payments $320K per year above what they currently are. The subsidized debt service for the BAB would be about $240K. This is a difference of $80K. Reimbursement of the listed amounts has not been requested by DOW from DOH administered DWSRF. The ratio of yearly savings to yearly income $80K/$20,000K amounts to approximately 0.4% less revenue needed in water rates. The bond funds must be expended within three years. DOW cash would be conserved for future projects or delaying future rate increases but would not be subject to arbitrage payments or reduction of federal subsidy on bond proceeds for failure to pay out bond funds for the purposes authorized. These are the reasons I am recommending this action.

A detailed list of each project affected with relevant information is listed below.

<table>
<thead>
<tr>
<th>Contract No.</th>
<th>Description</th>
<th>Amount to be</th>
<th>SRF Int</th>
<th>Loan Fec</th>
<th>SRF Total</th>
<th>w/subsidy</th>
<th>BAB Int**</th>
<th>Approx Debt payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>491</td>
<td>Stable Tank</td>
<td>$ 1,033,673</td>
<td>0.26%</td>
<td>3.50%</td>
<td>3.76%</td>
<td>2.60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>492</td>
<td>Stable TK Ph II</td>
<td>$ 277,296</td>
<td>0.26%</td>
<td>3.50%</td>
<td>3.76%</td>
<td>2.60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>493</td>
<td>Stable TK Ph I</td>
<td>$ 250,330</td>
<td>0.26%</td>
<td>3.50%</td>
<td>3.76%</td>
<td>2.60%</td>
<td></td>
<td>$593,243</td>
</tr>
</tbody>
</table>

**Sub total Kapililao**

$ 1,561,299

| 497          | Tank              | $ 2,091,182  | 0.32%   | 3.50%    | 3.82%     | 2.60%     |           | $802,696            |
| 498          | Kaumualii Hwy     | $ 231,126    | 0.42%   | 3.50%    | 3.92%     | 2.60%     |           | $99,839             |

**Total**

$1,972,263

$1,495,778
$3,883,607

BAB pro rata
share of
interest $1,972,263
SRF interest and loan fee $1,495,778
total $(476,485) loss

For this transaction there is a net loss of $476,485 over twenty five years but 1.5% interest on the $3.9 million is about $58K per year. I do not expect we would hold on to this money for the length of time needed to make up the difference. We would probably hold it for three years.

The above listed jobs are not complete except the PH I and PH II Stable Tank pipelines.

** To arrive at the BAB interest cost for the SRF projects I took $3883607/$60000000= 6.472678% of the total BAB interest minus the subsidy $30,470579 = $1,972,263 This would include issuance costs. This same percentage is used to arrive at the BAB interest related debt service payments above.

The reason the cost is higher for the BAB even though it has the lower interest rate is because the BAB has deferred principal and a longer pay off time (same issue with fifteen year and thirty year mortgage) and on first review does not appear beneficial. The unknown or risk part of this action is the effect of subsidy reduction if we do not spend down the bond proceeds in the required time. However, when we look at the debt service payments noted above we see a different financial view point which you may appreciate.

Thank you for your careful review of this matter and I realize all the factors that enter into this decision are not known at this time.

ITEM B

Re: Waimea Well A Water Utility Funded Project

RECOMMENDATION: It is recommended that the Board reallocate $1,000,000.00 from Account 101b, CRP Kalaheo Nursery Tank and Clearwell Renovations to Job No. 04-06, KW-20, Waimea Well “A” Renovations.

FUNDING:
Job No. 04-06, KW-20, Waimea Well A Renovations, engineers estimate $1,000,000.00
101b. CRP Kalaheo, Nursery Tank and Clearwell Tank Renovation $1,500,000.00
Balance Remaining: $ 500,000.00

BACKGROUND:
Job No. 04-06, KW-20, Waimea Well A Renovations major improvements includes:
- Replace existing line shaft pump with submersible pump.
- Replace existing motor control center.
• Replace gas chlorination system with sodium hypochlorite system.
• Replace existing control building wooden roof with new concrete roof. Add new supports as needed.
• Provide addition to control building to separate motor control center with chlorination equipment.
• Security improvements, including new steel doors, louvered windows, barbed wire on top of the existing fencing, etc.
• Repaint building and piping.
• Replace existing propeller flow meter with new venturi tube flow meter and control valve piping.

The State highway right of way for the portion of Waimea Canyon Drive fronting the Waimea Well A has not been determined yet, resulting in the Department of Transportation’s reluctance to approve this project. They have since proceeded with sufficient progress that they are reasonably comfortable that our facilities will not affect the road right of way and have since approved the project. The Department did not anticipate having this issue resolved so expeditiously so did not fund the project construction for this year. We acknowledge and appreciate the State’s efforts in allowing the Department to proceed before finalizing their right of way.

The funding for the Kalahlo Nursery Tank and Clearwell Renovations is already included with Account 201.01 Bond (BAB) so we do not anticipate needing to use all of the funds allocated from Account 101b CRP for that project.

Respectfully submitted,

[Signature]

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

DRC: cab
Mgrp/Budget Amendment-SRF to BAB_Waimea Well A Waier Utility Funded Project (9-16-10):cab
MANAGER’S REPORT NO. 11-10

September 9, 2010

Subject: Request Board Approval to Concur with Mayor Carvalho’s “Consortium for Kaua’i’s Sustainable Regional General Plan”

RECOMMENDATION

It is recommended that the Board approve DOW participation in the Administration’s effort to form a Consortium for Kaua’i’s Sustainable Regional General Plan.

BACKGROUND

The County intends to pursue the HUD/DOT/EPA Sustainable Communities Regional Planning Grant by forming a group of stakeholders in the process.

We believe we are an important cog in the wheel. This group should be able to take advantage of the Kaua’i community collective desire for sustainable development by building the necessary partnerships among Kaua’i’s governmental agencies, organizations, service providers and non-profit organizations that will be needed to implement a sustainable vision over the long term.

Respectfully submitted,

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

DRC/cab
Attachment
Mgrp/Consortium for Kaua’i’s Sustainable Regional General Plan (8-19-10)(9-16-10):cab
THE CONSORTIUM FOR KAUA'I'S SUSTAINABLE REGIONAL GENERAL PLAN

August 2010

The mission of the Consortium is to promote comprehensive regional planning that protects Kaua'i's environment and rural character and increases economic opportunity for all Kaua'i residents, now and in the future. The Consortium proposes to pursue the HUD/DOT/EPA Sustainable Communities Regional Planning Grant in order to take advantage of the Kaua'i's collective desire for sustainable development by building the necessary partnerships among Kaua'i's governmental agencies, organizations, service providers and non-profit organizations that will be needed to implement a sustainable vision over the long term.

As a member of the consortium for the HUD Sustainable Communities grant being applied for by the County of Kaua'i, Department of Water agrees to the following:

- Will act as a partner to the County of Kaua'i to carry out the activities described in the approved application

- Will authorize the County of Kaua'i to serve as the lead applicant and to act in the representative capacity with HUD on behalf of all members of the consortium and to assume administrative responsibility for ensuring that the consortium's program is carried out in compliance with all HUD requirements

- Understand that the County of Kauai will submit the application, execute the cooperative agreement with HUD, and assume fiscal responsibility for the grant

- Understand that the County of Kauai will enter into memorandums of understanding with any partners receiving funding from the grant, to ensure delivery of the required activities

- Upon notification of approval of the grant, this agency will enter into a formal consortium agreement to be executed no later than 120 days after the effective start date of the grant agreement

Agreed:

Bernard P. Carvalho, Jr., Mayor
County of Kaua'i

Mr. David Craddick
Department of Water
New Business
MANAGER’S REPORT NO. 11-27:

October 12, 2010

Re: Request Board Approval of Conveyance of Water Facility and Grant of Easement Documents

We request Board’s approval of the following documents from the following applicants for their respective projects:

a. Conveyance of Water Facility from Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company for the CC/FF Subdivision (S-2009-3), TMK: (4) 2-6-015:013 (por), Koloa, Kaua‘i, Hawaii.

b. Grant of Easements W-1 and W-2 from Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company, for the CC/FF Subdivision (S-2009-3), TMK: (4) 2-6-015:013 (por), Koloa, Kaua‘i, Hawaii

c. Conveyance of Water Facility from Lokelani Makai Property LLC, a Hawaii limited liability company for the “2nd Water Meter Plan Serving Lots 28-A and 28-B”, TMK: (4) 4-4-05:039, Lot 28-B, Unit 2, Kapaa, Kauai, Hawaii

d. Conveyance of Water Facility from Lokelani Mauka LLC, a Hawaii limited liability company for the “2nd Water Meter Plan Serving Lots 28-A and 28-B”, TMK: (4) 4-4-05:128, Lot 28-A, Unit 2, Kapaa, Kauai, Hawaii

e. Conveyance of Water Facility from Peter F. Fisher, Trustee under that certain Declaration of Trust known as the Peter F. Fisher Trust dated April 24, 2006, and Elizabeth A. Fisher-Lavoie, Trustee under that certain Declaration of Trust known as the Elizabeth A. Fisher-Lavoie Trust dated April 24, 2006 for the “Use Permit U-2008-18, Variance Permit V-2008-6, Class IV Zoning Permit Z-IV-2008-19, Subdivision of Lot 55 (S-2010-09) For Kayak Wailua, LLC”, TMK: (4) 4-1-06: 034, Kapaa, Kauai, Hawaii

f. Conveyance of Water Facility from Kawaihau 31 Acres LLC, TMK: (4) 4-6-007:017, Kawaihau Road, Kapaa, Kauai, Hawaii.

Respectfully submitted,

David Craddick, P.E.
Manager and Chief Engineer

Attachments
Mgrp/COWF-GOE Cover Sheet-(10-21-10):cab
BOARD REPORT

October 7, 2010

Re: Conveyance of Water Facility from Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company for the CC/FF Subdivision (S-2009-3), TMK: (4) 2-6-015:013 (por), Koloa, Kauai, Hawaii

It is recommended that the Conveyance of Water Facility document be approved; whereby, Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

Waterline:

1,715 lineal feet of 12" Ductile Iron Waterline
192 lineal feet of 8" Ductile Iron Waterline
98 lineal feet of 6" Ductile Iron Waterline
8 each 12" Gate Valve including C.I. valve box & cover
4 each 8" Gate Valve including C.I. valve box & cover
6 each 6" Gate Valve including C.I. valve box & cover
5 each Fire Hydrant Assembly w/ 1 - 4 1/2" & 1 - 2 1/2" outlet
4 each 2.5" Cleanout
1 each 4" Cleanout
1 each 6" Blow-off Valve Assembly
10 each 1-inch Copper Single Service Lateral for 5/8-inch Water Meter
3 each 1-1/2 inch Copper Double Service Lateral for 5/8-inch Water Meter

in place complete, for the CC/FF Subdivision (S-2009-3), TMK: (4) 2-6-015:013 (por), Koloa, Kauai, Hawaii.

Respectfully submitted,

Keith Aoki, Engineer
Engineering Division

KA:cab
Mgrp-COWF-CC/FF Subdiv-Koloa (10 21 10):cab
BOARD REPORT

October 7, 2010

Re: Grant of Easements W-1 and W-2 from Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company for the CC/FF Subdivision (S-2009-3), TMK: (4) 2-6-015:013 (por), Koloa, Kauai, Hawaii

It is recommended that the Board approve the Grant of Easement document whereby, Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company, grant to the Board of Water Supply, County of Kauai, perpetual easements, W-1 and W-2, on, over and under that certain parcel of land located in TMK: (4) 2-6-15:013, Koloa, Kauai, Hawaii, for the reading of water meters and for the construction, installation, re-installation, maintenance, repair and removal of potable water pipelines and related meters, valves, and other associated waterworks facilities improvements and appurtenances, together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system for the construction plans for “CC/FF Subdivisions S-2009-3”, TMK: (4) 2-6-015:013 (por.), Koloa, Kauai, Hawaii.

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

Respectfully submitted,

Keith Aoki, Engineer
Engineering Division

KA:ceab
Mgrp-GOE W-1 and W-2-CC/FF Subdiv-Koloa (10 21 10):ceab
BOARD REPORT

October 7, 2010

Re: Conveyance of Water Facility from Lokelani Makai Property LLC, a Hawaii limited liability company for the "2nd Water Meter Plan Serving Lots 28-A and 28-B", TMK: (4) 4-4-05: 039, Lot 28-B, Unit 2, Kapaa, Kauai, Hawaii

It is recommended that the Conveyance of Water Facility document be approved; whereby, Lokelani Makai Property LLC, a Hawaii limited liability company, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

1 each 1-inch Copper Single Service Lateral for 5/8-inch Water Meter

in place complete, for TMK: (4) 4-4-05: 039, Lot 28-B, Unit 2, Kapaa, Kauai, Hawaii.

Respectfully submitted,

Keith Aoki, Engineer
Engineering Division

KA: cab
Mgrp-COWF-Lokelani Makai-Kapaa (10 21 10):cab
DEPARTMENT OF WATER
County of Kauai

"Water has no Substitute – Conserve It!"

BOARD REPORT
October 7, 2010

Re: Conveyance of Water Facility from Lokelani Mauka LLC, a Hawaii limited liability company for the “2nd Water Meter Plan Serving Lots 28-A and 28-B”, TMK: (4) 4-4-05: 128, Lot 28-A, Unit 2, Kapaa, Kauai, Hawaii

It is recommended that the Conveyance of Water Facility document be approved; whereby, Lokelani Mauka LLC, a Hawaii limited liability company, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

1 each 1-inch Copper Single Service Lateral for 5/8-inch Water Meter

in place complete, for TMK: (4) 4-4-05: 128, Lot 28-A, Unit 2, Kapaa, Kauai, Hawaii.

Respectfully submitted,

Keith Aoki, Engineer
Engineering Division

KA:eab
Mgrps-COWT-Lokelani Mauka-Kapaa (10 21 10):eab
BOARD REPORT

October 7, 2010

Re: Conveyance of Water Facility from Peter F. Fisher, Trustee under that certain Declaration of Trust known as the Peter F. Fisher Trust dated April 24, 2006, and Elizabeth A. Fisher-Lavoie, Trustee under that certain Declaration of Trust known as the Elizabeth A. Fisher-Lavoie Trust dated April 24, 2006 for the “Use Permit U-2008-18, Variance Permit V-2008-6, Class IV Zoning Permit Z-IV-2008-19, Subdivision of Lot 55 (S-2010-09) For Kayak Wailua, LLC”, TMK: (4) 4-1-06: 034, Kapaa, Kauai, Hawaii

It is recommended that the Conveyance of Water Facility document be approved; whereby, Peter F. Fisher, Trustee under that certain Declaration of Trust known as the Peter F. Fisher Trust dated April 24, 2006, and Elizabeth A. Fisher-Lavoie, Trustee under that certain Declaration of Trust known as the Elizabeth A. Fisher-Lavoie Trust dated April 24, 2006, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

1 each 1-inch Copper Single Service Lateral for 5/8-inch Water Meter

in place complete, for TMK: (4) 4-1-06: 034, Kapaa, Kauai, Hawaii.

Respectfully submitted,

[Signature]

Keith Aoki, Engineer
Engineering Division

KA: cab
Mgrp-COWF-Fisher Trust-Kayak Wailua-Kapaa (10 21 10).cab
BOARD REPORT

October 13, 2010

Re: Conveyance of Water Facility from Kawaihau 31 Acres LLC, TMK: (4) 4-6-007:017, Kawaihau Road, Kapaa, Kauai, Hawaii.

It is recommended that the Conveyance of Water Facility document be approved; whereby Kawaihau 31 Acres LLC transfers unto the Board of Water Supply, County of Kauai, all of is right, title and interest to a 2½”copper service connection for Five (5) - 5/8” water meters, in place complete, in accordance with the as-built construction drawings for WATER INSTALLATION PLAN FOR LOT A-2, TMK: (4) 4-6-007:017, Kawaihau Road, Kapaa, Kauai, Hawaii, prepared by Wagner Engineering Services, Inc.

A Grant of Easement is not required.

Respectfully submitted,

[Signature]

Keith Fujimoto
Project Engineer

KF:cab
Mgr/COWF – Kawaihau 31 Acres LLC-Kapaa (10-21-10).cab
MANAGER’S REPORT 11-28

October 12, 2010
Re: Request Approval of FRC Changes

RECOMMENDATION:
Board approval is requested for addition of Part V Rules for the application of Facilities Reserve Charges and approval of FRC proposal from R.W. Beck.

FUNDING: N/A

BACKGROUND:
The FRC are currently paid to the DOW prior to the DOW granting final subdivision approval and from that time there is a guarantee of water whether a meter is installed in a timely fashion or not. This should not be allowed to continue as there is no way to orderly keep track of who is ready for water or not and the cost of providing the water continues to rise.

The current credit system only allows credit for facilities provided for specific projects related to the improvements. From time to time we receive state appropriations and no credit is given for the improvements.

At the same time there are certain state beneficiaries such as agricultural pursuits in places where the state does not have state operated agricultural systems, facilities operated by the State (i.e. schools, maintenance facilities, DHHL projects, etcetera, that could be subsidized by dollar value from some of the legislative granted improvements if they are source, transmission or storage related.

The proposed rules deal with these issues. They do not deal with changes to current rules other than Part IV FRC schedule.

There is another observed inequity in the current and proposed rules in that there are wide ranges of water use when utilizing the current meter size determination of FRC charges which maybe more equitably addressed by fixture unit based FRC charge. We currently use system averages by meter size or water demand calculations to identify appropriate meter size and that by definition means the low uses are subsidizing the high uses. With the fees needing to rise if we are to get out of the subsidy mode, I do not feel fees based on meter size are a sustainable impact fee methodology. An alternate method would be going to a FRC based on gallons which can be increased as consumption demand range goes up. Although the R. W. Beck report develops by the gallon unit costs per gallon the rules do not reflect this and some rules changes to those proposed would need to be made to effectively utilize these unit costs.

Respectfully submitted,

David R. Craddick, P.E.
Manager and Chief Engineer
DRC/cab
Mgrnc/FRC Changes (10-21-10)/cab
MANAGER’S REPORT NO. 11-29:

October 11, 2010

Re: Request Board Approval for an Agreement to Allow Mr. Michael Fernandes to Continue His Volunteer Services by maintaining the Department’s (inactive) Nonou 0.2 MG Tank Site, Wailua, Kaua‘i

RECOMMENDATION: It is recommended that the Board approve the attached Agreement allowing Mr. Michael Fernandes to continue providing voluntary site maintenance of the (inactive) 0.2 MG Nonou Tank Site through the County’s Adopt-A-Park Program located at Wailua House lots, more particularly on Tax Map Key: (4) 4-1-009-019.

FUNDING: No funding required for this action.

BACKGROUND: Mr. Fernandes has been maintaining a portion of the Department’s old Nonou Tank site located in Wailua House lots for nearly twenty years through what he claims was an informal mutual agreement in 1998 with a former Department Water Manager. The year 2007, was when Mr. Fernandes initially expressed official interest in continuing the maintenance of the Department’s old Nonou Tank Site. He was interested in keeping the Department’s tank site maintained because he has the lease for the adjacent pasture lands. Mr. Fernandes has fenced the area between the old tank site and surrounding properties and has indicated that the fence would need replacement due to the age of the current fence. The Department’s old Nonou Tank has not been in active use for approximately 26 years as it was replaced by the 2.0 MG Nonou Tank in 1981, but the site may be put back into service in the future.

The old Nonou Tank site was originally executive ordered to the Board of Supervisors and not the Board of Water in about 1959. Therefore, Mr. Fernandes was referred to Mr. Eddie Sarita, who administers the Hoolokahi Volunteer Program which allows citizens to volunteer with the maintenance of County properties. Mr. Sarita and Mr. Fernandes signed the County’s Agreement which is attached.

Although the Board is not required to sign the agreement, maintenance of the tank site is generally left to the Department’s staff and therefore Board’s approval of having Mr. Fernandes continue the maintenance of the tank site is requested.

This is to request Board approval to allow Michael Fernandes to continue his volunteer services by maintaining the Department’s inactive Nonou 0.2 MG Tank Site. Mr. Fernandes’ current agreement which was approved by the Board at the October 15, 2009 Board Meeting expires on November 17, 2010.

Respectfully submitted,

David R. Craddick
Manager and Chief Engineer
DEPARTMENT OF WATER
COUNTY OF KAUAI

AGREEMENT FOR INDIVIDUAL VOLUNTARY SERVICES

THIS AGREEMENT is between the BOARD OF WATER SUPPLY, County of Kauai, State of Hawaii, whose mailing address is P.O. Box 1706, Lihue, Hawaii 96766 (hereafter “BOARD”) and Michael Fernandes, whose address is 411 Pua Road, Kapaa, Hawaii 96746 hereafter (“Volunteer”).

WHEREAS, Volunteer desires to maintain the grounds surrounding the Board’s Nonou 0.2 MG Tank Site located in Wailua House lots, Wailua, Hawai‘i on Tax Map Key No. (4) 4-1-009:019; and

WHEREAS, since the Nonou 0.2 MG Tank Site is currently not in use, the Board finds that it would be in the public interest to have Volunteer assist the Board with ground maintenance at the Nonou 0.2 MG Tank Site for a limited time;

NOW THEREFORE, for good and valuable consideration as set forth in this agreement, the parties agree to the following terms and conditions:

1. Volunteer will assist the Board with the grounds maintenance at the Nonou 0.2 MG Tank, which will include the removal of weeds and debris from the said tank site, repair and maintenance of fencing, as necessary, removal of trees or shrubs with consent of the Chief of Operations and any additional work that may be done by mutual agreement between the Volunteer and the Board’s Chief of Operations.

2. Volunteer shall not permit commercial activity, including the sale of any items or advertising of commercial products, to be conducted in conjunction with the maintenance of the site, undertake or permit fund raising activities at the site, permit anyone to possess, display, use or consume alcoholic beverages or illegal drugs at the site, permit any temporary or permanent residence to occur at the site, and permit or use the site as a pasture.

3. The Board will conduct periodic site visits and inspection of the said tank site to ensure that proper maintenance is being done. If it is determined that proper maintenance is not taking place, the Board will notify the Volunteer in writing of the problem(s) and will provide suggestions to correct the problem(s). The Volunteer will be allowed a reasonable time to correct the problem. If the Volunteer fails to correct the problem, the Board may revoke this Agreement.

4. Volunteer agrees to perform its volunteer services in a safe and reasonable manner. It is the Volunteer’s responsibility to become acquainted with the procedures and tools necessary to perform the tasks necessary to maintain the said site.
5. Volunteer understands that he will not receive any compensation for the above work and that Volunteer is NOT considered to be an employee of the Department of Water, County of Kauai for any purpose and that Volunteer understands that his service is not creditable for leave accrual or any other employee benefits. Volunteer acknowledges that there are inherent risks and dangers associated with the maintenance of the said tank site.

6. The terms of this Agreement will commence on November 18, 2010 and shall terminate on November 17, 2011. Either party may terminate this Agreement after providing the other party with five (5) days written notice.

7. Volunteer shall comply with all applicable federal, state, and county laws, ordinances, codes, rules and regulations as the same may be amended from time to time that in any way affect the Volunteer’s performance of this Agreement.

8. Volunteer is considered an “employee” of the County pursuant to Section 90-4(4) of the Hawai’i Revised Statutes, and the County may provide legal representation pursuant to Section 662-16 of the Hawai’i Revised Statutes. However, Volunteer is personally liable for any negligent acts or omissions that cause personal injury or property damage. Volunteer also agrees to hold harmless and indemnify the County of Kaua’i, Board, its officers, employees and agents from any claims or actions arising out of any acts or omissions by Volunteer.

9. For purpose of this Agreement, the term “Board of Water Supply, County of Kaua’i” and “Board” shall mean the Board of Water Supply and Department of Water of the County of Kaua’i, its officers and employees.

10. This Agreement may be amended only in writing signed by both the Board and the Volunteer.

In WITNESS WHEREOF, the parties hereto have caused this agreement to be executed this ______ day of _____________, 2010.

VOLUNTEER: 

_________________________ 
Michael Fernandes

BOARD OF WATER SUPPLY 
COUNTY OF KAUAI

_________________________ 
Randall Nishimura, Chairperson
DEPARTMENT OF WATER
COUNTY OF KAUA'I

AGREEMENT FOR INDIVIDUAL VOLUNTARY SERVICES

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

On this __________ day of ______________________, 20__, before me
personally appeared _______________________,
who is personally known to me
whose identity I proved on the basis of _______________________,
whose identity I proved on the oath/affirmation of _______________________
______________________, a credible witness:

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 capacity shown,
having been duly authorized to execute such instrument in such capacity.

________________________
Notary Public, State of Hawaii

Notary’s Name: Carolyn Carveiro
My commission expires: 9-20-2013

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

On this ___ of __________, 2010, before me appeared Randall Nishimura, to me
personally known, who, being by me duly sworn, and that said officer is the Chairperson of the
COUNTY OF KAUA'I, BOARD OF WATER SUPPLY, and that the foregoing instrument was
signed on behalf of said Board, by authority of said Board, and that said officer acknowledged
said instrument to be the free act and deed of said Board, and that said Board has no
corporate seal.

________________________
Notary Public, State of Hawaii

Notary’s Name: Carolyn Carveiro
My commission expires: 9-20-2013
LIABILITY WAIVER FOR INDIVIDUAL VOLUNTARY SERVICES

Name: Michael Fernandes  Phone: 822-3674/652-6017

ADDRESS: 411 Pua Road, Kapa'a, HI 96746

DURATION OF AGREEMENT: START: November 18, 2010 END: November 17, 2011

I understand that I will not receive any compensation for the above work and that volunteers are NOT considered to be employees of the Board of Water Supply, County of Kaua‘i for any purpose other than tort claims, and I understand that volunteer service is not creditable for leave accrual or any other employee benefits. I also understand that either the Board of Water Supply, County of Kaua‘i, or I may cancel this agreement at any time by notifying the other party. I acknowledge that there are inherent risks and dangers associated with this activity and in particular have noted those risks listed below.

I understand that I will be assisting the Board of Water Supply, County of Kaua‘i, in maintaining the grounds surrounding the Nonou 0.2 MG Tank Site located in Wailua House lots, Wailua, Kaua‘i, Hawai‘i at Tax Map Key No. (4) 4-1-009:019. I will be responsible for my equipment and supplies. I will be responsible for all aspects of the actual work project, and the safe use and proper care of hand tools including, but not limited to: Machetes, Saws, Hand Axes, Prybars, Sledge Hammers, Gardening and Painting Equipment.

I am in good physical shape, and will be self sufficient while at the work project site. I have informed the Board of Water Supply, County of Kaua‘i, of any mental, physical and/or medical conditions that may increase the risk of harm to myself or others while engaging in the activities described in this document. I understand I should wear footwear with good traction and should have clothing suitable for work in both rainy, wet, and hot, dry conditions, when working in the field. I understand that the duration of the project may be less than eight hours in length; however, in the even of inclement weather the work day may be either shortened or extended at the discretion of the Board of Water Supply, County of Kaua‘i. These and other activities will be taking place in potentially remote areas. I am aware that there are inherent risks and dangers associated with field work. They include but are not limited to:

- gusty winds;
- sharp and or slippery rocks;
- stinging or biting insects and spiders;
DEPARTMENT OF WATER  
COUNTY OF KAUA‘I  

AGREEMENT FOR INDIVIDUAL VOLUNTARY SERVICES

- portable or no bathroom facilities  
- steep drop-offs;  
- paint fuel and oil fumes;  
- thorny plants/potentially dense vegetation;  
- lack of reliable communication;  
- no telephones;  
- work on, in or near water;  
- no potable (drinking) water  
- rugged terrain;  
- sharp tools;  
- lack of medical facilities;  
- wild animals;  
- wet and slippery roads;  
- herbicides;  
- work in a hunting area  
- steep and slippery trail and river crossings;  
- flash floods;  
- steep and slippery trail and river crossings;  
- flash floods;  
- harsh weather conditions, ranging from hot and humid to wet and cold;  
- diseases caused by water, air, or animal vectors.

I will be personally liable for any negligent acts or omissions that cause personal injury or property damage to myself or others, and I agree to hold harmless and indemnify the State of Hawaii and the County of Kaua‘i and the Board of Water Supply, County of Kauai from any claims or actions arising out of any acts or omissions I may commit.

For purposes of this Agreement, the term “Board of Water Supply, County of Kaua‘i” and “Board” shall mean the Board of Water Supply, and Department of Water of the County of Kaua‘i, its officers and employees. The term “County of Kauai” shall mean the County of Kauai, its officers and employees. The term “State of Hawai‘i” shall mean the State of Hawai‘i, its officers and employees.

I hereby volunteer my services as described above, to assist the Board of Water Supply, County of Kaua‘i in its authorized work.

__________________________    _______________________
Signature of Volunteer                Date

Based upon the above agreement and understanding, the Board of Water Supply, County of Kaua‘i agrees, while this arrangement is in effect, to accept your services as a volunteer.

__________________________    _______________________
Randal Nishimura, Chairperson                Date
Board of Water Supply, County of Kaua‘i
MANAGER’S REPORT No. 11-30

October 11, 2010

Re: Job No. 05-05, PLH-30, Nawiliwili, Niumalu and Kupolo Pipeline Replacements with Belt Collins Hawaii, Nawiliwili, Kauai, Third Contract Amendment.

RECOMMENDATION: It is recommended that the Board approve the third contract amendment for Contract No. 453 with Belt Collins Hawaii, Ltd. in the amount of $2,680.00, for the additional design to remove the existing waterlines within the State highway right of ways.

FUNDING:
Total Fund Budgeted...............................$318,580.00

Contract No. 453, Belt Collins Hawaii, Ltd., Job No. 05-05, PLH-30, Nawiliwili, Niumalu and Kupolo
Pipeline Replacement.............................$255,000.00
Amendment #1........................................$63,580.00
Amendment #2........................................<$7,908.00>
Proposed Amendment #3............................$2,680.00

Total required.............................................$313,352.00
Balance remaining...................................$5,228.00

BACKGROUND:
The projects include the design for:
Phase I
- 1,500 Linear Feet of 6-Inch Ductile Iron Pipe along Niumalu Road.
- 1,000 Linear Feet of 12-Inch Ductile Iron Pipe along Nawiliwili Road.
- 2,500 Linear Feet of 6-Inch Ductile Iron Pipe along Kahumoku Road.
- 800 Linear Feet of 12-Inch Ductile Iron Pipe along Paena Loop.
- 2,000 Linear Feet of 6-Inch Ductile Iron Pipe along Mokoi Street.
- 500 Linear Feet of 6-Inch Ductile Iron Pipe along Luiana Street.
- 500 Linear Feet of 6-Inch Ductile Iron Pipe along Makau Street.
- 800 Linear Feet of 6-Inch Ductile Iron Pipe along Kapene Street.
- 400 Linear Feet of 6-Inch Ductile Iron Pipe and pressure reducing valve station along Uapena Street.

AMENDMENT #3:
- Provide the design plans and specs to remove the existing waterlines to be abandoned within the State highway right of ways.
The State Department of Transportation has required that the existing waterlines that are to be abandoned in their right of ways be removed after the new lines are installed.

Belt Collins has submitted a proposal of $2,680.00 for design this work, which we feel is reasonable. We estimate that this portion of work will add approximately $200,000 to the construction of this project or about 10% to the total estimated construction cost.

Respectfully submitted,

Keith Fujimoto
Project Engineer

Concurred:

David R. Craddick, P.E.
Manager and Chief Engineer
MANAGER’S REPORT No. 11-31

October 11, 2010

Re: Job No. 94-04, Supervisory Control and Data Acquisition (SCADA) for the Department of Water Second Contract Amendment with Timberline Engineering, Inc.

RECOMMENDATION: It is recommended that the Board approve the second contract amendment for Contract No. 343 with Timberline Engineering, Inc. to account for the actual work that was done and reconcile the balance to their contract amount.

FUNDING:
Total Fund Budgeted ................................................................. $902,052.00

Contract No. 343, Timberline Engineering, Inc., Job No. 94-04, SCADA Implementation for the
Department of Water ................................................................. $902,052.00
Proposed Amendment #2 ............................................................ <$109,938.00>

Total required ............................................................................ $792,114.00
Balance remaining ..................................................................... $109,938.00

BACKGROUND:
The Department of Water executed a contract with Timberline Engineering, Inc. for the design of an island wide supervisory control and data acquisition (SCADA) system for the Department in June 1999. The project is still continuing, however the work for the consultant has been completed. The contract amendment is needed to reconcile the remaining balance and close their contract. Most of the balance noted is for private developers who paid a deposit for the Department to do the work required by their development.

Respectfully submitted,

Keith Fujimoto
Project Engineer

Concurred:

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

KP:cab
Mgrp: Job No. 94-04_SCADA_Timberline Engineering_2nd Contract Amendment (10 21 10):cab
MANAGER’S REPORT No. 11-32

October 7, 2010

Re: Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, Hanalei, Kauai, Right of Entry Agreement for a portion of Tax Map Key: (4) 5-6-002 parcel 2 and 4 from Joseph N. Kobayashi, Christine Y. Kobayashi, Glenn I. Kobayashi and Nancy K. Kobayashi, Trustee of the unrecorded Nancy Katayama Kobayashi Revocable Living Trust dated October 21, 1990.

It is recommended that the Board approve the Right of Entry Agreement whereby Joseph N. Kobayashi, Christine Y. Kobayashi, Glenn I. Kobayashi and Nancy K. Kobayashi, Trustee of the unrecorded Nancy Katayama Kobayashi Revocable Living Trust dated October 21, 1990, grants to the Board of Water Supply, County of Kauai, a right of entry affecting a portion of tax map key: (4) 5-6-002 parcel 2 and 4 for the Department and its consultants to access and use an unimproved road to get to the proposed Hanalei Well #2 and 0.5 million gallon tank site on tax map key: (4) 5-6-002 parcel 1 owned by the State of Hawaii.

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

Respectfully submitted,

Keith Fujimoto
Project Engineer

Concurred:

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

KF: cab
Mgrp/ROE-Kobayashi Trust - Hanalei Well #2-Job #05-02-H-8, HW-12 (10 21 10): cab
NEW BUSINESS

Item 7

Manager’s Report No. 11-33

Staff Recommendations on
Piwai Tank / Akemama Tank Agreement

The Manager will discuss this at the meeting
MANAGER'S REPORT 11-34

October 12, 2010

Re: Board Discussion on the Manager and Chief Engineer being on the Board of the Hawaii Rural Water Association

RECOMMENDATION:

Board approval is requested for participating with the Hawaii Rural Water Association.

FUNDING: N/A

BACKGROUND: I believe this could be another funding and training option for the Department. The Hawaii Rural Water Association will be a newly formed chapter under the National Rural Water Association. I recently attended via conference call a workshop to finalize the by-laws and make-up of the Board of Directors of the soon to be started Hawaii Rural Water Association. I understand that the outcome of this workshop will be submitted for official adoption at the formation meeting, which will be held on December 1, 2010 in Maui.

They have requested my participation on the Board of Directors to represent the Department of Water in establishing the foundation of the association. This could involve some time and I am requesting your permission before volunteering. Even with your approval unless someone nominates me I would not be on the Board.

There is a lot of duplication with AWWA Hawaii Section but Rural Water Association seems to have a better read on the funding pulse for rural areas.

Attached is what the HRWA will be doing.

Respectfully submitted,

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

DRC/cab
Mgrp/Board Discussion on Mgr-Chief Engineer on the Board of the Hawaii Rural Water Association (10-21-10):cab
Oct. 13, 2010

Dave Craddock
Kauai County

Mr. Craddock:

I am writing to outline how your service on the Board of Directors of Hawaii Rural Water Association will be a benefit to the County of Kauai.

As a member of the Board you will set the direction for the association and govern its activity and programs to focus on the needs of water and wastewater systems in Hawaii. Some of the ways that you will do this are as follows:

Direct input to training and technical assistance,
Direct input of programs, services and products,
Target the available resources that are best for your county,
Provide added leadership to the utility industry in Hawaii,
Impact the National Agenda for water and wastewater industry
Input on a national level in ensuring resources and directing water policy in Washington, D.C.
Systems that participate with Hawaii Rural Water will benefit from thousands of dollars worth of savings not only through operator certification and continuing education courses but through onsite technical assistance and services provided through our contracts. These services and training are provided free of charge to the utility systems.

We hope that you will see the advantages and how your County will benefit if you are in our Board of Directors.

Please contact me if you have any further questions or concerns.

Sincerely,

James Watts
MANAGER’S REPORT No. 11-35

October 12, 2010

Re: Request Board Approval of Upsizing of the Kaumualii Highway 16-Inch Waterline to a 24-Inch Waterline and Approximately 1,300 feet of additional 24-inch water line from the beginning of the 24-inch main by the Puhi road/Kaumualii Highway intersection (baseline sta 294+55) and Westward To the Vicinity of Baseline Station 281+50 in Conjunction with the State’s Kaumualii Highway Widening, Vicinity of Anonui Street to Vicinity of Lihue Mill Bridge Project, Lihue, Kauai, Hawaii

RECOMMENDATION: It is recommended that the Board approve a contract to PAREN INC., dba PARK ENGINEERING in the amount of $137,270.00 to provide design services to upgrade the 16-inch and 12-inch waterlines along Kaumualii Highway, between Puhi Road and the vicinity of the Lihue Mill Bridge to 24-inches and an additional 1,300 feet of 24-inch waterline between Puhi Road and west of Anonui Street.

FUNDING:
Waterworks Build America Projects
Fund ................................................................. $150,000.00
Proposal from PARK ENGINEERING ....................... <$137,270.00>
Current balance .................................................. $12,730.00

Background:
There is no change from the Manager’s Update for July 2010 to August 2010. However, the Department is requesting Board approval of the new contract amount so it follows SOP’s and audit issues cannot be raised. Board approval of the updated contract amount will help to eliminate any questions concerning the discrepancy in the updated contract amount of $137,270.00 and the Board’s approval of the original $128,038.00 proposed contract amount.

Park Engineering is requesting an additional $9,232.00 to complete the additional design work, just to the Kaua‘i Humane Society end of the current state contract, which appears reasonable. The requested increase along with the original lump sum of $128,038.00 will bring the total contract amount to $137,270.00. A Manager’s Update for July 2010 to August 2010 reported to the Board at the August 19, 2010 Board meeting that the updated contract amount is $137,270.00 and that funding is available from the Waterworks Build America Bonds (BAB). The Department however did not enter into the first contract before the change came up and is asking for this approval as though it is the first action on this matter as a new unbudgeted contract amount of $137,270.00 from the $150,000 allocated for this from the BAB.

Previous background:
The State of Hawaii has a construction contract to widen Kaumualii Highway from the Lihue Sugar Mill Bridge to the gulch just past the Grove Farm Office in Puhi, for a length of approximately 8,000 feet. The original scope of work called for the State to relocate the existing 6,000 feet of 16-inch and 12-inch waterlines which are at their service limit, as far as volume goes. The Department is paying
for the additional cost to upsize the replacement waterlines from 16-inch and 12 inch diameter to 24-inch diameter.

All of the current design work had been done by Park Engineering so as chief procurement officer I sole sourced the design for the pipe upsizing and the extra 700 feet of line to get out from under the pavement for future work and an additional 1,300 feet toward the Kaua‘i Humane Society. The Board previously approved $128,038.00 for the upsizing of the 16-inch waterlines to 24-inch waterlines (reference Manager’s Report No. 70, dated April 9, 2010) and extending the line past the end of the concrete covered road in the iron bridge direction.

The Department is proposing to install an additional 1,300+ feet of 24-inch waterline from the current starting point at Puhi Road going west along Kaumualii Highway to just past Anonui Street (Kaua‘i Humane Society). This would ultimately replace the 15” Kokolau pipeline from Puhi to where the existing replacement ends straight down from the Kaua‘i Humane Society. There will still be a missing portion of the Kokolau line from the Kaua‘i Humane Society to the end of the previously replaced Kokolau line of approximately 2,400 feet from transition coupling to Kaua‘i Humane Society.

We expect that there may be an amendment to this work as Park Engineering is currently designing the state road widening for the end of the current contract past the Kaua‘i Humane Society. There is no time table for the state project to go to construction; we will just not be scrambling to catch up with the state work and trying to do the work with change orders.

Thank you for your patience and attention to this matter.

Respectfully submitted,

[Signature]

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

Attachments: Previous actions and Sole source
DRC/KA/cab
Mgrp/Job No. 10-02-Kaumualii Hwy Upgrade to 24 inch and addtl 24 inch-Park Engineering (10-21-10):cab
MANAGER’S UPDATE

September 9, 2010

Re: MANAGER’S UPDATE for JULY, 2010 to AUGUST, 2010

CONTRACTS AWARDED BY THE MANAGER:

Re: Upsizing of the Kaumualii Highway 16-Inch Waterline to a 24-Inch Waterline in Conjunction with the State’s Kaumualii Highway Widening, Vicinity of Anonui Street to Vicinity of Lihue Mill Bridge Project, Lihue, Kauai, Hawai’i (Manager’s Report No. 10-70)

Board approved awarding a contract to Park Engineering in the amount of $128,038.00 at the April 15, 2010 Board Meeting with funds from the Waterworks Build America Project Fund. Manager Craddick approved additional funding for additional design services as described below.

Funding:

Waterworks Build America Project Fund................................................................................. $150,000.00

Original Proposal from Park Engineering........................................................... <$128,038.00>

Previous Balance................................................................................................................. $21,962.00

Additional amount requested for additional work**.................................................. <$9,232.00>

Current Balance.................................................................................................................. $12,730.00

Updated Contract Amount.................................................................................................. $137,270.00

** The requested increase of $9,232.00 for a new total sum contract amount of $137,270 to Park Engineering to provide design services to install 24-inch waterlines beyond the western and eastern ends (vicinity of Baseline Sta. 281+50 to vicinity of Sta. 363+87) of the concrete paving was approved by Manager Craddick as funds were still available from the Build America Project Fund.

Re: Job No. 10-01, ANI-01a, Pipeline Replacement along Anini Road from Kilauea-Anini, Kaua’i, Hawaii, award of contract to Fukunaga and Associates.

Contract awarded to Fukunaga and Associates in the amount of $750,760.00.

Funding:

Account No. 201-01, Bond – BAB.......................................................................................... $750,760.00
MANAGER'S REPORT NO. 70:

April 9, 2010

Re: Request Board Approval of Upsizing of the Kaumualii Highway 16-Inch Waterline to a 24-Inch Waterline in Conjunction with the State’s Kaumualii Highway Widening, Vicinity of Anonui Street to Vicinity of Lihue Mill Bridge Project, Lihue, Kauai, Hawaii

RECOMMENDATION: It is recommended that the Board approve a contract to PARK ENGINEERING in the amount of $128,038.00 to provide design services to upgrade the 16-inch and 12-inch waterlines along Kaumualii Highway, between Anonui Street in Pali and the vicinity of the Lihue Mill Bridge to 24-inches.

FUNDING:
Waterworks Build America Project Fund ............................................. $150,000.00
Proposal from PARK ENGINEERING .................................................. <$128,038.00>
Balance Remaining ............................................................................ $ 21,962.00

BACKGROUND:
The State of Hawaii has a contract to widen Kaumualii Highway from the Lihue Sugar Mill Bridge to just past the Grove Farm Office in Pali, for a length of approximately 6,000 feet. The current scope of work calls for the State to relocate the existing 16-inch and 12-inch waterlines which are at their service limit, as far as volume goes. The relocation will be accomplished by installing replacement 16-inch and 12-inch waterlines at an adjacent location, and abandoning the existing waterlines. Since the existing waterlines are at their service limit, it would not be prudent to replace them with new inadequately sized 16-inch and 12-inch waterlines. In order to increase the service limit, the Department will pay for the additional cost to upsize the replacement waterlines from 16-inch and 12-inch diameter to 24-inch diameter.

Park Engineering submitted a proposal of $128,038.00 for design services to upgrade the 16-inch and 12-inch waterlines to 24-inches, which appears reasonable. Further, it is estimated that the consultant will need approximately 150 calendar days to complete the project, subject to timely reviews by the Department of Water and the other governmental agencies.

Respectfully submitted,

Bruce Inouye
Project Engineer

Concurred:

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

DATE: October 6, 2010

TO: Chief Procurement Officer or His Designee

FROM: Engineering Division

SUBJECT: Request For Sole Source Approval (SS No. 116) - Update

The following is an update for the Sole Source Approval (SS No. 116) for Park Engineering to provide water line design services in conjunction with the State of Hawaii’s Kaumualii Highway Widening, Vicinity of Anapuni Street to Vicinity of Lihue Mill Bridge project. Sole Source Request No. 116 was approved on April 27, 2010.

The term of contract for the Sole Source No. 116 is being updated. The term of contract in the request was from May 1, 2010 to September 30, 2010. The updated term of contract will be from October 10, 2010 to March 29, 2011.
REQUEST FOR SOLE SOURCE

TO: CHIEF PROCUREMENT OFFICER OR HIS DESIGNEE, DEPARTMENT OF WATER

FROM: Engineering Division

RE: REQUEST FOR SOLE SOURCE APPROVAL

Pursuant to § 103D-306, HRS and Subchapter 9, Chapter 3-122, HAR, the Department request sole source approval to purchase the following:

Description of goods, services, or construction:

Provide design services to increase the size of the relocated 16-inch and 12-inch waterlines that are being installed in conjunction with the State of Hawai‘i’s Kaumualii Highway Widening, Vicinity of Anomui Street to Vicinity of Lihue Mill Bridge project to a larger diameter 24-inch waterline, including valves, fittings and appurtenances.

Name of Vendor: PARK ENGINEERING

Cost: $128,038.00

Term of Contract: From May 1, 2010 To September 30, 2010

Prior Sole Source Reference No.(s), if any:

(1) The goods, services, or construction has the following unique features, characteristics, or capabilities

The State of Hawai‘i has contracted Park Engineering as design engineer for the project titled Kaumualii Highway Widening, Vicinity of Anomui Street to Vicinity of Lihue Mill Bridge. The design for the subject project calls for relocating the existing 16-inch and 12-inch waterlines within the project limits due to conflict with the new improvements that are required by the highway widening. The waterline relocation will be accomplished by installing replacement 16-inch and 12-inch waterlines at an adjacent location then abandoning the existing waterlines. Because the existing waterlines are at their service limit, as far as volume goes, it would not be prudent to replace them with new inadequately sized 16-inch and 12-inch waterlines.

(2) How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work:

The Department of Water is responsible for providing reliable potable water service to customers island-wide. The existing 16-inch and 12-inch waterlines that are being
CHIEF PROCUREMENT OFFICER'S OR HIS DESIGNEE'S COMMENTS:

Please ensure adherence to applicable administrative and statutory requirements.

This expenditure may be processed through a purchase order:

Yes____ No____. If no, a contract must be executed and funds certifies.

X APPROVED _____ DENIED

[Signature]

Date: April 27, 2010

for CHIEF PROCUREMENT OFFICER
MANAGER’S REPORT No. 11-36

October 15, 2010


RECOMMENDATION: It is recommended that the Board approve the fourth contract amendment for Contract No. 405 with Kodani and Associates, Inc. in the amount of $11,400.00 to add the replacement of approximately 300 feet of existing corroded 6” cast iron mainline with 12” ductile iron pipe.

We further request that the Board allocate $11,400.00 from Account 201-01, Bond BAB to fund the contract amendment.

FUNDING:
Total Fund Budgeted.......................................................... $ 278,700.00

Contract No. 405, Kodani and Associates, Inc., Job
No. 02-19, WK-12, Waipouli
Main Replacement .......................................................... $ 147,500.00
Amendment #1................................................................. void
Amendment #2 ............................................................... $ 53,600.00
Amendment #3 ............................................................... $ 77,600.00
Amendment #4 ............................................................... $ 11,400.00
Total Required............................................................... $ 290,100.00
Balance Required.......................................................... $ 11,400.00

Total Required, Account
No. 201-01, Bond BAB..................................................... <$11,400.00>

Total Project Budget ..................................................... $290,100.00

BACKGROUND:
The project consultant, Kodani and Associates, Inc. was selected to prepare the construction drawings and specifications for the mainline replacement along Kalokolu, Keaka, Moanakai, Fernandez, Hoi, Panihi, Niulani, Makaha and Kealoha Roads at Waipouli.

During the review of the project scope, it was determined that approximately 300 feet of an existing corroded 6” mainline will need to be replaced with a 12” waterline, in addition to that requested in Amendment #3.

The Department anticipates that the consultants should be able to complete the design by February 1, 2011 subject to timely reviews by the Department of Water and the other
governmental agencies. Therefore, no additional time will be needed to extend their contract. Their proposal of $11,400.00 for the additional design is reasonable.

Respectfully submitted,

[Signature]
Keith Fujimoto
Project Engineer

Concurred:

[Signature]
David R. Craddick, P.E.
Manager and Chief Engineer
Staff Reports
STATEMENT OF REVENUES AND EXPENDITURES
WATER UTILITY FUND
August 31, 2010

REVENUES:
Cash on hand as of July 1, 2010 $ 14,362,449.56
Add: Revenues To Date $ 3,738,510.56
Sub-Total $ 18,100,960.12

EXPENDITURES:
Less: Expenditures to Date
BALANCE AT THE END OF THE MONTH $ 5,759,210.50

SHORT TERM INVESTMENTS - WATER UTILITY FUND

BANK OF HAWAII
TCD# 8000423145-103 0.45000% INT. DUE 05/12/11 $ 39,000.00
TCD# 8000423145-105 0.20000% INT. DUE 12/16/10 $ 5,000.00
TCD# 8000423145-110 0.17000% INT. DUE 06/30/11 $ 500,000.00
TCD# 8000423145-107 0.20000% INT. DUE 02/18/11 $ 160,000.00
TCD# 8000423145-106 0.20000% INT. DUE 01/21/11 $ 500,000.00

CENTRAL PACIFIC BANK

FIRST HAWAIIAN BANK

MERRILL-LYNCH
CUSIP# C313395P75 0.27400% INT. DUE 11/17/10 $ 998,642.50
CUSIP# C313396CT8 0.43800% INT. DUE 03/11/11 $ 995,771.66
CUSIP# C313385G26 0.16000% INT. DUE 09/17/10 $ 1,999,377.76

SUB-TOTAL FOR PAGE A $ 5,197,791.92
SUB-TOTAL FROM PAGE A $5,197,791.92

SHORT TERM INVESTMENTS - WATER REVENUES

MULTI-BANK

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>Rate</th>
<th>Due Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>85508VAC3</td>
<td></td>
<td>2.7000%</td>
<td>11/18/13</td>
<td>98,000.00</td>
</tr>
<tr>
<td>06610PAR4</td>
<td></td>
<td>4.5000%</td>
<td>07/27/12</td>
<td>98,000.00</td>
</tr>
<tr>
<td>31331GYT0</td>
<td></td>
<td>3.7500%</td>
<td>09/17/14</td>
<td>0.00</td>
</tr>
</tbody>
</table>

UBS

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>Rate</th>
<th>Due Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>31331JRT2</td>
<td></td>
<td>2.6200%</td>
<td>06/15/15</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>31331G2N8</td>
<td></td>
<td>2.0400%</td>
<td>04/29/13</td>
<td>2,000,000.00</td>
</tr>
<tr>
<td>313384FU8</td>
<td></td>
<td>0.4790%</td>
<td>05/19/11</td>
<td>$995,300.00</td>
</tr>
</tbody>
</table>

TOTAL SHORT-TERM INVESTMENTS - WATER UTILITY $9,389,091.92

CASH ON HAND WITH TREASURER - COK 08/31/10 $270,410.53
CASH ON HAND - BOH Savings 08/31/10 $2,853,165.11
CASH ON HAND - FHB Savings 08/31/10 $25,804.20

LESS:

Claims to be paid on $1,094,560.30
AP Credit for voided checks $751,371.91
Due from BAB Bond Fund July A/P $146,466.25

CASH BALANCE AT THE END OF THE MONTH $12,341,749.62
## WATER UTILITY FUND

### % Budget Elapsed: 16.67%

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$14,362,449.56</td>
<td>$14,362,449.56</td>
<td>$</td>
<td></td>
<td>$14,362,449.56</td>
</tr>
<tr>
<td>1 Water Sales</td>
<td>$20,301,300.00</td>
<td>$3,376,303.15</td>
<td>$1,835,107.46</td>
<td>17%</td>
<td>$16,924,996.85</td>
</tr>
<tr>
<td>2 Net Miscellaneous Receipts</td>
<td>$112,000.00</td>
<td>$</td>
<td>$</td>
<td>0%</td>
<td>$112,000.00</td>
</tr>
<tr>
<td>3 Interest Income</td>
<td>$260,000.00</td>
<td>$1,559.79</td>
<td>$602.36</td>
<td>1%</td>
<td>$258,440.21</td>
</tr>
<tr>
<td>4 County Service Charge</td>
<td>$833,500.00</td>
<td>$</td>
<td>$</td>
<td>0%</td>
<td>$833,500.00</td>
</tr>
<tr>
<td>5 State Revolving Fund</td>
<td>$3,843,000.00</td>
<td>$</td>
<td>$</td>
<td>0%</td>
<td>$3,843,000.00</td>
</tr>
<tr>
<td>5a Other Receipts</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>0%</td>
<td>$</td>
</tr>
<tr>
<td>5b OTHER - BAB Subsidy</td>
<td>$871,800.00</td>
<td>$360,647.62</td>
<td>$360,647.62</td>
<td>41%</td>
<td>$511,152.38</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES</strong></td>
<td><strong>$40,584,049.56</strong></td>
<td><strong>$18,100,960.12</strong></td>
<td><strong>$2,198,357.44</strong></td>
<td>45%</td>
<td><strong>$36,645,539.00</strong></td>
</tr>
</tbody>
</table>

### DISBURSEMENTS:

<table>
<thead>
<tr>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALARIES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>salaries over-withdrawn by county</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Salaries - DOW</td>
<td>$5,390,400.00</td>
<td>$644,584.78</td>
<td>$273,029.68</td>
<td>12%</td>
</tr>
<tr>
<td>Provision for Accrued Vacation</td>
<td>$100,000.00</td>
<td>$47,800.66</td>
<td>$47,800.66</td>
<td>48%</td>
</tr>
<tr>
<td><strong>TOTAL SALARIES:</strong></td>
<td><strong>$5,490,400.00</strong></td>
<td><strong>$692,385.44</strong></td>
<td><strong>$320,830.34</strong></td>
<td><strong>13%</strong></td>
</tr>
</tbody>
</table>

### NORMAL EXPENDITURES

| COUNTY SERVICE CHRG | $833,500.00 | $ | $ | 0% | $833,500.00 |

### ADMINISTRATIVE OFFICE and ENGINEERING:

<table>
<thead>
<tr>
<th>UTILITIES</th>
<th>Postage and Printing</th>
<th>Office Equipment Maintenance</th>
<th>Con 461 Four Winds Group MMIS Phases I &amp; II</th>
</tr>
</thead>
<tbody>
<tr>
<td>$195,300.00</td>
<td>$113,000.00</td>
<td>$151,100.00</td>
<td>$86,709.63</td>
</tr>
<tr>
<td>$31,178.11</td>
<td>$30,916.62</td>
<td>$4,963.80</td>
<td>$14,000.00</td>
</tr>
<tr>
<td>$15,313.21</td>
<td>$10,600.51</td>
<td>$341.12</td>
<td>$7,000.00</td>
</tr>
<tr>
<td>16%</td>
<td>27%</td>
<td>3%</td>
<td>16%</td>
</tr>
<tr>
<td>$164,121.89</td>
<td>$82,083.38</td>
<td>$146,136.20</td>
<td>$72,709.63</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>27</td>
<td>$1,070,700.00</td>
<td>$20,649.66</td>
<td>$8,761.59</td>
</tr>
<tr>
<td>27b</td>
<td></td>
<td>$20,110.00</td>
<td>$16,540.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$17,000.00</td>
<td>$2,827.81</td>
</tr>
<tr>
<td>29</td>
<td></td>
<td>$32,500.00</td>
<td>$7,364.01</td>
</tr>
<tr>
<td>30</td>
<td>$13,000.00</td>
<td>$10,000.00</td>
<td>$36,000.00</td>
</tr>
<tr>
<td>31</td>
<td>$16,000.00</td>
<td>$765.08</td>
<td>$431.00</td>
</tr>
<tr>
<td>32</td>
<td>$10,000.00</td>
<td>$10,000.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>32c</td>
<td>$66,000.00</td>
<td>$11,000.00</td>
<td>$11,000.00</td>
</tr>
<tr>
<td>33</td>
<td>$53,100.00</td>
<td>$5,594.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>34</td>
<td>$33,000.00</td>
<td>$3,521.78</td>
<td>$1,030.59</td>
</tr>
<tr>
<td>35</td>
<td></td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>36</td>
<td>$346,500.00</td>
<td>$4,406.57</td>
<td>$937.49</td>
</tr>
<tr>
<td>37</td>
<td>$44,500.00</td>
<td>$7,296.15</td>
<td>$3,428.64</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$19,100.00</td>
<td>$2,831.64</td>
</tr>
<tr>
<td>TOTAL ADM, OFF &amp; ENG</td>
<td>$2,317,619.63</td>
<td>$163,557.23</td>
<td>$76,131.90</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
</tr>
<tr>
<td>------</td>
<td>------------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>40</td>
<td>Vehicle - Materials &amp; Service</td>
<td>$107,600.00</td>
<td>$22,771.66</td>
</tr>
<tr>
<td>41</td>
<td>Vehicle - Fuel</td>
<td>$126,000.00</td>
<td>$19,225.83</td>
</tr>
<tr>
<td>42</td>
<td>Utilities</td>
<td>$56,100.00</td>
<td>$10,943.55</td>
</tr>
<tr>
<td>43</td>
<td>Meter Parts</td>
<td>$8,300.00</td>
<td>$2,316.16</td>
</tr>
<tr>
<td>43a</td>
<td>Electrical Parts</td>
<td>$15,000.00</td>
<td>$3,869.19</td>
</tr>
<tr>
<td>44</td>
<td>Miscellaneous</td>
<td>$5,000.00</td>
<td>$       0</td>
</tr>
<tr>
<td>44a</td>
<td>Misc. - Tapping Team</td>
<td>$8,000.00</td>
<td>$       0</td>
</tr>
<tr>
<td>45</td>
<td>Contractual Services</td>
<td>$408,000.00</td>
<td>$842.04</td>
</tr>
<tr>
<td>47</td>
<td>Materials and Supplies</td>
<td>$227,000.00</td>
<td>$35,337.15</td>
</tr>
<tr>
<td>48</td>
<td>Collective Bargaining Items</td>
<td>$24,000.00</td>
<td>$2,153.91</td>
</tr>
<tr>
<td>51</td>
<td>Pump Electrical</td>
<td>$3,000,000.00</td>
<td>$490,182.20</td>
</tr>
<tr>
<td>55</td>
<td>Purchase of Water</td>
<td>$2,248,700.00</td>
<td>$247,670.62</td>
</tr>
<tr>
<td>58</td>
<td>Chemicals</td>
<td>$35,700.00</td>
<td>$7,911.45</td>
</tr>
<tr>
<td>59</td>
<td>Safe Drinking Water Act Program</td>
<td>$150,000.00</td>
<td>$177.23</td>
</tr>
<tr>
<td>59h</td>
<td>Contract No. 500 03/09</td>
<td>$36,050.00</td>
<td>$        0</td>
</tr>
<tr>
<td>59i</td>
<td>MWH Laboratories (thru 12/10)</td>
<td>$45,300.00</td>
<td>$22,000.00</td>
</tr>
<tr>
<td>59ii</td>
<td>Contract No. 508 12/09</td>
<td>$45,300.00</td>
<td>$22,000.00</td>
</tr>
<tr>
<td>TOTAL OPERATIONS:</td>
<td>$6,500,750.00</td>
<td>$865,400.99</td>
<td>$552,485.31</td>
</tr>
</tbody>
</table>

INSURANCE AND EMPLOYEE BENEFITS:

| 60   | Insurance and Bonds | $200,000.00 | $       0  | 0% | $200,000.00 |
| 61   | Workmen's Compensation Insurance | $150,000.00 | $       0  | 0% | $150,000.00 |
| 62   | Retirement System   | $823,500.00 | $78,024.73 | 9% | $745,475.27 |
| 63   | FICA Taxes - Employer's | $420,000.00 | $39,105.58 | 9% | $380,894.42 |
| 64   | Health, Life, & Dental (EUTF) | $417,100.00 | $41,419.08 | 10% | $375,680.92 |

08-2010 WU BUDGET STATUS
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>Health &amp; Life Insurance - Retirees &amp; OPEB $795,500.00</td>
<td>$67,442.22</td>
<td>$43,182.24</td>
<td>8%</td>
<td>$728,057.76</td>
</tr>
<tr>
<td></td>
<td>TOTAL INSURANCE &amp; EMPLOYEE BENEFITS $2,806,100.00</td>
<td>$225,991.61</td>
<td>$43,182.24</td>
<td>8%</td>
<td>$2,590,108.39</td>
</tr>
<tr>
<td></td>
<td>TOTAL NORMAL EXPENDITURES: $12,457,969.63</td>
<td>$1,255,249.83</td>
<td>$671,799.45</td>
<td>10%</td>
<td>$11,202,170.18</td>
</tr>
<tr>
<td></td>
<td>DEBT SERVICE REQUIREMENT: $12,371,260.00</td>
<td>$1,266,249.83</td>
<td>$671,799.45</td>
<td>10%</td>
<td>$11,199,460.55</td>
</tr>
<tr>
<td></td>
<td>SRF Loan Job 97-5 Hanapepe River Crossing $95,564.00</td>
<td>$49,532.22</td>
<td>50%</td>
<td>$49,031.78</td>
<td></td>
</tr>
<tr>
<td>81</td>
<td>SRF Loan Job 97-6 Hanapepe 27th Street Pipe $54,929.00</td>
<td>$27,604.13</td>
<td>50%</td>
<td>$27,324.87</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SRF Loan Job 98-33 WK-21 Wailua Htside Well #3 $31,676.00</td>
<td>$15,921.03</td>
<td>50%</td>
<td>$15,754.97</td>
<td></td>
</tr>
<tr>
<td>83</td>
<td>SRF Loan Job 97-2 PLH-31 Lihue Steel Tanks 1 &amp; 2 $110,788.00</td>
<td>$50,655.00</td>
<td>50%</td>
<td>$50,133.00</td>
<td></td>
</tr>
<tr>
<td>84</td>
<td>SRF Loan Job 98-6 WK-07 Ornellas 0.2 MG Tank $25,137.00</td>
<td>$32,735.12</td>
<td>50%</td>
<td>$32,401.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SRF Loan Job 97-11 WK-03 16th W/L Along Kuhio Hwy $185,577.00</td>
<td>$93,277.26</td>
<td>50%</td>
<td>$92,303.97</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DOW Bond 2005 Issue $217,450.00</td>
<td>$141,825.00</td>
<td>50%</td>
<td>$75,625.00</td>
<td></td>
</tr>
<tr>
<td>87</td>
<td>DOW Bond 2005 Series, Partial Refund 2001 Series A $149,988.00</td>
<td>$74,993.75</td>
<td>50%</td>
<td>$74,993.75</td>
<td></td>
</tr>
<tr>
<td>88</td>
<td>SRF Loan Job 98-2 WK-07 KP-08 16th W/L on Poipu Rd $413,901.00</td>
<td>$208,015.14</td>
<td>50%</td>
<td>$208,885.86</td>
<td></td>
</tr>
<tr>
<td>89</td>
<td>SRF Loan Job WK-42 PH 1 Stable 1.0 MG Tank $246,192.00</td>
<td>$246,192.00</td>
<td>39%</td>
<td>$382,307.35</td>
<td></td>
</tr>
<tr>
<td>90</td>
<td>SRF Loan Job KW-27 Kaumualii Hwy 12th Main Repl $386,200.00</td>
<td>$160,558.76</td>
<td>42%</td>
<td>$225,641.24</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SRF Loan Job K-7, LO-13 Waha, Wawae &amp; Niho Rds $163,100.00</td>
<td>$78,806.07</td>
<td>48%</td>
<td>$84,293.93</td>
<td></td>
</tr>
<tr>
<td>92</td>
<td>DOW Bond Series 2010A $2,490,862.00</td>
<td>$1,030,421.78</td>
<td>41%</td>
<td>$1,460,440.22</td>
<td></td>
</tr>
<tr>
<td>93</td>
<td>FmHa $300,000 @5% 20 year Bond $18,550.00</td>
<td>$2,025.00</td>
<td>11%</td>
<td>$16,525.00</td>
<td></td>
</tr>
<tr>
<td>97</td>
<td>DOW Bond 2001A Issue Series 2005A Refunded $670,575.00</td>
<td>$534,553.16</td>
<td>80%</td>
<td>$136,021.84</td>
<td></td>
</tr>
<tr>
<td>98</td>
<td>SRF Loan Job 97-1 Kokolau Tunnel Repairs $129,070.00</td>
<td>$65,793.07</td>
<td>51%</td>
<td>$64,133.93</td>
<td></td>
</tr>
<tr>
<td>99</td>
<td>SRF Loan Job 96-4 Kapililama Valley Well $70,641.00</td>
<td>$35,507.48</td>
<td>50%</td>
<td>$35,133.52</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL DEBT SERVICE REQ $5,876,345.00</td>
<td>$2,848,416.62</td>
<td>$309,633.43</td>
<td>48%</td>
<td>$3,076,728.39</td>
</tr>
<tr>
<td></td>
<td>$5,876,345.00</td>
<td>$2,848,416.62</td>
<td>$309,633.43</td>
<td>48%</td>
<td>$3,076,728.39</td>
</tr>
<tr>
<td></td>
<td>TOTAL SALARIES, NORMAL EXPENDITURES, AND DEBT SERVICE REQUIREMENTS: $23,824,714.63</td>
<td>$4,796,051.89</td>
<td>$1,302,262.22</td>
<td>20%</td>
<td>$19,028,662.74</td>
</tr>
<tr>
<td></td>
<td>$23,824,714.63</td>
<td>$4,796,051.89</td>
<td>$1,302,262.22</td>
<td>20%</td>
<td>$19,028,662.74</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>-------------------------------</td>
<td>--------------------------</td>
<td>----</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>CAPITAL EXPENDITURES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>101</td>
<td>Capital Improvements</td>
<td>$2,576,600.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>101b</td>
<td>Capital Rehabilitation</td>
<td>$3,088,494.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Misc. Other Capital Expenditures, OPS</td>
<td>$600,000.00</td>
<td>$89,120.12</td>
<td>$12,468.31</td>
<td>15%</td>
<td>$510,879.88</td>
</tr>
<tr>
<td>103</td>
<td>Office and Engineering</td>
<td>$554,700.00</td>
<td>$41,312.11</td>
<td>$13,414.95</td>
<td>7%</td>
</tr>
<tr>
<td>105</td>
<td>Recording Meters</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>106</td>
<td>Vehicles and Equipment</td>
<td>$246,000.00</td>
<td>$3,834.35</td>
<td>-</td>
<td>2%</td>
</tr>
<tr>
<td>106b</td>
<td>CIP Reserve Fund</td>
<td>$3,015,229.48</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>% BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>------------------</td>
<td>----------------------------------</td>
<td>----------------------------</td>
<td>--------------------------------</td>
<td></td>
</tr>
<tr>
<td>107</td>
<td>$180,000.00</td>
<td>$-</td>
<td>-</td>
<td>0% $180,000.00</td>
<td></td>
</tr>
<tr>
<td>370</td>
<td>7/15/1993</td>
<td>53,751.00</td>
<td>$-</td>
<td>0% $53,751.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>WK-23 Con #259, Job 93-1 Nishimura, Katayama, .25 MG Walla Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>401</td>
<td>8/8/1994</td>
<td>$645.08</td>
<td>$-</td>
<td>0% $645.08</td>
<td></td>
</tr>
<tr>
<td></td>
<td>R.M. Towill Corp., Drill Hanamauu Well #1 (Kalepa Well #2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>409</td>
<td>6/1/1994</td>
<td>$1,771.54</td>
<td>$-</td>
<td>0% $1,771.54</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ParEn, Inc., Job 94-3, Kalaheo 0.5 MG Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>464</td>
<td>11/20/02 (105b)</td>
<td>118,381.66</td>
<td>$-</td>
<td>0% $118,381.66</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contract #309, Job 97-1 PLH-02 SSFM Engineers, Repair Kokolau Tunnel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>472</td>
<td>11/2/1998</td>
<td>3,765.00</td>
<td>$-</td>
<td>0% $3,765.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contract #323 Job 97-2 PLH-11 PLH-31 CH2M Hill Lihue (2) Steel Tanks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>476</td>
<td>1/4/1999</td>
<td>23,605.00</td>
<td>$-</td>
<td>0% $23,605.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contract #326, Job 97-3 H-09 Nishimura, Katayama Refurbish Hanatani Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>491</td>
<td>6/10/1999</td>
<td>16,840.00</td>
<td>$-</td>
<td>0% $16,840.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contract #336, Job 98-7 K-05 M&amp;E Pacific Inc. Kukuicolo 0.2 MG Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>494</td>
<td>6/15/1999</td>
<td>113,314.00</td>
<td>$-</td>
<td>0% $113,314.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contract #343, Job 94-4 Timberline Engineering Design SCADA System</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>499</td>
<td>8/2/1999</td>
<td>4,900.00</td>
<td>$-</td>
<td>0% $4,900.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contract #346, Job 97-7 KP-06a Wagner Eng. Replace Lawai Rd. 8&quot; W/L</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>519</td>
<td>6/2/2000</td>
<td>10,571.00</td>
<td>$-</td>
<td>0% $10,571.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>KP-01 Con. #355 Okahara &amp; Assoc., Inc Job 92-4 Koa Well &quot;F&quot; Pump</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>520</td>
<td>6/2/2000</td>
<td>6,948.29</td>
<td>$-</td>
<td>0% $6,948.29</td>
<td></td>
</tr>
<tr>
<td></td>
<td>WKK-14 Contract No. 356 Austin, Tsutsuri &amp; Assoc. Job 97-10 Kilauea Booster</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

08-2010 WU BUDGET STATUS
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>540</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/17/2001</td>
<td></td>
<td>Contract #358 (103) Century Computers Job 98-17 Fin. Acqg.</td>
<td>$12,245.67</td>
<td></td>
<td>$12,245.67</td>
</tr>
<tr>
<td>561</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02/06/02</td>
<td></td>
<td>Con 354 (101) LO-07 Fukunaga &amp; Assoc. Job 99-8 Drill Oano Well No. 1</td>
<td>$64,600.00</td>
<td></td>
<td>$64,600.00</td>
</tr>
<tr>
<td>578</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(9/23/02) 101b</td>
<td></td>
<td>Con 397 PAREN, Inc. KW-14, KW-15 Job 02-03 12&quot; W/L Along Wainee Canyon/Kaumualii</td>
<td>$6,639.00</td>
<td></td>
<td>$6,639.00</td>
</tr>
<tr>
<td>586</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/24/02 (101)</td>
<td></td>
<td>Con 401 Control Mfg. Co. Job 94-4 SCADA Systems</td>
<td>$93,516.54</td>
<td></td>
<td>$93,516.54</td>
</tr>
<tr>
<td>587</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/14/03 (101b, 106b)</td>
<td></td>
<td>Con 403 RM Towill Corp WK-28 Job 02-15 Wailua Hats W/L Repl</td>
<td>$107,837.00</td>
<td>16%</td>
<td>$90,837.00</td>
</tr>
<tr>
<td>588</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/14/03 (101b, 106b)</td>
<td></td>
<td>Con 404 Fukunaga &amp; Assoc. WK-32 Job 02-18 Kapaeha Hmstds W/L Repl</td>
<td>$51,100.00</td>
<td></td>
<td>$51,100.00</td>
</tr>
<tr>
<td>589</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/14/03 (101b, 106b)</td>
<td></td>
<td>Con 405 Kodani &amp; Assoc. WK-12 Job 02-19 Waipouli Main Replacement</td>
<td>$22,190.00</td>
<td>72%</td>
<td>$8,500.00</td>
</tr>
<tr>
<td>591</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2/05/03 (101b, 106b)</td>
<td></td>
<td>Con 408 Wagner Eng. Inc. H-01 H-02 H-03 Job 02-17 Maka Ridge Deepwell, Tank</td>
<td>$44,380.20</td>
<td></td>
<td>$44,380.20</td>
</tr>
<tr>
<td>592</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2/12/03 (101b, 106b)</td>
<td></td>
<td>Con 409 Esaki Surveying WK-36 Job 02-16 Ohana Anolani &amp; Kuamoo Rds</td>
<td>$39,022.55</td>
<td>28%</td>
<td>$28,055.00</td>
</tr>
<tr>
<td>600</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/28/03 (27d)</td>
<td></td>
<td>Con 407 Esaki Surveying Job 02-26 As-Needed Surveying Services</td>
<td>$10,000.00</td>
<td></td>
<td>$10,000.00</td>
</tr>
<tr>
<td>601</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9/03/03 (101b)</td>
<td></td>
<td>Con 420 Hawaii Pacific Eng. Job 02-08 HE-08 Eleale Twin 0.4 MG Tanks</td>
<td>$139,819.00</td>
<td>68%</td>
<td>$45,256.69</td>
</tr>
<tr>
<td>607</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/05/03 (101)</td>
<td></td>
<td>Con 425 HI Pacific Eng. Job 02-21PLH-37 Rehab &amp; Deepen Existing Wells</td>
<td>$3,149.00</td>
<td></td>
<td>$3,149.00</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>----------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>---</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>608</td>
<td>$33,950.00</td>
<td>$33,950.00</td>
<td>$33,950.00</td>
<td>0%</td>
<td>$33,950.00</td>
</tr>
<tr>
<td>2/19/04 (101) Con 427 Belt Collins HI WK-08, WK-09 Job 02-14 Kapea Hmtds 0.5 MG Tank &amp; 1.0 MG Storage tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>609</td>
<td>$35,100.55</td>
<td>$35,100.55</td>
<td>$35,100.55</td>
<td>0%</td>
<td>$35,100.55</td>
</tr>
<tr>
<td>2/19/04 (101b) Con 428 Brown Caldwell Job 03-02 HW-02, HW-03 A-04, KW-06 Renovations: Wainiha Booster, Haena Steel Tank, Anahola 0.15 MG Tank, Kekaha Shaft</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>610</td>
<td>$125,200.00</td>
<td>$125,200.00</td>
<td>$125,200.00</td>
<td>0%</td>
<td>$125,200.00</td>
</tr>
<tr>
<td>2/27/04 (101) Con 429 Esaki Surveying M-01, M-02 Job 02-11 Moloaa 50,000 Gal SS Storage Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>618</td>
<td>$50,058.47</td>
<td>$50,058.47</td>
<td>$50,058.47</td>
<td>0%</td>
<td>$50,058.47</td>
</tr>
<tr>
<td>9/30/04 (101) PLH-41 Contract 52243 Earthworks Pacific, Inc. Uaaula &amp; Uluui Rts; PRV, BP &amp; 6&quot; Main, Lihue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>621</td>
<td>$89,594.80</td>
<td>$89,594.80</td>
<td>$89,594.80</td>
<td>0%</td>
<td>$89,594.80</td>
</tr>
<tr>
<td>10/19/04 (101) Con 440 Kodani &amp; Assoc. WKK-15 Job 02-06 Kauaai 1.0 MG Tanks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>630</td>
<td>$5,791.00</td>
<td>$5,791.00</td>
<td>$5,791.00</td>
<td>0%</td>
<td>$5,791.00</td>
</tr>
<tr>
<td>6/30/05 (101b, 106b) Con 447 Fukunaga &amp; Assoc WK-14 Job 04-02 Vivian Heights Main Repl</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>633</td>
<td>$3,500.00</td>
<td>$3,500.00</td>
<td>$3,500.00</td>
<td>0%</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>7/12/05 (106b) Con 7236 Kodani &amp; Assoc. HE-11 Lele Rd to Salt Pond Rd 6&quot; Main Repl</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>634</td>
<td>$174,900.00</td>
<td>$174,900.00</td>
<td>$174,900.00</td>
<td>0%</td>
<td>$174,900.00</td>
</tr>
<tr>
<td>10/20/05 (101b) WK-30 Con 450 ParEn Inc. Job 04-03 Walpolei-Oholena Rd. Pipeline</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>635</td>
<td>$24,294.50</td>
<td>$24,294.50</td>
<td>$24,294.50</td>
<td>0%</td>
<td>$24,294.50</td>
</tr>
<tr>
<td>9/07/05 (101b) Con 449 HI Pacific Eng Inc KW-16 Job 05-01 Waimea Main Replacement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>-----------------------------</td>
<td>--------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>636 10/25/05 (101b, 106b) Con 451 Bow Eng &amp; Dev PLH-12 Job 05-06 Eliwa, Umi, Akahi, Elua, Hardy St. 8” Main Replacement</td>
<td>$33,080.00</td>
<td>$ -</td>
<td>-</td>
<td>0% $33,080.00</td>
<td></td>
</tr>
<tr>
<td>637 11/16/05 (101b, 106b) Con 452 Akinaka &amp; Assoc. K-7 Job 05-07 Waha, Niho, Wawae Rd Main Repl.</td>
<td>$216,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0% $216,000.00</td>
<td></td>
</tr>
<tr>
<td>638 01/12/06 (101b) Con 453 Belt Collins HI PLH-30 Job 05-05 Nawaiwi, Niunau &amp; Kupolo Main</td>
<td>$52,174.00</td>
<td>$11,981.60</td>
<td>-</td>
<td>23% $40,122.40</td>
<td></td>
</tr>
<tr>
<td>640 01/12/06 (101b) Con 455 Fukunaga &amp; Assoc. KW-27 Job 05-04 Kaumualii Hwy 12” Main Repl, Kekaha</td>
<td>$23,700.00</td>
<td>$13,700.00</td>
<td>-</td>
<td>58% $10,000.00</td>
<td></td>
</tr>
<tr>
<td>644 38936 Con 464 Kodani &amp; Assoc. “As-Needed” Eng, Surveying &amp; Govt Permit Services</td>
<td>$30,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0% $30,000.00</td>
<td></td>
</tr>
<tr>
<td>645 5/19/06 (101, 106b) Con 469 Brown &amp; Caldwell KW-25 Job 05-03 Kapilinao 0.5 MG Tank</td>
<td>$18,083.40</td>
<td>$2,557.10</td>
<td>$2,557.10</td>
<td>14% $15,526.30</td>
<td></td>
</tr>
<tr>
<td>647 06/10/06 (101b) Con 462 Eng Solutions Inc KW-05 KW-20 Job 04-06 Wahinehui A &amp; Kekaha</td>
<td>$41,255.60</td>
<td>$ -</td>
<td>-</td>
<td>0% $41,255.60</td>
<td></td>
</tr>
<tr>
<td>651 9/21/06 (101b) Con 466 Brown &amp; Caldwell KW-28 Job 06-01 Amfac Shaft Renovation, State Well No.5842-02 Phase 1A</td>
<td>$159,946.39</td>
<td>$ -</td>
<td>-</td>
<td>0% $159,946.39</td>
<td></td>
</tr>
<tr>
<td>668 8/21/07 (101b) Con 479 SSMF International WK-2 Job 02-24 Renovate Akulukuli Tunnel, Phase 2</td>
<td>$245,984.00</td>
<td>$ -</td>
<td>-</td>
<td>0% $245,984.00</td>
<td></td>
</tr>
<tr>
<td>668 01/14/08 (101) Con 484 Wagner Eng. Services Job 02-01 Kukulolono Tank Site Exchange, Kalaheo</td>
<td>$5,210.47</td>
<td>$ -</td>
<td>-</td>
<td>0% $5,210.47</td>
<td></td>
</tr>
<tr>
<td>671 6/30/08 (106, 106b) Con 490 FluidIQs, LLC SCADA Sys Consulting &amp; Maintenance Services</td>
<td>$100,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0% $100,000.00</td>
<td></td>
</tr>
<tr>
<td>671 07/02/08 (101) Con 491 Kauai Builders Ltd</td>
<td>$619,222.64</td>
<td>$ -</td>
<td>-</td>
<td>0% $619,222.64</td>
<td></td>
</tr>
<tr>
<td>673 WK-42 Phase I, 1.0 MG Stable Tank &amp; Control Valves</td>
<td>$74,961.37</td>
<td>$20,779.00</td>
<td>-</td>
<td>11% $54,182.37</td>
<td></td>
</tr>
</tbody>
</table>

08-2010 WU BUDGET STATUS
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/02/08 (101b) Con 493 Earthworks Pacific WK-32 Job 02-18 Phase I (D-1) Kaeohulea Rd Waterline and WK-14 Job 04-02 Phase II (Waterline B) Apopo Road Waterline</td>
<td>$213,658.00</td>
<td>$213,658.00</td>
<td>FINAL</td>
<td>FINAL</td>
<td>100%</td>
</tr>
<tr>
<td>9/24/08 (101b) Con 495 Cushnie Const. Co. KW-03 Job 03-01 8-Inch WIL Replacement on Elepaio Rd</td>
<td>$15,708.68</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>1/28/08 (101) Con 497 Kauai Builders Ltd. KW-25 Job 05-03 Kapilitano 0.5 MG Storage Tank</td>
<td>$1,273,770.98</td>
<td>$135,518.27</td>
<td>$78,071.69</td>
<td>11%</td>
<td>$1,138,252.71</td>
</tr>
<tr>
<td>12/15/08 (101b) Con 498 Earthworks Pacific KW-27 Job 05-04 12&quot; Main Repl Elepaio Rd to Huakai Rd</td>
<td>$742,804.67</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>2/04/09 (101b) Con 499 Koga Engineering K-7, LO-13 Job 05-07 (Phase 1) Waia, Wawae &amp; Niho Roads</td>
<td>$56,400.00</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>7/1/09 (101B) Con 502 Cushnie Const. Inc. Job 04-04 PLH-09 Lihue Town Pipeline Replacement</td>
<td>$76,446.88</td>
<td>$44,528.07</td>
<td>$26,733.07</td>
<td>58%</td>
<td>$31,818.81</td>
</tr>
<tr>
<td>7/31/09 (101b) Con 503 Goodfellow Bros. Job 04-06 KW-05 Kekaha (Waipaa) Well &quot;B&quot; Renovations</td>
<td>$114,114.61</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>12/22/09 (106) Con 509 CUMMINS WEST, INC. International Trucks of Hawaii Furnish &amp; Deliver (1) 26000 LB GVWR Standard Cab &amp; Chassis</td>
<td>$96,983.12</td>
<td>$96,983.12</td>
<td>$96,983.12</td>
<td>100%</td>
<td>$</td>
</tr>
<tr>
<td>2/28/2010 Con 510 SSFM International, Inc. Job No. 05-03, KW-25 Kapilitano 0.5 MG Tank &amp; Job No. 05-03</td>
<td>$471,250.00</td>
<td>$17,055.89</td>
<td>$17,055.89</td>
<td>4%</td>
<td>$454,194.11</td>
</tr>
<tr>
<td>2/28/2010 Con 511, Belt Collins Hawaii, Ltd. Job # K-01, Yamada Tank Site Acquisition, Kalaheo Water Syst</td>
<td>$17,082.00</td>
<td>$12,402.00</td>
<td>$4,680.00</td>
<td>73%</td>
<td>$4,680.00</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>----------------------------</td>
<td>------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>692</td>
<td></td>
<td>$ 279,719.00</td>
<td>$ 51,409.75</td>
<td>18%</td>
<td>$ 228,309.25</td>
</tr>
<tr>
<td>693</td>
<td></td>
<td>$ 18,675.00</td>
<td>$ 9,337.00</td>
<td>50%</td>
<td>$ 9,338.00</td>
</tr>
<tr>
<td>3/31/2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/30/2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td>TOTAL CAPITAL EXPENDITURES:</td>
<td>$ 16,759,334.93</td>
<td>$ 963,158.61</td>
<td>$ 360,446.31</td>
<td>$ 15,796,176.32</td>
<td></td>
</tr>
<tr>
<td>TOTAL SALARIES, NORMAL EXPENDITURES, DEBT REQUIREMENTS AND CAPITAL EXPENDITURES:</td>
<td>$ 16,846,044.59</td>
<td>$ 963,158.61</td>
<td>$ 360,446.31</td>
<td>$ 15,882,885.95</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 86,709.63</td>
<td>$ 86,709.63</td>
<td></td>
<td>$ 86,709.63</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 40,584,049.56</td>
<td>$ 5,759,210.50</td>
<td>$ 1,662,708.53</td>
<td>14%</td>
<td>$ 34,824,839.08</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>TOTAL ACTUAL EXPENDITURES FOR THE MONTH</td>
<td>EXPENDITURES %</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>---------------------------------</td>
<td>----------------------------------------</td>
<td>----------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>****</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>****</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>****</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>****</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>****</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>****</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>****</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>****</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>****</td>
<td>$ -</td>
</tr>
<tr>
<td>TOTAL CAPITAL EXPENDITURES:</td>
<td>$ 15,759,334.93</td>
<td>$ 963,158.61</td>
<td>$ 602,712.30</td>
<td>6%</td>
<td>$ 15,761,762.32</td>
</tr>
<tr>
<td>TOTAL SALARIES, NORMAL EXPENDITURES, DEBT REQUIREMENTS AND CAPITAL EXPENDITURES:</td>
<td>$ 16,814,044.68</td>
<td>$ 963,158.61</td>
<td>$ 602,712.30</td>
<td>6%</td>
<td>$ 16,832,485.68</td>
</tr>
<tr>
<td>$ 40,534,049.58</td>
<td>$ 5,759,210.50</td>
<td>$ 4,676,011.57</td>
<td>$ 1,662,708.53</td>
<td>14%</td>
<td>$ 40,624,339.06</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>BALANCE OF BUDGET OVER ACTUAL EXPENDITURES</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>--------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>12/27/02</td>
<td>$4,200.00</td>
<td>$ -</td>
<td>-</td>
<td>0% $4,200.00</td>
<td></td>
</tr>
<tr>
<td>Contract #50153</td>
<td>Kodani &amp; Associates, Inc.</td>
<td>Job 02-05 Uaula Rd (Eleele) 12&quot; W/L; 8&quot; PRV, 400 gpm BP &amp; 6&quot; M/L Lihue Water System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL:</td>
<td>$4,200.00</td>
<td>$ -</td>
<td>-</td>
<td>0% $4,200.00</td>
<td></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
BOND - BAB FUND
August 31, 2010

REVENUES:
Cash on hand as of July 1, 2010 $ 58,723,019.84
Add: Revenues To Date $ -
Sub-Total $ 58,723,019.84

EXPENDITURES:
Less: Expenditures To Date $ 488,680.80

BALANCE AT THE END OF THE MONTH $ 58,234,339.04

SHORT TERM INVESTMENTS - BOND

BANK OF HAWAII

FIRST HAWAIIAN BANK
CUSIP# 1062140 0.0300% INT. DUE 07/30/10 $ 59,000,000.00

TOTAL SHORT-TERM INVESTMENTS - BOND $ 59,000,000.00

CASH ON HAND WITH TREASURER - COK
Due to WIU - July BAB - Bond Fund AP
LESS CLAIMS PAYABLE ON
BALANCE AT THE END OF THE MONTH $ 58,234,339.04

08- 2010 BAB BUDGET STATUS
### BUILD AMERICA BONDS (BABs) - FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$58,723,019.84</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>$58,723,019.84</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$</td>
<td>-</td>
<td>$ -</td>
<td>0%</td>
<td>$ -</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$420,000.00</td>
<td>-</td>
<td>$ -</td>
<td>0%</td>
<td>$420,000.00</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES</strong></td>
<td><strong>$59,143,019.84</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ -</strong></td>
<td><strong>0%</strong></td>
<td><strong>$59,143,019.84</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-01 BOND - BAB, CIP</td>
<td>$44,218,831.99</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$44,218,831.99</td>
</tr>
<tr>
<td>201-01 BOND - BAB, CIP</td>
<td>$2,500,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$2,500,000.00</td>
</tr>
<tr>
<td>5/11/2010 CON 513 Jennings Pacific, LLC</td>
<td>$2,842,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$2,842,000.00</td>
</tr>
<tr>
<td>5/11/2010 CON 514 Jennings Pacific, LLC</td>
<td>$2,686,000.00</td>
<td>$146,466.25</td>
<td>$ -</td>
<td>5%</td>
<td>$2,539,533.75</td>
</tr>
<tr>
<td>8/11/09 CON 504 Goodfellow Bros., Inc.</td>
<td>$3,223,481.50</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$3,223,481.50</td>
</tr>
<tr>
<td>12/18/09 Con 507 Koga Engineering &amp; Const.</td>
<td>$1,944,706.35</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$1,944,706.35</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>$59,143,019.84</strong></td>
<td><strong>$488,680.80</strong></td>
<td><strong>$342,214.55</strong></td>
<td><strong>1%</strong></td>
<td><strong>$58,654,339.04</strong></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
BOND FUND
August 31, 2010

REVENUES:
Cash on hand as of July 1, 2010 $553,408.97
Add: Revenues To Date $-
Sub-Total $553,408.97

EXPENDITURES:
Less: Expenditures To Date $20,476.13

BALANCE AT THE END OF THE MONTH $532,932.84

SHORT TERM INVESTMENTS - BOND

BANK OF HAWAII

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

TOTAL SHORT-TERM INVESTMENTS - BOND $-

CASH ON HAND WITH TREASURER - COK 08/31/10 $553,408.97

LESS CLAIMS PAYABLE ON 09/16/10 $(20,476.13) $532,932.84

BALANCE AT THE END OF THE MONTH $532,932.84

0.00
### DEPARTMENT OF WATER
County of Kauai

**STATUS OF THE BUDGET**

**JULY 1, 2010 TO JUNE 30, 2011**

**August 31, 2010**

---

#### BOND FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 553,408.97</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>$ 553,408.97</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$ 553,408.97</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ -</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>201 Bond - CIP</td>
<td>$ 200,656.55</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ 200,656.55</td>
<td></td>
</tr>
<tr>
<td>07/08/08 Con 494 Kauai Builders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK-08 Job 02-14 Kapaa Hme10 0.5 MG Tank &amp; WK-15 Job 03-03 Hardening of Generator Shelters at Makaleha Tank Site</td>
<td>$ 352,752.42</td>
<td>$ 20,476.13</td>
<td>$ 20,476.13</td>
<td>6% $ 332,276.29</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0% $ -</td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$ 553,408.97</td>
<td>$ 20,476.13</td>
<td>4% $ 532,932.84</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
FACILITIES RESERVE CHARGE FUND
August 31, 2010

REVENUES:
Cash on hand as of July 1, 2010 $ 5,535,242.86
Add: Revenues To Date $ 140,525.39
Sub-Total $ 5,675,768.25

EXPENDITURES:
Less: Expenditures To Date $ 234,258.15

BALANCE AT THE END OF THE MONTH $ 5,441,510.10

SHORT TERM INVESTMENTS-FRC
BANK OF HAWAII
CUSIP# 8000423145-112 0.17000% INT. DUE 06/30/11 $ 300,000.00

CENTRAL PACIFIC BANK
CUSIP# 8000738263 0.90000% INT. DUE 03/24/10 $ -

MERRILL LYNCH
CUSIP# 3133XVBM2 0.37500% INT. DUE 10/08/10 $ 500,000.00
CUSIP# 3135FHB58 2.00000% INT. DUE 08/18/11 $ 1,000,000.00
CUSIP# 3133XUFT5 $ -

MULTI-BANK
CUSIP# 493149BC1 2.60000% INT. DUE 12/18/09 $ 240,000.00
CUSIP# 58740XSS0 3.65000% INT. DUE 12/24/09 $ 245,000.00
CUSIP# 36160VCH2 5.00000% INT. DUE 08/06/13 $ 97,000.00
CUSIP# 89214PAJ8 5.00000% INT. DUE 08/13/13 $ 97,000.00
CUSIP# 92705SAE3 1.50000% INT. DUE 06/17/03 $ 248,000.00

TDI (CSA)
CUSIP# 3128X8DX7 2.15000% INT. DUE 01/13/12 $ 1,000,000.00

VINING SPARKS

TOTAL SHORT-TERM INVESTMENTS - FRC $ 3,727,000.00

CASH ON WITH TREASURER - COK 08/31/10 $ 896,676.93
CASH ON HAND - FHB Savings 08/31/10 $ 848,219.97
Less: CLAIMS PAYABLE PAID ON 0916/10 $(30,386.80) $ 1,714,510.10

CASH BALANCE AT THE END OF THE MONTH $ 5,441,510.10
### FACILITIES RESERVE CHARGE

<table>
<thead>
<tr>
<th>CASH RECEIPTS</th>
<th>BUDGETED RECEIPTS</th>
<th>ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$5,535,242.86</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$5,535,242.86</td>
</tr>
<tr>
<td>(FRC Refunds)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a Facilities Reserve Charge</td>
<td>$499,200.00</td>
<td>$128,800.00</td>
<td>$147,200.00</td>
<td>26%</td>
<td>$370,400.00</td>
</tr>
<tr>
<td>5a Interest Earned</td>
<td>$90,000.00</td>
<td>$11,725.39</td>
<td>$10,233.35</td>
<td>13%</td>
<td>$78,274.61</td>
</tr>
<tr>
<td>TOTAL RESOURCES</td>
<td>$6,124,442.86</td>
<td>$140,525.39</td>
<td>$139,033.35</td>
<td>2%</td>
<td>$5,983,917.47</td>
</tr>
</tbody>
</table>

### CAPITAL EXPENDITURES

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 FRC CIP</td>
<td>$2,133,400.00</td>
<td>$</td>
<td>$</td>
<td>0%</td>
<td>$4,338,400.00</td>
</tr>
<tr>
<td></td>
<td>($4,338,400.00)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>301b FRC Fund Balance</td>
<td>$761,804.02</td>
<td>$</td>
<td>$</td>
<td>0%</td>
<td>$781,804.02</td>
</tr>
<tr>
<td>10/12/98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>302 Contract #322</td>
<td>$2,050.00</td>
<td>$</td>
<td>$</td>
<td>0%</td>
<td>$2,050.00</td>
</tr>
<tr>
<td>GMP Assoc, Inc. Job 87-1</td>
<td>$2,050.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Polpu Storage Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>08/01/99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>304 WK-21 Contract #345</td>
<td>$10,500.00</td>
<td></td>
<td></td>
<td>0%</td>
<td>$10,500.00</td>
</tr>
<tr>
<td>Fukunaga &amp; Assoc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job 98-33 Wailua Well 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/28/04 (301, 301b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LO-04 Con #436 Fukunaga</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>314 &amp; Assoc Inc Job 02-02</td>
<td>$62,996.00</td>
<td></td>
<td></td>
<td>0%</td>
<td>$62,996.00</td>
</tr>
<tr>
<td>Ono 0.5 MG Tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3/8/06 (301, 301b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>316 Con 457 Kodani &amp; Assoc Inc H-8 HW-12 Job 05-02 Drill &amp; Test Wainihia Well No. 4</td>
<td>$192,970.00</td>
<td>$</td>
<td></td>
<td>0%</td>
<td>$192,970.00</td>
</tr>
<tr>
<td>CAPITAL EXPENDITURES</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
<td>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>---</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>1/17/2007 (301)</td>
<td>$28,187.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$28,187.00</td>
</tr>
<tr>
<td>7/19/07 (301, 301b)</td>
<td>$72,294.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$72,294.00</td>
</tr>
<tr>
<td>01/03/08 (301)</td>
<td>$175,915.34</td>
<td>$26,931.05</td>
<td>$11,986.60</td>
<td>15%</td>
<td>$148,984.29</td>
</tr>
<tr>
<td>03/31/08 (301, 301b)</td>
<td>$226,416.50</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$226,416.50</td>
</tr>
<tr>
<td>7/2/2008 (301)</td>
<td>$232,910.00</td>
<td>$207,327.10</td>
<td>$ -</td>
<td>89%</td>
<td>$25,582.90</td>
</tr>
<tr>
<td>7/31/2010 (301)</td>
<td>$2,205,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$2,205,000.00</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$6,124,442.86</td>
<td>$234,258.15</td>
<td>$11,986.80</td>
<td>4%</td>
<td>$8,095,184.71</td>
</tr>
</tbody>
</table>
PR SPECIALIST REPORT

October 7, 2010

Re: Public Relations Update

**Project WET:** Make a Splash 2010, held on Thursday, September 23rd was a success with attendance of over 600 students and with the schedule flowing smoothly. Returning volunteers were critical in flow of the day since they already knew what needed to be done and did it! New volunteers stepped it up to learn and implement their part of the event and made it appear as though they had been helping for years. As always, the presenters were well prepared and shared the lessons with the students and the Kapaa High School JROTC once again represented their organization, the school and their parents very well with their leadership skills. Of course, without the support and participation of the Department of Waters Board, Manager and staff, this event would not exist. Mahalo to all!

We will be co-hosting a Project WET Facilitator Workshop on Oahu, October 18-19, 2010, and a Teacher Workshop on Maui. These workshops are critical for the growth of this program in the state. With the presentation on Project WET at the HWWA Conference, followed by workshops that include the attendance of staff from water utilities, as well as University of Hawaii and Water Conservation District personnel, the opportunity to create enthusiasm and participation in Project WET will definitely help this program grow state-wide!

**Public Relations Services Request for Proposal:** The top three Public Relations Firms have been scheduled to do an oral presentation for our evaluation committee on October 12, 2010. (A verbal update will be provided upon request.)

**HWWA Conference:** Continuing to assist Sandi with various portions of the conference. As of this writing, there are over 110 registered to attend the conference. A verbal update will be available if needed.

**Blessing and Groundbreaking for Piwai Tank:** A simple blessing and groundbreaking ceremony is being organized with Unlimited, who has been contracted for this project. We will include a recap of projects that have been recently completed in the press release that will be distributed to the media.

Respectfully submitted,

Faith Shiramizu
DOW Public Relations Specialist

Mgr/p/PR Specialist Report (10-21-10):cab
Operational Report – For the Month of September 2010

Personnel

- Vacant positions that are in the recruitment process and awaiting processing by DPS include Water Field Operations Superintendent, Water Plants Superintendent and Water Service Supervisor III. Interviews for the Account Clerk position are being scheduled for next week. We have notified UPW on our intention to change the minimum qualifications for Lead Pipefitter to include Grade 2 DSO certification and are awaiting a response.
- Please see the attached labor report for Operations Division as compiled by the Fiscal Division.

Source and Storage

- The emergency pump replacements for Anahola Well 90-B and Kalaheo Well #1 have been delayed until late October.
- The deep well pump assembly for Piwai Well #3 has failed. The pump was pulled by the contractor and it was found that the pump shaft was broken some 600' below the ground. Kukuiula Development, Beylik Drilling and Pump Service, and the Department are determining responsibility of the cost to repair and reinstall the pump assembly.
- The Waimea Well #2 disinfection system is being converted by Ops Operators from gas chlorine to sodium hypochlorite.
- Per an order from the feds and in support of the effort to save the shearwater birds, we turned off all exterior lights at Department facilities islandwide. An inventory of Department exterior light fixtures was submitted to the feds (mahalo Andrea and Keitsu) per court order. We will need to replace existing light fixture with types that are in compliance with current regulations.

Distribution

- East Crew working with Engineering Division to supply 24" gate valves and flange adaptors for the DOT Kaumuali Highway widening project from Lihue to Puhí. The crew rehabilitated four (4) flange adaptors that were acquired from Maui waterworks.
- The West Crew replaced a troublesome segment of existing 4" PVC pipeline crossing Lokokai Road in Hanapepe fronting Salt Pond Park. 6" DI pipe was installed ahead of the planned roadway re-surfacing project by the Department of Public Works.
- The East Crew completed a project on Kuhio Highway in Anahola to replace approximately 200' of old and leaky galvanized steel pipe with new 2" PVC pipe. Five (5) service laterals were also replaced and connected to the new pipeline.
- See statistics of leak repairs on the attached sheet.

Fleet, Inventory, Warehouse and Baseyard Area

- We are the proud owners of a new (used) crane truck that was acquired from DPW prior to auction.
- Progress on new driveway continues. Mahalos to WRP staff for arranging the hydromulching of area bared by construction work.
Work Orders by Job Reason Code for Selected Date Range

09/01/2009 to 09/30/2010

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>20</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>105</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>86</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
</tr>
</tbody>
</table>

Work Orders by Job Reason Code

LEAK-BOX 36
LEAK-CUST 20
LEAK-MAIN 105
LEAK-S/L 86

LEAK-BOX 14.8%
LEAK-CUST 8.1%
LEAK-MAIN 42.5%
LEAK-S/L 34.6%
Total: 100.0%

Number of Leak Repairs per Month

[Graph showing the number of leak repairs per month for each job reason code from 9/2009 to 9/2010]
MANAGER’S UPDATE

October 15, 2010

Re: MANAGER’S UPDATE for SEPTEMBER, 2010 to OCTOBER, 2010

CONTRACTS AWARDED BY THE MANAGER:

Re: 2011 Financial Management Planning and Water Rate Analysis for the Department of Water, County of Kaua‘i

Contract awarded to R.W. Beck, Inc. to provide financial management planning services and to conduct and complete water rate analysis for the Department of Water, County of Kauai in the amount not to exceed $80,000.00.

Funding:
Account 27, Contractual Services (Financial Management Planning and Rate Analysis) ......................................................... $200,000.00

R.W. Beck, Inc. ........................................................................ ( $ 80,000.00)

Balance Remaining ................................................................. $120,000.00

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: Had to pull Piwai Pump due to twisted off shaft. We have not diagnosed the cause yet but we may end up being responsible for the pulling and reinstallation of the new pump. Currently Kukui’ula has taken the initiative to have the pump pulled with the understanding if the damage is the result of faulty maintenance DOW will pay for the pump round trip even though we did not bid the project out. The company pulling the pump was the contractor putting the pump in and the company that drilled the well.

WAIVER, RELEASE AND INDEMNITY AGREEMENTS SIGNED BY THE MANAGER:

1. Kukui’ula Model home outside the currently finished Y and M subdivisions.

PERSONNEL MATTERS UPDATE:

RECRUITMENT:

Ops Division:
1. Account Clerk. Pending list of eligibles from Department of Personnel Services.
2. Lead Pipefitter vacancies. Applications received. Awaiting input from union.
3. Water Service Supervisor III vacancy. Additional information requested from applicants. Department of Personnel Services will review the information.
Fiscal Division:
1. Waterworks Controller. Got list will be scheduling interviews.

Engineering and Special Projects Divisions:
1. Civil Engineer V position; started October 5, 2010.
2. Project Assistant (Special Projects Division). Pre-employment physical & drug test pending.

Administration Division:
1. Clerical Assistant – Community Relations. Background check in progress.
2. Computer Systems Support Technician I. Pending list of eligibles.
3. Secretary. Background check in progress.

Status of Koloa Water Tank Site Acquisition, TMK: (4) 2-7-03:08, Situated at Koloa Road, Koloa, Kaua‘i, Hawaii.

The Board approved the agreement to purchase the Koloa Tank site at its February 19, 2009 meeting agreeing to purchase the site based on an appraisal by an independent MAI appraiser. Department sent requests for proposals to John Child and Company and Medusky & Co. in March 2010 with the low bid going to Medusky & Co, Inc. They completed their appraisal in July 2010, reporting the site to have a fair market value of $500,000.00. (A copy of the report is available for review with the Board secretary.) The 70’ diameter, 1.0 million gallon tank, constructed in the late 1980’s, including the scada cabinet and road, takes up about 10% of the 1.3 acre property being acquired. We will be proceeding with its purchase from the landowner (Aukahi Farms, LLC.).

FUNDING:
101. Capital Improvement Land Acquisitions
(Koloa, Kilauea, Hanalei) ............................................. $2,426,600.00
Koloa Tank site purchase ........................................... <$ 500,000.00>
Balance remaining .................................................... $1,926,600.00

Affordable Housing Update:

Updates on AHTF Projects:

1. Habitat - ElecE I Luna Subdivision Phase 2 (107 lots, 1 park): Housing agency estimated that on-site infrastructure improvements for Phase II, Increment 1, will be bid out by the end of 2010. The developer consultant engineer is revising the design construction plans per DOW comments.

2. Kukui‘ula Employee Housing- “Gap” Housing subdivision and zoning permit. The County Council approved to amend the housing agreement that is required by the Zoning Amendment ordinance this week. The deadline for development was extended to July 2013.
3. Kohea Loa (Hanamaulu Triangle)- According the necessary Infrastructure Master Plan for the Lihue-Hanamaulu Master Planned Area was approved by Planning in July 14, 2009. The master plan includes Water, Roads, Parks and Wastewater master plan improvements. The Water system improvements as set forth by the WMP include offsite source, storage and transmission facilities. DR Horton was informed that necessary water system facilities must be installed as per the Water Master Plan. DRH will continue to work with Grove Farm and the DOW.

4. Paanau Village, Phase 2: Final subdivision map approval was granted by the Planning Commission on September 28, 2010. The developer is projecting final subdivision approval after the necessary improvements are bonded by Kukuiula Development Company. The developer plans to submit a Class III zoning permit application in October 2010 for the affordable housing project. On site construction is scheduled for December, 2010, however Building Permit application for the 50 unit rental project is planned for October, 2010. DOW approval of the building permit will be dependent on the completion and acceptance of the necessary water service connections and other water site improvements. The developer intends to construct the water meter improvements after the DOW approves the building permit. Occupancy is projected for end of 2011.

5. ‘Ele‘ele – 75 acre parcel acquisition: Housing Agency executed the purchase agreement with McBryde Sugar Co. to purchase the 75 acre parcel. The Housing Agency stated that after their consultant completes the concept plan scenario phase he will prepare a water master plan to address the water supply for the selected concept plan.

State Land Parcels (County Affordable Housing):
1. No report at meeting

Respectfully submitted,

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

DRC:cab
Mgrp/Manager’s Update (10-21-10):cab
Quarterly Status of DOW Projects
EXECUTIVE SUMMARY

The significant changes for this quarter are:

**Design:**
4. Job No. 10-02, Kaumualii Highway Widening Vicinity of Anonui Street to Vicinity of Lihue Mill Bridge

**Construction:**
1. Project HW-02, HW-03, Wainiha Booster and Haena Tank Renovations. Awaiting NPDES permitting.
7. KW-05, Kekaha Well B Renovations, Construction nearing completion.
8. Construction is nearly complete for the Hanapepe pipeline (HE-10), which is in service.
9. Project WK-42, Phase I (Stable 1.0 MG Tank), Awaiting closing documentation.
10. Project WK-42, Phase 2 (Stable Tank Water Main along Kaapuni Road), Construction completed.
11. Project WK-09, Kapaa Homesteads 0.5 MG Tank, Construction nearing completion.
Design Projects
<table>
<thead>
<tr>
<th>WP 2020 NUMBER</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE June 2010</th>
<th>% COMPLETE Sept 2010</th>
<th>EST. COMPLETE</th>
<th>BUDGET COST</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>KW-28</td>
<td>AMFAC SHAFT RENOVATION, Phase B</td>
<td>80</td>
<td>80</td>
<td>Q2 2011</td>
<td>$950,000 (D)</td>
<td>Awaiting decision by management</td>
</tr>
<tr>
<td>HE-08</td>
<td>REFURBISH 'Ele'ele STEEL TANKS</td>
<td>77</td>
<td>77</td>
<td>Q4 2010</td>
<td>$215,904 (D)</td>
<td>Under design</td>
</tr>
<tr>
<td>KW-20</td>
<td>Waimea Well A Renovation</td>
<td>99</td>
<td>100</td>
<td>Q4 2010</td>
<td>$169,575.50</td>
<td>Design completed. Proceeding to bid.</td>
</tr>
</tbody>
</table>
# EAST SIDE DESIGN PROJECTS

## LIHUE-PUHI, WAILUA-KAPAA, ANAHOLA

<table>
<thead>
<tr>
<th>WP 2020 NO.</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE June 2010</th>
<th>% COMPLETE Sept 2010</th>
<th>EST. COMPLETE</th>
<th>BUDGET COST</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLH-25</td>
<td>EIWA, UMI, AKAHI, ELUA &amp; HARDY PIPELINES</td>
<td>95</td>
<td>100</td>
<td>Q3 2010</td>
<td>$216,000 (D)</td>
<td>DESIGN completed. Proceeding to bid</td>
</tr>
<tr>
<td>PLH-30</td>
<td>NAWILIWIILI, NIUMALU &amp; KUPOLO PIPELINES</td>
<td>90</td>
<td>90</td>
<td>Q4 2010</td>
<td>$255,000 (D)</td>
<td>Under design Awaiting DOT exemption</td>
</tr>
<tr>
<td>PLH-37</td>
<td>DEEPEN PUHI WELL NO. 2</td>
<td>PH 1-100</td>
<td>PH 1 – 100</td>
<td></td>
<td>$67,900 BUDGET</td>
<td>PHASE 2 PROPOSAL PENDING</td>
</tr>
<tr>
<td>WK-2</td>
<td>REHAB AKULIKULI TUNNEL (PHASE I)</td>
<td>100</td>
<td>100</td>
<td>Q1 2005 (Ph. 1)</td>
<td>$300,000 (D)</td>
<td>Ph.1 – Completed</td>
</tr>
<tr>
<td></td>
<td>REHAB AKULIKULI TUNNEL (PHASE II)</td>
<td>40</td>
<td>40</td>
<td>Q3 2009 (Ph. 2)</td>
<td>$392,000</td>
<td>Ph.2 – on hold</td>
</tr>
<tr>
<td>WK-8</td>
<td>KAPA'A 1.0 MG TANK (313 ZONE) (PHASE I - PLANNING)</td>
<td>97</td>
<td>97</td>
<td>Q4 2010</td>
<td>$56,700 (P)</td>
<td>Under design</td>
</tr>
<tr>
<td>WK-28</td>
<td>WAILUA HOUSELOTS PIPELINE REPLACEMENTS</td>
<td>90</td>
<td>90</td>
<td>Q4 2010</td>
<td>$240,260 (D)</td>
<td>Under design</td>
</tr>
<tr>
<td>Job No. 10-02</td>
<td>Kaumualii Highway Widening Vicinity of Anonui Street to Vicinity of Lihue Mill Bridge</td>
<td>70</td>
<td>85</td>
<td>Q4 2010</td>
<td>$137,270 (D)</td>
<td>Under design</td>
</tr>
</tbody>
</table>

October 21, 2010
# EAST SIDE DESIGN PROJECTS

**ANAHOLA, WAILUA-KAPAA, LIHUE-PUHI**

<table>
<thead>
<tr>
<th>WP 2020 NUMBER</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE June 2010</th>
<th>% COMPLETE Sept 2010</th>
<th>EST. COMPLETE</th>
<th>BUDGET COST</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>WK-12</td>
<td>WAIPOLI AREA MAIN REPLACEMENT</td>
<td>74</td>
<td>74</td>
<td>Q4 2010</td>
<td>$147,500 (D)</td>
<td>Under design</td>
</tr>
<tr>
<td>WK-14</td>
<td>VIVIAN HEIGHTS 8-INCH AND 6-INCH WATERLINE REPLACEMENT</td>
<td>100</td>
<td>100</td>
<td>Q2 2010</td>
<td>$250,200 (D)</td>
<td>Construction contract awarded</td>
</tr>
<tr>
<td>WK-23</td>
<td>WAILUA HOMESTADS 0.25 MG TANK (U.H. EXPERIMENT STN.)</td>
<td>60</td>
<td>60</td>
<td>PENDING UH R-O-E</td>
<td>$100,000 (D)</td>
<td>DLNR PROGRESS ON LAND ISSUE</td>
</tr>
<tr>
<td>WK-28</td>
<td>WAILUA HOUSELOTS MAIN REPLACEMENT</td>
<td>85</td>
<td>90</td>
<td>Q3 2010</td>
<td>$240,260 (D)</td>
<td>Under design</td>
</tr>
<tr>
<td>WK-30</td>
<td>WAIPOLI &amp; HAUINI ROADS PIPELINE REPLACEMENT</td>
<td>31</td>
<td>31</td>
<td>Q2 2010</td>
<td>$237,400 (D)</td>
<td>UNDER DESIGN</td>
</tr>
<tr>
<td>WK-32</td>
<td>KAPAA HOMESTADS MAIN REPLACEMENT – PHASE II</td>
<td>85</td>
<td>100</td>
<td>Q2 2010</td>
<td>$374,000 (D)</td>
<td>Construction contract awarded</td>
</tr>
<tr>
<td>WK-36</td>
<td>WAILUA AREA MAIN REPLACEMENT</td>
<td>60</td>
<td>100</td>
<td>Q3 2010</td>
<td>$62,001(D)</td>
<td>Design completed</td>
</tr>
</tbody>
</table>

October 21, 2010
**NORTH SHORE DESIGN PROJECTS**

**MOLOAA, KILAUEA, ANINI, HANALEI, HAENA**

<table>
<thead>
<tr>
<th>WP 2020 NUMBER</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE</th>
<th>% COMPLETE</th>
<th>EST. COMPLETE</th>
<th>BUDGET COST</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>M-1</td>
<td>KOOLOAu PIPELINE IMPROVEMENTS MOLOAA 0.10 MG TANK</td>
<td>5</td>
<td>5</td>
<td>Q2 2007</td>
<td>$119,207 (D)</td>
<td>Awaiting land acquisition</td>
</tr>
<tr>
<td>M-2</td>
<td>WKK-2 KILAUEA WELL NO. 4 Site Selection Study (Phase I)</td>
<td>100</td>
<td>100</td>
<td>Q3 2004</td>
<td>$37,451(P) $160,000 (D)</td>
<td>REQUEST MOLOAA WELL EO</td>
</tr>
<tr>
<td>WKK-15</td>
<td>KILAUEA 1.0 MG TANK (PHASE I)</td>
<td>10</td>
<td>10</td>
<td>Q4 2011</td>
<td>$12,700 (P) $236,600 (D)</td>
<td>WORKING ON ROE</td>
</tr>
<tr>
<td>H-1, H-2, H-3, H-10</td>
<td>MAKa RIDGE ROAD &amp; PIPELINE IMPROVEMENT (PHASE II)</td>
<td>65</td>
<td>65</td>
<td>Q1 2011</td>
<td>$144,000 (D)</td>
<td>Under design</td>
</tr>
<tr>
<td>HW-2</td>
<td>WAINIHA BOOSTER PUMP RENOVATION</td>
<td>95</td>
<td>100</td>
<td>Q2 2010</td>
<td>$75,000 (D)</td>
<td>Bidding</td>
</tr>
<tr>
<td>HW-3</td>
<td>HAENA 0.1 MG TANK RENOVATION</td>
<td>95</td>
<td>100</td>
<td>Q2 2010</td>
<td>$75,000 (D)</td>
<td>Bidding</td>
</tr>
<tr>
<td>H-8</td>
<td>Drill and Test Hanalei Well #2.</td>
<td>15</td>
<td>15</td>
<td>Q2 2011</td>
<td>$125,000</td>
<td>Awaiting ROE</td>
</tr>
<tr>
<td>HW-12</td>
<td>Drill and Test Wainiha Well #4.</td>
<td>15</td>
<td>15</td>
<td>Q3 2010</td>
<td>$125,000</td>
<td>Under design</td>
</tr>
</tbody>
</table>

October 21, 2010
## NORTH SHORE DESIGN PROJECTS

### MOLOAA, KILAUEA, ANINI, HANALEI, HAENA

<table>
<thead>
<tr>
<th>WP 2020 NUMBER</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE June 2010</th>
<th>% COMPLETE Sept 2010</th>
<th>EST. COMPLETE</th>
<th>BUDGET COST</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANI-01</td>
<td>KILAUEA TO ANINI PIPELINE REPLACEMENT</td>
<td>0</td>
<td>0</td>
<td>Q3 2011</td>
<td>$ 750,760 (D)</td>
<td>Processing consultant contract</td>
</tr>
</tbody>
</table>

October 21, 2010
Construction Projects
## Construction Projects

<table>
<thead>
<tr>
<th>WP 2020 NUMBER</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE June 2010</th>
<th>% COMPLETE Sept 2010</th>
<th>EST. COMPLETE</th>
<th>BUDGET COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>KW-05</td>
<td>Kekaha Well B Renovation</td>
<td>90</td>
<td>90</td>
<td>Q4 2010</td>
<td>$ 466,200</td>
</tr>
<tr>
<td>KW-25</td>
<td>Kapilimao 0.5 MG Tank</td>
<td>77</td>
<td>80</td>
<td>Q4 2011</td>
<td>$3,987,000</td>
</tr>
<tr>
<td>KW-14, KW-15</td>
<td>WAIMEA CYN DR. 12&quot; MAIN REPL. &amp; WAIMEA 6&quot; MAIN REPL.</td>
<td>10</td>
<td>10</td>
<td>Q2 2011</td>
<td>$2,100,000</td>
</tr>
<tr>
<td>KW-16</td>
<td>WAIMEA MAIN REPLACEMENT</td>
<td>10</td>
<td>10</td>
<td>Q2 2011</td>
<td>$3,028,000</td>
</tr>
<tr>
<td>WK-14</td>
<td>Phase II VIVIAN HEIGHTS 8-INCH AND 6-INCH WATERLINE REPLACEMENT</td>
<td>0</td>
<td>10</td>
<td>Q2 2011</td>
<td>$2,686,000</td>
</tr>
<tr>
<td>HE-10</td>
<td>12&quot; WATERLINE ALONG ULAULA &amp; ULIULI ROADS, ‘Ele‘ele</td>
<td>99</td>
<td>99</td>
<td>Q2 2010</td>
<td>$ 458,966</td>
</tr>
<tr>
<td>LO-04</td>
<td>Piwai Tank</td>
<td>0</td>
<td>0</td>
<td>Q4 2011</td>
<td>$2,205,000</td>
</tr>
<tr>
<td>PLH-41</td>
<td>8&quot; PRV, 400 GPM BOOSTER PUMP &amp; CONNECTING MAIN, NAWILIWILI TANK</td>
<td>97</td>
<td>97</td>
<td>Q2 2010</td>
<td>$ 660,000</td>
</tr>
<tr>
<td>PLH-09</td>
<td>PIPELINE REPLACEMENT FOR LIHUE TOWN</td>
<td>95</td>
<td>100</td>
<td>Q3 2010</td>
<td>$2,050,000</td>
</tr>
<tr>
<td>WK-9</td>
<td>KAPA‘A HOMESTEADS 0.5 MG TANK (530 ZONE)</td>
<td>90</td>
<td>99</td>
<td>Q3 2010</td>
<td>$3,060,000</td>
</tr>
<tr>
<td>WK-42</td>
<td>Phase I Stable Tank and Connecting Pipeline</td>
<td>80</td>
<td>99</td>
<td>Q3 2010</td>
<td>$3,836,000</td>
</tr>
<tr>
<td>WK-42</td>
<td>Phase II Stable Tank Main</td>
<td>90</td>
<td>100</td>
<td>Q3 2010</td>
<td>$1,980,000</td>
</tr>
<tr>
<td>WK-32, WK-14</td>
<td>Phase I Kaehula &amp; Apopo Road Waterlines</td>
<td>90</td>
<td>100</td>
<td>Q3 2010</td>
<td>$1,558,000</td>
</tr>
<tr>
<td>WK-32</td>
<td>Phase II KAPA‘A PIPELINE REPLACEMENTS</td>
<td>0</td>
<td>0</td>
<td>Q2 2011</td>
<td>$2,842,000</td>
</tr>
</tbody>
</table>

October 21, 2010
## Pending Water Plan 2020 Projects

<table>
<thead>
<tr>
<th>FY 2002</th>
<th>WP 2020 No.</th>
<th>PROJECT TITLE</th>
<th>STATUS</th>
<th>CURRENT BUDGET</th>
</tr>
</thead>
</table>
|         | WK-33       | KAHUNA RD 12" MAIN REPLACEMENT  
(Seyer Subdivision Segment Construction Complete) | Phase 2 Design 
Consultant Selected | $269,000 (DOW Oversizing)  
$150,000 (Phase 2 Design) |
|         | A-2         | ANAHOLA WELL NO. 4 (Pending ROE) | RFP | -0- |
|         | K-01        | (north) KALAHEO 1111' AND 1222' WATER SYSTEM IMPROVEMENTS | RFP | (BAB) |

October 21, 2010
BOARD REPORT

October 7, 2010

Re: Report from Issue Champions

Issue No. 1, Morale:

1) Fun Committee Events:
   a) Summer was filled with activity as the summer interns took it upon themselves to organize a hike to Hanakapiai, and the end of summer potluck for the department.
   b) The Fun Committee welcomes two new members, Mary Jane Garasi and Karen Ann Delgado, both new employees in the Fiscal Division. A meeting will be scheduled for late October.

2) Rewards Committee:
   a) Third Quarter Water Bucks were presented to Peter Sapinoso, Virgil Kapanui, Sandi Nadatani Mendez, Keith Aoki (received 2 WATER Bucks) and Serf Galvez……..with Congratulations going to Serf, our Employee of the 3rd Quarter.

Issue No. 2, Strong and Qualified Workforce:

Updated October 7, 2010

RECRUITMENT:

Ops Division:
1. Account Clerk. Pending list of eligibles from Department of Personnel Services.
2. Lead Pipefitter vacancies. Applications received. Awaiting input from union.
3. Water Service Supervisor III vacancy. Additional information requested from applicant. Department of Personnel Services will review the information.

Fiscal Division:
1. Waterworks Controller. Pending list of eligibles.

Engineering and Special Projects Divisions:
1. Civil Engineer V position - started on October 5, 2010
2. Project Assistant (Special Projects Division). Pre-employment physical & drug test pending.

Administration Division:
1. Clerical Assistant – Community Relations. Background check in progress.
2. Computer Systems Support Technician I. Pending list of eligibles.
3. Secretary. Background check in progress.
Issue No. 3, Water Quality: (No changes to this report from the last quarter)

1. Sample site work order for Kuamoo Rd. submitted in September, but no work yet. Operations requested a different site be selected. Currently using the old Polihaʻu State Park site since they have constructed a new bathroom.
2. New sites chosen for routine sampling to replace sites that were hard to access or have been removed. More old sites need to be changed. Ongoing.
3. Main break monitoring on hold, pending finalizing procedures and follow up between both the Lab and Operations. In the meantime, Peggy is informally checking on main line breaks.
4. Decided to go with Triggered Monitoring Plan for the new GWR. Plan submitted to SDWB (accepted by SDWB). One hit so far. Monitoring plan seems to be workable.
5. Sampling sources to see if any will present problems with fecal indicators if triggered monitoring is required. So far only Garlinghouse Tunnel seems to be problematic. On going.
6. Kalaheo, Lawai/Omao and Koloa have to be one system under the GWR. We propose to call it Kalaheo/Koloa System #434. The proposed system has been submitted to SDWB. We are awaiting approval. Has been approved as of 12/1/09.

STATUS OF WATER PLAN 2020 PROJECTS:

PROJECTS UNDER DESIGN:

1) Job No. KW-28 Amfac Shaft (Consultant: Brown & Caldwell)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of September 2010.

2) Job 02-06, WKK-15 Kilauea Tank #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed tank site.

3) Job 05-02, H-8 Drill and Test Hanalei Well #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed well site.

4) Job 05-02, HW-12 Drill and Test Wainiha Well #4 (Consultant: Kodani & Associates) – Consultant preparing the Environmental Assessment.

5) Job 02-14, WK-08, Kapahi (Ornellas) Tank (Consultant: Belt Collins)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of September 2010.

6) Job WK-39 Kapaa Homesteads Well #4 (Consultant: Hawaii Pacific Engineers)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of September 2010.

7) Job No. 02-24, WK-02 Renovate Akulikuli Tunnel, Phase 2 (Consultant: SSFM International)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of September 2010.
8) Job 02-06, WKK-15 Kilauea Tank #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed tank site.


PROJECTS UNDER CONSTRUCTION:

1) Job 05-03, KW-25, 03-03, KW-24, Kapilima 0.5MG Tank and 03-03 Generator Shelter (Consultants: Brown and Caldwell, Kodani & Associates, Contractor: Kauai Builders)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of September 2010.

2) Job 02-14, WK-09, 03-03, WK-15, Kapaa Homesteads 0.5 MG Tank and Makaleha Generator Shelter (Consultants: Belt Collins, Kodani & Associates, Contractor: Kauai Builders)
   a. Refer to the Manager’s Report for Affordable Housing Projects – Quarterly Summary Status as of September 2010.

3) Job WK-42 Phase I, 1 MG Stable Tank and Control Valves (Consultant: Tom Nance Water Resource Engineering, Contractor: Kauai Builders) – Project is 100% complete.

4) Job WK-42 Phase II, Kaapuni Road Waterline for Stable Tank (Consultant: Hawaii Pacific Engineers, Contractor: Earthworks Pacific, Inc.) – Project is 100% complete.


6) Job 97-10, WKK-14 Kilauea Booster Pump Station (Consultant: Austin Tsutsumi, Contractor: Oceanic Companies) – Project is 96% complete.

7) Job No. 04-04, PLH-09, Pipeline Replacement for Lihue Town (Consultant: Akinaka & Associates, Contractor: Cushnie Construction) – Project is 100% complete.
   a. DPW OT issue resolved.

8) Job No. 04-06, KW-05 & KW-20, Kekaha Well B Renovations (Consultant: Engineering Solutions, Contractor: Goodfellow Bros.) – Project is 95% complete.

9) Job No. 05-01, KW-16 & KW-23, Waimea Town Waterline (Consultant: Hawaii Pacific Engineers, Contractor: Goodfellow Brothers) – Project is 43% complete.
BOARD REPORT
Re: Report from Issue Champions
October 7, 2010
Page 4 of 5

10) Job No. 02-03, KW-14 & KW-15, 12" Waterline along Kaumualii Highway and Waimea Canyon Drive (Consultant: Park Engineering, Contractor: Koga Engineering & Construction) – Project is 21% complete.
   a. Construction resumed after attaining NPDES permit and resolving alignment issues.


12) Job No. 04-02, WK-14 Phase II, Pipeline Replacement for Vivian Heights and Kanaele Road (Consultant: Fukunaga & Associates, Contractor: Earthworks Pacific) – Project is 20% complete.

13) Job No. 02-18, WK-32 Phase II, Pipeline Replacement for Kapaa Homesteads (Consultant: Fukunaga & Associates, Contractor: Jennings Pacific) – Project is 0% complete. Notice to proceed issued for July 26, 2010 but contractor is still working to get NPDES permit approval.

14) Job 03-02, HW-03, (Phase II), Wainiha Booster and Haena Tank Renovations (Consultant: Brown & Caldwell) – Contract awarded to Unlimited Builders, LLC. Contractor working to attain NPDES permit and Notice to Proceed will be issued after that.

Issue No. 4, Workplace Efficiencies: (new issue champions needed – both retired)

Ongoing:
1. Jeff Mendez in IT continues to work to broaden our information base for our Geographic Information System (GIS). He is assisted by WR&P’s Engineer Heath Prow and Eng. Tech. Cleve Shigematsu.
   a) Current GIS Update by Jeff
      Using the gps points as a basis, a GIS model of Anahola was created by Jeff, with help from Heath. Pipes were drawn in and attributes for all pipes, hydrants, laterals, tanks, meters, etc. were entered. This attribute information is what makes GIS a powerful tool, and there is a lot of information to input.

      Heath took the GIS Model and imported it into a water modeling software called WaterGems. With this software, he can determine water needs and water demands for a water system. Heath will be doing a Presentation of the Anahola water model at the HWWA Conference on October 13, 2010.

   b) Jeff, with the assistance of two summer interns, created a Geodatabase for the Puhi-Lihue-Hanamaulu Water System. Jeff gps’d all the valves, hydrants, wells and tanks.
      Summer Interns, Michael Fujikawa and Ryan Kunselman, gps’d all the meters.
      This water system is 75% complete, with mainly attribute information to fill in.
      The meters collected are about 80% complete. We still have about 500 meters that need to be gps’d. Jeff drew in the pipes from the gps valves shots and as-built drawings. Hope to be completed with the Lihue System by the end of November.
c) Jeff will begin training or retraining on the use of GIS. Would like to start with Operations and then Engineering, and determine who else needs.

Upcoming:

a) The Issue Champions Committee requested to work on the implementation of the DOW Contract Management System to monitor progress of the DOW’s contracts.
   1) Still work in progress on gathering required information to input into the system.
   2) Clerical training will follow to assist with updating the projects on the program.
   3) Implementation of the DOW Contract Management System has been delayed with a new target implementation date of November 1, 2010.
   4) Once the system works, documentation of the process would be included in the DOW’s work process manual.

b) Envision a department-wide work process manual to be compiled with documentation of any type of divisional work processes to assist with succession planning and to better internal and external customer service
   1) Processes need to be reviewed and updated.
   2) Will be documented using Microsoft Visio software.
   3) Will setup internal meetings.

c) The Issue Champions Committee requested the DOW employee’s vacation/sick leave status into a computerized monthly statement, which will eventually be issued as part of the computerized payroll module.

Issue No. 5, Accountability:

   a) Of note, all DOW cell phone users are now all on Verizon.

Respectfully submitted,

Faith Shiramizu, PR Specialist
on behalf of all of the Issue Champions
MANAGER'S REPORT

September 23, 2010

Re: Affordable Housing Projects – Quarterly Summary Status as of September, 2010 (formerly prepared by RW Beck)

This report is a summary of progress on the Affordable Housing Projects.

**Job No. 05-03, KW-25, Kapilinao 0.5 million gallon tank:**
A. Under construction. SSFM managing construction as of 4/22/10.

![Construction Progress Chart]

**Job No. KW-28, Amfac Shaft:**
A. Waiting decision by management to proceed with more testing.

![Feasibility Study Progress Chart]

**Job No. 02-14, WK-08, Kapahi 1.0 million gallon tank:**
A. Proceeding with two 0.5 MG circular tanks at the existing Ornella Tank site. EA being prepared.

![Progress Chart]

**Job No. 02-14, WK-09, Kapaa Homesteads 0.5 million gallon tank:**
A. Awaiting final documents for closeout by contractor.

![Progress Chart]

**Job No. WK-39, Kapaa Homestead Well #4:**
A. EA being prepared.

![Progress Chart]

**Job No. 02-24, WK-02, Akulikuli Tunnel:**
A. Department will be conducting water quality testing.
Respectfully submitted,

Keith Fujimoto  
Project Engineer

CONCURRED:

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

KF: cab  
Mgrp/Affordable Housing Status Report (10-21-10): cab
October 12, 2010

Re: EXECUTIVE SESSION

Pursuant to H.R.S. §92-7(a), the Commission 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. Review of Executive Session Minutes: September 16, 2010

2. Pursuant to Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to discuss the Board’s duties and liabilities at Department of Water facilities under the Endangered Species Act, 16 United States Code § 1531, et seq., and the Migratory Bird Treaty Act, 16 United States Code § 703, et seq. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item.