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, Lihu‘e, Kaua‘i, Hawai‘i  96766

THURSDAY, September 19, 2013

10:00 a.m.
Or soon thereafter

A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES:
   Review and approval of:
   Regular Board Meeting – August 22, 2013
   Review and approval of Executive Session:
   Executive Session – August 22, 2013

E. CORRESPONDENCE/ANNOUNCEMENTS
   1. Correspondence from Mr. Peter Tausend, Chairperson, West Kaua‘i Soil & Water
      Conservation Districts, dated August 28, 2013

F. BOARD COMMITTEE REPORTS

G. OLD BUSINESS
   1. Special Board Meeting regarding Kahili Well held on September 17, 2013
   2. Manager’s Report No. 11-28 – Part 5 Water System Development Fee (WSDF) and FRC
      Proposed Rules
      i. Part 5 WSDF (7-18-13, rev 8-5-13)
      Subdivision Standards Proposed Rules
      i. Part 2 Water Service Connections, Section I, II, IV, V, VI, XIX, XX, XXI, and XXIV
         (8-5-13) (8-22-13)
      ii. Part 3 Establishing Standards for Subdivision Water Systems, Section I, II, III,
         IV, V, VI, VIII, IX, X, XI, XII, XIII, and XIV (8-5-13) (8-22-13)

H. NEW BUSINESS
   1. Resolution 14-2 Farewell to Mr. Gregg Fujikawa, Chief of Water Resources & Planning
   2. Resolution 14-3 Farewell to Mr. Mel Yamase, Account IV & Billing Supervisor

NOTE: If you need an ASL Interpreter, materials in an alternate format, or other auxiliary aid support, please contact Edie at 245-5406 or email: eineumiller@kauaiwater.org at least seven (7) calendar days before the meeting.
3. Manager’s Report No. 14-10 Special Counsel Contract #572: Kobayashi, Sugita & Goda, LLP for the representation of the Board of Water Supply, County of Kauai and the Manager and Chief Engineer of the Department of Water in the matter of Jennings Pacific, LLC, vs. Board of Water Supply of the County of Kauai, David R. Craddick in his official capacity as Manager and Chief Engineer of the County of Kauai Department of Water et. al., Civil No. 12-1-0284 (Fifth Circuit Court)


7. Manager’s Report No. 14-12 - Board Policy No. 28 – Replacement or Refurbishment of Existing Water Systems and Mobile Equipment

MONTHLY

1. Statement of Kaua‘i County Water Department’s Revenues and Expenditures

2. Report by the Public Relations Specialist on Public Relations Activities


4. Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department
   a. Report of the BAB Bond pay down as of August 2013

I. EXECUTIVE SESSION

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

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

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

3. Pursuant to Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the Office of the County Attorney requests an Executive Session with the Board to provide the Board with a briefing on...
J. **TOPICS FOR NEXT WATER BOARD MEETING**
1. Public Hearing – Benefit Zone *(October 2013)*
2. Tentative Board Meeting Dates for 2014 *(October 2013)*

K. **TOPICS FOR FUTURE WATER BOARD MEETINGS**
1. Draft Annual Audit *(November 2013)*
2. Election of Officers for 2014 *(December 2013)*

L. **UPCOMING EVENTS**
1. Project WET – Make a Splash *(September 26, 2013)*
2. HWWA Hawai‘i Section Maui, HI *(October 23-25, 2013)*
3. AWWA14 Conference, Boston, MA *(June 8-14, 2014)*

M. **NEXT WATER BOARD MEETING**
1. **Thursday, October 17, 2013, 8:00 a.m.**
2. **Thursday, November, 21, 2013, 10:00 a.m.**
3. **Thursday, December 19, 2013, 10:00 a.m.**
4. **Thursday, January 23, 2013, 10:00 a.m.**

N. **ADJOURNMENT**
Draft Minutes
MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, August 22, 2013

The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, August 22, 2013. Chairperson Randall Nishimura called the meeting to order at 10:03 a.m. The following Board members were present:

BOARD: Mr. Randall Nishimura, Chairperson
Mr. Clyde Nakaya
Mr. Michael Dahilig
Mr. Larry Dill (entered at 10:10 a.m.)
Mr. Sherman Shiraishi

EXCUSED/ABSENT: Mr. Raymond McCormick
Mr. Hugh Strom

Quorum was achieved with 4 members present at the time of roll call.

STAFF: Mr. David Craddick
Mr. Kirk Saiki
Mr. Val Reyna
Ms. Fay Tateishi
Mr. Keith Aoki
Mr. Jeff Mendez
Ms. Sandi Nadatani-Mendez
Mr. Dustin Moises
Mr. Eddie Doi
Mr. Gregg Fujikawa
Ms. Regina Flores
Ms. Christine Erorita
Ms. Mary-jane Garasi
Deputy County Attorney, Andrea Suzuki

GUESTS: Mr. Mike Dyer, Kīlauea Crossings
Ms. Barbara Pendragon, Housing Agency

ACCEPTANCE OF AGENDA:
Chair Nishimura requested a motion to rearrange the agenda and to move up the Executive Session items after discussing the agenda item involving the correspondence from Mr. Michael Dyer.

Mr. Dahilig moved to rearrange the agenda as requested by Chair Nishimura to move up the Executive Session items after consideration of the correspondence from Mr. Michael Dyer; seconded by Mr. Nakaya; with no objections, motion was carried with 4 ayes.

MEETING MINUTES:
Review and approval of:
Regular Board Meeting – July 25, 2013
Mr. Shiraishi moved to approve the Regular Board Meeting minutes of July 25, 2013 as circulated; seconded by Mr. Nakaya; with no objections, motion was carried with 4 ayes.

**Review and approval of Executive Session:**
Executive Session – July 25, 2013

Chair Nishimura ordered the Finance Committee Meeting minutes be deferred until Mr. Dill’s arrival.

Mr. Dahilig moved to defer the Finance Committee Meeting minutes upon Mr. Dill’s arrival; seconded by Mr. Nakaya; with no objections.

**E. CORRESPONDENCE/ANNOUNCEMENTS**

1. **Board Committee Assignments**

The Rules Committee is chaired by Mr. Dahilig with members Mr. McCormick and Mr. Shiraishi. The Finance Committee has struggled with two members chaired by Mr. Dill and member Mr. Nakaya therefore Chair Nishimura appointed Mr. Strom to the Finance Committee.

Mr. Dahilig moved to approve Chair Nishimura’s appointment of Mr. Strom to the Finance Committee; seconded by Mr. Dahilig; with no objections, motion was carried with 4 ayes.

2. **Correspondence from Mr. Michael M. Dyer, Trustee of Michael M. Dyer Revocable Trust, dated July 5, 2013**

   **Mr. Michael M. Dyer, Trustee of Michael M. Dyer Revocable Trust provided his testimony.**

Mr. Dyer received and appreciated a waiver on a building permit for the loading dock which has been pending the past two (2) years. His appeal to the Board included a request for a waiver on smaller items for a small commercial project. Some items passed Planning through a Class IV Zoning to do retrofits, to add restrooms and to get the older property with existing buildings up as a commercial property.

The issue in the recent adoption of Table 100-19A Standards for Commercial Proprieties states that it does not allow 1 sq. ft. of additional external space due to the low fire flow in the area. The last letter from Mr. Dyer’s consultant indicated that the smaller buildings were separated from each other and the existing fire flow is adequate to protect these buildings.

Hiring consultants at a cost of approximately $2,000 for each of the permits that comes up becomes a burden on the Fire Department, the Engineering Department as well as Mr. Dyer.

Mr. Dyer requested the Board’s approval to avoid having to repeat the process over again in obtaining the smaller permits.

Mr. Shiraishi moved to refer to staff for a recommendation on Mr. Michael Dyer’s request for a waiver on smaller items on the commercial project; seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.
At 10:10 a.m., Mr. Dill entered the meeting.

Mr. Dahunig moved to go into Executive Session for Item I #2; seconded by Mr. Shiraishi; with no objections, motion was carried with 5 ayes at Roll Call (CN, SS, RN, MD, LD).

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

1. Pursuant to Haw. Rev. Stat. §§92-4 and 92-5(a)(4) and (8); and Kaua‘i County Charter §3.07(E), the purpose of this executive session is to consult with the Board’s legal counsel to receive legal updates, overviews, and recommendations for purposes of obtaining Board’s approval of proposed settlement of a workers’ compensation claim. This deliberation and/or decision making involves matters that require the consideration of information that must be kept confidential as, inter alia, it concerns significant privacy interests. The significant privacy interests relate to a medical history, diagnosis, condition, treatment, or evaluation, and which, pursuant to state or federal law, including Health Insurance Portability and Accountability Act, are protected from disclosure.

Mr. Dahunig moved to go into Executive Session for Item I #2; seconded by Mr. Shiraishi; with no objections, motion was carried with 5 ayes at Roll Call (CN, SS, RN, MD, LD).

2. Pursuant to Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to provide the Board with a briefing regarding communications from HGEA. This briefing and consultation with the Board counsel involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item.

Mr. Dahunig moved to go into Executive Session; seconded by Mr. Shiraishi; with no objections, motion was carried with 5 ayes at Roll Call (CN, SS, RN, MD, LD).

3. HRS92-5a (2) & (4) To consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved, and if necessary, to consult with the Board’s attorney in questions and issues pertaining to the Boards powers, duties, privileges, immunities, and liabilities as it relates to this agenda item.

Mr. Dahunig moved to go into Executive Session for Item I #3; seconded by Mr. Shiraishi; with no objections, motion was carried with 5 ayes at Roll Call (CN, SS, RN, MD, LD).

At 10:15 a.m., Chair Nishimura ordered the Board room to be cleared for Executive Session.

At 11:17 a.m., Chair Nishimura reconvened the Regular Board Meeting.

Chair Nishimura announced that the Executive Session Minutes for July 25, 2013 were approved in Executive Session.
D. MEETING MINUTES:
Mr. Dill reported that the Finance Committee met several times and thanked the committee with
the diligence of Manager Craddick in working toward the Operating budget and the water rates.

Review and approval of:
Finance Committee Meeting – April 4, 2013
Mr. Dill moved to approve the Finance Committee Meeting for April 4, 2013; seconded by Mr. Shiraishi;
with no objections, motion was carried with 4 ayes.

Finance Committee Meeting – April 9, 2013
Mr. Dill moved to approve the Finance Committee Meeting for April 9, 2013; seconded by Mr. Shiraishi;
with no objections, motion was carried with 4 ayes.

Finance Committee Meeting – April 12, 2013
Mr. Dill moved to approve the Finance Committee Meeting for April 9, 2013; seconded by Mr. Shiraishi;
with no objections, motion was carried with 4 ayes.

Finance Committee Meeting – April 16, 2013
Mr. Dill moved to approve the Finance Committee Meeting for April 16, 2013; seconded by Mr. Shiraishi;
with no objections, motion was carried with 4 ayes.

Finance Committee Meeting – April 25, 2013
Mr. Dill moved to approve the Finance Committee Meeting for April 25, 2013; seconded by Mr. Shiraishi;
with no objections, motion was carried with 4 ayes.

Finance Committee Meeting – May 16, 2013
Mr. Dill moved to approve the Finance Committee Meeting for May 16, 2013; seconded by Mr. Shiraishi;
with no objections, motion was carried with 4 ayes.

Finance Committee Meeting – May 21, 2013
Mr. Dill moved to approve the Finance Committee Meeting for May 21, 2013; seconded by Mr. Shiraishi;
with no objections, motion was carried with 4 ayes.

Finance Committee Meeting – May 23, 2013
Mr. Dill moved to approve the Finance Committee Meeting for May 23, 2013; seconded by Mr. Shiraishi;
with no objections, motion was carried with 4 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS
3. Correspondence from KMH, LLP, dated July 17, 2013

DISCUSSION:
Mr. Dill requested to have Manager Craddick check to see if the audit is proceeding according to
schedule. The auditor’s letter stated that the final field work will commence the week of
September 3, 2013.

According to Accountant IV, Ms. Fay Tateishi, the auditors have delayed the final field work
until September 9th. The proceedings are on schedule.

Manager Craddick commented that the auditors would like to review the processes for
implementing the new billing system and that there is a contingency in the budget. The
Department has been working on getting the information that would allow the auditors to edit the
Department’s draft. The contract may require a change order. This would not affect the overall reporting and a decision could be made next week.

Mr. Dill moved to receive correspondence from KMH, LLP, dated July 17, 2013.

Mr. Dill amended his previous motion.

Mr. Dill moved to receive as amended the correspondence from KMH, LLP, dated July 17, 2013 and for the Department to provide an update on the audit proceedings at the September Board meeting; seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

4. Correspondence from Ms. Catherine Adams, Civil Service Commission Chairperson, dated July 31, 2013

BACKGROUND:
Chair Nishimura reviewed Ms. Adams correspondence which stated that the Manager Craddick did not transfer personnel files as requested when the HR Department was set up. Manager Craddick also wrote a Personnel Files Access Agreement between the DOW and Department of Personnel Services (DPS) which was onerous on the Human Resources (HR) Department.

DISCUSSION:
After no response from previous communication to the HR department head, Manager Craddick sent a letter to Ms. Adams. The draft agreement was available for HR to make any changes. A meeting has been set up with Manager Craddick and the Mayor on August 27th or August 30th to resolve the issue with HR.

Mr. Nakaya moved to receive the correspondence from Ms. Catherine Adams, Civil Service Commission Chairperson dated July 31, 2013 and requested a written update from the Manager at the September meeting; seconded by Mr. Dahilig.

Mr. Shiraishi questioned why the personnel files were not forwarded to the HR department.

Manager Craddick explained that HR never responded regarding the access to the files. HR was going to keep original files of new employees but that never happened. There were also issues with the pay with new employees. With the issue of new employee files, Manager Craddick understood that the union did not allow the DOW to keep double files.

The draft agreement was available for HR to make any comment to indicate access to the files could be five (5) days a week. Ms. Adams responded in her letter that the DOW would have access during normal business hours. Mr. Dill commented that Public Works has access to their HR files but Mr. Dahilig added that Planning does not have easy access to their HR files.

Mr. Shiraishi moved to amend the main motion to receive the correspondence from Ms. Catherine Adams, Civil Service Commission Chairperson, dated July 31, 2013 and requested a written update from Manager Craddick to check if the Collective Bargaining Agreement (CBA) allows mirror files to be held by the Department; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

Chair Nishimura apologized to the Board because he thought this was part of Part 2 of the Rules. He just found out that it was not part of the Rules which need to be modified. Board Policy No. 2 was intended to be an announcement with no further action to be part of the policy.

Deputy County Attorney advised Chair Nishimura that in order for action to be taken, Board Policy No. 2 should be under “New Business.”

Mr. Dill moved to receive and defer Board Policy No. 2 under “New Business” for action at the September Board Meeting; seconded by Mr. Dahilig; with no objections, motion was carried with 5 ayes.


Commission Support Clerk requested a Point of Order to correct the Supersedes date (bottom of page) which should reflect 1981 not 2081.

Mr. Shiraishi moved to approve Board Policy No. 1 – Personal Safety Equipment Proposed New Language as amended; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

7. **Manager’s Report No. 11-28 – Part 5 Water System Development Fee (WSDF) and FRC Proposed Rules**
   i. **Part 5 WSDF** *(7-18-13, rev 8-5-13)*

Chair Nishimura acknowledged Ms. Barbara Pendragon with the County Housing Agency who did not give testimony but instead chose to listen to the discussion.

Manager Craddick requested the Board to defer Manager’s Report No. 11-28 to the September Board meeting due to a more thorough review and input from staff especially with Parts 2, 3, and 4. Part 5 proposed rules could come back to the Board for review before going to the Rules Committee or the Board could go have Part 5 go straight to the Rules Committee. Part 5 rules could go to the Small Business Regulatory Review Board (SBRRB) then to Public Hearing which may be in December. The adoption and implementation of the WSDF could possibly be by December or by January/February 2014.

Mr. Shiraishi referred to Option #2 - Approve Recommendation Option: The Board can act in the affirmative on the request and refer the three (3) proposed rules changes to the Rules Committee for one last complete review.

Manager Craddick mentioned if there are recommended changes by the staff, the Board would not have the opportunity to see the changes before it goes to the Rules Committee. Copies could be provided to the full Board by the next meeting.

Mr. Shiraishi noted that the Manager’s Report is confusing and contradictory because the Report states that Manager Craddick would not refer the recommendation to the full Board because it is
necessary for a pre-final review but at the same time Manager Craddick would like to refer Part 5 to the Board for review.

Manager Craddick clarified that at this point there is nothing to refer back to the Board and suggested to move forward with Option #2.

Mr. Dill requested that Part 5 rules be referred back to the Department, then to the Rules Committee before it comes back to the September Board meeting.

Manager Craddick expressed that Part 5 rules would not be ready by the Agenda meeting and the next Board meeting.

Mr. Dahilig moved to 1) receive the Manager’s Report No. 11-28 – Part 5 WSDF and FRC Proposed Rules. 2) To adopt for discussion purposes all of Manager Craddick’s amendments except the change under Section V, Item A2, WSDF Fee Computation to waive the fees for affordable housing units and 3) that the Board approve these rules for review by the SBRRB and 4) the Board would approve these Rules for review by the SBRRB and that the Board reserves further action until the SBRRB comments are received; seconded by Mr. Shiraishi.

Chair Nishimura clarified that if the Board approves the motion, Part 5 proposed rules would go to the SBRRB for their comment without the change that was made for the affordable housing waiver.

Mr. Dahilig added that the Board would not be adopting the strike out.

Section V, Paragraph A2:
The Department shall collect a processing fee for the Water Service Reservation Request as set by the Manager to offset the cost of processing. The Department shall waive these fees for any affordable or workforce housing project approved or sponsored by the County Housing Agency.

Manager Craddick mentioned that all waivers are in one section for consistency.

Chair Nishimura commented that A2 states “the Department shall collect a fee, etc.” and A8 states “the Department will access a charge, etc.” If this were accepted as is, there is no waiver of fees.

Section V, Paragraph A8
The Department shall assess a non-refundable administrative charge as laid out in Part IV of the Rules and Regulations.

Manager Craddick clarified that the second sentence regarding the waiver should not be crossed out which was in error. A8 covers the Department is collecting a process fee which is set not by the Manager but by Part 4 Rules.

Section V, Paragraph A2:
The Department shall collect a processing fee for the Water Service Reservation Request as set by the Manager to offset the cost of processing. The Department shall waive these fees for any affordable or workforce housing project approved or sponsored by the County Housing Agency.

Mr. Dahilig intent was to leave Paragraph A2 with no strike out but to strike Paragraph A8 completely.
Section V, Paragraph A2:
The Department shall collect a processing fee for the Water Service Reservation Request as set by the Manager to offset the cost of processing. The Department shall waive these fees for any affordable or workforce housing project approved or sponsored by the County Housing Agency.

Strike out all of Section V, Paragraph A8:
The Department shall assess a non-refundable administrative charge as laid out in Part IV of the Rules and Regulations.

Mr. Dill referenced Paragraph A4 that states “the Manager may secure reservation of water without immediate payment of the fee for any affordable or workforce housing…” and questioned what is defined as the “fee?”

Mr. Dahilig clarified that the fee is the “WSDF” that would not be paid immediately for affordable housing to not have higher carrying cost associated with the construction. Payment would be made when the meter is dropped. Mr. Dahilig proposed to strike all of Paragraph A2 and the last sentence be moved to the end of Paragraph A8.

Section V, Paragraph A2 be struck out but move the last sentence to Paragraph A8:
The Department shall collect a processing fee for the Water Service Reservation Request as set by the Manager to offset the cost of processing. The Department shall waive these fees for any affordable or workforce housing project approved or sponsored by the County Housing Agency.

Section V, Paragraph A8
The Department shall assess a non-refundable administrative charge as laid out in Part IV of the Rules and Regulations. The Department shall waive these fees for any affordable or workforce housing project approved or sponsored by the County Housing Agency.

Mr. Dahilig commented that the changes made could be sent to the SBRRB.

Deputy County Attorney clarified that Parts 2 & 3 would have to be changed before it goes to the SBRRB. If Parts 2 & 3 remained the same while Part 5 was added then there would be two (2) options for people and they may get confused on which option applies to them. Section 5 that is created by the Board decides impact fees get implemented. Parts 2, 3 & the Part 4 schedule will be changed accordingly.

Chair Nishimura requested an opinion from Chief of Water Resources & Planning, Mr. Gregg Fujikawa on the impact of Parts 2 & 3 as it relates to Parts 4 & 5 with an example if Grove Farm were to do their first subdivision. Could the Department process the application with the current status of Parts 4 & 5. Does Parts 2 & 3 need to be completed?

Mr. Fujikawa provided his criteria of comparing the existing Part 5 and the proposed Part 4 and would not touch Parts 2 & 3. Mr. Fujikawa added if the proposed package were more clear, more efficient, transparent and better than the existing rule; he would choose the existing rule to develop the conditions for a possible Grove Farm development.

Chair Nishimura questioned if Mr. Fujikawa would use the existing rules in the proposed change in the level of fees.
Mr. Fujikawa suggested that the proposed rate should be kept separate from the rule changes. The rate issue could be reviewed first and to review the rule second. This could be faster than doing the changes simultaneously.

Manager Craddick addressed a question to Deputy County Attorney, Andrea Suzuki if the definition of the Facilities Reserve Charge shall mean the name of the fee prior to enacting this rule was legally sufficient even if confusing to wipe out all references to FRC in Part 2 & 3. If not, then changes to Part 2 and 3 would be needed.

Deputy County Attorney, Andrea Suzuki mentioned that Parts 2 & 3 could not be eliminated by the definition. Those sections could be submitted with Part 5.

Deputy County Attorney, Andrea Suzuki agreed with Mr. Dahilig that Part 5 can go to SBRRB and then subsequently delay public hearing on the matter until Parts 2, 3 and 4 were completed. However, the main issue is whether Part 5 is ready to go to SBRRB without the input of the staff.

Mr. Dahilig’s understanding from his motion from the last Board meeting that the Department was to come back to today’s meeting to report back on their input on Part 5 and that it was ready to go to SBRRB.

Manager Craddick explained that Part 5 was not ready to the level that Mr. Dahilig wanted to see; staff did discuss Part 5 up to the exemptions, after exemptions there were no substantive changes.

Mr. Dahilig withdrew his main motion and Mr. Shiraishi withdrew his 2nd motion.

Mr. Dahilig moved to adopt for discussion purposes Part 5 working draft that incorporates all of Manager Craddick’s changes as presented in the report except those changes in Section V. The Board’s working draft would instead strike all of Section V, Paragraph A2 and to move the second sentence of Section V, Paragraph A2 to the end of Section V, Paragraph A7 and renumber all paragraphs; seconded by Mr. Dill; with no objections, motion was carried with 4 ayes, 1 nay.

Mr. Dahilig amended previous motion.

Mr. Dahilig moved to have the Board re-refer the working draft to Manager Craddick and not to exceed one (1) month to complete discussions with his staff. If there are no further comments come back on this working draft and other changes to the rules, they will be sent to the SBRRB as is and to report back at the September Board meeting by the Manager.
Mr. Shiraishi suggested amending Mr. Dahilig’s motion to: after consultation with staff to come back to the Board for future review before going to the SBRRB for their review.

Mr. Dahilig will adopt the friendly amendment to his motion with the understanding if there is no report back to the Board, Mr. Dahilig will make a motion to refer the Rules to the SBRRB at the September Board meeting.

The amendment failed for a lack of a second.

Mr. Dahilig withdrew his previous motion.

Mr. Dahilig moved to refer the working draft back to Manager Craddick and staff and to report back to the Board at the September Board meeting. The Board can consider the working draft to SBRRB for consideration; seconded by Mr. Shiraishi; with no objections, motion was carried with 5 ayes.

Manager Craddick commented that Parts 2 & 3 rules are not ready but there was a recommendation to go to SBRRB without staff reviewing Part 2 & 3.

Deputy County Attorney Andrea Suzuki advised Manager Craddick that the Board could go forward in September with Part 5. If Part 5 is satisfactory, the Board could delay the public hearing for Parts 2, 3 & 4.

H. NEW BUSINESS
   1. Resolution No. 14-01 (08/13), Budget for Fiscal Year 2013-14

At 11:19 a.m., Chair Nishimura exited the meeting and relinquished the gavel to Vice Chair Mr. Nakaya.

Mr. Shiraishi moved to accept Resolution No. 14-01 (08/13), and approve the Budget for Fiscal Year 2013-14; seconded by Mr. Dill.

DISCUSSION:
Mr. Dill referred to Line Item, Tab 15, Page 3 (Page 232 on iPad) – The Baseyard Improvements Phase I for an estimate of $7M. The original 2013 fiscal budget was for $4M and recently $2M was proposed but is now $1 funded as a place holder. The Finance Committee struggled with how to fund this project.

Manager Craddick commented that once the conditions for approval are agreed upon with the Planning Department, a few design items are needed (complete streets) and the sewer line issue that will be resolved in the next week. The Department could go to bid with the $1 funding by putting notice of this in the bid documents and return to the Board for final approval. Depending on the grant funding DOW can get for energy efficiency the Board could decide then whether to move ahead or not.

Mr. Dill mentioned that this line item could be brought back to the Board later this fiscal year with the final numbers on this project once it is bid out.

At 11:21 a.m. Chair Nishimura re-entered the meeting.
Mr. Shiraishi moved to accept Resolution No. 14-01 (08/13), and approve the Budget for Fiscal Year 2013-14; seconded by Mr. Dill; with no objections; motion was carried with 5 ayes.

2. **Manager’s Report No. 14-02 – Grant of Easement for Construction Plans for Kawaikini Charter School Phase I (Z-IV-2009-15), Līhu'e, Kaua'i, Affecting the following Landowner:**
   a. Kawaikini New Century Public Charter School via lease from the University of Hawai'i, affecting TMK(s): (4) 3-4-007:003 por. Līhu'e, Kaua'i, Hawai'i

**DISCUSSION:**
Deputy County Attorney, Andrea Suzuki noted that Kawaikini Charter School received a grant from the University of Hawai'i which they are assigning portions of the Grant of Easement (GOE) over. The state had a lot of conditions but the Department’s GOE conditions were normal. Both conditions would have to be worked out together.

Mr. Shiraishi moved to accept Manager’s Report No. 14-02 – Grant of Easement for Construction Plans for Kawaikini Charter School Phase I (Z-IV-2009-15), Līhu'e, Kaua'i, Affecting the following Landowner: a. Kawaikini New Century Public Charter School via lease from the University of Hawai'i, affecting TMK(s): (4) 3-4-007:003 por. Līhu'e, Kaua'i, Hawai'i; seconded by Mr. Nakaya with no objections, motion was carried with 4 ayes.

Mr. Dahilig recused himself from voting due to a conflict of interest on this matter.

3. **Manager’s Report No. 14-03 – Grant of Easement, Sueoka Water Meter and Backflow Preventer, Kōloa, Kaua'i, Affecting the following Landowner:**
   a. JAN, Inc., affecting TMK(s): (4) 2-8-008:034, Kōloa, Kaua'i, Hawai'i

Mr. Shiraishi moved to accept Manager’s Report No. 14-03 – Grant of Easement, Sueoka Water Meter and Backflow Preventer, Kōloa, Kaua'i, Affecting the following Landowner: a. JAN, Inc., affecting TMK(s): (4) 2-8-008:034, Kōloa, Kaua'i, Hawai'i; seconded by Mr. Dahilig with no objections, motion was carried with 5 ayes.

4. **Manager’s Report No. 14-04 – Request for Settlement Authority**

Chair Nishimura announced that Manager’s Report No. 14-04 – Request for Settlement Authority was approved in Executive Session.


Mr. Dahilig moved to approve Manager’s Report No. 14-05 - Job No. 13-07, Kōloa Well “D” Repairs, Kōloa, Hawai'i with Okahara & Associates, Inc., seconded by Mr. Dill with no objections, motion was carried with 5 ayes.

6. **Manager’s Report No. 14-06 - Position Reallocation in the Water Resources and Planning Division**
Mr. Dahilig moved to approve and recommend Manager’s Report No. 14-06 - Position Reallocation in the Water Resources and Planning Division; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

7. **Manager’s Report No. 14-07 - GS-2014-1, Furnishing and Delivery of One (1) SUV 4-Door 4-Wheel Drive and Two (2) 4 Wheel Drive Extended Cab Pickup Trucks with Accessories (Ford)**

**DISCUSSION:**
Chair Nishimura inquired why funding for this was not coming out of contingency.

Manager Craddick explained the division head wanted to keep this under his own budget. If there is not enough money for lap tops, the division head would forego lap tops until next year’s budget.

Mr. Dill moved to approve Manager’s Report No. 14-07 - GS-2014-1, Furnishing and Delivery of One (1) SUV 4-Door 4-Wheel Drive and Two (2) 4 Wheel Drive Extended Cab Pickup Trucks with Accessories (Ford); seconded by Mr. Dahilig; with no objections, motion was carried with 5 ayes.


**DISCUSSION:**
Manager Craddick requested to have another month to respond to Board Policy No. 3. His understanding that added language on how to do inter-fund borrowing from the Water Utility Fund is needed.

Mr. Shiraishi moved to defer Review of Board Policy No. 3 – Expenditure of Water Utility Funds Proposed New Language (10-17-2006) to the September Board meeting; seconded by Mr. Dill; with no objections; motion was carried with 5 ayes.

   i. Part 2 Water Service Connections, Section I, II, IV, V, VI, XIX, XX, XXI, and XXIV (8-5-13)

Manager Craddick withdrew Manager’s Report No. 14-08 - Part 2, Water Service Connections and Part 3, Establishing Subdivision Standards Proposed Rules which would be New Business at the next Board meeting.

10. **Manager’s Report No. 14-09 – Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase I), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i**

**BACKGROUND:**
Construction Project Management Officer, Mr. Moises provided a brief summary on the Water Plan 2020, Project PLH-39, Līhu'e Baseyard Improvements (Phase I) to the Board.

Regular Meeting: Thursday, August 22, 2013 - Page 12 of 16
Project Summary Status:
- Design is almost complete.
- There are wastewater connection issues with Grove Farm (GF) Puhi sewer water system. After Mr. Moises meets with GF, the current sewer design could move forward.
- A Planning Commission hearing is scheduled on September 10th for the Class IV Permit. Planning gave some recommendations and Mr. Moises is addressing all of Planning’s concerns.
- Original funding and possible additional funding sources – The initial contract was funded with the Water Utility Funds at $279,719. Every contract amended came from the Build America Bond (BAB). Currently the encumbered amount is $914,749 with no contingency remaining.
- Mr. Moises pointed out to the Board that in previous Board meetings there were some concerns about using sources to fund construction. The original rate study in 2010-2011 did allocate funding for this project. The DOW has been implementing 11% through customers that included the projected encumbrances in 2011-2013 and 2013-2014 for a total of $7.9M. The proposed $7.4M would be along the line of the current estimate. If the Board chooses to fund from Water Utility Fund it would be from the rates.
- Options - Funds are from the BAB, SRF and the Green Energy Grant of $400,000 from Department of Health (DOH).
- Cost estimate for construction is $6M to $8M which does not include aerobic for septic system. By going with aerobic, $500,000 to $600,000 could be saved but does not include complete streets. If complete streets would be done and there could be a design contact increase. Based on the current condition of the cost increase, the project is not as high as anticipated.
- The last paragraph on page 6 of the Manager’s Report under Chapter’s Risk regarding Establishing a Perimeter was deleted. A preference to allow the new baseyard to be fenced for security purposes will not be done and is not applicable to this report.
- Research was done regarding: If DOW did not build the baseyard in the triangle, what would the cost factors be to renovate the existing building and to secure portable trailers to work from as follows:
  - To expand the existing building and utilize five (5) rental units for 24 months would cost approximately $6M.
  - To lease office space in Līhu'e at $3.50 sq. ft. would cost $600,000 a year. No quote for a purchase price was offered by realtors.
  - One realtor indicated that if DOW were to buy a building in Līhu'e, it would cost $6.5M without any interior improvement for office needs.

If Mr. Moises were to make a recommendation in the future, his option would be to build the new building.

DISCUSSION:
Mr. Dill inquired if the building location was resolved. Mr. Moises clarified that the building will not be moved.

Mr. Nakaya questioned the Margins & Adjustment (23%) of the total cost (Page 503 on iPads). Mr. Moises explained that the contingency was broken down and taxes were part of the $1.9M. There is very little vertical construction on Kaua'i and no one was able to give a finite number. The consultant could only provide a margin. Contractors have been overly conservative in
their prices. $915,000 was part of the $7.9M and $279M was part of the Master Plan. $7.5M is realistic but $8M is on the high side.

Mr. Dill appreciated the report and looks forward for hard numbers in the future.

Mr. Dahilig moved to receive Manager’s Report No. 14-09 – Water Plan 2020 Project PLH-39, Līhu‘e Baseyard Improvements (Phase I), Līhu‘e Water System, Līhu‘e, Kaua‘i, Hawai‘i; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

**STAFF REPORTS**

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

**PRESENTATION:**

Accountant IV, Ms. Tateishi reported on the Budget Status Summary for June 30, 2013.

Mr. Dahilig moved to receive Statement of Kaua‘i County Water Department’s Revenues and Expenditures as of June 2013; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

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

**PRESENTATION:**

Manager Craddick presented the Public Relations Specialist on Public Relations Activities.

The Fun Committee’s “So you think you can bake!” contest was won by Brian Fujii from Ops.

**Press Releases:**

*July 30th* – An emergency main line break in the south district affecting 111 customers who were registered with the County’s Connect CTY Program.

*August 1st, 6th & 8th* – The DOW scheduled an overnight water outage for Kapa‘a-Waipouli affecting 64 customers who were also registered with the County’s Connect CTY Program.

**TGI Press Release:**

*July 24th* – DOW seeks new home

*July 30th* – Po‘ipū Road water main leak causes outage

*July 28th* – We often forget about the good (Donna Perlman, Kapa‘a Homesteads)

**Publication Ad** – The DOW ad in the current Kaua‘i Family Magazine was attached to the report.

**DISCUSSION:**

Mr. Dill will miss his favorite Make a Splash (MAS) event on September 26th.

The American Resort Development Association (ARDA) which Mr. Shiraishi is a Lobbyist will be donating $1,000 to MAS.

Mr. Dill and Mr. Dahilig offered their department deputy to attend the MAS in their place. Manager Craddick announced that the Public Information Officer (PIO) selection was made pending drug testing. The PIO should start in September.
Mr. Dahilig moved to receive Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

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

**PRESENTATION:**
Mr. Reyna reported his personnel attended training classes in July. The Plant Section, who deals with chlorine in confined spaces, were recently evaluated for respiratory protection. The goal is to eliminate all chlorine gas because the access to the sites are difficult to enter and conversion may take longer.

Mr. Reyna will recheck the overtime hours for July of last year which was less than Ops’ regular hours (total hours included overtime). The 3,000 hours reported was incorrect which Mr. Reyna will recheck.

Mr. Dill moved to receive Chief of Operation’s Summary Report on Monthly Operational Activities Report; seconded by Mr. Shiraishi; with no objections, motion was carried with 5 ayes.

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

**PRESENTATION:**
Manager Craddick highlighted the following DOW activities in August 2013:

1. CONTRACTS AWARDED/EXTENSION/AMENDMENTS – None
2. Personnel Matters Update –
   - PIO - Selected
   - Engineering V – Selected
   - Deputy Secretary – Christine Erorita started August 16th
   - Accountant I – Selected and starts on October 16th (Position #2448)
3. Warrant Vouchers were paid in the amount of - $7M. August payment for the BAB was part of that $3.3M which will be paid every six (6) months. The $3.3M includes the principal and interest (Bank of NY Mellon). The $184,351 Contract Payments-BAB were payments out of the fund.
4. Conveyance of Water Facility – $225M
5. CC&B Billing System Update – Information Tech. Specialist, Ms. Nadatani-Mendez provided a following up for Mr. Dill regarding the incorrect billing. The issue should be resolved with a short term fix. The Board of Water Supply (BWS) no longer will run the water upload file in parallel with other counties. The water upload will run separately. The BWS plans to work on a long term fix.
6. IT Strategic Plan Update – Ms. Nadatani-Mendez reported that the IT Strategic Plan list that was requested by the Manager from the contractor was sent to the Manager on July 25th from the project manager.

Manager Craddick and Deputy County Attorney, Andrea Suzuki will check if there is a bond to protect the DOW and the Board in case the EMA contract cannot be completed or is not available any longer.
Mr. Shiraishi moved to receive Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

a. **Report of the BAB Bond pay down as of August 2013**

Mr. Shiraishi moved to receive Report of the BAB Bond pay down as of August 2013; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

**TOPICS FOR NEXT WATER BOARD MEETING (September 2013)**

1. Board Policy No. 2 (under New Business)
2. Department’s response to Michael Dyer
3. Proposed Board Policy regarding payment of FRC and Water Utility Debt Service
4. CIP Status of the Audit proceedings
5. Capital Improvement Projects (CIP) for 2014 Legislative Session
6. Special Board Meeting regarding the Kahili Well

**TOPICS FOR FUTURE WATER BOARD MEETINGS**

1. Public Hearing – Benefit Zone (October 2013)

**UPCOMING EVENTS**

1. HWWA Hawai‘i Section Maui, HI (October 23-25, 2013) – (Three Board members attending)

**NEXT WATER BOARD MEETING**

1. Thursday, August 22, 2013, 10:00 a.m.
2. Thursday, September 19, 2013, 10:00 a.m.
3. Thursday, October 17, 2013, 10:00 a.m.
4. Thursday, November 21, 2013, 10:00 a.m.

**ADJOURNMENT**

Mr. Shiraishi moved to adjourn the Regular Board meeting at 1:10 p.m.; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

Respectfully Submitted,               Approved,

Edie Ignacio Neumiller              Sherman Shiraishi
Commission Support Clerk            Secretary – Board of Water Supply
Correspondence
August 28, 2013

Mr. Randall Nishimura  
Chairperson  
Kauai Board of Water Supply  
P.O. Box 1706  
Lihue, HI 96766

Dear Mr. Nishimura:

Annually the East and West Kauai Soil and Water Conservation Districts (SWCDs) recognize a Kauai rancher, farmer, or an organization that makes an outstanding effort to conserve domestic water by using an alternative source of water supply and innovative methods for irrigation purposes. Their efforts help the County Department of Water better manage its potable water supply.

We are planning an award presentation ceremony for John & Nandi Wooten, our Outstanding Water Conservationist for 2013, chosen by the East Kauai Soil and Water Conservation District and for Dow AgroSciences LLC, Outstanding Water Conservationist chosen by the West Kauai Soil and Water Conservation District. The award ceremony and presentation will be at the Department of Water Building, 4398 Pua Loke Street, Lihue, at 10 am on Tuesday, October 22, 2013.

We are grateful for the partnership of the Kauai Board of Water Supply and would appreciate your presence at this award ceremony.

Sincerely,

Peter Tausend, Chairperson  
West Kauai SWCD

cc: Thomas Oi, Chairperson  
East Kauai SWCD
Old Business
G. Old Business

1. Special Board Meeting regarding Kahili Well held on September 17, 2013

REPORT will be made verbally
MANAGER’S REPORT No. 11-28 revised

September 19, 2013

Re: Proposed Part 5 WSDF fka FRC Proposed Rules

i. Part 5 WSDF (7-18-13, 8-5-13, 8-22-13 RBM)

RECOMMENDATION: It is recommended that the Board refer Part 5 Water System Development Fee Rules and Regulations provided by the Rules Task Force to the Rules Committee for coordination with changes as it relates in Part 2, 3, and 4 of the rules and regulations.

BACKGROUND: In February of 2013 the Board formed a Task Force to make a proposal for Part 5, the Water System Development Fee. In July of 2013, the work product was returned to the Board. The Board referred the Task Force proposal to staff for comments.

Part 5 is near completion except with the concerns for the grant fund credits for grantor beneficiaries such as affordable housing. Since there was some confusion in the past over transmission and distribution pipelines having only a definition of (MAINS) and the fact that the proposed WSDF only deals with transmission pipelines clarification is needed. The DOW would need to refer to changes to Part 2 and 3 of the Rules.

Attached is Part 5, WSDF proposed changes by the DOW.

With discussion and editing by DOW staff, Part 2 Water Service Connections, Section I, II, IV, V, VI, XIX, XX, XXI, and XXIV would have to be revised as it relates to Part 5, WSDF.

In addition, Part 3, Establishing Standards for Subdivision Water Systems, Section I, II, III, IV, V, VI, VIII, IX, X, XI, XII, XIII, and XIV would have to also be revised as it relates to Part 5, WSDF.

Part 4, Fixing Rates for the Furnishing of Water Service in the County of Kaua‘i, Section VII, FRC has been edited from the Finance Committee and has been referred to the Rules Committee on the May 16th Finance Committee meeting.

Further review has been made of the rules and we are awaiting comment from SAIC the consultant as to why the maximum number of fixture units are not used for the ¾ to 2” meter sizes.

The staff agrees with utilizing fixture units to determine the impact fee. This will involve additional staff time for review but should ultimately result in a charge closer to the use of the meter installed. During the next rate study those found to be over using the expected allocation may need some incentive to change their water consumption pattern.

There are some clarifications added to this review and a section on grant credits added as a result of comments from the newspaper solicitation for comments.
The issue of charging WSDF for a development that provided all of the source, storage and transmission capacity for a particular development is also deleted.

**OPTIONS:**

1. **Do nothing Option;** The Board could table the proposed changes and the current Facilities Reserve Charge will run out of funds sometime this fiscal year or next.
   
   a. There are no pros I can come up with for this option
   b. Cons are the FRC will run out of funds

2. **Approve Recommendation Option;** The Board can act in the affirmative on the request and refer the three proposed rule changes to the rules committee for one last complete review. (The rules committee has already been forwarded the Part 4 rules changes from the Finance Committee)
   
   a. Pros are additional community input can be obtained before final action without involving all Board members.
   b. Cons are that there are fewer Board members to discuss issues.

3. **Take some other action Option;** The Board can keep the proposed changes in the full Board and work through the changes.
   
   a. Pros are that the entire Board will work on a solution and there will be no time lost in referrals.
   b. Cons are that it is difficult for all Board members to give the focus necessary for the pre-final review.

Respectfully submitted,

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


DC:mjg

PART 5
WATER SYSTEM DEVELOPMENT FEE
within the County of Kauai
and Providing Penalties for the Violations Thereof

Section I: General Provisions

A. Purpose and Authority

The following rules shall govern the assessment of impact fees for Board of Water Supply (Board) capital water facilities expansion for source, storage and transmission pipeline capacity. Expansion of capital water facilities is needed in order to accommodate increased demand on the capacity of these facilities due to new development and/or additional demand of existing users. These rules are authorized pursuant to Hawaii Revised Statutes (H.R.S.) §46-142 and other applicable State law. New development and/or additional demand shall be assessed impact fees in proportion to its demand on capital water facilities and the impact fees assessed shall be expended for public capital water facilities projects. Prior to this amendment the term Facilities Reserve Charge was used by the Board in its rules and regulations [Eff.: Am] (Auth: HRS 54-33; HRS 46-142) (Imp: HRS 54-33).

B. Findings

In the review of the impact of growth relative to the existing and planned capital water system facilities capacity available to the water system, the Board hereby finds that the recent and anticipated population growth rates and corresponding water demands would place additional burdens on the existing water system. The Board further finds that such growth and increased demand would necessitate an excessive expenditure of public funds in order to create adequate facilities and to promote and protect the public health, safety, and welfare. The Board also finds that it is fair and reasonable to require new development and/or additional demand to pay its proportional share of the capital costs necessary to accommodate such development. Finally, the Board finds that establishing benefit zones as identified in Hawaii Revised Statutes (H.R.S.)
§46 is not necessary as a reasonable benefit can be otherwise derived. (Needs to be done)

Section II: Definitions

"Additional Dwelling Unit (ADU)" is as defined in Kaua’i County Code Section 8-26.1 and means living quarters attached to a main dwelling or within an accessory building located on the same lot as the main dwelling for use as a separate dwelling.

"Additional water service" means the need/request for additional water source, storage or transmission resource capacity.

"Allocation" means quantity and size of meter(s) identified as those required to serve the water needs of a premise for the purpose of reserving a quantity of water to meet the anticipated source, storage and transmission demand of that service.

“Applicant” means any person, individual, corporation, partnership, business, organization, association, or other entity whatsoever that applies for water service from the Department.

"Board" means the Board of Water Supply of the County of Kaua’i.

"Building permit" means the official document or certificate issued by the County authorizing the construction or alteration of any structure.

“Consumer” shall mean the person, firm, corporation, association, or governmental department, whether owner or tenant, whose name appears on the records of the Department as the party responsible and liable for receiving water service from the Department.

"County" means the County of Kaua’i, a political subdivision of the State of Hawaii.

"Dedicated water system improvements" means water system improvements that are accepted by the Board for operation and are privately designed and constructed.

"Distribution system" means the water pipelines used to bring water from the transmission system or storage tank to individual service laterals and hydrants.

“Developer” means any person(s) causing an increase in demand on the water system.

“Department of Water” (DOW) means the County of Kaua’i Department of Water.
“Facilities Reserve Charge” shall mean the name of the fee in effect prior to enactment of this rule.

"Manager" means the Manager and Chief Engineer, Department of Water of the County of Kaua‘i.

“Offset” means a reduction in WSDF designed to fairly reflect the value of offsite related public facility capital improvements provided by a developer pursuant to an agreement with the Department of Water.

"Person" means an individual, firm, partnership, company, corporation, association, syndicate, governmental agency, or any legal entity, including but not limited to a trustee, receiver, assignee, or similar representative thereof.

"Premise" means a parcel of real property and any structures thereon which have water service will require water service or requires additional water service, which includes, but is not limited to, individual condominium units.

“Recoupment” means the proportionate share of the public facility capital improvement costs of excess capacity in existing capital facilities where excess capacity has been provided in anticipation of the needs of a development.

“Schedule” means the Water System Development Fees as approved by the Board set out in Part 4 section VII of these rules and regulations.

"Service lateral" means the connection to a distribution pipeline, pipes, fittings, valves, and other appurtenances up to and including the consumer shut-off valve and water-meter box, but not including the water meter.

"Source" means any structure used to develop, potable waters as required in Water System Standards as amended; and any fee simple land required for the improvements.

"Storage tank" means an enclosed reservoir to store potable water as required in Water System Standards as amended, and any fee simple land required for the improvements.

“Subdivider” has the meaning ascribed to it under section I of Part III of the Department’s Rules and Regulations.

“Subdivision” has the meaning ascribed to it under section I of Part III of the Department’s Rules and Regulations.
“Subdivision water system” shall mean the water system, within and adjacent to any subdivision, including distribution lines, valves, hydrants, laterals, and all appurtenances necessary to distribute water and provide for hydrant service for such subdivision in accordance with 2002 State of Hawaii Water Standards as amended.

"Temporary meter" means any meter connected to a hydrant or a service lateral used less than one year allowed by agreement with the Manager.

"Transmission pipeline" means a pipeline that delivers potable water from a source development to a storage tank or distribution system as required in Water System Standards as amended, including any booster pump stations and appurtenances and any fee simple land required for the improvements.

"Water meter" means a device that measures the volume of water delivered to any premise.

"Water Meter Application" is the form filled out to request that a meter be placed in service.

"Water Service Request" means the form filled out inquiring into available water system service and requesting an allocation of source, storage and transmission capacity.

"Water system" means the system operated by the Board.

"Water System Development Fee (WSDF)" is a charge designed to recover a portion of the investment required for water system facilities growth that is assessed by the Board of Water Supply on a developer, new customer, or existing customer who increases their demand for water service. The payment of the Water System Development Fee charge runs with the land not with the payor.

"Water Service Reservation cost" is the fee you pay for a water reservation which requests an allocation of source, storage and transmission capacity. This fee is not in addition to the Water System Development Fee that is paid at the time the meter is installed after a Water Meter Application is approved.

"Water Service Reservation Request" is a request for a water reservation.

Section III: WSDF Fee Schedule
A. The WSDF imposed shall be as set forth in the WSDF Schedule, in Part 4 of the Department Rules. The WSDF Schedule was created in accordance with a report prepared by an independent consultant Dated January 24, 2013 as adopted by the Board for the purposes of WSDF assessment. The report calculated the costs associated with water development needs as laid out in the Department of Water facilities needs assessment study entitled “Water Plan 2020” as amended.

Section IV: Applicability
A. On and after the effective date of this Part 5 Rule, unless exempted pursuant to Section VI, all new developments requiring water supplies from the Department of Water or those requesting additional water supplies from existing water services will be subject to this Chapter of the rules.

1. The above includes but is not limited to, the following:
   a. Irrigation or agricultural use water services.
   b. Additional structures, ADUs or additions to structures.
   c. Requests for additional meters with no changes to the premise.
   d. Additional use on combined fire flow and potable flow meters.
   e. Connections to any DOW water system to provide private fire flow will be subject to a portion of the storage and transmission components of the WSDF.
   f. All accounts that have been inactive (meter removed) for more than one year are subject to the WSDF.
   g. Subdivisions of land and/or lots to be subdivided
   h. Existing lots or premises of record that have no water service.

Section V: Water System Development Fee Computation
A. General Provisions
   1. An Applicant for new or additional water supply shall submit to the Department of Water a Water Service Reservation Request, which details the amount of fixture units existing if any and to be installed by the Applicant.
      a. The Applicant shall submit an affidavit under penalty of false representations before a government official, along with the Water Service Reservation Request, attesting to the number of fixture units to be installed by the Applicant.

   2. Upon review and submittal of the Water Service Reservation Request and affidavit, the Department may issue conditional approval and assign an appropriate meter size.
3. In order to secure a reservation of water after submitting a water service request, the Applicant shall pay the appropriate Water Service Reservation fee cost. Payment of the Water Service Reservation Fee cost shall be made before completing any items required by the conditional approval of the Water Service Reservation Request. The Manager may secure reservation of water without immediate payment of the fee Water Service Reservation cost for any affordable or workforce housing projects approved or sponsored by the County Housing Agency provided fees are collected before installation of the meter.

4. A water reservation shall be perfected when actual installation of the meter is complete. A water reservation shall be valid for a period of one year and shall expire unless installation of the meter occurs within that period or an extension of the reservation is granted.
   a. An extension of the reservation may be granted for a single additional one-year period.
   b. Upon expiration, a full refund of the Water Reservation Fee shall be made upon request or when other applicants are requesting service that would otherwise be denied and any reservation rights the Applicant held shall be extinguished.

5. A Water Meter Application shall be submitted to effectuate installation of a meter. The Applicant shall pay the WSDF that is in force and effect at the time of submittal of Water Meter Application with full credit of the Water Reservation Fee being applied.
   a. Any increased difference of the WSDF between the time of reservation of water and the time of Water Meter Application shall be waived if the Water Meter Application is submitted within one year from the payment of the Water Reservation Fee

6. The Department may negotiate a water system - development fee in the schedule when it is determined that the fee required is not the maximum allowed. The Department may also negotiate agreements with developers for payment of the actual costs of the installation of the necessary water system facilities or require the installation of the facilities by the developer in lieu of payment of water system development fees.

7. The Department shall assess a non-refundable administrative charge as laid out in Part 4 of the Rules and Regulations. The Department shall waive these fees for any affordable or workforce housing project approved or sponsored by the County Housing Agency.

Section VI: Exemptions from WSDF payment.
A. A premise which was serviced by a meter that was removed within one (1) year of the current water meter application is exempt from the WSDF fee up to the current value of the prior fixture units.

B. Detector check meters or other private fire line services to be used solely for fire purposes are exempt from this rule.

C. Temporary meters are exempt from the WSDF provided they are used one year or less.

Section VII: Refund or Reimbursement of WSDF

A. An Applicant that is granted a reduction in the size of water meter shall not be entitled to any WSDF reimbursement.

B. In the event the WSDF has been paid for a subdivision and subsequently the subdivision is reconsolidated reducing the number of buildable lots, the WSDF will be returned for the consolidated lots in the amount paid, provided the reconsolidation is completed within one (1) year following the prior subdivision approval.

1) This shall not apply to a premise which has received approval for a building permit on the premise to be reconsolidated.

C. Refund of the WSDF shall not be made with the termination of water service.

D. If the WSDF is not expended or encumbered within six years, a refund shall go to the Applicant or the Applicant’s successor in title in the amount paid with any accrued interest.

1) A WSDF refund request shall be submitted to the Department within one (1) year of the date on which the right to claim arises.

2) Any unclaimed refund shall be retained in special trust fund or interest bearing account and shall be expended according to this Part 5 Rule.

E. If the WSDF is ever terminated, all unexpended or unencumbered funds shall be refunded as provided in Section VII (D) of this rule.

1) The Board shall give public notice of termination and availability of refunds at least two (2) times in a general circulation newspaper with daily distribution.
2) All funds available for refund shall be retained for a period of one year at the end of which any remaining funds may be transferred to the Board’s general fund and expended for any public purpose involving water supply or service as determined by the Board.

F. Recoupment shall be exempt from this section.

Section VIII: Facilities Reserve Charge Paid Prior to Enactment of Part 5 Rules

A. This Section applies to those Applicants that have paid what was known as a “Facilities Reserve Charge” prior to enactment of these Part 5 Rules and have failed to install a water meter on the subject property for which the Facilities Reserve Charge was paid, hereinafter referred to as “Prior Applicants”.

B. Prior Applicants have 6 months from the date of enactment of these Part 5 Rules, to install a water meter, hereinafter referred to as the “Grace Period”, at no additional cost.

C. After expiration of the Grace Period, Prior Applicants must pay the difference of the original Facilities Reserve Charge paid and the WSDF in effect at the time the meter is installed.

Section IX: Offset

A. When an applicant consumer, or subdivider is required to construct and dedicate water source or water storage facilities, or water transmission pipelines, to the department, the following rules shall apply:

1. The applicable WSDF liability of such applicants, consumers, or subdividers shall be offset by up to 33% each where water source or water storage improvements are constructed, and up to 50% where water transmission pipelines are constructed, provided that the total amount of all offsets that an applicant, consumer, or subdivider receives shall not exceed 100% of the applicant’s, consumer’s, or subdividers WSDF liability and provided further that the offset for any source or storage improvement or transmission pipeline shall not exceed the actual cost of the source or storage improvement or transmission pipeline.

2. The Department, and not the applicant, consumer, or subdivider, shall calculate and determine the total amount of an applicant’s, consumers, or subdividers WSDF offset in any given case. The Department may require
the applicant, consumer, or subdivider to submit documentation verifying the actual cost of a source or storage improvement or transmission pipeline.

3. The offsets described in this section shall not apply to water transmission pipeline constructed by a subdivider, applicant or consumer which are within or adjacent to a subdivision or lands either 1) owned by the applicant, subdivider, or consumer, or 2) developed by the applicant or consumer or subdivider for uses such as, but not limited to residential agricultural, commercial, resort, industrial, governmental, religious, or educational uses. Where water transmission pipelines are constructed within, adjacent to, or outside of such subdivisions or lands, the offsets shall apply only to transmission pipelines constructed outside of and off-site from such subdivision water systems or lands.

Section X: Credit for Grant Funds

A. Credit toward payment of the WSDF shall be available from the receipt of grant funds for added capacity in:

1. source development;
2. the construction of storage tanks;
3. the construction of transmission pipelines.

B. Credit shall be applicable only to premises that are beneficiaries of the grant funds which are served by system adequate in source, storage or transmission pipeline capacity on a dollar for dollar basis.

C. By grantor any approved credit activity will be recorded and deducted from the amount of the grant funds until the original dollar basis of the grant is zero.

D. When the grant minus credits given is zero no further credits will be allowed.

Section XI: Records, Accounts Contest Severability and Rule Changes

A. COLLECTION AND EXPENDITURE of WSDF

a. Upon collection of WSDF, WSDFs shall be deposited in a special trust fund or interest-bearing account. The portion that constitutes recoupment may be transferred to any appropriate fund.
b. For dedicated water system improvements, the Department shall, upon acceptance and by agreement, establish and record a value for the water improvements conveyed and any offset activity.

B. Contesting the WSDF

a. Any person impacted by these rules pertaining to WSDF may contest the amount of the fees assessed by following the requirements of Part I of these rules and regulations.

C. Severability

a. If any of these regulations or the application thereof to any person or circumstance, is held invalid, such determination shall not affect other provisions or applications of these regulations which can give effect without the invalid provision or application, and to that end the provisions of these regulations are severable.
MANAGER’S REPORT No. 14-08 revised

September 19, 2013 rev from August 22, 2013

   i. Part 2 Water Service Connections, Section I, VI, and XXI (9-19-13)

RECOMMENDATION: It is recommended that the Board refer Part 2, Water Service Connections, Section I, VI, and XXI and Part 3, Establishing Standards for Subdivision Water Systems, Section I, II, III, XIII, and XIV to the Rules Committee for coordination with changes as it relates to proposed Parts 4 and 5 of the rules and regulations. In addition, the DOW requests to renumber Part 3 Sections as it is missing a Part VII.

BACKGROUND: Part 2 Individual Services and Part 3 Subdivisions have changes as a result of the Part 5 Water System Development Fee changes. Initially, these proposed changes were dropped to focus on the WSDF in Part 5.

Part 2, Water Service Connections Proposed Rules:
   • Section I, Definitions (page 1)
   • Section VI, New Service Connections (page 5)
   • Section XXI, Installation of Automatic Fire Service (page 13)

Part 3, Establishing Standards for Subdivision Water Systems Proposed Rules:
   • Section I, Definitions (page 1)
   • Section II, Availability of Water & Approval of Subdivision Map (page 2)
   • Section III, FRC (page 2)
   • Section XIII, Construction Agreement & Bond (page 9)
   • Section XIV, Non-Development Agreements (page 11)

OPTIONS:
1. Do nothing Option; The Board could table the proposed changes and the current rules will become confusing.
   a. There are no pros I can come up with for this option
   b. To do nothing will create confusion between the rules in part 5 and the past FRC rules.

2. Approve Recommendation Option; The Board can act in the affirmative on the request and refer the Part 2 and 3 proposed rule changes to the rules committee for a complete review.
a. Pros are all parts will be viewed together.

b. Cons are that a fairly heavy work load.

3. **Take some other action Option:** The Board can keep the proposed changes in the full Board and work through the changes.

   a. Pros are that the entire Board will work on a solution and there will be no time lost in referrals.

   b. Cons are that it is difficult for all Board members to give the focus necessary for the final review.

Respectfully submitted,

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

Attachment: Part 2 Water Service Connections, Section I, VI, and XXI (9-19-13)
PART 2
RULES AND REGULATIONS FOR WATER SERVICE CONNECTIONS
within the County of Kauai
and Providing Penalties for the Violations Thereof

SECTION I – DEFINITIONS

For the purpose of these rules and regulations, unless it is plainly evident from the context that a different meaning is intended, certain words and phrases used herein are defined as follows:

1. The word “DEPARTMENT” shall mean the Department of Water, County of Kauai, State of Hawaii.
2. The word “BOARD” shall mean the Board of Water Supply of the Department, County of Kauai, State of Hawaii.
3. The term “MANAGER AND CHIEF ENGINEER” shall mean the person holding the office of Manager and Chief Engineer of the Department.
4. The word “CONSUMER” shall mean the person, firm, corporation, association, or governmental department, whether owner or tenant, whose name appears on the records of the Department as the party responsible and liable for receiving water service from the Department.
5. The term “SERVICE CONNECTION” shall mean the main tap, pipe fittings, meter and valve from the water main to and including the shut-off valve on the Consumer’s side of the meter.
6. The term “COST OF SERVICE CONNECTION” shall mean the sum of the cost of the labor, materials, equipment, and road repair, if any, and other incidental charges necessary for the complete installation of a service connection, but excluding the cost of the meter.
7. The term “CONSUMER’S SUPPLY PIPE” shall mean the pipe extending from the consumer’s end of the service connection.
8. The word “MAIN” or “MAIN PIPE” shall mean the Department’s supply or distribution pipe to which service connections are made.
9. The term “FACILITIES RESERVE CHARGE” shall mean the fee to be paid by subdividers or, when applicable, new consumers as their proportionate share in improvements to the Department’s water system.

SECTION II - GENERAL CONDITIONS

1. Any prospective consumer may obtain water service provided all of the following conditions are met:
   a. In the event that service limits are established by the Department that the premises are within these limits.
   b. The Department has a sufficient water system developed for domestic use and, if required by the Department, a sufficient water system for fire protection. In order to determine the
sufficiency of the water system, the Department may require the prospective consumer to estimate the amount of water to be used.

c. The consumer agrees to design, construct, and install any component of the water system required by the Department in compliance with (1) all applicable statutes, ordinances, rules, and regulations of the State of Hawai'i and the County of Kaua'i, and (2) the 2002 Water System Standards ("Standards") developed by Hawai'i’s four county departments of water, as amended by the Department’s 2005 Amendments ("2005 Amendments") to the Standards. The Standards and the 2005 Amendments are hereby incorporated by reference into the Department's rules. The Manager and Chief Engineer may, for good cause shown, permit departure from the Standards or 2005 Amendments, or both.

d. The consumer agrees to abide by these rules and regulations.

e. All applicable charges have been paid.

2. **Extension of Mains.** Where an extension of mains is necessary or where large quantities of water are required or a substantial investment is necessary to provide service, the consumer will be informed by the Department as to the conditions and charges to be made for the particular area and situation in question before water service may be approved.

a. When an extension of mains for service is necessary, the consumer shall install and pay for any extensions of water system required from the public water system to any particular area. All such water systems shall be designed and located in accordance with the standards of the Department. The consumer may be required to improve the public water system if the public water system is inadequate to serve the area.

b. Whenever the Department finds it necessary that the water main extensions proposed to deliver water to any particular area should be of a greater capacity than is required to provide adequate service and fire protection for such area, in order to supply water and fire protection to other adjacent areas along the main extensions, the Department shall require the consumer to install mains of such greater capacity.

c. When the consumer is required to install a larger sized main for the reasons set forth in the preceding paragraph, the Department will reimburse the consumer, as soon as practicable after the acceptance by the Department of the completed work, the additional cost of the installation over and above the cost of mains that would have been required, provided that reimbursement will not be made to the consumer where such larger main or mains will serve only areas under the same ownership as the area under consideration.

Before the consumer enters into a contract where a reimbursement for additional costs of main will be made, the Department shall review and either approve or disapprove the contract. If the contract is disapproved, the consumer shall revise the contract until its form and content is acceptable to the Department.

After the installation has been completed and accepted by the Department, the consumer shall furnish the Department with an affidavit itemizing the costs incurred by him in the installation of mains or larger main. The said costs and additional costs shall be determined by the Department.

d. A pipeline will be considered a main extension if and only if:

(1) the pipe size is at least 6" in urban or rural residential areas, 8" in business, multi-family, resort or industrial areas, and 6" in agricultural areas;
(2) it is installed along existing government road provided that the Department may consider a pipeline or main extension installed within an easement in favor of the Department and it is found non-feasible for the pipeline to be installed along existing government roads;

(3) it has the capacity and the potential of serving additional customers; and

(4) it is not adjacent to or within land owned by or developed by the consumer.

3. All water supplied by the Department will be measured by means of suitable meters registering in gallons. When it is impractical to meter the service, a flat rate may be charged. The amounts to be paid for water and water service shall be in accordance with the rates established by the Board. The Department will determine the location and size of all meters and service connections to its system. All service connections shall become the property of the Department for operation and maintenance after installation and new connections or disconnections may be made thereto by the Department at any time.

SECTION III - CONSERVATION MEASURES AND INTERRUPTION OF WATER SUPPLY

1. The Department will exercise reasonable diligence and care to deliver an adequate supply of water to the consumer and to avoid shortages or interruptions in water service, but will not be liable for any interruption, shortage, insufficiency of supply, or any loss or damage occasioned thereby.

2. Whenever, in the Department’s opinion, special conservation measures are advisable in order to forestall water shortage and a consequent emergency, the Department may restrict the use of water by any reasonable method of control.

3. The Department reserves the right at any and all times to shut off water from the mains without notice for the purpose of making repairs, extensions, alterations, or for other reasons. Consumers depending upon a continuous supply of water shall provide emergency water storage and any check valves or other devices necessary for the protection of plumbing or fixtures against failure of the pressure or supply of water in the Department’s mains. Repairs or improvements will be prosecuted as rapidly as practicable and, insofar as practicable, at such times as will cause the least inconvenience to the consumer.

SECTION IV - ELEVATION AGREEMENT, PRESSURE CONTROLS

1. The Department will make every effort to maintain pressure but will not accept responsibility for maintaining pressure in its water mains.

2. Where property is situated at such an elevation that it cannot be assured of a dependable supply or of adequate service from the Department’s distribution system, the consumer, in consideration of connection with the Department’s system, must agree to accept such water service as the Department is able to render from its existing facilities and to install, if necessary, and maintain at his expense a tank and pump of suitable design and of sufficient capacity to furnish an adequate and dependable supply of water. When required by the Department the consumer shall install an air gap or other protective devices between the consumer’s supply pipe and the service connection. The consumer shall execute a written release in favor of the Department for all claims on account of any inadequacy in the Department’s system or inadequacy of water supply to the consumer.

3. When the pressure of the Department’s supply is higher than that for which individual fixtures are designed, the consumer shall protect such fixtures by installing and maintaining pressure reducing and relief valves. The Department will not be liable for damage due to pressure
conditions or caused by or arising from the failure or defective condition of such pressure
regulators and relief valves or for damage that may occur through the installation, maintenance or
use of such equipment.

SECTION V - APPLICATION FOR WATER SERVICE AND
SERVICE CONNECTION

1. When applying for water service and service connection, each prospective consumer shall:

a. complete a standard application form;

b. pay any applicable charges due at the time of application. The Department shall state
what the applicable charges are at the time of application;

c. If applicable, complete all infrastructure requirements, as determined by the Department;
and

d. Any other requirements as determined by the Department.

2. The Department shall inform the prospective consumer, in writing, that the application is complete
and accepted for filing, or that the application is deficient and what specific information is
necessary to make the application complete. If the application is deficient, computation of time for
accepting or denying the request shall not begin until all requirements are met.

3. Once completed and filed, the Department shall approve or deny the application within forty-five
(45) working days. The application shall be deemed approved, pursuant to Hawaii Revised
Statutes 91-13.5 if the Department fails to take any action at the end of the forty-fifth working day.
Upon approval of the application, the applicant shall pay all applicable charges prior to receiving
water service and service connection.

4. Each prospective consumer shall be required to sign the standard application form for the water
service desired, assuming responsibility for the payment of future charges for water service to the
designated location before water is turned on for any use whatsoever. The prospective consumer
signing the standard application form shall be (held) liable for the payment of all charges for water
and water service at the designated location.

5. An advance deposit equal to the Department's estimate of three months' water charges will be
required of tenants, lessees, and purchasers of property under an agreement of sale. When water
service is discontinued, the advance deposit will be returned less all unpaid or outstanding water
charges.

6. Charges for water will begin when the water service is established and will continue until due
notification from the consumer or until discontinued by the Department for failure of the consumer
to comply with these rules and regulations.

7. When an application for water service is made by a consumer who was responsible for and failed
to pay all bills previously rendered, regardless of location or time incurred, the Department may
refuse to furnish water service to such consumer until the outstanding bills are paid.

SECTION VI – NEW SERVICE CONNECTIONS

1. Installation. When the application for service connection has been approved, such connection will
be installed by the Department at the expense of the applicant and thereafter will be maintained by
the Department at its expense. There shall be one meter for each service connection, unless the
Department, because of operating necessity, installs two or more meters in parallel. All meters will be sealed by the Department before installation and no seal shall be altered or broken except by one of its authorized employees.

2. **Charges.**

   a. The Department may establish fixed charges for the installation of various sizes of new service connections and meters. These fixed charges shall approximate the average of such installations, using present and anticipated costs for the next twelve months. Payment of the applicable fixed charge shall be made by the applicant before installation. If the actual cost of installation exceeds or is less than the fixed charge, no adjustment will be made.

   b. For the installation of new service connections or meters for which fixed charges have not been established, the applicant shall deposit an amount equal to the Department’s estimate before installation. If the actual cost is in excess of the deposit, the applicant will be billed and shall pay for the difference. If the actual cost is less than the deposit, the applicant will be refunded the difference. A purchase order from County, State and Federal agencies will be accepted in lieu of a cash deposit.

   c. In addition to the charges for the installation of the service connection and meters, the applicant shall pay the applicable facilities reserve charge identified in Part 5. In the case of increasing the size of an existing meter, the difference between the large and smaller facilities reserve charges shall be paid. No refund will be made in the case of reducing the size of an existing meter.

   d. In the event a temporary service connection is installed for construction or other purposes, the facilities reserve charge need not be paid provided that such service will be limited to a 6-month period unless extended by the Department.

   e. The facilities reserve charge will not be charged against the consumer if the facilities reserve charge was previously paid by the developer or subdivider and the consumer requests the meter size for which the facilities reserve charge was previously paid.

3. **Consumer’s Supply Pipe.** The consumer shall install and connect at his expense his supply pipe to the shut-off valve or outlet installed by the Department. The consumer’s supply pipe shall at all times remain the sole property of the consumer, who shall be responsible for its maintenance and repair. If the consumer’s supply pipe is installed before the service connection is set, the Department will make the connection to it; provided, however, it is requested by the consumer prior to the installation of the service connection.

4. **Connection to Main.** Only employees of the Department will be allowed to connect or disconnect the service connection to or from the Department’s main.

5. **Compensation.** Employees of the Department are strictly forbidden to demand or accept personal compensation for services rendered.

6. **Pipe through Basement Wall.** Where the applicant requires his supply pipe extended through a basement wall, he shall provide entrance-way through such wall. The Department will not be responsible for any damage caused by leakage through or inside such entrance-way.

7. **Location of Service Connection or Main.** No service connection or water main will be installed by the Department in any private road, lane, street, alley, court or place until such private streets are open to the public and brought to proper grade and the Department is given proper easements for the main or service connection. Otherwise, an applicant desiring water service to property fronting
on such private roads, lanes, etc., must extend his supply pipe to the nearest public street on which a
main exists.

8. Location of Meters.
   a. All meters shall be installed in the public roadway at the property line, preferably in the
concrete sidewalk, unless the Department, because of operating necessity, installs the
meters elsewhere.
   b. When the meters are placed within private property for reasons of operating necessity, the
land owner shall give to the Department a permit and right-of-entry for the purposes of meter
reading and maintenance prior to the installation of said meter.
   c. In the event the Department finds it necessary or finds it in the best interest of the
Department to relocate a water meter serving a customer, the Department will, at no cost to
the customer, revise or extend the customer’s piping to conform to the new meter location.

9. Change in Location or Size of Service Connection.
   a. When the proper size of service connection for any premises has been determined and the
installation has been made, the Department has fulfilled its obligations insofar as the size of
the service and the location thereof are concerned. If thereafter the consumer desires a
change in size of the service connection or a change in the location thereof, he shall bear all
costs of such change; provided, however, that in the case of a consolidation of existing
meters to one of larger size or, conversely, in the case of changing from a larger meter to
two or more smaller meters, the consumer shall be given credit for the facilities reserve
charge of the existing meter(s) but not to exceed the cost of the facilities reserve charge for
the new installation, provided that no credit will be allowed unless payment of the additional
facilities reserve charge is made within 365 days following consolidation or change in meter
size.
   b. In the event the Department may determines that an increase in size of service
connection is required because flow rates exceed meter designs, the consumer will be
required to pay for the cost of the proper sized service connection plus the applicable
difference in facilities reserve charge between the larger and smaller meters. If an
application for the larger size service connection is not made within 30 days after notification
in writing from the Department, the consumer’s service may be discontinued.
   c. Meter size changes in paragraph a. and b. above are subject to the rules and regulations in
   Part 5.

10. Shut-Off Valve.
    A readily accessible shut-off valve controlling all outlets will be installed by the Department at the
expense of the consumer at a location to be determined by the Department. The valve before the
meter is installed for the use of employees of the Department. The Department will install a shut-off
valve and charge only for the cost of the valve (i.e., no charge for cost of labor, transportation,
equipment or overhead) on those service connections installed prior to the adoption of these rules
which do not have a shut-off valve.

11. Alteration to Public Water System.
    a. All work and materials in connection with the change in location or elevation of any part of
the existing public water system made necessary by the new service connection shall be at
the expense of the applicant.
b. Pipelines within the shoulder area which were installed prior to adoption of these rules will be lowered free of charge for the property owner in the event the Department determines such lowering is necessary for the construction of a driveway into the property.

12. **Contours or Elevations.** When required by the Department, contours or elevations shall be furnished by the applicant based upon U. S. Coast and Geodetic Survey Datum or the County of Kauai Datum.

13. **Size of Meter and Service Connection.** The Department will determine the location and size of all meters and service connections to its systems.

14. **Boundary Location.** An applicant for water service shall indicate his boundary before installation of any meter and any relocation of said meter due to discrepancy in boundary location shall be at the expense of the applicant.

15. **Abandonment.** Service connections which have not been in use for 365 days or more shall be considered abandoned. The Department may require the complete installation of a new service connection or any part thereof depending on the condition of the existing installation and whether or not it meets the Department's standard, current at the time of application.

**SECTION VII - METER READING AND RENDERING OF BILLS**

1. Meters are read and bills are rendered regularly. Special readings will be made when necessary for closing of accounts or for other reasons.

2. Closing bills for short periods of time since the last meter reading date will ordinarily be determined by the amount of water actually used, as indicated by the meter reading, plus a proration of the service charge. In prorating service charges a billing month shall be considered to be 30 days.

3. Readings of Separate Meters Not Combined. For the purpose of computing charges, all meters serving the consumer’s premises shall be considered separately and the readings thereof shall not be combined except in cases where the Department, because of operating necessity, installs two or more meters in parallel to serve the same consumer’s supply pipe.

**SECTION VIII - PAYMENT OF BILLS**

All bills shall be due and payable upon deposit in the United States mail or upon other presentation to the consumer. Payment shall be made at the office of the Department or, at the Department’s option, to duly authorized collectors of the Department.

**SECTION IX - ADJUSTMENT OF BILLS FOR UNDETECTED LEAKS AND UNFORESEEN DAMAGES**

1. The Department will reduce high water bills caused by undetected leaks in the consumer’s supply pipe by one half of the excess over the consumer’s normal bill based on the previous six months’ average. Adjustments will also be allowed where the high water bill was caused by some unforeseen circumstance such as a storm, flood, explosion, fire and others.

2. Adjustment will be allowed only if the consumer exercises diligence in repairing the leak within the period of one week after knowledge of leakage.
3. No adjustments will be made for leakage due to faulty plumbing fixtures and exposed waterlines within his property.

4. Before adjustment is made under this section, the owner shall first request an adjustment and submit substantiating data to warrant such an adjustment if required by the Department. The Department shall make their determination based on the data presented and any other evidence as collected by the Department, if necessary.

SECTION X - METER INACCURACIES AND ADJUSTMENT OF BILLS

1. **Non-Registering Meters.** If a meter fails to register due to any cause except the non-use of water, an average bill may be rendered. Such average bill will be subject to equitable adjustment taking into accounts all factors before, during, and after the period of said bill.

2. **Meter Tests.** All meters are tested prior to installation. Any consumer who, for any reason, doubts the accuracy of the meter serving his premises may request a test of the meter. The consumer, if he so requests, will be notified as to the time of the test may witness the test if he so desires. No charge will be made for meter tests.

3. **Adjustment of Bills for Meter Inaccuracy.** If, as the result of the test, the meter is found to register more than two percent fast under conditions of normal operation, the Department will refund to the consumer the overcharge based on past consumption, for a period not exceeding six months; unless it can be proved that the error was due to some cause, the date of which can be fixed. In this latter case, the overcharge shall be computed back to, but not beyond, such date.

SECTION XI - DISCONTINUATION OF WATER SERVICE

Water Service may be discontinued for the following reasons:

1. **Nonpayment of Bills.** Water service may be discontinued for the nonpayment of a bill within thirty (30) days after the mailing or presentation thereof to the consumer.

2. **Non-compliance with the Board’s Rules and Regulations.** If the consumer fails to comply with any of these rules and regulations, the Department will have the right to discontinue the service.

3. **Consumer about to Vacate Premises.** Each consumer about to vacate any premises supplied with water by the Department shall give notice of his intention to vacate prior thereto, specifying the date service is desired to be discontinued, otherwise he shall be held responsible for all water service furnished to such premises until the Department has received such notice of discontinuance. Before buildings are demolished, the Department should be notified so the service connection can be closed.

4. **Unauthorized Use of Water.** The Department will refuse or discontinue water service to any premises or consumer, if necessary, without giving notice to protect itself against fraud, abuse, or unauthorized use of water. A surcharge may be established and assessed by the Department.

5. **Wasteful Use of Water.** Where negligent or wasteful use of water exists on any premises, the Department may discontinue the service if such conditions are not corrected after giving the consumer written notice of intent to do so.

6. **Discontinuation of Water Service for Non-payment of Sewer Service Charges.** The Department is authorized to discontinue and terminate water service for delinquency in payment of County of Kaua‘i sewer service charges when so directed by the County Director of Finance.
Water service may be discontinued for delinquencies in payment of such sewer charges no earlier than thirty (30) days after the mailing or presentation of such delinquent charges to the consumer.

Water service may be restored when all such delinquencies have been paid or at the request of the County Director of Finance. All Departmental charges for re-opening, re-installation, or re-connection shall be paid before water service is restored.”

SECTION XII - RESTORATION OF WATER SERVICE

If water service is turned off because of failure to pay a water bill, for violation of any of the regulations of the Department, or for other reasons, arrangements must be made to pay all outstanding accounts against the consumer before his water service will be restored.

SECTION XIII - DEPARTMENT’S EQUIPMENT ON CONSUMER’S PREMISES

All equipment belonging to the Department and installed upon the consumer’s premises for measurement, test, check or any other purpose, shall continue to be the property of the Department, and may be repaired, replaced or removed by the Department at any time without the consent of the consumer. The consumer shall exercise reasonable care to prevent damage to meters and other equipment of the Department upon said premises and shall in no way interfere with the operation of the same.

SECTION XIV - DAMAGE AND ACCESSIBILITY TO DEPARTMENT’S PROPERTY METER DAMAGED BY HOT WATER

1. Any damage to water mains, service connections, valves, fire hydrants, or other property of the Department shall be paid for by the person or organization responsible for the damage.

2. When a meter or service connection is found to have been damaged by hot water or steam emanating from the premises served, the consumer shall pay for all costs of repairs.

3. No obstruction shall be placed on or around any water meter, fire hydrant, or valve so as to render it inaccessible.

SECTION XV - INGRESS AND EGRESS FROM CONSUMER’S PREMISES

Any properly identified officer or employee of the Department shall have the right of ingress to and egress from the consumer’s premises at all reasonable hours for any purpose reasonably connected with the furnishing of water or other service to said premises and the exercise of any and all rights secured to it by law or these rules and regulations. In case any such officer or employee is refused admittance to any premises, or, being admitted, shall be hindered or prevented from making such inspection, the Department may cause the water to be turned off from said premises after giving 24 hours notice to the owner or occupant of said premises of its intention to do so.

SECTION XVI - RESPONSIBILITY FOR WATER RECEIVING EQUIPMENT

1. The consumer shall at his own risk and expense furnish, install, and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water, and the Department will not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence, want of proper care, or wrongful act of the
consumer or of any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, using, operating or interfering with any of such equipment.

2. Water service may be discontinued to any consumer whose water system includes plumbing fixtures, or water containers in any form, or of any use, which, in the opinion of the Department, may endanger the Department’s water supply from a public health standpoint. Any such discontinuation of service shall continue until objectionable installations have been corrected and the Department has been assured that the objectionable uses and practices will not be resumed.

3. The Department will not be responsible for damage to property caused by spigots, faucets, valves and other equipment that may be open when water is turned on at the meter, either when turned on originally or when turned on after a temporary shutdown.

SECTION XVII - ABATEMENT OF NOISES

Where it has been determined that noises emanating from a consumer’s premises are caused by plumbing fixtures or other equipment attached to water pipes and such noises are being transmitted through the water pipes and causing annoyance to other consumers, the Department may issue a notice in writing to the offending consumer or to the owner of such premises, or to his agent, giving reasonable time within which to correct or to remove the cause of complaint. Failure on the part of such consumer, owner, or person responsible to correct or remove the cause of noise will be sufficient reason for discontinuance of water service to the consumer until such time as the condition complained of has been remedied.

SECTION XVIII - ELECTRICAL GROUNDING

1. The Department will not be responsible for the maintaining of a continuous metallic water piping system and reserves the right, without liability to public utility electric companies, electric consumers, or any other agency or individual to create a physical break in its service connections and mains, or to incorporate non-metallic pipes and appurtenances in its system and to make joints of any materials, without regard to their efficiency as conductors of electricity and without giving notice.

2. In the event that protective grounding of alternating current secondary distribution circuits are made to the water system, the grounding installation shall conform in all details with the National Electrical Code of the National Board of Fire Underwriters and with the Kauai County Building Code then in existence. The Department shall not be responsible for any damage or injury caused by any electrical grounding.

3. No grounding of direct current system to any portion of the water shall be permitted.

SECTION XIX - CONSUMER’S PUMPING INSTALLATIONS

1. Consumers shall not be permitted to install or operate pumps pumping water directly from the mains of the Department’s system except in cases approved in writing. No such approval will be given in cases where it is the opinion of the Department that such an installation and the operation thereof may adversely affect the water service extended by the Department to other consumers.

2. Approvals given by the Department under this section will be qualified by clauses making them revocable upon ninety (90) days’ notice during which period the consumer, if he desires to continue the operation of the pump, shall eliminate the objectionable features causing the giving of such notice.
3. No pump shall be equipped with a direct water supply connection for priming purposes except with the written permission of the Department.

SECTION XX - CROSS-CONNECTIONS AND BACKFLOW PROTECTION

1. Prohibition of Certain Conditions and Installations. In order to provide proper sanitary protection to the Department’s water supply and to comply with the applicable regulations of the United States Public Health Service and of the State Department of Health, as adopted or amended from time to time, the Department will require that following the effective date of these rules and regulations no cross-connections with other water supplies, or other physical connections, shall exist, or be installed, located, maintained or operated which could permit backflow of contaminated water or any other dangerous, impure, unsanitary, or unpotable substance from the consumer’s premises into the Department’s water supply system, except as provided below:

   a. Cross-Connections with Other Water Supplies. Owners (or operators) of presently existing water supplies which are in active use and cross-connected to the Department’s system will be required to secure permits for the continuance of such cross-connections. Permits will be granted on a provisional basis renewable yearly, under the following conditions:

      (1) Where such water supplies are regularly examined by the Department, or other agencies satisfactory to the Department and are approved by the Department as acceptable, safe and sanitary supplies and continue as such at all times while connections are in existence.

      (2) Where such water supplies do not meet the requirements of (1) above, are not normally under pressure and are maintained solely for the fire fighting purposes, and where adequate protection against backflow to the Department’s water system is provided by mechanical, or other methods or devices satisfactory to the Department.

      (3) The Department may waive the requirement of a permit and allow cross-connections to be continued or established if the connections are with water supplies defined as primary or community supplies by the State Department of Health as acceptable, safe and sanitary supplies.

   b. Other Physical Connections. Other physical connections may be permitted if, in the judgement of the Department, adequate protection can be provided the water supply of the Department against backflow by the installation of mechanical, or other methods or devices approved by the Department and installed, maintained and operated by the consumer in a manner satisfactory to the Department at all times; provided, however, that the Department may require the consumer to eliminate or re-arrange designated plumbing or piping connections or fixtures, or to install a backflow device at the meter or other location, subject to the approval of the Department, as an added safety measure in addition to any and all other backflow protection required or provided by mechanical, or other methods of devices, whenever (1) the consumer is engaged in the handling of dangerous or corrosive liquids or industrial or process waters, highly contaminated water or sewage, or is engaged in the medical or dental treatment of persons who might have diseases transmittable by water, or whenever (2) in the judgement of the Department there exists a danger of backflow in the Department’s mains because of the possibility of unauthorized connections being created through noncompliance or inadvertence on account of the complexity of the system or systems, or for any other sufficient reason or cause.
2. **Separate Pressure System.** The Department will require the installation of mechanical, or other, methods or devices on the consumer’s side of the meter to prevent backflow whenever the consumer maintains a separate pressure system or a separate storage facility, or in any way increases the pressures of the water within his premises above the pressure furnished by the Department or has such equipment devices or arrangement of piping, storage or industrial methods or processes that might under certain conditions raise the pressure of the water within his premises above the pressure of the water in the mains of the Department. Plans for such installation must be approved by the Department.

3. **Pressure Regulation required of Consumer.** As a protection to the consumer’s plumbing system, a suitable pressure relief valve must be installed and maintained by him at his expense when backflow devices are installed on the consumer’s side of the meter.

4. **Location and Inspection of Protective Devices.** Any device installed for the prevention of backflow, as may be required under these rules and regulations, shall, unless the Department approves otherwise in writing, be located above ground and in such a manner as to be safe from flooding or submergence in water or other liquids, properly protected from external damage, freely accessible and with adequate working room for inspections, testing and repairing.

   All such devices shall be tested at least annually and inspected internally not less than once every two years. Repairs, replacement of parts, etc., shall be made whenever necessary at the expense of the consumer. Making of tests and annual inspections shall be the responsibility of the consumer and shall be made by the consumer or other qualified person or persons in accordance with methods acceptable to the Department. Record of tests and inspections shall be made on forms prescribed by the Department and a copy of such records shall be furnished to the Department. Failure of the consumer to make the proper tests and submission of records may, at the option of the Department, result in the Department’s making tests, needed repairs and replacements and charging the costs thereof to the consumer.

5. **Affidavits of Compliance.** Upon request of the Department, the consumer shall present an affidavit either certifying to the fact that there are no connections or other installations of the type prohibited in paragraph 1 of this Section on his premises or describing in detail all non-conformity connections or installations.

6. **Conformance with Laws and Ordinances.** The several conditions relative to the installation and maintenance of cross-connections and other physical connections referred to in this Section shall be subject to change to meet changing requirements of the State and Federal health authorities and of the Kauai County Building Code then in existence.

7. **Discontinuance of Water Service for Non-Compliance.** Failure on the part of the consumer to comply with the Department’s requirements relative to cross-connections and backflow protection will be sufficient reason for discontinuing water service until such time as the requirements have been met.

8. The standards booklet, entitled “**The Cross-Connections and Backflow Protection**” shall be used in conformance with Paragraphs 1 through 7 of this section. 

   *Copies of the booklet can be picked up at the Department of Water.*

**SECTION XXI - INSTALLATION OF AUTOMATIC FIRE SERVICE**

1. Private fire service will be furnished only where adequate provision is made to prevent diversion of water through such service to other purposes. The fire service connection will be installed by the Department and shall be paid for by the consumer in accordance with the provisions for the installation of new service connections. After the water is turned on, the Department assumes no
liability for damage of any kind whatsoever that may occur to the premises served, regardless of cause.

2. No charge will be made for water used through such connection for fire protection purposes but any water lost through leakage or used in violation of the conditions contained herein shall be paid for by the consumer at the regular schedule of water rates and charges. The Department may, without giving notice, disconnect and remove the said service connection if water is used for other than fire protection purposes, or if leaks are not corrected. Whenever such disconnection is in effect, the Department shall not be held in any way liable for loss or damage sustained due to such condition.

3. Service charges will be enforced if such charges are called for in the rates established by the Department from time to time.

4. The service connection for automatic fire service shall be installed and paid for by the consumer in the same manner as that provided for regular water service described in Part 2, Section VI, except that no facilities reserve charge will be made. Private fire service may be metered with a detector check valve and a by-pass meter which will be furnished by the Department without cost to the consumer. The service connection shall become the property of the Department after the installation.

SECTION XXII - SHIPPING SERVICE

An application for the purchase of water by a ship shall be made at the office of the Department or to an authorized agent of the Department by an authorized officer or agent of the ship before water is delivered to said ship. A receipt for the quantity of water delivered to the ship at the pier, dock or wharf shall be signed before departure by the authorized officer or agent of said ship. All water shall be measured by water meters and the authorized officer or agent of the ship shall check the meter readings both at the start and at the finish of each delivery of water. In the event that the meter readings are not taken by said officer or agent, the readings of the Department's authorized agent will be final. The Department will not be held responsible for any damage to property or injury to persons arising from the delivery of water to ships at piers, docks or wharves. The amount to be paid for water shall be in accordance with the rates established by the Board.

SECTION XXIII - USE OF AND DAMAGE TO FIRE HYDRANTS, CHANGE IN HYDRANT LOCATION, RESPONSIBILITY FOR MAINTENANCE AND OPERATION OF PRIVATE HYDRANTS

1. Use of Fire Hydrant. Any use of a fire hydrant or tampering therewith or the taking of water therefrom for purposes other than fire protection by persons other than authorized employees of the Fire Department or of the Department is prohibited, except upon prior application to and written permit by the Department. The Fire Department shall have the prior right to use any hydrant at any time and shall have the authority to remove peremptorily, if necessary, in case of fire, any connection that may be made to a hydrant under a permit and the connection thereto shall be subject to the direction and approval of the Department. The consumer shall not use hydrant main line valves to control flows.

2. Application for Permit. Application for a permit for the use of a fire hydrant for purposes other than fire protection shall be made in writing to the Department and, when required, shall be accompanied by a deposit in cash. It shall be non-transferable and shall be shown upon demand by the permittee, its agents or employees. The Department reserves the right to reject any application, to refuse to issue any permit and to revoke any permit at any time. The Department also reserves the right to perform for the permittee at his expense the work of installing and removing the connections and of operating the hydrant. No permit will be issued unless the permittee agrees to notify the Department as soon as the use of the hydrant is finished. In the event that a permit shall
be revoked the use of the hydrant thereunder shall cease immediately and all connections thereto shall be properly removed forthwith. The Department will inspect each hydrant which has been used under a permit, and all costs of repairs which the Department may adjudge to be due to such use and the cost of inspection shall be paid for by the permittee. All water drawn from a hydrant under permit shall be metered or estimated as to quantity in a manner satisfactory to the Department and shall be paid for by the permittee at the current water rates. The permittee shall pay all of the costs of connecting to and disconnecting from the hydrant.

3. **Hydrant Wrenches**. Only regulation fire hydrant wrenches which shall have been approved by the Department shall be used for the operation of fire hydrants. The use of any other type of wrench or operating device shall not be permitted. The permit will be revoked if other than approved regulation fire hydrant wrenches are used.

4. **Damage to Hydrant or Property**. The permittee shall report promptly any defect in or damage to the hydrant. The cost of any damage to property or of any injury to persons resulting from the use of the hydrant shall be paid for by the permittee. The Department will not be held responsible for any damage to property or injury to persons arising from the use of any hydrant for any cause whatsoever. Any damage to fire hydrants shall be paid for by the person or organization responsible for the damage.

5. **Change in Hydrant Location**. The Department will, if it approves the request for a change in location of hydrant, change such location provided the cost of all labor, material, equipment and all other charges are paid by the person requesting such change. The change in location of fire hydrants that were installed prior to the adoption of these rules and were not installed according to present standards of the Department and which interfere with the reasonable use of the property or hydrants which cause a traffic hazard may be allowed at no expense to the person making such request.

**SECTION XXIV - RESALE OF WATER**

Unless specifically agreed upon, the consumer shall not resell any water received by him from the Department.

**SECTION XXV - PENALTY**

1. Any consumer violating any of the provisions hereof shall be liable to a suspension or termination of “WATER SERVICE” and such service shall not be renewed until all water rates due, together with costs and expense incurred in connection with such violation, shall have been paid in full.

2. Any person found tampering with the water system shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not more than Five Hundred Dollars ($500.00) for each violation.

**SECTION XXVI - SEVERABILITY**

If any rule, section, sentence, clause, or phrase of these rules and regulations or its application to any person or circumstance or property is held to be unconstitutional or invalid, the remaining portions of these rules and regulations or the application of these rules and regulations to other persons or circumstances or property shall not be affected. The Department hereby declares that it would have adopted these rules and regulations and each and every rule, section, sentence, clause or phrase thereof, irrespective of the fact that any one or more other rules, sections, sentences, clauses, or phrases be declared unconstitutional or invalid.
SECTION XXVII- CONSTRUCTION DRAWINGS FOR WATER SERVICE AND SERVICE CONNECTIONS

1. The consumer shall be required to identify the number of residential dwelling units and/or development to be served by each service connection in order to allow the Department to determine the proper location and size of the service connection. The Department may require construction drawings if (a) the service connection or water system will be connected within a state highway or intersect any underground utility; or (b) the meter will not be located at the boundary pin. The Department may require construction drawings if, in the Department's determination, the Department will have difficulty in determining the development to be served or other difficult conditions may arise.

   a. **Preparation of Plans.** All construction plans shall be prepared by a professional engineer or architect licensed in the State of Hawaii.

   b. **Information to be shown on Construction Plans.** The construction plans, insofar as the water system is concerned, shall conform to these rules and regulations and the standards of the department.

   c. **Approval of plans.** No construction of a water system, or any portions thereof, shall be undertaken prior to approval of the final construction plans by the Manager and Chief Engineer, the County Engineer of the Department of Public Works, and the State Department of Health. After said approval, the subdivider shall transmit four (4) sets of all final construction plans to the Manager and Chief Engineer.

   In areas where there is a substandard or no public water supply available to serve the property, plans and specifications for the development of water sources, including wells, tunnels, shafts, pumps, buildings, mains and other appurtenances structures and devices, shall be in conformance with the standards of the Department and shall be approved by the Department in their entirety prior to the construction.

   The Department shall review the plans and either approve, reject plans, or reject plans with specific corrections within sixty (60) calendar days of submission. If the returned plans are submitted, the Department shall review the plans and either approve or return the plans within sixty days of resubmission.

   It shall be the consumer's responsibility to determine if the proposed construction requires the approval of any additional governmental agencies.

   d. **Delays in Construction.** The approved construction plans shall be valid for one (1) year. If construction is not completed within one year, the plans shall be deemed invalid and shall be resubmitted for approval. The Department may, for good cause, extend the deadline for completion of construction.

2. Charges for water will begin when the water service is established and will continue due notification from the consumer or until discontinued by the department for failure of the consumer to comply with these rules and regulations.

3. When an application for water service is made by a consumer who was responsible for and failed to pay all bills previously rendered, regardless of location or time incurred, the department may refuse to furnish water service to such consumer until the outstanding bills are paid.
SECTION I – DEFINITIONS

For the purpose of these rules and regulations, unless it is plainly evident from the context that a different meaning is intended, certain words and phrases used herein are defined as follows.

1. The word “DEPARTMENT” shall mean the Department of Water, County of Kauai, consisting of a board of water supply, a manager and chief engineer and the necessary staff.

2. The word “BOARD” shall mean the Board of Water Supply of the Department.

3. The term “MANAGER AND CHIEF ENGINEER” shall mean the person holding the office of Manager and Chief Engineer of the Department.

4. The word “SUBDIVIDER” shall mean a person, firm, corporation, partnership, association, trust or other legal entity, or a combination of any thereof who or which causes land to be divided into a subdivision for himself, itself or for others.

5. The word “SUBDIVISION” shall mean improved or unimproved land or lands divided or proposed to be divided into two or more lots, parcels, sites, or other divisions of land for the purpose, whether immediate or future, of sale, lease, rental, transfer of title to or interest in, any or all of such parcels, and shall include re-subdivision, and when appropriate to the context shall related to the process of subdividing of the land or territory subdivided.

6. The word “COMMISSION” shall mean the Planning Commission of the Planning Department, County of Kauai.

7. The words “PUBLIC WATER SYSTEM” shall mean the water system owned and operated by the Board.

8. The words “SUBDIVISION WATER SYSTEM” shall mean the water system, to and within any subdivision, including mains, valves, hydrants, laterals, pumps, tanks, reservoirs and all appurtenances necessary to provide water and fire protection for such subdivision and, where necessary, sources of supply.

9. The word “DIRECTOR” shall mean the person holding the office of the Planning Director of the Planning Department, County of Kauai.

10. The term “FACILITIES RESERVE CHARGE” shall mean the fee to be paid by subdividers or, when applicable, new consumers as their proportionate share in improvements to the Department’s Water System.

11. The word “MAIN” or “MAIN PIPE” shall mean the Department’s supply or distribution pipe to which service connections are made.
12. The term "SERVICE CONNECTION" shall mean the main tap, pipe fittings, meter and valve from the water main to and including the shut-off valve on the consumer’s side of the meter.

SECTION II - AVAILABILITY OF WATER AND APPROVAL OF SUBDIVISION MAP

1. Extensions from and connections to the public water system will be approved by the Department where pressure conditions permit, provided the following have been met:

   a. The Department has a sufficient water system developed for domestic use and, if required by the Department, a sufficient water system for fire protection.

   b. The additional service on the existing system will not be detrimental to people already being served in that area. In order to determine if the additional service will be detrimental to present consumers, the department may require the subdivider to estimate the amount of water to be consumed by the subdivision water system.

   c. The subdivision water system complies with these rules and regulations, and is designed and constructed in compliance with (1) all applicable statutes, ordinances, rules, and regulations of the State of Hawai‘i and the County of Kaua‘i, and (2) the 2002 Water System Standards ("Standards") developed by Hawai‘i’s four county departments of water, as amended by the Department’s 2005 Amendments ("2005 Amendments") to the Standards. The Standards and the 2005 Amendments are hereby incorporated by reference into the Department’s rules. The Manager and Chief Engineer may, for good cause shown, permit departure from the Standards or 2005 Amendments, or both.

   d. The facilities reserve charge for the lots created during subdivision has been paid, or a bond posted in lieu thereof, as provided under Section XIII of this in accordance with Part 5 of these rules and regulations.

2. In areas where there is no public water supply available, or where large quantities of water are required or a large investment is necessary to provide service, the subdivider will be informed as to the conditions under which the subdivision may be approved and, where appropriate, refunds made.

3. After the Director submits the subdivision map to the Department, the Department will inform the Director in writing of its approval, requirements for approval, or its disapproval of a subdivision map after taking the above into consideration.

SECTION III - FACILITIES RESERVE CHARGES

1. Charges applicable in Part 5 of these rules and regulations shall be applicable. The subdivider shall pay to the Department the facilities reserve charge established in Part 4 of the Rules and Regulations of the Department, for each (additional) parcel created by the subdivision, including the first lot, except (as provided below) when facilities reserve charges have already been paid by the developer or subdivider.

2. No facilities reserve charge will be made for lots created by the subdivision which will not be served by the Department’s water system. In the event that the Department determines that the subdivision will not be serviced by the Department’s water system, but later water service is requested, full payment of the then applicable facilities reserve charge must be paid. A statement to this effect shall be clearly lettered on the subdivision map.
3. No facilities reserve charge will be made for any parcel which is already serviced by an existing meter or which was serviced by a meter within 365 days prior to formal submittal of the subdivision request to the Planning Department.

4. The subdivider shall pay the facilities reserve charge to the Department prior to subdivision approval by the Department except that subdivision approval may be given prior to construction of required improvements and the payment of the facilities reserve charge by the posting of a bond, as described in Section XIII of this Part.

5. In the event the facilities reserve charge has been paid for a subdivision and subsequently the subdivision is consolidated, the facilities reserve charge will be returned provided the consolidation is completed within 365 days following the prior subdivision approval.

SECTION IV - EXTENSIONS TO SUBDIVISION

1. General Requirement. The subdivider shall install and pay for the subdivision water system required from the public water system to the subdivision. All such subdivision water systems shall be designed and located in accordance with the standards of the Department. The subdivider may be required to improve the public water system if the public water system is inadequate to serve the subdivision.

2. Increase in Size of Water Main Extensions for Service to Other Areas. Whenever the Department finds it necessary that the water mains proposed to deliver water to a subdivision should be of a greater capacity than is required to provide adequate service and fire protection for such subdivision, in order to supply water and fire protection to property not in the subdivision, the Department shall require the subdivider to install mains of such greater capacity.

3. Reimbursement to Subdivider for Additional Costs of Mains to Subdivisions. When the subdivider is required to install a larger sized main for the reasons set forth in the preceding paragraph, the Department will reimburse the subdivider, as soon as practicable after the acceptance by the Department of the completed work, the additional cost of the installation over and above the cost of the mains that would have been required; provided, that reimbursement will not be made to the subdivider where such larger main or mains will serve only areas under the same ownership as the subdivision under consideration.

Before the subdivider enters into a contract where a reimbursement to the subdivider for additional costs of mains to the subdivision will be made, the Department shall review and either approve or disapprove the contract. If the contract is disapproved, the subdivider shall revise the contract until its form and content is acceptable to the Department.

After the installation has been completed and accepted by the Department, the subdivider shall furnish the Department with an affidavit itemizing the costs incurred by him in the installation of the said larger mains. The said additional costs shall be determined by the Department.

SECTION V - INSTALLATIONS WITHIN SUBDIVISION

1. General Requirement. The subdivider shall install in accordance with these rules and regulations and the standards of the Department and pay for the subdivision water system required within a subdivision.

2. Increase in Size of Water Mains with Subdivisions for Benefit of Other Areas. Whenever, in order to provide for existing or future services beyond the boundaries of a subdivision, the Department finds that the mains to be installed within the subdivision should be of greater
capacity than would be required to provide adequate service within such subdivision, the Department will require the subdivider to make installations of such greater capacity.

3. **Reimbursement to Subdivider for Additional Costs of Water Mains within Subdivisions.** When the subdivider is required to install a larger-sized main for the reasons set forth in the preceding paragraph, the Department will reimburse the subdivider, as soon as practicable after acceptance by the Department of the completed work, the additional cost of the installation over and above the cost of the mains that would have been required; provided, however, that in no case will reimbursement be made of any portion of the cost of a main of less than 6-inch in diameter; provided, further, that reimbursement will not be made to the subdivider where such larger main or mains will serve only areas under the same ownership as the subdivision under consideration.

After the installation has been completed and accepted by the Department, the subdivider shall furnish the Department with an affidavit itemizing the costs incurred by him in the installation of the said larger mains. The said additional costs shall be determined by the Department.

**SECTION VI - SIZES OF MAINS, HYDRANT SPACING, FIRE PROTECTION**

1. **Sizes of Mains.** Any subdivision, except where fire protection facilities are not required by the Department, hereafter to be laid out within the County shall provide 6-inch water mains or larger in residential districts and 8-inch water mains or larger in business, industrial and hotel and apartment districts. Sizing of mains within agricultural subdivisions and subdivisions where fire protection facilities are not required shall be determined by the Department.

2. **Hydrant Spacing.** Fire hydrants shall be spaced not more than 350 feet in business, industrial, hotel and apartment districts, 500 feet in urban residential districts and 600 feet in rural residential district (Urban and rural refer to boundaries established by the State Land Use Commission). Fire hydrants may not be required in agricultural subdivision as determined by the Department. The Department will determine the location of all hydrants. All fire hydrants required for adequate fire protection of a subdivision will normally be located within the subdivision.

If, in the interest of better fire protection, it is determined that one or more of the required hydrants will serve the subdivision to better advantage if located outside the subdivision, they may be so located and the cost shall still be borne by the subdivider, subject to the limitation that the cost to the subdivider shall not exceed the cost to him which would have resulted had all the hydrants been located inside the limits of the subdivision.

3. **Fire Protection.** In fixing the standards for fire protection insofar as water supply is concerned, the Department will be guided by the standards of the National Board of Fire Underwriters in “Grading Cities and Towns of the United States with Reference to Their Fire Defenses and Physical Conditions” and by any specific recommendations made by the said National Board with respect to the County.

**SECTION VIII VII - SERVICE CONNECTIONS, DEAD-ENDS, ALTERATIONS TO PUBLIC WATER SYSTEMS, CONTOURS**

1. **Service Connections.** Where water main construction is necessary, the subdivider shall provide each lot in a subdivision with a service connection from the water main to the property line adjacent to the lot or as directed by the Department’s engineer. As an alternate, one service connection may be installed for each two lots.
Where the lots to be created front along an existing water main, a service connections as required above shall be paid for by the subdivider and installed by the Board, except that the service connection installation may be deferred and paid for by the consumer at the time the request for water service is made for agricultural lots and other subdivisions for which the Department determines that it is impractical to require such installations prior to the request for water service.

2. **Dead-Ends.** Where water mains proposed by a subdivider would result in dead-ends, the subdivider shall correct the condition by the installation of such interconnections as may be required by the Board.

3. **Alterations to Public Water System.** All work and materials in connection with the change in location or grade of any part of the existing public water system made necessary by the subdivision shall be at the expense of the subdivider.

4. **Contours.** When required by the Board, contours or elevations shall be furnished by the subdivider, based upon mean sea level.

### SECTION IX VIII - PREPARATION OF PLANS, INFORMATION ON PLANS, ELEVATION AGREEMENT, APPROVAL OF PLANS, DELAYS IN CONSTRUCTION

1. **Preparation of Plans.** All construction plans shall be prepared by a registered engineer to the extent of his professional qualifications under the laws of the State. Preliminary maps and final maps of subdivisions to be reviewed by the Department shall fully conform to the definitions and requirements of the Rules and Regulations of the Commission.

2. **Information to be shown on Construction Plans.** The construction plans, insofar as the water system is concerned, shall show the following on County of Kauai standard size sheet or sheets:

   a. Name of subdivision, name of subdivider, name of engineer and location of subdivision.

   b. Date, north arrow, scale, tax key.

   c. The proposed subdivision water system complete, in both plan and profile, and its inter-relationship with street lines, lot lines, curb grades, sewers and drains, both existing and proposed, as well as any other features natural or artificial necessary for a complete understanding of the water system design.

   d. Plan and profile views drawn to a scale of one inch equals 40 feet and one inch equals 5 feet, respectively, or as approved by the Department. Manhole, fire hydrant, lateral and other details drawn to a scale of one-half equals one foot or larger.

   e. The designation, including alignment and width, of all easements for parts of the water system which will not be in street areas to be dedicated to the public.

   f. A general layout map showing the locations of lots and streets within the subdivision and its near vicinity together with existing and proposed water system.

   g. A small key location inset or vicinity map showing the proposed subdivision in relationship to streets and water mains in the area.
h. In cases in which the owner or subdivider also owns areas contiguous to the proposed subdivision, or separated therefrom by a street, a sketch of the future street and lot pattern and the water system proposed to serve such contiguous areas shall be furnished for study with the construction plans.

3. **Elevation Agreement.** Whenever a lot or lots within a subdivision are at such an elevation that they cannot be assured of a dependable water supply, the approval of the construction drawings will be subject to each owner of such lot or lots signing an “elevation agreement” whereby such lot owner agrees to accept such water service as the Department is able to render, and such owner agrees to construct, if necessary, and maintain at his expense, a tank or a pump with a tank, all in accordance with the standards and requirements of the Department, of sufficient capacity to furnish a supply of water at such times as the pressure in the water mains may be insufficient to supply such lot or lots with water. When required, a statement as to this conditional approval will be clearly lettered on the subdivision map.

4. **Approval of Plans.** No construction of a subdivision water system, or any portions thereof, shall be undertaken prior to approval of the final construction plans by the Manager and Chief Engineer, the Director, the County Engineer of the Department of Public Works, and the State Department of Health. After said approval, the subdivider shall transmit four sets of all final construction plans to the Manager and Chief Engineer.

In areas where there is no public water supply available to serve the subdivision, plans and specifications for the development of water sources, including wells, tunnels, shafts, pumps, buildings, mains and other appurtenances structures and devices, shall be in conformance with the standards of the Department and shall be approved by the Department in their entirety prior to the construction.

5. **Delays in Construction.** If any period exceeding one year or such extension as may be granted passes without substantial progress in the construction of the water facilities, after approval of plans by the Department, the plans thereof shall be resubmitted to the Department for review and for making such changes as it deems proper because of changed conditions or revision of standards.

**SECTION IX - MATERIALS AND CONSTRUCTION STANDARDS, INSTALLATION OF WATER SERVICE, INSPECTION OF WORK**

1. **Materials and Construction Standards.** All materials, design and construction procedures, and workmanship, with respect to any subdivision water system, or any portion thereof shall be in accordance with the requirements of the “Standard Specifications for Waterworks Construction” of the Board of Water Supply, County of Kauai, dated 10/1/63 or as later amended and with the requirements of the State Department of Health and all applicable laws. The Manager and Chief Engineer shall determine the capacity and location of any of the component parts of the subdivision water system.

2. **Installation of Water Service.** No water service will be approved until the subdivision water system has been completed and accepted by the Department and the FRC has been paid to the Department. Service for subdivision construction purposes such as site work and roadways (excluding construction work for individual lots) may be approved.

3. **Inspection of Work.** The Manager and Chief Engineer or any employee representing him shall have free access at all times to all installations made for the subdivision and shall be given any assistance required and every facility, information and means of thoroughly inspecting the work to be done and the materials used or to be used.
SECTION XI - OWNERSHIP OF INSTALLED WATER SYSTEM

Before the Department will provide water service within the subdivision, the subdivider shall convey the subdivision water system to the Department and said subdivision water system thereafter will be maintained and operated as a part of the public water system; provided, however, that the Department may refuse to operate and maintain facilities installed without the Department’s prior approval. Prior to the commencement of water service, and as a prerequisite to such service, the subdivider shall also deliver to the Department perpetual easements for all portions of the subdivision water system installed in other than publicly owned property. The subdivider shall also convey to the Department fee simple title to all sites on which are located tanks, reservoirs, sources of supply, and pumps constructed by the subdivider and connected to the public water system together with easements for ingress and egress. The subdivider shall also convey to the Department a breakdown of costs of the subdivision water system on forms provided by the Department.

SECTION XII - MODIFICATION OF REQUIREMENTS

When conditions pertaining to any subdivision are such that the public may be properly served with water and with fire protection without full and strict compliance with these rules and regulations, or where the subdivision site or layout is such that the public interest will be adequately protected the Manager may waive or modify requirements of this rule when not contrary to the purpose of the rule or the public interest. In cases of exemption from or reduction of the FRC fee, the request must be brought to the Board for approval and the Board must apply the Board Requirements stated below.

**Manager Requirements:** In waiving or modifying the rules, the Manager must find that:

1. Strict application of the rule would cause an absurd, unfair, or unreasonably harsh result; and

2. The applicant's circumstance or condition is unique or exceptional, and the Manager would grant the same request if made by every similarly situated applicant; and

3. Such modification thereof as is reasonably necessary or expedient, and not contrary to law or the intent and purposes of these rules and regulations

Any waiver or modification made by the Manager and Chief Engineer will not be considered to have final approval until the Board is notified of the action through the Manager and Chief Engineer’s monthly report. The Board may overturn or nullify the Manager’s waiver or modification by a majority vote.

**Board Requirements:** Should the applicant request Board action after the Manager and Chief Engineer declined to waive or modify the requirements or should the applicant’s request involve the exemption from or reduction of the FRC fee or should the Board decide to take action contrary to the Manager and Chief Engineer’s action, the Board may, by a super majority vote, waive or modify requirements of these rules when not contrary to the purpose of the rules or the public interest. The Board, by a super majority vote, must find that:

1. Strict application of the rule would cause an absurd, unfair, or unreasonably harsh result; and

2. The applicant's circumstance or condition is unique or exceptional, and the Board would grant the same request if made by every similarly situated applicant; and
3. Such modification thereof as is reasonably necessary or expedient, and not contrary to law or the intent and purposes of these rules and regulations; and

4. In cases of exemption from or reduction of the FRC fee, the resulting financial impact upon the Department and future consumers is acceptable to the Board.

SECTION XIII XII - CONSTRUCTION AGREEMENT AND BOND

To secure final approval prior to construction of the required improvements in a subdivision, the subdivider shall enter into a written agreement with the County and the Department to make, install and complete all of the required improvements within a specified time. In addition thereto, a Surety Bond or other security as hereinafter specified shall be filed with and attached to the agreement by the subdivider.

A. **Construction Agreement:**

   (1) The Agreement shall specify that the subdivider will complete the subdivision to the satisfaction of the Manager and Chief Engineer.

   (2) The Agreement shall further specify that the Department may complete the work at the expense of the subdivider where the subdivider fails to complete the work to the satisfaction of the Manager and Chief Engineer, or fails to complete the work within the time specified.

B. **Surety Bond:**

   (1) The Surety Bond shall be filed with the agreement and shall be for the following purposes:

      (a) The Surety Bond shall assure to the County and the Department that the actual construction and installation of the improvements and utilities specified will be carried out.

      (b) The Surety Bond shall further assure to the Department that the facilities reserve charge will be paid, if said charge is not already paid.

   (2) The Surety Bond shall be executed by the subdivider as principal and the surety shall be a company authorized to transact a surety business in the State of Hawaii.

   (3) The bond or other security shall be one of the following:

      (a) A Surety Bond in a sum equal to the cost of the work required to be done as estimated by the Manager and Chief Engineer; payable to the County and the Department, and shall be conditioned upon the faithful performance of all work required to be done by the subdivider, and shall be further conditioned to the effect that should the subdivider fail to complete all work required to be done within a specified reasonable time, the Department may cause all required work which is not finished to be completed, and the parties executing the bond shall be firmly bound for the payment of all necessary costs, therefore; or

      (b) Where the subdivider has entered into a contract with a reputable contractor, and has filed with the Director all three of the following: 1) a certified copy of his said contract and specifications; 2) a certified copy of the performance bond of his said contractor; and 3) a surety bond in a sum equal to at least 50 per cent of the cost of all work required to be done by the subdivider as estimated by the
Manager and Chief Engineer, and shall be payable and conditioned as above set forth; or

(c) The subdivider shall make a deposit of money with the Director as agent of the County and the Department, in an amount equal to the cost of the construction of said improvements as estimated by the Manager and Chief Engineer. Under this arrangement, the agreement may provide for progress payments to be made to the contractor for materials used and services and labor performed, out of said deposit as the work progresses; provided that said progress payments shall at no time exceed the value of the completed portion of said improvements as determined by the Manager and Chief Engineer and the County Engineer of the County; or

(d) In lieu of said surety bond or deposit in escrow mentioned in Paragraphs 3 (a) (b) (c) above, the subdivider may deposit with the Director bonds or other negotiable securities in the amount as provided by Paragraphs 3 (a) (b) (c) respectively of this Section and acceptable to the Manager and Chief Engineer.

(4) **Facilities Reserve Charge.** All bonds or other securities as provided in Paragraphs 3 (a) (b) (c) (d) above shall include the assurance of payment of the facilities reserve charge except for the following:

(a) This paragraph shall not be applied where the facilities reserve charge has already been paid.

(b) A separate bond primarily for the purpose of paying the facilities reserve charge may be filed by the subdivider.

(5) All bonds or securities posted under this Section shall not be canceled except with approval of the County and the Department.

**SECTION XIV XIII – NON-DEVELOPMENT AGREEMENTS**

1. **Purpose.** The purpose of this section is to assist families who wish to transfer interests in real property between themselves without immediately complying with Departmental rules and construction standards and specifications imposed when family members request subdivision approval.

2. **Definitions.** As used within this section:

   "Development" includes, but is not limited to:

   (1) the construction, reconstruction, alteration, remodeling, renovation, or repairing of single-family residences, additional dwelling units, or any other dwelling, building, or structure of any kind on or within the property being subdivided, or

   (2) the construction of additions or extensions to any dwelling, structure, or building existing as of the date of this agreement, or

   (3) the construction, reconstruction, installation, alteration, or repair of piping, waste-water systems, landscaping or irrigation systems.

   which result in increased fire protection requirements arising because of the property’s development, increased consumption of water upon the property being subdivided, calculated from the date of the agreement described in this section, or which may, in the Department’s judgment, possibly contaminate existing potable water-well sources located in the vicinity of the property being subdivided.
“Hanai child” means a person for whom an adult once provided food, nourishment, and support for a minimum period of at least one year prior to the time that the applicant applied for subdivision approval and who is generally acknowledged as the adult’s child among friends, relatives, and the community.

“H.R.S” means Hawaii Revised Statutes, as amended.

“Non-development agreement” means the agreement required to be executed under this section.

“Rule” or “Rules” mean the Rules and Regulations of the County of Kauai Department of Water.

“Water System Facilities” means all water infrastructure of the Department determines to be necessary to provide adequate residential water service and fire protection for the property being subdivided and shall include, but not be limited to, any and all necessary wells, pumps, storage tanks, water transmission and distribution lines and related meters, valves, and other water system improvements and equipment.

3. **Authorization to defer subdivision improvements under certain terms and conditions.** The Manager and Chief Engineer may approve requests for subdivision approval and temporarily defer subdivision requirements imposed by the Department’s rules and construction standards and specifications for the sole and limited purpose of allowing a subdivision applicant to transfer interests in real property from the applicant to others, provided the applicant satisfies or complies with the following conditions:

   a. Property interests may be transferred only between: natural persons who are related to the applicant by birth, blood, adoption, marriage, or prior marriage. Eligible transferees are limited to:

      - Spouse,
      - Ex-spouse,
      - Parents,
      - Grandparents,
      - Children,
      - Hanai children,
      - Grandchildren,
      - Brothers, and
      - Sisters.

      The preceding list of terms shall be understood according to their most widely-known and usual significance, without attending so much to the literal and strictly grammatical construction as to their general, ordinary, or popular use or meaning.

   b. The Manager and Chief Engineer shall not approve subdivision requests under this section if development will occur as a result of the subdivision.

   c. With respect to the property being subdivided, the Department shall not approve further subdivision requests, requests for water service when apartments within the property have been created pursuant to Chapter 514A, H.R.S., or development of any kind, unless and until adequate water system facilities, as may be determined by the Department when development occurs, are constructed, in place and complete, to provide adequate residential water service and fire protection for the property being subdivided.

   d. The Department shall not approve residential building permits for any property which is subject to a non-development agreement unless adequate water-system facilities are constructed pursuant to subparagraph 3.c. of this section.
If the Department erroneously or inadvertently approves a building permit before necessary water-system facilities are constructed, the Department shall, upon learning of its action, immediately rescind its approval.

e. If, before necessary water-system facilities are constructed to service the property being subdivided, the Department erroneously or inadvertently approves the issuance of a building permit for any development within the subdivision and development occurs, the developer shall either construct the necessary water-system facilities or remove the development at the developer’s own cost and expense.

Should the Department be required to enforce the provisions of this subparagraph through civil court action, the developer shall pay to the Department and be jointly and severally liable for any and all attorneys’ fees, court costs, and other related fees, costs, and expenses necessary to prosecute and defend such an action.

f. The subdivision applicant and all persons to whom an interest in the property may be transferred shall release the Department of any and all liability arising from the Department’s decision to recommend subdivision approval under this section.

The applicant and all persons to whom an interest in the property may be transferred shall also forever indemnify, defend, save, and hold harmless the Department from and against any and all injury to persons and damage to property, deaths, claims, fines, suits, actions, economic and non-economic damages, costs, losses, and liabilities of every nature and kind arising or growing out of the Department’s decision to recommend subdivision approval of the applicant’s property under this section.

g. The provisions of this section shall be implemented through an agreement executed between 1) the Manager and Chief Engineer, and 2) the subdivision applicant and all persons to whom an interest in the property may be transferred. The agreement shall contain terms and conditions determined to be necessary by the Manager and Chief Engineer and the County Attorney. The covenants and servitudes created by the agreement shall constitute covenants which shall run with the land and constitute notice to all who may claim an interest in the property being subdivided.

Any subdivision approval granted under this section shall be null, void, and of no legal effect unless 1) the Department receives a non-development agreement containing original signatures executed by all of the parties to the agreement, and 2) the agreement has been recorded in the State of Hawaii Land Court or Bureau of Conveyances.

h. The documents conveying title or an interest in real property shall specifically incorporate by reference the non-development agreement. Further, the agreement shall be attached to the conveyance documents as an exhibit.

i. The final subdivision map shall contain a brief and concise statement stating that the lots created by the subdivision are subject to a non-development agreement. The statement shall further summarize the major terms and conditions of the agreement.

4. **Applicability.** This section shall apply only to subdivisions served by County water systems, and not to private water systems not served by the County.

5. **Fees, Charges, and costs under this section.** Notwithstanding any other section or provision in the Rules to the contrary including, but not limited to, Paragraph 1, Section III, Part 3 of the Rules, any and all applicable Departmental fees, charges, and costs, including facilities reserve charges in Part 5 of these rules and regulations, shall be paid at such future time that development occurs at the amount in effect at the time that development occurs, and not at the time that the non-development agreement is entered into by the County Manager.
6. **Changed development conditions.** The applicant or subsequent transferees of the applicant shall be responsible for checking with the Department and determining whether water infrastructure development requirements have so changed such that necessary water-system facilities no longer need to be constructed. The Department shall not be responsible for informing the applicant or subsequent transferees of the applicant of such changed development conditions.

**SECTION XV XIV - SEVERABILITY**

If any rule, section, sentence, clause, or phrase of these rules and regulations or its application to any person or circumstance or property is held to be unconstitutional or invalid, the remaining portions of these rules and regulations or the application of these rules and regulations to other persons or circumstances or property shall not be affected. The Department hereby declares that it would have adopted these rules and regulations and each and every rule, section, sentence, clause or phrase thereof, irrespective of the fact that any one or more other rules, sections, sentences, clauses, or phrases be declared unconstitutional or invalid.

**SECTION XVI XV - PENALTIES**

Any person, firm or corporation which violates any rule or regulation herein shall be fined not more than $500.00, except that in cases where the offense shall be of a continuing nature, each day's continuance of the same, shall constitute a separate offense.
New Business
RESOLUTION NO.  14-2
(09/13)

Mahalo and Aloha
GREGG FUJIKAWA
DOW Chief of Water Resources & Planning

WHEREAS, Mahalo and Aloha are in order for long time DOW employee of thirty-five (35) years, Gregg Ichiro Fujikawa, serving the Board of Water as Chief of Water Resources & planning from October 16, 1989 through September 30, 2013; and

WHEREAS, before becoming the Planning Chief, Gregg worked at the DOW from January 15, 1973 through September 15, 1985 and came back because he realized that Water was his life; and

WHEREAS, Gregg worked to organize his division, as a fine tuned clock, to deal with water issues on Kaua‘i; and

WHEREAS, Gregg utilized the General Plan for Domestic Water dated 1972 until implementing Water Plan 2020 which should guide Kaua‘i water needs for many years to come; and

WHEREAS, Mr. Fujikawa started the Water Use and Development Plan to leave a long range water sustainability plan; and

WHEREAS, Mr. Gregg Ichiro Fujikawa straight earnest implementation of the water resources division was challenging it was his namesake and;

WHEREAS, we thank Gregg as he has dedicated his time to coordinate grants to protect our precious watersheds and protect our water for generations to come; and

WHEREAS, Gregg can now wake up late, enjoy his 4 cups of coffee at home and spend quality time with his beautiful dogs; and

WHEREAS, Gregg can relax and read about changes to DOW Rules; and

WHEREAS, most importantly devote his undivided attention and time to his loving wife Mrs. Crystal Fujikawa to make sure everything is neat and tidy before she gets home from work from now on; and

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

BE IT FURTHER RESOLVED that a copy of this Resolution to be forwarded to GREGG FUJIKAWA. A toast to you GREGG!

We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on September 19, 2013.

______________________________________
Randall Nishimura, Chairperson

_______________________________________
Sherman Shiraishi, Secretary
WHEREAS, Mahalo and Aloha are in order for long time DOW employee of thirty-six (36) years from October 18, 1976 through September 30, 2013, Mel Yamase, serving the Board of Water Supply as its Fiscal's Billing Supervisor, Accountant IV; and

WHEREAS, Mr. Mel “What part of No Leak Rebate for above ground leaks don’t you understand” Yamase worked tirelessly to explain to the community in his eloquent and gracious manner the rules only allow rebates for underground leaks;

WHEREAS, Mr. Mel “Bring on the Change” Yamase worked tirelessly guiding the Department through many staffing and organizational change of seven count them seven managers not all of them working with him to utilize his wealth of knowledge;

WHEREAS, many thanks are in order for having Mr. Mel Tooru Yamase transformed the billing system from KBWS mailing bills to outsourcing billing and changing from eye read meter readings to drive by meter readings using program codes with the CAS System to guiding the DOW to successfully implement the Customer Care & Billing Program after tireless hours, dedication none of which was as transparent as his name sake would imply;

WHEREAS, Mel may wake up late, trade in his mug of coffee for a Miller Lite at the remote control at home; and

WHEREAS, Mel can finally spend more time on the field practicing for baseball season to win the Kaua‘i Championship as he did back in 1982 instead of working on leak adjustments, discrepancies, and delinquents; and

WHEREAS, most importantly devote his undivided attention and time to his grandbabies and especially his loving wife Mrs. Verna Yamase to make sure everything is neat and tidy before she gets home from work from now on; and

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUAI, STATE OF HAWAII, in recognition of the outstanding service and commitment of MEL YAMASE to our Garden Island community, does hereby extend to MEL YAMASE, a fond Mahalo and heartfelt Aloha for the contributions he has made as FISCAL'S BILLING SUPERVISOR of the Board of Water Supply. We extend our best wishes to MEL for all the happiness, prosperity and success he deserves in all of his future endeavors.

BE IT FURTHER RESOLVED that a copy of this Resolution to be forwarded to MEL YAMASE. A toast to you MEL!

We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on September 19, 2013.

Randall Nishimura, Chairperson

Sherman Shiraishi, Secretary
MANAGERS REPORT No. 14 - 10

September 19, 2013

Re: Special Counsel Contract #572: Kobayashi, Sugita & Goda, LLP for the representation of the Board of Water Supply, County of Kauai and the Manager and Chief Engineer of the Department of Water in the matter of Jennings Pacific, LLC vs. Board of Water Supply of the County of Kauai, David R. Craddock in his official capacity as Manager and Chief Engineer of the County of Kauai Department of Water et. al., Civil No. 12-1-0284 (Fifth Circuit Court)

RECOMMENDATION:
The County Attorney’s Office recommends that the Board approve additional funding, and a contract amendment to reflect such, for Special Counsel Contract #572, for the representation of the Board and Manager in the matter of Jennings Pacific, LLC vs. Board of Water Supply of the County of Kauai, David R. Craddock in his official capacity as Manager and Chief Engineer of the County of Kauai Department of Water et. al., Civil No. 12-1-0284 (Fifth Circuit Court) in the amount of $25,000.00.

FUNDING:
Total Fund Available, Account 27
(Administration: Contractual Services (Special Counsel) .................. .... $50,000.00

Total Required .......................................................................................................................... <$25,000.00>

Available Balance: Account 27, Administration:
Contractual Services (Special Counsel) $25,000.00

BACKGROUND:
The current contract is for $25,000.00, which was encumbered in FY 2012-2013. The Department has paid out/been invoiced a total of $15,341.58, which leaves a remaining $9,658.42 in the contract. Because litigation is ongoing, it is anticipated that more funds will be needed beyond what has already been contracted.

I have reviewed all of the current invoices submitted from special counsel and find that it is reasonable and acceptable.
OPTIONS: Not applicable.

Respectfully submitted,

[Signature]
Andrea A. Suzuki
Deputy County Attorney

Concurred:

[Signature]
David R. Craddick, P.E., C.E.M.
Manager and Chief Engineer

AAS:cin

Mgrnp/September 2013/14-10 Special Counsel Contract #572: Kobayashi, Sugita & Goda, LLP for the representation of the Board of Water Supply, County of Kauai and the Manager and Chief Engineer of the Department of Water in the matter of Jennings Pacific, LLC vs. Board of Water Supply of the County of Kauai, David R. Craddick in his official capacity as Manager and Chief Engineer of the County of Kauai Department of Water et al., Civil No. 12-1-0284 (Fifth Circuit Court) (9-19-13):cin
MANAGER’S REPORT No. 14-11

September 19, 2013

Re: Kīlauea Crossings, Michael M. Dyer revocable Trust, TMK: (4) 5-2-009:008, Kīlauea, Kaua‘i, Hawaii

RECOMMENDATION: It is recommended that the Board not approve the project until the scope of the entire project is known and covered under the fire consultant study. (Option 5)

BACKGROUND: Mr. Dyer wants to renovate some existing structures and add some small structures. The problem is that the fire system for Kīlauea is inadequate for the zoning given. For the Board, this is a liability issue in that if it allows the building conversions knowing the fire system is inadequate what liability are they taking on. The Fire Department is relying on DOW staff action as it has the primary jurisdiction for fire flow and the fire code has not yet been changed to require sprinkler systems in all retrofits and new construction which could reduce fire flow demand. As a result, we are reluctant to just pass this to the Fire Department saying we will approve what it approves.

The issue that makes this problematic for the Board is that previous Boards have allowed waivers.

OPTIONS:

1. Not approve the project without adequate fire flow.
   a. Pros: Safe for the Department and County.
   b. Cons: Does not allow the property owner to build in accordance with zoning.

2. Approve the project with no requirements.
   a. Pros: No responsibility for the developer.
   b. Cons: High liability for the Department and County.

3. Approve the project with an agreement of liability waiver protection for the DOW and County.
   a. Pros: Some risk removed for the Department and County.
   b. Cons: Added cost to the developer.

4. Approve the project with protection and insurance covering the DOW and County.
   a. Pros: Some risk removed and insurance is provided.
   b. Cons: Added cost to the developer.

5. Not approve until the scope of the entire project is known and covered under the fire consultant study.
   a. Pros: Full scope of the project will be known and covered under the fire consultant’s report.
   b. No risk for the Board or County at this time.
   c. Cons: Added cost and delay to the developer.
Respectfully submitted,

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

DRC:ein

BOARD OF WATER SUPPLY POLICY NO. 2

RE: Lowering of Pipelines or Service Laterals

1. At construction, facilities, pipelines and/or service laterals within the public easement area—which were not installed to Board of Water Supply Standards at the time of initial construction—will be lowered free of charge when the lowering is necessary for the construction of a driveway into the property.

2. In cases where there is no easement, the property owner must first convey an easement to the Board.

Date: _____________________________

Chairperson, Kaua'i Board of Water Supply

RE: LOWERING OF PIPELINES OR SERVICE LATERALS

Effective Date: September 19, 2013
Supersedes: February 12, 1970
BOARD OF WATER SUPPLY POLICY NO. 2

RE: Lowering of Pipelines or Service Laterals

1. At construction, pipelines or service laterals within the public easement area which were not installed to Board of Water Supply Standards at the time of construction will be lowered free of charge when the lowering is necessary for the construction of a driveway into the property.

2. In cases where there is no easement, the property owner must first convey an easement to the Board.

Date: __________________________

Chairperson, Kaua'i Board of Water Supply

RE: LOWERING OF PIPELINES

Effective Date: July 25, 2013
Supersedes: February 12, 1970
RE: LOWERING OF PIPELINES

Pipelines within the shoulder area which were not installed to present Board of Water Supply Standards will be lowered free of charge for the property owner in the event such lowering is necessary for the construction of a driveway into the property.

[Signature]
Chairman
Board of Water Supply

2/12/70
Date

RE: LOWERING OF PIPELINES

Effective Date: February 12, 1970
BOARD POLICY 3

Re: EXPENDITURE OF WATER UTILITY FUNDS

The Department of Water maintains various funds for the orderly conduct of business.

The Water Utility Fund shall include all monies billed and collected from water rates, reimbursement for work department staff provision to various private entities, late charges, grant funds, interest reimbursements, interest from fund investments, capital reimbursements for facilities constructed using Water Utility Funds, claims, etc.

Withdrawals from the Water Utility Fund are used to pay all operating expenditures, debt service payments, vehicle and equipment purchases, replacements or refurbishments, and capital expenditures.

It is the intent of this Policy to set parameters by which the Department will expend these funds.

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

2. The Manager may approve expenditures itemized in the annual budget resolution approved by the Board for operation and maintenance of the water system and provide a monthly report of expenditures to the board every month:

   a. Purchases made under contract shall be provided to the board at the earliest Board meeting.
   b. The Board Chairperson signature will not be given for the encumbrance or contract documents until the Board has been informed of the pending contract award.

3. The Manager may approve expenditures that exceed budget line items provided that the total budgeted amount within each expenditure classification is not exceeded. Expenditure classifications are as follows:

   a. Salaries and provision for accrued vacation
   b. Administrative-office and engineering with the exception of travel items
   c. Operations and maintenance
   d. Insurance and employee benefits
   e. Debt Service as budgeted

4. 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.
5. Interfund loans shall be done only by resolution outlining the loan conditions and covenants and approved by a super majority of the Board. The loan shall be repaid to the Water Utility Fund at the current US Treasury Yield Curve Rate for one year on the date the interfund borrowing resolution is approved.

6. Expenditures from reserve accounts which utilize funds which came from the Water Utility Fund shall be guided by separate policies approved by the Board to manage the reserve fund.

7. Expenditures for claims shall be guided by separate policies approved by the Board.

APPROVED BY:

___________________________________  Date:  ______________________
Chairperson, Kaua'i Board of Water Supply
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
Daily Treasury Yield Curve Rates

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* 20-year Treasury constant maturity series was discontinued on February 16, 2002 and reinstalled on February 9, 2005. From February 18, 2002 to February 8, 2006, Treasury published alternatives to a 20-year rate. See Long-Term Average Rate for more information.

Treasury discontinued the 20-year constant maturity series at the end of calendar year 1989 and reinstated that series on October 1, 1993. As a result, there are no 20-year rates available for the time period January 1, 1987 through September 30, 1993.

Treasury Yield Curve Rates. These rates are commonly referred to as "Constant Maturity Treasury" rates, or CMT's. Yields are interpolated by the Treasury from the daily yield curve. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The yield values are read from the yield curve at fixed maturities: currently 1, 3 and 6 months and 1, 2, 3, 5, 7, 10, 20, and 30 years. This method provides a yield for a 10-year maturity, for example, even if no outstanding security has exactly 10 years remaining to maturity.

Treasury Yield Curve Methodology. The Treasury yield curve is estimated daily using a cubic spline model. Inputs to the model are primarily bid-side yields for on-the-run Treasury securities. See our Treasury Yield Curve Methodology page for details.

Negative Yields and Nominal Constant Maturity Treasury Series Rates (CMT's). Current financial market conditions, in conjunction with extraordinarily low levels of interest rates, have resulted in negative yields for some Treasury securities traded in the secondary market. Negative yields for Treasury securities most often reflect highly technical factors in Treasury markets related to the cash and repurchase agreement markets, and are at times unrelated to the time value of money.

As such, Treasury will restrict the use of negative input yields for securities used in deriving interest rates for the Treasury nominal Constant Maturity Treasury series (CMT's). Any CMT input points with negative yields will be reset to zero percent prior to use as inputs in the CMT derivation. This decision is consistent with Treasury not accepting negative yields in Treasury nominal security auctions.

In addition, given that CMT's are used in many statutory and regulatory determined loan and credit programs as well as for setting interest rates on non-marketable government securities, establishing a floor of zero more accurately reflects borrowing costs related to various programs.

For more information regarding these statistics contact the Office of Debt Management by email at debt.management@treasury.gov.

For other Public Debt information contact (202) 544-0500
H. New Business

7. Manager’s Report No. 14-12 - Board Policy No. 28 – Replacement or Refurbishment of Existing Water Systems and Mobile Equipment

NO REPORT
Staff Reports
**DEPARTMENT OF WATER**  
**Budget Status Summary**  
**July 31, 2013**

### I. WATER UTILITY FUND

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**Add: Revenues**  
$2,569,025.81 $2,569,025.81 $2,569,025.81  
**TOTAL RESOURCES:**  
$29,226,201.23

**Less: Expenditures**  
$7,390,306.37 $7,390,306.37 $7,390,306.37  
**TOTAL EXPENDITURES:**  
$7,390,306.37

**Ending Balance**  
$21,835,894.86

### II. FACILITIES RESERVE CHARGE

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2013</td>
<td></td>
<td>$2,663,693.54</td>
</tr>
</tbody>
</table>

**Add: Revenues**  
$88,699.91 $88,699.91 $88,699.91  
**TOTAL RESOURCES:**  
$2,752,393.45

**Less: Expenditures**  
$ - $ - $ -  
**TOTAL EXPENDITURES:**  
$ -

**Ending Balance**  
$2,752,393.45

### III. WATERWORK BUILD AMERICA PROJECT FUND

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 07/1/2013</td>
<td></td>
<td>$26,029,967.39</td>
</tr>
</tbody>
</table>

**Add: Revenues**  
$ - $ - $ -  
**TOTAL RESOURCES:**  
$26,029,967.39

**Less: Expenditures**  
$184,351.92 $184,351.92 $184,351.92  
**Ending Balance**  
$25,845,615.47

### TOTAL - ALL FUNDS at July 31, 2013

$50,433,903.78
STATEMENT OF REVENUES AND EXPENDITURES
WATER UTILITY FUND
July 31, 2013

REVENUES:
Cash on hand-Unrestricted as of July 1, 2013 $ 24,257,175.42
Cash on hand-Restricted (Emergency Reserve) $ 2,400,000.00
Add: Revenues To Date $ 2,569,025.81
Sub-Total $ 29,226,201.23

EXPENDITURES:
Less: Expenditures to Date $ 7,390,306.37

BALANCE AT THE END OF THE MONTH $ 21,835,894.86

SHORT TERM INVESTMENTS - WATER UTILITY FUND

BANK OF HAWAII

CENTRAL PACIFIC BANK

FIRST HAWAIIAN BANK

T30020197 0.12000% INT. DUE 01/29/14 $ 1,200,000.00

MERRILL-LYNCH

CUSIP# C313378KS9 0.5200% INT. DUE 04/06/15 $ 1,000,000.00
CUSIP# C313589NJ8 0.1730% INT. DUE 10/24/13 $ 998,347.22
CUSIP# C313385SE7 0.1520% INT. DUE 01/24/14 $ 998,500.00

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

SHORT TERM INVESTMENTS - WATER REVENUES

MULTI-BANK

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>Interest Rate</th>
<th>Interest DUE</th>
<th>Due Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>85509VAC3</td>
<td></td>
<td>2.70000%</td>
<td></td>
<td>11/18/13</td>
<td>98,000.00</td>
</tr>
<tr>
<td>36150JGY8</td>
<td></td>
<td>1.20000%</td>
<td></td>
<td>07/13/15</td>
<td>150,000.00</td>
</tr>
<tr>
<td>3134G32T6</td>
<td></td>
<td>0.77000%</td>
<td></td>
<td>12/28/17</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>3136GOQA2</td>
<td></td>
<td>0.75000%</td>
<td></td>
<td>07/19/17</td>
<td>1,000,000.00</td>
</tr>
</tbody>
</table>

UBS

<table>
<thead>
<tr>
<th>CUSIP#</th>
<th>Description</th>
<th>Interest Rate</th>
<th>Interest DUE</th>
<th>Due Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3136GOTV3</td>
<td></td>
<td>0.60000%</td>
<td></td>
<td>01/26/16</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>C3136G0X89</td>
<td></td>
<td>0.75000%</td>
<td></td>
<td>04/26/17</td>
<td>1,988,000.00</td>
</tr>
<tr>
<td>C3133EAVGO</td>
<td></td>
<td>0.80000%</td>
<td></td>
<td>03/21/16</td>
<td>1,000,111.11</td>
</tr>
</tbody>
</table>

$ 6,246,111.11

TOTAL SHORT-TERM INVESTMENTS - WATER UTILITY
$ 10,442,958.33

CASH ON HAND WITH TREASURER - COK
07/31/13
$ 1,685,938.19

CASH ON HAND-FHB Checking (EP)
07/31/13
$ 50,000.00

CASH ON HAND-BOH Savings
07/31/13
$ 8,389,570.71

7/30/2013 Bank transfer check in transit outstanding
$ (2,000,000.00)

CASH ON HAND-FHB Blackrock T-FUND (Sweep Acct)
07/31/13
$ 3,913,437.23

CASH ON HAND - FHB Savings
07/31/13
$ 25,830.40

LESS:

July Claims Payable
$ (6,901,911.87)

July Claims paid in July
$ 6,314,238.03

Encumbrances at July 31, 2013
$ (69,205.16)

Due to Trust Fund
01/31/12
$ (14,961.00)

WATER UTILITY FUND CASH BALANCE AT THE END OF THE MONTH
$ 21,835,894.86

TRUST FUND

CASH ON HAND WITH TREASURER - COK
07/31/13
$ 320,000.00

CASH ON HAND-FHB Savings Trust Fund
07/31/13
$ 387,646.93

TRUST FUND RECEIPTS
07/31/13
$ (707,646.93)
## DEPARTMENT OF WATER
County of Kauai
JULY 1, 2013 TO JUNE 30, 2014
July 31, 2013

### WATER UTILITY FUND

<table>
<thead>
<tr>
<th>CASH RECEIPTS:</th>
<th>BUDGETED RECEIPTS</th>
<th>TOTAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>% BUDGET ELAPSED</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEG. CASH BALANCE-Unrestricted</td>
<td>$24,257,175.42</td>
<td>$2,478,090.18</td>
<td>$2,478,090.18</td>
<td>9%</td>
<td>$24,719,113.82</td>
</tr>
<tr>
<td>BEG. CASH BALANCE-Restricted</td>
<td>$2,400,000.00</td>
<td></td>
<td></td>
<td></td>
<td>$2,400,000.00</td>
</tr>
<tr>
<td>1 Water Sales</td>
<td>$27,167,204.00</td>
<td>$2,478,090.18</td>
<td>$2,478,090.18</td>
<td>9%</td>
<td>$24,719,113.82</td>
</tr>
<tr>
<td>Prior Year Receipts</td>
<td>$60,000.00</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td>$60,000.00</td>
</tr>
<tr>
<td>2 Net Miscellaneous Receipts</td>
<td>$85,000.00</td>
<td>$9,360.43</td>
<td>$9,360.43</td>
<td>11%</td>
<td>$75,639.57</td>
</tr>
<tr>
<td>3 Interest Income</td>
<td>$1,630,230.00</td>
<td>$-</td>
<td>$-</td>
<td>0%</td>
<td>$1,630,230.00</td>
</tr>
<tr>
<td>4 County Service Charge</td>
<td>$4,611,752.00</td>
<td>$81,258.00</td>
<td>$81,258.00</td>
<td>2%</td>
<td>$4,530,494.00</td>
</tr>
<tr>
<td>5 State Revolving Fund</td>
<td>$2,749,907.00</td>
<td>$317.20</td>
<td>$317.20</td>
<td>0%</td>
<td>$2,749,589.80</td>
</tr>
<tr>
<td>5a Other Receipts</td>
<td>$649,257.45</td>
<td>$-</td>
<td>$-</td>
<td>0%</td>
<td>$649,257.45</td>
</tr>
<tr>
<td>5b OTHER - BAB Subsidy</td>
<td>$2,495,227.00</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td>$2,495,227.00</td>
</tr>
<tr>
<td>5c FRC Debt Service Payback</td>
<td>$230,000.00</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td>$230,000.00</td>
</tr>
<tr>
<td>5d Grant, Drought Mitigation</td>
<td>$66,365,752.87</td>
<td>$2,569,025.81</td>
<td>$2,569,025.81</td>
<td></td>
<td>$63,796,727.06</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES</strong></td>
<td>$2,400,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### DISBURSEMENTS:

<table>
<thead>
<tr>
<th>SALARIES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENSES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>% BUDGET ELAPSED</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>County over charge to payroll</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Salaries - DOW</td>
<td>$5,565,763.70</td>
<td>$382,178.01</td>
<td>$382,178.01</td>
<td>7%</td>
<td>$5,173,585.69</td>
</tr>
<tr>
<td>Provision for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 Accrued Vacation</td>
<td>$100,000.00</td>
<td>$177.60</td>
<td>$177.60</td>
<td>0%</td>
<td>$99,822.40</td>
</tr>
<tr>
<td><strong>TOTAL SALARIES:</strong></td>
<td>$5,665,763.70</td>
<td>$382,356.61</td>
<td>$382,356.61</td>
<td></td>
<td>$5,273,408.09</td>
</tr>
</tbody>
</table>

### NORMAL EXPENDITURES

| 19 COUNTY SERVICE CHRG              | $1,630,230.00   |                               |                           | 0%               | $1,630,230.00                           |

### ADMINISTRATIVE OFFICE
and ENGINEERING:

<p>| 21 Utilities                        | $293,540.00     | $15,246.12                    | $15,246.12               | 5%               | $278,293.88                             |
| 22 Postage and Printing             | $141,000.00     | $1,127.29                     | $1,127.29                | 1%               | $139,872.71                             |
| Office Equipment Maintenance        | $196,500.00     | $1,041.66                     | $1,041.66                | 1%               | $195,458.34                             |
| 08/21/12                            |                 |                               |                           |                  |                                           |
| 24b Con 558 Four Winds Group MMIS Phases I &amp; II | $917.66     | $-                             |                           | 0%               | $917.66                                 |</p>
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>$541,999.80</td>
<td>$10,402.94</td>
<td>$10,402.94</td>
<td>2%</td>
<td>$531,596.86</td>
</tr>
<tr>
<td>27a</td>
<td>$8,008.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$8,008.00</td>
</tr>
<tr>
<td>27b</td>
<td>$1,205.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$1,205.00</td>
</tr>
<tr>
<td>27c</td>
<td>$75,000.00</td>
<td>$75,000.00</td>
<td>$75,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27d</td>
<td>$515,460.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$515,460.00</td>
</tr>
<tr>
<td>27e</td>
<td>$7,837.50</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$7,837.50</td>
</tr>
<tr>
<td>27f</td>
<td>$113,507.16</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$113,507.16</td>
</tr>
<tr>
<td>27g</td>
<td>$25,000.00</td>
<td>$3,627.28</td>
<td>$3,627.28</td>
<td>15%</td>
<td>$21,372.72</td>
</tr>
<tr>
<td>27h</td>
<td>$40,000.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$40,000.00</td>
</tr>
<tr>
<td>28</td>
<td>$25,228.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$25,228.00</td>
</tr>
<tr>
<td>29</td>
<td>$43,820.00</td>
<td>$547.89</td>
<td>$547.89</td>
<td>1%</td>
<td>$43,272.11</td>
</tr>
<tr>
<td>30</td>
<td>$155,000.00</td>
<td>$1,268.50</td>
<td>$1,268.50</td>
<td></td>
<td>$153,731.50</td>
</tr>
<tr>
<td>31</td>
<td>$20,000.00</td>
<td>$370.55</td>
<td>$370.55</td>
<td>2%</td>
<td>$19,629.45</td>
</tr>
<tr>
<td>32</td>
<td>$80,000.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$80,000.00</td>
</tr>
<tr>
<td>32c</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>33</td>
<td>$88,340.00</td>
<td>$9,982.75</td>
<td>$10,817.75</td>
<td>11%</td>
<td>$78,527.25</td>
</tr>
<tr>
<td>34</td>
<td>$46,000.00</td>
<td>$2,366.40</td>
<td>$2,366.40</td>
<td>5%</td>
<td>$43,633.60</td>
</tr>
<tr>
<td>35</td>
<td>$20,000.00</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$20,000.00</td>
</tr>
<tr>
<td>36</td>
<td>$88,500.00</td>
<td>$11,307.53</td>
<td>$11,307.53</td>
<td>13%</td>
<td>$75,192.47</td>
</tr>
<tr>
<td>36.2</td>
<td>$22,718.04</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>$22,718.04</td>
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<tr>
<td>36.3</td>
<td>$230,000.00</td>
<td>-</td>
<td>-</td>
<td></td>
<td>$230,000.00</td>
</tr>
<tr>
<td>37</td>
<td>$88,500.00</td>
<td>$110.42</td>
<td>$110.42</td>
<td>0%</td>
<td>$88,389.58</td>
</tr>
<tr>
<td>38</td>
<td>$20,000.00</td>
<td>-</td>
<td>-</td>
<td>1%</td>
<td>$19,794.43</td>
</tr>
</tbody>
</table>

$2,864,081.16  $132,604.90  $132,604.90  $2,751,476.26
<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><strong>OPERATIONS AND MAINTENANCE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Vehicle - Materials &amp; Service</td>
<td>150,000.00</td>
<td>$8,762.68</td>
<td>$8,762.68</td>
<td>6%</td>
</tr>
<tr>
<td>41</td>
<td>Vehicle - Fuel</td>
<td>208,550.00</td>
<td>$14,270.08</td>
<td>$14,270.08</td>
<td>7%</td>
</tr>
<tr>
<td>42</td>
<td>Utilities</td>
<td>93,600.00</td>
<td>$6,875.72</td>
<td>$7,031.69</td>
<td>7%</td>
</tr>
<tr>
<td>43</td>
<td>Meter Parts</td>
<td>8,300.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>43a</td>
<td>Electrical Parts</td>
<td>41,000.00</td>
<td>$189.32</td>
<td>$189.32</td>
<td>0%</td>
</tr>
<tr>
<td>44</td>
<td>Miscellaneous</td>
<td>5,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>44a</td>
<td>Misc. - Tapping Team</td>
<td>8,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>44b</td>
<td>Misc. - Drought Mitigation</td>
<td>-</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>45</td>
<td>Contractual Services</td>
<td>135,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>45a</td>
<td>Con 540, FluidIQs, LLC, SCADA Maintenance</td>
<td>2,678.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>45.1</td>
<td>Con 563 Glenmount Global Solutions, SCADA Maint.</td>
<td>67,988.80</td>
<td>$27,184.56</td>
<td>$27,184.56</td>
<td>40%</td>
</tr>
<tr>
<td>47</td>
<td>Materials and Supplies</td>
<td>404,000.00</td>
<td>$16,076.94</td>
<td>$16,076.94</td>
<td>4%</td>
</tr>
<tr>
<td>48</td>
<td>Collective Bargaining Items</td>
<td>30,000.00</td>
<td>$1,130.54</td>
<td>$1,130.54</td>
<td>4%</td>
</tr>
<tr>
<td>51</td>
<td>Pump Electrical</td>
<td>3,445,000.00</td>
<td>$266,585.87</td>
<td>$266,585.87</td>
<td>8%</td>
</tr>
<tr>
<td>55</td>
<td>Purchase of Water</td>
<td>2,074,326.00</td>
<td>$3,850.00</td>
<td>$3,850.00</td>
<td>0%</td>
</tr>
<tr>
<td>56</td>
<td>Chemicals</td>
<td>73,000.00</td>
<td>$3,796.60</td>
<td>$3,796.60</td>
<td>5%</td>
</tr>
<tr>
<td>Safe Drinking Water Act Program</td>
<td>70,000.00</td>
<td>$90.00</td>
<td>$90.00</td>
<td>0%</td>
<td>$69,910.00</td>
</tr>
<tr>
<td>TOTAL OPERATIONS:</td>
<td>6,816,442.80</td>
<td>$348,814.31</td>
<td>$348,814.31</td>
<td>6%</td>
<td>$6,467,628.49</td>
</tr>
</tbody>
</table>

| **INSURANCE AND EMPLOYEE BENEFITS:** | | | | | |
| 60 | Insurance and Bonds | 200,000.00 | $ - | $ - | 0% | $200,000.00 |
| 60a | Small Claims | 10,000.00 | $ - | $ - | 0% | $10,000.00 |
| 61 | Workmen's Compensation Insurance | 150,000.00 | $ - | $ - | 0% | $150,000.00 |
| 62 | Retirement System | 862,254.53 | $56,927.06 | $56,927.06 | 7% | $805,327.47 |
| 63 | FICA Taxes - Employer's | 425,015.92 | $27,023.22 | $27,023.22 | 6% | $397,992.70 |
| 64 | Health, Life, & Dental (EUTF) | 531,052.00 | $27,226.09 | $27,226.09 | 5% | $503,825.91 |
| 65 | Unemployment Compensation | - | $ - | $ - | - | - |

<p>| TOTAL | 2,178,322.45 | 111,176.37 | 111,176.37 | 2,067,146.08 |</p>
<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 Health &amp; Life Insurance - Retirees &amp; OPEB</td>
<td>$ 879,000.00</td>
<td>$ -</td>
<td>-</td>
<td>0%</td>
<td>$ 879,000.00</td>
</tr>
<tr>
<td><strong>EMPLOYEE BENEFITS</strong></td>
<td><strong>$ 3,057,322.45</strong></td>
<td><strong>$ 111,176.37</strong></td>
<td><strong>$ 111,176.37</strong></td>
<td>4%</td>
<td><strong>$ 2,946,146.08</strong></td>
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<tr>
<td><strong>TOTAL NORMAL EXPENDITURES:</strong></td>
<td><strong>$ 14,808,076.41</strong></td>
<td><strong>$ 592,595.58</strong></td>
<td><strong>$ 592,595.58</strong></td>
<td>4%</td>
<td><strong>$ 13,795,480.83</strong></td>
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<tr>
<td><strong>DEBT SERVICE REQUIREMENT:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>SRF Loan Job 97-5 Hanapepe River Crossing</td>
<td>$ 92,478.16</td>
<td>$ 46,496.67</td>
<td>$ 46,496.67</td>
<td>50%</td>
<td>$ 45,981.49</td>
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<tr>
<td>SRF Loan Job 97-6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Hanapepe 27&quot; Steel Pipe</td>
<td>$ 51,537.88</td>
<td>$ 25,012.49</td>
<td>$ 25,012.49</td>
<td>50%</td>
<td>$ 25,625.39</td>
</tr>
<tr>
<td>SRF Loan Job 98-33 WK-21 Wailua Hirod's Well #3</td>
<td>$ 29,666.44</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 29,666.44</td>
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<tr>
<td>SRF Loan Job 97-2 PLH-31 Lihue Steel Tanks 1 &amp; 2</td>
<td>$ 94,475.02</td>
<td>$ 47,502.46</td>
<td>$ 47,502.46</td>
<td>50%</td>
<td>$ 46,972.56</td>
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<tr>
<td>SRF Loan Job 98-6 WK-07 Omellas 0.2 MG Tank</td>
<td>$ 61,111.47</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 61,111.47</td>
</tr>
<tr>
<td>SRF Loan Job 97-11 WK-03 15&quot; W/L. Along Kuhlo Hwy</td>
<td>$ 173,833.00</td>
<td>$ 87,407.13</td>
<td>$ 87,407.13</td>
<td>50%</td>
<td>$ 86,425.87</td>
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<tr>
<td>86 DOW Bond 2005 Issue</td>
<td>$ 108,850.00</td>
<td>$ 105,356.25</td>
<td>$ 105,356.25</td>
<td>97%</td>
<td>$ 3,293.75</td>
</tr>
<tr>
<td>DOW Bond 2005 Series, Partial Refund 2001 Series A</td>
<td>$ 263,806.25</td>
<td>$ 208,450.00</td>
<td>$ 208,450.00</td>
<td>79%</td>
<td>$ 55,356.25</td>
</tr>
<tr>
<td>SRF Loan Job 98-2 KP-07 KP-08 16&quot; W/L on Poipu Rd</td>
<td>$ 388,285.85</td>
<td>$ 195,212.96</td>
<td>$ 195,212.96</td>
<td>50%</td>
<td>$ 193,072.89</td>
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<tr>
<td>SRF Loan Job WK-42 PHF Stable 1.0 MG Tank</td>
<td>$ 587,001.53</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 587,001.53</td>
</tr>
<tr>
<td>SRF Loan Job KY-27 Kaumualii Hwy 12&quot; Main Repl</td>
<td>$ 320,751.29</td>
<td>$ 161,192.34</td>
<td>$ 161,192.34</td>
<td>50%</td>
<td>$ 159,558.95</td>
</tr>
<tr>
<td>SRF Loan Job K-7, LO-13 Waha, Wawae &amp; Nihon Rds</td>
<td>$ 156,248.96</td>
<td>$ 78,522.31</td>
<td>$ 78,522.31</td>
<td>50%</td>
<td>$ 77,726.65</td>
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<tr>
<td>DOW Bond Series 2010A</td>
<td>$ 4,777,552.48</td>
<td>$ 3,335,440.34</td>
<td>$ 3,335,440.34</td>
<td>70%</td>
<td>$ 1,442,112.14</td>
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<tr>
<td>FmHa $300,000 @5% 20 year Bond</td>
<td>$ 18,750.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 18,750.00</td>
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<tr>
<td>SRF Loan Job Kapililao 0.5 MG Tank</td>
<td>$ 314,924.45</td>
<td>$ 158,243.81</td>
<td>$ 158,243.81</td>
<td>50%</td>
<td>$ 156,680.64</td>
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<tr>
<td>DOW 2011A</td>
<td>$ 438,500.00</td>
<td>$ 361,400.00</td>
<td>$ 361,400.00</td>
<td>82%</td>
<td>$ 77,200.00</td>
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<tr>
<td>DOW Bond 2012A. Issue Series 2005A Refunded</td>
<td>$ 114,187.50</td>
<td>$ 57,093.75</td>
<td>$ 57,093.75</td>
<td>50%</td>
<td>$ 57,093.75</td>
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<tr>
<td>SRF Loan Job 97-1 Kekoula Tunnel Repairs</td>
<td>$ 122,582.09</td>
<td>$ 61,645.37</td>
<td>$ 61,645.37</td>
<td>50%</td>
<td>$ 60,936.72</td>
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<td>SRF Loan Job 96-4 Kapililao Valley Wall</td>
<td>$ 66,082.22</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 66,082.22</td>
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<tr>
<td>Provision for Additional Debt Service Requirement</td>
<td>$ 400,000.00</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>$ 400,000.00</td>
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<tr>
<td><strong>TOTAL DEBT SERVICE REQ:</strong></td>
<td><strong>$ 5,590,514.59</strong></td>
<td><strong>$ 4,929,675.88</strong></td>
<td><strong>$ 4,929,675.88</strong></td>
<td>57%</td>
<td><strong>$ 3,560,838.71</strong></td>
</tr>
<tr>
<td><strong>TOTAL SALARIES, NORMAL EXPENDITURES, AND DEBT SERVICE REQUIREMENTS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 28,624,354.70</td>
<td>$ 5,904,827.07</td>
<td>$ 5,904,827.07</td>
<td>21%</td>
<td>$ 22,719,527.63</td>
<td></td>
</tr>
</tbody>
</table>

**PROOF**

$ 28,624,354.70 | $ 5,904,827.07 | $ 5,904,827.07 | 21% | $ 22,719,527.63
<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></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>$ 7,207,003.00</td>
<td>$</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>101b</td>
<td>Capital Rehabilitation</td>
<td>$ 250,410.00</td>
<td>$</td>
<td>-</td>
<td>0%</td>
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<tr>
<td></td>
<td>Misc. Other Capital</td>
<td>$ 360,000.00</td>
<td>$ 54,737.38</td>
<td>$ 54,737.38</td>
<td>15%</td>
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<tr>
<td>102</td>
<td>Expenditures, OPS</td>
<td>$ 780,000.00</td>
<td>$ 47,492.14</td>
<td>$ 47,492.14</td>
<td>6%</td>
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<tr>
<td>105</td>
<td>Recording Meters</td>
<td>$</td>
<td>$</td>
<td>-</td>
<td></td>
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<tr>
<td>106</td>
<td>Vehicles and Equipment</td>
<td>$ 465,000.00</td>
<td>$</td>
<td>-</td>
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<tr>
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<td>Con557 cancelled 7/10/13</td>
<td>$ 50,015.00</td>
<td>$</td>
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<td>0%</td>
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<tr>
<td></td>
<td>rounding differences</td>
<td>$ (0.42)</td>
<td></td>
<td>$ (0.42)</td>
<td>0%</td>
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<tr>
<td>106b</td>
<td>CIP Reserve Fund</td>
<td>$ 12,870,920.08</td>
<td>$</td>
<td>-</td>
<td>0%</td>
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<tr>
<td></td>
<td>Debt Service Reserve</td>
<td>$ 2,100,000.00</td>
<td>$</td>
<td>-</td>
<td>0%</td>
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<tr>
<td>128</td>
<td>Emergency Reserve</td>
<td>$ 3,600,000.00</td>
<td>$</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>PAGE 5 SUBTOTALS</td>
<td>$ 27,883,347.86</td>
<td>$ 102,229.52</td>
<td>$ 102,229.52</td>
<td></td>
<td>$ 27,581,118.14</td>
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</tbody>
</table>

7-2013 WU BUDGET STATUS
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>% BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>107</td>
<td>102,500.00</td>
<td>-</td>
<td></td>
<td>0%  $ 102,500.00</td>
</tr>
<tr>
<td>499</td>
<td>100.00</td>
<td>-</td>
<td></td>
<td>0%  $ 1.00</td>
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<tr>
<td>540</td>
<td>12,245.67</td>
<td>-</td>
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<td>0%  $ 12,245.67</td>
</tr>
<tr>
<td>561</td>
<td>79,880.00</td>
<td>-</td>
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<td>0%  $ 79,880.00</td>
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<tr>
<td>586</td>
<td>63,068.49</td>
<td>“FINAL”</td>
<td></td>
<td>0%  $ 63,068.49</td>
</tr>
<tr>
<td>587</td>
<td>63,825.00</td>
<td>-</td>
<td></td>
<td>0%  $ 63,825.00</td>
</tr>
<tr>
<td>588</td>
<td>51,100.00</td>
<td>-</td>
<td></td>
<td>0%  $ 51,100.00</td>
</tr>
<tr>
<td>591</td>
<td>12,309.00</td>
<td>-</td>
<td></td>
<td>0%  $ 12,309.00</td>
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<tr>
<td>601</td>
<td>8,326.68</td>
<td>-</td>
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<td>0%  $ 8,326.68</td>
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<tr>
<td>607</td>
<td>3,149.40</td>
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<tr>
<td>609</td>
<td>23,838.45</td>
<td>-</td>
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<td>0%  $ 23,838.45</td>
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<tr>
<td>610</td>
<td>125,200.00</td>
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<td>0%  $ 125,200.00</td>
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<tr>
<td>634</td>
<td>28,420.00</td>
<td>-</td>
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<td>0%  $ 28,420.00</td>
</tr>
<tr>
<td>ITEM</td>
<td>BUDGETED AMOUNT</td>
<td>TOTAL ACTUAL EXPENDITURES TO DATE</td>
<td>EXPENDITURES FOR THE MONTH</td>
<td>%</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>---</td>
</tr>
<tr>
<td>638</td>
<td>Con 453 Belt Collins Hl PLH-30 Job 05-05 Nawiliwili, Nianalu &amp; Kupolo Main</td>
<td>18,228.00</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>647</td>
<td>Con 462 Eng Solutions Inc now Kennedy/Jenks Consultant KW-05 KW-20 Job 04-06 Waimea Well A &amp; Kekaha B</td>
<td>1,447.00</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>651</td>
<td>Con 468 Brown &amp; Caldwell KW-28 Job 06-01 Amfac Shaft Renovation, State Well No.5842-02 Phase 1A 9/21/06 (101b)</td>
<td>540,235.78</td>
<td>-</td>
<td>0%</td>
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<tr>
<td>668</td>
<td>Con 484 Wagner Eng. Services Job 02-01 Kukuiolono Tank Site Exchange, Kalaheo</td>
<td>5,210.47</td>
<td>-</td>
<td>0%</td>
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<tr>
<td>694</td>
<td>Con 538, Esaki Surveying &amp; Mapping, Inc. Job 11-05, As Needed Surveying Services 9/1/2011</td>
<td>30,000.00</td>
<td>-</td>
<td>0%</td>
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<tr>
<td>696</td>
<td>Con 545, SSFM International, Inc Job 11-01, As Needed Construction Management Services 9/22/2011</td>
<td>50,000.00</td>
<td>-</td>
<td>0%</td>
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<tr>
<td>699</td>
<td>Con 555, Lyon Associates Job 11-10, K-18; 8-Inch Main Replacement, Haleiwill Rd, Kalaheo 9/22/2011</td>
<td>33,370.49</td>
<td>-</td>
<td>0%</td>
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<tr>
<td>700</td>
<td>Con 545, AECOM Technical Svc Job 11-11, J-17, PLH-42 Water Treatment Facilities 9/22/2011</td>
<td>58,213.69</td>
<td>15,878.83</td>
<td>$ 15,878.83</td>
</tr>
<tr>
<td>702</td>
<td>Con 539, Mears Group, Inc. PLH-03, Kahili Directionally Drilled Horizontal Well</td>
<td>1,549,438.00</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>707</td>
<td>Con 553, Esaki Surveying &amp; Map Job 12-1; H-05, Weke, Aina, Mahimahi and Hee Road; 6&quot; and 8&quot; Main replacement</td>
<td>115,567.17</td>
<td>-</td>
<td>0%</td>
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<tr>
<td>709</td>
<td>Con 557, Okahara, Job 11-07 HE-03 Hanapepe &amp; Koloa Well MCC Improvements</td>
<td>(50,015.00)</td>
<td>58,761.80</td>
<td>$ 58,761.80</td>
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<tr>
<td>710</td>
<td>Con 558, R. Electric Job 12-8; Kalapa Back Pressure Valve Replacement</td>
<td>11,602.26</td>
<td>11,602.26</td>
<td>$ 11,602.26</td>
</tr>
</tbody>
</table>

7-2013 WU BUDGET STATUS
<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>711</td>
<td>221,500.00</td>
<td>-</td>
<td>0% 221,500.00</td>
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<tr>
<td>712</td>
<td>904,722.53</td>
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<td>0% 904,722.53</td>
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<tr>
<td>713</td>
<td>51,150.35</td>
<td>-</td>
<td>0% 51,150.35</td>
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<tr>
<td>717</td>
<td>1,281,071.70</td>
<td>371,322.70</td>
<td>29% 909,749.00</td>
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<tr>
<td>718</td>
<td>99,160.98</td>
<td>-</td>
<td>0% 99,160.98</td>
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</tr>
<tr>
<td>719</td>
<td>164,234.53</td>
<td>74,000.00</td>
<td>45% 90,234.53</td>
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<tr>
<td>720</td>
<td>72,395.37</td>
<td>-</td>
<td>0% 72,395.37</td>
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<tr>
<td>721</td>
<td>291,094.10</td>
<td>-</td>
<td>0% 291,094.10</td>
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<tr>
<td></td>
<td><strong>TOTAL CAPITAL EXPENDITURES:</strong></td>
<td><strong>37,741,398.18</strong></td>
<td><strong>1,485,479.30</strong></td>
<td><strong>1,485,479.30</strong></td>
<td><strong>36,255,918.88</strong></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL SALARIES, NORMAL EXPENDITURES, DEBT REQUIREMENTS AND CAPITAL EXPENDITURES:</strong></td>
<td><strong>66,365,752.88</strong></td>
<td><strong>7,390,306.37</strong></td>
<td><strong>7,390,306.37</strong></td>
<td><strong>58,955,446.51</strong></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES AND EXPENDITURES
FACILITIES RESERVE CHARGE FUND
July 31, 2013

REVENUES:
Cash on hand as of July 1, 2013 $ 2,663,693.54
Add: Revenues To Date $ 88,699.91
Sub-Total $ 2,752,393.45

EXPENDITURES:
Less: Expenditures To Date -
BALANCE AT THE END OF THE MONTH $ 2,752,393.45

SHORT TERM INVESTMENTS - FRC
BANK OF HAWAII
CUSIP# $ -

CENTRAL PACIFIC BANK
CUSIP# $ -

FIRST HAWAIIAN BANK
CUSIP# T30020279 0.12000% INT. DUE 02/14/14 $ 500,000.00

MERRILL LYNCH
CUSIP# -

MULTI-BANK
CUSIP# 402194CU6 2.50000% INT. DUE 12/23/13 $ 240,000.00
CUSIP# 70455AAG5 2.30000% INT. DUE 12/31/12 $ 245,000.00
CUSIP# 36160VCH2 5.00000% INT. DUE 08/06/13 $ 97,000.00
CUSIP# 89214PAJ6 5.00000% INT. DUE 08/13/13 $ 97,000.00
CUSIP# 92705SAE3 1.50000% INT. DUE 06/07/13 $ 248,000.00
CUSIP# 70158RST9 1.50000% INT. DUE 09/09/13 $ 248,000.00
CUSIP# 02004MN74 1.50000% INT. DUE 09/03/13 $ 248,000.00

TDI (CSA)
CUSIP# -

VINING SPARKS
CUSIP# -

TOTAL SHORT-TERM INVESTMENTS - FRC $ 1,924,000.00

CASH ON WITH TREASURER - COK 07/31/13 $ 132,887.31
CASH ON HAND - FHB Savings (30-288435) 07/31/13 $ 695,506.14
Due from BAB
Due to WU
June Claims paid in June
Less: CLAIMS FOR June 2013 $ - $ 828,393.45

CASH BALANCE AT THE END OF THE MONTH $ 2,752,393.45
### DEPARTMENT OF WATER
County of Kauai

JULY 1, 2013 TO JUNE 30, 2014
July 31, 2013

#### FACILITIES RESERVE CHARGE

<table>
<thead>
<tr>
<th>CASH RECEIPTS</th>
<th>BUDGETED RECEIPTS</th>
<th>ACTUAL RECEIPTS TO DATE</th>
<th>RECEIPTS FOR THE MONTH</th>
<th>% BUDGET OVER ACTUAL RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 2,663,693.54</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(FRC Refunds)</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>4a Facilities Reserve Charge</td>
<td>$ 1,500,000.00</td>
<td>$ 87,400.00</td>
<td>$ 87,400.00</td>
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<tr>
<td>5a Interest Earned</td>
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<td>$ 1,299.91</td>
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<tr>
<td>5b BAB Subsidy</td>
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<tr>
<td><strong>TOTAL RESOURCES</strong></td>
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<td><strong>$ 88,699.91</strong></td>
<td><strong>$ 88,699.91</strong></td>
<td>2%</td>
</tr>
</tbody>
</table>

#### CAPITAL EXPENDITURES

<table>
<thead>
<tr>
<th>EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>% BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 FRC CIP</td>
<td>$ 150,003.00</td>
<td>$ 150,003.00</td>
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<tr>
<td>301b FRC Fund Balance</td>
<td>$ 1,532,866.75</td>
<td>$ 1,532,866.75</td>
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<tr>
<td>301c FRC Debt Service</td>
<td>$ 2,495,227.21</td>
<td>$ 2,495,227.21</td>
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<tr>
<td>10/12/98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>302 Contract #322 GMP Assoc. Inc. Job 87-1 Poipu Storage Tank</td>
<td>$ 2,050.00</td>
<td>$ 2,050.00</td>
</tr>
<tr>
<td>08/01/99</td>
<td></td>
<td></td>
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<tr>
<td>304 WK-21 Contract # 345 Fukunaga &amp; Assoc. Job 98-33 Wailua Well 3</td>
<td>$ 10,500.00</td>
<td>$ 10,500.00</td>
</tr>
<tr>
<td>318 Con 457 Kodani &amp; Assoc Inc H-8 HW-12 Job 05-02 Drill &amp; Test Wainiha Well No. 4</td>
<td>$ 110,905.00</td>
<td>$ 110,905.00</td>
</tr>
<tr>
<td></td>
<td></td>
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</table>

7-2013 FRC BUDGET STATUS
<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Con 488 HDR Engineering</td>
<td>$ 111,950.00</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$ 111,950.00</td>
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<tr>
<td>WK-39 Kapaa Hmstds Well No. 4 Drill &amp; Test</td>
<td></td>
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<tr>
<td>Con 557 Esaki Surveying &amp; Mapping, Inc., Job 12-2, WK-23 UH Experimental Stn 605' Tank</td>
<td>$ 40,425.00</td>
<td>$ -</td>
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<td>$ 40,425.00</td>
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<tr>
<td></td>
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<tr>
<td></td>
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<td></td>
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</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$ 4,453,946.96</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>$ 4,453,946.96</td>
</tr>
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</table>
STATEMENT OF REVENUES AND EXPENDITURES
BOND - BAB FUND
July 31, 2013

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

Sub-Total $ 26,029,967.39

EXPENDITURES:
Less: Expenditures To Date $ 184,351.92

BALANCE AT THE END OF THE MONTH $ 25,845,615.47

SHORT TERM INVESTMENTS - BOND

BANK OF HAWAII

FIRST HAWAIIAN BANK
CUSIP# 1062140 0.5830% INT. DUE 12/12/14 $ 23,200,000.00

TOTAL SHORT-TERM INVESTMENTS - BOND $ 23,200,000.00

CASH ON HAND WITH TREASURER - COK 07/31/13 $ 550,871.95
BAB Bond Interest Earned with Bond Company 07/31/13 $ 2,247,305.44
Claims Paid in July 2013 07/31/13 31,790.00
LESS CLAIMS FOR July 2013 07/31/13 (184,351.92) $ 2,645,615.47

BALANCE AT THE END OF THE MONTH $ 25,845,615.47
## 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>Balance of Budget over Total Actual Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td></td>
<td>$23,782,661.67</td>
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<td>$23,782,661.67</td>
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<tr>
<td>Interest Income, Accrued</td>
<td>$2,247,305.72</td>
<td></td>
<td></td>
<td>$2,247,305.72</td>
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<tr>
<td>Bond Proceeds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income, Accrued</td>
<td>$100,000.00</td>
<td>$100,000.00</td>
<td></td>
<td>$100,000.00</td>
</tr>
<tr>
<td>Project Resources</td>
<td></td>
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<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$26,129,967.39</strong></td>
<td><strong>$100,000.00</strong></td>
<td><strong>$100,000.00</strong></td>
<td><strong>$26,129,967.39</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>Balance of Budget over Total Actual Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-01 <strong>BOND - BAB, CIP</strong></td>
<td>$21,419,673.85</td>
<td>$21,419,673.85</td>
<td>0% $21,419,673.57</td>
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<tr>
<td>Encumbered Projects</td>
<td>$754,500.00</td>
<td>$754,500.00</td>
<td>0% $754,500.00</td>
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<tr>
<td>218 5/11/2010 CON 513</td>
<td>$57,000.00</td>
<td>$57,000.00</td>
<td>0% $57,000.00</td>
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</tr>
<tr>
<td>Jennings Pacific, LLC Job No. 02-18, WK - 32</td>
<td></td>
<td>$57,000.00</td>
<td>0% $57,000.00</td>
<td></td>
</tr>
<tr>
<td>Kapaa Hmstds Pipe Repl</td>
<td></td>
<td>$57,000.00</td>
<td>0% $57,000.00</td>
<td></td>
</tr>
<tr>
<td>6/30/10 CON 516</td>
<td></td>
<td>$924,290.38</td>
<td>$94,472.72</td>
<td>10% $829,817.66</td>
</tr>
<tr>
<td>Unlimited Builders, LLC Job No. 03-02, HW-02,</td>
<td></td>
<td></td>
<td>10% $829,817.66</td>
<td></td>
</tr>
<tr>
<td>Wainiha Booster Pump Stn</td>
<td></td>
<td></td>
<td>10% $829,817.66</td>
<td></td>
</tr>
<tr>
<td>220 9/30/10 Con 520 (201-01)</td>
<td></td>
<td>$241,960.00</td>
<td>$241,960.00</td>
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</tr>
<tr>
<td>Fukunaga &amp; Associates Job # 10-01, Ani-01a</td>
<td></td>
<td></td>
<td>0% $241,960.00</td>
<td></td>
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<tr>
<td>Pipeline Repl - Anini RD</td>
<td></td>
<td></td>
<td>0% $241,960.00</td>
<td></td>
</tr>
<tr>
<td>221 9/30/10 Con 519 (201-01)</td>
<td></td>
<td>$14,102.70</td>
<td>$14,102.70</td>
<td>0% $14,102.70</td>
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<tr>
<td>Park Engineering Job # 10-02, Upsizing</td>
<td></td>
<td></td>
<td>0% $14,102.70</td>
<td></td>
</tr>
<tr>
<td>of the Kaumualii Hwy. 16&quot;</td>
<td></td>
<td></td>
<td>0% $14,102.70</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$23,354,583.65</strong></td>
<td><strong>$94,472.72</strong></td>
<td><strong>$94,472.72</strong></td>
<td><strong>0% $23,260,110.93</strong></td>
</tr>
</tbody>
</table>
## BUILD AMERICA BONDS (BABs) - FUND

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Con 405 3rd n 4th Amm Kodani &amp; Associates, Inc. Job 02-19, KW-12 Waipouli Main Repl Wailua-Kapaa</td>
<td>$3,651.28</td>
<td>$</td>
<td>-</td>
<td>0%</td>
<td>$3,651.28</td>
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<tr>
<td>6/28/11 Con 409 Esaki Surveying &amp; Mapping, Inc.; Job 02-16, WK-36, P/L replace - Wailua</td>
<td>$23,264.35</td>
<td>$</td>
<td>-</td>
<td></td>
<td>$23,264.35</td>
</tr>
<tr>
<td>Con 529 (201-01) Oceanic Company, Inc. Job 02-08, HE-08 Rehabilitation of Eleele Twin 0.4 MG Steel Tanks</td>
<td>$433,425.72</td>
<td>$</td>
<td>-</td>
<td>0%</td>
<td>$433,425.72</td>
</tr>
<tr>
<td>Con 440 Kodani &amp; Associates, Inc. Kilauea 1.0 MG Tank and Pipeline, Ph I (fr W/U)</td>
<td>$88,040.20</td>
<td>$31,790.00</td>
<td>$31,790.00</td>
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<td>$54,250.20</td>
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<tr>
<td><strong>SUB - TOTAL</strong></td>
<td><strong>$546,381.55</strong></td>
<td><strong>$31,790.00</strong></td>
<td><strong>$31,790.00</strong></td>
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<td><strong>$514,591.55</strong></td>
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% Budget Elapsed 8.33%
<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURES TO DATE</th>
<th>EXPENDITURES FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Con 530 (201-01)</td>
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<tr>
<td>Earthworks Pacific</td>
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<tr>
<td>231 Job 02-19, WK-12</td>
<td>211,787.34</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$ 211,787.34</td>
</tr>
<tr>
<td>Waipouli Main Replace</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Con 427 (201-01)</td>
<td></td>
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</tr>
<tr>
<td>Belt Collins Hawaii, Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>232 Job 02-14, Kapaa Hmsstds</td>
<td>25,817.34</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$ 25,817.34</td>
</tr>
<tr>
<td>0.5 MG Storage Tank &amp; Kapahi 1.0 MG Stor Tank</td>
<td></td>
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<td>Con 427 (201-01)</td>
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<tr>
<td>Belt Collins Hawaii, Ltd.</td>
<td></td>
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<tr>
<td>608 Job 02-14, Kapaa Hmsstds</td>
<td>25,922.00</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$ 25,922.00</td>
</tr>
<tr>
<td>0.5 MG Storage Tank &amp; Kapahi 1.0 MG Stor Tank</td>
<td></td>
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<tr>
<td>Con 533 (201-01)</td>
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<tr>
<td>Belt Collins Hawaii, Ltd.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>233 Job K-01, K-12, Kalaheo 1111' and 1222' Water System Improvements</td>
<td>412,148.82</td>
<td>$ -</td>
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<td>0%</td>
<td>$ 412,148.82</td>
</tr>
<tr>
<td>Job 10-02, MOA Dept of Transportation/Kiewit-Kaumuali Hwy widening, Anonui Rd and Lihue Mill Bridge.</td>
<td>151,027.27</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$ 151,027.27</td>
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<tr>
<td>6/28/2011 (201-01)</td>
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<tr>
<td>Con 536, Esaki Surveying &amp; Mapping, Inc., Job 11-02, PLH-01a Replace Grove Farm Tanks #1 &amp; #2</td>
<td>198,023.00</td>
<td>$ -</td>
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<td>0%</td>
<td>$ 198,023.00</td>
</tr>
<tr>
<td>Con 544, HONUA Engineering, Job 11-04 (L-08, L-10) Water Main Replacement &amp; Service Improvement</td>
<td>29,654.95</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$ 29,654.95</td>
</tr>
<tr>
<td>238 6/28/11 Con 512 - Architects Hawaii, Ltd., Job No. PLH-38; Lihue Baseyard Improvements for DOW</td>
<td>1,542.70</td>
<td>$ -</td>
<td></td>
<td>0%</td>
<td>$ 1,542.70</td>
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<tr>
<td>TOTAL EXPENDITURES</td>
<td>$ 24,956,888.62</td>
<td>$ 126,262.72</td>
<td>$ 126,262.72</td>
<td></td>
<td>$ 24,830,625.90</td>
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</tbody>
</table>
## BUILD AMERICA BONDS (BABS) - FUND

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
<th>BUDGETED AMOUNT</th>
<th>TOTAL ACTUAL EXPENDITURE S TO DATE</th>
<th>EXPENDITURE S FOR THE MONTH</th>
<th>%</th>
<th>BALANCE OF BUDGET OVER TOTAL ACTUAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Con 542, (201-01) MEI Corporation Job 02-17, H-01, H-02, H-03 Maka Ridge Facilities Rehab &amp; Princeville Interconnection Plan</td>
<td>$888,705.12</td>
<td>$52,569.20</td>
<td>$52,569.20</td>
<td>8%</td>
<td>$634,135.92</td>
</tr>
<tr>
<td>Con 543, (201-01) Oceanit Laboratories, Inc. Job 11-03, M-03 Land &amp; Well Acquisition, Molea and Waimea, Kauai</td>
<td>$75,615.00</td>
<td>$5,520.00</td>
<td>$5,520.00</td>
<td>7%</td>
<td>$70,095.00</td>
</tr>
<tr>
<td>Con 457, (201-01) Kodani &amp; Associates Inc. Job 05-02, H-8, HW-12 Drill &amp; Test Hanalei Well #2 &amp; Waliniha Well #4</td>
<td>$32,430.00</td>
<td>-</td>
<td></td>
<td>0%</td>
<td>$32,430.00</td>
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<tr>
<td>Contract 550 (201-01) Honua Engineering, Inc. Job 11-08, WK-01</td>
<td>$81,340.00</td>
<td>-</td>
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<td>0%</td>
<td>$81,340.00</td>
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<tr>
<td>Con 551, (201-01) Esaki Surveying &amp; Mapping, Inc. Job K-05A, Kukuiolono 0.5 MG 888' Tank</td>
<td>$202,766.65</td>
<td>-</td>
<td></td>
<td>0%</td>
<td>$202,766.65</td>
</tr>
<tr>
<td>Con 429, Esaki Surveying &amp; Mapping, Inc. Job 02-11, M-02, 100,000 Gal. Tank &amp; Pipeline, Moloa</td>
<td>$94,222.00</td>
<td>-</td>
<td></td>
<td>0%</td>
<td>$94,222.00</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$26,129,967.39</td>
<td>$184,351.92</td>
<td>$184,351.92</td>
<td></td>
<td>$25,945,615.47</td>
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</table>

% Budget Elapsed 8.33%
### BILLED REVENUES COMPARATIVE REPORT
**AS OF AUGUST 2013 & 2014**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$2,346,892</td>
<td>$2,389,827</td>
<td>$42,935</td>
<td>1.83%</td>
</tr>
<tr>
<td>August</td>
<td>$4,399,666</td>
<td>$4,846,625</td>
<td>$446,959</td>
<td>10.16%</td>
</tr>
<tr>
<td>September</td>
<td>$6,828,224</td>
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<td>0.00%</td>
</tr>
<tr>
<td>October</td>
<td>$9,056,386</td>
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<td>0.00%</td>
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<tr>
<td>November</td>
<td>$11,423,911</td>
<td></td>
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<td>0.00%</td>
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<tr>
<td>December</td>
<td>$13,338,790</td>
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<td>0.00%</td>
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<tr>
<td>January</td>
<td>$16,163,728</td>
<td></td>
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<td>0.00%</td>
</tr>
<tr>
<td>February</td>
<td>$18,406,878</td>
<td></td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>March</td>
<td>$20,193,748</td>
<td></td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>April</td>
<td>$22,016,200</td>
<td></td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>May</td>
<td>$23,983,717</td>
<td></td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>June</td>
<td>$26,287,935</td>
<td></td>
<td></td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**BILLED REVENUES COMPARATIVE CHART**

*As of August, FY 2013 & 2014*

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

Cash Receipts Comparative Chart
As of August, FY 2013 & 2014
### WATER CONSUMPTION (000 GALLONS) COMPARATIVE REPORT

**AS OF AUGUST 2013 & 2014**

(expressed in thousands)

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>CUM. INC (DEC)</th>
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<tbody>
<tr>
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<td>436,238</td>
<td>391,161</td>
<td>-45,077</td>
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<tr>
<td>August</td>
<td>797,837</td>
<td>774,839</td>
<td>-22,998</td>
</tr>
<tr>
<td>September</td>
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<tr>
<td>October</td>
<td>1,597,947</td>
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</tr>
<tr>
<td>November</td>
<td>1,996,810</td>
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<tr>
<td>December</td>
<td>2,302,086</td>
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<td>January</td>
<td>2,755,898</td>
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<td>February</td>
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<td>March</td>
<td>3,446,231</td>
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<td>April</td>
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<td>May</td>
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<tr>
<td>June</td>
<td>4,504,859</td>
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</tbody>
</table>

### WATER CONSUMPTION COMPARATIVE CHART

As of August, FY 2013 & 2014

3 consumption (000 gallons)
FY 2012-2013 AUDIT Status Update:

July 1, 2013 - Notice to Proceed was sent to KMH, LLC. This is the 3rd year of a 3 year multi term contract. We will be doing a new procurement this year for a new contract.

July 31, 2013 - initial kick off meeting with the auditor, Mr. James Nakayama from KMH, LLC was completed.

The following Issues were discussed:

1. New Billing System
2. New Accounting Standards:
   i. GASB 63 – Financial Reporting of Deferred Inflows & Outflows
   ii. GASB 68 – Changes to pension plan accounting (ERS), effective FY 2015
   iii. Status of prior year audit findings
   iv. Any other significant operational changes.
3. Status update of PBC list (see attached)
4. Timetable (see attached)
   a. Audit Fieldwork – September 3 to 20, 2013, later changed to September 9 to 27, 2013.
   b. Submittal of draft audit report package – October 17, 2013 for October 24th board meeting
   c. Submittal of final audit report package – October 30, 2013
DEPARTMENT OF WATER
County of Kaua‘i

“Water has no Substitute – Conserve It!”

PR SPECIALIST REPORT

September 19, 2013

Updated as of September 13, 2013

The DOW welcomes Ms. Kimberly Tamaoka as the Department’s new Public Relations Specialist who will be joining the DOW team on Monday, September 16, 2013.

Press Releases:

- September 11, 2013, the DOW issued a water shutdown outreach to our Wailua House Lots community. This shutdown was done to allow Goodfellow Bros, Inc. to tie into the DOW’s existing system. Approximately 181 registered county customers were notified by phone, text, and/or e-mail. In addition, the affected customers were notified door-to-door by the Operations Division as well as disseminating notification via radio and newspaper. The shutdown affected ten (10) streets from 9 pm to 6 am, the next morning.

No major problems occurred during this shutdown.

TGI Articles:
Leo Azambuja Posted: Wednesday, September 11, 2013

Commission approves $8M DOW project

LIHUE — The Kauai Planning Commission unanimously approved permits Tuesday for the county Department of Water to go ahead with an $8 million project to construct a new administration building twice the size of its existing headquarters at Pua Loke Street in Lihue.

DOW Project Manager Dustin Moises said the department is running out of space in its 7,000-square-foot headquarters, and many offices are now in separate buildings.

“The expansion is based on our projected staff to 2050,” he said. “This 15,000 square feet (building) should carry us for the next 20, 30 years, for sure.”

The scope of the project includes a $6 million two-story building, and an additional $2 million in off-site improvements, including a 350-vehicle parking lot, a pedestrian path from Pua Loke Street to Kaumualii Highway and a 1,200-foot sewer line to connect with Grove Farm’s sewer system.

The new building will be near the DOW’s current headquarters, accessible by Pua Loke Street and fronting Kaumualii Highway. The move will allow the DOW’s operational staff to use the old building, according to Moises.

“We’ve got $100,000 machines that are exposed to the weather,” he said. “The long-term plan, based on our approved master plan, is to accommodate all this equipment, and also give guys office space.”

Moises said because there is a well within 1,000 feet of the project, the DOW had to either install an aerobic wastewater system or connect the building to a sewer system.

As “stewards of water,” the department opted to go with the sewer system, even though it meant a $750,000 increase, because it’s more environmentally friendly and neighboring buildings could tap into the new sewer lines in the future, he said.

The architectural sketches may look beautiful, but the plans are stripped down, Moises said. Originally, the building was supposed to have 17,000 square feet. The metal roof proved to be a cheaper option than concrete, he said.
The DOW has said the project would allow the department to collect the water already being used closer to the source, and that the cost of doing so would be made up in savings over the next 25 years.

For more information visit www.kauaiwater.org or http://kahill.oceanit.com.

**The Fun Committee:** The fun committee has scheduled a worker appreciation event for Friday, October 4, 2013. The committee has met and has agreed to schedule quarterly events for all DOW staff to attend to increase morale and to encourage employee participation.

**The Water Committee:**
The Water Committee has announced the 2nd quarter award to the Hydrant Crew of the DOW who are Mr. Raymond Chow and Mr. Russell Yonohara.

There was a hydrant found to be out of service for some reason. After trouble shooting the problem, it was determined by the branch valve operating nut was broken off.
The next day they returned with a special tool they fabricated themselves and activated the hydrant. Then with the help of Cleve plans were drawn for a modified version of a valve opera nut, so there will be no need of a special tool to open and close that hydrant valve. Their determination and ingenuity saved this company thousands of dollars in parts, equipment, and labor if the valve was cut open and excavated for valve replacement.

*Submitted from DOW's Water Service Supervisor, Mr. Virgil Kapanui on June 26, 2013*

Respectfully submitted,

Michael Garasi
Private Secretary

Concurred:

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

DRC/mjg

Mgrp/PR Specialist Report (09-19-13):mjg
DEPARTMENT OF WATER  
County of Kaua‘i  

“Water has no Substitute – Conserve It!”

Operations Division Report for the Month of August 2013

Personnel
- Interviews for Utility Worker, Lead Pipefitter and Meter Mechanic were conducted.
- Selection for the Assistant Water Plant Operator position was made and completed. New employee will start in October.
- Operations Division personnel attended “Hazard Communication” training sponsored by Contractors Association of Kauai.
- Operations Division personnel attended “Basic Computer Skills” training sponsored by HRWA.
- Operations Division personnel attended “Blueprint Reading” training sponsored by HRWA.
- Operations Division personnel attended “How to Provide Exceptional Customer Service”.

In response to Board Chairman Nishimura’s question regarding the total hours of less than 3,000 man-hours, we found that the excel formula for July 2011 considered only half the month from July 16 – July 31, 2011 thus the total hours worked shown on the graph was incorrect. Attached is the corrected graph.

Source and Storage
- In-house valve replacement project at Maka Ridge was completed.

Distribution
- Operations crews continue to perform leak repair of service laterals and mainlines including those that were damaged by contractors performing work for Water Plan 2020 as well as assist Water Plan 2020 project management section in operating valves and overnight works.
- Assisted other Divisions in preparing water outage notifications by preparing the paper handouts and delivering such notices door-to-door.
- Twenty six (26) water meters were issued for new installations and replacement requests.

Fleet, Inventory, Warehouse and Baseyard Area
- We received a total of forty four (44) calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including six (6) called-in complaints of no water and low pressure.
- For the month of August, a total of one hundred sixty nine (169) work orders were issued for Operations Division. Works included: electrical repairs and maintenance, automotive repairs and maintenance, water meter installation and replacement, service lateral installations, leak repairs, well and tank site maintenance, replace damaged meter boxes, replace damaged or leaking hydrant, Hawaii One Call request for markings, door-to-door customer notifications for tie-ins of new lines to existing lines, callouts due to customer complaints/reports.
• Of the 186 work Orders issued in July, 149 were completed. Most of the remaining work orders are vehicle maintenance related.

Respectfully submitted:

Valentino P. Reyna
Chief, Operations Division

VPR:ein

Attachments: Overtime Chart (corrected)
Leak Report Chart
Operations Division: Plant & Field
Total Hours for the Month
CORRECTED For the Period: July 2011 to July 2013
Work Orders by Job Reason Code for Selected Date Range

08/01/2012 to 08/31/2013

<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
</tr>
<tr>
<td>2</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
</tr>
<tr>
<td>77</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: 7
- LEAK-CUST: 2
- LEAK-MAIN: 77
- LEAK-S/L: 86

Number of Leak Repairs per Month

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

September 19, 2013

MANAGER’S UPDATE for September 2013

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:
(1) RE: CONTRACT #575 GS-2014-1 AWARDED TO MIDPAC AUTO CENTER
dba Kūhiʻō AUTO GROUP IN THE AMOUNT OF $120,001.00 FOR ONE (1) SUV 4-DOOR 4-WHEEL DRIVE & TWO (2) 4-WHEEL DRIVE EXTENDED CAB PICKUP TRUCKS WITH ACCESSORIES

FUNDING:
Account 106, Vehicles & Equipment (Construction Management)
Total Funds Available (FY13-14 Approved Budget)………………………………………………..$115,000.00

Account 103, Office & Engineering Equipment (Construction Management)
Additional Funds (Board approved 8/22/13) (laptops)………………………………………………..$5,001.00

Total Cost $120,001.00

Funds Remaining in the Acct 106 Construction Management……..$0.00

BACKGROUND:
The subject bids were opened on August 9, 2013 and we received two (2) bids after initially receiving none after the first procurement in July 2013. The low bid for the vehicles was submitted by Midpac Auto Center dba Kuhio Auto Group in the amount of $120,001.00. The SUV unit price was $36,365.00 which was under budget of $40K and the truck unit price was $41,818 which is above the $37.5K budget. The second bid was submitted by Kauai Toyota in the amount of $121,902.35.

As noted, the budgeted amount for the vehicles is $115,000.00. The vehicles are specified to have common equipment besides the 4-wheel drive. The 4 wheel drive is necessary for CM Division staff to access remote areas during construction of our projects. The bid prices are likely higher than the budgeted amount for the following reason:

• For safety reasons, amber light bars were added to the roof of each vehicle. These will be useful during construction of our projects when we are within the roadway, specifically at night. Private installers do the work for the dealerships and the cost estimate prior to bid were lower than actual prices submitted.

• Tool boxes were added to the trucks to protect inspector tools from the weather.

As stated during FY 13-14 budget process, up until the DOW Auction in 2012, The Construction Management Division (formerly Special Projects) had a Subaru Forester SUV.

The existing CK1771- Jeep Liberty and CK-1758 Ford Edge vehicles have had many problems over the last year. CK1771 has met the 10 year and 100,000 mile replacement milestone while CK1758 has reached the 10 year milestone and is approaching the 100,000 mile mark. The following problems exist for each vehicle:

CK1771 - Transmission does not shift right and when it does, it sounds like the rear end is going to fall off. DOW mechanic examined and said that’s an expensive fix for the transmission and rear end. Also
looks like the engine has an air leak, AC always had a problem; driver side window does not work right, rear door and window not aligned right due to repair of rust on roof. Mileage is at 104,000. Due to these reasons, OPS mechanic has recommended replacement.

CK1758 – Brakes have problems, pounding and grinding sound from steering while driving 35 mph or more, fan speed for AC works only on high, and mirror pegs to adjust mirror is broken (drivers side). OPS mechanic thought the vehicle was already replaced but it wasn’t. OPS recommended replacement at this time.

These vehicles are used for carrying testing and safety equipment when observing site construction. Since the Engineering reorganization, we have been successful in hiring staff and the vehicle is now needed for staff to adequately manage projects individually at any time contractors or our inspectors are in need for project management field decisions. The vehicle will be needed for access to various tank and well drilling sites that are anticipated to have difficult access roads. Due to these reasons, it is requested that the Subaru Forester, CK1771 and CK1758 be replaced at this time.

The bid submitted by Midpac Auto Center dba Kuhio Auto Group was reasonable and acceptable based on the comparison to the second bidder and based on this procurement being the DOW’s second attempt to get bids for the same vehicles.

(2) RE: CONTRACT #570 AWARDED TO FOUR WINDS GROUP, INC. TO EXTEND CONTRACT SERVICES FOR AN ADDITIONAL SIXTY SIX (66) CALENDAR DAYS WITH NO ADDITIONAL FUNDING

BACKGROUND:
Due to material delays from ordering, manufacturing, and shipping new server equipment, additional sixty six (66) calendar days are needed. New contract end date would be October 27, 2013. The project completion date is based on the servers and computers scheduled ship date of August 26, 2013 and expected Kauai arrival date of August 30, 2013 as well as receipt and validation of matching server rack slides.

(3) RE: CONTRACT #574 AWARDED TO FOUR WINDS GROUP, INC. IN THE AMOUNT OF $55,250.00 FOR PROFESSIONAL SERVICES FOR THE MAINTENANCE & MANAGEMENT OF THE DOW’S COMPUTERIZED MMIS/MPET SYSTEM

FUNDING:
Account 24, Office Equipment Maintenance (MPET Maintenance).................................$40,000.00
Account 27, Contractual Services (MPET)...............................................................15,250.00
Total Cost               $55,250.00
Account 27, Funds Remaining....................$4,750.00

BACKGROUND:
1. The Contractor shall provide professional support services for the system maintenance and management of the Department’s computerized Maintenance and Management Information System (MMIS). Support services include software technician availability by telephone, e-mail and “Go-To-Meeting” for general support of MPET.NET application and accounting reporting support. A minimum of four (4) –two person, two day trips will be scheduled evenly throughout the year. The contractor shall coordinate the dates of each visit and perform the following tasks during each visit:
   a. On-going application systems maintenance of the Department’s MMIS and its related modules.
b. On-going application systems modifications and enhancements, as requested by the DOW to accommodate DOW’s operational needs and changes in DOW’s requirements.
c. Trouble shooting and maintenance of the Department’s MMIS system software and hardware.
d. Contractor shall provide the DOW with all new releases of the M-PET® MMIS product. Contractor shall install all such releases into DOW’s workstations and adequately present and explain all such features to DOW’s users so that these features can be effectively utilized by DOW.
e. Accounting reporting support.

2. General FWG Support of M-PET.NET® Application – A minimum of four (4) - two person, two day trips will be scheduled evenly throughout the Fiscal Year. All enhancements and upgrades to M-PET.NET® will be included. Off-site support will include E-mail, telephone and Go-To-Meetings. The Go-To-Meetings have proven very successful at other locations as FWG are able to see and perform work remotely on customer workstations via the web to resolve problems and issues quickly, without the burden of having to wait until FWG is on-site. FWG will always make sure that Kauai Department of Water is aware of presence while on Kauai for other customers.

Every effort will be exerted to coordinate with KDOW to check on issues. This ensures that FWG is available on site to all customers approximately one (1) week each month.

$ 28,000.00

3. Support Time Pooled Hours – During the support period, FWG are asked to perform miscellaneous items that do not fall under specific contracted tasks. This will allow for compensation when asked by DOW to perform some of these items, such as assisting with an update, where FWG arrange a GoToMeeting on the DOW (SODA) server and perform the update remotely.

$ 6,250.00 – 50 Hours (as needed)

MPET Additional Services:

1. Great Plains Purchase Order / Requisition Interface
   Great Plains Interface II Overview (Requisition Generated in GP; Populates MPET.NET)
   - DOW Users generate Requisitions w/in GP.
   - DOW Accountants Generate PO w/in GP.
   - Upon PO Approval, GP Communicates w/ M-PET.NET & Generates A Purchase Order w/Non-Requisition Item(s).
   - Upon Receipt, Items Are Checked Into M-PET.NET.
   - Auto Check In On Receipt Enabled.
   - Copy Of Receipt Goes To Accounting For Them To Close Out In GP.
   - $10,000.00

2. Timecard Interface Exception Coloring/Flagging/Emailing w/ Accounting - Timecard Exception Coloring/Flagging/Emailing w/ Accounting. The proposed Interface is as follows:
   - M-PET.NET Timecard Exception Coloring/Flagging/Emails
   - Timecards are generated.
   - Timecards are reviewed by the Supervisors.
   - Timecards are approved.
   - Timecards are processed & Batch Sent.
If A Timecard Needs To Be Updated, The Batch Sent Is Unchecked & Un-Approved & Then Triggers The Following:
- Database Flag Set w/ User & Date.
- These Timecards Now Show Specified Coloring On Timecard List.
- Email Notification Is Sent Out Notifying Accounting A Timecard Needs To Be Reconciled Once Changes Are Done.
- Timecard Is Reconciled/Approved/Batch Sent.

$ 10,000.00

Summary:
- MPET/MMIS Maintenance: $ 35,250.00
- MPET Additional Services: $ 20,000.00

TOTAL: $55,250.00

(4) RE: EMERGENCY PROCUREMENT CONTRACT #577 AWARDED TO OASIS WATER SYSTEMS IN THE AMOUNT OF $73,436.32 FOR THE REPLACEMENT OF PUMP AND MOTOR ASSEMBLY FOR LAWAI WELL NO. 2

Funding:
Funds for the subject project are available through Account No. 102 – Miscellaneous Other Capital Expenditures

Account 102: Miscellaneous Rehabilitation Projects………………………………………$100,000.00
Oasis Water Systems, Inc. Bid………………………………………………………………………$69,936.32
Contingency…………………………………………………………………………………$3,500.00
Total Funds Certified $73,436.32 ($73,436.32)

Account 102 Funds Remaining………………………..$26,563.68

Background:
It was determined by our staff on or about August 24, 2013, that the Lawai Well #2 125 HP submersible is inoperable. It is necessary to immediately remove the submersible pump/motor assembly from the well purchase a replacement and reinstall the pump/motor assembly. The contractor is to remove the deepwell pump assembly unit consisting of: 6” pump discharge head; 654+ feet of 6” diameter pipe column, #2 AWG submersible motor cable & (2) 1-1/4” PVC sounding tubes; (2) 6” diameter in-line check valves; a 10” diameter 14 stage Byron Jackson pump bowl assembly with strainer; and a 10” diameter 125 HP Byron Jackson submersible motor. The contractor is to furnish the pump/motor assembly and reinstall the unit.

(5) RE: CONTRACT #576 IN THE AMOUNT OF $60,000.00 AWARDED TO EUROFINS/EATON ANALYTICAL FOR LABORATORY TESTING SERVICES

Funding:
Available: Account #59, Safe Drinking Water Act …………………………………………$70,000
Estimated amount required by contract……………………………………………….$60,000
Account 59 Funds Remaining………………………….$10,000

Background:
The testing to include analysis related to Phase II and V, UCMR3, and New Source testing requirements. Also, other Safe Drinking Water Act or State required testing to insure the safety of our water supply.
The Department budgeted in the current fiscal year the amount of $70,000.00 for compliance with the Safe Drinking Water Act (SDWA) Program. The sole bidder’s total sum bid price for all the different tests that may be required for this contract is in the amount of $4,215.00. Different tests (and varying quantities) will be done for different SDWA requirements. This year we have several wells that will need Phase II, V testing as they were not running during the last test cycle we estimate the testing to be $2,300. Also, UCMR3 testing begins in November and again in May we estimate the cost of testing to be $57,000. LT2 disinfection by products testing should be $700. Total should be approximately $60,000.

(6) RE: CONTRACT #538 AWARDED TO ESAKI SURVEYING & MAPPING, INC. EXTENSION OF CONTRACT FOR AN ADDITIONAL SIX (6) MONTHS WITH NO ADDITIONAL FUNDING

BACKGROUND:
Esaki Surveying and Mapping, Inc. contracted with the Board of Water Supply in September 2011 to provide “as-needed” surveying services for a period of 24 months and not to exceed $30,000.00. The contract allows the Board to extend the total time of the contract by executing an amendment for the extension. An extension of the contract will be made for six (6) months until March 23, 2014.

Esaki Surveying and Mapping, Inc. are not increasing their hourly rates for this time extension period. The extension of the contract will allow the Department of Water to continue having the ability to have timely surveying services, on an as-needed basis.

(7) RE: 2ND CONTRACT #537 AMENDMENT FOR KMH, LLP FOR ADDITIONAL NON-AUDITING SERVICES IN THE AMOUNT OF $8000.00

FUNDING:

Account 32, Auditing Services.................................................................$80,000.00
Contract #537, 3rd of 3 Years.............................................70,000
Proposed Amendment .........................................................8,000.............................................................78,000.00
Account 32, Remaining Balance..............$ 2,000.00

BACKGROUND:
The Department of Water worked hand-in-hand with the LOIHI Project Team, now known as Customer Care & Billing (CC&B). The Project Team was comprised of the Honolulu Board of Water Supply (HBWS) Staff, Island Partners (Maui & Kaua‘i), Project Consultants and Product (Software) Consultants.

Despite DOW’s limited staff in Billing, with the lead participation of IT staff, we have successfully managed to keep up with the required hours needed to plan, prepare, compile documents and train for the anticipated implementation without hiring dedicated Consultants for the DOW Kaua‘i.

This conversion was a major step that the Department participated with. Major changes like this conversion from Customer Accounting System (CAS) to the old system to a new billing system (CC&B) posts a high risk on the integrity of the data being converted. The billing system is the main source of DOW data that generates reports of water sales and other revenues, payments and other related transactions for financial reporting.

The fiscal year on audit (FY 2012-2013) is a combination of 2 data compiled from the CAS & CC&B Billing. Accounts Receivable has been a main issue that needed to be addressed. With the combination of 2 billing systems, the difficulty in the reconciliation has compounded. In addition, the auditors also require a compilation of the processes involved during the conversion process.
As a non-audit service, KMH, LLP agreed to review the Accounts Receivable reconciliation as prepared by the Department, compile and document the CAS to CC&B conversion process and proposed to bill the department for actual hours performed based on hourly rates used in the current existing contract. Total proposed amount to not exceed $8,000.00.

PUMP INSTALLATION PERMITS:
None

WAIVER RELEASE & INDEMNITY APPLICATIONS:
None

PERSONNEL MATTERS UPDATE

September 12, 2013

RECRUITMENT AND POSITION CHANGES

Operations Division
1. Assistant Chief of Operations #2400. Pending Department of Personnel Services (DPS) review.
3. Heavy Vehicle and Construction Equipment Mechanic I #2469. Requested eligibles list from DPS.
5. Pipefitter #2456. Requested list of eligibles.
8. Water Plant Operator I #2414. Pending list of eligibles.
10. Waterworks Electronics/Plant Electrical Tradesperson I #2311. Pending list of eligibles.

Fiscal Division
3. Accountant IV #2304 (Billing). Requested eligible list due to impending vacancy 9/30/2013 COB.
5. Procurement Specialist IV #New Position. Pending DPS review.

Engineering Division, Construction Management (CM) Division, Water Quality Division and Water Resources & Planning Division
1. Civil Engineer II #2458. DOW reviewing duties.
2. Civil Engineer V #2358. Selection in process.
3. Civil Engineer VI #2430 (EM5) Engineering Division. Pending list of eligibles.
4. Project Assistant #2484 re-description. Pending DPS review.
5. Waterworks Project Manager #2351 re-description. Pending DPS review.
7. Waterworks Inspector III #2353. Interviews being scheduled.
8. Chief of Water Resources and Planning #2460. Requested eligible list due to impending vacancy 9/30/2013 COB.
9. Civil Engineer III to Civil Engineer I #2360 (Water Resources & Planning Div.) Pending DPS review.

**Administration**

1. Clerical Assistant (Community Relations). Pending position number to be assigned by DPS.
5. HR Coordinator #2489. Pending DPS review.
6. Private Secretary #E-35. Pending DPS review.

**SUMMARY OF WARRANT VOUCHERS PAID – August 31, 2013**
Warrant vouchers were paid in the amount of **$1,018,971.20**
Please see attached Warrant Vouchers Report.

**STAFF REPORTS - FY 13-14:**

**Conveyance of Water Facility:**

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<th>Name</th>
<th>TMK:</th>
<th>Location</th>
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<td>Craig P. Duff &amp; Amanda M. Skelton, Leslie K. Nagashima, Amy S. Nagashima, &amp; Sandra Malia Kaauwai</td>
<td>4-2-006:015, 4-2-022:058</td>
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<td>Norman J. Parr, Howard Chen, Aaron H. Serquina, &amp; Carrielee T. Cortez Elesther &amp; Milagrose A. Calipjo</td>
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**CC&B BILLING SYSTEM UPDATE:**

*September 10, 2013*

It has been 8 (eight) months since going live.

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

Starting on August 1st, customers started receiving late payment charges for all past due accounts. We encountered some problems on the first day of LPC (August 1st) as the CC&B was calculating 1% late fee instead of 0.5%. Staff notified HBWS of the wrong configuration. Sandi has been working on crediting all those affected customers. HBWS worked through the weekend and fixed the configuration issue and we were back on schedule for Monday night’s billing. **UPDATE:** Sandi was able to adjust all the affected customers prior to their next bill date of September 3rd.
On August 29th we received word that HBWS will be stopping their Credit & Collections Process. Sandi met with the HBWS team on September 4th to go over the plan and what effects this will have on Kauai, which is limited. We are manually handling all C&C until end of business day September 19th. On September 20th we will back to business as usual with limited impact on our collection process.

Phase 3 will be after that which includes Summary Billing, Low Groundwater Condition, and Web Services.

On June 14, 2013 the department implemented eBill & eStatement where our customers can view their bills online. On August 12, 2013 we had 179 Accounts that were setup with eBill & e Statement out of that 59 of them have elected to receive their bill electronically. As of September 10, 2013 we now have 236 customers that have been setup with eBill & e Statement out of that 75 of them have elected to receive their bill electronically thereby saving the department paper & postage.

**IT STRATEGIC PLAN UPDATE:**

*September 10, 2013*

A schedule training with EMA/McGladrey had to be pushed back to October. Nancy Lerner started her own Consulting Firm (BRIO) and EMA wanted BRIO to take the lead in this project. EMA is still a big part of the Project Team, but BRIO will be taking the lead. IT is working with DOW’s Deputy County Attorney, Andrea Suzuki to create a novation to get a bond in place for Brio.

**AFFORDABLE HOUSING UPDATE:**

The Council is holding meetings regarding affordable housing. We will be monitoring the discussion and provide input if needed.

**COMMUNITY DISCUSSION REGARDING WATER RATE USE AND OTHER WATER RATE RELATED ISSUES.**

The informational meeting in conjunction with the Mayor’s Community Outreach meeting was on Tuesday, August 27th at the Kalāheo Neighborhood Center. It was explained that the rules guiding the process were tentatively approved subject to any further staff input at the next Board meeting.

**CUSTOMER SERVICE:**

Our DOW staff has been consist in educational customer service video training. Nothing has been scheduled for August as we have done a full day customer service training instead. We will continue to engage in these training videos.

The six topics which we wish to cover by the end of this fiscal year are:

1. The Service Mentality
3. Business Friendly Customer Service *(September 2013)*
4. Killer words of Customer Service
5. How to Handle the Irate Customer *(June 2013)*
6. Essential Telephone Skills
The Customer Service full day training course was held on August 27-28 where over fifty (50) of our employees attended. The Six (6) training topics included:

1. Building customer rapport and good will
2. How to communicate with customers
3. Projecting a professional Image
4. Dealing with difficult customers
5. How to be a customer service superstar
6. Handling problems and complaints

The feedback from the staff has been positive with requests for other training topics including books and dvds to add to our DOW library.

Manager’s Update to the Kaua'i Board of Water Supply
Thursday, August 22, 2013 Regular Board Meeting

Re: Correspondence from Catherine Adams, Civil Service Commission Chairperson, dated July 31, 2013

A meeting was held with the DOW’s HR Coordinator, Manager, and the Department of Personnel Services HR Manager, Ms. Janine Rapozo.

The DOW has come to an agreement and will be sending DOW’s personnel medical files to the County’s DPS/HR. DPS has provided excellent support to the DOW and with the law changes it is recommended to have medical files off-site.

Regarding the official the personnel files, the DOW is still trying to determine the percentage of use DPS has in referencing these files in comparison to the DOW's need to access the files. Also, what services will the DPS be able to provide by having the official files at their location? Other issues include the process for viewing these files especially if it is not accessible immediately and fully mirroring the files between the departments. And, there are times that employees request to access their personnel file.

As a follow up to the question of what do the other departments do? The other County Water Departments maintain their original personnel files, including Maui. Enclosed is a memo summarizing these findings.

Respectfully submitted,

David Craddick, P.E., C.E.M.
Manager and Chief Engineer

DRC: mjg
Mgrnp/Manager’s Update (9-22-13): mjg

Attachments: 2010 BAB Spend Down Report as of August 2013
Personnel File Maintenance of Other Jurisdictions (9-9-13)
Duplicate Personnel Files & Bargaining Unit Contracts (9-9-13)
2010 Bond Encumbrance and Spend Down Status (Dollars)

Thousands of Dollars

BAB Balance

Remaining to Encumber

Actual

Projected
## DEPARTMENT OF WATER

### Summary of Warrant Vouchers Paid

**August 31, 2013**

### WATER UTILITY FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Other Expenses, Department of Water</td>
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</tr>
<tr>
<td>Capital Expenditures</td>
<td>$ 543,272.97</td>
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<tr>
<td>Other Expenses, Department of Water</td>
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<tr>
<td>Normal Expenditures</td>
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<tr>
<td><strong>TOTAL WATER UTILITY FUND</strong></td>
<td><strong>$ 1,576,824.27</strong></td>
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### BOND FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
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<tr>
<td><strong>TOTAL BOND FUND</strong></td>
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### F R C FUND

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### BOND - BAB

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>UNLIMITED BUILDERS, LLC.</td>
<td>$ 72,396.92</td>
</tr>
<tr>
<td>KODANI &amp; ASSOCIATES, INC.</td>
<td>$ 26,100.00</td>
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<tr>
<td><strong>TOTAL BAB BOND FUND</strong></td>
<td><strong>$ 98,496.92</strong></td>
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<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>TOTAL CLAIMS PAYABLE</strong></td>
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### WATER UTILITY FUND

<table>
<thead>
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<tr>
<td>7/31/13 AP</td>
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<td><strong>TOTAL</strong></td>
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### BOND FUND

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<th>Description</th>
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### F R C FUND

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<tr>
<td><strong>TOTAL</strong></td>
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### BOND - BAB

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<thead>
<tr>
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<tr>
<td>7/31/13 AP</td>
<td>$ 98,496.92</td>
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<td><strong>TOTAL</strong></td>
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### BANK TRANSFER -

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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 1,675,321.19</strong></td>
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**Bank Transfer Adjustments:**

Due to W/U - Transfer Adjustment

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8.13 CLAIMS PAYABLE
## SEPTEMBER 19, 2013 BOARD MEETING

### WATER UTILITY FUND

### RECAP OF NORMAL EXPENDITURES

**August 31, 2013**

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<tr>
<td>99</td>
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**TOTAL NORMAL EXPENDITURES** $1,033,551.30
### Recap of Capital Expenditures

**August 31, 2013**

<table>
<thead>
<tr>
<th>CAPITAL EXPENDITURES:</th>
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<td>MISCELLANEOUS CAPITAL EXPENDITURES</td>
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<td>VEHICLES &amp; EQUIPMENT</td>
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<tr>
<td>CIP RESERVE</td>
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<tr>
<td>PURCHASE OF METER &amp; METER BOXES</td>
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<td><strong>SUB-TOTAL</strong></td>
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<tr>
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<tr>
<td>CON 403 R. M. TOWILL CORPORATION</td>
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<td>CON 450 PAREN, INC.</td>
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<td>CON 561 GOODFELLOW BROTHERS, INC.</td>
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<td>CON 566 KOGA ENGINEERING</td>
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<td><strong>CONTRACT PAYMENTS - WU</strong></td>
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<td><strong>TOTAL WATER UTILITY - CAPITAL EXPENDITURES</strong></td>
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<td><strong>$543,272.97</strong></td>
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</table>

<table>
<thead>
<tr>
<th>BOND</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>CONTRACT PAYMENTS - BOND:</td>
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<tr>
<td><strong>FRC</strong></td>
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<td></td>
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<tr>
<td>FRC PAYMENTS</td>
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<tr>
<td><strong>BOND - BAB</strong></td>
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<tr>
<td>CON 516 UNLIMITED BUILDERS, LLC.</td>
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<tr>
<td>CON 440 KODANI &amp; ASSOCIATES, INC.</td>
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<td><strong>CONTRACT PAYMENTS - BAB</strong></td>
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<tr>
<td><strong>TOTAL CAPITAL EXPENDITURES</strong></td>
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<td><strong>$641,769.89</strong></td>
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</table>
DATE: September 9, 2013

TO: David R. Craddick, Manager and Chief Engineer

FROM: Debra Peay, HR Coordinator

SUBJECT: Personnel File Maintenance of Other Jurisdictions

This is in response to your inquiry on how the personnel files are maintained by the other jurisdictions. I've contacted my counter-parts at the Honolulu Board of Water Supply, Maui County Department of Water Supply, and the Hawaii County Department of Water Supply. The following are their responses.

Honolulu Board of Water Supply: Each Honolulu City and County department maintains their official personnel file. Their medical files are kept separate from the official personnel files at that department. When an employee separates from employment, the official personnel file is sent to the Department of Human Resources for filing. When an employee moves to another department within the City and County, the official personnel file is sent to the receiving department.

Maui Department of Water Supply: The Maui Department of Water (DWS) sends certain personnel information to the Maui DPS (I-9, ERS-related forms, job applications, Occu-Med clearance (pre-employment physical) and any personnel action forms. Maui DWS also sends the Maui DPS copies of disciplinary actions or other correspondence to employee. Maui DWS does not send medical information to their DPS. Maui DWS keeps their medical info (EUTF, FMLA, etc.) separate from their official personnel files.

Hawaii Department of Water Supply: County of Hawaii procedures calls for each Department to maintain the official personnel file (including the medical file) for their active employees. Every January, the Departments are supposed to send to the central County HR Department all the personnel files for employees that terminated the prior year. However, the Hawaii DWS does not send over their personnel files because DWS has their own payroll system. Hawaii DWS keeps all the personnel files of terminated employees. The Central HR Department has not required the DWS to send over any part of their personnel files.
DATE: September 9, 2013

TO: David R. Craddick, Manager and Chief Engineer

FROM: Debra Peay, HR Coordinator

SUBJECT: Duplicate Personnel Files and Bargaining Unit Contracts

This is in response to your inquiry on what is stated in the BU contracts regarding duplicate personnel files.

Per the HGEA BU contracts 2, 3, 4 and 13, it states that the employer may maintain more than one personnel file.

The UPW BU 1 contract does not mention duplicate personnel files.

Attached are copies of the BU 1, 2, 3, 4 and 13 contract agreement sections regarding the "Personnel File".
UNIT 1 AGREEMENT – July 1, 2007 to June 30, 2009

SECTION 17. OFFICIAL PERSONNEL FILE.

17.01 EXAMINE AND COPY.

17.01 a. The Employee and/or the Union shall by appointment, be permitted to examine the Employee's personnel file.

17.01 b. The Employee and or the Union shall, upon request, be given a copy of material in the file.

17.02 PLACEMENTS AND EXPLANATION.

17.02 a. No material derogatory to an Employee shall be placed in the Employee's personnel file unless a copy is provided to the Employee.

17.02 b. The Employee shall be given an opportunity to submit explanatory remarks to be included in the file.

17.03 DEROGATORY AND HISTORY.

17.03 a. An Employee and/or the Union may request that derogatory material not relevant to the Employee's employment be destroyed after two (2) years.

17.03 b. Derogatory material is defined as material that is detracting from the character or standing of an Employee, expressive of a low opinion of an Employee, degrading, belittling, contemptuous, disparaging, negative, uncomplimentary, and unflattering.

17.03 c. The Employer will determine whether the material is relevant and will decide whether the material will be retained or destroyed from the personnel file. The decision to retain the material shall include the reasons and shall be in writing.

17.03 d. The decision of the Employer shall be subject to Section 15. and processed at Step 1 of Section 15.

17.03 e. The Employee's employment history record shall not be altered.

SECTION 18. REST PERIODS AND MEAL PERIODS.

18.01 REST PERIODS.
All Employees shall be allowed rest periods of ten (10) minutes as follows:

18.01 a. During each half of the workday including work on holidays.
F. The Employer shall provide in-service training programs.

G. Evidence of satisfactory completion of any training courses or programs shall be placed in the Employee's personnel file and may be used as a factor in giving consideration in the Employee's future promotion; however, said consideration shall not be construed as affording the Employee precedence or preference over other Employees who have demonstrated greater job proficiency or have greater experience.

H. The Employer and the Union jointly shall provide a regularly scheduled pre-retirement advisory program covering benefits and rights of retired Employees. Those Employees who are contemplating retirement may attend this program.

I. Whenever an Employee applies for and is denied training, the Employee shall upon written request be informed of the reasons for denial in writing.

ARTICLE 17 - PERSONNEL FILE

A. An Employee shall, upon request and by appointment, be permitted to examine the Employee’s personnel files. The Employee shall be given a copy of any material if it is to be used in connection with a grievance or personnel hearing.

B. No derogatory material shall be placed in the personnel file unless the Employee has had an opportunity to read the material and an opportunity to sign it indicating the Employee had read the material. The Employee shall also be given an opportunity to attach explanatory remarks.

C. Upon request of the Employee or the Union with consent of the Employee, derogatory material in an Employee’s file shall be destroyed after two (2) years, unless the department head makes a determination of the current relevancy of such material. If the Employee or the Union, upon consent of the Employee, disputes the relevancy of such material, the department head shall attach the reasons for relevancy to such material in writing. The Employee or the Union may again request destruction of such material after one (1) year.

If the department head determines that the material is relevant currently, it may remain in the file for another year and again reviewed in the same manner.

D. Any derogatory material shall be destroyed after five (5) years.

E. The employment history record shall not be destroyed.

F. The Employer may maintain more than one personnel file; however, one of these files shall include, but not be limited to, an Employee's personnel transaction records, derogatory materials, commendatory materials and performance evaluations. The Employer shall designate and inform the Union of the location of the file.
H. The Employer and the Union jointly shall provide a regularly scheduled preretirement advisory program covering benefits and rights of retired Employees. Those Employees who are contemplating retirement may attend this program.

I. Whenever an Employee applies for and is denied training, the Employee shall upon written request be informed of the reasons for denial in writing.

**ARTICLE 16 - PERSONNEL FILE**

A. An Employee shall, upon request and by appointment, be permitted to examine the Employee's personnel files. The Employee shall be given a copy of any material if it is to be used in connection with a grievance or personnel hearing.

B. No derogatory material shall be placed in the Employee's personnel file unless the Employee has had an opportunity to read the material and an opportunity to sign it indicating the Employee had read the material. The Employee shall also be given an opportunity to attach explanatory remarks.

√ C. Upon request of the Employee or the Union with consent of the Employee, derogatory material in the Employee's file shall be destroyed after two (2) years, unless the department head makes a determination of the current relevancy of such material. If the Employee or the Union upon consent of the Employee disputes the relevancy of such material, the department head shall attach reasons for relevancy to such material in writing. The Employee or the Union may again request destruction of such material after one (1) year.

D. All derogatory material shall be destroyed after five (5) years.

E. The employment history record shall not be destroyed.

F. The Employer may maintain more than one personnel file; however, one of these files shall include, but not be limited to, an Employee's personnel transaction records, derogatory materials, commendatory materials and performance evaluations. The Employer shall designate and inform the Union of the location of the file.

**ARTICLE 17 - PERSONAL RIGHTS AND REPRESENTATION**

A. The Employer shall not require Employees to transport government equipment in their private vehicles, if such Employees do not receive mileage allowance.

B. Upon the request of the Union, existing dress and personal appearance codes shall be reviewed by the Employer or designee and Union. The Employer or designee shall consult with the Union before establishing new dress and personal appearance codes.
D. The Employer shall inform affected Employees of new work procedures which relate directly to their work.

E. Subject to the conditions of paragraphs C.1. and C.2. above and if sufficient funds are not available, the Employee may be permitted to participate at the Employee’s own expense in training programs or courses of instruction which are scheduled during working hours with the prior approval of the Employer or designated representatives.

F. The Employer shall provide in-service training programs.

G. Evidence of satisfactory completion of any training courses or programs shall be placed in the Employee’s personnel file and may be used as a factor in giving consideration in the Employee’s future promotion; however, said consideration shall not be construed as affording the Employee precedence or preference over other Employees who have demonstrated greater job proficiency or have greater experience.

H. The Employer and the Union jointly shall provide a regularly scheduled preretirement advisory program covering benefits and rights of retired Employees. Those Employees who are contemplating retirement may attend this program.

I. Whenever an Employee applies for and is denied training, the Employee shall upon written request be informed of the reasons for denial in writing.

ARTICLE 16 - PERSONNEL FILE

A. An Employee shall, upon request and by appointment, be permitted to examine the Employee’s personnel files. The Employee shall be given a copy of any material if it is to be used in connection with a grievance or personnel hearing.

B. No derogatory material shall be placed in the Employee’s personnel file unless the Employee has had an opportunity to read the material and an opportunity to sign it indicating the Employee had read the material. The Employee shall also be given an opportunity to attach explanatory remarks.

C. Upon request of the Employee or the Union with consent of the Employee, derogatory material in an Employee’s file shall be destroyed after two (2) years, unless the department head makes a determination of the current relevancy of such material. If the Employee or the Union upon consent of the Employee disputes the relevancy of such material, the department head shall attach reasons for relevancy to such material in writing. The Employee or the Union may again request destruction of such material after one (1) year.

D. All derogatory material shall be destroyed after five (5) years.
E. The employment history record shall not be destroyed.

F. The Employer may maintain more than one personnel file; however, one of these files shall include, but not be limited to, an Employee’s personnel transaction records, derogatory materials, commendatory materials and performance evaluations. The Employer shall designate and inform the Union of the location of the file.

ARTICLE 17 - PERSONAL RIGHTS AND REPRESENTATION

A. The Employer shall not require Employees to transport government equipment in their private vehicles, if such Employees do not receive mileage allowance.

B. Upon the request of the Union, existing dress and personal appearance codes shall be reviewed by the Employer or designee and Union. The Employer or designee shall consult with the Union before establishing new dress and personal appearance codes.

C. Both parties agree that Employees shall not use their business addresses (place of employment) to receive personal mail; provided, however, if personal mail is sent to Employees' business addresses without their knowledge or consent, the Employer shall endeavor to forward such personal mail unopened.

D. The Employer shall provide Employees with supplies and equipment which are required in the performance of the Employee's official duties. Except in the case of negligence on the part of the Employee, when such equipment is stolen, lost, damaged and/or worn out it shall be repaired or replaced by the Employer.

E. The Employer shall provide legal counsel for an Employee upon request when:

1. the Employee is sued for actions taken in the course of employment and within the scope of the Employee’s duties and responsibilities.

2. the Employee must appear as a defendant or is subpoenaed to appear in court when sued for actions taken in the course of employment and within the scope of the Employee’s duties and responsibilities.

3. the Employee must appear as a witness or is subpoenaed to appear in court on a matter arising in the course of employment and within the scope of the Employee’s duties and responsibilities.

4. the Employee is required to give deposition or answer interrogatories on a matter arising in the course of employment and within the scope of the Employee’s duties and responsibilities.
J. Whenever an Employee applies for and is denied training, the Employee shall upon the Employee's written request be informed of the reasons for denial in writing.

ARTICLE 16 - PERSONNEL FILE

A. An Employee shall, upon request and by appointment, be permitted to examine the Employee's personnel files. The Employee shall be given a copy of any material if it is to be used in connection with a grievance or personnel hearing.

B. No derogatory material shall be placed in the Employee's personnel file unless the Employee has had an opportunity to read the material and an opportunity to sign it indicating the Employee has read the material. The Employee shall also be given an opportunity to attach explanatory remarks.

C. Upon request of the Employee or the Union with consent of the Employee, derogatory material including any related explanatory remarks and rebuttals in an Employee's file shall be destroyed after two (2) years, unless the department head makes a determination of the current relevancy of such material. If the Employee or the Union, upon consent of the Employee, disputes the relevancy of such material, the department head shall attach the department head's reasons for relevancy to such material in writing. The Employee or the Union may again request destruction of such material after one (1) year.

D. All derogatory material shall be destroyed after five (5) years.

E. The employment history record shall not be destroyed.

F. The Employer may maintain more than one personnel file; however, one of these files shall include, but not be limited to, an Employee's personnel transaction records, derogatory materials, commendatory materials and performance evaluations. The Employer shall designate and inform the Union of the location of the file.

ARTICLE 17 - PERSONAL RIGHTS AND REPRESENTATION

A. The Employer shall not require Employees to transport government equipment in their private vehicles, if such Employees do not receive mileage allowance.

B. Upon the request of the Union, existing dress and personal appearance codes shall be reviewed by the Employer or the Employer's designee and Union. The Employer or the Employer's designee shall consult with the Union before establishing new dress and personal appearance codes.