BOARD OF WATER SUPPLY of the COUNTY OF KAUA‘I

REGULAR MEETING

Board Room, Second Floor, Department of Water
4398 Pua Loke Street, Līhu‘e, Kaua‘i, Hawai‘i 96766

Friday, September 27, 2019
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 23, 2019

E. CORRESPONDENCE/ANNOUNCEMENTS/PUBLIC TESTIMONY

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS

G. OLD BUSINESS
   1. Manager’s Report No. 19-60 - Discussion and Possible Action for Water Plan 2020 Project No. WK-39 Drill & Develop Kapa‘a Homesteads Well No. 4 & Package A-Well and Drainage Package of Water Plan 2020 Project No. WK-08, Job No. 02-14, Kapa‘a Homesteads 325’ Tanks, Two 0.5 MG Tanks Projects, Kapa‘a, Kaua‘i, Hawai‘i for additional construction funding in the amount of $140,843.18 (Update)

H. NEW BUSINESS
   1. Manager’s Report No. 20-14 - Discussion and Possible Action for the Board of Water Supply to enter into Utility Agreement No. 2272 with the State of Hawai‘i in association with the State Department of Transportation’s upcoming HI STP SR 560(1), Wainiha Stream Bridges Nos. 1, 2, and 3 Project, Wainiha, Kaua‘i, Hawai‘i

   2. Manager’s Report No. 20-15 - Discussion and Possible Action on the Appropriation of funds for Special Counsel to provide general civil litigation and related services

   3. Discussion and Suggestions of the Department of Water’s Capital Improvement Projects for 2020-2021

I. CONSENT CALENDAR
J. STAFF REPORTS MONTHLY
1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures
   a. August Monthly Summary Budget
   b. Accounts Receivable Aging Summary
2. Discussion and Receipt of the Report by the Information & Education Specialist on Public Relations Activities
3. Discussion and Receipt of the Chief of Operation’s Summary Report on Operational Activities
4. Discussion and Receipt of the Manager and Chief Engineer’s Monthly Update Regarding Activities of Note of the DOW

K. EXECUTIVE SESSION
Pursuant to Hawai‘i Revised Statutes (HRS) §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 HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

1. Pursuant to HRS § 92-4 and 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities as those relate to:
   The Memorandum of Agreement (Drainage) between Godwin M. Esaki and Janet M. Esaki, individually and as trustees of the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-11:125, Kapa'a, Kaua'i, Hawai‘i) and the Board of Water Supply, dated August 21, 2017.

L. TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING (October 2019)
1. Adoption of Resolution, Mahalo Department of Water Participants 2019 Make a Splash Water Festival
2. Workshop presentation regarding the Master Plan of the Department of Water’s former Administration Building, Baseyard, Micro Lab, Information Technology
3. Discussion and Possible Action to grant an easement for push pole purposes to the Kaua'i Island Utility Cooperative on a portion of the Department of Water’s Kōloa 1.0 MG Tank site, TMK: (4) 2-7-003:008, Lot 426, Kōloa, Hawai‘i

M. TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS
1. Department of Water Performance Audit (Update)
2. Table of Organization Workshop
4. Board Meeting Dates for 2020 (November 2019)
5. Discussion and Possible Action to establish Fiscal Policies and Procedures
6. Discussion and Possible Action on the Manager and Chief Engineer’s Goals (March 2020)
7. Evaluation of the Department of Water’s Manager and Chief Engineer from May 1, 2019 to May 1, 2020 (April 2020)
N. UPCOMING EVENTS
   1. HWWA/HRWA Conference (October 9-11, 2019), Honolulu, Hawai'i
   2. DOW’s Annual Meeting (December 13, 2019)

O. NEXT WATER BOARD MEETING
   1. Friday, October 25, 2019, 10:00 a.m.
   2. Friday, November 22, 2019, 10:00 a.m.
   3. Friday, December 20, 2019, 10:00 a.m.
   4. Friday, January 24, 2020, 10:00 a.m.

P. ADJOURNMENT

PUBLIC TESTIMONY

The Board is required to afford all interested persons an opportunity to present testimony on any agenda item. At each Board meeting, the Board will accept oral and written testimony on any agenda item at item E Correspondence/Announcements/Public Testimony.

If any member of the public wishes to submit written testimony, please submit the written testimony to Edie Ignacio-Neumiller, the Commission Support Clerk via email at eineumiller@kauaiwater.org at least two (2) business days prior to the meeting and the Commission Support Clerk will provide copies to the Board members or bring eight (8) copies with you the day of the meeting.

SPECIAL ASSISTANCE

If you need an auxiliary aid/service, other accommodation due to a disability, or an interpreter for non-English speaking persons, please contact Edie Ignacio-Neumiller at (808) 245-5406 or eineumiller@kauaiwater.org as soon as possible. Requests made as early as possible will allow adequate time to fulfill your request. Upon request, this notice is available in alternate formats such as large print, braille, or electronic copy.
Draft Minutes
MEETING MINUTES
BOARD OF WATER SUPPLY
August 23, 2019

The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu'e on Friday, August 23, 2019. Chair Thomas Canute called the meeting to order at 10:02 a.m. The following Board members were present:

BOARD: Mr. Thomas Canute, Chair
Ms. Laurie Ho
Mr. Ka‘aina Hull
Mr. Lawrence Dill
Mr. Kurt Akamine

EXCUSED: Mr. Elesther Calipjo

Quorum was achieved with 5 members present at Roll Call.

STAFF: Mr. Bryan Wienand    Mrs. Marites Yano
Mr. Valentino Reyna    Mr. Dustin Moises
Mr. Eddie Doi    Mr. Ryan Smith
Mr. Carl Arume    Mr. Keith Aoki
Mrs. Jonell Kaohelaulii    Mr. Darrell Acob
DCA Mahealani Krafft    Mrs. Mary-jane Akuna

GUESTS: Mr. Hall Parrott, Private Citizen

C. ACCEPTANCE OF AGENDA
Mr. Akamine moved to approve the Agenda; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

D. MEETING MINUTES
Review and approval of:
Regular Board Meeting – July 26, 2019

Mr. Dill moved to approve the Regular Board Meeting minutes of July 26, 2019; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

Review and approval of:
Executive Session – July 26, 2019

Mr. Akamine moved to approve the Executive Session minutes of July 26, 2019, seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS/PUBLIC TESTIMONY
None.

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS
None.

G. OLD BUSINESS
None.
H. **NEW BUSINESS**

1. *Manager’s Report No. 20-05* – Discussion and Possible Action on Contract No. 656, Water Plan 2020 Project No. WK-39 Drill & Develop Kapa’a Homesteads Well No. 4 & Package A-Well and Drainage Package of Water Plan 2020 Project No. WK-08, Job No. 02-14, Kapa’a Homesteads 325’ Tanks, Two 0.5 MG Tanks Projects, Kapa’a, Kaua‘i, Hawai‘i for a construction change order no. 6 and additional contingency in the amount of $51,870.99

**BACKGROUND:**
Chief of Construction Management Mr. Moises commented on Change Order No. 6 that related to the pond issue. A new drain is being installed at the tank site that had a conflict on the SCADA conduit where the existing RTU was in the middle of the drain line. Operations asked the contractor to replace the conduit that goes under the eaves of the old Ornellas Tank site. In addition, he said the conduit work cost $27,601.64 and the Department is requesting $30,000 contingency for an extra month for any delays. Mr. Moises added the area will be demobilized to grass then re-grass the area; there will be a cost to mobilize and demobilize.

**DISCUSSION:**
Mr. Dill said the cost is a large amount and inquired on the size of the conduit? Mr. Moises said the cable is $4K and about 200 feet that would take four weeks to order the cable. The cost does not include the cable within the conduit. Operations has requested to replace the cable.

Mr. Dill moved to approve *Manager’s Report No. 20-05* – Discussion and Possible Action on Contract No. 656, Water Plan 2020 Project No. WK-39 Drill & Develop Kapa’a Homesteads Well No. 4 & Package A-Well and Drainage Package of Water Plan 2020 Project No. WK-08, Job No. 02-14, Kapa’a Homesteads 325’ Tanks, Two 0.5 MG Tanks Projects, Kapa’a, Kaua‘i, Hawai‘i for a construction change order no. 6 and additional contingency in the amount of $51,870.99; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

2. *Manager’s Report No. 20-06* - Discussion and Possible Action on the Approval of the Department of Water’s Supplemental Budget for Fiscal Year 2020

Manager’s Report No. 20-06 and attachment was “Received for the Record” as distributed to the Board.

**BACKGROUND:**
Waterworks Controller Ms. Yano explained that the Supplemental Budget contains unexpended 2019 Purchase Orders. She requested that the Board approve the roll overs to the 2020 budget in the amount of $17,941,378.16. (See Supplemental Budget and Fund Balance Projections (Revised) attachment.) The main projects are: 1) Hanapepe 16 inch Main Booster ($7.3M), 2) Kapaia Cane Haul Road ($3.2) from Water Utility Fund; $1M from Build America Bond. Operating Expenses/Professional Services Roll Overs is $2.4M with existing contracts. Water Utility Fund New Capital Outlay R&R is $7.3M.

**DISCUSSION:**
Mr. Dill pointed out that on the Fund Balance Projections table that the Fiscal 2019 encumbrances and Ending Fund Balances were the only changes, which Ms. Yano replied yes.

Ms. Ho moved to approve *Manager’s Report No. 20-06* - Discussion and Possible Action on the Approval of the Department of Water’s Supplemental Budget for Fiscal Year 2020; seconded by Mr. Akamine; with no objections; motion carried with 5 ayes.

3. *Manager’s Report No. 20-07* - Discussion and Possible Action on the Second Amendment to Contract No. 639, Job No. 17-10, WP2020 Project No. KW-07 Rehabilitate Paua Valley Tank #1, 0.5MG Concrete, with KAI Hawai‘i Inc. for a time extension of 150 days and for additional design funding in the amount of $11,636.00

**BACKGROUND:**
Manager Wienand said the tank repair design is complete and this is the next project with construction to start this fall. The scope of the project was to assess which repairs needed to be performed to address a leak at the base of the tank. During the course of the project, a Hazardous Survey was done on how to dispose hazardous materials that...
resulted in the Department discovering Polychlorinated Biphenyl (PCBs). The requested funds are related to the project but not to the tank construction. The soil tested is where the water is drained to and PCBs in the soil were discovered which triggered a soil removal plan. The Department of Health Hazard Evaluation and Emergency Response Office and the Environmental Protection Agency will provide directions on the proper removal and disposal of the PCB’s with no delays to construction.

**DISCUSSION:**

Mr. Dill asked about the cost to remove the soil? Civil Engineer Mr. Aoki said the cost is not available because soil removal is unknown and the Department has not decided who will do the work. This work may be done in house which is cheaper.

Mr. Akamine moved to approve *Manager’s Report No. 20-07 - Discussion and Possible Action on the Second Amendment to Contract No. 639, Job No. 17-10, WP2020 Project No. KW-07 Rehabilitate Paua Valley Tank #1, 0.5MG Concrete, with KAI Hawai’i Inc. for a time extension of 150 days and for additional design funding in the amount of $11,636.00; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.*

4. *Manager’s Report No. 20-08 - Discussion and Possible Action on the Fourth Amendment to Contract No. 533, Job No. 09-01 WP2020 #K-01, K-12, Phase II – Kalāheo 1111’ and 1222’ Water System Improvements, Kalāheo, Kaua’i, Hawai’i with Belt Collins Hawai’i LLC for a time extension of 220 days and for additional design funding in the amount of $101,583.00*

**BACKGROUND:**

Manager Wienand indicated there are four projects in one contract for Packages A, B & C on two tanks with two miles of water main in Kalāheo. Construction will start next summer (July–September). The Department received $10.2 State funds from the Hawai’i Legislature representing the 80% Department match. The overall construction is over $18M with $10.2 is from State funds and $7.2M is the remainder of the Build America Bond to be used. The Department is determined to use the Department of Health Drinking Water State Revolving Fund loan program based on their lower rates. Federal requirements need to be met with appropriate specs based on the $70K being requested out of the $101K. The Department has not decided on the amount to borrow but loan options may be based on a 3.35% loan vs. a 2.15% loan. The savings would be $285K to $570K minus the amount being invested in updating the specs, which will not be known until we open the bids. The project sequence would be Paua Valley, Kukuiolono Tank Demo, Kīlauea Wells Motor Control Center, and this project next summer. Permit and re-certification renewals will cost about $30K.

Mr. Dill moved to approve *Manager’s Report No. 20-08 - Discussion and Possible Action on the Fourth Amendment to Contract No. 533, Job No. 09-01 WP2020 #K-01, K-12, Phase II – Kalāheo 1111’ and 1222’ Water System Improvements, Kalāheo, Kaua’i, Hawai’i with Belt Collins Hawai’i LLC for a time extension of 220 days and for additional design funding in the amount of $101,583.00; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.*

5. *Manager’s Report No. 20-09 - Discussion and Possible Action to accept a perpetual non-exclusive Grant of Easement for water line and related purposes on TMK: (4) 2-8-017:009, Lot 1-B from the property owners, Po’ipū, Kōloa District, Kaua’i, Hawai’i*

**BACKGROUND:**

Manager Wienand reported that this project relates to water line improvements within a private property at the Kiahuna Plantation development. When the line was previously installed, an easement for the water line was not granted to the Department. The Department later made improvements along the property line on Po’ipū Road but the line was never activated at Kiahuna Plantation. The owners, the Department and Fire Department are concerned because the line is not connected to the Department’s main line with no adequate fire protection. The owners agreed to the perpetual easement shown on the agreement. With Board approval, the Operations Division would activate the line for hydrant service.
DISCUSSION:
Mr. Dill inquired if the line was conveyed to the Department and if we own the line? How did the Department acquire the line within the property without the easement? Mr. Aoki answered that the line was installed in the 1980’s (A/C line). The hydrant line was part of the project when the main line was put in on Poipu Road. He was not sure why a Grant of Easement was not granted to the Department. Mr. Dill asked if the intent, when the line was installed, was to be owned by the Department of Water (DOW)? Mr. Aoki said yes. Mr. Dill also asked if domestic service was off of the line? Mr. Aoki indicated it was for protection on two hydrants. Backflow prevention is not required for a hydrant. Mr. Aoki suggested moving forward hydrants should not be installed on private properties. The owners would run their own private hydrant lines. There is adequate access to maintain the line and the easement agreement states that the Department is not responsible to make repairs to A/C pavement or concrete sidewalks.

Mr. Dill moved to approve Manager’s Report No. 20-09 - Discussion and Possible Action to accept a perpetual non-exclusive Grant of Easement for water line and related purposes on TMK: (4) 2-8-017:009, Lot 1-B from the property owners, Po'ipū, Kōloa District, Kaua'i, Hawai'i; seconded by Mr. Akamine; with no objections, motion carried with 5 ayes.

6. Manager’s Report No. 20-10 – Discussion and Possible Action on Board Approval for Indemnification in Licensing Agreement with Apple Developer Programs between the Board of Water Supply, County of Kaua'i and Apple

BACKGROUND:
Manager Wienand, DCA Krafft and staff reviewed the agreements thoroughly. The Department is requesting approval for three Manager’s Reports No. 20-10, 20-11, & 20-12 from Apple to implement the new customer service payment app. The Android app is ready but the Apple app has been delayed for several months on the terms and conditions.

Manager’s Report No. 20-10 Apple Developer Agreement is for the Application Agreement App
Manager’s Report No. 20-11 Agreement is for the Upgrade IOS12
Manager’s Report No. 20-12 Agreement is for the Apple Media Software

Mr. Dill wanted to make sure the DOW customer’s data is protected. DCA Krafft was not sure if the Department gives up ownership of the Department’s rights but the security is okay. None of the customer’s data is being given to Apple. Mr. Dill applauded the Department for providing improved service to the customers. Manager Wienand and Ms. Ho thanked Information Technology Specialist Ms. Sandi Nadatani and DCA Krafft for their work on the agreements.

Mr. Dill moved to approve Manager’s Report No. 20-10 – Discussion and Possible Action on Board Approval for Indemnification in Licensing Agreement with Apple Developer Programs between the Board of Water Supply, County of Kaua'i and Apple; seconded by Mr. Hull; with no objections, motion carried with 5 ayes.

7. Manager’s Report No. 20-11 – Discussion and Possible Action on Board Approval for Indemnification, Attorney’s Fees, and Governing Law for use of Apple IOS12 between the Board of Water Supply, County of Kaua'i and Apple

Mr. Dill moved to approve Manager’s Report No. 20-11 – Discussion and Possible Action on Board Approval for Indemnification, Attorney’s Fees, and Governing Law for use of Apple IOS12 between the Board of Water Supply, County of Kaua'i and Apple; seconded by Mr. Hull; with no objections, motion carried with 5 ayes.

8. Manager’s Report No. 20-12 - Discussion and Possible Action on Board Approval for Indemnification, Attorney’s Fees, and Governing Law for use of Apple Media software between the Board of Water Supply, County of Kaua'i and Apple

Mr. Dill moved to approve Manager’s Report No. 20-12 - Discussion and Possible Action on Board Approval for Indemnification, Attorney’s Fees, and Governing Law for use of Apple Media software between the Board of Water Supply, County of Kaua'i and Apple; seconded by Mr. Hull; with no objections, motion carried with 5 ayes.
9. **Manager’s Report No. 20-13 - Discussion and Possible Action to Establish and Approve the Manager and Chief Engineer’s Goals for August, 2019 through March, 2020**

**BACKGROUND:**
Manager Wienand mentioned that at the June 28th Board meeting, the Board agreed to make two changes to establish goals that linked the performance evaluation process: 1) Change the format of the goals to be consistent with the evaluation templates that the Department of Human Resources (DHR) uses (8 criteria, template & format on page 201 & 203) and 2) Update the timeline for the evaluation that aligns with the Manager’s annual appointment date, which is May 1, 2020. Goals are reviewed by the Board in March and the evaluation is done by the Board in April.

**DISCUSSION:**
Mr. Hull asked Manager Wienand what the status was on the Five Year Rate Study? Manager Wienand said the priority project list was completed two weeks ago on design, construction and new projects with updated scores. Cost estimates are being reviewed and compared with the actual projected spending timeline and the funding source. A final estimate should be given to the financial consultant next week. The consultant will update the model and it’s estimated that the study will be presented to the Board in September then referred to the Finance Committee. Water Plan 2020 projects and emergency projects are also being reviewed and included.

Manager Wienand went over the main goal tactics on pages 204 – 209. Mr. Akamine commented on Goals #5 & #6, Tactic 5.1 and asked if the measurement is a process measurement and not an outcome? If staff participates in leadership training, would it lead to increased leadership ability? Manager Wienand said Goal #5 is to improve leadership through training but measuring leadership ability is subjective. Depending on how many staff can attend the Leadership Kaua‘i program and establishing a reason for qualifying for this program, he would need funding approval by the Board.

Mr. Akamine asked how would the Manager know that this process would improve communication? Goal #6, Tactic 6.2 Desired Outcome Column states: “Significant improvement in communications skills and professionalism for all DOW staff.” The Success Measurement Column states: “At least one full day communication training shall be provided to at least 40 DOW staff in 2019 by an industry...” Mr. Akamine inquired if increased training/teaching would increase communication? Would training change behavior? Manager Wienand is shifting the focus from technical based goals to improved performance with all staff with this year’s goals.

The Manager mentioned there are other key items that have not been identified as goals because the timelines associated with them do not align within the next six months; for example, implementing the entire IT Strategic Plan is not a goal. However, the initiatives related to implement a training and a proficiency program for different staff has not been established as a metric for the next six months, but it is a priority for next year.

Goal #6 – Improve Internal Communications, Improve Morale, and Build Unity: Mr. Hull suggested the Manager continue to keep the Board updated on building unity within the Department’s morale by reporting back to the Board.

Mr. Akamine moved to approve Manager’s Report No. 20-13 - Discussion and Possible Action to Establish and Approve the Manager and Chief Engineer’s Goals for August, 2019 through March, 2020; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

**I. STAFF REPORTS**

**MONTHLY**

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

**BACKGROUND:**
Waterworks Controller Mrs. Yano highlighted the following:
1. On-going Fiscal activities: DOW received $2.3M from a State Appropriation Grant for the month of July.
2. Received three notice of funding share obligation approved from FEMA.
3. IT Strategic Plan targeted for September: A Finance Committee schedule was requested for the presentation before the September Board meeting.
4. Customer Account Portal as of July: Registered Users = 330 with the use of credit card or debit card on line for bill payments.

**DISCUSSION:**
Mr. Dill referred to Summary of Meter Cuts (MCuts) (page 226) and asked how does DOW define delinquency? According to Ms. Yano, beyond 60 days, a bill is delinquent when collections are initiated. She explained that the number “69” in the July Column are delinquent accounts Fiscal contacts for collection.

Received for the Record

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

**BACKGROUND:**
Information & Education Specialist Mrs. Kaohelaulii highlighted the following:
1. Make A Splash is scheduled for September 20th with 690 students to attend at the new location the Vidinha Soccer Field.

Received for the Record

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

**BACKGROUND:**
Chief of Operations Mr. Reyna provided highlights:
2. Field personnel attended the Fundamentals of Meter Selection and Service Configuration training.
3. Interviews done on current vacancies that are in line with the Manager’s goals.

Received for the Record

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

**BACKGROUND:**
Manager Wienand highlighted the following:
1. Personnel Matters – Continues filling vacancies; internships are ending end of August.
2. Customer, Care & Billing (CC&B) – Total number of registered users are almost 1,000. The Department continues to promote CC&B to encourage customers to sign up.
3. Notices were sent to customers that stated the electronic billing system will be discontinued the end of August.
4. Starting in September, bill payments will be through the Customer Account Portal (CAP).
5. Smart Phone apps will be available soon through Android and Apple.
6. Kiosk payment terminals will be next to be implemented in the lobby.
7. IT staff was acknowledged by the Manager who have been addressing IT Tickets and working closely with CC&B consultant on updates to the portal.
8. The Manager thanked the Board for funding attendance at the Global Leadership Summit which was valuable and recommended the Board attend next year.

Received for the Record
J. EXECUTIVE SESSION
Pursuant to Hawai'i Revised Statues (HRS) §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 HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

K. TOPICS FOR NEXT WATER BOARD MEETING (September 2019)
1. Discussion and Suggestions of the Department of Water’s Capital Improvement Projects for 2020-2021

L. TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS
1. Resolution Adoption – Make A Splash Volunteers (October 2019)
2. Department of Water Performance Audit (Update)
3. Table of Organization Workshop
4. Workshop presentation regarding the Master Plan of the Department of Water’s former Administration Building, Baseyard, Micro Lab, Information Technology (October/November 2019)
   This workshop may be presented with a lighter Agenda since it may take a longer time to present to the Board (which may include a field trip).
5. Election of Officers for 2020 (November 2019)
7. Discussion and Possible Action to establish Fiscal Policies and Procedures (January 2020)
8. Discussion and Possible Action on the Manager and Chief Engineer’s Goals (March 2020)
9. Evaluation of the Department of Water’s Manager and Chief Engineer from May 1, 2019 to May 1, 2020 (April 2020)

M. UPCOMING EVENTS
1. Make a Splash, Project WET (September 20, 2019), Vidinha Soccer Field
2. HWWA/HRWA Conference (October 9-11, 2019), Honolulu, Hawai‘i
3. DOW’s Annual Meeting (December 13, 2019)

N. NEXT WATER BOARD MEETING
1. Friday, September 27, 2019, 10:00 a.m.
2. Friday, October 25, 2019, 10:00 a.m.
3. Friday, November 22, 2019, 10:00 a.m.
4. Friday, December 20, 2019, 10:00 a.m.

O. ADJOURNMENT
Mr. Dill moved to Adjourn the Regular Board Meeting at 11:15 a.m.; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

Respectfully submitted,

Edith Ignacio Neumiller
Commission Support Clerk

Approved,

Ka’aina Hull
Secretary, Board of Water Supply
MANAGER’S REPORT No. 19-60  (Update)

September 27, 2019

Re: Discussion and Possible Action on Contract No. 656 for Water Plan 2020 Project No. WK-39 Drill & Develop Kapa’a Homesteads Well No. 4 & Package A-Well and Drainage Package of Water Plan 2020 Project No. WK-08, Job No. 02-14, Kapa’a Homesteads 325’ Tanks, Two 0.5 MG Tanks Projects, Kapa’a, Kaua‘i, Hawaii for additional construction funding in the amount of $140,843.18

RECOMMENDATION:
It is recommended that the Board approve additional funds for the subject project related to proposed change order #7 and additional contingency for construction.

FUNDING:
Approved Budget to date:

- 30-21-00-605-118 BAB Bond/ Capital Outlay-EXP/WK-39 $1,535,000.00
- 10-21-00-605-118 WU/ Capital Outlay – EXP/WK-39 $ 750,000.00

Total Approved Funding in FY 17-18 Budget = $2,285,000.00

- 30-21-00-605-118 BAB Bond/ Capital Outlay-EXP/WK-39 $ 95,208.36

Per August 2019 Board Meeting

Total Approved Funding: *$2,380,208.36
*Note: This amount includes $30,000.00 in contingency funds.

Construction Contract No. 656 $ 2,176,400.00
Approved Change Order No. 1 $ 20,000.00
Approved Change Order No. 2 $ 23,853.47
Approved Change Order No. 3 $ 88,083.90
Approved Change Order No. 4 $ -1,371.55
Approved Change Order No. 5 $ 15,641.30
Approved Change Order No. 6 $ 27,601.24
Approved Contingency (reference Manager’s Report No. 20-05) $ 30,000.00
Proposed Change Order No. 7 $ 140,843.18
Total Funding Required $ 2,521,051.54

Total Certified Funding to Date as of August 2019 Board meeting: *$2,380,208.36

Additional Funds Requested for, 30-21-00-605-118
BAB / Capital Outlay – EXP/WK-39 $ 140,843.18
BACKGROUND:

PACKAGE A – WELL AND DRAINAGE PACKAGE OF WATER PLAN 2020 PROJECT NO. WK-08, JOB NO. 02-14, KAPA’A HOMESTEADS 325’ TANKS, TWO 0.5 MG TANKS

PROJECT: This scope consists of furnishing all materials, labor, tools, and equipment for installation of twenty-two drain manholes, one drain inlet, approximately 3,550 linear feet of 18-inch reinforced concrete drain line, a retention basin with headwall, grouted rubble pavement overflow and grass berm, chain link fence, and removal of existing wall and existing chain link fence.

WATER PLAN 2020 PROJECT NO. WK-39 DRILL & DEVELOP KAPA’A WELL NO. 4: This scope consists of furnishing all materials, labors, tools, and equipment and appurtenances to drill, case, and pump test a new 12-inch diameter, 550-foot deep drinking water well. The well site is located at the existing Ornellas tank site, at the intersection of Kawaihau Road and Ka’apuni Road in Kapa’a, Kaua’i, Hawai’i.

The project notice to proceed was issued on June 30, 2018. To date, the construction is a little over 47% completed as a majority of the work has been concentrated on the well drilling. The majority of the project’s costs are related to the drainage package, which has been delayed by unanticipated conditions and subsequent re-designs. To date the following change orders have been approved:

Approved change order #1: Per the contract requirements, if additional drilling was necessary during the pilot borehole process at the direction of the well engineer of record, the Department would require additional drilling at an additional cost. Subsequently, during the pilot borehole drilling, the contractor was required to drill an additional 20 feet at a cost of $20,000.00 with an additional 24 calendar day extension.

Approved change order #2: The design team recognized conflicts and re-designed via Request for Information (RFI) #11. The design team provided three (3) revised plan sheets that required structure modifications: a CRM wall was added with fencing, additional grading, and a reduction in curbing. The cost was $23,853.47 with an additional 22 calendar day extension.

Approved change order #3: There were issues with the survey control data which were revised by the design team via RFI 24 & 26 responses. There were differences between the design survey and construction survey, in some cases as much as 1.01 feet. To fix the discrepancy, the design team revised a total of five (5) plan sheets which affected approximately 3,300 LF of the 3,600 linear feet (station 0+15 to 33+01) of drain line grades and numerous manhole structures. The contractor submitted a change request in the amount of $91,367.00 for the additional geotechnical, surveying, and construction work required to complete construction related to the design conflicts at a cost of $88,083.90 with an additional 84 calendar day extension. At the March 22, 2019 Board meeting, additional funding was approved to compensate the contractor for this additional scope of work. A contingency of $20,000 was also included in the additional funds approved for the contract.

Approved change order #4: The DOW CM Division requested a credit for bonding and taxes that were to be included in the percentage of overhead and profit for previous change orders. The credit amounted to $1,371.55.

Approved change order #5: Per RFI 40, the contractor encountered an underground structure that was not shown on the approved plans that had to be removed. Per RFI 40 response, the contractor was directed to re-excavate the area, demolish & remove existing concrete sides and top within
the limits of the drain line trench. The scope includes fill, forming and pouring of CLSM, placing and compacting base course, cold mix, and traffic control. The additional work was approved with an additional 7 calendar day time extension.

**Approved Change order #6 (reference Manager’s Report No. 20-05):**

Per approved RFI 35, the contractor encountered an existing SCADA conduit on the project site which was not shown on the approved plans. This conduit conflicts with the new drain line installation and it is anticipated that there will be an additional cost of $27,601.24 to relocate this conduit and an additional 28 calendar day time extension for the scope of work.

**Additional contingency request:** An additional contingency of $30,000 was also requested via Manager’s Report No. 20-05 for any potential future change order requests which may be required. The intent in requesting the $30,000 in contingency funds is to avoid any further delays to complete the contract while awaiting Board approval of additional funds.

**Proposed change order #7:** The DOW executed a Memorandum of Agreement (Drainage) with the landowners of TMK (4) 4-06-011:125, Godwin and Janet Esaki, on August 21, 2017 for this project. The Agreement and corresponding Right-of-Entry granted to the Department are attached for reference. The main purpose of the Agreement was to convey groundwater during the drilling and testing phase of the Kapa’a Well No.4 project, along with drainage water from the project site, to the Esaki property via a new 18-inch diameter drainage pipe. A drainage ditch would be constructed on the Esaki’s property to allow the landowners to utilize the water from the project site for agricultural purposes. The Agreement was intended to be mutually beneficial for the DOW and the Esakis. The DOW had previously attempted to work with multiple other landowners and various sites closer to the project site to find a suitable location for the project’s drainage, but the attempts were unsuccessful. State funds of $750,000.00 were appropriated for the Drill and Test Kapa’a Well No. 4 Project with a deadline of executing a construction contract by June 30, 2018. With the state funds being in jeopardy, the nearest site for the project’s drainage with a willing a landowner was the Esakis, as they were willing to receive the water from the project site and utilize it for agricultural purposes. Without their assistance in executing the Memorandum of Agreement, the $750,000.00 in State funds appropriated for the project would have lapsed and would not have been utilized.

During the design phase, the DOW and design consultant met with Mr. Godwin Esaki at his property multiple times to review the proposed drainage ditch with respect to its size, shape, and intended function. For reference, the drainage ditch holds approximately 50,000 gallons of water and a plan view showing the ditch is shown on the Attachments. Several changes and updates were made throughout the design process with the intent of satisfying the landowner’s wishes for how the water would be utilized. This was done in good faith between the DOW and the Esakis because the project could not have moved forward without a landowner willing to receive the drainage from the project site. While every attempt was made by the DOW and design consultant to clearly communicate the size and shape of the drainage ditch that would be constructed on the Esaki’s property, during the ongoing construction phase of the project, the Esakis have several concerns with the design which they would like remedied. They are now requesting that these changes be made to meet the original intent of the Agreement which was executed by the Department.

Per the DOW’s Construction Management division, a meeting was held onsite with DOW Engineering and CM staff and Mr. Esaki stated that he was not fully aware of the original design until he observed what was being constructed by the contractor. The original design called for 4:1
side slope, but upon actually seeing the slopes in person, Mr. Esaki noted that the sides are too steep for safe access to the ditch. In addition, Mr. Esaki did not recall being notified that the continuous flow of water into the ditch could take several years based on the DOW’s anticipated schedule to complete the development of Kapa’a Well 4 for the installation of the permanent pump and motor control center. In the interim, Mr. Esaki has noted that the EPDM liner for the ditch could degrade from prolonged exposure to ultraviolet sunlight over the next few years. This represents a high potential cost to Mr. Esaki to maintain and/or replace the liner if it degrades over the next few years, prior to the development of Kapa’a Well No. 4 when water will be pumped from the permanent well into the drainline and subsequently into the drainage ditch on a daily basis. While the DOW did not intend to maintain the ditch on Mr. Esaki’s property, we did not intend to create any hardship or significant liability for him in maintaining the ditch or the liner within the ditch as he has been a willing and helpful partner for this project.

The DOW’s CM division has worked with Mr. Esaki, the design consultant, and the contractor to address these concerns by redesigning a terraced ditch with a shotcrete surface for the liner in the ditch via Request for Information (RFI) number 32. The terraced drainage ditch provides 2.5-foot wall terraces at a 5% slope, which is more manageable and safer for the landowner based on the intended use of the water for irrigation. Additionally, a protective coating of shotcrete will be applied over the EPDM liner to provide ultraviolet protection for the drainage ditch. This is to ensure that it is not compromised during the timeframe between the completion of the well’s drill and test phase and the full development of the well, which is expected to be approximately three to four years from now.

The contractor submitted a change request in the amount of $232,539.74 for the additional geotechnical, surveying, and construction work required to complete the new scope related to the aforementioned changes. Fortunately, the DOW’s construction management division was able to offset $91,696.56 of this amount by requesting a credit for permanent hot mix trench patch by working with the County DPW Roads Division. An agreement was made with DPW based on the timing of the DOW’s drain line project and the DPW’s final paving of Ka’apuni Road. With this credit of $91,696.56, the net additional cost for the added scope of work is $140,843.18. An additional 117 calendar day extension is also required to accommodate this additional work, including the earthwork for creating the terraces and applying the protective shotcrete portion. The application of the shotcrete will take approximately a month to complete, and the majority of the 117 calendar days is attributed to DOW’s 90 day grassing and maintenance requirement that would begin once the earthwork is completed for the terraces.

The Department and our As-Needed Construction Management team from SSFM have reviewed the contractor’s proposed change order #7 request and we find it to be fair and reasonable. We recommend approval of the additional funding in the amount of $140,843.18 for the proposed change order #7.

**OPTIONS:**

**Option 1:** Approve additional funds in the amount of $140,843.18 for the proposed changes to the project.

**Pros:** The Esakis have been a willing and helpful partner of the DOW by executing the Agreement to receive the drainage from the project site and water from the proposed well. The proposed changes to the drainage ditch and liner for the ditch will be safer and more durable for the landowner. The project would not have moved forward if it were not for the partnership with the Esakis and the state funds
of $750,000 would have lapsed. While the DOW and design consultant made every effort to design the drainage ditch and liner in accordance with the Esaki’s intended uses, changes are needed to correct the issues which have subsequently been identified. The DOW would have included these changes in the original design if they were identified at the time, and therefore these funds would have already been expended.

With approval, the construction contractor can be compensated for the additional work via the proposed change order. The drilling of Kapa’a Well 4 and installation of the drain line can continue, which is needed for the operations of the water system, and further delays and additional costs associated with delays can be avoided.

Cons: The cost of the project is higher than anticipated and an additional 117 calendar days would be needed to complete the project.

Option 2: **Do not approve the additional funds in the amount of $140,843.18 for the proposed changes to the project.**

Pros: The Department would not spend more than previously approved and the project would not be delayed further from the changes associated with the requested change order.

Cons: The DOW has had every intent of working with the landowners who have been willing partners for this project and helped the DOW meet the June 30, 2018 deadline to utilize the $750,000 in State funds appropriated for the project.

If the Board did not approve the additional funds requested to make the changes to the drainage ditch, the landowners’ concerns for safety would not be addressed and the liner within the ditch could be compromised by ultraviolet sunlight over the next few years when the drainage ditch is intermittently dry, potentially causing maintenance issues for the landowners and additional costs which they did not anticipate when the Agreement was executed with the DOW. This was not the intent of the Agreement from either party.

Additionally, it is fairly common for the DOW to work with private landowners to address land-related matters for DOW projects. It is important to build and maintain a positive rapport with the community to ensure projects can be designed and constructed in a timely manner. If the additional funds were not approved for these changes, it is likely that the relationship with this landowner could be compromised and future projects may also be compromised as other landowners may not be willing to work with the DOW when partnerships are needed.

DM/ein

Attachments: 1. Proposed Redesign for Drainage Ditch
2. Memorandum of Agreement (Drainage) for Job No. 02-14 Water Plan 2020 WK-08 Kapa’a Homesteads Tank 325’ Tanks, Two 0.5 MG Tanks and Water Plan 2020 WK-39 – Drill and Test Kapa’a Well No. 4
3. Right of Entry for TMK (4) 6-11:125
4. Correspondence from Mr. Godwin Esaki, dated May 7, 2019
NOTE: GEOTEXTILE FABRIC SHALL BE MIRAFI S1000 OR APPROVED EQUAL. CUT EXISTING GROUND TO DAYLIGHT. COMPACT FILL TO 90% OF MAX DENSITY.
Attachment 1 - Final Redesign for Drainage Ditch

**NORTH**

- **12' WIDE ACCESS GATE**: See Detail SHT C-13.
- **REPLACE FENCE WITH 6' HIGH CHAIN LINK FENCE**: See Detail SHT C-13.
- **DEMOBISH, REMOVE, AND DISPOSE OF EXIST FENCE**
- **END REMOVAL EXISTING FENCE**: Connect existing wire fence to new chain link fence.
- **PROPERTY LINE**
- **EXIST GRASS ROAD**
- **12' WIDE ACCESS**
- **GATE. SEE DETAIL SHT C-13.**
- **LIMITS OF GRADING**
- **12' WIDE ACCESS**
- **GATE. SEE DETAIL SHT C-13.**

**TOP OF DITCH**

- **6' HIGH CHAIN LINK FENCE**
- **EXISTING FENCE POST TO NEW FENCE POST**
- **DIAMON B**
- **LIMITS OF GRADING**
- **OVERFLOW**
- **DL A STA 33+93**
- **INV = 252.00 (D12")**
- **SEE GRP COLLAR DETAIL ATTACHED.**
- **TEMPORARY COMPOST FILTER SOCK SEE DETAIL SHEET C-6.**
- **BEGIN REMOVAL EXISTING FENCE**: Connect existing wire fence to new chain link fence.
- **LIMITS OF GRADING**
- **6' HIGH CHAIN LINK FENCE**

**PLAN-DRAINAGE DITCH**

- **RFI 32 OPTION B (05.23.2019)**

**DRAWING INFORMATION**

- **SCALE: 1"=10'**
- **DATE: 05.23.2019**

**CMU WALL**

- **HT = 2.1'**
- **TOP = 254.10**
- **BOT = 252.00**
- **TOP GUNITE = 254.50**

**INLET**

- **DL A STA 33+41**
- **INV = 246.00 (D18")**
- **GRP COLLAR, SEE DETAIL SHEET C-19. (TYP)**

**OVERFLOW**

- **DL A STA 33+93**
- **INV = 252.00 (D12")**

**GUNITE W/ 10"x10" WWF AND HEAVY DUTY GEOTEXTILE FABRIC OVER EDPM LINER**

**4" GUNITE W/ 10"x10" WWF AND HEAVY DUTY GEOTEXTILE FABRIC OVER EDPM LINER**

**RFI 32**

- **CMU WALL**
- **HT = 2.1'**
- **TOP = 257.00**
- **BOT = 254.90**

**SLOPE TO DAYLIGHT**

- **5.0%**
- **5.0%**

**RFI 32 OPTION B**

- **CMU WALL**
- **HT = 2.1'**
- **TOP = 254.10**
- **BOT = 252.00**

- **TOP GUNITE = 254.50**

- **5.0%**
- **5.0%**

**GUNITE W/ 10"x10" WWF AND HEAVY DUTY GEOTEXTILE FABRIC OVER EDPM LINER**

**OVERFLOW**

- **DL A STA 33+93**
- **INV = 252.00 (D12")**

- **SEE GRP COLLAR DETAIL ATTACHED.**

**5.4° 236°**

- **29° 22' 160'**

**40'**

**2' EXISTING FENCE POST TO NEW FENCE POST**

**GATE**

- **SEE DETAIL SHT C-13.**

**EXISTING FENCE POST TO NEW FENCE POST**

**EXIST GRASS ROAD**

**237°10'**

**PAGE 19**
MEMORANDUM OF AGREEMENT (DRAINAGE)

FOR

JOB NO. 02-14 WATER PLAN 2020 WK-08 KAPA‘A HOMESTEADS TANK 325’ TANKS, TWO 0.5 MG TANKS AND WATER PLAN 2020 WK-39 – DRILL AND TEST KAPA‘A WELL NO. 4

THIS MEMORANDUM OF AGREEMENT (DRAINAGE) (hereinafter “Drainage Agreement”) made this 21 day of August, 2017 by and between GODWIN M. ESAKI, JANET M. ESAKI, GODWIN M. ESAKI AND JANET M. ESAKI, TRUSTEES OF THE GODWIN M. ESAKI REVOCABLE LIVING TRUST governed by that certain unrecorded instrument dated November 20, 2015, and JANET M. ESAKI AND GODWIN M. ESAKI, TRUSTEES OF THE JANET M. ESAKI REVOCABLE LIVING TRUST governed by that certain unrecorded instrument dated November 20, 2015, whose mailing address is 5571-C Ka‘apuni Road, Kāpā‘a, HI 96746, (hereinafter, the “Grantors”), and the BOARD OF WATER SUPPLY of the County of Kaua‘i, whose business and mailing address is 4398 Pua Loke Street, Līhu‘e, Kaua‘i, Hawai‘i 96766 (hereinafter, the “Board” or “Grantee”).

RECITALS

WHEREAS, the Board is the legal owner of Kaua‘i Tax Map Key No. (4) 4-06-011:003 (hereinafter “Project Site”), which is located at the intersection of Kawaihau Road and Ka‘apuni Road in Kāpā‘a, Hawai‘i, 96746; and

WHEREAS, the Board plans to construct two new 500,000 gallon water storage tanks and drill and test a new water well on the Project Site, otherwise referred to as the Kapa‘a Homesteads 325’ Tanks – Two 0.5 Million Gallon Tanks Project and the Drill and Test Kapa‘a Homesteads Well #4 Project (hereinafter, collectively, “Projects”) to upgrade the Board’s existing water source and storage capacity, and improve water service for the Wailua-Kapa‘a community; and

WHEREAS, the Project Site drainage improvements, which consist primarily of drain inlets for stormwater runoff, tank overflow and washout lines, a vegetated drainage swale, and deepwell pump discharge piping, are designed to convey water from the Project Site via a new 18-inch diameter drainage pipe along Ka‘apuni Road and discharge in, on, and through TMK (4) 4-06-011:125; and

WHEREAS, the Project Site drainage improvements shall be designed in accordance with the County of Kaua‘i Storm Water Runoff System Manual; and

WHEREAS, the Board proposes to connect the overflow and washout piping from the Kapa‘a Homesteads 325’ Tanks Project and to convey groundwater from the new well to the new 18-inch drainage pipe; and
WHEREAS, groundwater will be conveyed during the drilling and testing phase of the new well construction, and, should the new well prove to be successful, the groundwater pumped during each initial pump cycle, with an anticipated pump cycle frequency of twice per day at a duration of approximately ten minutes with an estimated flow rate of three hundred and fifty (350) to five hundred and fifty (550) gallons per minute, will also be conveyed via the new 18-inch diameter drainage pipe; and

WHEREAS, during the drilling and testing phase of the new well construction, a pump test is required which will pump groundwater continuously for 96-hours; and

WHEREAS, should the new well prove to be successful it will be incorporated into the Board’s Wailua-Kāʻaʻa water system; and

WHEREAS, the new 18-inch drainage pipe has a maximum discharge capacity of 12 cubic feet per second of water; one cubic foot per second is equivalent to 448.8 gallons per minute; and

WHEREAS, the Grantors are the legal owners of Kauaʻi Tax Map Key No. (4) 4-6-011:125 (hereinafter “Subject Property”); and

WHEREAS, the Grantors are willing and agree to accept the Board’s Project Site discharges via the new 18-inch drainage pipe to be collected in, on, over, under, and through the Improvements Area which is located on the Subject Property.

NOW, THEREFORE, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration to it paid by the Grantee, receipt of which is hereby acknowledged, and subject to all of the terms, conditions, and limitations contained herein, the Grantors hereby declare, grant, and convey unto Grantee a perpetual, non-exclusive drainage easement in gross in, on, over, under, and through the Subject Property. The easement shall run with the Subject Property and be binding upon all persons or entities having or acquiring any right, title, or interest in and to the Grantors’ property, or any portion thereof, or the Improvements Area.

TO HAVE AND TO HOLD the same unto the Grantee for the purposes stated herein, subject to all of the terms, conditions, and limitations stated herein, forever.

EXCEPTING AND RESERVING, HOWEVER, from this grant the right of the Grantors to make use of the Subject Property in any manner which is not inconsistent with the rights of the Grantee hereunder and the right to grant other easements within the Subject Property for such purposes as are not inconsistent with and will not unreasonably interfere with the rights of the Grantee hereunder.

In consideration of the rights hereby granted and the acceptance thereof and the obligations hereby assumed, the parties mutually covenant and agree as follows:

**Subject Property.** The Grantors are the legal owners of Kauaʻi Tax Map Key No. (4) 4-
6-011:125 ("Subject Property") in, on, and through which the Grantee will discharge drainage from the Grantee’s Project Site.

**Project Site.** The Grantee is the legal owner of Kaua‘i Tax Map Key No. (4) 4-6-011:003 ("Project Site"), which is located adjacent to the intersection of Kawaihau Road and Ka‘apuni Road.

**Acknowledgement.** The Grantors, in full recognition and appreciation of the effects inherent to the conveyance, transmission, drainage, and discharge of water in, on, and through their property, freely agree to allow the Grantee to discharge water, as explained in the recitals above, via the new 18-inch drainage pipe, ending in, on, and through the Grantors’ property, the Subject Property.

**Drainage Easement.** Grantors grant and transfer to Grantee all rights-of-way and easements necessary at any time to convey, transmit, drain, and discharge all waters from Grantee’s Project Site into the drainage Improvements at the point of discharge in such Improvements and over, through, and across the Subject Property by design of said Improvements and by flow of natural gravity in said Improvements and over, through, and across such other portions of the Subject Property as may be inundated and overflowed at high stages of flow. Such rights-of-way and easements shall include the right to convey, transmit, drain, and discharge such waters even though, when combined with the natural waters flowing in said Improvements, it exceeds the safe carrying capacity of said Improvements as it now or later may exist on the Subject Property, or damage or injure the Subject Property by inundation, flooding, overflowing the existing ditch or ditches, channel or channels, cutting a new ditch or ditches, channel or channels, silting, cutting, washing, raising the underground water level, or in any other manner whatsoever. Grantee shall be required to comply with all applicable governmental laws and standards, shall be required to obtain any and all necessary governmental permits, and shall be required to comply with the applicable Best Management Practices during construction.

**Improvements.**

**Notice.** Prior to any entry by the Grantee or the Grantee's agents or contractors, the Grantee shall advise the Grantors in writing of the name of the company or person hired to perform the construction, installation, and any work as may be necessary or required to implement the intention of this Drainage Agreement, and provide reasonable notice as to the date or dates of entry.

**Construction.** The Grantee shall have the right to construct drain pipelines, drainage ditch, and related valves and other associated waterworks facilities and all necessary appurtenances ("Improvements") within the Subject Property as may be necessary or required to implement the intention of this Drainage Agreement, as provided in Job No. 02-14 and Project No. WK-39 Right-of-Entry. The parties
will determine, by mutual consent, the location of such Improvements
("Improvements Area").

Grantee’s Liability for Damages. The Grantee shall be liable to the Grantors for
any injuries to persons or any damages to the Improvements Area which arise
from, are caused by, or result from any acts or omissions of the Grantee or the
Grantee’s contractors, agents, servants, guests, invitees, or any other person, in
furtherance of the exercise by the Grantee or such other persons of the
construction of the Improvements, as provided in Job No. 02-14 and Project No.
WK-39 Right-of-Entry.

Clean-Up. Upon completion of the construction of the Improvements, Grantee
shall remove from the Improvements Area all debris created by or resulting from
such construction as caused by Grantee.

Maintenance. Grantors further covenant to maintain the Improvements to permit
the free flow of all waters from Grantee’s Project Site and shall not permit the
obstruction of the Improvements which would interfere with or impede the rights
of the Grantee hereunder. All responsibility and costs necessary for the
reconstruction, repair, replacement, and maintenance of the Improvements within
the Subject Property shall be the sole and absolute responsibility and liability of
the Grantors. The Grantee shall have no responsibility or liability for any such
cost or claim beyond, or not resulting from, the initial construction of the
Improvements, and the Improvements Area as described in the “Grantee’s
Liability for Damages” paragraph.

Perpetual. The provisions of this Drainage Agreement shall be perpetual and shall run
with the land of the Subject Property. This Drainage Agreement shall commence upon
execution and the rights-of-entry and easements granted herein shall automatically
expire, without the submission or presentation of any documents to that effect, at such
time that the Grant of Easement, as provided in Job No. 02-14 and Project No. WK-39
Right-of-Entry, is recorded which shall incorporate the Drainage Easement herein and
any other terms Grantee deems necessary for the proper operation of its water system,
and shall continue unless amended, released, extinguished, or otherwise modified through
the manner provided in the “Modification” paragraph.

Binding Effect. All provisions contained in this Drainage Agreement shall be binding
upon and inure to the benefit of the respective parties, their heirs, successors, successors-in-interest, and permitted assigns, and officers, agents, and employees or any person
acting for and on their behalf.

Disclosure; Recordation.

Disclosure. In the event Grantors sell, lease, convey, or transfer the Subject
Property, or any portion thereof, prior to the recordation of the Grant of Easement,
as provided in Job No. 02-14 and Project No. WK-39 Right-of-Entry, Grantors covenant with the Grantee that all sales, leases, conveyances, or transfers of the Subject Property, or any portion thereof, are made subject to this Drainage Agreement. Grantors further covenant that Grantors shall disclose on the face of any sale, lease, conveyance, or transfer of the Subject Property, or any portion thereof, the existence of this Drainage Agreement and a description of the general nature of all the promises, covenants, rights, and obligations contained herein.

Cost of Recordation. The parties agree that the Grant of Easement, as provided in Job No. 02-14 and Project No. WK-39 Right-of-Entry, shall be recorded and, for purposes of identification, this instrument shall be included as the “Memorandum of Agreement (Drainage)” and the Grantee will bear the burden of any costs associated with the recordation of the Grant of Easement, this Drainage Agreement, or any future modifications thereof.

**Severability.** Each provision of this Drainage Agreement and the application thereof to the Subject Property are hereby declared to be independent of and severable from the remainder of this Drainage Agreement. If any provision contained herein is held to be invalid, or to be unenforceable, or not to run with the land, such holding will not affect the validity or enforceability of the remainder of this Drainage Agreement.

**Modification.** This Drainage Agreement shall not be amended, released, extinguished, or otherwise modified, in whole or in part, except by another agreement in writing, duly executed by the Grantors and the Grantee.

**No Party Deemed Drafter.** The parties hereto hereby agree that no party hereto shall be deemed to be the drafter of this Drainage Agreement, and each party further agrees that, in the event this Drainage Agreement is ever construed by a court of law, such court shall not construe this Drainage Agreement or any provision of it against any party hereto as the drafter.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Agreement (Drainage) as of the date first listed above.

GRANTOR(S):

GODWIN M. ESAKI

JANET M. ESAKI

JANET M. ESAKI
TRUSTEE OF THE GODWIN M. ESAKI
REVOCABLE LIVING TRUST

GODWIN M. ESAKI
TRUSTEE OF THE GODWIN M. ESAKI
REVOCABLE LIVING TRUST

JANET M. ESAKI
TRUSTEE OF THE JANET M.
REVOCABLE LIVING TRUST

GODWIN M. ESAKI
TRUSTEE OF THE JANET M.
REVOCABLE LIVING TRUST
APPROVED:

Kirk Saiki, P.E.
Manager and Chief Engineer

APPROVED AS TO FORM
AND LEGALITY:

Mahealani M. Krafft
Deputy County Attorney

GRANTEE:

BOARD OF WATER SUPPLY, COUNTY OF KAUA'I

Sherman Shiraishi
Chairperson

STATE OF HAWA'I
COUNTY OF KAUA'I

On this 21 day of August, 2017 in the Fifth Circuit, State of Hawai‘i, before me personally appeared Sherman Shiraishi, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person is the Chairperson for the Board of Water Supply, County of Kaua‘i executed Memorandum of Agreement (Drainage), dated August 21, 2017 and consisting of 8 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Mary Jane Akuna
Notary Public, State of Hawai‘i
Name of Notary: Mary Jane Akuna
My Commission expires: March 30, 2018

MOA-Drainage, Godwin & Janet Esaki Job No. 02-14
WP2020 Project No. WK-08 - Kapa'a Homesteads 325' Tanks, Two 0.5 MG Tanks and
WP2020 Project No. WK-39 - Drill and Test Kapa'a Well No. 4
STATE OF HAWAI‘I )
COUNTY OF KAUA‘I ) ss.

On this 16th day of August, 2017 in the Fifth Circuit, State of Hawai‘i, before me personally appeared GODWIN M. ESAKI in his individual capacity, and as TRUSTEE OF THE GODWIN M. ESAKI REVOCABLE LIVING TRUST, and as TRUSTEE OF THE JANET M. ESAKI REVOCABLE LIVING TRUST who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the Memorandum of Agreement (Drainage), dated (undated) and consisting of 8 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Debra C. Peay
Name of Notary: Debra C. Peay
My Commission expires: 10/16/2019

Notary Public, State of Hawai‘i

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

On this 17th day of August, 2017 in the Fifth Circuit, State of Hawai‘i, before me personally appeared JANET M. ESAKI in her individual capacity, and as TRUSTEE OF THE GODWIN M. ESAKI REVOCABLE LIVING TRUST, and as TRUSTEE OF THE JANET M. ESAKI REVOCABLE LIVING TRUST who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the Memorandum of Agreement (Drainage), dated (undated) and consisting of 8 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

CATHY SANCIOUS
Name of Notary: CATHY SANCIOUS (Affix Seal)
My Commission expires: 10/4/2019

MOA-Drainage, Godwin & Janet Esaki Job No. 02-14
WP2020 Project No. WK-08 - Kapa’a Homesteads 325’ Tanks, Two 0.5 MG Tanks and WP2020 Project No. WK-39 - Drill and Test Kapa’a Well No. 4

4-06-011:125
DEPARTMENT OF WATER  
County of Kau‘i

"Water has no Substitute – Conserve It!"

MANAGER’S REPORT No. 18-63

August 21, 2017

Re: Discussion and Possible Action to Request Board Approval to enter into a Memorandum of Agreement (Drainage) and Right of Entry that will allow the Department of Water to construct drainage pipe lines, necessary appurtenances and ditches for WP2020 Project No. WK-08 affecting the following:

a. Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-11:125, Kapa‘a, Kaua‘i, Hawai‘i

RECOMMENDATION:
It is recommended that the Board approve the Memorandum of Agreement (Drainage) and Right of Entry whereby, Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust grants to the Board, its officers, employees, contractors, subcontractors, and agents, a right of entry, over, under, and across TMK: (4) 4-6-11:125 for the purposes of the construction, installation, reinstallation, maintenance, repair, and removal of drain pipelines, drainage ditch, and related valves and other associated waterworks facilities, and appurtenances for Package A, Job No. 02-14, Water Plan 2020 Project No. WK-08 – Kapa‘a Homesteads 325’ Tanks, Two 0.5 MG Tanks.

Further, Board approval is specifically requested of the indemnification provision in the Right of Entry agreement; wherein, the Board agrees to “…indemnify and hold harmless the Grantor from and against any claims for injuries or damages of any kind occasioned, in whole or in part, by Grantee’s negligent actions or omissions arising out of its exercise of this right-of-entry.”

BACKGROUND:
The Department of Water (DOW) is proposing to construct two new 0.5 MG concrete storage tanks on the same site as the existing Ornellas tank in the Kapa‘a Homesteads located near the intersection of Kawaihau Road and Ka‘apuni Road. The project’s design includes drainage improvements for site storm water and potential tank overflow or washout events. The Department also intends to construct a separate project, Drill and Test Kapa‘a Well No. 4; a new well which will be drilled and tested at the same site. The design for the Drill and Test Kapa‘a Well No. 4 project has been complete since 2011; however, the project did not go to construction because of construction proposals coming in much higher than budgeted. It is believed one of the major reasons for the high construction proposals was due to the fact that a suitable drainage discharge location for the new well had not been identified. The Kapa‘a Homesteads 325’ Tanks project has been substantially delayed because the project’s drainage also requires a suitable drainage discharge location and discussions with private owners have not been successful.

Because the tank project and well project share the same site, the design must accommodate three different types of flows: site storm water runoff, flows from the tank via a washout or an unintended tank overflow event, and flows pumped from the new well. The flows pumped from
the new well would be discharged during the drilling and testing phase of the project and, if the well is successful, at the start of each pump cycle when the well is pumping into the DOW system (also known as “pump to waste”).

Most recently, the eighth amendment to Contract No. 427 provided for the project’s drainage to be routed to a private property along Kapahi Road which was anticipated to be approved; however, discussions and negotiations with that private owner were not successful. Subsequently, the DOW has determined another suitable location for the project’s drainage to be discharged to a private property along Ka‘apuni Road at TMK: (4) 4-6-11:125 and will execute a ninth amendment to Contract No. 427 for this change.

The owners of the private property along Ka‘apuni Road at TMK: (4) 4-6-11:125 have agreed in writing to accept the flows from the DOW’s projects by signing the Memorandum of Agreement (Discharge). The owners have also signed the Right of Entry agreement, indicating that they are willing to grant the Board a temporary ROE, and a subsequent GOE after or near the end of construction. The ROE and Memorandum of Agreement (Discharge) include recitals that convey the DOW’s intention to discharge the drainage waters to the private property. The Department will submit a Manager’s Report for the subsequent GOE at a future Board meeting.

**FUNDING:** N/A.

**OPTIONS:**

Option 1: **Approval of the Right of Entry and Memorandum of Agreement (Discharge).**
Pros: This will allow the DOW to access the property for construction purposes for the project and install the pipeline and ditch.

Cons: None.

Option 2: **Do not approve the Right of Entry and Memorandum of Agreement (Discharge).**
Pros: None.

Cons: The Department will not be able to access the privately owned parcel to construct the pipeline and ditch. This will cause delay to the project due to the challenges involved in finding an alternative for the site drainage water.

Respectfully submitted,

[Signature]
Keith Aoki, P.E.
Engineering Division

**CONCURRED:**

[Signature]
Kirk Saiki, P.E.
Manager and Chief Engineer

KA/BW/cin
Memorandum of Agreement (Drainage) between Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-11:125, Kapa'a, Kaua'i, Hawai'i
Right of Entry Agreement between Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-11:125, Kapa'a, Kaua'i, Hawai'i

Mgmt/August 2017/18-63 Discussion and Possible Action Request Board Approval to enter into a Memorandum of Agreement (Drainage) and Right of Entry that will allow the Department of Water to construct drainage pipe lines, necessary appurtenances and ditches for WP2020 Project No. WK-08 affecting the following: a) Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-11:125, Kapa'a, Kaua'i, Hawai'i; seconded by Mr. Tabata; motion carried with 6 ayes.

Members Present: Chair Sherman Shiraishi, Laurie Ho, Michael Dahilig, Thomas Canute, Lawrence Dill, Lyle Tabata

Board Members Absent & Excused: Beth Tokioka
RIGHT-OF-ENTRY

THIS INDENTURE made this __21__ day of August __2017__ by and between GODWIN M. ESAKI, JANET M. ESAKI, GODWIN M. ESAKI AND JANET M. ESAKI, TRUSTEES OF THE GODWIN M. ESAKI REVOCABLE LIVING TRUST governed by that certain unrecorded instrument dated November 20, 2015, and JANET M. ESAKI AND GODWIN M. ESAKI, TRUSTEES OF THE JANET M. ESAKI REVOCABLE LIVING TRUST governed by that certain unrecorded instrument dated November 20, 2015, whose mailing address is 5571-C Ka‘apuni Road, Kāʻapā‘a, HI 96746, (hereinafter, the “Grantor”), and the BOARD OF WATER SUPPLY of the County of Kaua‘i, whose business and mailing address is 4398 Pua Loke Street, Lih‘u‘e, Kaua‘i, Hawai‘i 96766 (hereinafter, the “Board”).

WITNESSETH:

For and in consideration of the sum of One Dollar ($1.00) to the Grantor paid, the receipt whereof is hereby acknowledged, the Grantor does hereby grant to the Board, its officers, employees, contractors, subcontractors, and agents (hereinafter collectively the “Grantee”), a temporary construction right-of-entry subject to the following terms and conditions:

I. RIGHT OF ENTRY

A. The right-of-entry shall be an area over, under, and across that certain property situated, lying, and being at Kāpa‘a, Kaua‘i, Hawai‘i at Tax Map Key No. 4-6-11:125.

B. The right-of-entry shall be used by the Grantee for purposes of the construction, and installation, reinstallation, maintenance, repair, and removal of drain pipelines, drainage ditch, and related valves and other associated waterworks facilities and all necessary appurtenances for the following projects: “Package A” consisting of the Kāpa‘a Drainage Improvements Project and the Drill & Test Kāpa‘a Well #4 Project, Water Plan 2020 Project No. WK-39, and “Package B” consisting of the Kāpa‘a Homesteads 325’ Tanks – Two 0.5 MG Storage Tanks Project, Job No. 02-14, Water Plan 2020 Project No. WK-08.

C. The Grantee shall indemnify and hold harmless the Grantor from and against any claims for injuries or damages of any kind occasioned, in whole or in part, by Grantee’s negligent actions or omissions arising out of its exercise of this right-of-entry.

D. This right-of-entry shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
E. The Grantor warrants and covenants with the Board that Grantor is the fee simple owner of the property upon which the right-of-entry is located, has full right to convey said right-of-entry and will warrant and defend the right-of-entry granted herein against all adverse claims.

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

G. The term of this right-of-entry shall commence upon the execution of the same by Grantor and shall automatically expire, without the submission or presentation of any documents to that effect, at such time that the Grantor records a Grant of Easement with respect to that portion of Tax Map Key No. 4-6-11:125 which the Board deems necessary for the construction, installation, reinstallation, maintenance, repair, and removal of drainage pipelines, valves, drainage ditches, and other associated waterworks facilities improvements and appurtenances, and further for ingress and egress at any time to, from, and through the easement area, with or without vehicles or equipment, as the Grantee deems necessary for the proper operation of its water system and which shall incorporate the terms of the Memorandum of Agreement (Drainage).

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the parties hereto have executed this right-of-entry as of the date first listed above.

GRANTOR(S):

[Signatures]

GODWIN M. ESAKI

JANET M. ESAKI

JANET M. ESAKI
TRUSTEE OF THE GODWIN M. ESAKI
REVOCABLE LIVING TRUST

GODWIN M. ESAKI
TRUSTEE OF THE GODWIN M. ESAKI
REVOCABLE LIVING TRUST

JANET M. ESAKI
TRUSTEE OF THE JANET M.
REVOCABLE LIVING TRUST

GODWIN M. ESAKI
TRUSTEE OF THE JANET M.
REVOCABLE LIVING TRUST
APPROVED:

Kirk Saiki, P.E.
Manager and Chief Engineer

APPROVED AS TO FORM AND LEGALITY:

Mahealani M. Krafft
Deputy County Attorney

GRANTEE:

BOARD OF WATER SUPPLY, COUNTY OF KAUAI

Sherman Shiraishi
Chairperson

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

On this 21 day of August, 2017 in the Fifth Circuit, State of Hawai'i, before me personally appeared Sherman Shiraishi, who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person is the Chairperson for the Board of Water Supply, County of Kauai executed Job No. 02-14 and Project No. WK-39 Right-of-Entry, dated August 21, 2017 and consisting of 5 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Mary Jane Akuna
Notary Public, State of Hawai'i
Name of Notary: Mary Jane Akuna
My Commission expires: March 30, 2018

Right of Entry, Godwin & Janet Esaki Job No. 02-14
WP2020 Project No. WK-08 - Kapa'a Homesteads 325' Tanks, Two 0.5 MG Tanks and
WP2020 Project No. WK-39 - Drill and Test Kapa'a Well No. 4

4-06-011:125

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

On this 16th day of AUGUST, 2017 in the Fifth Circuit, State of Hawai'i, before me personally appeared GODWIN M. ESAKI in his individual capacity, and as TRUSTEE OF THE GODWIN M. ESAKI REVOCABLE LIVING TRUST, and as TRUSTEE OF THE JANET M. ESAKI REVOCABLE LIVING TRUST who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the Job No. 02-14 and Project No. WK-39 Right-of-Entry, dated (undated) and consisting of 5 pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawai'i
Name of Notary: Debra C. Peay
My Commission expires: 10/16/2019

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

On this 17th day of AUGUST, 2017 in the Fifth Circuit, State of Hawai'i, before me personally appeared JANET M. ESAKI in her individual capacity, and as TRUSTEE OF THE GODWIN M. ESAKI REVOCABLE LIVING TRUST, and as TRUSTEE OF THE JANET M. ESAKI REVOCABLE LIVING TRUST who is personally known to me or whose identity I proved on the basis of satisfactory evidence, who being by me duly sworn or affirmed, did say that such person executed the Job No. 02-14 and Project No. WK-39 Right-of-Entry, dated (undated) and consisting of (5) pages at the time of notarization, as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawai'i
Name of Notary: CATHY ANNEROS
(Affix Seal)
My Commission expires: 10/18/2019

Right of Entry, Godwin & Janet Esaki Job No. 02-14
WP2020 Project No. WK-08 – Kapa’a Homesteads 325’ Tanks, Two 0.5 MG Tanks and WP2020 Project No. WK-39 – Drill and Test Kapa’a Well No. 4

4-06-011:125

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DEPARTMENT OF WATER
County of Kau‘i

"Water has no Substitute – Conserve It!"

MANAGER’S REPORT No. 18-63

August 21, 2017

Re: Discussion and Possible Action to Request Board Approval to enter into a Memorandum of Agreement (Drainage) and Right of Entry that will allow the Department of Water to construct drainage pipe lines, necessary appurtenances and ditches for WP2020 Project No. WK-08 affecting the following:

a. Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-11:125, Kapa‘a, Kau‘i, Hawai‘i

RECOMMENDATION:
It is recommended that the Board approve the Memorandum of Agreement (Drainage) and Right of Entry whereby, Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust grants to the Board, its officers, employees, contractors, subcontractors, and agents, a right of entry, over, under, and across TMK: (4) 4-6-11:125 for the purposes of the construction, installation, reinstallation, maintenance, repair, and removal of drain pipelines, drainage ditch, and related valves and other associated waterworks facilities, and appurtenances for Package A, Job No. 02-14, Water Plan 2020 Project No. WK-08 – Kapa‘a Homesteads 325’ Tanks, Two 0.5 MG Tanks.

Further, Board approval is specifically requested of the indemnification provision in the Right of Entry agreement; wherein, the Board agrees to “…indemnify and hold harmless the Grantor from and against any claims for injuries or damages of any kind occasioned, in whole or in part, by Grantee’s negligent actions or omissions arising out of its exercise of this right-of-entry.”

BACKGROUND:
The Department of Water (DOW) is proposing to construct two new 0.5 MG concrete storage tanks on the same site as the existing Ornellas tank in the Kapa‘a Homesteads located near the intersection of Kawaihau Road and Ka‘apuni Road. The project’s design includes drainage improvements for site storm water and potential tank overflow or washout events. The Department also intends to construct a separate project, Drill and Test Kapa‘a Well No. 4; a new well which will be drilled and tested at the same site. The design for the Drill and Test Kapa‘a Well No. 4 project has been complete since 2011; however, the project did not go to construction because of construction proposals coming in much higher than budgeted. It is believed one of the major reasons for the high construction proposals was due to the fact that a suitable drainage discharge location for the new well had not been identified. The Kapa‘a Homesteads 325’ Tanks project has been substantially delayed because the project’s drainage also requires a suitable drainage discharge location and discussions with private owners have not been successful.

Because the tank project and well project share the same site, the design must accommodate three different types of flows: site storm water runoff, flows from the tank via a washout or an unintended tank overflow event, and flows pumped from the new well. The flows pumped from
the new well would be discharged during the drilling and testing phase of the project and, if the well is successful, at the start of each pump cycle when the well is pumping into the DOW system (also known as “pump to waste”).

Most recently, the eighth amendment to Contract No. 427 provided for the project’s drainage to be routed to a private property along Kapahi Road which was anticipated to be approved; however, discussions and negotiations with that private owner were not successful. Subsequently, the DOW has determined another suitable location for the project’s drainage to be discharged to a private property along Ka‘apuni Road at TMK: (4) 4-6-11:125 and will execute a ninth amendment to Contract No. 427 for this change.

The owners of the private property along Ka‘apuni Road at TMK: (4) 4-6-11:125 have agreed in writing to accept the flows from the DOW’s projects by signing the Memorandum of Agreement (Discharge). The owners have also signed the Right of Entry agreement, indicating that they are willing to grant the Board a temporary ROE, and a subsequent GOE after or near the end of construction. The ROE and Memorandum of Agreement (Discharge) include recitals that convey the DOW’s intention to discharge the drainage waters to the private property. The Department will submit a Manager’s Report for the subsequent GOE at a future Board meeting.

**FUNDING:** N/A.

**OPTIONS:**

**Option 1:** Approval of the Right of Entry and Memorandum of Agreement (Discharge).
Pros: This will allow the DOW to access the property for construction purposes for the project and install the pipeline and ditch.

Cons: None.

**Option 2:** Do not approve the Right of Entry and Memorandum of Agreement (Discharge).
Pros: None.

Cons: The Department will not be able to access the privately owned parcel to construct the pipeline and ditch. This will cause delay to the project due to the challenges involved in finding an alternative for the site drainage water.

Respectfully submitted,

Keith Aoki, P.E.
Engineering Division

**CONCURRED:**

Kirk SaiKI, P.E.
Manager and Chief Engineer

KA/BW/cin
Manager’s Report No. 18-63
August 21, 2017
Page 3 of 3

Attachments: Memorandum of Agreement (Drainage) between Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-11:125, Kapa'a, Kaua'i, Hawai'i

Right of Entry Agreement between Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-11:125, Kapa'a, Kaua'i, Hawai'i

Mgrp/August 2017/18-63/ Discussion and Possible Action Request Board Approval to enter into a Memorandum of Agreement (Drainage) and Right of Entry that will allow the Department of Water to construct drainage pipe lines, necessary appurtenances and ditches for WP2020 Project No. WK-08 affecting the following: a Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-11:125, Kapa’a, Kaua’i, Hawai’i (8-21-17) in

REGULAR BOARD MEETING: Monday, August 21, 2017

Board’s Decision: Yes APPROVED  □ DENIED  □ DEFERRED
□ Receive  □ Information only  □ Defer

Notations: Mr. Dahilig moved to approve Manager’s Report No. 18-63 – Discussion and Possible Action to Request Board Approval to enter into a Memorandum of Agreement (Drainage) and Right of Entry that will allow the Department of Water to construct drainage pipe lines, necessary appurtenances and ditches for WP2020 Project No. WK-08 affecting the following: a Godwin M. Esaki, Janet M. Esaki, the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-11:125, Kapa’a, Kaua’i, Hawai’i; seconded by Mr. Tabata; motion carried with 6 ayes.

Members Present: Chair Sherman Shiraishi, Laurie Ho, Michael Dahilig, Thomas Canute, Lawrence Dill, Lyle Tabata

Board Members Absent & Excused: Beth Tokioka
From: Janet Esaki  
Date: May 7, 2019 at 9:10:30 AM HST  
To: Godwin Esaki  
Subject: Fwd:

Dear members of the board,

Just a brief introduction of myself and the situation. I'm Godwin Esaki, third generation farmer, ready to retire. The department of water approached me with a request of using lands given to me for farming purposes in Kapahi. Since water via irrigation ditches ceased, and I had not been able to utilize the lands due to lack of water, this seemed like a win-win situation.

In my excitement, and total trust of the department, I admit that I accepted the offer, while not paying close attention to the terms and conditions they put forth. In order to sign, I needed to leave my farm practice to accommodate these people, to meet department personnel at their jobs. That being the case, I did not put enough time into perusing the details of the project, trusting that our verbal agreement would be honored. My only request to the department was a win win deal or no deal. Being a farmer we need to have trust and faith in nature, which extends to people and things in order to succeed. Having again to leave the farm, and my wife to leave her job to sign the contract, we went to the department and simply signed.

Well, we were left with hole in the ground with boundaries far away from my verbal agreement – way too deep for me to utilize gravitationally, and taking up a large part of the property. To add to that, a liability and repair policy stuck to me and my family in perpetuity. I feel we need to at least remediate this part in the least. I realize this after the fact, probably makes me a fool, but I humbly request a change in this part of the contract that I need not leave my next generation with a huge liability rather a nicely developed farm.

With much humility and love,

Godwin Esaki
MANAGER’S REPORT No. 20-14

September 27, 2019

Re: Discussion and Possible Action for the Board of Water Supply to enter into Utility Agreement No. 2272 with the State of Hawai‘i in association with the State Department of Transportation’s upcoming HI STP SR 560(1), Wainiha Stream Bridges Nos. 1, 2, and 3 Project, Wainiha, Kaua‘i, Hawai‘i

RECOMMENDATION:
It is recommended that the Board of Water Supply (Board) enter into Utility Agreement No. 2272 with the State.

Further, Board approval is specifically requested of the indemnification provisions in this agreement; wherein, the “The COUNTY and the STATE shall not be responsible nor liable for any injury, death or damage arising or growing out of the acts or omissions of the other party in their performance of the work covered by this Agreement.” and “The COUNTY further agrees to indemnify and hold harmless, the STATE, from any and all liabilities which may arise from the COUNTY’s acts or omissions relating to such pipelines or facilities.”

FUNDING: N/A

BACKGROUND:
The Federal Highways Administration, Central Federal Lands Highway Division (CFLHD), in partnership with the Hawai‘i Department of Transportation (HDOT), is working on the replacement of three temporary “ACROW Panel” modular steel bridges with three new permanent one-lane bridges on Kūhiʻō Highway (Route 560) near the mouth of the Wainiha Stream on the island of Kaua‘i. The project generally consists of the replacement of the existing temporary ACROW bridges with permanent bridges including improved bridge deck, rails, superstructure, utilities, and road approaches. The affected water infrastructure is under the jurisdiction of the Department of Water (DOW), County of Kaua‘i.

CFLHD has been working with the DOW and indicated that CFLHD and HDOT concur with the comments and proposed changes to the plans and specifications made by the DOW throughout the design process.

The total estimated cost for the removal and relocation of the existing facilities and/or installation of new facilities is $840,000. The DOW’s share in the project cost is $0.

OPTIONS:
Option 1: Approve the Utility Agreement with the State DOT.
Pro: This will allow the HDOT to proceed with the HI STP SR 560(1), Wainiha Stream Bridges Nos. 1, 2, and 3 Project. The DOW will have new water facilities installed at no cost to the Department.

Con: The Board must agree to the indemnification language stated in the Agreement.
Option 2: Do not approve the Utility Agreement with the State DOT.

Pro: The Board will not have to agree to the indemnification language stated in the Agreement.

Con: The HDOT will not be allowed to proceed with the HI STP SR 560(1), Wainiha Stream Bridges Nos. 1, 2, and 3 Project.

KA/ein

Attachment: Utility Agreement 2272
UTILITY AGREEMENT NO. 2772

THIS AGREEMENT, made this ___ day of __________ 20__, by and between the STATE OF HAWAII, hereinafter called the "STATE", and County of Kauai Department of Water, hereinafter called the "COUNTY".

WITNESSETH THAT:

WHEREAS, the STATE has scheduled the construction of the HI STP SR 560(1) Wainiha Stream Bridges Nos. 1, 2 and 3 hereinafter referred to as the "Highway Project", and

WHEREAS, the Highway Project will affect the facilities of the COUNTY which will necessitate the removal and relocation of said facilities and/or the installation of new facilities,

NOW, THEREFORE, in consideration of the foregoing premises, it is mutually agreed by the parties hereto that the removal and relocation of the existing facilities and/or the installation of new facilities as a result of the Highway Project shall be paid for by the STATE and performed in accordance with the following terms and conditions:

1. The COUNTY shall comply with the provisions of Exhibit A (Revised), which is attached hereto and made a part hereof, regarding the basis of payment, work procedures, retention of records, etc.

2. The scope of work and the total estimated cost for the removal and relocation of the existing facilities and/or
installation of new facilities is the sum of $840,000 which scope and estimate, consisting of 1 page(s), are attached hereto as Utility Cost Estimate No. 2272 and made a part hereof.

3. Based on the estimated cost of $840,000 the STATE's share is estimated to be $840,000. The actual amount of the STATE's share in the cost of removal and relocation of the existing facilities and/or installation of new facilities will be determined in accordance with the procedures set forth on page 1 of said Utility Cost Estimate and will be based on the actual costs incurred by the parties hereto in removing and relocating the existing facilities and/or installing new facilities of the COUNTY. Reimbursement, if any, by the appropriate party, shall be based on said actual costs.

4. The removal and relocation of the existing facilities and/or installation of new facilities shall be in accordance with those certain plans and drawings dated May 2019, prepared by the STATE and approved by the COUNTY which are on file in the Highways Division, Department of Transportation, State of Hawaii.

5. The STATE shall perform or cause to be performed all of the work involved in the relocation of the facilities, except as provided for in said Utility Cost Estimate.

6. The COUNTY shall service and maintain and bear all costs of servicing and maintaining its facilities and further agrees not to perform such work from:

(a) the through traffic lanes and ramps of freeways;
(b) the through traffic lanes and ramps on other highways during peak traffic hours;
(c) the through traffic lanes and ramps of other highways during high volume hours, and
(d) the traffic lanes and ramps mentioned in (a), (b) and (c) above, except in emergencies and then only under the condition that such work shall be performed most expeditiously and with least possible interference with free flow of traffic and safe operation of highway facilities.

7. The cost of any future removal, relocation, replacement, reconstruction or adjustment of the utility facilities of the COUNTY, due to construction, reconstruction or maintenance of the highway, shall be borne by the parties hereto in accordance with Section 264-33, Hawaii Revised Statutes, but only to the extent applicable.

8. The COUNTY and the STATE shall not be responsible nor liable for any injury, death or damage arising or growing out of the acts or omissions of the other party in their performance of the work covered by this Agreement.

9. Any facilities of the COUNTY not affected or relocated under this Agreement but which are situated within the aforementioned project and shown on the aforementioned plans may remain in place upon the express condition, however, that paragraphs 6 and 7, above, shall also be applicable to said facilities.

10. When applicable, at its own expense, the COUNTY will be required to remove any of its underground facilities which it constructs, in the event the utility abandons the use of the facilities, unless the STATE consents in writing to allow abandonment in place. Notwithstanding any such consent by the STATE for abandonment in place, the COUNTY agrees to be responsible for the removal costs and any costs of clean-up and remediation for any pollution or contamination caused by the facilities, if such action becomes necessary in the future. The
COUNTY further agrees to indemnify and hold harmless, the STATE, from any and all liabilities which may arise from the COUNTY's acts or omissions relating to such pipelines or facilities.

11. Pursuant to regulations and requirements of the Federal Highway Administration (FHWA) and Hawaii state law, the COUNTY is prohibited from assigning or subleasing any facilities that are allowed to be abandoned in place in the highway right-of-way without the express permission of, and arrangements with the STATE or unless such assignment or sublease is required by law. The COUNTY shall give the STATE ten (10) days prior written notice of any use by third parties of the COUNTY's facilities that the COUNTY is required by law to allow. Any unauthorized use of the COUNTY's facilities by any other utility or third party is strictly prohibited.

12. This Agreement shall be binding upon the parties hereto, their successors and assigns, and expired service life is not applicable to the work to be performed hereunder because expired service life is no longer addressed in federal regulations.
IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their duly authorized officers as of the day and year first above written.

STATE OF HAWAII

By

Its Director of Transportation

COUNTY OF KAUA'I,
DEPARTMENT OF WATER

APPROVED AS TO FORM:

By __________________________
Print Name____________________
Its___________________________

Deputy Attorney General
State of Hawaii

APPROVED AS TO FORM AND LEGALITY:

By __________________________
Print Name____________________
Its___________________________

Attorney for COUNTY
BASIS OF PAYMENTS, RECORDS AND ACCOUNTS

EXHIBIT A (REVISED)

1. The cost of the relocation shall be based on the prevailing rates and/or unit prices for labor, equipment and material, plus a fixed percentage of such costs for indirect costs and overhead, at the time the relocation is commenced and in lieu of the rates indicated in the cost estimate. Such rates, unit prices and percentages shall be subject to the prior approval of the State, and shall be based on actual cost incurred by the County for the relocation of its facilities.

2. The State shall give the County N/A working days notice to proceed with its portion of the work. The County shall coordinate its work with the State's contractor and shall not unreasonably interfere with or delay the State's highway project. The County will also notify the State's project engineer N/A day(s) prior to the commencement of the relocation of said facilities by the County. The County estimates that it will complete its portion of the work within N/A working days.

3. A final statement of cost shall be submitted by the County in the same general form as the cost estimate within 90 days N/A

4. The records and accounts of the County and its contractor, pertaining to the work performed under the terms of this Agreement, shall be retained for a period of not less than three (3) years from the date of the final payment of Federal funds to the State for said project and shall be available for inspection and audit by representatives of the Department of Transportation, State of Hawaii, and the United States Federal Highway Administration at the respective offices of the County and the contractor in Honolulu.

5. Where applicable, the terms of this Agreement, including the final statement of cost and payment thereof, shall be subject to the amended provisions of the Code of Federal Regulations 23 CFR 140, 23 CFR 645 and Section 264-33 of the Hawaii Revised Statutes, which are incorporated herein by reference and made a part of this agreement.

6. Notwithstanding any reference to said provision of the Code of Federal Regulations 23 CFR 140 and 23 CFR 645 it is expressly agreed that the State shall bear the entire cost of relocating said facilities.

7. The County's existing facilities shall remain in place until the proposed site is ready and available for installation of the new facilities.
STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
HIGHWAYS DIVISION  

UTILITY COST ESTIMATE FOR UTILITY AGREEMENT NO. 2272  

Project: Waalihia Stream Bridges Nos. 1, 2, and 3  
Utility Co.: County of Kauai Water Department  
Prepared by: JHB  
Date: 05/02/19  
Project No.: HI STP SR 560(1)  
Checked by:  
Date:  

**UTILITY PAYMENT STANDARDS COMPARISON**

<table>
<thead>
<tr>
<th>STATE STANDARDS</th>
<th>FEDERAL STANDARDS (FAPG Sec. 645,117)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A.</strong> Work/material by Utility Company and/or its Contractor</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>B.</strong> Work/material by State and/or its Contractor</td>
<td>840,000.00</td>
</tr>
<tr>
<td><strong>C.</strong> Total Cost of Utility Work (A+B)</td>
<td>840,000.00</td>
</tr>
<tr>
<td><strong>D.</strong> Less Deductions:</td>
<td></td>
</tr>
<tr>
<td>1. Depreciation</td>
<td>0.00</td>
</tr>
<tr>
<td>2. Salvage Value</td>
<td>0.00</td>
</tr>
<tr>
<td>3. Betterments</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>E.</strong> Total Deductions (D1+D2+D3)</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>F.</strong> Net Cost of Relocation (C minus E)</td>
<td>840,000.00</td>
</tr>
<tr>
<td><strong>G.</strong> Less Cost Sharing Arrangements:</td>
<td></td>
</tr>
<tr>
<td>1. $10,000 (only if required by H.R.S. Section 264-33, e.g., privately owned facilities within the highway right-of-way)</td>
<td>0.00</td>
</tr>
<tr>
<td>2. Amount for Extraordinary* Items referred to in Item J</td>
<td>0.00</td>
</tr>
<tr>
<td>3. Total (G1+G2)</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>H.</strong> Net Amount (F minus G3)</td>
<td>840,000.00</td>
</tr>
<tr>
<td><strong>I.</strong> State Share in Net Amount [100%]</td>
<td>840,000.00</td>
</tr>
<tr>
<td><strong>J.</strong> State's Share for Extraordinary* Items which have been deleted from G2</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>K.</strong> State's Share in Total Cost of Utility Work (I+J)</td>
<td>840,000.00</td>
</tr>
<tr>
<td><strong>L.</strong> Utility's Share in Total Cost of Utility Work (C minus K)</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>ESTIMATED REIMBURSEMENT</strong></td>
<td><strong>FEDERAL SHARE</strong></td>
</tr>
<tr>
<td>Utility Company to State (B minus K)</td>
<td>0.00</td>
</tr>
<tr>
<td>State to Utility Company (K minus B)</td>
<td>0.00</td>
</tr>
</tbody>
</table>
### WATERLINE SUMMARY

<table>
<thead>
<tr>
<th>6-INCH WATERLINE, DUCTILE IRON</th>
<th>Gate Valves</th>
<th>Air release valves</th>
<th>Hydrant</th>
<th>Meters</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lift 1</td>
<td>263</td>
<td>1</td>
<td>2</td>
<td>EACH</td>
<td>EACH</td>
</tr>
<tr>
<td>Lift 2</td>
<td>538</td>
<td>1</td>
<td>2</td>
<td>EACH</td>
<td>EACH</td>
</tr>
<tr>
<td>Lift 3</td>
<td>599</td>
<td>1</td>
<td>3</td>
<td>EACH</td>
<td>EACH</td>
</tr>
<tr>
<td>Lift 4</td>
<td>1429</td>
<td>7</td>
<td>5</td>
<td>EACH</td>
<td>EACH</td>
</tr>
</tbody>
</table>

**Notes:**
1. Quantities for gate valves, air release valves, and reset hydrant are for information purposes only and are included in the 61102-3000, 6-INCH WATERLINE, DUCTILE IRON pay item.
2. Waterline system includes all bends, elbows, tees, services, reducers, etc. which may not be listed above.

---

### WATER LINE SUMMARY - (DIVERSIONS)

<table>
<thead>
<tr>
<th>6-Inch PVC Waterline</th>
<th>6-Inch Valves</th>
<th>Air release valves</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lift</td>
<td>EACH</td>
<td>EACH</td>
<td></td>
</tr>
<tr>
<td>WAINIHA BRIDGE 1 BYPASS</td>
<td>234</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>WAINIHA BRIDGE 2 BYPASS</td>
<td>581</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>WAINIHA BRIDGE 3 BYPASS</td>
<td>648</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Road</td>
<td>70</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>1533</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>

**Notes:**
1. These quantities are for information purposes only. Actual quantities will vary based on temporary structure design and location.
2. All items listed are included in the 65001-1000, CONSTRUCT AND MAINTAIN DIVERSION pay item.
3. Waterline system includes all bends, elbows, tees, services, reducers, etc. which may not be listed above.
MANAGER’S REPORT No. 20-15

September 27, 2019

Re: Discussion and Possible Action on the Appropriation of funds for Special Counsel to provide general civil litigation and related services

RECOMMENDATION:
The Office of the County Attorney respectfully requests that the Board of Water approve $25,000.00 in additional funds for Special Counsel to provide general civil litigation and related services.

FUNDING:

<table>
<thead>
<tr>
<th>From Account No.</th>
<th>10-00-00-330-000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acct Description</td>
<td>Water Utility Fund (unrestricted)</td>
</tr>
<tr>
<td>Funds Available</td>
<td>Verified by WWC $ 25,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>To Account No.</th>
<th>10-01-10-540-010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acct Description</td>
<td>WU/Admin/Admin/Professional Services-General</td>
</tr>
<tr>
<td>Funds Available</td>
<td>$ 25,000.00</td>
</tr>
</tbody>
</table>

New Budget Balance for Acct No. 10-01-10-540-010 $ 50,000.00

BACKGROUND:
The Office of the County Attorney (OCA) currently has only two attorneys to handle all litigation matters for the entire County of Kaua‘i. The OCA is respectfully requesting the Board to appropriate funds to cover litigation matters wherein the Board or the Department is named as a party. The Office will negotiate the rate of pay and costs commensurate with the level of experience and effort required.

OPTIONS:
Option 1: Approve the appropriation or transfer of funds.
Pro: The Office may proceed with the procurement.
Con: Appropriation of funds will reduce the immediate availability of these funds for other purposes.

Option 2: Deny the appropriation of funds.
Pro: The requested funds will remain available for other purposes.
Con: Litigation matters wherein the Board or the Department is named as a party may suffer.
Proposed
CAPITAL IMPROVEMENT
PROJECTS (CIP)
for the
---------------------------------------------------------------------------------
"WATER HAS NO SUBSTITUTE - CONSERVE IT"
---------------------------------------------------------------------------------
Request for State Aid
2020
Legislative Session
The Department of Water (DOW), County of Kaua‘i’s fiscal year 2021 (July 1, 2020 through June 30, 2021) request for Capital Improvement Funds is intended to address the needs of our community, including public safety and affordable housing, by providing safe, sufficient, and affordable water to the people of Kaua‘i.

1. The **FIRST and TOP PRIORITY** project is to develop new storage infrastructure that will provide adequate fire flow storage capacity for the Kapa‘a area including Kapa‘a High School and the State’s Samuel Mahelona Memorial Hospital. The existing Kapa‘a Homesteads 313-foot storage tank is undersized and does not meet the Water System Standards for fire storage capacity. The project is currently under design with construction anticipated to start in 2021. **(Project: Construct Kapa‘a Homesteads 325’ Tanks, Two 0.5 MG Tanks);** and

2. The **SECOND PRIORITY** project is to develop storage infrastructure that will provide adequate domestic and fire flow storage capacity for the Ha‘ena-Wainiha water system, including Ha‘ena State Park, customers, and businesses in the area. The project will allow the DOW to remove the current water meter restriction that limits water service to three single family dwellings or three 5/8-inch water meters per lot due to inadequate storage facilities. The project’s design is nearly complete and construction is anticipated to start in 2021. **(Project: Construct Ha‘ena 0.2 MG Storage Tank, 144’);** and

3. The **THIRD PRIORITY** project is to develop storage infrastructure that will provide adequate domestic and fire flow storage capacity for the Kīlauea water system, including residential and business customers in the area. The project will allow the DOW to remove the current water meter restriction that limits water service to five single family dwellings or five 5/8-inch water meters per lot due to inadequate storage facilities. The project’s design is nearly complete and construction is anticipated in 2021. **(Project: Construct Kīlauea 1.0 MG Storage Tank and Connecting Pipeline, 466’);** and

4. The **FOURTH PRIORITY** project is to design Phase 1 of the DOW’s Baseyard Master Plan in Līhu‘e. The DOW’s Baseyard is the single, central hub of all DOW operations and the design will include a significant reorganization of existing facilities and the design of new facilities to support both the DOW’s current, growing needs and its future operational needs. The Master Plan will address spatial challenges, including equipment and employee parking, critical staff work areas, and material storage. While the Master Plan vision establishes a 30-year planning horizon, the urgency for initiating Phase 1 has accelerated in 2019 as upcoming projects in adjacent properties will remove parking for existing DOW as early as 2021. **(Project: DOW Baseyard Master Plan: Phase I);**

The Kaua‘i Board of Water Supply and the DOW are committed to operating in a fiscally responsible manner. The DOW’s revenue is derived from water service sales with no direct subsidy from, or contributions to the County General Fund. The DOW’s water service revenue is used for the operation and maintenance of each of our nine (9) public water systems. In efforts to provide for adequate funding in the future, the DOW periodically studies its water service charges and its Facilities Reserve Charge (FRC), which is a fee to be paid by new developers or existing developers seeking additional water supply from the DOW’s water system.
In the meantime, the DOW’s current resources are not sufficient to fully develop the necessary infrastructure to replace aging water systems and satisfy Kaua‘i’s future needs. The DOW’s water systems are not yet highly integrated or interconnected. Most of the water systems rely on less water sources and less storage tanks than are required by Water System Standards, and the majority of the water systems are still separate water systems serving individual communities around the island. Aging pipelines that were originally installed in many of these systems are now undersized, according to current Water System Standards.

The DOW periodically updates its Water Plan 2020, a comprehensive long-range plan to address infrastructure, revenue, and water rate needs of Kaua‘i’s water systems, and the DOW is currently initiating its next Island-Wide Long-Range Water Infrastructure Maintenance and Improvement Plan.

The maintenance and replacement of water infrastructure facilities is a continuous and critical process for ensuring a safe and sufficient public drinking water supply. Ultimately, given the high cost of infrastructure development in Hawai‘i and the DOW’s current fiscal capabilities, financial assistance from the State and Federal grants-in-aid are vital in order to meet the drinking water needs of our community and ensure the long-term viability of our water systems. On behalf of the people of Kaua‘i, mahalo nui loa for your consideration of this request.
# Department of Water, County of Kaua'i
## SUMMARY REQUEST FOR STATE AID
### CAPITAL IMPROVEMENT PROJECTS (CIP)
#### Fiscal Year 2021

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority No. 1</strong></td>
<td>WK-8</td>
<td>Construct Kapa’a Homesteads 325’ Tanks, Two 0.5 MG Tanks</td>
<td>$12.3M</td>
<td>$7.0M</td>
<td>$5.3M</td>
</tr>
<tr>
<td>Kapa’-Wailua Water System</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Priority No. 2</strong></td>
<td>HW-11</td>
<td>Construct Ha'ena 0.2 MG Storage Tank, 144’</td>
<td>$5.5M</td>
<td>$3.5M</td>
<td>$2.0M</td>
</tr>
<tr>
<td>Hā'ena-Wainiha Water System</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Priority No. 3</strong></td>
<td>WKK-15</td>
<td>Construct Kīlauea 1.0 MG Tank and Connecting Pipeline, 466’</td>
<td>$5.5M</td>
<td>$3.5M</td>
<td>$2.0M</td>
</tr>
<tr>
<td>Kīlauea Water System</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Priority No. 4</strong></td>
<td>-</td>
<td>DOW Baseyard Master Plan (Phase I)</td>
<td>$1.6M</td>
<td>$1.6M</td>
<td>-</td>
</tr>
<tr>
<td>Supports all Water Systems Island-Wide</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>$24.9M</td>
<td>$15.6M</td>
<td>$9.3M</td>
</tr>
</tbody>
</table>
A. **PROJECT DESCRIPTION AND JUSTIFICATION**

The Department of Water is requesting State aid to construct two (2) new 0.5 MG Storage Tanks in the Kapa’a Homesteads area.

Per Water System Standards, the lower Kawaihau, Kapa’a area of the Kapa’a Water System is currently deficient in storage capacity for fire protection. This area includes Kapa’a High School, Kapa’a Middle School, Kapa’a Elementary School, and the State’s Samuel Mahelona Memorial Hospital. To address the storage deficit and provide adequate fire protection, the DOW is currently designing two (2) 0.5 million gallon storage tanks.

This project also includes site drainage, site improvements, and connecting pipeline to the Department’s 313’ water service zone in Kapa’a. Construction is anticipated to start in 2021 if adequate funds are available. The design is nearly complete and the tanks will be constructed following the completion of the ongoing Drill and Test Kapa’a Well No. 4 Project, which is currently under construction at the same site and is anticipated to be completed in 2020.

B. **ESTIMATED COST:**

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>Total</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Cost</td>
<td>$12.3M</td>
<td>$7.0M</td>
<td>$5.3M</td>
</tr>
</tbody>
</table>
HA‘ENA-WAINIHA WATER SYSTEM

Construct Ha‘ena 0.2 MG Storage Tank, 144’
Water Plan 2020 Project No. HW-11

A. PROJECT DESCRIPTION AND JUSTIFICATION

The Department of Water is requesting State aid to construct a new 0.2 MG Storage Tank in the Hā‘ena-Wainiha area.

The existing storage facilities for the Ha‘ena-Wainiha 144’ service zone are not adequate to provide the required domestic flow and fire flow demands required by Water System Standards. The proposed Ha‘ena 0.2 MG Storage Tank will provide adequate storage facilities to meet the Water System Standards and will provide storage facilities for anticipated demands in the Ha‘ena-Wainiha 144’ service area into the future. The project would allow the DOW to remove the current water meter restriction that limits water service to three single family dwellings or three 5/8-inch water meters per lot due to inadequate storage facilities.

The design of the project is nearing completion and includes the new 0.2 million gallon steel water storage tank, site and drainage improvements, and connecting pipeline. Construction is anticipated to start in 2021 if sufficient funds are available.

B. ESTIMATED COST:

<table>
<thead>
<tr>
<th></th>
<th>FISCAL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total 2021</td>
</tr>
<tr>
<td>Construction Cost</td>
<td>$5.5M</td>
</tr>
</tbody>
</table>
A. PROJECT DESCRIPTION AND JUSTIFICATION:

The Department of Water is requesting State aid to construct a new 1.0 MG Storage Tank in the Kīlauea area.

The existing storage facilities for the Kīlauea 466’ service zone are not adequate to provide the required domestic flow and fire flow demands required by Water System Standards. The proposed Kīlauea 1.0 MG Storage Tank will provide adequate storage facilities to meet the Water System Standards and will provide storage facilities for anticipated demands in the Kīlauea 466’ service area. It is expected that this additional storage capacity will allow for future development and/or expansion of businesses and residential units, which could potentially include affordable housing in the Kīlauea 466’ service area. The project would allow the DOW to remove the current water meter restriction that limits water service to five single family dwellings or five 5/8-inch water meters per lot due to inadequate storage facilities.

The design of the project is nearing completion and includes the new 1.0 million gallon concrete water storage tank, site and drainage improvements, and connecting pipeline. Construction is anticipated to start in 2021 if sufficient funds are available.

B. ESTIMATED COST:

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>Total</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Cost</td>
<td>$5.5M</td>
<td>$3.5M</td>
<td>$2.0M</td>
</tr>
</tbody>
</table>
A. **PROJECT DESCRIPTION AND JUSTIFICATION:**

The Department of Water is requesting State aid to design the first phase of the DOW Baseyard Master Plan.

The DOW’s Baseyard is the single, central hub of all DOW operations and the design will include a significant reorganization of existing facilities and the design of new facilities to support both the DOW’s current, growing needs and its future operational needs. The Master Plan will address spatial challenges, including equipment and employee parking, critical staff work areas, and material storage. While the Master Plan vision establishes a 30-year planning horizon, the urgency for initiating Phase 1 has accelerated in 2019 as upcoming projects in adjacent properties will remove parking for existing DOW as early as 2021.

The Master Plan is nearing completion and includes multiple phases to fully utilize and upgrade the DOW’s baseyard facilities with future-focused solutions for the Department’s growing needs over the next 30 years. Design is anticipated to start in 2020 if sufficient funds are available.

B. **ESTIMATED COST:**

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design Cost</td>
<td>$1.6M</td>
<td>$1.6M</td>
</tr>
</tbody>
</table>
Staff Reports
I. BUDGET SUMMARY VS. ACTUAL (see attached report for details)

<table>
<thead>
<tr>
<th>YEAR TO DATE (YTD) BUDGET &amp; ACTUAL EXPENSES SUMMARY – AS OF AUGUST, 2019</th>
<th>BUDGET</th>
<th>vs</th>
<th>EXPENSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>· Operating Expenses</td>
<td>$9,095,866</td>
<td>$3,683,757</td>
<td></td>
</tr>
<tr>
<td>· Debt Principal Payment</td>
<td>836,174</td>
<td>3,865,082</td>
<td></td>
</tr>
<tr>
<td>· Capital Projects</td>
<td>20,912,478</td>
<td>115,085</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$30,844,518</td>
<td>$7,663,923</td>
<td></td>
</tr>
</tbody>
</table>

REVENUES: VARIANCE = “ACTUAL” LESS “BUDGET”; POSITIVE INDICATES HIGHER PERFORMANCE THAN EXPECTED.

- Total Revenue as of August, 2019 was 2% above projection.
  - Water sales of $5.2 million (M) was $700 thousand (K) higher or 16%.
  - Other Water Revenue - Receipts of $29.2 thousand (K) was $12.4 thousand (K) below projection or -30%.
  - Capital Contributions: Contributions from Federal & State Grants – 133.8 or 31% higher.
  - Investment Income & Net Increase in FV of Investments – 93.3K or 111% higher.
  - Miscellaneous Revenues - $1K

OPERATING EXPENSES: VARIANCE = BUDGET LESS ACTUAL

EXPENSES; POSITIVE INDICATES LESS SPENDING THAN PLANNED. REVISED YTD BUDGET COLUMNS INCLUDE PO ROLLOVER FROM FY ENDING 2019.

- YTD Operating Expenses before depreciation and amortization was $3.7M. Total spending was $6.5M less than planned or budgeted; a positive variance of 64%.
  - Employee Related Expenses – $1.25M with a 37% positive variance.
  - Contracts & Services – $1.18M with a 75% positive variance.
    - Professional Services, Communication, Insurance and Repairs and Maintenance for non-water systems are the main items contributing to the 75% positive variance.
  - Exceptional Expenses – None.
  - Fuel & Utilities – $433.9K; 23% positive variance.
  - Bulk Water Purchase – 139K, for July; 54% positive variance; one month posting behind.
  - Office & Operating Supplies – $135.5K, 81% positive variance.
  - Training, Travel & Meeting Expenses – $17.6K; 71% positive variance.
  - Debt Service – Interest Expense - $524.6K; 2% positive variance.
  - Depreciation & Amortization (non-cash expenses) is $1.22M; 8% positive variance.
DEPARTMENT OF WATER
County of Kaua‘i

“Water has no Substitute – Conserve It!”

NET OPERATING INCOME:

- Net Operating Income before depreciation and amortization - $2.1M.
- Net Operating Income after depreciation & amortization was $899.6K.

NON-OPERATING PROCEEDS & DISBURSEMENTS

- SRF Loan Proceeds – None
- FRC – Facility Reserve Charge – $398.18K
- YTD Debt Principal Payment is $3.87M

CAPITAL PROJECTS BUDGET: YTD DISBURSEMENTS = $115,084.58

- Capital Projects: Water Utility Fund - $115.6K
- Capital Projects: FRC Fund – $0.0
- Capital Projects: BAB Fund - $0.0
- Capital Projects: SRF Loan Fund - None

II. FY 2018 – 2019 CERTIFICATION OF FUNDS YTD $808,712.34

<table>
<thead>
<tr>
<th></th>
<th>REPORT TO MANAGER (with approved Budget)</th>
<th>MANAGER’S REPORT (New Budget Requests)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Utility Fund</td>
<td>$476,480.00</td>
<td>$178,778.35</td>
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<tr>
<td>FRC Fund</td>
<td>$0.0</td>
<td>$0.0</td>
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<tr>
<td>BAB Fund</td>
<td>$0.0</td>
<td>$153,453.99</td>
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<tr>
<td>Total</td>
<td>$476,800.00</td>
<td>$332,232.34</td>
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</tbody>
</table>

III. COMPARATIVE CHARTS:

METERED CONSUMPTION:

- August, 2019, monthly metered consumption was 362.07 million gallons (mg) which increased by 13.5 mg as compared from the same month of FY 2019.
- Year to Date (YTD) metered consumption as of 8/31/19 was 727.96 mg; YTD increase of 35.03 mg as compared from the same month of FY 2019.

IV. COMPARATIVE BALANCE SHEET:

July and August Statements of Net Position are not available as of yet. It’s pending receipt of Cash and Investment reports from the County Treasury.

V. OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:

- FEMA update: The DOW submitted five (5) project worksheets for FEMA reimbursements amounting to $1,104,712.88 for projects related to the April 2018 rain event. To date, the DOW received three (3) Notices of Funding Obligation; federal share were; one for $129,580.04, another for $32,228.47 and the last one which was approved on 8/2/19 in the amount of $49,190.
Five (5) years Water Rate Study – The Rate Study period was changed from FY 2017-2021 to FY 2019-2023. The consultants developed a financial model that has been updated several times with different rate scenarios based on changing CIP project priority list. The last updated version was to conform to the approved FY 2019-2020 DOW budget which included the State of Hawai‘i (SOH) grant funded CIP and was adjusted with the change in Emergency Reserve Fund board policy.

The DOW went live with the new CC&B environment on 2/4/19. The Customer Account Portal (CAP) for online payment was launched on 6/22/19. There are 330 registered user accounts and 37 credit card transactions were processed for the month of July. The current E-billing statements will the current provider will be terminated on August 31, 2019. Customers may continue to receive E-bills by registering to the New Customer Account Portal (CAP).

Develop Financial Policies for DOW – scope of work is in progress, procurement of Consultants will follow.

Budget Program Solution – It will be addressed concurrently with the Financial Policies Development procurement.

Financial audit for Fiscal Year (FY) ending June 30, 2019 is in progress. Accuity, LLC completed their field audit at the DOW. Staff continues to work with Auditors to complete the testing of certain accounts.
### August

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Sales</td>
<td>$2,244,146.00</td>
<td>$2,244,146.00</td>
<td>$2,608,014.19</td>
<td>$363,860.19</td>
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<tr>
<td>Revenue from Public Fire Protection</td>
<td>178,042.00</td>
<td>178,042.00</td>
<td>191,191.50</td>
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</tr>
<tr>
<td>Other Water Revenue</td>
<td>20,833.00</td>
<td>20,833.00</td>
<td>10,549.05</td>
<td>(10,283.95)</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>90,897.00</td>
<td>90,897.00</td>
<td>90,897.00</td>
<td>0.00</td>
</tr>
<tr>
<td>State Grants</td>
<td>316,866.00</td>
<td>316,866.00</td>
<td>(316,866.00)</td>
<td>0.00</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>50,900.00</td>
<td>50,900.00</td>
<td>66,911.93</td>
<td>15,921.93</td>
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<tr>
<td>Net Increase in Fair Value of Investments</td>
<td>(2,500.00)</td>
<td>(2,500.00)</td>
<td>318.99</td>
<td>2,818.99</td>
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<tr>
<td>Investment Income</td>
<td>22,084.00</td>
<td>22,084.00</td>
<td>16,730.70</td>
<td>(5,352.97)</td>
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<tr>
<td>Gain or Loss on Disposal of Capital Assets</td>
<td>417.00</td>
<td>417.00</td>
<td>(417.00)</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$2,021,668.00</td>
<td>$2,021,668.00</td>
<td>$2,852,719.12</td>
<td>(830,051.12)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee-Related Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages (Includes Leaves &amp; CIO)</td>
<td>597,142.00</td>
<td>597,142.00</td>
<td>453,989.55</td>
<td>143,152.45</td>
</tr>
<tr>
<td>Temporary Assignment</td>
<td>5,917.00</td>
<td>5,917.00</td>
<td>7,898.46</td>
<td>(1,979.46)</td>
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<tr>
<td>Overtime</td>
<td>40,000.00</td>
<td>40,000.00</td>
<td>55,738.01</td>
<td>(15,738.01)</td>
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<tr>
<td>Benefits</td>
<td>16,259.00</td>
<td>16,259.00</td>
<td>16,034.54</td>
<td>214.46</td>
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<tr>
<td>FICA</td>
<td>50,474.00</td>
<td>50,474.00</td>
<td>38,681.50</td>
<td>11,792.50</td>
</tr>
<tr>
<td>Retirement Contribution</td>
<td>144,332.00</td>
<td>144,332.00</td>
<td>118,545.32</td>
<td>25,786.68</td>
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<tr>
<td>Life &amp; Health Insurance</td>
<td>50,919.00</td>
<td>50,919.00</td>
<td>45,056.36</td>
<td>5,862.64</td>
</tr>
<tr>
<td><strong>Total Employee-Related Expenses</strong></td>
<td>$946,536.00</td>
<td>$946,536.00</td>
<td>$696,717.77</td>
<td>$249,818.23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contracts &amp; Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Services-General</td>
<td>303,613.00</td>
<td>303,613.00</td>
<td>451,858.34</td>
<td>(148,245.34)</td>
</tr>
<tr>
<td>Professional Services-Accounting &amp; Auditing</td>
<td>8,600.00</td>
<td>8,600.00</td>
<td>12,507.77</td>
<td>(3,907.77)</td>
</tr>
<tr>
<td>Other Services-General</td>
<td>5,374.00</td>
<td>5,374.00</td>
<td>5,685.37</td>
<td>(311.37)</td>
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<tr>
<td>Other Services-Billing Costs</td>
<td>17,221.00</td>
<td>17,221.00</td>
<td>12,303.47</td>
<td>4,917.53</td>
</tr>
<tr>
<td>Public Relations-General</td>
<td>6,674.00</td>
<td>6,674.00</td>
<td>2,143.97</td>
<td>4,530.03</td>
</tr>
<tr>
<td>Procurement Advertising</td>
<td>833.00</td>
<td>833.00</td>
<td>833.00</td>
<td>0.00</td>
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<tr>
<td>Communication Services</td>
<td>10,009.00</td>
<td>10,009.00</td>
<td>9,097.44</td>
<td>911.56</td>
</tr>
<tr>
<td>Freight and Postage</td>
<td>1,365.00</td>
<td>1,365.00</td>
<td>2,230.10</td>
<td>(865.10)</td>
</tr>
<tr>
<td>Rentals and Leases</td>
<td>10,924.00</td>
<td>10,924.00</td>
<td>3,630.39</td>
<td>7,293.61</td>
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<tr>
<td>Insurance</td>
<td>32,917.00</td>
<td>32,917.00</td>
<td>32,917.00</td>
<td>0.00</td>
</tr>
<tr>
<td>County Service Charge</td>
<td>178,042.00</td>
<td>178,042.00</td>
<td>181,191.50</td>
<td>(3,149.50)</td>
</tr>
<tr>
<td>Repair &amp; Maintenance-Water System</td>
<td>18,417.00</td>
<td>18,417.00</td>
<td>68,538.86</td>
<td>(48,121.86)</td>
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<tr>
<td>Repair &amp; Maint.-Non Water System</td>
<td>58,396.00</td>
<td>58,396.00</td>
<td>22,540.32</td>
<td>35,855.69</td>
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<tr>
<td><strong>Total Contracts &amp; Services</strong></td>
<td>$653,272.00</td>
<td>$742,330.00</td>
<td>$768,572.26</td>
<td>(26,422.26)</td>
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<table>
<thead>
<tr>
<th></th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Revenue        | $4,489,308.00       | $5,186,611.18 | $996,303.18 | 16% |
| Cost            | 356,084.00         | 362,383.00   | 6,209.00    | 2%  |
| Operating Income | 41,866.00       | 25,248.78    | (16,417.22) | (30%) |
| Federal Grants  | 181,794.00         | 181,794.00   | (181,794.00) | (100%) |
| State Grants    | 633,322.00         | 633,322.00   | (633,322.00) | (100%) |
| Capital Contrib. | 101,980.00      | 135,623.86   | 31,643.86   | 31%  |
| Net Inc. in FV   | (5,000.00)         | 331.99       | 5,331.98    | (106%) |
| Investment Inc.  | 4,167.34          | 93,511.22    | 46,443.88   | 111% |
| Miscellaneous Revenue | 417.00        | 417.00       | (417.00) | 0.00 |
| **Total Revenue** | $5,843,146.88 | $5,806,761.45 | (26,403.23) | (1%) |
## SUMMARY

### Department of Water, County of Kauai

**Monthly Budget Summary vs. Actual**

8/31/2019

### Exceptional Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014 &amp; FY2015 Kalahoe Emergency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abandoning Hanamulu Wells 1 &amp; 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Exceptional Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Fuel & Utilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Services</td>
<td>238,552.00</td>
<td>238,552.00</td>
<td>231,155.78</td>
<td>7,396.22</td>
<td>261,975.00</td>
</tr>
<tr>
<td>Fuel</td>
<td>9,625.00</td>
<td>9,625.00</td>
<td>11,265.07</td>
<td>(1,640.07)</td>
<td>10,645.00</td>
</tr>
<tr>
<td><strong>Total Fuel &amp; Utilities</strong></td>
<td>248,177.00</td>
<td>248,177.00</td>
<td>242,420.85</td>
<td>5,756.15</td>
<td>272,620.00</td>
</tr>
</tbody>
</table>

### Bulk Water Purchase

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Water Purchase</td>
<td>151,548.00</td>
<td>151,548.00</td>
<td>139,020.07</td>
<td>12,327.93</td>
<td>165,620.00</td>
</tr>
<tr>
<td><strong>Total Bulk Water Purchase</strong></td>
<td>151,548.00</td>
<td>151,548.00</td>
<td>139,020.07</td>
<td>12,327.93</td>
<td>165,620.00</td>
</tr>
</tbody>
</table>

### Office & Operating Supplies

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Supplies</td>
<td>1,083.00</td>
<td>1,083.00</td>
<td>816.93</td>
<td>266.07</td>
<td>912.00</td>
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<tr>
<td>Operating Supplies</td>
<td>113,025.00</td>
<td>113,025.00</td>
<td>84,267.10</td>
<td>28,757.90</td>
<td>105,483.00</td>
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<tr>
<td>Books, Subscriptions and Dues</td>
<td>2,737.00</td>
<td>2,737.00</td>
<td>51.15</td>
<td>2,685.85</td>
<td>7,475.00</td>
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<tr>
<td>Books, Subscriptions and Dues - Board</td>
<td>91.00</td>
<td>91.00</td>
<td>91.00</td>
<td>0.00</td>
<td>185.00</td>
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<tr>
<td><strong>Total Office &amp; Operating Supplies</strong></td>
<td>117,686.00</td>
<td>117,686.00</td>
<td>85,135.18</td>
<td>32,650.82</td>
<td>113,769.39</td>
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</tbody>
</table>

### Training, Travel & Meeting Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and Development</td>
<td>6,740.00</td>
<td>6,740.00</td>
<td>5,729.37</td>
<td>1,010.63</td>
<td>10,050.12</td>
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<tr>
<td>Travel and Per Diem</td>
<td>8,886.00</td>
<td>8,886.00</td>
<td>4,932.95</td>
<td>3,953.05</td>
<td>13,026.95</td>
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<td>Travel and Per Diem - Board</td>
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<td>1,748.00</td>
<td>1,748.00</td>
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<tr>
<td>Meeting Expense</td>
<td>3,108.00</td>
<td>3,108.00</td>
<td>1,374.52</td>
<td>1,733.48</td>
<td>5,082.95</td>
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<tr>
<td>Meeting Expense - Board</td>
<td>820.00</td>
<td>820.00</td>
<td>74.13</td>
<td>745.87</td>
<td>1,565.00</td>
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<tr>
<td><strong>Total Training, Travel &amp; Meeting Expenses</strong></td>
<td>21,310.00</td>
<td>21,310.00</td>
<td>12,010.67</td>
<td>9,299.33</td>
<td>15,632.72</td>
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</table>

### Debt Service

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Expense</td>
<td>268,843.00</td>
<td>268,843.00</td>
<td>262,291.75</td>
<td>6,551.25</td>
<td>270,742.50</td>
</tr>
<tr>
<td><strong>Total Interest Expense</strong></td>
<td>268,843.00</td>
<td>268,843.00</td>
<td>262,291.75</td>
<td>6,551.25</td>
<td>270,742.50</td>
</tr>
</tbody>
</table>

### Total Operating Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Expenses</td>
<td>2,457,172.00</td>
<td>2,457,172.00</td>
<td>2,351,162.57</td>
<td>195,987.43</td>
<td>2,553,153.00</td>
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</tbody>
</table>

### Net Operating Income (Loss) Before Depreciation & Amortization

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation &amp; Amortization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>606,562.00</td>
<td>606,562.00</td>
<td>592,702.61</td>
<td>13,859.39</td>
<td>621,663.00</td>
</tr>
<tr>
<td>Amortization</td>
<td>58,232.00</td>
<td>58,232.00</td>
<td>18,999.68</td>
<td>39,232.34</td>
<td>77,232.00</td>
</tr>
<tr>
<td><strong>Total Depreciation &amp; Amortization</strong></td>
<td>664,795.00</td>
<td>664,795.00</td>
<td>611,702.27</td>
<td>56,192.73</td>
<td>699,905.00</td>
</tr>
<tr>
<td>Net Operating Income (Loss)</td>
<td>(233,401.00)</td>
<td>(292,542.66)</td>
<td>(79,148.72)</td>
<td>213,393.94</td>
<td>(4,858,301.68)</td>
</tr>
</tbody>
</table>

**Net Operating Income (Loss)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit Service</td>
<td>268,843.00</td>
<td>268,843.00</td>
<td>262,291.75</td>
<td>6,551.25</td>
<td>270,742.50</td>
</tr>
<tr>
<td><strong>Total Net Operating Income (Loss)</strong></td>
<td>2,223,771.00</td>
<td>2,223,771.00</td>
<td>1,648,743.80</td>
<td>574,927.20</td>
<td>1,970,340.00</td>
</tr>
</tbody>
</table>
### Department of Water, County of Kauai
### Monthly Budget Summary vs. Actual
### SUMMARY
### 8/31/2019

<table>
<thead>
<tr>
<th></th>
<th>August</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Budget</td>
<td>Revised Budget</td>
</tr>
<tr>
<td>Non Operating Proceeds</td>
<td>33,333.00</td>
<td>33,333.00</td>
</tr>
<tr>
<td>FRC-Facility Reserve Charge</td>
<td>33,333.00</td>
<td>33,333.00</td>
</tr>
<tr>
<td>Total Non Operating Proceeds</td>
<td>66,666.00</td>
<td>66,666.00</td>
</tr>
<tr>
<td>Transfers Out/in to Other Funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt Principal Payment</td>
<td>416,000.00</td>
<td>416,006.00</td>
</tr>
<tr>
<td>Net Proceeds (Expanditures)</td>
<td>(588,154.00)</td>
<td>(677,295.66)</td>
</tr>
<tr>
<td>II. CAPITAL BUDGET</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects (See Attached for Details)</td>
<td>724,853.00</td>
<td>724,853.00</td>
</tr>
</tbody>
</table>
### Capital Projects (See Attached for Details):

- **Water Utility - Capital Projects (See Attached for Details)**
  - Original Budget: 649,417.00
  - Revised Budget: 649,417.00
  - Actual: 62,784.28
  - Variance: 586,632.72

- **FRC Special Trust Fund - Capital Projects (See Attached for Details)**
  - Original Budget: 75,416.00
  - Revised Budget: 75,416.00
  - Actual: 75,416.00

- **BAB Fund - Capital Projects (See Attached for Details)**
  - Original Budget: 0.00
  - Revised Budget: 0.00
  - Actual: 0.00

- **SRF Loan Fund - Capital Projects (See Attached for Details)**
  - Original Budget: 0.00
  - Revised Budget: 0.00
  - Actual: 0.00

### Total Capital Projects (See Attached for Details)

- Original Budget: 724,833.00
- Revised Budget: 724,833.00
- Actual: 62,784.28
- Variance: 662,048.72

### FY 2020

<table>
<thead>
<tr>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,884,503.13</td>
<td>115,575.85</td>
<td>15,768,927.28</td>
<td>99%</td>
</tr>
<tr>
<td>705,595.84</td>
<td>705,595.84</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>4,321,378.55</td>
<td>(491.27)</td>
<td>4,321,869.82</td>
<td>100%</td>
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</tbody>
</table>

- Total YTD: 20,912,477.52
- Variance: 20,797,392.94
- Variance %: 99%
## Capital Projects (See Attached for Details):

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual Budget</th>
<th>Variance</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-02-00-604-999 WJ-T-RandR Capital Purchases</td>
<td>57,917.00</td>
<td>67,917.00</td>
<td>67,917.00</td>
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<td>166,738.08</td>
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<tr>
<td>10-02-00-605-999 WJ-T-Expansion Capital Purchases</td>
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<td>35,417.00</td>
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<td>135,608.87</td>
<td>135,608.87</td>
<td>100%</td>
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<tr>
<td>10-20-00-604-001 WJ-Eng-ALLR-17-10-KW-07 Puaa Valley Tank Repair</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>10-20-00-604-033 WJ-Job 13-07-Koloa D Repairs</td>
<td>6,058.00</td>
<td>6,058.00</td>
<td>6,058.00</td>
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<td>10-20-00-604-136 WJ-Eng-ALLR-13-05 Kolo Rd Main Replacement</td>
<td>2,712.50</td>
<td>2,712.50</td>
<td>2,712.50</td>
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<td>2,712.50</td>
<td>100%</td>
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<td>2,366.07</td>
<td>2,366.07</td>
<td>2,366.07</td>
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<td>2,366.07</td>
<td>2,366.07</td>
<td>100%</td>
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<tr>
<td>10-20-00-604-136 Job 12-01 H 05 Weke Anue Ave 6 8N Mains</td>
<td>23,526.00</td>
<td>23,526.00</td>
<td>23,526.00</td>
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<td>100%</td>
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<tr>
<td>10-20-00-604-130 WJ-Eng-99%R-11-07 HE-09 Hanapepe &amp; Koloa Well MCC</td>
<td>24,487.50</td>
<td>24,487.50</td>
<td>24,487.50</td>
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<td>24,487.50</td>
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<tr>
<td>10-20-00-604-146 WJ-Eng-12%R-Job 15-07 HE-18&amp;10 Hanapepe Eleele Conn PL</td>
<td>51,420.00</td>
<td>51,420.00</td>
<td>51,420.00</td>
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<td>51,420.00</td>
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<td>100%</td>
</tr>
<tr>
<td>10-20-00-604-146 WJ-Eng-96%R-Kuhio Hwy Hardy-Oxford 10N Main Replia</td>
<td>249,234.02</td>
<td>249,234.02</td>
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<tr>
<td>10-20-00-604-157 WJ-Eng-16-4-WKK-03-Kiluaea Wells MCC Rehab</td>
<td>66,883.70</td>
<td>66,883.70</td>
<td>66,883.70</td>
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<td>66,883.70</td>
<td>66,883.70</td>
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<tr>
<td>10-20-00-604-158 WJ-Eng-ALLR-17-7 Msalo Road Easement</td>
<td>21,000.00</td>
<td>21,000.00</td>
<td>21,000.00</td>
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<tr>
<td>10-20-00-604-180 Job 19-02 Islandwide Rehabilitation of Tanks</td>
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<td>590,527.00</td>
<td>590,527.00</td>
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<tr>
<td>10-20-00-604-163 WJ-Eng-ALLR-20-8 Lahilahi Stream &amp; Manoa Stream</td>
<td>29,167.00</td>
<td>29,167.00</td>
<td>29,167.00</td>
<td></td>
<td>56,330.00</td>
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</tr>
<tr>
<td>10-20-00-604-999 WJ-Eng-RandR Capital Purchases</td>
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<td>1,667.00</td>
<td>1,667.00</td>
<td></td>
<td>3,330.00</td>
<td>93.00</td>
<td>97%</td>
</tr>
<tr>
<td>10-20-00-605-139 WJ-Eng-ALLE-02-11 M-02 100K Tank &amp; Pipeline Moloa</td>
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<td>116,667.00</td>
<td>116,667.00</td>
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<td>125,200.00</td>
<td>125,200.00</td>
<td>100%</td>
</tr>
<tr>
<td>10-21-00-604-001 Job 17-07 KW-07 Puaa Valley Tank Repair</td>
<td>233,330.00</td>
<td>233,330.00</td>
<td>233,330.00</td>
<td></td>
<td>1,144,500.00</td>
<td>1,144,500</td>
<td>100%</td>
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<td>10-21-00-604-035 Job 12-04 HE-14, Eleele Booster Rehab</td>
<td>5,749,600.00</td>
<td>5,749,600.00</td>
<td>5,749,600.00</td>
<td></td>
<td>625,830.00</td>
<td>625,830.00</td>
<td>100%</td>
</tr>
<tr>
<td>10-21-00-604-146 Job 15-07 HE-10 Kaumualii Hwy 16&quot; Main Boost</td>
<td>16,670.00</td>
<td>16,670.00</td>
<td>16,670.00</td>
<td></td>
<td>16,670.00</td>
<td>16,670.00</td>
<td>100%</td>
</tr>
<tr>
<td>10-21-00-604-157 Job 14-04 WKK-03-Kiluaea Wells MCC Rehab</td>
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<td>833.00</td>
<td>833.00</td>
<td></td>
<td>1,670.00</td>
<td>1,670.00</td>
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<tr>
<td>10-21-00-605-009 WJ-Eng-RandR Capital Purchases</td>
<td>3,195,675.00</td>
<td>3,195,675.00</td>
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<tr>
<td>10-21-00-605-017 Job 10-02 PLH-35B Kapaa Canal Haul Rd 18&quot; Main</td>
<td>750,000.00</td>
<td>750,000.00</td>
<td>750,000.00</td>
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<td>1,581,544.13</td>
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<td>100%</td>
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<tr>
<td>10-21-00-605-118 Job 02-14 WKK-06 WKK-06 Kapaa Herbst Well IV, PKg A Well</td>
<td>16,670.00</td>
<td>16,670.00</td>
<td>16,670.00</td>
<td></td>
<td>16,670.00</td>
<td>16,670.00</td>
<td>100%</td>
</tr>
<tr>
<td>10-21-00-605-146 Job 15-07 HE-01 HE-10 Kaumualii Hwy 16&quot; Main Boost</td>
<td>134,943.91</td>
<td>134,943.91</td>
<td>134,943.91</td>
<td></td>
<td>134,943.91</td>
<td>134,943.91</td>
<td>100%</td>
</tr>
<tr>
<td>10-21-00-605-999 WJ-Eng-RandR Capital Purchases</td>
<td>8,333.00</td>
<td>8,333.00</td>
<td>8,333.00</td>
<td></td>
<td>603,831.82</td>
<td>33,318.93</td>
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</tr>
<tr>
<td>Total Capital Projects (See Attached for Details)</td>
<td>649,417.00</td>
<td>649,417.00</td>
<td>62,784.20</td>
<td>696,632.20</td>
<td>1,584,503.13</td>
<td>1,575,865</td>
<td>99%</td>
</tr>
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</table>
### August

<table>
<thead>
<tr>
<th>Capital Projects (See Attached for Details):</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Revised YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-20-00-005-017 FRC-Job 18-02 19IN Cane Haul Road Main</td>
<td>37,500.00</td>
<td>37,500.00</td>
<td>37,500.00</td>
<td>0.00</td>
<td>20,333.33</td>
<td>20,333.33</td>
<td>0.00</td>
<td>100%</td>
</tr>
<tr>
<td>20-20-00-005-104 FRC-Eng-ALLE-05-02 HW-12 Drill Wainiha-Haena Well</td>
<td>26,832.00</td>
<td>26,832.00</td>
<td>26,832.00</td>
<td>0.00</td>
<td>47,869.00</td>
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<td>100%</td>
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<tr>
<td>20-20-00-005-117 FRC-Eng ALLE-12-02 WK-23 UH Expmntl Storage Tank</td>
<td>182,153.79</td>
<td>182,153.79</td>
<td>182,153.79</td>
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<td>182,153.79</td>
<td>182,153.79</td>
<td>0.00</td>
<td>100%</td>
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<tr>
<td>20-20-00-005-118 Job 04-08 WK-39 Drill Kapaa Homestead Well #4</td>
<td>7,212.24</td>
<td>7,212.24</td>
<td>7,212.24</td>
<td>0.00</td>
<td>7,212.24</td>
<td>7,212.24</td>
<td>0.00</td>
<td>100%</td>
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<tr>
<td>20-20-00-005-153 Job 15.08-HW-11-Haena 0.2MG Tank</td>
<td>54,105.48</td>
<td>54,105.48</td>
<td>54,105.48</td>
<td>0.00</td>
<td>54,105.48</td>
<td>54,105.48</td>
<td>0.00</td>
<td>100%</td>
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<tr>
<td>20-20-00-005-154 Job 17-11 Drill &amp; Test Kilauea Well #3</td>
<td>297,240.00</td>
<td>297,240.00</td>
<td>297,240.00</td>
<td>0.00</td>
<td>297,240.00</td>
<td>297,240.00</td>
<td>0.00</td>
<td>100%</td>
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<tr>
<td>20-20-00-005-165 FRC-Eng ALLE-Wainiha Well #4</td>
<td>26,670.00</td>
<td>26,670.00</td>
<td>26,670.00</td>
<td>0.00</td>
<td>26,670.00</td>
<td>26,670.00</td>
<td>0.00</td>
<td>100%</td>
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<tr>
<td>20-20-00-005-166 FRC-Eng-Exp-Kaiaheo System Improvement</td>
<td>6,670.00</td>
<td>6,670.00</td>
<td>6,670.00</td>
<td>0.00</td>
<td>6,670.00</td>
<td>6,670.00</td>
<td>0.00</td>
<td>100%</td>
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<tr>
<td>20-20-00-005-168 FRC-One-Hanapepe River Ridge Kulaumalihi Hwy</td>
<td>37,500.00</td>
<td>37,500.00</td>
<td>37,500.00</td>
<td>0.00</td>
<td>37,500.00</td>
<td>37,500.00</td>
<td>0.00</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total Capital Projects (See Attached for Details)</strong></td>
<td><strong>75,416.00</strong></td>
<td><strong>75,416.00</strong></td>
<td><strong>75,416.00</strong></td>
<td><strong>0.00</strong></td>
<td><strong>706,595.84</strong></td>
<td><strong>706,595.84</strong></td>
<td><strong>0.00</strong></td>
<td><strong>100%</strong></td>
</tr>
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</table>
### Capital Projects (See Attached for Details):

- 30-20-00-504-101 BAB-Eng-ALLR-10-01 Ari-01a Arini & Kalihiwai Rd 6-
- 30-20-00-604-105 BAB-Eng-ALLR-09-01 K-01 Kalaeo 1111FT & 1222FT
- 30-20-00-505-104 BAB-Eng ALLE-05-02 HW-12 Drill Wainiha-Haena Well
- 30-20-00-505-120 BAB-Cns-ALLE-02-06WKX15-Kilauea 456 Tank Puu Pane
- 30-20-00-505-125 BAB-Eng 98%E-02-01 Land for Kukuiceto Tank Site
- 30-20-00-505-139 BAB-Eng-ALLE-02-11 M-02 100K Trnk & Pipeline Molaa
- 30-20-00-505-158 BAB-Eng-AIE-11-3 MO-03 Land & Well Acq Molaa&Wai
- 30-21-00-604-017 Job 16 02 PLH-358 Kapala Cane Haul Rd 16" Main
- 30-21-00-604-107 Job 11-07 KP-08 MCC Chlor KoloaWell16-A,B,E
- 30-21-00-505-116 Job 04-08 WK39 WK08 Kapaa Hwmld Well 4; Pkg A Well

Total Capital Projects (See Attached for Details)

<table>
<thead>
<tr>
<th>August</th>
<th>FY 2020</th>
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</thead>
<tbody>
<tr>
<td>Original Budget</td>
<td>Revised Budget</td>
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<tr>
<td>76,108.00</td>
<td>260,752.21</td>
</tr>
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<td>22,649.00</td>
</tr>
<tr>
<td>53,508.06</td>
<td>94,222.00</td>
</tr>
<tr>
<td>9,187.00</td>
<td>1,137,325.00</td>
</tr>
<tr>
<td>1,668,076.02</td>
<td>967,121.27 (491.27)</td>
</tr>
<tr>
<td>4,321,378.55</td>
<td>(491.27)</td>
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<tr>
<td>DATE</td>
<td>Contract #</td>
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<tr>
<td>7/26/2019</td>
<td>632</td>
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<td>7/26/2019</td>
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<tr>
<td>8/7/2019</td>
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</tr>
<tr>
<td>8/14/2019</td>
<td>639</td>
</tr>
<tr>
<td>9/12/2019</td>
<td>687</td>
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</table>

476,480.00 - - 476,480.00 178,778.35 - 153,453.99 332,232.34 808,712.34
## BILLED REVENUES COMPARATIVE REPORT
For Fiscal Years 2018, 2019 & 2020

<table>
<thead>
<tr>
<th>Month</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Cum. Inc (Dec)</th>
<th>% Inc. (Dec.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$2,389,827</td>
<td>$2,459,791</td>
<td>$2,594,993</td>
<td>$135,203</td>
<td>5.50%</td>
</tr>
<tr>
<td>August</td>
<td>$5,110,540</td>
<td>$4,944,154</td>
<td>$5,211,518</td>
<td>$267,364</td>
<td>5.41%</td>
</tr>
<tr>
<td>September</td>
<td>$8,011,509</td>
<td>$7,331,598</td>
<td>$0.00%</td>
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<td></td>
</tr>
<tr>
<td>October</td>
<td>$10,657,809</td>
<td>$9,638,616</td>
<td>$0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>$13,314,733</td>
<td>$11,892,751</td>
<td>$0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>$15,418,822</td>
<td>$14,060,833</td>
<td>$0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>$17,714,414</td>
<td>$16,191,970</td>
<td>$0.00%</td>
<td></td>
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</tr>
<tr>
<td>February</td>
<td>$19,915,682</td>
<td>$18,367,417</td>
<td>$0.00%</td>
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<tr>
<td>March</td>
<td>$21,984,423</td>
<td>$20,589,845</td>
<td>$0.00%</td>
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<td>April</td>
<td>$24,033,481</td>
<td>$22,927,303</td>
<td>$0.00%</td>
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<td></td>
</tr>
<tr>
<td>May</td>
<td>$26,109,779</td>
<td>$25,324,254</td>
<td>$0.00%</td>
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</tr>
<tr>
<td>June</td>
<td>$28,421,880</td>
<td>$28,059,931</td>
<td>$0.00%</td>
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**AFS error in billing AJE $288,133**

### BILLED REVENUES COMPARATIVE CHART
As of August: FY 2018, 2019 & 2020

1. revenue comparison
CASH RECEIPTS (W/U) COMPARATIVE REPORT
For Fiscal Years 2018, 2019 & 2020

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>Cum. Inc (Dec)</th>
<th>% of Inc (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$2,385,872</td>
<td>$2,449,372</td>
<td>$5,324,195</td>
<td>$2,874,823</td>
<td>117%</td>
</tr>
<tr>
<td>August</td>
<td>$5,504,876</td>
<td>$4,946,100</td>
<td>$7,676,802</td>
<td>$10,551,625</td>
<td>213%</td>
</tr>
</tbody>
</table>

*Note: July receipts include a $2.29 million state appropriation grant for the Hanapēpē.....*
METERED CONSUMPTION (000 GALLONS) MONTHLY COMPARATIVE CHART
For Fiscal Years 2018, 2019 & 2020
(expressed in thousands)

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>INC (DEC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>436,238</td>
<td>344,364</td>
<td>365,892 *</td>
<td>21,528 *</td>
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<tr>
<td>August</td>
<td>361,599</td>
<td>348,569</td>
<td>362,067</td>
<td>13,498</td>
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MONTHLY CONSUMPTION COMPARATIVE CHART
As of August, FY 2018, 2019 & 2020

* refer to monthly summary highlights
## YTD METERED CONSUMPTION (000 GALLONS) COMPARATIVE REPORT

For Fiscal Years 2018, 2019 & 2020  
(expresssed in thousands)

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>CUM. INC (DEC)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>383,831</td>
<td>344,364</td>
<td>365,892</td>
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</tr>
<tr>
<td>August</td>
<td>764,245</td>
<td>692,933</td>
<td>727,959</td>
<td>35,026</td>
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</tr>
</tbody>
</table>

**Note:** AFS error in billing AJE 288,133

### YTD WATER CONSUMPTION COMPARATIVE CHART

As of August: FY 2018, 2019 & 2020

**Diagram:**
- **FY 2018**
- **FY 2019**
- **FY 2020**
**DEPARTMENT OF WATER**

**Accounts Receivable Aging Summary**

As of August, 2019

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
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<th></th>
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<tbody>
<tr>
<td>0-30 days</td>
<td>$1,546,380.67</td>
<td>80%</td>
<td>$1,292,124.74</td>
<td>84%</td>
<td>$1,306,479.61</td>
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<td>$1,120,004.91</td>
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<td>$1,271,217.02</td>
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<td>$1,420,951.29</td>
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<tr>
<td>31-60 days</td>
<td>$138,815.46</td>
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<td>$181,048.30</td>
<td>11%</td>
<td>$177,642.89</td>
<td>11%</td>
<td>$190,363.39</td>
<td>10%</td>
<td>$153,721.49</td>
<td>9%</td>
<td>$144,946.90</td>
<td>9%</td>
</tr>
<tr>
<td>61-90 days</td>
<td>$33,477.67</td>
<td>2%</td>
<td>$18,000.92</td>
<td>1%</td>
<td>$64,956.59</td>
<td>3%</td>
<td>$49,176.50</td>
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<td>$49,729.52</td>
<td>3%</td>
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<td>91-120 days</td>
<td>$13,082.76</td>
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<td>1%</td>
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<td>$13,629.27</td>
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<td>$14,168.37</td>
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<td>121 days and over</td>
<td>$89,434.50</td>
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<td>($70,785.33)</td>
<td>-4%</td>
<td>($76,144.76)</td>
<td>-4%</td>
<td>$49,710.50</td>
<td>3%</td>
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<td>Total AR</td>
<td>$1,621,191.06</td>
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<td>100%</td>
<td>$1,586,692.54</td>
<td>100%</td>
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</table>

*Total AR is net of Customer deposits and overpayments.*

**Customer Deposits & Overpayments**

- Sep-18: $180,414.00
- Oct-18: $187,130.60
- Nov-18: $121,827.60
- Dec-18: $1,858,500.34
- Jan-19: $1,522,124.01
- Feb-19: $1,367,890.96
- Mar-19: $1,539,916.58
- Apr-19: $1,412,316.72
- May-19: $1,489,557.34
- Jun-19: $1,384,209.97
- Jul-19: $1,674,428.98
- Aug-19: $1,567,564.53

*Total AR is net of Customer deposits and overpayments.*
### DEPARTMENT OF WATER
#### SUMMARY OF MCUTS
As of August, 2019

<table>
<thead>
<tr>
<th>FY</th>
<th>MONTHS</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Count</td>
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<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>82</td>
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<table>
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<th>FY</th>
<th>MONTHS</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>TOTALS</th>
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<td>$6,154.30</td>
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<td>-</td>
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</table>

*No MCUTs, new cloud service products were being tested and validated for roll out. Staff were working closely with Consultants, training, testing and validating customer accounts into a test company.

<table>
<thead>
<tr>
<th>FY</th>
<th>MONTHS</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
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<td>0</td>
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<td>$ -</td>
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<td>$ -</td>
<td>$ -</td>
<td></td>
<td></td>
<td></td>
<td>$136,209.11</td>
</tr>
</tbody>
</table>

*No MCUTs, new cloud service products were being tested and validated for roll out. Staff were working closely with Consultants, training, testing and validating customer accounts into a test company.

** No MCUTs for August & September, 2016. DOW implemented its own instance of CC&B on October 3, 2016. The staff were doing testing and validations prior to the 10/16 conversion rollout.

The MCUT is normally scheduled on the FC/MR's free day.

* no MCUT in March. There's one dedicated staff assigned to do MCuts and is out on extended leave.

** no MCUT in June. Field Collections/Meter Reader staffing was short.

Summary of MCuts

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INFORMATION & EDUCATION SPECIALIST REPORT
September 27, 2019

Public Notices and Announcements
All news releases were also published on the Department’s Facebook and Twitter social media pages.

- **Hanapēpē – Ele’ele Booster Pump Station Project Complete**
  - A news release was issued on August 23 to announce the completion of the Department’s Hanapēpē-Ele’ele Booster Pump Station Project. A dedication ceremony was held on August 1st at the project site. The cost of the project was $1,073,664.75 and work included an installation of a new booster pump for the Hanapēpē-Ele’ele water system, as well as repairs to the existing pump, which will both service its surrounding communities.

- **Kōloa Well 16 A and 16 B Site and Building Project Completed**
  - A news release was issued on August 26, 2019 announce the completion and dedication ceremony for the Department’s Kōloa Well 16 A and Well 16 B Site and Building Project. The cost of the project was $3,667,032.67 and included the installation of a brand new well pump, discharge piping, a new disinfection system and construction of a new motor control center.

- **Kapaʻa – Water service shutdown for Hauiki Road and Kini Place on Sept. 3**
  - A news release was issued on August 28, 2019 to announce a water service shutdown scheduled for customers located on a portion of Hauiki Road, from Waipouli Road to Kini Place in Kapaʻa on Tuesday, September 3rd, from 9 a.m. to 2 p.m., weather permitting. The 5-hour water service shutdown is necessary in order to allow contractor, JDS Construction, LLC to connect a new 6 inch water line to the Wailua-Kapaʻa Water System.
  - A news release was issued on August 30, 2019 and on September 2, 2019 to remind customers about the water service shutdown and revise the location of the shutdown to include all of Hauiki Road and Kini Place in Kapaʻa on Sept. 3rd.
    - In addition, a Blackboard Connect notification was issued to the affected area to notify and remind customers of the scheduled shutdown.

- **Kapaʻa – Traffic advisory: One-lane road closure on Kūhiʻō Highway in Kapaʻa on Sept. 11**
  - A news release was issued on September 10, 2019 to advise the public that there would be a partial one-lane road closure on Kūhiʻō Highway on the outermost northbound lane between Papaloa Road and Aleka Loop in Kapaʻa on Wednesday, Sept. 11th from 8:30 a.m. to 2 p.m., weather permitting. The partial one-lane road closure is necessary, in order to conduct road improvements along the Kūhiʻō Highway in Kapaʻa. Two-way traffic was maintained during the road repairs.

- **Hāʻena-Wainiha – Water conservation request scheduled for Sept. 17**
  - A news release was issued on September 13, 2019 to schedule a water conservation notice for customers located in Wainiha and Hāʻena on Tuesday, September 17, 2019 from 10 a.m. to 3 p.m. in preparation for an electrical power outage scheduled by the Kauaʻi Island Utility Cooperative for the same time period. Customers are asked to limit water use to essential uses only; such as drinking, cooking and sanitation purposes during this time, in order to avoid a water service outage.
    - A Blackboard Connect notification was also issued on Sept. 16 as a reminder,
to the affected service area in Hā'ena-Wainiha.

- **Līhu'e – Billing services available at DOW office on Friday, Sept. 20**
  - A news release was issued on September 13, 2019 to announce limited customer services on Friday, September 20, 2019 to accommodate its 16th Annual Make a Splash water education Festival. In consideration of our valued customers, the DOW office will remain open during normal business hours from 8 a.m. to 4 p.m. and will be available for bill payments and billing services only. All other customer services will be unavailable until 1:30 p.m.

**Public Relations Program**

**Education & Community Outreach**

- Jonell Kaohelaulii and Jason Fujinaka conducted presentations at the Joint Government Water Conference on Oahu on August 12, 2019 and on Maui on August 29, 2019. Jonell provided 2 presentations explaining the educational value and outreach efforts of the Project WET curriculum and Hawai'i program, while Jason presented the Project WET activity, the Long Haul to demonstrate the effectiveness and application of interactive learning. Jonell also presented at the Joint Government Water Conference held in Kona on August 27, 2019. The presentations received positive comments and PR has received follow-up communications from each presentation. The conference attendees consisted of water professionals from private and government agencies, in addition to political and appointed county staff.

- The Department participated in Kekaha Elementary School’s Science, Technology, Reading, Engineering, Art and Math (STREAM) night event on September 11, 2019. PR provided a science, math and reading activity that involved Project WET’s H2O Olympics game called “A penny for your thoughts?” Students learned about surface tension and were challenged to guess and test their guess to see how many drops of water would fit on a penny before the water spilled over the top. The community outreach presentation and activity was deemed successful based on feedback and participation. Approximately 120 students and their families participated in DOW’s exhibit. In return, students received water bottles, conservation tips, DOW pencils and Project WET activity booklets. Special thanks to Jason and Jonell for their community outreach presentation and efforts.

- PR met with Chiefess Kamakahelei Middle School cinematography Teacher, Kevin Matsunaga to discuss the opportunity of collaborating on video projects for the Department’s marketing and public education efforts. The award-winning student program, led by Mr. Matsunaga, offers opportunity for the Department to expand marketing efforts through visual displays, while working to help students gain professional, client-based project experience. PR is currently discussing the opportunity for the student program to cover this year’s Make a Splash event and create a promotional video.

**Upcoming Community Outreach & Educational Events**

- September 20, 2019 – Make a Splash with Project WET Festival
- October 5, 2019 – Water Station at North Shore Community Association’s ‘Ohana Fit Fest
- October 23, 2019 – Water education presentation at Island School

**Project WET Hawaii**

- Coordination and planning has been finalized for DOW’s Make a Splash with Project WET Festival on Friday, September 20, 2019 at the Vidinha Stadium Soccer Field in Līhu'e. Volunteer notifications and information has been sent and final logistics meetings are being planned for this week. Set up day is scheduled for Thursday, Sept. 19.
o The Make a Splash with Project WET Festival is being entered into the State of Hawai‘i’s Green Business Program, an initiative to promote eco-friendly efforts in events, etc. Additional planning and execution of this year’s Make a Splash has been coordinated in order to help meet the program requirements.

• The national Project WET conference and training is scheduled for September 23-27, 2019 in Tucson, Arizona. PR’s Jason Fujinaka and Project WET Facilitator, Dan Chang from the Department of Health – Safe Drinking Water Branch, will be attending the conference on behalf of the Hawai‘i network. Jason will also be attending the regional 1 and coordinator’s meeting, held at the conference, in Jonell’s place this year.

**Miscellaneous**

• The County’s Employee Council has scheduled their annual “Spooktacular” event on October 18th. DOW has agreed to host a water and juice station at the event.

JK/ein

Operations Division Report for the Month of August 2019

Personnel

- Operations personnel attended respirator refresher training and fit testing.
- Operations personnel attended training classes on Communicating with Tact, Diplomacy and Professionalism.
- Interviews for Construction and Maintenance Worker II, Maintenance Worker I, Pipefitter, and Equipment Operator II were conducted. Hiring recommendations forwarded.

Source and Storage

- Maintenance Workers continued cleaning of various remote facilities island-wide. Works included clearing of vegetation and drainage as well as repair and construction of structures and facilities.
- Water Plant Operators performed routine inspection and maintenance at all sites including valve maintenance, piping repair and replacement, chlorination equipment maintenance, and mixing of sodium hypochlorite.
- Refurbishment and pump replacement at Hanamā'ulu Pump Station is on-going.
- Puhi Well 3 refurbishment Contract 679 with Derrick’s Well Drilling is on-going.
- Parts for the installation of Sodium Hypochlorite On-Site Generation project on Makaleha Wells and Tank site are in-route.
- Electrical workers performed routine electrical maintenance at all sites including SCADA radio troubleshooting, electrical wiring for motor controls, lighting repair and replacement.
- Auto mechanics performed routine maintenance of all DOW vehicle and equipment including light, medium and heavy vehicles as well as construction equipment and generators.

Distribution

- Operations Division Field Section crews continue to perform routine leak repair of service laterals and mainlines. Field Section personnel responded to thirty-one (31) leak repair work orders.
- Field Section personnel installed one (1) double service lateral and installed/replaced six (6) single service laterals.
• We received a total of 74 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including complaints of no water, complaints of low pressure, high pressure, calls requesting remote site/facility grounds and vegetation maintenance, calls for assistance in shutting off the water meter, calls reporting damaged meter box and cover, reports of leaking or damaged fire hydrants and report of white milky water, and non-water emergency calls mainly customer inquiries. Work orders were generated and all calls resolved. Leak after the meter needs to be addressed by the customer.

Fleet, Inventory, Warehouse and Baseyard Area

• For the month of August, a total of one hundred seventy-eight (178) work orders were issued for Operations Division. Works included: electrical repairs and maintenance; automotive repairs and maintenance including power generator maintenance; Hawai’i one call requests for markings; water meter installation and replacement; service lateral installations; leak repairs; well, tank site and PRV maintenance; replace damaged meter boxes; repair defective meters; replace damaged or leaking hydrant; door-to-door customer notifications for tie-ins of new lines to existing lines as well as notifications regarding scheduled repairs; callouts due to customer complaints/reports; meter replacement requests; Hawai’i One Call relative to contractor’s requests for markings.

• For the month of August 2019, thirty-three (33) Hawai’i One Call requests for markings were received. Also, thirty-six (36) meters were maintained, replaced, repaired, issued and installed including three (3) temporary hydrant meter.

• The Operations and Microlab buildings were run on generators for 3 days to ensure stable electricity to protect computers, servers and other electrical appliances.

VPR/ein

Attachments: Overtime Chart
Leak Report Chart
Production/Billing Chart

## Work Orders by Job Reason Code for Selected Date Range

**Date Range:** 08/01/2018 to 08/31/2019

<table>
<thead>
<tr>
<th># of W/O’s</th>
<th>Job Reason Code</th>
<th>Description</th>
</tr>
</thead>
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<td>LEAK-BOX</td>
<td>Meter Box Leak Repair</td>
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<tr>
<td>31</td>
<td>LEAK-CALOU</td>
<td>LEAK CALL OUT</td>
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<tr>
<td>2</td>
<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
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<tr>
<td>57</td>
<td>LEAK-MAIN</td>
<td>Mainline Leak Repair</td>
</tr>
<tr>
<td>95</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
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</tbody>
</table>

![Pie Chart showing work orders by job reason code]

**Legend:**
- LEAK-BOX: 8.9%
- LEAK-CALOU: 15.3%
- LEAK-CUST: 1.0%
- LEAK-MAIN: 28.1%
- LEAK-S/L: 46.8%

**Total:** 100.0%
<table>
<thead>
<tr>
<th># of W/O's</th>
<th>Job Reason Code</th>
<th>Description</th>
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</thead>
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### Work Orders by Job Reason Code for Selected Date Range

08/01/2018 to 08/31/2019

#### Number of Leak Repairs per Month

<table>
<thead>
<tr>
<th>Month</th>
<th>LEAK-BOX</th>
<th>LEAK-CALOU</th>
<th>LEAK-CUST</th>
<th>LEAK-MAIN</th>
<th>LEAK-S/L</th>
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<td>10</td>
<td>4</td>
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<td>7</td>
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<td>14</td>
<td>6</td>
</tr>
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<td>16</td>
<td>7</td>
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<tr>
<td>Mar 19</td>
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<td>11</td>
<td>20</td>
<td>9</td>
</tr>
<tr>
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Page 86
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<tr>
<th>Month</th>
<th>Produced (Kgals.)</th>
<th>Customer Meter Read (Kgals.)</th>
<th>Waterloss (Kgals.)</th>
<th>Waterloss (%)</th>
<th>Waterloss (gal/con/day)</th>
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<tr>
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<td>13.7</td>
<td>74.45</td>
</tr>
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<td>Dec-18</td>
<td>352,063</td>
<td>303,733</td>
<td>48,330</td>
<td>13.7</td>
<td>71.80</td>
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<td>Jan-19</td>
<td>334,975</td>
<td>299,665</td>
<td>35,310</td>
<td>10.5</td>
<td>54.21</td>
</tr>
<tr>
<td>Feb-19</td>
<td>360,202</td>
<td>305,811</td>
<td>50,952</td>
<td>14.3</td>
<td>63.58</td>
</tr>
<tr>
<td>Mar-19</td>
<td>397,657</td>
<td>303,132</td>
<td>43,435</td>
<td>12.5</td>
<td>51.43</td>
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<tr>
<td>Apr-19</td>
<td>422,007</td>
<td>325,067</td>
<td>44,867</td>
<td>9.8</td>
<td>72.25</td>
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<td>May-19</td>
<td>415,074</td>
<td>333,272</td>
<td>64,385</td>
<td>16.2</td>
<td>75.29</td>
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<td>Jun-19</td>
<td>409,188</td>
<td>372,961</td>
<td>49,046</td>
<td>11.6</td>
<td>80.49</td>
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<td>Jul-19</td>
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<td>360,893</td>
<td>54,181</td>
<td>13.1</td>
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<td>Aug-19</td>
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<td>359,110</td>
<td>50,078</td>
<td>12.2</td>
<td>71.79</td>
</tr>
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</table>

Monthy Water Produced, Customer Meter Read and Waterloss Comparison For Calendar Year 2018/2019
MANAGER’S UPDATE

September 27, 2019

Pursuant to Board Policy No. 3

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

1) CONTRACT NO. 687, JOB NO. 19-06, ANAHOLA WELL A PUMP REPLACEMENT AWARDED TO DERRICK’S WELL AND PUMP SERVICES, LLC IN THE AMOUNT OF $98,000.00

FUNDING:

<table>
<thead>
<tr>
<th>Account No.</th>
<th>10-40-00-604-999, Pump and Motor Replacement</th>
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<tbody>
<tr>
<td>Acct Description</td>
<td>WU/Ops/Capital Outlay-R&amp;R/Misc. Capital Purchases</td>
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<tr>
<td>Funds Available</td>
<td>Verified by WWC</td>
</tr>
<tr>
<td>Contract No.</td>
<td>$300,000.00</td>
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<td>Vendor</td>
<td>Derrick’s Well Drilling &amp; Pump Services, LLC</td>
</tr>
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<td>Contract Amount</td>
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<td>5% Contingency</td>
<td>$4,900.00</td>
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<td>Total Funds Requested</td>
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</tr>
<tr>
<td>Fund Balance</td>
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</table>

BACKGROUND:
Anahola Well A with a capacity of 400 GPM is one of three water sources for the Anahola service area. Anahola Well A is the oldest well within the service area and has been in operation in excess of 15 years. The deepwell vertical shaft pump at Anahola Well A has suspected damage to the pump based on troubleshooting performed by the Department. An invitation for bids was electronically posted and bids were opened on August 9, 2019. The contractor will need to replace the existing pump with a new pump. The contractor will need also to replace column piping, pump shafts, shaft couplings, shaft sleeves, associated bushings, and the well water level probe.

WAIVER, RELEASE & INDEMNITY APPLICATIONS:
None
STAFF REPORTS - FY 19-20:

PERSONNEL MATTERS

Administration
1. Information Technology Specialist III. New Position. Classification request pending DHR review and recommendation.
2. Waterworks Information Technology Officer #2485. Classification request pending DHR review and recommendation.

Construction Management Division
2. Civil Engineer V #2355. Classification review concluded.
3. Waterworks Inspector I positions #2608 & #2609. Pending list of eligibles.

Engineering Division

Fiscal Division
2. Meter Reader I #2466. Pending list of eligibles from DHR.

Operations Division
6. Lead Pipefitter #2407. Pending list of eligibles from DHR.
7. Waterworks Program Assistant #2613. List of eligibles received.
8. Repair Shop Supervisor. New position. Classification request review completed by DHR.
9. Automotive Mechanic I. New position. Classification request review completed by DHR.
10. Water Service Investigator III. Classification request pending DHR review and recommendation. New position.

Hires, Separations and Position Changes:
New Hire: Groundskeeper #2601 started 9/1/2019.
Promotion to Maintenance Worker I #2453 started 9/1/2019.
Promotion to Maintenance Worker II #2610 started 9/1/2019.
Promotion to Pipefitter #2473 started 9/16/2019.

Pursuant to Board Policy No. 24

CONVEYANCE OF WATER FACILITIES $36,356.00

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Account No.</th>
<th>Amount</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>9/27/2019</td>
<td>Grove Farm Company, Incorporated</td>
<td>3-3-011005</td>
<td>$20,256.00</td>
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<tr>
<td>9/27/2019</td>
<td>JV D Two Lihue LLC</td>
<td>3-6-007031</td>
<td>$16,100.00</td>
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</table>
CUSTOMER CARE AND BILLING (CC&B) SYSTEM UPDATE:
September 18, 2019

Recent changes to the Customer Account Portal (CAP) Production include:
- Updates have been made to Terms and Conditions in the CAP to indicate that the ACH fee is 0.8% of the total amount. Customers that had made ACH payments under the old Terms and Conditions have received checks for $5 to cover the difference in Fees.
- Customers are now able to see a PDF of their bills through the Statement tab. They are able to access historical bills at least up to 2 years prior.
- Customers are also able to access letters that have been sent out through Utilitec (the DOW’s vendor for bill printing and mailing). These letters are also able to be accessed through the Statement tab.
- Changes have been made to the bill print extract file that is being processed by Utilitec so that customers that have selected e-billing will now be sent an email with a link to the CAP when their bill is available to be viewed. Customers that still choose to have paper bills will continue to do so through Utilitec.
- The DOW link to report leaks has been removed from CAP.

Upcoming Changes to the Customer Account Portal include:
- The recurring payment option for credit cards is anticipated to be available in September. A link will be added to the DOW forms for ACH recurring payments and customers have been asked to submit the forms directly to DOW (in person or via email at billing@kauaiwater.org)
- Customers will receive email notification 3 days prior to payment being taken out for credit card recurring payments. This feature will be implemented in September with recurring payments.
- Customers will received email notification 5 days prior to their bill becoming due. This feature will be for all e-billing customers and will be implemented by September 20th.
- Customers currently do not have the option of opting out of email notifications. We are going to be allowing them to opt out of receiving email notifications. This feature will be available by September 30th.
- Stripe Terminal development has been completed. The next step is for the DOW to purchase the terminals and signature pads. Once that is done, the DOW’s consultant will need to do some testing with the actual machines and pads and then the products will be rolled out to customers. The anticipated date for this is currently November to be setup in Production.

Other Changes that are planned for the Customer Account Portal later this year include:
- We will be providing commercial customers with a different Account Summary page so that they can add and view as many accounts as they want to without impacting the application performance.
- We will be redesigning the layout of the CAP so that it is more intuitive and user friendly.
- We will be capturing the CAP data real time and putting it into the Oracle database so that new reports can be created in Apex, which will help streamline the reconciliation process. The process is currently time consuming for Fiscal staff.

I.T. STRATEGIC PLAN UPDATE:
These updates will be placed in the Quarterly reports per Board action during the July 26, 2019 Regular Board meeting. The next update will be in the October 25, 2019 Regular Board meeting.
I.T. INITIATIVES UPDATE:

September 16, 2019

I.T. Update
September 2019 Board Meeting Update
Help Desk:
August No. of Received Tickets: 160
August No. of Resolved Tickets: 132
Avg Response Time (hrs): 36:51
Avg Resolution Time (hrs): 76:11
Current Open tickets: 26

I.T. worked with the Financial Auditors to provide them the documentation needed to complete this year's audit. IT continues to be short-staffed and working hard to work on projects and help desk tickets. IT continues to work with our CC&B Consultants on our Customer Account Portal adding updates and new features.

FRESHWATER COUNCIL REUSE ZONES, MANDATES AND INCENTIVES WORKSHOP:

September 18, 2019

On September 5, 2019 the Manager and Chief Engineer attended the Freshwater Council’s “Reuse Zones Mandates and Incentives” Workshop in Honolulu along with Jason Kagimoto, Chief of the Wastewater Division for the County of Kaua‘i. The workshop produced valuable insights into potential opportunities for reuse across the state of Hawai‘i aimed at achieving the Freshwater Council’s goal of increasing reuse by 30 million gallons per day by 2030 in the state of Hawai‘i.

HOUSING SUMMIT “ROADBLOCKS TO AFFORDABILITY”:

September 18, 2019

On September 5, 2019 the Manager and Chief Engineer attended the Kaua‘i Board of Realtors Housing Summit “Roadblocks to Affordability.” While the focus of the event was on housing costs, various attendees asked questions related to DOW policies, project updates, and affordability issues. The Manager and Chief Engineer informed the attendees that the next Facilities Reserve Charge (FRC) Assessment study is anticipated to be conducted and completed in 2020 and the DOW is actively looking into incorporating a reduced FRC cost for Additional Dwelling Units (ADUs), Additional Rental Units (ARUs), and guest houses as a part of the study. The intent in doing so is to balance impacts to the DOW systems in proportion to the FRC assessed. If the impact is lower, the fee may be reduced to help improve affordability for ADUs, ARUs, and guest houses.

SPECIAL COUNSEL CONTRACT No. 651 UPDATE:
Kia‘i Wai o Wai‘aleʻale v. Department of Water, County of Kauaʻi, CIV-18-1-0063, Partial Motion for Summary Judgment as to Count IV

September 18, 2019

Background:
On January 18, 2019 Special Counsel filed a partial Motion for Summary Judgment (partial-MSJ) as to Count IV, allegation of improper segmentation under HRS 343 and its attendant administrative rules. The complaint alleged the Kapaia Project is a necessary precedent to Grove Farm’s master-planned community
and, thus, “was impermissibly segmented and is therefore invalid.” In the partial-MSJ, Special Counsel outlined the independent utility of the Project and that the elements of segmentation are absent in the Project.

On March 5, 2019, plaintiff’s Memo in Opposition to the Partial Motion for Summary Judgment was received. In plaintiff’s opposition memo, plaintiff did not raise any genuine issues of material fact in dispute or provide evidence to substantiate the allegations in its complaint as to this count; the standard necessary for the court to find that the Department is not entitled to judgment as a matter of law.

In reply to the opposition memo, Special Counsel outlined the standard of review and demonstrated that plaintiff failed to meet that standard. On March 13, 2019 a hearing on the motion was held before the Honorable Judge Kathleen Watanabe. After oral arguments and consideration of the written motions, Judge Watanabe ruled in favor of the partial Motion for Summary Judgment.

Update:
On September 18, 2019 a hearing was held as to Counts V, VI, VIII, and IX. After oral argument and consideration of the written motions, the Honorable Judge Kathleen Watanabe ruled in favor of the partial Motions for summary Judgment.

ISLAND-WIDE VULNERABILITY AND RESILIENCY ASSESSMENT:

September 18, 2019

On September 5, 2019 DOW staff met with the consultant for the project, Brown and Caldwell, to conduct a 3.5 hour workshop to gather critical information, establish evaluation criteria, define project goals and objectives, and build consensus with DOW as to the information that will be generated through the assessment. The project approach was shared, along with status updates, and level of service goals were established. Next steps include asset characterization, threat characterization, vulnerability assessment, risk analysis, disaster preparedness assessment, identification of improvement projects and mitigation strategy development, and updates to the DOW’s Emergency Response Plan which is required by the American Water Infrastructure Act which was enacted in 2018.

TASK FORCE FOR RESIDENTIAL SPRINKLERS:

September 18, 2019

The DOW continues to participate in the Task Force to study the issue of residential sprinkler costs in new one and two family dwellings as required by Senate Concurrent Resolution No. 3 S.D. 1 H.D. 1. A state-wide teleconference was held along with several subsequent meetings with the Kauai Fire Department in the month of September. The Task Force is required to submit to the Legislation a report of its findings and recommendations, including any proposed legislation, no later than 20 days prior to the convening of the Regular Session of 2020.

5-YEAR WATER RATE STUDY UPDATE:

September 18, 2019

The DOW finalized its CIP priority projects list, anticipated order of construction, intended funding mechanisms, and projected timeline of construction spending per project for the 5-year rate study period beginning July 1, 2019 and ending June 30, 2024. The information was provided to the DOW’s consultant, Raftelis, and the final updates to the water rate study are being made. It is anticipated that the next meeting of the Finance Committee will be scheduled in October, 2019.
BASEYARD MASTER PLAN UPDATE:
September 18, 2019

The DOW reviewed the 70% submittal of the Baseyard Master Plan submitted by HDR. The DOW is preparing its recommendations for the Board which will be shared via a Board workshop that is tentatively scheduled for the first two weeks of October, 2019.

U.H. EXPERIMENTAL STATION 0.25 MG TANK PROJECT UPDATE:
September 18, 2019

The DOW submitted a proposed Agreement to the University of Hawai‘i on August 26, 2019. The DOW anticipates a meeting will be scheduled with representatives from U.H. in the near future to work towards finalizing the Agreement.

DEPARTMENT OF HEALTH DRINKING WATER STATE REVOLVING FUND LOANS PROGRAM:
September 18, 2019

The Manager and Chief Engineer and DOW staff met with representatives from the Department of Health (DOH) on September 4, 2019 to review the current structure of the Drinking Water State Revolving Fund (DWSRF) Program. The DOH provided an overview of the two main options available to borrowers interested in low-rate financing options: Project loans and Programmatic Financing. In summary, the DOW is reviewing this information in light of the ongoing 5-year water rate study and will be making specific recommendations to the Finance Committee in the upcoming meeting tentatively being scheduled for October, 2019.

BW/mja

Mgrrp/Manager’s Update (09-27-19):mja