

## **BOARD OF WATER SUPPLY**

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**TOM SHIGEMOTO**, CHAIR  
**MICAH FINNILA**, VICE-CHAIR  
**CLYDE KODANI**, SECRETARY  
**VACANT**, MEMBER

**KA'AINA HULL**, EX-OFFICIO  
**TROY TANIGAWA**, EX-OFFICIO  
**ERIC FUJIKAWA**, EX-OFFICIO  
**ANASTASIA PERRY**, STUDENT EX-OFFICIO



**JOSEPH E. TAIT**  
MANAGER AND CHIEF ENGINEER

### **REGULAR MONTHLY MEETING NOTICE AND AGENDA**

Thursday, April 16, 2026  
9:30 a.m. or shortly thereafter

Meetings of the Board of Water Supply, County of Kaua'i will be conducted in-person at the Department of Water Board Room, 2<sup>nd</sup> Floor located at 4398 Pua Loke Street, Līhu'e, Kaua'i, Hawai'i, and remotely in accordance with Act 220, Session Laws of Hawai'i 2021 via interactive conference technology as follows:

**Click on the link below to join on your computer or mobile app by VIDEO:**

<https://us06web.zoom.us/j/86824379743>

**Passcode: 868610**

**OR**

**Dial phone number and enter conference ID to call in and join by AUDIO:**

**Phone: 888 788 0099 US Toll-free**

**Phone Conference ID: 868 2437 9743**

**Please Note:** If you do not provide a name, unique identifier, or alias when joining the meeting, you will be renamed to allow staff to address and manage individual guests.

In the event of a lost connection the Board will recess for up to 30 minutes to restore the connection. If the connection cannot be restored within 30 minutes, the Board will continue the meeting to 12:00 p.m. or shortly thereafter. If the visual link cannot be restored, the Board may reconvene with an audio-only link using the above dial-in phone number and conference ID. A lost connection only applies to remote connections provided as part of the remote meeting but does not apply to a public member being unable to access the meeting due to a connectivity issue on their end.

### **CALL TO ORDER**

### **ROLL CALL**

### **ANNOUNCEMENTS**

1. Next Scheduled Board Meeting: Thursday, May 21, 2026

### **APPROVAL OF AGENDA**

### **MEETING MINUTES**

1. Regular Board Meeting – February 19, 2026

## **PUBLIC TESTIMONY**

### **NEW BUSINESS**

1. Manager's Report No. 26-36 Discussion and Possible Action to Request Board Approval of the Indemnification Provision in the Construction Right-of-Entry (ROE) Agreement with BD Pacific Holdings LLC for the Kūhiō Highway (Hardy-Oxford) 18" Main Replacement Project at TMK (4) 3-6-006:093 and (4) 3-6-006:094, Līhu'e, Kaua'i, Hawai'i
2. Manager's Report No. 26-37 Discussion and Possible Action to Request Board Approval of the Indemnification Provision in the Construction Right-of-Entry (ROE) Agreement with E&M Holdings, LLC for the Kūhiō Highway (Hardy-Oxford) 18" Main Replacement Project at TMK (4) 3-6-006:089, Līhu'e, Kaua'i, Hawai'i
3. Manager's Report No. 26-38 Discussion and Receipt of the Department of Water's (DOW)'s Financial Statements and Independent Auditor's Report for the Fiscal Year Ended June 30, 2025
4. Manager's Report No. 26-39 Discussion and Possible Action on the Department of Water's (DOW's) DRAFT Operating and Capital Budgets for FY 2026-2027

### **STAFF REPORTS**

1. **Fiscal**
  - a. Monthly dashboard – Number of Service Calls, Number of Walk-in Customers, Number of Customer Emails and Correspondence, Number of Customer Rebills, Accounting Highlights, Transponder Replacement highlights and progress, Staff Overtime hours
  - b. Budget Report for March 2026
  - c. Build America Bond Quarterly Statement
2. **Operations**
  - a. Monthly dashboard – Annual Financial Impact Overview, Staff Overtime Hours, Budgeted and Vacant Positions, Services Received/Completed, Highlights: New Hires and Promotions, Procurement updates, Training: Workday Supervisor Refresher and Leadership Kaua'i
3. **Engineering**
  - a. Monthly dashboard – Budgeted and Vacant Positions, Staff Overtime Hours, Projects In Design, In Construction, Completed; Water Resources and Planning Statistics – Customer Requests, Applications and Permits, Service and Records Requests, Number of Backflow Devices tested
    - i. Capital Improvement Plan (CIP) Project Highlights/Status Updates:
      - Pu'u Pane 1.0 Million Gallon Tank
      - Kalāheo Water System Improvements
      - University of Hawai'i Experimental Station 605' Tank
      - Kīlauea Wells 1 & 2 MCC, Chlorination Facilities
      - Kūhiō Hwy (Hardy-Oxford) 18" Main Replacement
      - Weke, Anae, Mahimahi and Hee Roads 6" and 8" Main Replacement
      - Kuamoo Road Water Main Replacement
    - ii. DOW Project Highlights/Status Updates:
      - Water Systems Investment Plan (WSIP)

- Kaua’i Water Use and Development Plan (KWUDP)
  - As-Needed Grant Writing and Preparation Services: WaterSMART Grant for Advanced Metering Infrastructure (AMI) Meters
- b. Quarterly Update:
- i. Overview
    - Water Resources and Planning Section – Overview of the status of various applications; water service requests, Backflow devices, KWUDP Plan Update, As-Needed Grant Writing and Preparation Services
    - Project Management Section – Overview of CIP design and construction projects; 8 active design, and 11 active construction (\$69 million total): Kapa’a Homesteads 325’ Tanks, Pu’uPane 1.0 MG Tank, Kalāheo Water System Improvements, Hā’ena 0.2 MG Tank, Kūhiō Highway (Hardy-Oxford), Weke, ‘Anaē, Mahimahi and He’eRoads, Kapa’a Homesteads Well No. 4 Pump and Controls, Līhu’e Baseyard
  - ii. Water Restriction Areas: Upper Lāwa’i, Po’ipū, Upper Wailua Homesteads, Moloa’a, Kīlauea-Kalihiwai, Aliomanu – Kukuna Road, ‘Anini, Upper Wainiha Valley, Wainiha - Hā’ena
  - iii. Water Plan 2020 Construction Project Status: Kapa’a 325’ Tanks, Kapa’a Homesteads Well No. 4, Kalaheo Water System Improvements, Kapaia Haul Cane Road, Kilauea Wells Nos. 1 and 2, Paua Valley Tank No. 1, Kuhio Hwy. (Hardy-Oxford), Weke, Anaē, Mahimahi and Hee, Hanapepe Town Well
  - iv. Supplemental Support Services: RM Towill, Inc., Kennedy/Jenks, Brown and Caldwell, Maddaus Water Management

#### 4. Administration

- a. Human Resources – updates on Personnel Vacancies

#### 5. Manager and Chief Engineer

- a. Reports to Manager:
  1. FY2026 Budget Adjustment – Engineering Division, Sole Source No. SS-2026-04, Thermo Solutions Services USA – Autoclave Annual Preventative Maintenance
  2. FY2026 Budget Adjustment – Administration Division for Replenishment of Operational Supplies
  3. Change Order No. 6 to Contract No. 716 with Ronald N.S. Ho & Associates, Inc., Job No. 21-03, Paua Valley Well MCC Replacement
  4. Change Order No. 5 for Contract No. 753 with Hawaii Drilling & Pump Services, LLC, Job. No. 24-10 Piwai Well No. 3 Repair
  5. First Amendment to Contract No. 773 with Prithibi LLC, Job. No. SS-2025-06, CC&B Data Extraction for Department of Public Works, Wastewater Division (DPW) for the Purpose of Billing Commercial Customers
  6. Change Order No. 2 for Contract No. 778 with ABR Ventures LLC dba Honua Waterworks, GS-2025-04 Hydrants & Appurtenances and Various Drinking Water Pipe Repair and Maintenance Fittings
  7. Year 2 of 3 Services for Contract No. 780 with Eurofins Drinking Water and Wastewater West, LLC, Sole Source No. @@-2025-09, Laboratory Testing Services

8. Contract Award to ABR Ventures LLC dba Honua Waterworks GS-2026-01 Hydrants and Appurtenances and Various Drinking Water Pipe Repair and Maintenance Fittings
9. Contract Award to E-Technologies Group, LLC, RFP Job No. 26-04, SCADA System Maintenance and Professional Consultation Services

**TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING:** *(May)*

**TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETING:**

**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).

**ADJOURNMENT**

**WRITTEN TESTIMONY**

The Board is required to afford all interested persons an opportunity to present testimony on any agenda item. The Board encourages written testimony at least two (2) business days prior to a scheduled Board meeting. At each Board meeting, the Board will accept oral and written testimony on any agenda item during the Public Testimony portion.

Please include:

1. Your name and if applicable, your position/title and organization you are representing
2. The agenda item that you are providing comments on; and
3. Whether you are a registered lobbyist and, if so, on whose behalf you are appearing.

Send written testimony to:

Board of Water Supply, County of Kaua'i  
C/O Administration  
4398 Pua Loke Street

Līhu'e, Hawai'i 96766

E-Mail: [board@kauaiwater.org](mailto:board@kauaiwater.org)

Phone: (808) 245-5406

**Public Testimony**

You do not need to register to provide oral testimony on the day of the meeting. Please note that public testimony is taken after the approval of the meeting agenda to ensure public testimony is received before any action is taken on an agenda item. The length of time allocated to present oral testimony may be limited at the discretion of the chairperson.

**SPECIAL ASSISTANCE**

If you need an auxiliary aid/service or other accommodation due to a disability, or an interpreter for non-English speaking persons, please call (808) 245-5406 or email [board@kauaiwater.org](mailto:board@kauaiwater.org) as soon as possible. Requests made as early as possible will allow adequate time to fulfil your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

A horizontal splash of clear blue water with bubbles, positioned behind the text.

DRAFT

MINUTES

MINUTES  
BOARD OF WATER SUPPLY  
Tuesday, February 19, 2026

The Board of Water Supply, County of Kaua‘i, met in a regular meeting in Lihu'e on Thursday, February 19, 2026. Chair Tom Shigemoto called the meeting to order at 9:31 a.m. The following Board members were present:

**BOARD:**

Mr. Tom Shigemoto, *Chair*  
Ms. Micah Finnila, *Vice-Chair*  
Mr. Clyde Kodani  
Ms. Julie Simonton (*entered at 9:34 a.m.*)  
Mr. Ka‘aina Hull  
Mr. Eric Fujikawa  
Mr. Troy Tanigawa (*remote*)  
Ms. Anastacia Perry, *Student member*

**EXCUSED:**

Quorum was achieved with 6 members present at Roll Call; Board member Simonton entered the meeting at 9:34 a.m.

**ANNOUNCEMENTS**

1. Next Scheduled Board Meeting: Thursday, March 19, 2026

**APPROVAL OF AGENDA**

**The agenda was approved with no objections**

**MEETING MINUTES**

1. Regular Board Meeting – January 20, 2026
2. Executive Session – January 20, 2026

**The minutes of the January 20, 2026 Regular Board meeting and the January 20, 2026 Executive Session were received for the record.**

**PUBLIC TESTIMONY**

No public testimony was given.

**CORRESPONDENCE**

1. Email dated January 13, 2026 from The Heirs of David Nu‘uhiwa re: Pending Shoreline Certifications, Land Use Permits, or Building Applications for TMK: (4) 5-8-010:025 (Lot 5-C) and the surrounding Nu‘uhiwa allotments in Wainiha.

**The correspondence from The Heirs of David Nu‘uhiwa was received for the record.**

**NEW BUSINESS**

1. Discussion and Adoption of Resolution No. 26-05, 2025 Employee of the Year Albert Cadavona, Construction & Maintenance Worker III, Operations Division
2. Discussion and Adoption of Resolution No. 26-06, 2025 Employee of the Year Chrysanthemum “Christine” Erorita, Contracts Officer, Fiscal Division

3. Discussion and Adoption of Resolution No. 26-07, 2025 Employee of the Year Joseph Perreira Jr., Waterworks Inspector III, Engineering Division

**Board member Tanigawa moved to Adopt Resolution Nos. 26-05 through 26-07, seconded by Ms. Simonton; with no objections, motion carried with 7 Ayes**

4. Manager's Report No. 26-25 Discussion and Possible Action to Request Board Approval of the Indemnification Provision and Unspecified Future Obligations in the Agreement for Kilauea Elementary School between the Board of Water Supply, County of Kauai and the State of Hawaii, Department of Education

**Board member Kodani moved to approve Manager's Report No. 26-25, seconded by Mr. Hull; with no objections, motion carried with 7 Ayes.**

5. Manager's Report No. 26-26 Discussion and Possible Action to Request Board Approval of the Indemnification Provision and Unspecified Future Obligations in the Agreement for Ka Waiwai ma Kapaa at Kalukalu between the Board of Water Supply, County of Kauai and the Waiwai Collective, LLC

Board member Kodani asked if there is a reason the Department is not using the Kapaa Neighborhood Center for this outreach meeting. Engineering Division Head Jason Kagimoto explained that they previously used this location for the CIP outreach meetings and the public seemed to like it. There also may have been an issue with the Neighborhood Center's availability for the specific dates they were looking at.

**Board member Kodani moved to approve Manager's Report No. 26-26, seconded by Mr. Tanigawa; with no objections, motion carried with 7 Ayes.**

6. Manager's Report No. 26-27 Discussion and Possible Action to Request Board Approval of the Indemnification Provision in the Agreement for Anahola Neighborhood Center between the Board of Water Supply, County of Kauai and the County of Kauai, Department of Parks and Recreation

**Board member Fujikawa moved to approve Manager's Report No. 26-27, seconded by Mr. Hull; with no objections, motion carried with 7 Ayes.**

7. Manager's Report No. 26-28 Discussion and Possible Action to Request Board Approval of the Indemnification Provision and Unspecified Future Obligations in the Agreement for Kekaha Neighborhood Center between the Board of Water Supply, County of Kauai and the County of Kauai and the State of Hawaii, Department of Education

Engineering Division Head Jason Kagimoto stated there is an error in the title, noting that the agreement is with the County of Kauai Department of Parks and Recreation and not the Department of Education.

**Board member Kodani moved to approve Manager's Report No. 26-28, seconded by Mr. Fujikawa; with no objections, motion carried with 7 Ayes.**

8. Manager's Report No. 26-29 Discussion and Possible Action to Request Board Approval of the Indemnification Provision in the Agreement for Lihue Neighborhood Center between the Board of Water Supply, County of Kauai and the County of Kauai, Department of Parks and Recreation

**Board member Tanigawa moved to approve Manager's Report No. 26-29, seconded by Ms. Simonton; with no objections, motion carried with 7 Ayes.**

9. *Manager's Report No. 26-30* Discussion and Possible Action to Request Board Approval of the Indemnification Provision in the Agreement for Waimea Neighborhood Center between the Board of Water Supply, County of Kauai and the County of Kauai, Department of Parks and Recreation

**Board member Simonton moved to approve Manager's Report No. 26-30, seconded by Mr. Tanigawa; with no objections, motion carried with 7 Ayes.**

10. *Manager's Report No. 26-31* Discussion and Possible Action to Request Board Approval of the Indemnification Provision in the Agreement for Koloa Neighborhood Center between the Board of Water Supply, County of Kauai and the County of Kauai, Department of Parks and Recreation

**Board member Tanigawa moved to approve Manager's Report No. 26-31, seconded by Ms. Simonton; with no objections, motion carried with 7 Ayes.**

11. *Manager's Report No. 26-32* Discussion and Possible Action to Approve the Right-of-Entry Agreement with the Kaua'i County Housing Agency for Staging and Stockpiling for the Pu'u Pane 1.0 MG Tank Project at TMK: (4) 5-2-005:054, Kīlauea, Kaua'i, Hawai'i

Board member Kodani asked why DOW is responsible for finding a stockpile as he thought that was the responsibility of the contractor. Engineering Division Head Jason Kagimoto stated that the Department's approach is to identify an available area to provide the contractor with an option as they figure out the site details for their permits. He noted that the contractors may have better approaches, but at least that can be identified if it was not a known right-of-entry.

Board member Hull asked what the timeline of this project is to which Mr. Kagimoto stated that the project has been bid out, with bid opening in April. The goal is to have it contracted by the end of this fiscal year.

Board member Shigemoto asked if this property belongs to the County Housing Agency, which Mr. Kagimoto confirmed, noting it is located Makai of the highway from Anaina Hou. Board member Simonton stated that for bidding purposes, the more variables that can be defined, the better.

**Board member Tanigawa moved to approve Manager's Report No. 26-32, seconded by Mr. Fujikawa; with no objections, motion carried with 7 Ayes.**

12. *Manager's Report No. 26-33* Discussion and Possible Action to Request Board Approval of the Land Exchange of TMK (4) 2-3-005:006 and TMK (4) 2-3-005:025, as Identified in the Land Exchange Agreement (Agreement) Between the Bank of Hawaii, as Trustee of the Kukuioolono Park Trust Estate, the County of Kaua'i, and the Board of Water Supply, County of Kaua'i

Engineering Division Head Jason Kagimoto provided an overview of the Manager's Report submitted.

**Board member Tanigawa moved to approve Manager's Report No. 26-33, seconded by Ms. Finnila; with no objections, motion carried with 7 Ayes.**

13. *Manager's Report No. 26-34* Discussion and Possible Action to Request Board Approval for Indemnification and Unspecified Future Obligations for Autodesk, Inc. between the Board of Water Supply, County of Kaua'i and Autodesk, Inc.

Former Acting Information Technology Manager Michael Hinazumi provided an overview of the Manager's Report submitted.

**Board member Simonton moved to approve Manager's Report No. 26-34, seconded by Mr. Tanigawa; with no objections, motion carried with 7 Ayes.**

14. *Manager's Report No. 26-35* Discussion and Possible Action to Request Board Approval for Indemnification and Unspecified Future Obligation for Dashlane, Inc. between the Board of Water Supply, County of Kauai and Dashlane, Inc.

Former Acting Information Technology Manager Michael Hinazumi provided an overview of the Manager's Report submitted.

**Board member Tanigawa moved to approved Manager's Report No. 26-35, seconded by Mr. Kodani; with no objections, motion carried with 7 Ayes.**

## **STAFF REPORTS**

### **1. Fiscal**

- a. Monthly dashboard – Number of Service Calls, Number of Walk-in Customers, Number of Customer Emails and Correspondence, Number of Customer Rebills, Accounting Highlights, Transponder Replacement highlights and progress, Staff Overtime hours
- b. Budget Report for January 2026 Waterworks Controller Renee Yadao provided a brief overview of the Monthly Dashboard and Budget Report.

### **2. Operations**

- a. Monthly dashboard – Annual Financial Impact Overview, Staff Overtime Hours, Budgeted and Vacant Positions, Services Received/Completed, Highlights: New Hires and Recruitment, Interviews scheduled, Training: Forklift operation, DSO Exams

### **3. Engineering**

- a. Monthly dashboard – Budgeted and Vacant Positions, Staff Overtime Hours, Projects In Design, In Construction, Completed; Water Resources and Planning Statistics – Customer Requests, Applications and Permits, Service and Records Requests, Number of Backflow Devices tested
  - i. Capital Improvement Plan (CIP) Project Highlights/Status Updates:
    - Kapa'a Homesteads 325' Tanks
    - Pu'u Pane 1.0 Million Gallon Tank
    - Kalāheo Water System Improvements
    - University of Hawai'i Experimental Station 605' Tank
    - Kīlauea Wells 1 & 2 MCC, Chlorination Facilities
    - Kūhiō Hwy (Hardy-Oxford) 18" Main Replacement
    - Weke, Anae, Mahimahi and Hee Roads 6" and 8" Main Replacement
  - ii. DOW Project Highlights/Status Updates:
    - Water Systems Investment Plan (WSIP)
    - Kaua'i Water Use and Development Plan (KWUDP)
    - As-Needed Grant Writing and Preparation Services: WaterSMART Grant for Advanced Metering Infrastructure (AMI) Meters

Regarding Applications and Permits, Board member Ka'aina Hull noted that the State Legislature SPEED (Simplifying Permitting for Enhanced Economic Development) Task Force is specifically looking at the efficiency of reviewing permits to facilitate more housing. He noted a statement made by City and County of Honolulu's Planning and Permitting Actin Director Dawn Apuna who pointed out that it's not the efficiency of reviewing permits that is a problem, it's that they don't have enough staff; pay more, and they can obtain more staff for quicker outcomes. Mr. Hull stated that on the County side, he along with other Department leaders are trying to further assess any inroads that can be made for quicker processing of permits to prevent unnecessary delays. He doesn't need an answer right now, but one of the things that they found in the Planning Department is that because there was concern about how quickly they were processing permits, there was a need for their front counter staff to take action as quickly as possible. That quick action sometimes resulted in a denial, and although there was a quick turnaround, this resulted in the applicant having to go through the whole process again to address the reasons for the denial, which in some cases was a matter of not paying a \$35 fee. This denial and additional delays for the applicant could have been avoided with just a simple phone call or reminder to drop off that \$35 check. He asked Mr. Kagimoto if DOW is looking at their internal processes to remedy some of these types of unnecessary delays.

Mr. Kagimoto expressed his appreciation for the question and stated that Engineering is looking at ways of providing different options to the applicants. Their general approach has been to answer as many questions as possible, noting that many times property owners are not aware of what avenues are available to get something approved. Instead of just saying yes you can do this, or no you can't, they are trying to provide alternative ways the applicant can move forward such as adjusting a plan to remove certain fixtures. Knowing that we will not be able to upgrade all of our needed infrastructure for a while, they are trying to find ways to think outside the box and try and better understand what the applicant is trying to achieve and hopefully provide an approach that will work for them. Mr. Kagimoto stated they are also trying to encourage architects or consultants to meet with the Department earlier so they can identify any potential limitations and not spend so much time going through the process and then find out that there are unexpected limitations. Ms. Simonton asked if that type of information can be included on the website, noting that they as contractors often get those questions. It seems like for many people, DOW becomes a black hole where they don't understand the process and don't know the right questions to ask. If an interactive map showing, for example, water restricted areas, or the size of water lines in a specific area, that may weed out some of the calls the Department receives. Mr. Kagimoto acknowledged that those are good ideas, noting that they have created a flow chart to help people understand the process, but agreed that there is other information that could be provided or other ways they could be more proactive. He stated that it is difficult when they have to inform a new and excited property owner that their property is in a water-restricted area, and short of massive infrastructure improvements, they will be unable to move forward. He noted that will continue to look for better ways to get more information out there. Ms. Simonton stated whatever the Department can put online to make it easier for customers is greatly appreciated by contractors as well.

Mr. Hull stated anything the Department can do internally, whether it be looking at some policy changes that may address building permit backlogs, is appreciated. Beyond that, noting that the Board has not had any rule changes for a while, the Board may want to consider looking at rule amendments to help facilitate the process more effectively.

Manager Tait thanked Mr. Hull and Ms. Simonton for their feedback and noted that reading emails from private citizens as well as other governmental agencies, he is aware of the many ways the Department needs to improve. One of the most important things, by far, is communication between internal staff. Secondly, the Department needs to look at how to communicate effectively and concisely with the public, and thirdly, there is always an opportunity to improve communication and work relationships between the Departments to help streamline the process for the customer.

Ms. Finnila expressed her appreciation to DOW staff for all the hard work with the transponder replacements, and getting the OT down. Kudos to all the staff for the hard work and for keeping the Board well informed and updated.

#### 4. Administration

- a. Human Resources – updates on Personnel Vacancies

#### 5. Manager and Chief Engineer

- a. Reports to Manager:

1. First Amendment to Contract 760 with the Limtiaco Consulting Group, Inc., Job No. 24-02, Project No. LO-10, Lāwa‘i 6” and 8” Main Replacement
2. Change Order No. 5 to Contract No. 722 (Kiewit Infrastructure West Co.), Job No. 16-04, WP2020 #KW-03, MCC, Chlorination Facilities Kīlauea Wells No. 1 and No. 2

In response to Board member Kodani, Engineering Division Head Jason Kagimoto stated that this MCC facility will support the operation of our pumps, but they ran into issues with not having enough space to put in the permanent MCC (Motor Control Center); the VFD (Variable Frequency Drive) had to be put in an adjacent cabinet as it did not fit within the existing space. Because of that, they had to do a change order for the design. In hindsight, there were things that could have been done differently.

3. Year 2 Services for Contract No. 769 with Compulink Management Center, Inc. DBA Laserfiche, IT-2025-01, Document Management Software, Hosting, and Support Services
4. Year 2 Services for Contract No. 779 with Kaua‘i Mechanical, Inc. GS-2025-05, Service and Maintenance of DOW’s Various Air Conditioning Units
5. Change Order No. 1 to Contract No. 782 with Alpha, Inc. Job. No. 18-03, WP2020 #PLH-27, Kūhiō Highway (Hardy-Oxford) 18” Main Replacement

In response to Board member Kodani, Engineering Division Head Jason Kagimoto stated this amendment is for a no-cost time extension to allow our consultant to address the issues they were having with their surveyor. There are a multitude of construction projects going on currently, and the timing of these design projects are not impacting the ability to get them to construction. Because we are just at the start of our rate update, the Department will have more stability in its funds within the next 5 years to be able to push construction projects forward. In the meantime, the focus is to be able to complete our existing construction contracts and the Department has not been pushing the consultants on their time obligations knowing that they are not going to be able to bid out in construction when it gets there anyway.

6. Professional Services 2026-PROF-SCS-1, Contract Award to Imanaka Asato, LLC and Stag Liuzza, LLC, Special Counsel for Aqueous-Film-Forming Foams (“AFFF”) Litigation MDL No. 2873

#### **TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING: (March)**

1. Discussion and Receipt of the Department of Water’s (DOW)’s Financial Statements and Independent Auditor’s Report for the Fiscal Year Ended June 30, 2025
2. Discussion and Possible Action on the Department of Water’s (DOW’s) DRAFT Operating and Capital Budgets for FY 2026-2027

#### **TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETING:**

**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 Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), the Office of the County Attorney requests an Executive Session with the Board to provide a briefing and to discuss possible settlement authority for the claim made against the Board by Matthew J. Tabonair, dated December 19, 2024, and to consult with the Board's attorney on its powers, duties, privileges, immunities, and liabilities as they relate to this agenda item.

**ADJOURNMENT**

The meeting was adjourned at 10:47 a.m.

Respectfully submitted,

Cherisse Zaima  
Commission Support Clerk

A horizontal splash of clear blue water with bubbles, positioned across the middle of the page. The text 'NEW BUSINESS' is overlaid on this splash, with 'NEW' above the water and 'BUSINESS' below it. Both words have a reflection effect below the water line.

NEW

BUSINESS

# DEPARTMENT OF WATER

County of Kaua‘i

*“Water has no Substitute – Conserve It!”*

## MANAGER’S REPORT No. 26-36

April 16, 2026

Re: Discussion and Possible Action to Request Board Approval of the Indemnification Provision in the Construction Right-of-Entry (ROE) Agreement with BD Pacific Holdings LLC for the Kūhiō Highway (Hardy-Oxford) 18” Main Replacement Project at TMK (4) 3-6-006:093 and (4) 3-6-006:094, Līhu‘e, Kaua‘i, Hawai‘i

### **RECOMMENDATION:**

It is recommended that the Board of Water Supply, County of Kaua‘i (Board), approve the indemnification provision in the Construction ROE Agreement to use the identified sites, (4) 3-6-006:093 and (4) 3-6-006:094, for the purposes of construction, installation, reinstatement, maintenance, repair, and removal of water pipelines and related meters, valves, and other associated waterworks facilities appurtenances and any and all necessary appurtenances.

**FUNDING:** N/A

### **BACKGROUND:**

A Construction ROE Agreement has been prepared to allow the Board’s contractor to perform their scope of work, for the purposes of construction, installation, reinstatement, maintenance, repair and removal of water pipelines and related meters, valves, and other associated waterworks facilities appurtenances and any and all necessary appurtenances.

### **OPTIONS:**

**Option 1: Approve Manager’s Report as recommended.**

Pro: DOW’s contractor will move forward with performing their scope of work.

Con: None.

**Option 2: Do not approve the Manager’s Report as recommended.**

Pro: None.

Con: DOW’s contractor will not move forward with performing their scope of work.

JK/crz

Attachment(s): Right-of-Entry (ROE) Agreement with BD Pacific Holdings LLC for the Kūhiō Highway (Hardy-Oxford) 18” Main Replacement Project at TMK (4) 3-6-006:093 and (4) 3-6-006:094

**RIGHT-OF-ENTRY**

THIS INDENTURE, effective from the date of execution by the Chairperson of the Board of Water Supply, County of Kaua'i, is made and entered into by and between **BD Pacific Holdings LLC**, a corporation, whose mailing address is 311 Ano Street, Kahului, HI 96732, (hereinafter, the "Grantor"), and the **BOARD OF WATER SUPPLY** of the County of Kaua'i, whose mailing address is 4398 Pua Loke Street, Līhu'e, Kaua'i, Hawai'i 96766 (hereinafter, the "Board" or "Grantee").

**W I T N E S S E T H:**

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 Grantee, its officers, employees, contractors, subcontractors, and agents (hereinafter collectively the "Grantee"), a temporary construction right-of-entry subject to the following terms and conditions:


1. This right-of-entry shall be an area over, under, and across that certain property situated, lying, and being at Lihue, Kaua'i, Hawai'i at Tax Map Key Nos. (4) 3-6-006:093 and (4) 3-6-006:094 and as illustrated on the map attached hereto as Exhibit "A" and made a part hereof.
2. This right-of-entry shall be used by the Grantee for purposes of construction, installation, reinstallation, maintenance, repair, and removal of water pipelines and related meters, valves, and other associated waterworks facilities appurtenances, and any and all necessary appurtenances for Job No. 18-03, PLH-27, Kuhio Highway (Hardy-Oxford) 18" Main Replacement.
3. 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.
4. This right-of-entry shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
5. The Grantor warrants and covenants with the Grantee 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.
6. 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.
7. 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) a Grant of Easement with respect to that portion of Tax Map Key Nos. (4) 3-6-006:093 and (4) 3-6-006:094 which the Grantee deems necessary for the reading of water meters and for the construction, installation, reinstallation, maintenance, repair, and removal of potable water pipelines and related meters, valves, and other

associated waterworks 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.

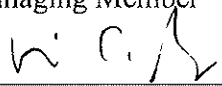
8. Form and Legality. This right-of-entry has been approved as to form and legality by the County Attorney as required by the Charter of the County of Kaua'i. No modification of any term herein, other than the completion of the fillable fields, is permitted without the express written approval of the County Attorney or a Deputy County Attorney. Any such modification made without the express written approval of the County Attorney or Deputy County Attorney will result in the revocation of the approval as to form and legality.

**IN WITNESS WHEREOF**, the parties hereto do hereby make and duly execute this Indenture to be effective upon the date of execution by the Chairperson of the Board of Water Supply, County of Kauai, below

**GRANTOR(S):**

  
\_\_\_\_\_  
By: Jack Dugan

Its: Managing Member

  
\_\_\_\_\_  
By: Richard C. Bergson

Its: Managing Member

**GRANTEE:**

APPROVED:

BOARD OF WATER SUPPLY, COUNTY OF KAUA'I

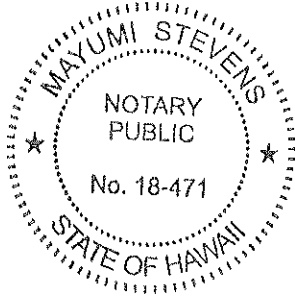
\_\_\_\_\_  
Joseph "Joe" Tait  
Manager and Chief Engineer

\_\_\_\_\_  
By: Tom Shigemoto  
Chairperson  
Date: \_\_\_\_\_

STATE OF Hawaii )  
City of Honolulu ) SS.  
COUNTY OF Honolulu )

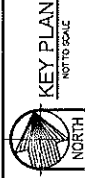
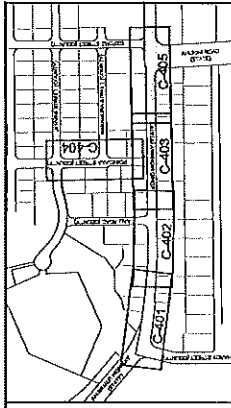
On March 25, 2026, before me personally appeared Richard C. Bergson, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Mayumi Stevens  
Print name: Mayumi Stevens  
Notary Public, State of Hawaii  
My commission expires: 08/19/2026

Date of Doc: <u>March 25, 2026</u>	# Pages: <u>5</u>
Name of Notary: <u>Mayumi Stevens</u>	Notes: _____
Doc. Description: <u>Right - of - entry</u>	(stamp or seal)
<u>Mayumi Stevens</u> <u>March 25, 2026</u> Notary Signature Date	
<u>1st</u> Circuit, State of <u>Hawaii</u>	
<b>NOTARY CERTIFICATION</b>	

**GRANTOR**

*(BWS Notary Placeholder)*



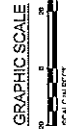
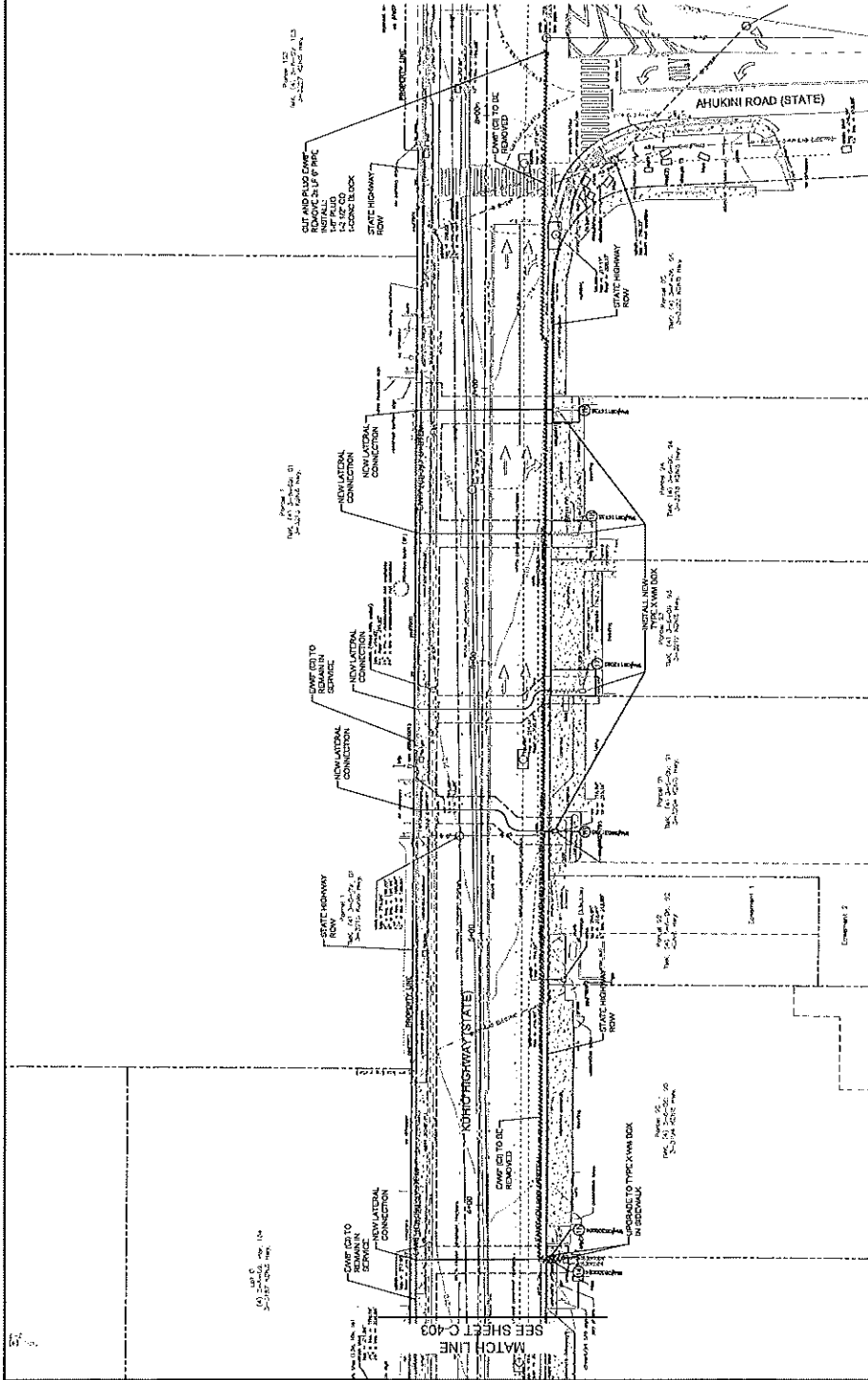
KEY PLAN  
NOT TO SCALE

**NOTES:**

1. AFTER EACH RAINFALL EVENT, THE CONTRACTOR SHALL REMOVE ALL SILT AND DEBRIS FROM THE CURB AND WORKING AREA AND SHALL MAINTAIN ALL UTILITIES, ROADWAYS AND SIDEWALKS IN GOOD WORKING ORDER. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COUNTY DESIGNER SHALL BE PAYABLE BY THE CONTRACTOR.
2. SEE SHEET C-403 FOR CONNECTION DETAILS. SEE SHEET C-403 FOR SERVICE LATERAL DETAILS. SEE SHEET C-403 FOR LATERAL PROFILES.
3. CONTRACTOR SHALL RELOCATE ALL EXISTING WATER METERS THAT ARE IN PRIVATE PROPERTY TO THE NEW LATERAL. THE CONTRACTOR SHALL RECONNECT IN ORDER TO MAINTAIN SERVICE TO THE PROPERTY.
4. ALL IMPROVEMENTS AND LOCATIONS OF EXISTING WATER LINES ARE APPROXIMATE ONLY BASED ON AVAILABLE RECORDS. THE CONTRACTOR IS RESPONSIBLE TO VERIFY CONNECTION POINTS TO EXISTING UTILITIES. ALL FIELD CHANGES MUST BE ACCURATELY REFLECTED IN THE CONTRACTOR'S AS-BUILT DRAWINGS.
5. METERS REMAINING IN PUBLIC ACCESS AREAS OUTSIDE OF THE ROW SHALL BE MAINTAINED BY OWNER.

NO.	METER NO.	LATERAL WATER	SCALE OR USE	LOCATION	STATION OR OFP
1	103-104-101	12" DIA. WATER	12" DIA. WATER	103-104-101	103+00.00
2	103-104-102	12" DIA. WATER	12" DIA. WATER	103-104-102	103+00.00
3	103-104-103	12" DIA. WATER	12" DIA. WATER	103-104-103	103+00.00
4	103-104-104	12" DIA. WATER	12" DIA. WATER	103-104-104	103+00.00
5	103-104-105	12" DIA. WATER	12" DIA. WATER	103-104-105	103+00.00
6	103-104-106	12" DIA. WATER	12" DIA. WATER	103-104-106	103+00.00
7	103-104-107	12" DIA. WATER	12" DIA. WATER	103-104-107	103+00.00
8	103-104-108	12" DIA. WATER	12" DIA. WATER	103-104-108	103+00.00
9	103-104-109	12" DIA. WATER	12" DIA. WATER	103-104-109	103+00.00
10	103-104-110	12" DIA. WATER	12" DIA. WATER	103-104-110	103+00.00

\*\*METER STATIONS AND OFFSETS TO CURB OR V.W. EDGE.



LATERAL & DEMOLITION PLAN  
SCALE 1"=20'



NO.	DESCRIPTION	DATE	BY	CHECKED
1	DESIGN			
2	CHECKED			
3	APPROVED			

DESIGNED BY: RUSSELL CONSULTING  
 1415 KUMU HIGHWAY (HARBOY COAST ROAD)  
 WAILUKU, HAWAII 96793  
 1415 KUMU HIGHWAY (HARBOY COAST ROAD)  
 WAILUKU, HAWAII 96793  
 1415 KUMU HIGHWAY (HARBOY COAST ROAD)  
 WAILUKU, HAWAII 96793

APPROVED  
 N/A  
 1870004

LATERAL & DEMOLITION PLAN

C-405

DATE: 14 OCT 2018

# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

## MANAGER'S REPORT No. 26-37

April 16, 2026

Re: Discussion and Possible Action to Request Board Approval of the Indemnification Provision in the Construction Right-of-Entry (ROE) Agreement with E&M Holdings, LLC for the Kūhiō Highway (Hardy-Oxford) 18" Main Replacement Project at TMK (4) 3-6-006:089, Līhu'e, Kaua'i, Hawai'i

### **RECOMMENDATION:**

It is recommended that the Board of Water Supply, County of Kaua'i (Board), approve the indemnification provision in the Construction ROE Agreement to use the identified site, (4) 3-6-006:089, for the purposes of construction, installation, reinstallation, maintenance, repair, and removal of water pipelines and related meters, valves, and other associated waterworks facilities appurtenances and any and all necessary appurtenances.

**FUNDING:** N/A

### **BACKGROUND:**

A Construction ROE Agreement has been prepared to allow the Board's contractor to perform their scope of work, for the purposes of construction, installation, reinstallation, maintenance, repair and removal of water pipelines and related meters, valves, and other associated waterworks facilities appurtenances and any and all necessary appurtenances.

### **OPTIONS:**

**Option 1: Approve Manager's Report as recommended.**

Pro: DOW's contractor will move forward with performing their scope of work.

Con: None.

**Option 2: Do not approve the Manager's Report as recommended.**

Pro: None.

Con: DOW's contractor will not move forward with performing their scope of work.

JK/crz

Attachment(s): Right-of-Entry (ROE) Agreement with E&M Holdings, LLC for the Kūhiō Highway (Hardy-Oxford) 18" Main Replacement Project at TMK (4) 3-6-006:089

**RIGHT-OF-ENTRY**

THIS INDENTURE, effective from the date of execution by the Chairperson of the Board of Water Supply, County of Kaua‘i, is made and entered into by and between **E&M Holdings LLC**, a Domestic Limited Liability Company, whose mailing address is 2662 Alaekea St Lihue HI 96766, (hereinafter, the “Grantor”), and the **BOARD OF WATER SUPPLY** of the County of Kaua‘i, whose mailing address is 4398 Pua Loke Street, Līhu‘e, Kaua‘i, Hawai‘i 96766 (hereinafter, the “Board” or “Grantee”).

**W I T N E S S E T H:**

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 Grantee, its officers, employees, contractors, subcontractors, and agents (hereinafter collectively the “Grantee”), a temporary construction right-of-entry subject to the following terms and conditions:

1. This right-of-entry shall be an area over, under, and across that certain property situated, lying, and being at Lihue, Kaua‘i, Hawai‘i at Tax Map Key No. (4) 3-6-006:089, approximately 10’ wide by 10’ long near the property line adjacent to Kuhio Highway and as illustrated in the map attached hereto as Exhibit “A” and made a part hereof.
2. This right-of-entry shall be used by the Grantee for purposes of construction, installation, reinstallation, maintenance, repair, and removal of water pipelines and related meters, valves, and other associated waterworks facilities appurtenances, and any, and all necessary appurtenances for Job No. 18-03, PLH-27, Kuhio Highway (Hardy-Oxford) 18” Main Replacement.
3. 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.
4. This right-of-entry shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
5. The Grantor warrants and covenants with the Grantee 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.
6. 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.
7. 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) 3-6-006:089, approximately 10’ wide by 10’ long near the property line adjacent to Kuhio Highway which the Grantee deems necessary for the reading of water meters and

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

8. Form and Legality. This right-of-entry has been approved as to form and legality by the County Attorney as required by the Charter of the County of Kaua'i. No modification of any term herein, other than the completion of the fillable fields, is permitted without the express written approval of the County Attorney or a Deputy County Attorney. Any such modification made without the express written approval of the County Attorney or Deputy County Attorney will result in the revocation of the approval as to form and legality.

**IN WITNESS WHEREOF**, the parties hereto do hereby make and duly execute this Indenture to be effective upon the date of execution by the Chairperson of the Board of Water Supply, County of Kauai, below

**GRANTOR(S):**



By: Eid A. Eid  
Its: Member

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**GRANTEE:**

APPROVED:

BOARD OF WATER SUPPLY, COUNTY  
OF KAUA'I

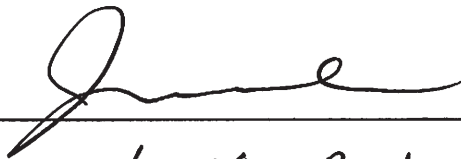
\_\_\_\_\_  
Joseph "Joe" Tait  
Manager and Chief Engineer


\_\_\_\_\_  
By: Tom Shigemoto  
Chairperson  
Date: \_\_\_\_\_


STATE OF Hawaii )  
 ) SS.  
COUNTY OF Kauai )

On March 20, 2026, before me personally appeared Eid A. Eid, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons in the capacity shown, having been duly authorized to execute such instrument in such capacity.



  
Print name: Jennifer Pasol  
Notary Public, State of Hawaii  
My commission expires: 3/16/2029

Date of Doc: <u>3/20/26</u>	# Pages: <u>4</u>
Name of Notary: <u>Jennifer Pasol</u>	Notes: _____
Doc. Description: <u>Right of Entry</u>	(stamp or seal)
 Notary Signature	<u>3/20/26</u> Date
<u>5</u> Circuit, State of <u>Hawaii</u>	
<b>NOTARY CERTIFICATION</b>	



GRANTOR

*(BWS Notary Placeholder)*

# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

## MANAGER'S REPORT No. 26-38

April 16, 2026

Re: Discussion and Receipt of the Department of Water's (DOW) Financial Statements, Independent Auditor's Report, Report on Internal Control Over Compliance for a Major Federal Program, and Report on Schedule of Expenditures of Federal Awards for the Fiscal Year Ended June 30, 2025.

### **RECOMMENDATION:**

It is recommended that the Board receive and accept DOW's audited Financial Statements, Independent Auditor's Report, Report on Compliance for a Major Federal Program (Single Audit), and Report on Schedule of Expenditure of Federal Awards (SEFA).

### **BACKGROUND:**

The DOW's independent auditor, N&K CPAs has completed the audit of the DOW's financial accounts and the internal controls in place for the fiscal year ended June 30, 2025. Additionally, the DOW was subject to a Single Audit in accordance with Uniform Guidance. The DOW expended over \$750,000 in federal awards from the Department of Health, Drinking Water State Revolving Fund program.

The audited Financial Statements as of June 30, 2025 together with the Independent Auditor's Report, Single Audit Report, and SEFA are hereby submitted for your review, discussion, and necessary action. The auditors representing N&K CPAs are available to discuss the results of the audit and to answer any questions the Board may have.

### **OPTIONS:**

**Option 1: It is recommended that the Board review and accept the DOW's Financial Statements, Independent Auditor's Report, Single Audit Report, and SEFA by N&K CPAs, Inc for the fiscal year ended June 30, 2025.**

Pros: Upon Board approval, DOW will be able to transmit the final copy of the audited Financial Statements to the County of Kauai, Department of Finance and transmit the Single Audit to the Federal Audit Clearinghouse by the March 31, 2026 deadline.

Cons: None known.

**Option 2: Do not receive and accept the DOW's Financial Statements Independent Auditor's Report, Single Audit Report, and SEFA by N&K CPAs, Inc for the fiscal year ended June 30, 2025. Do not transmit the audited Financial Statements to the County of Kauai Department of Finance.**

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

Cons: Deferral may affect the County's timeline in finalizing its Annual Comprehensive Financial Report (ACFR) and failure to transmit the Single Audit by the deadline may result in a delinquent status, non-compliance with regulations, and risk current and future receipt of federal funds.

RY/crz

Attachment(s): Communication to the Board – Significant Audit Matters  
DOW Financial Statements and Independent Auditor's Report for Fiscal Year Ended June 30, 2025

March 9, 2026

Board of Water Supply  
Department of Water, County of Kauai  
4398 Pua Loke Street  
Lihue, Hawaii 96766

We have audited the financial statements of the Department of Water (“the Department”), a component unit of the County of Kauai, as of and for the fiscal year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 18, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Department are described in Note B to the financial statements. As described in Note B (21) to the financial statements, the Department changed accounting policies related to the recognition and measurement of compensated absences by adopting the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 101, *Compensated Absences*, in 2025. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note B (21). Other than the adoption of GASB Statement No. 101, no new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Department during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Members of the Board of Water Supply  
Page 2

Accounting estimates are an integral part of the financial statements prepared by management are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Department's financial statements were:

1. Unbilled water sales revenue and receivable
2. Valuation allowance for receivables
3. Depreciation of capital assets
4. Net pension liability
5. Postemployment benefits other than pensions (OPEB) liability
6. Accrued workers' compensation liability
7. Claims and judgments

Management's estimate of unbilled water sales revenue and receivables is based on the average revenue per day obtained from the most recent billing period that ended prior to June 30, 2025 multiplied by the number of unbilled days through June 30, 2025.

Management's estimate of the valuation allowances for receivables is based on historical collection experience and the length of time individual receivables are past due.

Management's estimate of depreciation recorded on capital assets is based in part on the estimated useful lives of those capital assets.

The collective net pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense of the cost-sharing multiple employer defined pension plan administered by the State of Hawaii's Employee Retirement System was determined by an actuarial valuation. The Department's proportionate share of the collective net pension liability, deferred inflows of resources, deferred outflow of resources, and pension expense was based on the Department's contributions to the pension plan relative to the contributions of all participating employers during the measurement period.

The net OPEB liability was measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the OPEB plan's fiduciary net position.

The accrued workers' compensation liability was determined using an actuarial analysis performed by a third-party specialist.

The estimated liability for claims and judgments is reported if 1) information available indicates that it is probable that a liability has been incurred at the date of the financial statements and, 2) the amount of loss can be reasonably estimated.

Members of the Board of Water Supply  
Page 3

We evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 9, 2026.

Members of the Board of Water Supply  
Page 4

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Department’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Department’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis and the schedules of proportionate share of the net pension liability, contributions (pension), changes in the net OPEB liability and related ratios, and contributions (OPEB), which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedules of expenditures of federal awards, utility plant-in-service and selective account classifications, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, which accompany the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it

N&K CPAs, Inc.

ACCOUNTANTS | CONSULTANTS

Members of the Board of Water Supply  
Page 5

Restriction on Use

This information is intended solely for the information and use of the Board of Water Supply and management of the Department and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

N&K CPAs, Inc.

**Department of Water, County of Kauai  
 Summary of Uncorrected Misstatements  
 June 30, 2025**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Proposed Journal Entries</b>			
<b>Proposed Journal Entries JE # 201</b>			
To pass on adjusting customer overpayments from AR to liability account.			
10-00-00-120-000	WU-Accounts Receivable	151,107.00	
10-00-00-225-020	WU-Other Current Liabilities		151,107.00
<b>Total</b>		<b>151,107.00</b>	<b>151,107.00</b>

**Department of Water,  
County of Kaua'i**



**FINANCIAL STATEMENTS AND SUPPLEMENTARY  
INFORMATION WITH INDEPENDENT AUDITOR'S REPORT**

**Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF WATER  
COUNTY OF KAUAI**

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**DEPARTMENT OF WATER  
COUNTY OF KAUAI**

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**Department of Water  
County of Kauai  
INTRODUCTION (Unaudited)  
Fiscal Year Ended June 30, 2025**

To the Members of the Board of Water Supply and our Customers:

We are pleased to submit to you the financial statements of the Department of Water, County of Kaua'i (Department) for the fiscal year ended June 30, 2025.

The accuracy of the financial statements and the completeness and fairness of their presentation are the responsibility of the Department. We believe the data presented in the financial statements are complete and accurate in all material respects and are provided in a manner designed to present the financial position and results of operations of the Department. All disclosures necessary to convey the maximum understanding of the Department's financial activities have been included.

The Fiscal Division is tasked with the responsibility of establishing and maintaining an internal control structure and process that is designed to ensure that the assets of the Department are protected from loss, theft, or misuse. Furthermore, it is the responsibility of the Fiscal Division to compile adequate accounting data to allow for the accurate preparation of the financial statements in conformity with generally accepted accounting principles (GAAP).

Management is required to make decisions and judgments as to the concept of what constitutes reasonable assurance in reviewing the internal control mechanisms. Management must also weigh the cost of the control against the benefit that will likely be attained.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This introduction is designed to complement the MD&A and should be read in conjunction with it.

### **History of the Department**

The Department was created in 1960 by the authority of Act 20, Session Laws of Hawaii and established by the County Charter as a semi-autonomous and self-supporting component unit (enterprise fund) of the County government. The Department is not subsidized by nor receives contributions from the County's General Fund. The Department's operations are financed primarily by revenues from water sales, facility reserve charges (FRC), and water meter service charges.

The Department is governed by the Board of Water Supply (Board), consisting of seven members. Four members are appointed by the Mayor and confirmed by the County Council. The remaining three consist of the State District Engineer of the Department of Transportation, County Engineer, and Planning Director. The Board appoints the Manager and Chief Engineer to administer the Department.

### **Mission Statement**

*"Together, we provide safe, affordable, sufficient, drinking water through wise management of our resources and with excellent customer service for the people of Kaua'i."*

**Department of Water  
County of Kauai  
INTRODUCTION (Unaudited)  
Fiscal Year Ended June 30, 2025**

**Department Operations**

The Department is the primary water utility on the island of Kaua'i, operating nine separate and unconnected water systems with over 420 miles of pipeline. During the fiscal year, the Department delivered potable and non-potable water to approximately twenty-three thousand customers. The annual water consumption in gallons was 4.5 billion. Additionally, the Department maintained and serviced over three thousand fire hydrants.

The Department consists of four divisions: Administration, Fiscal, Engineering, and Operations. There are a total of 119 budgeted positions; of which, 93 were filled as of June 30, 2025.

**Major Initiatives**

In November 2021, the passing of the Bipartisan Infrastructure Law provided for unprecedented funding to support upgrades to the nation's drinking water, with funding dedicated to lead service line replacement and access to federal Drinking Water State Revolving Funds. Through this passing of legislation, water utilities are required to comply with Lead and Copper Rule Revisions with the Environmental Protection Agency (EPA). In August 2022, the EPA issued additional guidance and information to assist water utilities to prepare and maintain an inventory of service line materials by October 16, 2024. The Department completed its lead service line inventory on September 13, 2024 with no findings of lead being present throughout its water system.

In February 2022, the Department initiated the Water System Investment Plan (WSIP) project. This project includes updating the water system's geographical information system (GIS) and hydraulic model, water demand study, capital improvement program (CIP), FRC, and a climate change and resiliency study. Subsequently, and in November 2023, the WSIP project was amended to include a water rate study utilizing the information and data obtained from the ongoing project. The Department's last water rate increase was in July 2014 and current water rates are not sufficient to cover operational and annual debt service expenses. The water rate study will be implemented over two phases. Phase I of the water rate study will provide a five-year rate recommendation beginning July 1, 2026, and will consider the outlook of the Department's projected revenues, expenses, CIP financing, annual debt service, and reserve funding. Phase II of the water rate study will focus on cost-of-service and rate design enhancements and will commence in mid-to-late 2026.

The EPA has proposed new regulations regarding the presence of Per- and Polyfluoroalkyl Substances (PFAS) and additional unregulated but related contaminants as it relates to new monitoring requirements, maximum contaminant levels (MCLs), and public notification requirements. The Engineering Division's Water Quality Section has been anticipating additional EPA mandated regulatory compliance requirements for contaminants and thereby has procured external contracted expertise to assist the Department in remaining compliant. Budgeting for compliance of these previously undetected contaminants will continue in FY2027 annual budget.

In June 2023, a blessing was held for the \$21.8M Kalaheo Water Systems Improvement Project. This is one of the Department's largest projects and will eventually replace two water storage tanks. The project is 90% complete and is anticipated to be completed in 2027.

**Department of Water  
County of Kauai  
INTRODUCTION (Unaudited)  
Fiscal Year Ended June 30, 2025**

In June 2024, the Department awarded approximately \$24.3M and \$7.7M for the Kapaa Homesteads Tanks Project and Kapaa Homesteads Well No. 4 Project, respectively. The Kapaa Homesteads Tanks Project is the largest project in the Department's history and will construct two new water storage tanks. The Kapaa Homesteads Well No. 4 Project is for design, construction, and other related site improvements. Both projects will span over the next two to three years.

**Long-term Financial Planning**

The Department's mission is to provide residents with a safe, dependable, and affordable drinking water supply. Efforts to maintain and improve water system facilities, aging water infrastructure, and improvements for fire protection are continuous. The Department actively pursues State funding through grants and loans through the Department of Health's Drinking Water State Revolving Fund (DWSRF). Federal resources will be pursued to help subsidize projects in the future. The major projects in progress or on the horizon include:

- Transponder Replacement Project
- Kalaheo Water System Improvements
- Kapaa Homesteads Tanks
- Weke, Anae, Mahimahi, and Hee Road Main Replacement
- IT Infrastructure Improvements
- ERP Selection and Implementation
- Kuhio Highway Main Replacement
- Paua Valley Tank Repairs
- Hanapepe Town Well MCC Chlorination Facilities
- Kilauea Wells No. 1 and No. 2
- Kuamoo Road Water Main Replacement
- Kapaia Cane Haul Road Environmental Impact Statement (EIS)
- Kapaa Homesteads Well No. 4 Pump and Controls

**Awards**

In 2025, the EPA suspended its WaterSense Awards noting programmatic resource constraints. The program recognized and awarded WaterSense partners who contributed to enhancing the market for water-efficient products, practices, and services since 2008. The Department received the WaterSense Excellence Award for Education, Outreach, and Promoting WaterSense Labeled Products for the proceeding four years.

In October 2024, the DOW received a \$100,000 grant from Hawaii Community Foundation. The grant period will span over two years and will provide additional funding and supplement the DOW's educational and informational outreach for water conservation efforts. The DOW actively participates in various local programs, community events, radio and published advertisements, and monthly giveaways to promote water conservation and education to the community.

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the Department of Water, a component unit of the County of Kauai, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Department of Water, County of Kauai's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Department of Water, County of Kauai, as of June 30, 2025, and the changes in financial position and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department of Water, County of Kauai and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department of Water, County of Kauai's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Water, County of Kauai's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department of Water, County of Kauai's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 to 19 and the schedules of proportionate share of the net pension liability, contributions (pension), changes in the net OPEB liability and related ratios, and contributions (OPEB) on pages 57 to 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department of Water, County of Kauai's basic financial statements. The accompanying Schedules I and II are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, Schedules I and II are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2026 on our consideration of the Department of Water, County of Kauai's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department of Water, County of Kauai's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department of Water, County of Kauai's internal control over financial reporting and compliance.

N&K CPAs, Inc.

Honolulu, Hawaii  
March 9, 2026

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Department of Water  
County of Kauai  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2025**

The management of the Department of Water, County of Kauai (the "Department") offers to readers a narrative overview and analysis of the Department's financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the Department's basic financial statements that follow this section.

**Financial Highlights**

In June 2022, The Governmental Accounting Standards Board ("GASB") issued statement No. 101 ("GASB 101"), *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for compensated absences by governments.

The Department adopted GASB 101 in the current fiscal year. Prior to GASB 101, the Department recognized only vacation leave and compensatory time earned as a liability at the fiscal year end. As a result of the implementation of this Statement, the Department is also required to recognize unused sick leave if it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The Department recorded a prior period restatement to beginning net position (as of July 1, 2024) of approximately \$1.3 million. Additional information can be found in Note B (21) in the accompanying notes to the basic financial statements.

The Department's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$239.4 million, an increase of \$9.4 million from the prior year. Restricted net position increased by \$1.2 million, ending at \$6.8 million. Unrestricted net position increased by \$2.2 million, ending at \$21 million.

The following explains the significant changes in net position:

- Operating revenues increased by \$3.1 million as compared to the prior year, ending at \$32.2 million.
- Operating revenues and capital contributions exceeded total operating expenses by \$10.8 million, increasing net position.
- Assets, including capital assets, ended at \$319.8 million; an increase of \$1.2 million or 4.9% from the prior year.
- Liabilities and deferred inflows ended at \$88.6 million; a decrease of \$7.1 million or 7.4% from the prior year.

**Department of Water  
County of Kauai  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2025**

**Overview of the Financial Statements**

The Department is a semi-autonomous component unit of the County of Kaua'i. The financial statements are designed to provide readers with a broad overview of the Department's finances, in a manner similar to a private-sector business. Accordingly, it presents the financial picture of the Department using the economic resources measurement focus and the accrual basis of accounting; whereby, revenues and expenses are recognized in the period earned or when incurred.

The basic financial statements include the statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows, and notes to the financial statements. The statement of net position presents the resources and obligations of the Department as of the end of the reporting period. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating. The statement of revenues, expenses, and changes in net position presents the results of operations and the resulting change in net position for the fiscal year. The statement of cash flows presents changes in cash and cash equivalents, resulting from operating, investing, capital and related financing activities, and non-capital financing activities.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 26 - 55 of this report.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Department's progress in funding its obligation to provide pension and postemployment benefits other than pension (OPEB) to its employees. Required supplementary information can be found on pages 57 - 62 of this report.

**Supplementary Information**

The schedule of utility plant-in-service and schedule of selective account classifications are presented immediately following the required supplementary information on pensions and OPEB. Supplementary information can be found starting on page 64.

**Department of Water  
County of Kauai  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2025**

**Financial Condition**

**Statements of Net Position - Condensed  
June 30, 2025 and 2024**

	2025	2024*	2025 - 2024	
			Increase (Decrease)	% Change
<b>Assets</b>				
Current assets	\$ 33,754,089	\$ 27,875,157	\$ 5,878,932	21.1%
Net capital assets	253,097,853	246,360,911	6,736,942	2.7%
Other noncurrent assets	<u>32,931,828</u>	<u>44,370,245</u>	<u>(11,438,417)</u>	-25.8%
Total assets	319,783,770	318,606,313	1,177,457	4.9%
Deferred outflows of resources	<u>8,188,335</u>	<u>7,094,900</u>	<u>1,093,435</u>	15.4%
Total assets and deferred outflows	\$ <u>327,972,105</u>	\$ <u>325,701,213</u>	\$ <u>2,270,892</u>	0.7%
<b>Liabilities</b>				
Current liabilities	\$ 14,521,753	\$ 21,750,622	\$ (7,228,869)	-33.2%
Noncurrent liabilities				
Bonds payable, noncurrent	32,641,561	34,275,534	(1,633,973)	-4.8%
Notes payable, noncurrent	12,504,033	10,790,245	1,713,788	15.9%
Compensated absences, noncurrent	2,046,034	978,314	1,067,720	109.1%
Net pension liability	19,651,509	17,335,567	2,315,942	13.4%
Net OPEB liability	2,106,327	3,650,143	(1,543,816)	-42.3%
Other liabilities	<u>255,337</u>	<u>433,220</u>	<u>(177,883)</u>	-41.1%
Total liabilities	83,726,554	89,213,645	(5,487,091)	-6.2%
Deferred inflows of resources	<u>4,840,456</u>	<u>6,480,280</u>	<u>(1,639,824)</u>	-25.3%
Total liabilities and deferred inflows	\$ <u>88,567,010</u>	\$ <u>95,693,925</u>	\$ <u>(7,126,915)</u>	-7.4%
<b>Net position</b>				
Net investment in capital assets	\$ 211,612,250	\$ 205,570,673	\$ 6,041,577	2.9%
Restricted	6,799,485	5,626,321	1,173,164	20.9%
Unrestricted	<u>20,993,360</u>	<u>18,810,294</u>	<u>2,183,066</u>	11.6%
Total net position	\$ <u>239,405,095</u>	\$ <u>230,007,288</u>	\$ <u>9,397,807</u>	4.1%
Total liabilities, deferred inflows, and net position	\$ <u>327,972,105</u>	\$ <u>325,701,213</u>	\$ <u>2,270,892</u>	0.7%

\* Effective July 1, 2024, the Department implemented the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, Compensated Absences. Refer to Note B (21) in the accompanying notes to the financial statements. The condensed financial information as of and for the fiscal year ended June 30, 2024 has not been restated to conform to the provisions of GASB Statement No. 101.

**Department of Water  
County of Kauai  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2025**

The Department's current assets were 2.3 times its related current liabilities as of June 30, 2025. Current assets increased by \$5.9 million and noncurrent assets decreased by \$4.7 million. The increase is primarily due to increases in cash and cash equivalents and investment balances. In the fiscal year, the Department recognized capital contributions of approximately \$8.2 million; \$2.9 million of principal loan forgiveness from the DWSRF and \$5.3 million in State Appropriations.

Current liabilities decreased by approximately \$7.2 million, the decrease was primarily attributable to \$4.9 million payable to the County of Kauai for payroll related transactions and a \$1.6 million accrual for COVID-19 temporary hazard pay settlements in the prior year. Noncurrent liabilities increased by \$1.7 million and were primarily attributable to principal payments of outstanding bonds and loans of \$5.3 million, increases in net pension liability by \$2.3 million, compensated absences of \$1 million, and \$3.7 million in new DWSRF loans; offset by decreases in net OPEB liability of \$1.5 million. The increase in the net pension liability was primarily due to an increase in the Department's proportionate share of the collective net pension liability, changes in assumptions, and unfavorable differences between projected and actual investment earnings.

As noted earlier, net position may serve over time as a useful indicator of the Department's financial condition. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating. The Department's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$239.4 million at the close of the fiscal year.

The largest portion of the Department's net position reflects its net investment in capital assets, ending at \$211.6 million or 88.4% of net position. The Department uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

The Department's restricted net position category represents \$6.8 million or 2.8% of net position. These restrictions on net position are imposed by enabling legislation or parties outside the government (such as creditors, grantors, contributors, laws or regulations of other governments).

The difference between total net position and the two categories just discussed (net investment in capital assets and restricted net position) is the unrestricted net position. As of June 30, 2025, the Department's unrestricted net position ended at \$21 million or 8.8% of net position.

**Department of Water  
County of Kauai  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2025**

**Results of Operations**

**Statements of Revenues, Expenses and Changes in Net Position - Condensed  
Fiscal Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024*</u>	<u>2025 - 2024</u>	
			<u>Increase (Decrease)</u>	<u>% Change</u>
Operating revenues	\$ 32,187,963	\$ 29,070,094	\$ 3,117,869	10.7%
Operating expenses				
Administration and general	11,808,904	11,503,146	305,758	2.7%
Depreciation and amortization	6,821,258	6,702,564	118,694	1.8%
Transmission and distribution	5,748,325	7,714,535	(1,966,210)	-25.5%
Source of supply	4,182,816	2,662,494	1,520,322	57.1%
Power and pumping	3,750,291	3,389,079	361,212	10.7%
Customers' accounting and collection	1,133,981	1,585,589	(451,608)	-28.5%
Purification	748,472	1,116,489	(368,017)	-33.0%
Total operating expenses	<u>34,194,047</u>	<u>34,673,896</u>	<u>(479,849)</u>	-1.4%
Operating loss	(2,006,084)	(5,603,802)	3,597,718	-64.2%
Net nonoperating revenues (expenses)	(81,453)	(255,374)	173,921	-68.1%
Capital contributions	12,808,324	15,040,056	(2,231,732)	-14.8%
Change in net position	<u>10,720,787</u>	<u>9,180,880</u>	<u>1,539,907</u>	16.8%
Net position				
Beginning of year	<u>228,684,308</u>	<u>220,826,408</u>	<u>7,857,900</u>	3.6%
End of year	\$ <u>239,405,095</u>	\$ <u>230,007,288</u>	\$ <u>9,397,807</u>	4.1%

\* *Effective July 1, 2024, the Department implemented the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, Compensated Absences. Refer to Note B (21) in the accompanying notes to the financial statements. The condensed financial information as of and for the fiscal year ended June 30, 2024 has not been restated to conform to the provisions of GASB Statement No. 101.*

The Department's operating revenues ended at \$32.2 million, an increase of approximately \$3.1 million, as compared to the prior year. The overall increase in revenues is directly attributed to the transponder replacement project and transponder equipment providing actual water consumption readings versus estimated consumption readings in prior years. At June 2025, the transponder replacement project was 80% complete.

**Department of Water  
County of Kauai  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2025**

Overall operating expenses remained relatively flat compared to the prior year, decreasing slightly by \$0.5 million, ending at \$34.2 million. Major factors may be attributable to a combination of the following:

- As mentioned previously, in the prior year the Department accrued an estimate of \$1.6 million in COVID-19 temporary hazard pay settlements. This amount was reflected in operating expenses.
- Administration and general increased by \$0.3 million. The increase is primarily due to increases in professional services, compensated absences accrual, and insurance premiums as compared to the prior year.
- Transmission and distribution decreased by \$2.0 million. The decrease is primarily due to the temporary hazard pay settlement accrual in the prior year; offset by compensated absences accrual, various equipment purchases such as meters, transponders, and registers.
- Large expenses came from the funding of OPEB and pension; whereby, qualified employees are promised specific healthcare and pension related benefits upon separation and/or retirement. The Department paid 100% of its annual required contribution (ARC) for OPEB, amounting to \$1 million and pension expense of \$1.6 million in the current fiscal year. Additional information surrounding pension and OPEB can be found in the notes to the basic financial statements and required supplementary information in Notes K and L, respectively.
- Capital contributions decreased by approximately \$2.2 million. The decrease was primarily due to large amounts of principal forgiveness from DWSRF loans in the prior year, offset by increases in State Appropriation funded projects, FRC and conveyances from new developments and residential properties requiring water from the Department.

**Department of Water  
County of Kauai  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2025**

**Capital Assets and Debt Administration**

**Capital Assets**

The Department's net capital assets as of June 30, 2025, amounted to \$253.1 million. Capital assets include land, buildings and improvements, machinery and equipment, infrastructure (e.g., transmission and distribution, pipelines), right-to-use lease assets, right-to-use subscription assets, and construction-in-progress (CIP), less accumulated depreciation and amortization. Most capital projects pass through construction-in-progress before being capitalized because of the multi-year completion process.

**Summary of Capital Assets  
June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
Non-depreciable assets:		
Land	\$ 1,307,422	\$ 1,307,422
CIP	<u>28,400,749</u>	<u>18,826,579</u>
	<u>29,708,171</u>	<u>20,134,001</u>
Depreciable assets:		
Utility plant	343,453,964	340,103,911
General plant	25,700,151	25,434,404
Intangible	1,960,019	2,269,937
Less: accumulated depreciation and amortization	<u>(148,157,192)</u>	<u>(142,193,381)</u>
	<u>222,956,942</u>	<u>225,614,871</u>
Lease assets, net	<u>45,840</u>	<u>61,120</u>
Subscription assets, net	<u>386,900</u>	<u>550,919</u>
Total capital assets, net	<u>\$ 253,097,853</u>	<u>\$ 246,360,911</u>

Major assets added and capital asset activity during the current fiscal year included the following:

- Multiquip generator equipment
- Kalaheo Water System Improvements
- Fleet vehicle additions
- Weke, Anae, Mahimahi, and Hee  
Road Main Replacement

The Kalaheo Water Systems Improvement Project is approximately 90% completed and will eventually replace two water storage tanks. This project is anticipated to be completed in 2027.

Additional information on the Department's capital assets can be found in Note E in the notes to the basic financial statements.

**Department of Water  
County of Kauai  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2025**

**Long-term Debt**

At the end of the fiscal year, the Department had total bonds and loans outstanding of \$47.5 million. Of this amount, \$33.1 million is comprised of debt backed by the full faith and credit of the County government (general obligations) and \$14.4 million represents DWSRF loans used to finance construction projects.

There were \$3.6 million in new DWSRF loans during the fiscal year. Additionally, the Department refunded the remaining outstanding principal of \$32.6 million under the Build America Bonds (BABs) issued in 2010. The Department's allocation of new debt is \$31.5 million. The Department's debt to equity ratio was 21.1% and 21.9% at June 30, 2025 and 2024, respectively.

S&P Global Ratings, Moody's, and Fitch assigned outstanding GO Bond ratings of AA, Aa2, and AA, respectively.

Additional information on the Department's long-term debt can be found in Note F in the notes to the basic financial statements.

**Requests for Information**

This financial report is designed to provide a general overview of the Department's finances. Questions surrounding any information provided in this report or requests for additional information should be addressed to the Waterworks Controller, Department of Water, County of Kaua'i at 4398 Pua Loke Street, Lihue, Kaua'i, Hawai'i 96766.

## **BASIC FINANCIAL STATEMENTS**

**Department of Water  
County of Kauai  
STATEMENT OF NET POSITION  
June 30, 2025**

**ASSETS**

Current assets

Cash and cash equivalents	\$	15,990,550
Investments		12,345,504
Receivables		
Accounts, net of allowance for doubtful accounts of approximately \$370,000		1,684,781
Unbilled accounts		1,543,575
Grants and subsidies		174,469
Accrued interest		123,867
Materials and supplies		1,797,052
Prepaid expenses		94,291
Total current assets		33,754,089

Restricted assets

Facility reserve charge funds		
Cash and cash equivalents		5,874,845
Grants and subsidies		74,772
Bond funds		
Cash and cash equivalents		5,714,777
Investments		5,505,762
Accrued interest		38,001
Other		
Grants and subsidies		811,867
Total restricted assets		18,020,024

Investments, noncurrent 14,911,804

Capital assets, net 253,097,853

Total assets 319,783,770

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources related to pensions		6,027,192
Deferred outflows of resources related to OPEB		1,188,953
Deferred loss on refunding		972,190
Total deferred outflows of resources		8,188,335

Total assets and deferred outflows of resources \$ 327,972,105

See accompanying notes to financial statements.

**Department of Water  
County of Kauai  
STATEMENT OF NET POSITION (Continued)  
June 30, 2025**

**LIABILITIES**

Current liabilities		
Current portion of long-term debt	\$	5,353,818
Accounts payable and accrued liabilities		5,608,200
Contracts payable, including retainages		1,329,278
Compensated absences, current portion		1,046,691
Subscription liability		149,536
Lease liability		15,001
Pollution remediation obligation		17,268
Customer deposits		<u>1,001,961</u>
Total current liabilities		<u>14,521,753</u>
 Noncurrent liabilities		
Long-term debt, net of current portion and unamortized premiums		45,145,594
Net pension liability		19,651,509
Net OPEB liability		2,106,327
Compensated absences, net of current portion		2,046,034
Subscription liability, net of current portion		222,563
Lease liability, net of current portion		<u>32,774</u>
Total noncurrent liabilities		<u>69,204,801</u>
Total liabilities		<u>83,726,554</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources related to pensions	2,350,631
Deferred inflows of resources related to OPEB	<u>2,489,825</u>
Total deferred inflows of resources	<u>4,840,456</u>

**NET POSITION**

Net investment in capital assets	211,612,250
Restricted for capital activity	6,799,485
Unrestricted	<u>20,993,360</u>
Total net position	<u>239,405,095</u>
 Total liabilities, deferred inflows of resources and net position	\$ <u>327,972,105</u>

See accompanying notes to financial statements.

**Department of Water  
County of Kauai  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
Fiscal Year Ended June 30, 2025**

<b>OPERATING REVENUES</b>	
Water sales	\$ 29,719,483
Other water revenue	
Public fire protection service	2,239,422
Other	<u>229,058</u>
Total operating revenues	<u>32,187,963</u>
<b>OPERATING EXPENSES</b>	
Administration and general	11,808,904
Depreciation and amortization	6,821,258
Transmission and distribution	5,748,325
Source of supply	4,182,816
Power and pumping	3,750,291
Customers' accounting and collection	1,133,981
Purification	<u>748,472</u>
Total operating expenses	<u>34,194,047</u>
Operating loss	<u>(2,006,084)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment gain, net	2,042,478
Interest expense	<u>(2,123,931)</u>
Total nonoperating expenses, net	<u>(81,453)</u>
Loss before contributions	(2,087,537)
<b>CAPITAL CONTRIBUTIONS</b>	
Change in net position	<u>12,808,324</u>
Change in net position	10,720,787
<b>NET POSITION</b>	
Beginning of year (as restated)	<u>228,684,308</u>
End of year	\$ <u>239,405,095</u>

See accompanying notes to financial statements.

**Department of Water  
County of Kauai  
STATEMENT OF CASH FLOWS  
Fiscal Year Ended June 30, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 30,895,309
Payments to suppliers for goods and services	(14,670,012)
Payments to employees for services	<u>(17,928,009)</u>
Net cash used in operating activities	<u>(1,702,712)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets	(10,811,848)
Proceeds from capital contributions	9,423,288
Proceeds from long-term debt	3,580,930
Principal payments on long-term debt	(5,334,398)
Interest paid on long-term debt	(1,468,860)
Principal payments on lease and subscription liabilities	(165,078)
Interest paid on lease and subscription liabilities	<u>(15,528)</u>
Net cash used in capital and related financing activities	<u>(4,791,494)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Sales and maturities of investments	12,540,782
Interest on investments	<u>740,980</u>
Net cash provided by investing activities	<u>13,281,762</u>
Net increase in cash and cash equivalents	6,787,556

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>20,792,616</u>
End of year	\$ <u><u>27,580,172</u></u>

Reconciliation of cash and cash equivalents to the statement of net position

Unrestricted	\$ 15,990,550
Restricted - Facility reserve charge funds	5,874,845
Restricted - Bond funds	<u>5,714,777</u>
	\$ <u><u>27,580,172</u></u>

See accompanying notes to financial statements.

**Department of Water  
County of Kauai  
STATEMENT OF CASH FLOWS (Continued)  
Fiscal Year Ended June 30, 2025**

**RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED IN OPERATING ACTIVITIES**

Operating loss	\$ (2,006,084)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	6,821,258
Decrease (increase) in assets and deferred outflows of resources:	
Accounts receivable	657,024
Unbilled accounts	319,658
Materials and supplies	(500,410)
Prepaid expenses and other	(74,786)
Deferred outflows of resources	(121,245)
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable and accrued liabilities	(5,525,950)
Compensated absences	109,282
Pollution remediation obligation	(594,689)
Customer deposits	8,063
Net pension liability	2,315,942
Net OPEB liability	(1,543,816)
Deferred inflows of resources	(1,566,959)
Net cash used in operating activities	<u>\$ (1,702,712)</u>

**DISCLOSURE OF NONCASH INVESTING, CAPITAL  
AND FINANCING ACTIVITIES**

Net increase in fair value of investments	\$ 1,345,413
Capital contributions - conveyances of capital assets	\$ 2,426,521
Capital asset additions included in contracts and accounts payable at year end	\$ 3,178,920
Amortization of bond premium	\$ 227,283
Current refunding of County Series 2010A bonds:	
Proceeds from Series 2024 bonds - paid into escrow	\$ 34,664,710
Repayment of Series 2010A bonds - paid from escrow	\$ 32,585,000
Debt issuance costs and interest - paid from escrow	\$ 977,117
Call premium - paid from escrow	\$ 1,102,593

See accompanying notes to financial statements.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE A - BACKGROUND**

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

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

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

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) **Financial Statement Presentation** - The Department is a component unit of the County (the primary government). The accompanying financial statements present only the financial position and activities of the Department and do not include other organizations, activities, and functions of the County.
- (2) **Measurement Focus and Basis of Accounting** - The accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.
- (3) **Use of Estimates** - The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the revenue recognized related to unbilled accounts, the net carrying amount of utility plant-in-service, accrued liability for compensated absences, pollution remediation obligation, the Department's proportionate share of the net pension liability, and the net liability for postemployment benefits other than pensions. Actual results could differ from those estimates.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- (4) **Cash and Cash Equivalents** - The Department's cash and cash equivalents includes cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.
- (5) **Investments** - Investments are measured at fair value, except for non-negotiable certificates of deposit which are recorded at amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in the fair value of investments are recognized in investment gain (loss) in the accompanying statement of revenues, expenses, and changes in net position. The cost of securities sold is generally determined by the weighted average method.
- (6) **Materials and Supplies** - Materials and supplies are stated at average cost. The cost of materials and supplies are recorded as expenses when consumed rather than when purchased.
- (7) **Receivables** - Receivables are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Department's best estimate of the amount of probable credit losses in the Department's existing receivables. The Department determines the allowance based on past collection experience and the length of time individual receivables are past due. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.
- (8) **Restricted Assets** - Restricted assets are comprised of cash and cash equivalents, investments, grants and subsidies, and accrued interest maintained in accordance with bond resolutions and other agreements for the purpose of funding capital improvements of the water system. When both restricted and unrestricted assets are available for use, it is the Department's policy to use restricted assets first, then unrestricted assets as they are needed.
- (9) **Capital Assets** - Purchased or constructed capital assets in excess of \$5,000 are reported at cost. Contributed capital assets are reported at cost or estimated cost at the date of donation. Maintenance and repairs are charged to operations as incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Motor vehicles	7 to 10 years
Equipment and machinery	5 to 20 years
Buildings and improvements	40 to 50 years
Transmission and distribution equipment	18 to 63 years

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- (10) **Leases, as Lessee** - A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of the lease term, the Department recognizes a lease liability and an intangible right-to-use lease asset (lease asset). The lease liability is initially measured at the present value of payments expected to be made during the lease term. The future lease payments are discounted using the interest rate the lessor charges the Department, which may be the interest rate implicit in the lease. If the interest rate cannot be readily determined by the Department, the Department's estimated incremental borrowing rate (an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term) is used.

Subsequent to the commencement of the lease term, the lease liability is reduced by the principal portion of lease payments made and the amortization of the discount on the lease liability is reported as interest expense in the statement of revenues, expenses, and changes in net position.

Lease assets are recorded as the sum of the following, 1) the amount of the initial measurement of the lease liability, 2) lease payments made to the lessor at or before the commencement of the lease term, less any incentives received from the lessor at or before the commencement of the lease term, and 3) initial direct costs that are ancillary charges necessary to place the lease asset into service.

Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The amortization of the lease asset is reported as depreciation and amortization expense in the statement of revenues, expenses, and changes in net position.

- (11) **Subscription-Based Information Technology Arrangements** - A subscription based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of the SBITA term, the Department recognizes a subscription liability and an intangible right-to-use asset (subscription asset). The subscription liability is initially measured at the present value of subscription payments expected to be made during the SBITA term. The future subscription payments are discounted using the interest rate the SBITA vendor charges the Department, which may be the interest rate implicit in the SBITA. If the interest rate cannot be readily determined by the Department, the Department's estimated incremental borrowing rate (an estimate of the interest rate that would be charged for borrowing the subscription payment amounts during the subscription term) is used.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Subsequent to the commencement of the SBITA term, the subscription liability is reduced by the principal portion of subscription payments made and the amortization of the discount on the subscription liability is reported as interest expense in the statement of revenues, expenses, and changes in net position.

Subscription assets are recorded as the sum of the following, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the subscription term, 1) the amount of the initial measurement of the subscription liability, 2) payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, and 3) capitalizable initial implementation costs.

Subscription assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. The amortization of the subscription asset is reported as depreciation and amortization expense in the statement of revenues, expenses, and changes in net position.

Activities associated with a SBITA - other than the Department making subscription payments to the SBITA vendor for the right to use the underlying IT assets - are grouped into the following stages:

- a) *Preliminary Project Stage.* Activities in this stage include the conceptual formulation and evaluation of alternatives, the determination of the existence of needed technology, and the final selection of alternatives for the SBITA. Outlays associated with activities in the preliminary project stage are expensed as incurred.
- b) *Initial Implementation Stage.* Activities in this stage include ancillary charges related to designing the chosen path, such as configuration, coding, testing, and installation associated with the government's access to the underlying IT assets. Other ancillary charges necessary to place the subscription asset into service also should be included in this stage. The initial implementation stage for the SBITA is completed when the subscription asset is placed into service. Outlays associated with activities in the initial implementation stage generally should be capitalized as part of the subscription asset.
- c) *Operation and Additional Implementation Stage.* Activities in this stage include maintenance, troubleshooting, and other activities associated with the government's ongoing access to the underlying IT assets. Activities in this stage also may include additional implementation activities that occur after the subscription asset is placed into service. Outlays in this stage that are associated with operational activities are expensed as incurred unless they meet specific capitalization criteria related to either the increase in functionality or efficiency of the subscription asset.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- (12) **Deferred Outflows and Inflows of Resources** - Deferred outflows (inflows) of resources represent a consumption of (benefit to) net position that apply to a future period.
- (13) **Net Position** - Net position comprises the various accumulated net earnings from operating and non-operating revenues, expenses, and capital contributions. Net position is classified in the following three components: net investment in capital assets, restricted for capital activity, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of those assets. Debt related to unspent proceeds or other restricted cash and investments at year-end are not included in the calculation of net investment in capital assets. Restricted for capital activity consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted consists of all other net position not included in the above categories.
- (14) **Operating Revenues and Expenses** - The Department distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Department's principal ongoing water operations. The principal operating revenues are from charges for water usage, while operating expenses include cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses.
- (15) **Revenue Recognition** - The Department recognizes revenue on the accrual method of accounting as services are rendered. Revenue recognized for services rendered but not billed is reflected as unbilled accounts receivable in the accompanying statement of net position.
- (16) **Capital Contributions** - Capital contributions are comprised of cash received by the Department to fund capital improvements to the water supply system, including principal forgiveness of State Revolving Fund loans, and contributions of capital assets from governmental agencies, developers and customers. The Department recognizes revenue on these nonexchange transactions when all applicable eligibility requirements are met.
- (17) **Facilities Reserve Charge** - Under the authority provided to the Board, the Department assesses a fee to commercial and residential developers based upon the number and size of water meters installed at respective projects. These fees are restricted to fund the capital improvements of the water supply system and recorded as capital contributions in the statement of revenues, expenses, and changes in net position.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- (18) **Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees' Retirement System of the State of Hawaii (the "ERS") and additions to/deductions from the ERS's fiduciary net position have been determined using the accrual basis of accounting, which is the same basis as they are reported by the ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Plan investments are reported at fair value.
- (19) **Postemployment Benefits Other Than Pensions ("OPEB")** - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF") and additions to/deductions from the EUTF's fiduciary net position have been determined on the same basis as they are reported by the EUTF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
- (20) **Risk Management** - The Department is exposed to various risks of loss from: (1) torts; (2) theft of, damage to, and destruction of assets; (3) employee injuries and illnesses, (4) natural disasters; (5) employee health, dental, and accident benefits; and (6) miscellaneous others. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims in excess of this commercial coverage were not significant in any of the three preceding years. The Department is self-insured for workers' compensation claims and judgments.
- (21) **New Accounting Pronouncement** - Effective July 1, 2024, the Department implemented the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for accrued compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Changes adopted at transition to conform to the provisions of this Statement were reported retroactively by restating beginning net position as of July 1, 2024 for the cumulative effect of the change on prior periods, as follows:

Net position, as previously reported	\$ 230,007,288
Adoption of GASB Statement No. 101	\$ <u>(1,322,980)</u>
Net position, as restated	\$ <u><u>228,684,308</u></u>

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE C - DEPOSITS**

The Department's deposits consist of cash on hand, cash held at financial institutions, and cash maintained by the County. As of June 30, 2025, the carrying value of the Department's cash deposits amounted to approximately \$27,580,000 and the balances carried by the banks were approximately \$27,892,000. The County Director of Finance has arranged for all of the Department's deposits at June 30, 2025 to be collateralized with securities held by the pledging financial institution in the County's name.

**NOTE D - INVESTMENTS**

The Director of Finance of the County makes investments on behalf of the Department. The Department's investments are consistent with the investment guidelines contained in the Hawaii Revised Statutes ("HRS") and are generally invested in bonds or interest-bearing notes or obligations of the United States or agencies of the United States, money market mutual funds, and certificates of deposits with federally insured financial institutions.

The Department categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Following is a description of the valuation techniques used by the Department to measure fair value:

U.S. Treasury obligations and money market mutual funds: Valued using quoted prices in active markets for identical assets.

U.S. government agencies and municipal bonds: Valued using quoted prices for identical or similar assets in markets that are not active.

The following table presents the fair value of the Department's investments by level of input as of June 30, 2025:

	Assets at Fair Value at June 30, 2025			
	Total	Level 1	Level 2	Level 3
U. S. government agencies	\$ 31,089,336	\$ --	\$ 31,089,336	\$ --
Municipal bonds	717,574	--	717,574	--
Money market mutual funds	209,160	209,160	--	--
	<u>\$ 32,016,070</u>	<u>\$ 209,160</u>	<u>\$ 31,806,910</u>	<u>\$ --</u>
Investments measured at amortized cost				
Certificates of deposit	747,000			
Total investments	<u>\$ 32,763,070</u>			

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE D - INVESTMENTS (Continued)**

The following table represents the Department's investments by maturity as of June 30, 2025:

	Investment Maturities (In Years)		
	Reported Value	Less Than 1	1 - 5
U. S. government agencies	\$ 31,089,336	\$ 13,096,267	\$ 17,993,069
Municipal bonds	717,574	283,701	433,873
Certificates of deposit	<u>747,000</u>	<u>248,000</u>	<u>499,000</u>
	\$ 32,553,910	\$ <u>13,627,968</u>	\$ <u>18,925,942</u>
Money market mutual funds	<u>209,160</u>		
Total investments	\$ <u>32,763,070</u>		

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

**Credit Risk** - State law limits investments to the top rating issued by nationally recognized statistical rating organizations or investments that have the full faith and credit of the United States pledged for the payment of principal and interest. The Department has no investment policy that would further limit its investment choices. As of June 30, 2025, with the exception of the Department's investment in certain fixed income and money market funds which were not rated, all of the Department's investments were rated AA or greater.

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

**Concentration of Credit Risk** - The Department places no limits on the amount which may be invested in any one issuer. As of June 30, 2025, more than 5% of the Department's investments are held in the following: Federal Home Loan Bank (65%), Federal Farm Credit Bank (12%), and Federal Home Loan Mortgage Company (18%).

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE E - CAPITAL ASSETS**

Capital asset activity during the fiscal year ended June 30, 2025 were as follows:

	Balance June 30, 2024	Additions	Reductions/ Transfers	Balance June 30, 2025
Capital assets not being depreciated				
Land and land rights	\$ 1,307,422	\$ --	\$ --	\$ 1,307,422
Construction in progress	18,826,579	10,301,613	(727,443)	28,400,749
Total capital assets not being depreciated	<u>20,134,001</u>	<u>10,301,613</u>	<u>(727,443)</u>	<u>29,708,171</u>
Capital assets being depreciated				
Utility plant	340,103,911	3,398,030	(47,977)	343,453,964
General plant	25,434,404	586,000	(320,253)	25,700,151
Intangible assets	2,269,937	--	(309,918)	1,960,019
	<u>367,808,252</u>	<u>3,984,030</u>	<u>(678,148)</u>	<u>371,114,134</u>
Less accumulated depreciation and amortization				
Utility plant	(128,376,217)	(5,615,119)	47,387	(133,943,949)
General plant	(11,791,085)	(962,375)	320,253	(12,433,207)
Intangible assets	(2,026,079)	(63,875)	309,918	(1,780,036)
	<u>(142,193,381)</u>	<u>(6,641,369)</u>	<u>677,558</u>	<u>(148,157,192)</u>
Total capital assets being depreciated	<u>225,614,871</u>	<u>(2,657,339)</u>	<u>(590)</u>	<u>222,956,942</u>
Lease assets				
Equipment	61,120	--	--	61,120
Less accumulated amortization	--	(15,280)	--	(15,280)
Total lease assets	<u>61,120</u>	<u>(15,280)</u>	<u>--</u>	<u>45,840</u>
Subscription assets				
Subscription assets	600,499	--	--	600,499
Less accumulated amortization	(49,580)	(164,019)	--	(213,599)
Total subscription assets	<u>550,919</u>	<u>(164,019)</u>	<u>--</u>	<u>386,900</u>
Total capital assets, net	<u>\$ 246,360,911</u>	<u>\$ 7,464,975</u>	<u>\$ (728,033)</u>	<u>\$ 253,097,853</u>

**Department of Water  
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**NOTE F - LONG-TERM DEBT**

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

As of June 30, 2025 bonds payable consisted of the following:

General Obligation Bonds - County Series 2021A, due in annual installments of \$406,000 through August 2025, interest payments semi-annually from 3% to 5%.	\$ 406,000
General Obligation Bonds - County Series 2021B, due in annual installments of \$236,400 to \$250,000 through August 2029, interest payments semi-annually from 3.5% to 3.875%.	1,212,800
General Obligation Bonds - County Series 2024, due in annual installments of \$2,844,000 to \$4,243,000 through August 2033, interest payments semi-annually at 5%.	<u>31,521,000</u>
	<u>33,139,800</u>
Premium on bond issuance	<u>2,988,161</u>
	<u>\$ 36,127,961</u>

The approximate annual debt service requirements to maturity as of June 30, 2025 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,486,000	\$ 1,531,000	\$ 5,017,000
2027	3,227,000	1,373,000	4,600,000
2028	3,386,000	1,216,000	4,602,000
2029	3,549,000	1,051,000	4,600,000
2030	3,723,000	878,000	4,601,000
2031 - 2034	<u>15,769,000</u>	<u>1,626,000</u>	<u>17,395,000</u>
Total	<u>\$ 33,140,000</u>	<u>\$ 7,675,000</u>	<u>\$ 40,815,000</u>

In January 2025, the County issued Series 2024 General Obligation Bonds to refund, on a current basis, certain outstanding Series 2010A General Obligation Bonds previously issued by the County. A portion of this refunding was attributed to the Department. As a result, the refunded bonds previously recorded on the Department's financial statements as of June 30, 2024 were repaid during the fiscal year ended June 30, 2025 and have been removed from the Department's financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,102,593. This difference is reported as a

**Department of Water  
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**NOTE F - LONG-TERM DEBT (Continued)**

deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the life of the new debt. This current refunding was undertaken to reduce total debt service payments over the next ten years by \$1,809,180 and resulted in an economic gain of approximately \$2,786,000.

In previous years, the County and the Department defeased certain general obligation bonds by placing the proceeds of new bonds in an escrow account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Department's financial statements. As of June 30, 2025, \$3,670,000 of bonds outstanding are considered defeased.

**Loans Payable** - The full faith and credit of the Board and the Department's revenue is pledged as security for the payment of the Department's loan obligations. The Board has the power to adjust water rates in order to raise funds sufficient to repay the Department's loan obligations.

The Department's outstanding loan obligations contain provisions that, in the event of default, an interest penalty will be assessed on outstanding loan repayment amounts beginning on the first day following the repayment due date and ending on the date the defaulted balances are paid.

As of June 30, 2025 loans payable consisted of the following:

State Revolving Fund ("SRF") Loan - Stable 1.0 MG Tank, last installment March 2029. Interest rate - 0.26%. Semi-annual loan fee rate - 1.625%. Date issued - March 15, 2009. Original amount - \$7,274,998.	\$ 1,554,357
SRF Loan - Poipu Road 16-inch Main Replacement, last installment January 2027. Interest rate - 0.16%. Semi-annual loan fee rate - 1.625%. Date issued - January 15, 2007. Original amount - \$5,158,886.	537,366
SRF Loan - Wailua Houselots Main Replacement, last installment April 2033. Interest rate - 0.5%. Semi-annual loan fee rate - 0.5%. Date issued - April 15, 2013. Original amount - \$4,463,084.	1,583,782
SRF Loan - Kaumualii Highway 12-inch Main Replacement, last installment August 2029. Interest rate - 0.32%. Semi-annual loan fee rate 1.625%. Date issued - August 15, 2009. Original amount - \$3,989,537.	<u>945,498</u>
Subtotal	<u>\$ 4,621,003</u>

**Department of Water  
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NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE F - LONG-TERM DEBT (Continued)**

Subtotal carried forward	\$ 4,621,003
SRF Loan - Kapilimoa 0.5 MG Tank, last installment January 2030. Interest rate - 0.42%. Semi-annual loan fee rate - 1.625%. Date issued - January 15, 2010. Original amount - \$3,793,779.	1,020,691
SRF Loan - Lihue Baseyard Improvements for the Department of Water, last installment December 2034. Interest rate - 0.5%. Semi-annual loan fee rate - 0.5%. Date issued - December 15, 2014. Original amount - \$4,000,000.	993,772
SRF Loan - Waha, Wawae and Niho Roads Main Replacement, last installment August 2029. Interest rate - 0.32%. Semi-annual loan fee rate - 1.625%. Date issued - August 15, 2009. Original amount - \$1,936,018.	460,676
SRF Loan - 16-inch Waterline Replacement Along Kuhio Highway, Leho Drive to North Papaloa Road, last installment February 2026. Interest rate - 0.16%. Semi-annual loan fee rate - 1.625%. Date issued - August 15, 2005. Original amount - \$2,305,093.	123,057
SRF Loan - Kalaheo Water Systems Improvements, last installment January 2045. Interest rate - 0.65%. Semi-annual loan fee rate - 0.75%. Date issued - January 15, 2023. Original amount - \$13,000,000.	1,727,104
SRF Loan - Kauai DOW Pro-Fi SFY 2024, last installment October 2043. Interest rate - 0.25%. Semi-annual loan fee rate - 0.75%. Date issued - April 15, 2024. Original amount - \$5,000,000.	3,195,241
SRF Loan - Kauai DOW Pro-Fi SFY 2025, last installment October 2044. Interest rate - 0.50%. Semi-annual loan fee rate - 0.75%. Date issued - September 15, 2024. Original amount - \$5,000,000.	2,058,849
SRF Loan - Kauai DOW LCRR Compliance, last installment October 2044. Interest rate - 0.25%. Semi-annual loan fee rate - 0.75%. Date issued - April 15, 2024. Original amount - \$875,747.	<u>171,058</u>
	<u>\$ 14,371,451</u>

**Department of Water  
County of Kauai  
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June 30, 2025**

**NOTE F - LONG-TERM DEBT (Continued)**

The Department recognized \$2,955,271 of SRF loan principal forgiveness as capital contributions in the statement of revenues, expenses and changes in net position for the fiscal year ended June 30, 2025.

The approximate annual debt service requirements to maturity as of June 30, 2025 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,867,000	\$ 328,000	\$ 2,195,000
2027	1,791,000	272,000	2,063,000
2028	1,532,000	223,000	1,755,000
2029	1,542,000	180,000	1,722,000
2030	1,005,000	140,000	1,145,000
2031-2035	2,870,000	492,000	3,362,000
2036-2040	1,972,000	279,000	2,251,000
2041-2045	1,792,000	85,000	1,877,000
	<u>\$ 14,371,000</u>	<u>\$ 1,999,000</u>	<u>\$ 16,370,000</u>

**NOTE G - LEASE LIABILITIES**

The Department leases office equipment under a noncancellable contract that expires in June 2028. The terms also include variable payments based on the usage of the equipment, which are not included in measurement of the lease liability.

Principal and interest requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 15,001	\$ 1,258	\$ 16,259
2027	15,468	791	16,259
2028	17,306	308	17,614
	<u>\$ 47,775</u>	<u>\$ 2,357</u>	<u>\$ 50,132</u>

**Department of Water  
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NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE H - SUBSCRIPTION LIABILITIES**

The Department has entered into SBITAs related to cloud-based applications used for various administrative and operational purposes. The subscription terms expire on various dates through June 2028.

Principal and interest requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 149,536	\$ 9,178	\$ 158,714
2027	110,329	5,296	115,625
2028	112,234	1,835	114,069
	<u>\$ 372,099</u>	<u>\$ 16,309</u>	<u>\$ 388,408</u>

**NOTE I - CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the fiscal year ended June 30, 2025 were as follows:

	Balance June 30, 2024 (as restated)	Additions	Reductions	Balance June 30, 2025	Current Portion
General obligation bonds payable	\$ 37,694,200	\$ 31,521,000	\$ (36,075,400)	\$ 33,139,800	\$ 3,486,400
Add premiums on bond issuance	71,734	3,143,710	(227,283)	2,988,161	--
Total bonds payable	37,765,934	34,664,710	(36,302,683)	36,127,961	3,486,400
Loans payable	12,634,519	3,580,930	(1,843,998)	14,371,451	1,867,418
Compensated absences	2,983,443	1,063,750	(954,468)	3,092,725	1,046,691
Subscription liability	523,832	--	(151,733)	372,099	149,536
Lease liability	61,120	--	(13,345)	47,775	15,001
Pollution remediation obligation	611,957	--	(594,689)	17,268	17,268
	<u>\$ 54,580,805</u>	<u>\$ 39,309,390</u>	<u>\$ (39,860,916)</u>	<u>\$ 54,029,279</u>	<u>\$ 6,582,314</u>

**Department of Water  
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**NOTE J - NET POSITION**

As of June 30, 2025, net position consisted of the following:

Net investment in capital assets	
Capital assets, net	\$ 253,097,853
Less: Long-term debt, net	(50,499,412)
Less: Accounts and contracts payable attributable to capital assets	(3,178,920)
Unspent debt proceeds	11,220,539
Deferred loss on refunding	972,190
	<u>211,612,250</u>
Restricted for capital activity, debt service, and reserved funds	
Cash	11,589,622
Investments	5,505,762
Grants and subsidies	924,640
Less: Unspent debt proceeds	(11,220,539)
	<u>6,799,485</u>
Unrestricted	<u>20,993,360</u>
	<u>\$ 239,405,095</u>

**NOTE K - EMPLOYEES' RETIREMENT SYSTEM**

*Plan Description* - All eligible employees of the State of Hawaii (the "State") and counties are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by the ERS. Benefits, eligibility, and contribution requirements are established by HRS Chapter 88 and can be amended through legislation. The ERS issues a publicly available financial report that can be obtained at the ERS website: <https://ers.ehawaii.gov/resources/financials>.

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

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**NOTE K - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Each retiree's original retirement allowance is increased on each July 1 beginning the calendar year after retirement. Retirees first hired as members prior to July 1, 2012 receive a 2.5% increase each year of their original retirement allowance without a ceiling. Retirees first hired as members after June 30, 2012 receive a 1.5% increase each year of their original retirement allowance without a ceiling. The annual increase is not compounded.

The following summarizes the provisions relevant to the largest employee groups of the respective membership class. Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

Noncontributory Class

- *Retirement Benefits* - General employees' retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with 10 years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.
- *Disability Benefits* - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 12.5% of average final compensation.
- *Death Benefits* - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a monthly benefit of 30% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. Additional benefits are payable to surviving dependent children up to age 18. If there is no spouse/reciprocal beneficiary or dependent children, no benefit is payable.

Ordinary death benefits are available to employees who were active at time of death with at least ten years of credited service. The surviving spouse/reciprocal beneficiary (until remarriage/re-entry into a new reciprocal beneficiary relationship) and surviving dependent children (up to age 18) receive a benefit equal to a percentage of the member's accrued maximum allowance unreduced for age or, if the member was eligible for retirement at the time of death, the surviving spouse/reciprocal beneficiary receives 100% joint and survivor lifetime pension and the surviving dependent children receive a percentage of the member's accrued maximum allowance unreduced for age.

**Department of Water  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE K - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Contributory Class for Members Hired Prior to July 1, 2012

- *Retirement Benefits* - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 55.
- *Disability Benefits* - Members are eligible for service-related disability benefits regardless of length of service and receive a one-time payment of the member's contributions and accrued interest plus a lifetime pension of 50% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined as 1.75% of average final compensation multiplied by the years of credited service but are payable immediately, without an actuarial reduction, and at a minimum of 30% of average final compensation.
- *Death Benefits* - For service-connected deaths, the designated beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or dependent children/parents, the death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least one year of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage of the salary earned in the 12 months preceding death, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least 10 years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributory Class for Members Hired After June 30, 2012

- *Retirement Benefits* - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with 10 years of credited service are eligible to retire at age 60.
- *Disability and Death Benefits* - Disability and death benefits for contributory class members hired after June 30, 2012 are generally the same as those for contributory class members hired June 30, 2012 and prior.

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**NOTE K - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Hybrid Class for Members Hired Prior to July 1, 2012

- *Retirement Benefits* - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 62. General employees with 30 years of credited service are eligible to retire at age 55.
- *Disability Benefits* - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation plus refund of their contributions and accrued interest. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 25% of average final compensation.
- *Death Benefits* - For service-connected deaths, the designated surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or dependent children/parents, the death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least five years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage multiplied by 150%, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least 10 years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Hybrid Class for Members Hired After June 30, 2012

- *Retirement Benefits* - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with 10 years of credited service are eligible to retire at age 65. Employees with 30 years of credited service are eligible to retire at age 60. Sewer workers, water safety officers, and EMTs may retire with 25 years of credited service at age 55.

**Department of Water  
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**NOTE K - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

- *Disability and Death Benefits* - Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least 10 years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

*Contributions* - Contributions are governed by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every three years. Employer contribution rates are a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The Department's contribution rate for the year ended June 30, 2025 was 24%. Contributions to the pension plan from the Department were \$1,973,090 for the year ended June 30, 2025.

The employer is required to make all contributions for members in the noncontributory plan. Contributory members hired prior to July 1, 2012 are required to contribute 7.8% of their salary, except for police officers and firefighters who are required to contribute 12.2% of their salary. Contributory members hired after June 30, 2012 are required to contribute 9.8% of their salary, except for police officers and firefighters who are required to contribute 14.2% of their salary. Hybrid members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid members hired after June 30, 2012 are required to contribute 8.0% of their salary.

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

At June 30, 2025, the Department reported a liability of \$19,651,509, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Department's proportion of the net pension liability was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2024, the Department's proportion was .17%, which was an increase of .02% from its proportion measured as of June 30, 2023.

There were no changes to the actuarial assumptions or benefit terms that affected the measurement of the total pension liability since the prior measurement date, June 30, 2023. There were no changes between the measurement date, June 30, 2024, and the reporting date, June 30, 2025, that are expected to have a significant effect on the proportionate share of the net pension liability.

**Department of Water  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE K - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

For the year ended June 30, 2025, the Department recognized pension expense of approximately \$1,642,000. At June 30, 2025, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 571,589	\$ 132,004
Changes of assumptions	--	115,657
Net difference between projected and actual earnings on pension plan investments	455,711	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,026,802	2,102,970
Employer contributions subsequent to the measurement date	<u>1,973,090</u>	<u>--</u>
	<u>\$ 6,027,192</u>	<u>\$ 2,350,631</u>

The Department reported \$1,973,090 as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2025 will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Net Deferred Outflows (Inflows)</u>
2026	\$ 341,410
2027	(1,273,473)
2028	(379,861)
2029	<u>(391,547)</u>
	<u>\$ (1,703,471)</u>

**Department of Water  
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**NOTE K - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

*Actuarial assumption* - The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Investment rate of return, including inflation	7.00%
Projected salary increases, including inflation	3.75% - 6.75%

Mortality rates used in the actuarial valuation as of June 30, 2024 were based on the following:

Active members: Multiples of the Pub-2010 employee tables for active employees based on the occupation of the member.

Healthy retirees: The 2022 Public Retirees of Hawaii mortality tables. The rates are projected on a fully generational basis by scale MP from the year 2022 and with multiplier and setbacks based on plan and group experience.

Disabled retirees: Base Table for healthy retiree's occupation, set forward 3 years, generational projection using the MP projection table from the year 2022. Minimum mortality rate of 3.5% for males and 2.5% for females.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period ended June 30, 2021.

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

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**NOTE K - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Classes	Target Allocation	Long-Term Expected Rate of Return	Long-Term Expected Real Rate of Return*
Broad growth			
Public equity	20.0%	7.2%	4.8%
Private equity	19.0%	9.9%	7.5%
Liquid credit	4.0%	6.5%	4.1%
Private credit	8.0%	9.2%	6.8%
Real estate	9.0%	6.3%	3.9%
Infrastructure	7.0%	7.3%	4.9%
Timber/agriculture/infrastructure	3.0%	5.3%	2.9%
Diversifying Strategies			
Systematic trend following	8.0%	3.8%	1.4%
Long US treasuries	4.0%	4.3%	1.9%
Intermediate government	14.0%	4.0%	1.6%
Reinsurance	4.0%	5.3%	2.9%
	<u>100.0%</u>		

\* Uses an expected inflation rate of 2.4%

*Discount rate* - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE K - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

*Sensitivity of the Department's proportionate share of the net pension liability to changes in the discount rate* - The following presents the Department's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage lower (6.00%) and one percentage higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ <u>26,222,370</u>	\$ <u>19,651,509</u>	\$ <u>14,208,861</u>

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the ERS's separately issued annual comprehensive financial report.

**NOTE L - POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS**

*Plan description* - The Department provides certain healthcare and life insurance benefits to all qualified employees. Pursuant to Act 88, SLH 2001, the Department contributes to the EUTF, an agent multiple-employer defined benefit plan. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees and their dependents. The EUTF issues a publicly available annual financial report that can be obtained at <https://eutf.hawaii.gov/reports/>.

For employees hired before July 1, 1996, the Department pays the entire base monthly contribution for employees retiring with 10 or more years of credited service, and 50% of the base monthly contribution for employees retiring with fewer than 10 years of credited service. A retiree can elect a family plan to cover dependents.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE L - POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS (Continued)**

For employees hired after June 30, 1996, but before July 1, 2001, and who retire with fewer than 10 years of service, the Department makes no contributions. For those retiring with at least 10 years of service but fewer than 15 years of service, the Department pays 50% of the base monthly contribution. For employees retiring with at least 15 years of service but fewer than 25 years of service, the Department pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the Department pays 100% of the base monthly contribution. Retirees in this category can elect a family plan to cover dependents.

For employees hired on or after July 1, 2001, and who retire with less than 10 years of service, the Department makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the Department pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the Department pays 75% of the base monthly contribution. For those employees retiring with at least 25 years of service, the Department pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

*Employees Covered by Benefit Terms* - At July 1, 2024, the following number of plan members were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled but not yet receiving benefits	7
Active employees	96
	170

*Contributions* - Contributions are governed by HRS Chapter 87A and may be amended through legislation. Contributions to the OPEB plan from the Department were \$1,085,000 for the fiscal year ended June 30, 2025. The employer is required to make all contributions for members.

***Net OPEB Liability***

The Department's net OPEB liability was measured as of July 1, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. As of June 30, 2025, the Department reported a net OPEB liability of \$2,106,327.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE L - POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS (Continued)**

*Actuarial Assumptions* - The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2024
Actuarial cost method	Entry age normal
Discount rate	7.00%
Inflation	2.50%
Salary increases	3.75% to 6.75%, including inflation
Demographic assumptions	Based on the 2022 actuarial experience study as conducted June 30, 2021 for the ERS.
Mortality	System-specific mortality tables utilizing ultimate scale MP2021 to project generational mortality improvement.
Participation rates	98% healthcare participation assumption for retirees that receive 100% of the Base Monthly Contribution ("BMC"). Healthcare participation rates of 25%, 65% and 90% for retirees that receive 0%, 50% or 75% of the BMC, respectively. 100% for life insurance and 98% for Medicare Part B.
Healthcare cost trend rates	
PPO*	Initial rate of 6.20%, declining to a rate of 4.25% after 20 years
HMO**	Initial rate of 6.20%, declining to a rate of 4.25% after 20 years
Part B & base monthly contribution	Initial rate of 5.00%, declining to a rate of 4.25% after 20 years
Dental	4.00%
Vision	2.50%
Life insurance	0.00%

\*Blended rates for medical and prescription drug.

\*\*Includes prescription drug assumptions.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE L - POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS (Continued)**

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

Strategic Allocation	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	30.00%	6.00%
Private equity	15.00%	10.10%
Real assets	12.00%	5.00%
Private credit	10.00%	7.80%
Trend following	10.00%	2.40%
Reinsurance	5.50%	5.10%
Long treasuries	5.00%	2.60%
Alternative risk premia	5.00%	3.80%
U.S. microcap	3.00%	8.30%
TIPS	2.50%	2.10%
Tail risk/ Long volatility	2.00%	-1.30%
	100.00%	

*Discount rate.* The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that Department contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE L - POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS (Continued)**

***Changes in the Net OPEB Liability***

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
<b>Balance at June 30, 2024</b>	\$ <u>19,551,741</u>	\$ <u>15,901,598</u>	\$ <u>3,650,143</u>
<b>Changes for the year:</b>			
Service cost	425,270	--	425,270
Interest on the total OPEB liability	1,359,993	--	1,359,993
Difference between expected and actual experience	(833,476)	--	(833,476)
Contributions - employer	--	1,074,000	(1,074,000)
Net investment income	--	1,417,868	(1,417,868)
Benefit payments	(671,805)	(671,805)	--
Administrative expense	--	(1,430)	1,430
Other	--	5,165	(5,165)
<b>Net changes</b>	<u>279,982</u>	<u>1,823,798</u>	<u>(1,543,816)</u>
<b>Balance at June 30, 2025</b>	\$ <u>19,831,723</u>	\$ <u>17,725,396</u>	\$ <u>2,106,327</u>

*Sensitivity of the net OPEB Liability to changes in the discount rate* - The following presents the net OPEB liability of the Department, as well as what the Department's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	\$ <u>5,092,388</u>	\$ <u>2,106,327</u>	\$ <u>(283,412)</u>

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE L - POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS (Continued)**

*Sensitivity of the net OPEB Liability to changes in the healthcare cost trend rates* - The following presents the net OPEB liability of the Department, as well as what the Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ <u>(424,975)</u>	\$ <u>2,106,327</u>	\$ <u>5,339,819</u>

*OPEB plan fiduciary net position* - Detailed information about the OPEB plan's fiduciary net position is available in the EUTF's separately issued annual financial report.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2025, the Department recognized OPEB expense of approximately \$(43,373). At June 30, 2025, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,713	\$ 2,077,107
Changes of assumptions	13,192	412,718
Net difference between projected and actual earnings on OPEB plan investments	73,048	--
Employer contributions subsequent to the measurement date	1,085,000	--
	\$ 1,188,953	\$ 2,489,825

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE L - POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS (Continued)**

The Department reported \$1,085,000 as deferred outflows of resources related to OPEB resulting from Department contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	Net Deferred Inflows
2026	\$ (820,028)
2027	(397,867)
2028	(475,674)
2029	(467,636)
2030	(118,540)
Thereafter	(106,127)
	\$ (2,385,872)

**NOTE M - DEFERRED COMPENSATION PLAN**

The Department offers its employees, through the County, a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time Department employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The plan's assets have been placed in trust accounts with the plan administrators for the exclusive benefit of participants and their beneficiaries, and are not considered assets of the County or the Department. Accordingly, the Department has excluded the plan assets from the financial statements. All such amounts are not subject to the claims of the Department or the County's general creditors.

**NOTE N - COMMITMENTS AND CONTINGENCIES**

**Workers' Compensation Insurance**

Claims are reported to and managed by the County. Prior to July 1, 2001, the County retained all of its workers' compensation risk. Beginning July 1, 2001, the County purchased insurance with a \$500,000 deductible. The current deductible is \$550,000. The Department provides reserves for claims not covered by insurance that in the opinion of management will result in probable judgment against the Department. These reserves include an estimate of claims that have been incurred but not reported ("IBNR"). Claim liabilities, including IBNR, are based on the estimated ultimate cost of settling the claims. Claims liabilities are estimated by a case-by-case review of all claims and the application of historical experience to outstanding claims. As of June 30, 2025, the workers' compensation liability amount to approximately \$65,000 and is recorded in accounts payable and accrued liabilities in the statement of net position.

**Department of Water  
County of Kauai  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE N - COMMITMENTS AND CONTINGENCIES (Continued)**

**Safe Drinking Water Act**

The Department is subject to the requirements of the Safe Drinking Water Act (the "Act"), which is administered by the State Department of Health on behalf of the U.S. Environmental Protection Agency. Management believes that the Department is in full compliance with the requirements of the Act and is not aware of any matters under the Act that may materially affect the Department's customer service area.

**Water Treatment and Delivery Commitment**

On February 19, 2004, the Department entered into a Water Treatment and Delivery Agreement ("Agreement") with an unrelated third-party developer. The Agreement requires the developer to build, operate, and maintain a surface water treatment plant ("SWTP") with a capacity of 3.0 million gallons per day ("MGD"). The Department is required to purchase, at a minimum, 2.0 MGD and also to provide the developer a credit towards its facility reserve charge. The term of the Agreement is currently on a month-to-month arrangement. The Agreement also provides the Department with the option of accepting the dedication of the SWTP at no cost after the reimbursement date, as defined. Expenses incurred under this Agreement totaled \$1,827,000 for the fiscal year ended June 30, 2025.

**Other Legal Matters**

The Department is party to various legal proceedings arising in the normal course of business. The outcome of individual matters is not predictable. However, management believes that the ultimate resolution of all such matters, after considering insurance coverage, will not have a material adverse effect on the Department's financial position or results of operations.

**Other**

Other commitments, primarily for utility plant construction, approximated \$71,323,000 as of June 30, 2025.

**NOTE O - RELATED PARTY TRANSACTIONS**

The Department charges the County for fire protection services (hydrant use) at agreed-to-rates that approximate the cost for such services. The County provides certain services to the Department and charges the Department for these services at an amount equal to the charge for fire protection services. The amount charged totaled \$2,239,422 for the fiscal year ended June 30, 2025.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Department of Water  
County of Kauai  
SCHEDULE OF PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
Last Ten Fiscal Years**

<b>Measurement Period Ended</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate Share of the Net Pension Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability as a %age of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a %age of the Total Pension Liability</b>
June 30, 2024	0.17%	\$ 19,651,509	\$ 7,172,000	274.00%	62.62%
June 30, 2023	0.15%	\$ 17,335,567	\$ 6,301,000	275.12%	61.91%
June 30, 2022	0.17%	\$ 17,948,894	\$ 6,332,000	283.46%	62.76%
June 30, 2021	0.13%	\$ 13,195,469	\$ 6,382,000	206.76%	64.25%
June 30, 2020	0.17%	\$ 20,785,838	\$ 5,966,000	348.40%	53.18%
June 30, 2019	0.16%	\$ 21,971,493	\$ 5,840,000	376.22%	54.87%
June 30, 2018	0.12%	\$ 16,156,668	\$ 5,633,000	286.82%	55.48%
June 30, 2017	0.12%	\$ 15,423,518	\$ 5,515,000	279.66%	54.80%
June 30, 2016	0.13%	\$ 16,921,133	\$ 5,110,000	331.14%	51.28%
June 30, 2015	0.13%	\$ 11,310,002	\$ 4,836,000	233.87%	62.42%

See accompanying notes to required supplementary information.

**Department of Water  
County of Kauai  
SCHEDULE OF CONTRIBUTIONS (PENSION)  
Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>Statutorily Required Contribution</b>	<b>Contributions in Relation to Statutorily Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a %age of Covered Payroll</b>
June 30, 2025	\$ 1,973,090	\$ 1,973,090	\$ --	\$ 8,221,000	24.00%
June 30, 2024	\$ 2,348,000	\$ 2,348,000	\$ --	\$ 7,172,000	32.74%
June 30, 2023	\$ 1,873,000	\$ 1,873,000	\$ --	\$ 6,301,000	29.73%
June 30, 2022	\$ 1,792,000	\$ 1,792,000	\$ --	\$ 6,332,000	28.30%
June 30, 2021	\$ 1,532,000	\$ 1,532,000	\$ --	\$ 6,382,000	24.01%
June 30, 2020	\$ 1,325,000	\$ 1,325,000	\$ --	\$ 5,966,000	22.21%
June 30, 2019	\$ 1,109,000	\$ 1,109,000	\$ --	\$ 5,840,000	18.99%
June 30, 2018	\$ 1,016,000	\$ 1,016,000	\$ --	\$ 5,633,000	18.04%
June 30, 2017	\$ 938,000	\$ 938,000	\$ --	\$ 5,515,000	17.01%
June 30, 2016	\$ 911,000	\$ 911,000	\$ --	\$ 5,110,000	17.83%

See accompanying notes to required supplementary information.

**Department of Water  
County of Kauai  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
REQUIRED BY GASB STATEMENT NO. 68  
Fiscal Year Ended June 30, 2025**

**NOTE A - CHANGES OF ASSUMPTIONS**

There were no changes of assumptions or other inputs that significantly affected the measurement of the total pension liability since the measurement period ended June 30, 2016.

Amounts reported in the schedule of the proportionate share of the net pension liability as of the measurement period ended June 30, 2016 (fiscal year ended June 30, 2017) were significantly impacted by the following changes of actuarial assumptions:

- The investment return assumption decreased from 7.65% to 7.00%
- Mortality assumptions were modified to assume longer life expectancies as well as to reflect continuous mortality improvement

Prior to the measurement period ended June 30, 2016 (fiscal year ended June 30, 2017), there were no other factors, including the use of different assumptions that significantly affect trends reported in these schedules.

**Department of Water  
County of Kauai  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY  
AND RELATED RATIOS  
Last Ten Fiscal Years\***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>								
Service cost	\$ 425,270	\$ 364,655	\$ 438,674	\$ 432,883	\$ 426,197	\$ 406,353	\$ 380,070	\$ 380,075
Interest on the total OPEB liability	1,359,993	1,287,176	1,349,585	1,302,575	1,307,741	1,221,753	1,144,135	1,073,630
Difference between expected and actual experience	(833,476)	18,693	(1,388,028)	(544,543)	(1,183,289)	33,498	(135,272)	--
Changes of assumptions or other inputs	--	--	(668,033)	--	(109,324)	83,252	237,370	--
Benefit payments	<u>(671,805)</u>	<u>(649,372)</u>	<u>(524,110)</u>	<u>(520,381)</u>	<u>(516,535)</u>	<u>(536,228)</u>	<u>(525,000)</u>	<u>(368,000)</u>
Net change in total OPEB liability	279,982	1,021,152	(791,912)	670,534	(75,210)	1,208,628	1,101,303	1,085,705
<b>Total OPEB liability - Beginning</b>	<u>19,551,741</u>	<u>18,530,589</u>	<u>19,322,501</u>	<u>18,651,967</u>	<u>18,727,177</u>	<u>17,518,549</u>	<u>16,417,246</u>	<u>15,331,541</u>
<b>Total OPEB liability - Ending</b>	<u>\$ 19,831,723</u>	<u>\$ 19,551,741</u>	<u>\$ 18,530,589</u>	<u>\$ 19,322,501</u>	<u>\$ 18,651,967</u>	<u>\$ 18,727,177</u>	<u>\$ 17,518,549</u>	<u>\$ 16,417,246</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 1,074,000	\$ 1,058,000	\$ 1,143,000	\$ 1,077,000	\$ 1,041,000	\$ 1,011,000	\$ 948,000	\$ 1,287,000
Net investment income	1,417,868	688,478	(283,267)	2,973,978	199,294	399,132	588,700	654,929
Benefit payments	(671,805)	(649,372)	(524,110)	(520,381)	(516,535)	(536,228)	(525,000)	(368,000)
Other OPEB administrative expense	(1,430)	(993)	(1,242)	(1,541)	(1,598)	(2,874)	(1,803)	(1,485)
Other	<u>5,165</u>	<u>10,559</u>	<u>4,335</u>	<u>1,919</u>	<u>1,781</u>	<u>271,018</u>	<u>--</u>	<u>8,474</u>
Net change in plan fiduciary net position	1,823,798	1,106,672	338,716	3,530,975	723,942	1,142,048	1,009,897	1,580,918
<b>Plan fiduciary net position - Beginning</b>	<u>15,901,598</u>	<u>14,794,926</u>	<u>14,456,210</u>	<u>10,925,235</u>	<u>10,201,293</u>	<u>9,059,245</u>	<u>8,049,348</u>	<u>6,468,430</u>
<b>Plan fiduciary net position - Ending</b>	<u>\$ 17,725,396</u>	<u>\$ 15,901,598</u>	<u>\$ 14,794,926</u>	<u>\$ 14,456,210</u>	<u>\$ 10,925,235</u>	<u>\$ 10,201,293</u>	<u>\$ 9,059,245</u>	<u>\$ 8,049,348</u>
<b>Net OPEB liability - ending</b>	<u>\$ 2,106,327</u>	<u>\$ 3,650,143</u>	<u>\$ 3,735,663</u>	<u>\$ 4,866,291</u>	<u>\$ 7,726,732</u>	<u>\$ 8,525,884</u>	<u>\$ 8,459,304</u>	<u>\$ 8,367,898</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	89.38%	81.33%	79.84%	74.82%	58.57%	54.47%	51.71%	49.03%
<b>Covered-employee payroll</b>	\$ 7,172,000	\$ 6,301,000	\$ 6,332,000	\$ 6,382,000	\$ 5,966,000	\$ 5,840,000	\$ 5,787,000	\$ 5,700,000
<b>Net OPEB Liability as a Percentage of Covered-employee payroll</b>	29.37%	57.93%	59.00%	76.25%	129.51%	145.99%	146.18%	146.81%

\*This schedule is intended to present information for ten years for each respective fiscal year. Additional years will be built prospectively as information becomes available.

See accompanying notes to required supplementary information.

**Department of Water  
County of Kauai  
SCHEDULE OF CONTRIBUTIONS (OPEB)  
Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered-Employee Payroll</b>	<b>Contributions as a %age of Covered-Employee Payroll</b>
June 30, 2025	\$ 1,085,000	\$ 1,085,000	\$ --	\$ 8,221,000	13.20%
June 30, 2024	\$ 1,074,000	\$ 1,074,000	\$ --	\$ 7,172,000	14.97%
June 30, 2023	\$ 1,058,000	\$ 1,058,000	\$ --	\$ 6,301,000	16.79%
June 30, 2022	\$ 1,143,000	\$ 1,143,000	\$ --	\$ 6,332,000	18.05%
June 30, 2021	\$ 1,077,000	\$ 1,077,000	\$ --	\$ 6,382,000	16.88%
June 30, 2020	\$ 1,041,000	\$ 1,041,000	\$ --	\$ 5,966,000	17.45%
June 30, 2019	\$ 1,011,000	\$ 1,011,000	\$ --	\$ 5,840,000	17.31%
June 30, 2018	\$ 1,002,000	\$ 948,000	\$ 54,000	\$ 5,787,000	16.38%
June 30, 2017	\$ 968,000	\$ 968,000	\$ --	\$ 5,700,000	16.98%
June 30, 2016	\$ 914,000	\$ 883,000	\$ 31,000	\$ 5,269,000	16.76%

See accompanying notes to required supplementary information.

**Department of Water  
County of Kauai  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
REQUIRED BY GASB STATEMENT NO. 75  
Fiscal Year Ended June 30, 2025**

**NOTE A - SIGNIFICANT METHODS AND ASSUMPTIONS**

The actuarially determined annual required contributions for the fiscal year ended June 30, 2025 was developed in the July 1, 2022 valuation. The following summarizes the significant methods and assumptions used to determine the actuarially determined contribution for the fiscal year ended June 30, 2025:

Actuarial valuation date	July 1, 2022
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent, closed
Equivalent single amortization period	13.0 as of June 30, 2025
Asset valuation method	4-year smoothed market
Inflation rate	2.50%
Discount rate	7.00%
Salary increases	3.75% to 6.75% including inflation
Demographic assumptions	Based on the 2022 Hawaii ERS Actuarial Experience Study, as conducted June 30, 2021 for the ERS
Mortality	System-specific mortality tables utilizing MP2021 to project generational mortality improvement
Participation rates	98% healthcare participation assumption for retirees that receive 100% of the Base Monthly Contribution. Healthcare participation rates of 25%, 65%, and 90% for retirees that receive 0%, 50%, or 75% of the base monthly contribution, respectively. 100% for life insurance and 98% for Medicare Part B
Healthcare cost trend rates	
PPO	Initial rate of 6.40%, declining to a rate of 4.25% after 22 years
HMO	Initial rate of 6.40%, declining to a rate of 4.25% after 22 years
Part B	Initial rate of 5%; declining to a rate of 4.25% after 22 years
Dental	4%
Vision	2.5%
Life Insurance	0%

There were no factors that significantly affected trends in the amounts reported in the schedule of changes in the net OPEB liability and related ratios or the schedule of contributions (OPEB).

## SUPPLEMENTARY INFORMATION

**Department of Water  
County of Kauai  
SCHEDULE I - SCHEDULE OF UTILITY PLANT-IN-SERVICE  
Fiscal Year Ended June 30, 2025**

	Balance July 1, 2024	Additions	Reductions/ Transfers	Balance June 30, 2025
<b>Cost basis</b>				
Land and land rights				
Source	\$ 837,879	\$ --	\$ --	\$ 837,879
Pumping	156	--	--	156
Water treatment	150	--	--	150
Transmission and distribution	469,237	--	--	469,237
Total land and land rights	<u>1,307,422</u>	<u>--</u>	<u>--</u>	<u>1,307,422</u>
Utility plant				
Source	12,317,698	--	--	12,317,698
Pumping	49,498,080	389,973	--	49,888,053
Water treatment	10,415,202	--	--	10,415,202
Transmission and distribution	267,872,931	3,008,057	(47,977)	270,833,011
Total utility plant capital assets	<u>340,103,911</u>	<u>3,398,030</u>	<u>(47,977)</u>	<u>343,453,964</u>
General Plant	25,434,404	586,000	(320,253)	25,700,151
Intangible assets				
Easements	35,722	--	--	35,722
Software	2,234,215	--	(309,918)	1,924,297
Total intangible assets	<u>2,269,937</u>	<u>--</u>	<u>(309,918)</u>	<u>1,960,019</u>
Lease assets	61,120	--	--	61,120
Subscription assets	600,499	--	--	600,499
	<u>\$ 369,777,293</u>	<u>\$ 3,984,030</u>	<u>\$ (678,148)</u>	<u>\$ 373,083,175</u>
	Balance July 1, 2024	Additions	Reductions/ Transfers	Balance June 30, 2025
<b>Accumulated depreciation and amortization</b>				
Utility plant				
Source	\$ 6,778,911	\$ 257,230	--	\$ 7,036,141
Pumping	33,301,755	1,064,976	--	34,366,731
Water treatment	9,483,654	46,845	--	9,530,499
Transmission and distribution	78,811,897	4,246,068	(47,387)	83,010,578
Total utility plant accumulated depreciation	<u>128,376,217</u>	<u>5,615,119</u>	<u>(47,387)</u>	<u>133,943,949</u>
General Plant	11,791,085	962,375	(320,253)	12,433,207
Intangible assets	2,026,079	63,875	(309,918)	1,780,036
Lease assets	--	15,280	--	15,280
Subscription assets	49,580	164,019	--	213,599
	<u>\$ 142,242,961</u>	<u>\$ 6,820,668</u>	<u>\$ (677,558)</u>	<u>\$ 148,386,071</u>

**Department of Water  
County of Kauai  
SCHEDULE II - SCHEDULE OF SELECTIVE ACCOUNT CLASSIFICATIONS  
As of and for the Five Fiscal Years Ended June 30, 2025  
(All Dollars in Thousands)**

	2025	2024	2023	2022	2021
<b>Statements of Net Position</b>					
Utility plant in service	\$ 373,083	\$ 369,777	\$ 368,637	\$ 363,666	\$ 349,460
<b>Net Position</b>					
Net investment in capital assets	\$ 211,613	\$ 205,571	\$ 196,425	\$ 192,553	\$ 193,552
Restricted for capital activity and debt service	6,799	5,626	5,205	2,623	3,575
Unrestricted	20,993	18,810	19,196	27,277	23,447
	<u>\$ 239,405</u>	<u>\$ 230,007</u>	<u>\$ 220,826</u>	<u>\$ 222,453</u>	<u>\$ 220,574</u>
<b>Statements of Revenues, Expenses and Changes in Net Position</b>					
<b>Resources</b>					
Water Sales	\$ 29,719	\$ 26,715	\$ 28,255	\$ 28,473	\$ 25,321
Other	2,469	2,356	2,659	2,407	2,405
	<u>32,188</u>	<u>29,071</u>	<u>30,914</u>	<u>30,880</u>	<u>27,726</u>
<b>Operating Expenses</b>					
Administrative and general	11,809	11,503	8,689	8,102	9,550
Depreciation and amortization	6,821	6,703	6,898	7,021	7,110
Transmission and distribution	5,748	7,715	5,998	4,531	5,342
Power and pumping	3,750	3,389	3,197	3,197	2,904
Accounting and collection	1,134	1,586	1,043	957	1,257
Other	4,932	3,778	3,153	3,453	6,093
	<u>34,194</u>	<u>34,674</u>	<u>28,978</u>	<u>27,261</u>	<u>32,256</u>
Nonoperating expenses	(81)	(256)	(2,654)	(4,467)	(2,775)
Contributions	12,808	15,040	4,701	2,727	4,000
	<u>\$ 10,721</u>	<u>\$ 9,181</u>	<u>\$ 3,983</u>	<u>\$ 1,879</u>	<u>\$ (3,305)</u>

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Department of Water (the "Department"), a component unit of the County of Kauai as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated March 9, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Department's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Department's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

N&K CPAs, Inc.

Honolulu, Hawaii  
March 9, 2026

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Department of Water, County of Kauai’s (the “Department”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Department’s major federal programs for the fiscal year ended June 30, 2025. The Department’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Department complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Department’s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Department's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Department's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Department's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Department's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Department as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated March 9, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*N&K CPAs, Inc.*

Honolulu, Hawaii  
March 9, 2026

**Department of Water  
County of Kauai  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Fiscal Year Ended June 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>U.S. Environmental Protection Agency</b>			
Pass-through from the State of Hawaii, Department of Health			
Capitalization Grants for Drinking Water State Revolving Fund			
Kauai DOW LCRR Compliance		KDOW-LS01	\$ 461,543
Kauai DOW Pro-Fi SFY 2025		KDOW-PF25	3,058,849
Total Capitalization Grants for Drinking Water State Revolving Fund	66.468		<u>3,520,392</u>
Total U.S. Environmental Protection Agency			<u>3,520,392</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>3,520,392</u></b>

The accompanying notes are an integral part of this schedule.

**Department of Water  
County of Kauai  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Fiscal Year Ended June 30, 2025**

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activities of the Department under programs of the federal government for the fiscal year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Department, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Department.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Drinking Water State Revolving Fund amounts are awarded by the U. S. Environmental Protection Agency to the State of Hawaii, Department of Health (DOH). The DOH then makes subawards to the Department in the form of loans. Expenditures reported on the Schedule include project expenditures incurred under these loans during the fiscal year ended June 30, 2025.

**NOTE C - INDIRECT COST RATE**

The Department has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Department of Water  
County of Kauai  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Fiscal Year Ended June 30, 2025**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes       no

Significant deficiency(ies) identified?

yes       none reported

Noncompliance material to financial statements noted?

yes       no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?

yes       no

Significant deficiency(ies) identified?

yes       none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes       no

Identification of major federal programs:

Assistance Listing Number

66.468

Name of Federal Program

Capitalization Grants for Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

yes       no

**Department of Water  
County of Kauai  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
Fiscal Year Ended June 30, 2025**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

<u>Ref No.</u>	Internal Control Findings
2025-001	<b>IT General Control Deficiencies</b>

**Criteria:**

Information technology (IT) is used to initiate, record, process and report on transactions included in the financial statements. The systems and related processes should include internal controls to prevent and/or detect misstatements over financial reporting.

**Condition:**

Several IT internal control deficiencies in the areas of logical security, physical security, and change management existed during the fiscal year ended June 30, 2025:

Logical security

- The Department has established policies and procedures to add, change or delete user access to systems. However, the form designed to document the initiation, review and approval of the action is not consistently used.
- Lack of security awareness training for employees.
- Informal patch management process for critical systems.
- Fully implement policies and procedures to remediate critical issues identified during a vulnerability assessment conducted during the fiscal year ended June 30, 2025.

**Cause:**

The Department's IT policies and procedures do not include internal control procedures addressing the internal control deficiencies described above or procedures are not consistently followed.

**Department of Water  
County of Kauai  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
Fiscal Year Ended June 30, 2025**

**SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)**

**Ref No.      Internal Control Findings**

**2025-001      IT General Control Deficiencies (Continued)**

**Effect:**

Internal controls in the areas of logical security and change management address the following risks:

Logical security

Unauthorized access to financial systems could result in the loss of data and/or data integrity, unauthorized or nonexistent transactions being made, or transactions being inaccurately recorded.

**Identification as a Repeat Finding:**

2024-001

**Recommendation:**

We recommend that the Department perform the following:

Logical security

- Enforce established policies and procedures to add, change or delete user access to systems in a timely manner. Consider reevaluating the current standard operating procedures to determine if any revisions are needed.
- Design and implement a formal security awareness training program for employees.
- Appropriately update systems to ensure vendor support and maintenance.
- The Department completed several vulnerability assessments performed by independent contractors and external third-parties as of June 30, 2025. Management should develop a plan to prioritize and address the findings.

**Views of Responsible Officials and Planned Corrective Action:**

See management's Corrective Action Plan on pages 82 to 83.

**Department of Water  
County of Kauai  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
Fiscal Year Ended June 30, 2025**

**SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)**

**Ref No.      Internal Control Findings**

**2025-002      Improve Procedures to Identify and Account for Contracts**

**Criteria:**

The Department enters into contracts for many types of goods and services. Management should analyze all of the Department's contracts to determine the appropriate accounting and financial reporting treatment in accordance with GAAP.

**Condition:**

The Department has not implemented formal policies and procedures designed to identify and analyze all contracts for goods and services for proper accounting and financial reporting treatment in accordance with GAAP.

**Cause:**

The Department has not established a centralized contract register to maintain all relevant contracts.

**Effect:**

The lack of formal policies and procedures could result in a misstatement of the Department's financial statements.

**Identification as a Repeat Finding:**

2024-002

**Recommendation:**

We recommend designing and implementing formal policies and procedures to identify and analyze all contracts for goods and services in order to determine the proper accounting and financial reporting treatment for each contract in accordance with GAAP. This would include the establishment of a centralized contract register that includes pertinent data about each contract, such as the commencement date, the contract term (including any options to extend or terminate the contract), the payment terms (including any variable payment arrangements), and a brief description of the nature of the goods and services received by the Department. This would likely require effective and timely communication between the various divisions of the Department to ensure that the Fiscal division is provided with all relevant information needed to carry out its accounting and financial reporting responsibilities.

**Views of Responsible Officials and Planned Corrective Action:**

See management's Corrective Action Plan on page 84.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**CORRECTIVE ACTION PLAN**

Department of Water, County of Kaua'i  
CORRECTIVE ACTION PLAN  
Fiscal Year Ended June 30, 2025

**Ref.  
No.**

**SCHEDULE OF FINDINGS**

**2025-001 IT General Control Deficiencies**

**Auditor's**

**Recommendation:** The Department should perform the following:

Logical security

- Enforce established policies and procedures to add, change or delete user access to systems in a timely manner. Consider reevaluating the current standard operating procedures to determine if any revisions are needed.
- Design and implement a formal security awareness training program for employees.
- Appropriately update systems to ensure vendor support and maintenance.
- The Department completed several vulnerability assessments performed by independent contractors and external third parties as of June 30, 2025. Management should develop a plan to prioritize and address the findings.

**Corrective  
Action:**

The Department concurs with the auditor's findings and recommendations.

Logical security

- All Sixty-Seven (67) Department-wide Standard Operating Procedures are under review by the Manager & Chief Engineer. Final review will include collaboration with the new Information Technology Manager. Expected completion of revisions is June 2026.
- The development of this new training program is in coordination with the County of Kauai's Department of Human Resources, Department of Finance's Information Technology Division, and the Department of Water's IT Manager. Expected implementation is July 2026.
- The Department has spearheaded the critically needed ERP. An RFP was issued and evaluations have been completed for consultant selection for the best value. It is anticipated that the project will be awarded for commencement on or about the beginning of May 2026 with an anticipated completion date on or about the end of July 2028.
- Retained contractors and associated federal government organizations have identified a prioritized list of recommended upgrades and improvements. Many of these recommendations have been implemented; however, several remain in progress. This list has been transitioned to the new Information Technology Manager for review and modifications, if any, will be inserted into the current list of recommendations and upgrades. Expected completion is FY26/27.

Department of Water, County of Kaua'i  
CORRECTIVE ACTION PLAN (Continued)  
Fiscal Year Ended June 30, 2025

**Ref.  
No.**

**SCHEDULE OF FINDINGS (Continued)**

**2025-001 IT General Control Deficiencies (Continued)**

**End Date:** Various, as provided above.

**Responding Person(s):** Joseph E. Tait, Manager and Chief Engineer  
Phone: (808) 245-5403

Department of Water, County of Kaua'i  
CORRECTIVE ACTION PLAN (Continued)  
Fiscal Year Ended June 30, 2025

**Ref.  
No.**

**SCHEDULE OF FINDINGS (Continued)**

**2025-002      Improve Procedures to Identify and Account for Contracts**

**Auditor's**

**Recommendation:** The Department should perform the following:

Design and implement formal policies and procedures to identify and analyze all contracts for goods and services in order to determine the proper accounting and financial reporting treatment for each contract in accordance with GAAP. This would include the establishment of a centralized contract register that includes pertinent data about each contract, such as the commencement date, the contract term (including any options to extend or terminate the contract), the payment terms (including any variable payment arrangements), and a brief description of the nature of the goods and services received by the Department. This would likely require effective and timely communication between the various divisions of the Department to ensure that the Fiscal division is provided with all relevant information needed to carry out its accounting and financial reporting responsibilities.

**Corrective  
Action:**

The Fiscal Division acknowledges this is a repeat audit finding. The Department implemented Laserfiche in FY2026. The software provides an electronic and paperless contract processing workflow, that will capture records, route for approvals, and ultimately store documents in the cloud for recordkeeping. Implementation and go-live was finalized and completed in January 2026. The audit finding has been addressed and will be cleared in FY2026.

**End Date:** June 30, 2026

**Responding  
Person(s):**

Renee M. Yadao, Waterworks Controller  
Phone: (808) 245-5422

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Department of Water  
County of Kauai  
STATUS REPORT  
Fiscal Year Ended June 30, 2025**

This section contains the current status of prior audit recommendations. The recommendations are referenced to the pages of the previous audit report for the fiscal year ended June 30, 2024, dated February 2, 2025.

**SECTION II - FINANCIAL STATEMENT FINDINGS**

<u>Recommendations</u>	<u>Status</u>
<p><b>2024-001 IT General Control Deficiencies (Pages 78 - 79)</b></p> <p>We recommend that the Department perform the following:</p> <p><u>Logical security</u></p> <ul style="list-style-type: none"><li>• Enforce established policies and procedures to add, change or delete user access to systems in a timely manner. Consider reevaluating the current standard operating procedures to determine if any revisions are needed.</li><li>• Design and implement a formal security awareness training program for employees.</li><li>• Appropriate update systems to ensure vendor support and maintenance.</li><li>• The Department completed several vulnerability assessments performed by independent contractors and external third-parties. Management should develop a plan to prioritize and address the findings.</li></ul> <p><u>Change management</u></p> <ul style="list-style-type: none"><li>• Implement formal policies and procedures to ensure changes to production are consistently and appropriately authorized, tested, accepted and tracked.</li></ul>	<p>Not accomplished. Refer to current year finding 2025-001.</p>

**Department of Water  
County of Kauai  
STATUS REPORT (Continued)  
Fiscal Year Ended June 30, 2025**

<b>Recommendations</b>	<b>Status</b>
<p><b>2024-002 Improve Procedures to Identify and Account for Contracts (Page 80)</b></p> <p>We recommend designing and implementing formal policies and procedures to identify and analyze all contracts for goods and services in order to determine the proper accounting and financial reporting treatment for each contract in accordance with GAAP. This would include the establishment of a centralized contract register that includes pertinent data about each contract, such as the commencement date, the contract term (including any options to extend or terminate the contract), the payment terms (including any variable payment arrangements), and a brief description of the nature of the goods and services received by the Department. This would likely require effective and timely communication between the various divisions of the Department to ensure that the Fiscal division is provided with all relevant information needed to carry out its accounting and financial reporting responsibilities.</p>	<p>Not accomplished. Refer to current year finding 2025-002.</p>

# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

## MANAGER'S REPORT No. 26-39

April 16, 2026

Re: Discussion and Possible Action of the Department of Water's (DOW) Draft Annual Operating and Capital Budget for Fiscal Year 2027 – effective July 1, 2026 to June 30, 2027.

### **RECOMMENDATION:**

It is recommended that the Board approve the Draft Annual Operating and Capital Budget for Fiscal Year 2027 for Finance Committee review.

### **BACKGROUND:**

The Department has performed its preliminary review and budgetary modifications of the Draft Annual Operating and Capital Budget for the upcoming fiscal year.

It is recommended that the Board approve the Draft Annual Operating and Capital Budget for the Fiscal Year 2027 as recommended in Option 1 below:

### **OPTIONS:**

**Option 1: Approve the Draft Operating and Capital Budget for the Fiscal Year 2027 of the Department effective July 1, 2026 to June 30, 2027 for Finance Committee Review.**

Pros: Finance Committee sessions will commence on schedule and refer the final budget to the Board prior to the start of the fiscal year.

Cons: None known.

**Option 2: Do not approve the Draft Operating and Capital Budget for Fiscal Year 2027 of the Department effective July 1, 2026 to June 30, 2027 for Finance Committee Review.**

Pros: None known.

Cons: Finance Committee meetings will be delayed and the final budget may not be approved prior to the start of the fiscal year. Daily operations, on-going projects, and programs may be delayed and/or disrupted.

RY/crz

Attachments: FY2027 Draft Operating and Capital Budget



*FY 2027*

*Operating and  
Capital Budget*

*Water has no substitute.....Conserve it*

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April 16, 2026

Board of Water Supply  
County of Kauai  
4398 Pua Loke Street  
Lihue, HI 96766

Chair Shigemoto and Members of the Board –

We are pleased to submit the following Draft Annual Operating and Capital Budget for Fiscal Year 2027.

We recommend that the Board approve the Department of Water’s Draft Annual Operating and Capital Budget for Fiscal Year 2027, for Finance Committee Review.



The Department of Water (DOW) was created in 1960 by the authority of Act 20, Session Laws of Hawaii and established by the County Charter as a semi-autonomous and self-supporting component unit (enterprise fund) of the County government. The operations are managed by the Manager & Chief Engineer who is appointed by the Board of Water Supply (“Board”) The DOW is comprised of four divisions – Administration, Fiscal, Engineering, and Operations.

The DOW’s proposed budget is a compilation summary of each division’s programs and planned projects for the fiscal year July 1, 2026 to June 30, 2027. It consists of the following:

- I. Operating Budget
- II. Capital Budget
- III. Rollover of Outstanding Purchase Orders (“PO”), Contracts and Agreements.

A summary of Purchase Order (“PO”) rollovers for unexpended encumbrances is included in the proposed budget. Refer to Exhibit I. This summary includes all Contracts and Purchase Order obligations that remain outstanding to date.

**Organizational Changes**

Effective July 1, 2026, Water Quality section will transition to Regulatory Compliance, a section under the Administrative Division. The restructuring of the Regulatory Compliance section will provide greater transparency and direct oversight of the Manager and Chief Engineer.

**New Position Requests**

Division	Section	Position Title	BU	SR	Salary	Salary + Fringe
Fiscal	Billing	Customer Service Representative I	03	SR-11	\$ 1	\$ 1
Admin	Admin	Payroll Technician	03	SR-17	54,756	90,549
Admin	Admin	Procurement Specialist (Series)	13	SR-26	80,736	124,752
					<b>\$ 135,493</b>	<b>\$ 215,303</b>

Fiscal Division is requesting a new position for the Billing section, to provide additional support staff, coverage, and to promote succession planning. This position will be \$1 funded in FY2027.

Administration Division is requesting two new positions. The County’s Human Resources Payroll section has proposed to assist with Department-wide payroll and timesheet support in the Workday software. The Department is requesting to fund the position.

Additionally, Administration Division is requesting a new position to provide additional procurement support. The position is budgeted at the top range; however, the Department will request the recruitment be posted for the position series (Procurement and Specifications Specialist I to VI).

## EXECUTIVE SUMMARY

The DOW’s proposed budget is a compilation summary of each division’s programs and planned projects for the fiscal year July 1, 2026 to June 30, 2027. Below lists a recap of the proposed revenues and expenses for the upcoming fiscal year.

### Sources of Funds Available

Water Utility Fund, Fund Balance	\$	10,413,570
State Revolving Fund	\$	35,732,453
<b>TOTALS</b>	<b>\$</b>	<b>46,146,023</b>

### Projected Revenues and Debt Proceeds

Water Utility Fund (Note 1)	\$	37,390,453
Facilities Reserve Charge	\$	1,800,000
<b>TOTALS</b>	<b>\$</b>	<b>39,190,453</b>

Note 1 - Water consumption sales are projected to be 4.89 billion gallons or 1.5% growth over the prior fiscal year (4.818 billion gallons in FY2026). Other revenues primarily include income from investments.

### Projected Expenses

Water Utility Fund Operating Expenses (Note 2)	\$	36,158,936
Debt Service	\$	5,017,884
<b>TOTALS</b>	<b>\$</b>	<b>41,176,820</b>

Note 2 - There are currently 19 vacant full-time positions; however, 6 positions are in various stages of recruitment and 2 are \$1 funded.

Bargaining unit raises have been budgeted, effective July 1, 2026:

Unit 1	3.79% ATB
Unit 2	3.79% ATB
Unit 3	Step Movement
Unit 4	3.79% ATB
Unit 13	2.95% ATB

### Projected Capital Outlay

Water Utility Fund	\$	4,778,876
<b>TOTALS</b>	<b>\$</b>	<b>4,778,876</b>

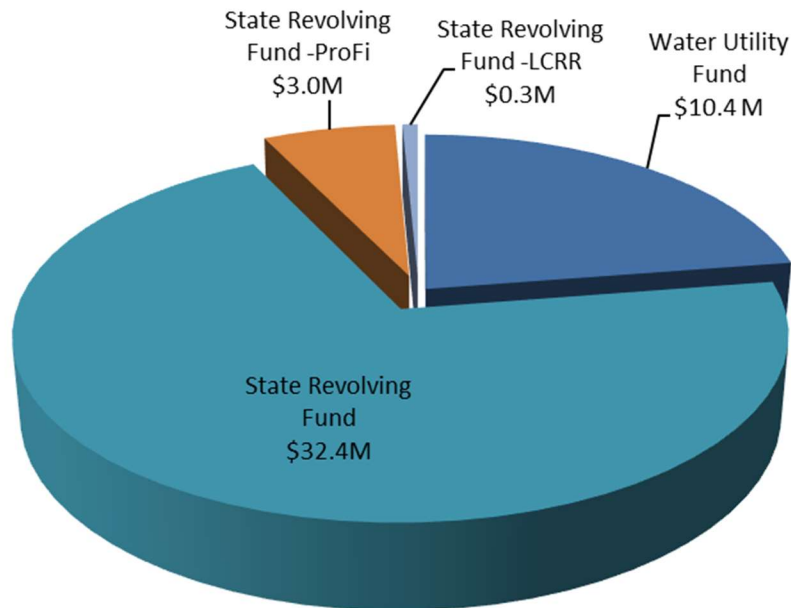
## FUND SUMMARY

The projected sources of funds available for Fiscal Year 2027 is \$ 46.1 million (“M”) as shown below. This amount is net of current total encumbrances which will roll over to the next fiscal budget year 2027 if not expended before the end of this fiscal year 2026.

There are two (2) Sources of Funds that are maintained and accounted for separately, and these are:

1. Water Utility Fund.
2. State Revolving Fund.
  - a. Direct Project Loan
  - b. Lead and Copper Rule Revisions (LCRR)
  - c. Prgramattic Financing (Pro-Fi)

### Sources of Funds



## FUND SUMMARY

### Sources of Funds:

Water Utility Fund	\$	10,413,570
State Revolving Fund	\$	<u>35,732,453</u>
Total	\$	46,146,023

Note: Approximately \$9.7 M is excluded from funds available for appropriation. This amount represents the 30% Reserve Fund requirement.

## UTILIZATION SUMMARY

The Water Utility Fund (WU) is used to fund operating expenses, debt service payments, and replacement purchases of furniture, fixtures, and equipment. In addition, it will be used to pay for new capital replacement projects. These projects are itemized on a separate worksheet.

The Facilities Reserve Charge (FRC) Fund is used to account for revenues received from new service applications. These are impact fees collected from new single accounts or developers wishing to connect to DOW's water infrastructure system. Fees collected are used to construct new water facilities, expansion of the water system, and debt service payments.

The State Allotment Appropriations (SA) Fund is used to account for capital projects funded by the State of Hawaii Legislature in the form of grants.

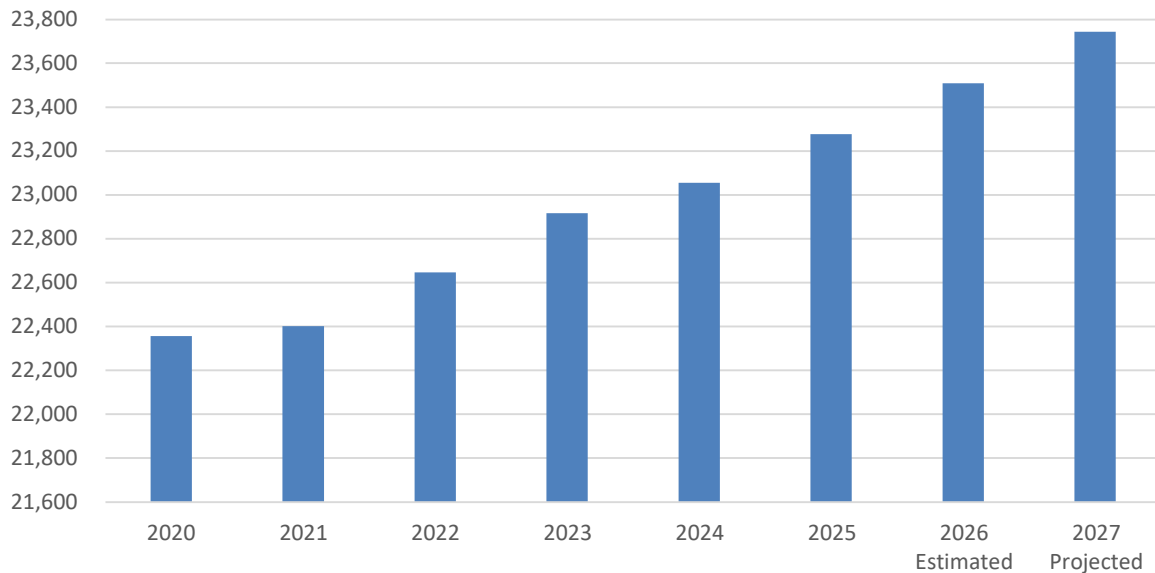
The State Revolving Fund (SRF) is used to account for capital projects funded by the State Department of Health – Drinking Water State Revolving Fund in the form of loans.

## WATER UTILITY FUND / OPERATING BUDGET

The WUF is the general operating fund of the DOW. This fund is used for the day-to-day operational expenses, debt service, various capital improvement projects not funded by other sources, and matching funds for state and federally funded grants. Operational expenses consist of employee related salaries and fringe benefits, utility services, insurance premiums, supplies, inventory, repair and maintenance, travel related expenses for training and certification requirements.

The DOW's main source of revenue is generated from water sales and water service charges. As shown below, the number of service connections continues to grow at an average of one percent annually. The DOW has over twenty-three thousand customers, ranging from single to multi-family dwellings, agricultural, commercial, government and other mixed-use accounts. The DOW delivers potable and non-potable water through the operation and maintenance of nine separate and unconnected water systems with over 425 miles of pipeline island wide.

### # of Service Connections

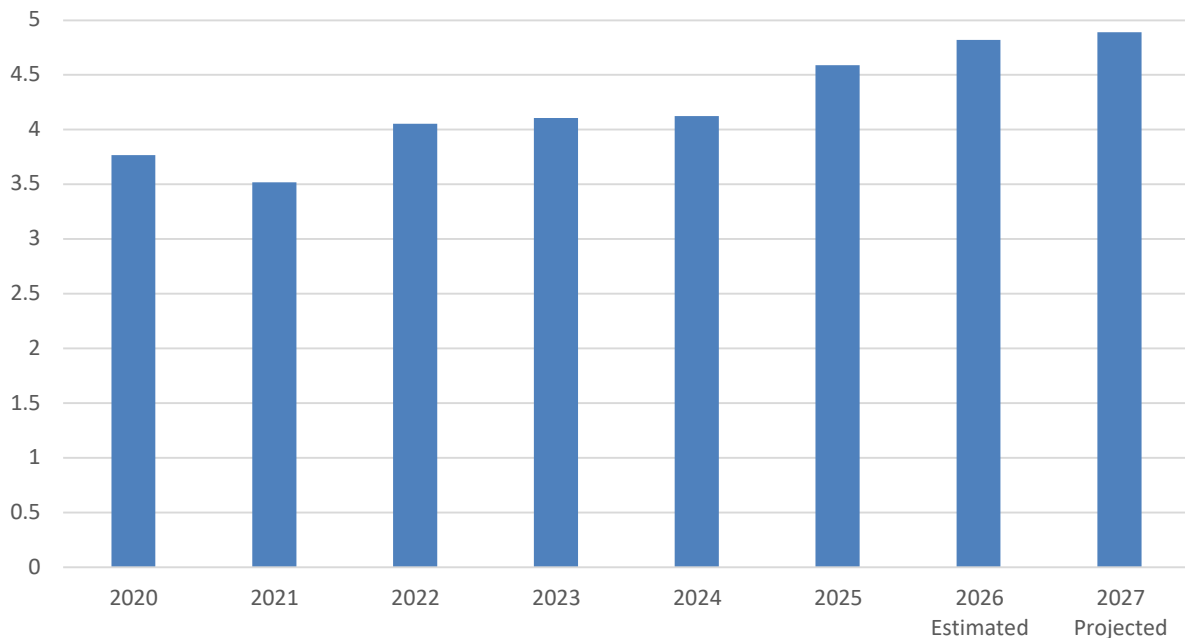


## WATER UTILITY FUND / OPERATING BUDGET

Total water consumption through the end of FY 2026 is estimated at 4.818 billion gallons (“BG”), an increase of 5% as compared to FY 2025. To date, the DOW has replaced 85% of the failed transponder equipment. A projection for FY 2027 is estimated at 4.89 billion gallons. As illustrated in the chart below, the estimated consumption is projected with a one and a half percent (1.5%) increase based on the increased percentage of customer accounts billed on actual consumption. Water rate charges continue to be based on the last water rate increase effective July 1, 2014. The DOW is currently in process of a water rate study and is proposing a five-year rate recommendation for Board consideration. Public outreach and informational sessions are underway. Factors and economic outlook such as the DOW’s projected revenues, operational expenses, capital project financing, annual debt service, and reserve funding have been included in the rate proposal.

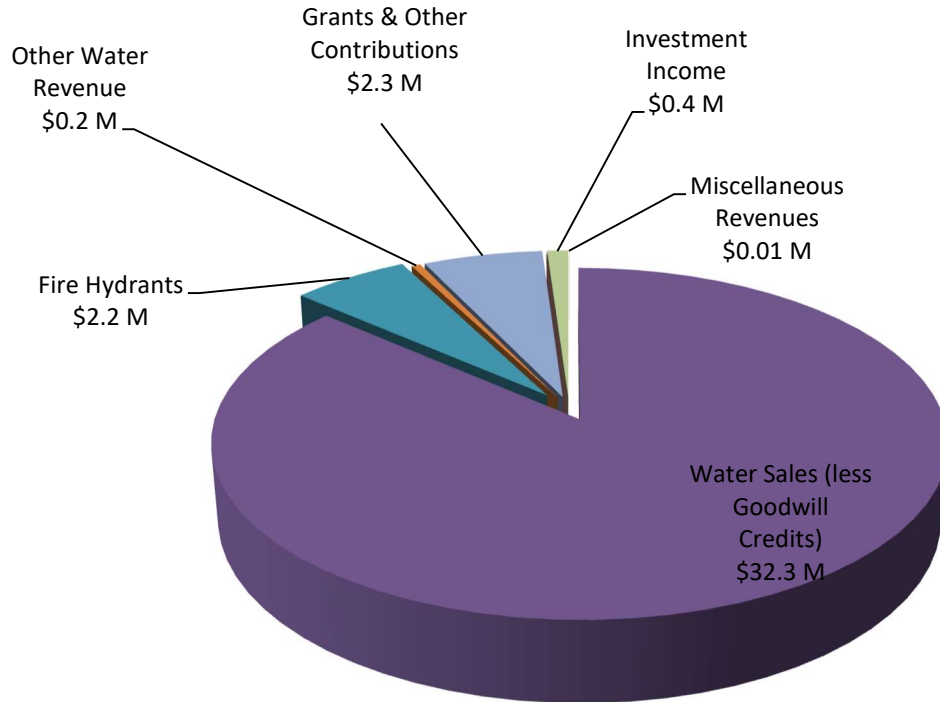
The chart below is a historical illustration of the actual water consumption in billion gallons from fiscal year 2020 – 2025, and an estimated consumption for FY 2026. FY 2027 consumption was projected to be a 1.5% increase as explained above.

**Comparative Water Usage (Billion)**



## WATER UTILITY FUND / PROJECTED REVENUE

### Water Utility Fund



The DOW projects revenue as follows:

Water Sales (less Goodwill Credits)	\$	32,295,985
Fire Hydrants	\$	2,242,638
Other Water Revenue	\$	175,000
Grants & Other Contributions	\$	2,275,330
Miscellaneous Revenue	\$	1,500
Investment Income	\$	400,000
Total	\$	37,390,453

## WATER UTILITY FUND / PROJECTED REVENUE

### Water Sales - \$32,295,985

The water sales for FY 2027 were projected conservatively and in line with FY 2026 actuals. The DOW has replaced approximately 86% of its failed transponder equipment. The remaining 14% are operational and will be replaced when needed.

### Revenue from Public Fire Protection - \$2,242,638

This revenue is a non-cash resource recorded as revenue generated from the operation and maintenance of over 3,000 public fire hydrants and standpipes for the County of Kauai ("County"). A contra expenditure offset is also recorded for the same amount to recognize the value of the staff support and services provided by the County to the DOW.

### Other Water Revenues - \$175,000

These revenues are generated from water and meter installations and other job services provided by the DOW.

### Grants & Other Contributions - \$2,275,330

These revenues are grants from external sources that will be used for specific programs that are funded by the Water Utility Fund.

### Miscellaneous Revenues - \$1,500

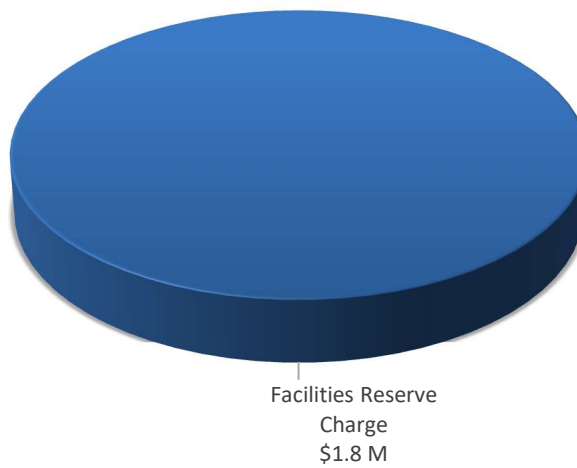
This is projected sales revenue from obsolete capital assets and other revenues. Insurance reimbursement and Purchase Card rebates are also included.

### Investment Income - \$400,000

This is projected interest income from investments and interest-bearing public savings account.

## FACILITY RESERVE CHARGE / PROJECTED REVENUE

### Facility Reserve Charge Fund



Facility Reserve Charge - \$1,800,000

This is derived from trends and averages from the past 3 years.

## WATER UTILITY FUND / PROJECTED UTILIZATION

The DOW's operating expenses were summarized by major expenditure items or similar categories for this report. An Operating Expense Summary and Operating Expense Detail are attached for further review, analysis, and discussion.

Water Utility Fund - Operating Expenses and Capital Budget	FY 2027 Proposed Budget	%
Labor and Benefits	\$ 15,554,349	
OPEB	\$ 1,107,000	
<b>Labor &amp; Benefits Total</b>	<b>\$ 16,661,349</b>	36%
Services	\$ 5,123,179	
Supplies	\$ 2,092,000	
Insurance, Leases, and SBITAs	\$ 1,269,005	
County Service Charge	\$ 2,242,638	
Utility Services	\$ 3,734,226	
Bulk Water Purchases	\$ 1,934,935	
Repairs and Maintenance - Water System	\$ 430,000	
Repairs and Maintenance - Other than Water System	\$ 785,900	
Meetings, Training & Development	\$ 142,915	
Travel and Per Diem	\$ 70,000	
Travel and Per Diem Board	\$ 24,500	
Debt - Interest Expense	\$ 1,648,289	
<b>Non-Personnel Total</b>	<b>\$ 19,497,587</b>	43%
<b>Operating Expenses - Subtotal</b>	<b>\$ 36,158,936</b>	
<b>Debt Principal - Subtotal</b>	<b>\$ 5,017,884</b>	11%
Capital- Rehabilitation and Replacement (IT)	\$ 185,000	
Capital- Rehabilitation and Replacement (Regulatory Compliance)	\$ 12,200	
Capital- Rehabilitation and Replacement (Engineering)	\$ 993,400	
Capital - Rehabilitation and Replacement (Operations)	\$ 200,000	
Capital - Expansion (IT)	\$ 485,000	
Capital - Expansion (Engineering)	\$ 1,000,000	
Capital - Expansion (Operations)	\$ 1,903,276	
<b>Capital - Subtotal</b>	<b>\$ 4,778,876</b>	10%
<b>TOTAL</b>	<b>\$ 45,955,696</b>	100%

### I. Operating Expenses

#### A. Labor and Benefits

Labor and benefits account for 36% of total water utility operations budget while non-labor expenses account for 43%, debt principal is 11% and Capital budget is 10%. There are currently 19 full-time vacant positions; six (6) positions are in various stages of recruitment, and two (2) positions were dollar-funded. Approximately \$2.5M in salaries and fringe are included in the operating budget, adjusted for anticipated date of hire and on-boarding in FY 2027.

## WATER UTILITY FUND / PROJECTED UTILIZATION

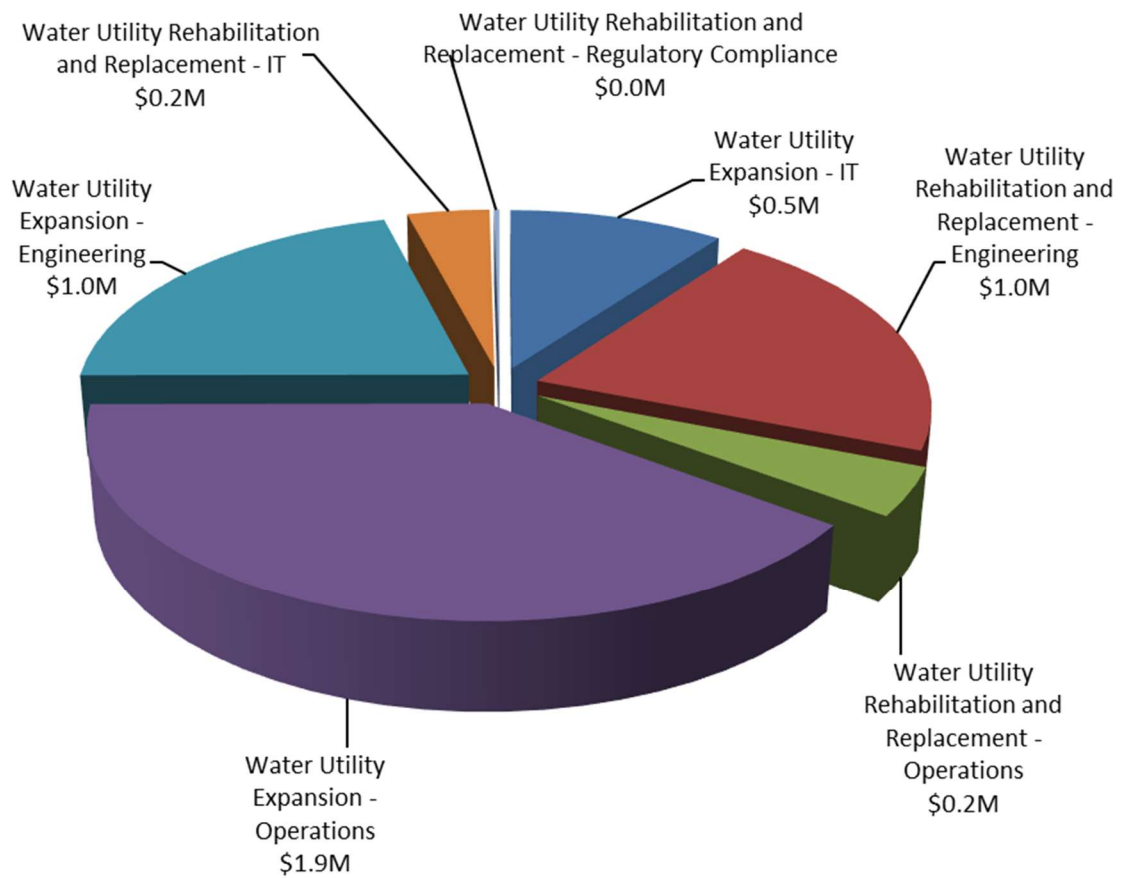
Non-labor expenses represented 43% of the total Water Utility Fund budget as follows:

1. Services, which include Professional Services, Accounting & Auditing, Other General Services, Public Relations, Communications and Miscellaneous Services have a total budget of \$5,123,179.
  2. Fuel, office and operating supplies have a total budget of \$2,092,000. This includes office supplies and operations inventory stock, materials, and replacement parts.
  3. Insurance, Leases, and Subscription Based Information Technology Arrangements (SBITAs) have a total budget of \$1,269,005. This includes DOW's liability and property insurance premiums.
  4. County Service Charge at \$2,242,638. This is a non-cash expenditure where revenues from public fire hydrants are billed to the County of Kauai. In exchange for services rendered by the County of Kauai to the DOW, the same amount is recorded as a contra-expenditure against the non-cash revenue.
  5. Utility Services budget is \$3,734,226.
  6. Water Purchases have a total budget of \$1,934,935.
  7. Repairs and Maintenance for both water and non-water systems, are proposed at \$ 1,215,900.
  8. Training and Development, which includes books, publications and memberships, and meeting expenses for both staff and board members is budgeted at \$142,915.
  9. Travel and per diem, for both staff and board members, is budgeted at \$94,500.
  10. Interest Expense for FY 2027 is \$1,648,289. Interest payments for Bonds and SRF loans are \$1,372,806 and \$275,483, respectively.
- B. Debt Service  
Total annual Debt Service requirement is \$5,017,884. Principal payments for Bonds and SRF loans are \$3,226,800 and \$1,791,084, respectively.
- C. Miscellaneous Capital Purchases  
This amount represents capital expenditures for both Rehabilitation & Replacement (R&R) and Expansion. A detailed list is provided on a separate budget worksheet.
- D. Capital  
This amount represents the proposed Capital budget for design, construction, and replacements. A detailed list is provided on separate budget worksheets.

## CAPITAL BUDGET

Capital Improvement Projects (CIP) will address both the need to replace and improve current pipelines as well as modifying and expanding sources and storage around the island. In addition to DOW funded Capital Improvement Projects, the Department continues to work with developers on conveyances of water infrastructure in lieu of FRC payments for the expanded services. DOW expects additional private development to continue to expand and is working with these agents to provide feedback on needs, opportunities, and requirements.

### Capital Outlays - All Funds



## CAPITAL BUDGET

Capital Budget	FY 2027 Proposed Budget	%
WU Fund - Capital - Rehabilitation and Replacement (IT)	\$ 185,000	
WU Fund - Capital - Rehabilitation and Replacement (Regulatory Compliance)	\$ 12,200	
WU Fund - Capital - Rehabilitation and Replacement (Engineering)	\$ 993,400	
WU Fund - Capital - Rehabilitation and Replacement (Operations)	\$ 200,000	
WU Fund - Capital - Expansion (IT)	\$ 485,000	
WU Fund - Capital - Expansion (Engineering)	\$ 1,000,000	
WU Fund - Capital - Expansion (Operations)	\$ 1,903,276	
<b>WU Fund - TOTALS</b>	<b>\$ 4,778,876</b>	100%

## ROLLOVER OF OUTSTANDING PURCHASE ORDERS (PO)

Historically, encumbered funds are rolled over as supplemental budget request; these encumbered funds include outstanding financial commitments for Contracts and Purchase Orders that are expected to be disbursed after the fiscal year ends (See Exhibit I on pages 126 to 131 for details).

WU Fund	\$ 36,077,576.21
FRC Fund	\$ 3,502,253.12
SRF Fund	<u>\$ 5,200,000.00</u>

Total \$ 44,779,829.33

## RESERVE FUNDS

In addition to the encumbered funds, the Board has a policy of maintaining a reserve fund of 30% of the previous year's Audited Operating Revenue, or \$9,656,389 based on FY 2025 revenues. Reserve and encumbered funds will roll forward into the new fiscal year, not requiring additional funds, but representing a sizable commitment.

## OPERATING BUDGET PROVISOS

As mentioned previously, the DOW is a semi-autonomous and self-supporting component unit (enterprise fund) of the County government. Certain practices of the County government surrounding employment and recruitment of existing positions do not automatically extend to the DOW. The purpose of these provisos will mirror the County government and allow the flexibility needed when experiencing attrition due to retirements or unanticipated vacancies.

### Section I

Appropriations for salaries, premium pay, and benefits are appropriate, may be disbursed within the pertinent divisions for the following:

1. A temporary position to functionally replace a permanent employee who is on long-term, sick, or disability leave. The disbursement is limited to the leave period or until the vacancy is filled if the employee separates from the DOW.
2. A temporary position designed for a permanent employee deemed to have a long-term temporary disability that is certified by a Doctor of Medicine as fit to perform the temporary position duties.
3. Trainee of successor positions for which there is an existing or anticipated vacancy for which hiring and replacement is critical to continued operations.
4. A temporary position or assignment to functionally replace a permanent or probationary employee who has been called to active duty in the United States Armed Forces. The disbursement is limited to the leave period or until the vacancy is filled if the employee separates from the DOW.

### Section II

The DOW may convert a full-time employee position to two (2) part-time positions, using temporary position numbers. This conversion shall not increase the authorized number of full-time equivalent positions. Two (2) converted part-time positions can only be changed to two (2) full-time positions by amendment, or supplemental budget appropriation approved by the Board.

**FY 2027 Fund Balance Projections**

<b>Fund Balance Projections</b>									
	<b>Water Utility General Fund</b>	<b>WURF (30% of Previous Years' Last Audited Operating Revenue)</b>	<b>Facility Reserve Charge Fund</b>	<b>Build America Bond Fund</b>	<b>State Appropriations</b>	<b>State Revolving Fund Lead &amp; Copper Rule Revisions (LCRR)</b>	<b>State Revolving Fund</b>	<b>State Revolving Fund - ProFi</b>	<b>TOTAL</b>
<b>FY 2026 Cash and Investment Balance</b>	\$ 14,053,531	\$ 9,656,389	\$ 7,744,141	\$ 6,982,742	\$ -	\$ -	\$ -	\$ -	\$ 38,436,803
Projected Revenues (3/1/2026-6/30/2026):	10,656,000	-	-	-	-	-	-	-	10,656,000
Projected Investment Maturities FY 2027 and beyond:	18,640,000	-	-	3,428,539	-	-	-	-	22,068,539
Grant (State Appropriations) Funding FY 2026 and prior:	-	-	-	-	20,363,193	-	-	-	20,363,193
Projected Debt Proceeds FY 2026:	-	-	-	-	-	414,204	10,714,478	-	11,128,682
Projected Debt Proceeds FY 2027:	-	-	-	-	-	-	31,000,000	3,000,000	34,000,000
Transfer In/Out from other Funding Source:	10,411,281	-	-	(10,411,281)	-	-	-	-	-
<b>Cash and Investment Balances (Current and Non-Current)</b>	<b>\$ 53,760,812</b>	<b>\$ 9,656,389</b>	<b>\$ 7,744,141</b>	<b>\$ -</b>	<b>\$ 20,363,193</b>	<b>\$ 414,204</b>	<b>\$ 41,714,478</b>	<b>\$ 3,000,000</b>	<b>\$ 136,653,217</b>
Add: Expenses reimbursed from ProFi in FY 2026	-	-	-	-	-	-	-	-	-
Add: Expenses reimbursed from LCRR in FY2026:	67,751	-	-	-	-	(67,751)	-	-	-
Transfer In/Out from other Funding Source:	4,241,888	-	(4,241,888)	-	-	-	-	-	-
Less: Operating Expenses (estimated thru 6/30/2026)	(10,000,116)	-	-	-	-	-	-	-	(10,000,116)
Less: Outstanding Contracts, PO encumbrances (as of 3/31/2026)	(36,077,576)	-	(3,502,253)	-	(16,463,193)	-	(9,328,478)	-	(65,371,500)
Less: Encumbrances (estimated thru 6/30/2026)	(1,579,189)	-	-	-	(3,900,000)	-	-	-	(5,479,189)
Less: Projected appropriations in FY 2027	-	-	-	-	-	-	-	-	-
<b>Estimated Available Balance For Future Budgeting 7/1/2026 (as of 3/31/2026):</b>	<b>\$ 10,413,570</b>	<b>\$ 9,656,389</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 346,453</b>	<b>\$ 32,386,000</b>	<b>\$ 3,000,000</b>	<b>\$ 55,802,412</b>

## FY2027 Proposed Operating & Capital Budget

	Water Utility General Fund	Capital Outlay		TOTAL
		Water Utility Fund		
<b>Revenue</b>				
Water Sales	\$ 32,295,985	\$ -		\$ 32,295,985
Other Revenue Sources	-	2,275,330		2,275,330
County Service Charge	2,242,638	-		2,242,638
Other Water Revenue	175,000	-		175,000
Investment Income	400,000	-		400,000
Miscellaneous Revenue	1,500	-		1,500
<b>Total Revenue</b>	<b>\$ 35,115,123</b>	<b>\$ 2,275,330</b>		<b>\$ 37,390,453</b>
<b>Operating Expenses</b>				
Labor & Related Fringe Benefits	\$ 16,661,349	\$ -		\$ 16,661,349
Professional Services & Other	8,641,822	-		8,641,822
Repair & Maintenance	1,215,900	-		1,215,900
Utilities & Fuel	3,962,426	-		3,962,426
Bulk Water Purchase	1,934,935	-		1,934,935
Office & Operating Supplies	1,888,415	-		1,888,415
Training, Travel, & Meeting Expense	205,800	-		205,800
Debt Service & Interest Expense	6,666,173	-		6,666,173
<b>Total Operating Expenses</b>	<b>\$ 41,176,820</b>	<b>\$ -</b>		<b>\$ 41,176,820</b>
<b>Capital Outlay</b>				
Water Utility - Miscellaneous Capital R&R Purchases	\$ -	\$ 1,390,600		\$ 1,390,600
Water Utility - Miscellaneous Capital Expansion Purchases	-	3,388,276		3,388,276
<b>Total Capital Outlay</b>	<b>\$ -</b>	<b>\$ 4,778,876</b>		<b>\$ 4,778,876</b>
<b>Total Surplus (Deficit)</b>	<b>\$ (6,061,697)</b>	<b>\$ (2,503,546)</b>		<b>\$ (8,565,243)</b>
<b>Available Fund Balance</b>	<b>\$ 6,061,697</b>	<b>\$ 2,503,546</b>		<b>\$ 8,565,243</b>
<b>Balanced Budget</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>

## Revenue Summary

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>REVENUES</b>						
<b>Water Utility Fund</b>		<b>\$ 31,705,600</b>	<b>\$ 34,061,461</b>	<b>\$ 33,627,682</b>	<b>\$ 22,593,163</b>	<b>\$ 37,390,453</b>
10-00-00-400-000	Water Sales	28,362,100	32,278,421	31,992,314	20,826,947	32,445,985
10-00-00-401-000	Water Sales - Goodwill Credits	-	(2,558,834)	(1,508,060)	(360,906)	(150,000)
10-00-00-405-000	Revenue from Public Fire Protection	2,228,500	2,239,422	2,261,928	1,492,948	2,242,638
10-00-00-410-000	Other Water Revenue	150,000	176,584	200,000	113,347	175,000
10-00-00-420-000	Other Grant Proceeds	-	50,000	50,000	50,000	2,275,330
10-00-00-440-000	Capital Contributions - Cash Receipts	440,000	220,270	-	-	-
10-00-00-453-000	Net Increase / Decrease in Fair Value of Investments	-	1,131,641	-	-	-
10-00-00-461-000	Investment Income	500,000	521,483	630,000	487,131	400,000
10-00-00-490-000	Miscellaneous Revenues	25,000	2,474	1,500	(16,304)	1,500
<b>FRC Fund</b>		<b>\$ 1,433,300</b>	<b>\$ 1,922,523</b>	<b>\$ 2,274,000</b>	<b>\$ 1,786,269</b>	<b>\$ 1,800,000</b>
20-00-00-424-000	Facility Reserve Charge	1,245,000	1,828,122	2,274,000	1,786,269	1,800,000
20-00-00-440-000	Capital Contributions - Cash Receipts (BAB Subsidy)	188,300	94,401	-	-	-
<b>Bond Fund</b>		<b>\$ 50,000</b>	<b>\$ 389,352</b>	<b>\$ 50,000</b>	<b>\$ 138,670</b>	<b>\$ 50,000</b>
30-00-00-453-000	Net Increase / Decrease in Fair Value of Investments	(100,000)	213,773	(100,000)	68,487	(100,000)
30-00-00-461-000	Investment Income (Net of custodial fees & other investment cc	150,000	175,579	150,000	70,183	150,000

**Operating Expense Summary**

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>OPERATING EXPENSES</b>									
<b>Water Utility Fund</b>		<b>\$ 43,888,771</b>	<b>\$ 32,617,810</b>	<b>\$ 34,508,276</b>	<b>\$ 8,688,125</b>	<b>\$ (1,320,000)</b>	<b>\$ 41,921,302</b>	<b>\$ 20,000,390</b>	<b>36,158,936</b>
510-010	Salaries & Wages (Regular & Compensated Leave)	9,720,102	9,825,812	8,732,828	-	-	8,732,828	4,920,915	9,864,002
510-020	Temporary Assignment	64,500	74,081	64,500	-	-	64,500	46,083	43,500
510-030	Overtime	708,000	878,951	850,000	-	-	850,000	440,812	525,000
510-040	Standby Pay	227,000	230,366	227,000	-	-	227,000	159,600	240,000
520-040	Vacation & Compensatory Time Pay out	100,000	192,277	100,000	-	-	100,000	59,871	100,000
530-010	FICA Taxes	815,260	1,001,178	755,387	-	-	755,387	414,126	816,445
530-020	Retirement Contributions	2,332,956	2,484,368	2,369,837	-	-	2,369,837	1,231,021	2,561,402
530-030	Life and Health Insurance	911,508	1,162,806	1,146,189	-	-	1,146,189	914,428	1,404,000
530-060	Post Employment Benefits (OPEB)	1,085,000	1,765,956	1,096,000	-	-	1,096,000	928,148	1,107,000
540-010	Professional Services - General	9,166,735	1,556,262	3,947,000	5,722,065	(1,320,000)	8,349,065	1,180,344	4,502,523
540-020	Professional Services - Accounting and Auditing	118,000	108,471	120,100	17,870	-	137,970	94,346	117,200
541-010	Other Services - General	61,257	49,969	65,400	15,854	-	78,254	40,352	60,690
541-020	Other Services - Billing Costs	197,652	244,131	240,330	138,101	-	378,431	146,941	235,566
542-010	Public Relations - General	90,737	85,742	93,600	11,242	-	104,842	52,082	85,300
542-020	Procurement Advertising	2,500	-	2,500	-	-	2,500	-	1,000
543-000	Communication Services	225,192	89,589	123,232	3,096	-	126,328	68,932	120,900
544-000	Freight and Postage Services	21,930	4,658	8,000	918	-	8,918	3,236	7,000
545-000	Rentals and Leases	148,178	67,640	104,965	8,797	-	116,222	33,798	101,105
546-000	Insurance	200,000	28,192	400,000	-	-	400,000	30,879	400,000
547-000	County Service Charge	2,228,447	2,228,447	2,228,447	-	-	2,228,447	2,228,447	2,242,638
550-000	Subscription Based Information Technology Arrangements (SBITAs)	799,180	356,644	742,180	403,325	-	1,145,505	337,755	767,900
551-000	Utility Services	3,577,615	3,359,431	3,554,631	631,140	-	4,185,771	1,979,111	3,734,226
560-000	Repairs and Maintenance - Water System	681,287	189,715	595,000	237,346	(5,000)	827,346	32,013	430,000
561-000	Repairs and Maintenance - Other than Water System	1,227,073	642,913	550,100	375,665	5,000	979,205	493,358	785,900
562-000	Office Supplies	2,363	2,536	-	-	-	-	-	-
563-000	Operating Supplies	1,003,443	627,707	958,728	64,754	10,000	1,030,482	438,431	809,800
563-010	Operating Supplies Inventory Stock	3,101,023	1,061,234	1,137,000	674,892	-	1,811,892	1,000,903	1,047,000
564-000	Fuel	233,524	141,374	160,000	68,200	-	228,200	79,981	228,200
565-000	Bulk Water Purchase	2,250,172	1,827,482	1,934,935	314,860	-	2,249,795	1,094,323	1,934,935
570-010	Books, Publications, Subscriptions, and Memberships	26,170	28,098	30,885	-	-	30,885	14,324	31,015
570-020	Books, Publications, Subscriptions, and Memberships - Board	600	233	600	-	-	600	189	600
571-010	Training and Development	72,250	32,541	71,500	-	-	71,500	18,910	63,500
572-010	Travel and Per Diem	173,350	131,201	208,500	-	-	208,500	98,229	70,000
572-020	Travel and Per Diem - Board	17,000	11,107	21,000	-	-	21,000	4,427	24,500
573-010	Meeting Expense	60,100	48,413	71,150	-	(10,000)	61,150	20,432	39,500
573-020	Meeting Expense - Board	9,950	10,237	7,500	-	-	7,500	1,176	8,300
582-000	Interest Expense	2,228,718	2,064,795	1,789,253	-	-	1,789,253	1,388,601	1,648,289

<b>Water Utility Fund - Bond and Loan Proceeds and Repayment</b>		<b>\$ 5,261,770</b>	<b>\$ 5,334,398</b>	<b>\$ 5,231,142</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,231,142</b>	<b>\$ 5,261,770</b>	<b>5,017,884</b>
682-000	Debt Principal Repayment	5,261,770	5,334,398	5,231,142	-	-	5,231,142	5,261,770	5,017,884
<b>Water Utility Fund - Non Budgetary Operating Expenses</b>		<b>\$ 6,979,000</b>	<b>\$ 13,199,774</b>	<b>\$ 6,616,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,616,000</b>	<b>\$ 3,816,001</b>	<b>6,616,000</b>
580-000	Depreciation	6,900,000	6,578,083	6,600,000	-	-	6,600,000	3,841,762	6,600,000
581-000	Amortization	106,000	6,578,083	68,000	-	-	68,000	33,841	68,000
582-000	Inflows/Outflows	(27,000)	43,608	(52,000)	-	-	(52,000)	(59,602)	(52,000)

**Operating Expense Detail**

	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>OPERATING EXPENSES (Detail)</b>								
<b>Water Utility Fund Operating Expenses</b>	<b>43,888,771</b>	<b>32,617,810</b>	<b>34,508,276</b>	<b>8,688,125</b>	<b>(1,320,000)</b>	<b>41,921,302</b>	<b>20,000,390</b>	<b>\$ 36,158,936</b>
<b>510-010 Salaries and Wages (includes compensated annual leaves and comp time.)</b>	<b>9,720,102</b>	<b>9,825,812</b>	<b>8,732,828</b>	<b>-</b>	<b>-</b>	<b>8,732,828</b>	<b>4,920,915</b>	<b>9,864,002</b>
10-01-10-510-010 WU - Admin - Admin - Salaries and Wages	998,875	944,997	1,472,877	-	-	1,472,877	776,663	1,589,137
10-02-10-510-010 WU - IT - Admin - Salaries and Wages	360,707	234,094	362,658	-	-	362,658	155,762	389,659
10-10-40-510-010 WU - Reg Comp - Admin - Salaries and Wages	363,098	298,626	428,249	-	-	428,249	122,192	440,516
10-20-10-510-010 WU - Eng - Admin - Salaries and Wages	500,253	526,035	322,881	-	-	322,881	215,156	505,115
10-21-10-510-010 WU - PM - Admin - Salaries and Wages	676,821	630,499	679,568	-	-	679,568	353,921	643,044
10-22-10-510-010 WU - WRP - Admin - Salaries and Wages	534,429	738,638	367,689	-	-	367,689	246,603	552,195
10-30-20-510-010 WU - Bill - Collection - Salaries and Wages	655,197	757,352	559,377	-	-	559,377	365,625	581,427
10-31-10-510-010 WU - Acctg - Admin - Salaries and Wages	814,645	919,478	637,900	-	-	637,900	429,203	662,207
10-40-30-510-010 WU - Ops - Source - Salaries and Wages	590,085	691,885	503,621	-	-	503,621	390,991	936,696
10-40-40-510-010 WU - Ops - Purification - Salaries and Wages	231,873	346,848	288,334	-	-	288,334	177,984	332,178
10-40-50-510-010 WU - Ops - PowerAndPump - Salaries and Wages	250,232	302,911	237,683	-	-	237,683	154,033	446,304
10-40-60-510-010 WU - Ops - TandD - Salaries and Wages	3,743,887	3,434,449	2,871,991	-	-	2,871,991	1,532,782	2,785,524
<b>510-020 Temporary Assignment</b>	<b>\$ 64,500</b>	<b>\$ 74,081</b>	<b>\$ 64,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,500</b>	<b>\$ 46,083</b>	<b>\$ 43,500</b>
10-01-10-510-020 WU - Admin - Admin - Temporary Assignment	2,000	-	2,000	-	-	2,000	-	-
10-02-10-510-020 WU - IT - Admin - Temporary Assignment	500	-	500	-	-	500	-	-
10-10-40-510-020 WU - Reg Comp - Admin - Temporary Assignment	5,000	-	5,000	-	-	5,000	-	-
10-20-10-510-020 WU - Eng - Admin - Temporary Assignment	-	-	-	-	-	-	6,078	2,500
10-21-10-510-020 WU - PM - Admin - Temporary Assignment	-	206	-	-	-	-	1,282	2,500
10-22-10-510-020 WU - WRP - Admin - Temporary Assignment	15,000	18,601	15,000	-	-	15,000	1,928	2,500
10-30-20-510-020 WU - Bill - Collection - Temporary Assignment	5,000	757	5,000	-	-	5,000	1,711	2,500
10-31-10-510-020 WU - Acctg - Admin - temporary Assignment	5,000	1,307	5,000	-	-	5,000	542	2,500
10-40-30-510-020 WU - Ops - Source - Temporary Assignment	2,000	614	2,000	-	-	2,000	2,144	2,000
10-40-40-510-020 WU - Ops - Purification - Temporary Assignment	2,000	2,731	2,000	-	-	2,000	1,595	2,000
10-40-50-510-020 WU - Ops - PowerAndPump - Temporary Assignment	3,000	2,690	3,000	-	-	3,000	934	2,000
10-40-60-510-020 WU - Ops - TandD -Temporary Assignment	25,000	47,175	25,000	-	-	25,000	29,869	25,000
<b>510-030 Overtime</b>	<b>\$ 708,000</b>	<b>\$ 878,951</b>	<b>\$ 850,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 850,000</b>	<b>\$ 440,812</b>	<b>\$ 525,000</b>
10-01-10-510-030 WU - Admin - Admin - Overtime	20,000	5,944	80,000	-	-	80,000	39,068	10,000
10-02-10-510-030 WU - IT - Admin - Overtime	30,000	4,822	20,000	-	-	20,000	-	5,000
10-10-40-510-030 WU - Reg Comp - Admin - Overtime	25,000	10,912	15,000	-	-	15,000	7,227	10,000
10-20-10-510-030 WU - Eng - Admin - Overtime	89,650	67,304	50,000	-	-	50,000	6,085	15,000
10-21-10-510-030 WU - PM - Admin - Overtime	30,000	51,221	60,000	-	-	60,000	16,762	20,000
10-22-10-510-030 WU - WRP - Admin - Overtime	73,350	115,932	60,000	-	-	60,000	15,851	20,000
10-30-20-510-030 WU - Bill - Collection - Overtime	65,000	49,151	75,000	-	-	75,000	8,546	15,000
10-31-10-510-030 WU - Acctg - Admin - Overtime	70,000	84,032	80,000	-	-	80,000	12,395	20,000
10-40-30-510-030 WU - Ops - Source - Overtime	10,000	9,650	10,000	-	-	10,000	16,986	10,000
10-40-40-510-030 WU - Ops - Purification - Overtime	30,000	28,226	30,000	-	-	30,000	24,150	30,000
10-40-50-510-030 WU - Ops - PowerAndPump - Overtime	15,000	20,423	20,000	-	-	20,000	15,647	20,000
10-40-60-510-030 WU - Ops - TandD - Overtime	250,000	431,334	350,000	-	-	350,000	278,095	350,000
<b>510-040 Standby Pay</b>	<b>\$ 227,000</b>	<b>\$ 230,366</b>	<b>\$ 227,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 227,000</b>	<b>\$ 159,600</b>	<b>\$ 240,000</b>
10-40-30-510-040 WU - Ops - Source - Standby Pay	7,000	1,595	7,000	-	-	7,000	2,900	-
10-40-40-510-040 WU - Ops - Purification - Standby Pay	10,000	14,133	10,000	-	-	10,000	9,851	15,000
10-40-50-510-040 WU - Ops - PowerAndPump - Standby Pay	10,000	24,906	10,000	-	-	10,000	22,924	35,000
10-40-60-510-040 WU - Ops - TandD - Standby Pay	200,000	189,732	200,000	-	-	200,000	123,925	190,000
<b>520-040 Vacation &amp; Compensatory Time Payout</b>	<b>\$ 100,000</b>	<b>\$ 192,277</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ 59,871</b>	<b>\$ 100,000</b>
10-01-10-520-040 WU - Admin - Admin - Vacation Payout	100,000	192,277	100,000	-	-	100,000	59,871	100,000

**Operating Expense Detail**

		<b>FY 2025 Budget</b>	<b>FY 2025 Actual</b>	<b>FY 2026 Budget</b>	<b>Encumbrance Rollover</b>	<b>FY 2026 +/- Budget Appropriations</b>	<b>FY 2026 Revised Budget</b>	<b>FY 2026 YTD Actual as of 2/28/2026</b>	<b>FY 2027 Proposed Budget</b>
<b>OPERATING EXPENSES (Detail)</b>									
<b>530-010</b>	<b>FICA Taxes</b>	<b>\$ 815,260</b>	<b>\$ 1,001,178</b>	<b>\$ 755,387</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 755,387</b>	<b>\$ 414,126</b>	<b>\$ 816,445</b>
10-01-10-530-010	WU - Admin - Admin - FICA	78,097	72,459	118,948	-	-	118,948	54,312	122,334
10-02-10-530-010	WU - IT - Admin - FICA	29,928	23,782	29,312	-	-	29,312	12,021	30,191
10-10-40-530-010	WU - Reg Comp - Admin - FICA	30,072	61,653	34,291	-	-	34,291	10,109	34,464
10-20-10-530-010	WU - Eng - Admin - FICA	42,095	47,301	28,525	-	-	28,525	16,350	39,980
10-21-10-530-010	WU - PM - Admin - FICA	54,072	59,183	56,577	-	-	56,577	29,469	50,914
10-22-10-530-010	WU - WRP - Admin - FICA	45,886	82,184	33,866	-	-	33,866	17,617	43,964
10-30-20-530-010	WU - Bill - Collection - FICA	55,477	77,578	48,912	-	-	48,912	28,682	45,818
10-31-10-530-010	WU - Acctg - Admin - FICA	68,058	87,653	55,302	-	-	55,302	31,803	52,380
10-40-30-530-010	WU - Ops - Source - FICA	46,595	14,849	39,981	-	-	39,981	31,557	72,575
10-40-40-530-010	WU - Ops - Purification - FICA	20,951	36,483	25,271	-	-	25,271	16,727	29,007
10-40-50-530-010	WU - Ops - PowerAndPump - FICA	21,285	38,357	20,707	-	-	20,707	15,246	38,503
10-40-60-530-010	WU - Ops - TandD - FICA	322,744	399,696	263,695	-	-	263,695	150,233	256,315
<b>530-020</b>	<b>Retirement Contributions</b>	<b>\$ 2,332,956</b>	<b>\$ 2,484,368</b>	<b>\$ 2,369,837</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,369,837</b>	<b>\$ 1,231,021</b>	<b>\$ 2,561,402</b>
10-01-10-530-020	WU - Admin - Admin - Retirement Contributions	239,730	185,988	373,170	-	-	373,170	189,765	383,793
10-02-10-530-020	WU - IT - Admin - Retirement Contributions	86,569	62,260	91,958	-	-	91,958	37,777	94,718
10-10-40-530-020	WU - Reg Comp - Admin - Retirement Contributions	87,144	85,072	107,580	-	-	107,580	29,326	108,124
10-20-10-530-020	WU - Eng - Admin - Retirement Contributions	120,061	114,508	89,491	-	-	89,491	51,619	125,428
10-21-10-530-020	WU - PM - Admin - Retirement Contributions	162,438	157,325	177,496	-	-	177,496	86,283	159,731
10-22-10-530-020	WU - WRP - Admin - Retirement Contributions	128,395	186,074	106,245	-	-	106,245	62,395	137,927
10-30-20-530-020	WU - Bill - Collection - Retirement Contributions	157,247	184,783	153,450	-	-	153,450	88,810	143,742
10-31-10-530-020	WU - Acctg - Admin - Retirement Contributions	195,514	266,487	173,496	-	-	173,496	106,061	164,330
10-40-30-530-020	WU - Ops - Source - Retirement Contributions	141,620	182,035	125,429	-	-	125,429	94,567	227,687
10-40-40-530-020	WU - Ops - Purification - Retirement Contributions	55,649	70,693	79,280	-	-	79,280	42,858	91,003
10-40-50-530-020	WU - Ops - PowerAndPump - Retirement Contributions	60,056	84,019	64,964	-	-	64,964	41,861	120,793
10-40-60-530-020	WU - Ops - TandD - Retirement Contributions	898,533	905,124	827,278	-	-	827,278	399,699	804,126
<b>530-030</b>	<b>Life and Health Insurance</b>	<b>\$ 911,508</b>	<b>\$ 1,162,806</b>	<b>\$ 1,146,189</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,146,189</b>	<b>\$ 914,428</b>	<b>\$ 1,404,000</b>
10-01-10-530-030	WU - Admin - Admin - Life and Health Insurance	59,251	79,847	140,760	-	-	140,760	96,898	165,176
10-02-10-530-030	WU - IT - Admin - Life and Health Insurance	18,231	24,822	40,217	-	-	40,217	15,904	47,193
10-10-40-530-030	WU - Reg Comp - Admin - Life and Health Insurance	29,398	30,525	50,271	-	-	50,271	19,194	58,992
10-20-10-530-030	WU - Eng - Admin - Life and Health Insurance	44,097	54,350	40,217	-	-	40,217	27,929	70,790
10-21-10-530-030	WU - PM - Admin - Life and Health Insurance	66,145	79,565	90,489	-	-	90,489	87,698	94,387
10-22-10-530-030	WU - WRP - Admin - Life and Health Insurance	36,747	81,709	40,217	-	-	40,217	32,014	58,992
10-30-20-530-030	WU - Bill - Collection - Life and Health Insurance	94,075	107,203	100,543	-	-	100,543	93,341	117,982
10-31-10-530-030	WU - Acctg - Admin - Life and Health Insurance	84,668	94,485	70,380	-	-	70,380	66,357	82,588
10-40-30-530-030	WU - Ops - Source - Life and Health Insurance	56,818	79,690	70,380	-	-	70,380	95,350	141,580
10-40-40-530-030	WU - Ops - Purification - Life and Health Insurance	24,351	39,730	40,217	-	-	40,217	25,878	58,992
10-40-50-530-030	WU - Ops - PowerAndPump - Life and Health Insurance	24,351	29,708	30,163	-	-	30,163	19,545	58,992
10-40-60-530-030	WU - Ops - TandD - Life and Health Insurance	373,376	461,172	432,335	-	-	432,335	334,320	448,336
<b>530-040</b>	<b>Workers Compensation</b>	<b>\$ -</b>	<b>\$ 3,255</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,866</b>	<b>\$ -</b>
10-02-10-530-040	WU - IT - Admin - Workers Compensation	-	3,255	-	-	-	-	3,641	-
10-30-20-530-040	WU - Bill - Collection - Workers Compensation	-	-	-	-	-	-	225	-
<b>530-060</b>	<b>Post-Employment Benefits (OPEB)</b>	<b>\$ 1,085,000</b>	<b>\$ 1,765,956</b>	<b>\$ 1,096,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,096,000</b>	<b>\$ 928,148</b>	<b>\$ 1,107,000</b>
10-01-10-530-060	WU - Admin - Admin - OPEB	82,606	132,948	134,596	-	-	134,596	148,921	130,235
10-02-10-530-060	WU - IT - Admin - OPEB	25,417	45,102	38,456	-	-	38,456	29,655	37,210
10-10-40-530-060	WU - Reg Comp - Admin - OPEB	40,976	51,305	48,070	-	-	48,070	23,021	46,513
10-20-10-530-060	WU - Eng - Admin - OPEB	61,464	111,643	38,456	-	-	38,456	40,521	55,815
10-21-10-530-060	WU - PM - Admin - OPEB	92,195	112,868	86,526	-	-	86,526	67,733	74,420
10-22-10-530-060	WU - WRP - Admin - OPEB	51,220	170,625	38,456	-	-	38,456	48,980	46,513

**Operating Expense Detail**

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>OPERATING EXPENSES (Detail)</b>									
10-30-20-530-060	WU - Bill - Collection - OPEB	107,960	123,635	96,140	-	-	96,140	69,716	93,025
10-31-10-530-060	WU - Acctg - Admin - OPEB	97,165	179,707	67,298	-	-	67,298	83,259	65,117
10-40-30-530-060	WU - Ops - Source - OPEB	62,406	109,763	67,298	-	-	67,298	74,236	111,630
10-40-40-530-060	WU - Ops - Purification - OPEB	26,746	59,538	38,456	-	-	38,456	33,644	46,513
10-40-50-530-060	WU - Ops - PowerAndPump - OPEB	26,746	58,141	28,843	-	-	28,843	32,861	46,513
10-40-60-530-060	WU - Ops - TandD - OPEB	410,099	610,681	413,405	-	-	413,405	275,601	353,496
<b>540-010</b>	<b>Professional Services - General</b>	<b>\$ 9,166,735</b>	<b>\$ 1,556,262</b>	<b>\$ 3,947,000</b>	<b>\$ 5,722,065</b>	<b>\$ (1,320,000)</b>	<b>\$ 8,349,065</b>	<b>\$ 1,180,344</b>	<b>\$ 4,502,523</b>
10-01-10-540-010	WU - Admin - Admin - Professional Services - General	504,474	273,901	449,500	1,098	-	450,598	266,083	449,000
10-02-10-540-010	WU - IT - Admin - Professional Services - General	913,976	70,476	610,000	144,658	-	754,658	22,955	800,000
10-10-40-540-010	WU - Reg Comp - Admin - Professional Services - Gene	142,220	-	150,000	57,180	-	207,180	70,362	344,023
10-20-10-540-010	WU - Eng - Admin - Professional Services - General	6,508,956	1,091,359	2,680,000	4,555,074	(1,320,000)	5,915,074	688,006	2,880,000
10-21-10-540-010	WU - PM - Admin - Professional Services - General	968,025	70,899	-	961,595	-	961,595	132,938	-
10-22-10-540-010	WU - WRP - Admin - Professional Services - General	78,883	16,731	-	-	-	-	-	-
10-30-20-540-010	WU - Bill - Collection - Professional Services - General	1	-	5,000	-	-	5,000	-	-
10-31-10-540-010	WU - Acctg - Admin - Professional Services - General	50,200	32,896	52,500	2,460	-	54,960	-	29,500
<b>540-020</b>	<b>Professional Services - Accounting and Auditing</b>	<b>\$ 118,000</b>	<b>\$ 108,471</b>	<b>\$ 120,100</b>	<b>\$ 17,870</b>	<b>\$ -</b>	<b>\$ 137,970</b>	<b>\$ 94,346</b>	<b>\$ 117,200</b>
10-31-10-540-020	WU - Acctg - Admin - Professional Services - Accounting and Auditing	118,000	108,471	120,100	17,870	-	137,970	94,346	117,200
<b>541-010</b>	<b>Other Services</b>	<b>\$ 61,257</b>	<b>\$ 49,969</b>	<b>\$ 65,400</b>	<b>\$ 15,854</b>	<b>\$ -</b>	<b>\$ 78,254</b>	<b>\$ 40,352</b>	<b>\$ 60,690</b>
10-01-10-541-010	WU - Admin - Admin - Other Services	-	-	-	-	-	-	-	-
10-30-20-541-010	WU - Bill - Collection - Other Services	33,000	24,203	34,400	14,764	-	49,164	22,020	31,600
10-31-10-541-010	WU - Acctg - Admin - Other Services	25,000	22,413	28,000	-	-	25,000	16,318	25,000
10-40-60-541-010	WU - Ops - TandD - Other Services	3,257	3,353	3,000	1,090	-	4,090	2,014	4,090
<b>541-020</b>	<b>Billing Costs</b>	<b>\$ 197,652</b>	<b>\$ 244,131</b>	<b>\$ 240,330</b>	<b>\$ 138,101</b>	<b>\$ -</b>	<b>\$ 378,431</b>	<b>\$ 146,941</b>	<b>\$ 235,566</b>
10-30-20-541-020	WU - Bill - Collection - Billing Costs	197,652	244,131	240,330	138,101	-	378,431	146,941	235,566
<b>542-010</b>	<b>Public Relations - General</b>	<b>\$ 90,737</b>	<b>\$ 85,742</b>	<b>\$ 93,600</b>	<b>\$ 11,242</b>	<b>\$ -</b>	<b>\$ 104,842</b>	<b>\$ 52,082</b>	<b>\$ 85,300</b>
10-01-10-542-010	WU - Admin - Admin - Public Relations - General	90,737	85,742	93,600	11,242	-	104,842	52,082	85,300
<b>542-020</b>	<b>Procurement Advertising</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ 1,000</b>
10-01-10-542-020	WU - Admin - Admin - Procurement Advertising	2,500	-	2,500	-	-	2,500	-	1,000
<b>543-000</b>	<b>Communication Services</b>	<b>\$ 225,192</b>	<b>\$ 89,589</b>	<b>\$ 123,232</b>	<b>\$ 3,096</b>	<b>\$ -</b>	<b>\$ 126,328</b>	<b>\$ 68,932</b>	<b>\$ 120,900</b>
10-02-10-543-000	WU - IT - Admin - Communication Services	146,400	89,408	109,332	3,096	-	112,428	68,932	115,000
10-02-50-543-000	WU - IT - PowerAndPump - Communication Services	78,792	181	13,900	-	-	13,900	-	5,900
<b>544-000</b>	<b>Freight and Postage</b>	<b>\$ 21,930</b>	<b>\$ 4,658</b>	<b>\$ 8,000</b>	<b>\$ 918</b>	<b>\$ -</b>	<b>\$ 8,918</b>	<b>\$ 3,078</b>	<b>\$ 7,000</b>
10-01-10-544-000	WU - Admin - Admin - Freight and Postage	18,000	2,287	5,000	-	-	5,000	2,475	3,000
10-10-40-544-000	WU - Reg Comp - Admin - Freight and Postage	3,930	2,371	3,000	918	-	3,918	603	4,000
<b>545-000</b>	<b>Rentals and Leases</b>	<b>\$ 148,178</b>	<b>\$ 67,640</b>	<b>\$ 104,965</b>	<b>\$ 8,797</b>	<b>\$ -</b>	<b>\$ 116,222</b>	<b>\$ 33,798</b>	<b>\$ 101,105</b>
10-01-10-545-000	WU - Admin - Admin - Rentals and Leases	54,971	28,192	54,605	-	-	54,605	19,023	53,605
10-02-10-545-000	WU - IT - Admin - Rentals and Leases	57,605	26,341	20,360	4,563	-	27,383	14,212	27,500
10-40-60-545-000	WU - Ops - TandD - Rentals and Leases	35,602	13,107	30,000	4,234	-	34,234	563	20,000
<b>546-000</b>	<b>Insurance</b>	<b>\$ 200,000</b>	<b>\$ 28,192</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ 30,879</b>	<b>\$ 400,000</b>
10-01-10-546-000	WU - Admin - Admin - Insurance	200,000	28,192	400,000	-	-	400,000	30,879	400,000
<b>547-000</b>	<b>County Service Charge</b>	<b>\$ 2,228,447</b>	<b>\$ 2,228,447</b>	<b>\$ 2,228,447</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,228,447</b>	<b>\$ 2,228,447</b>	<b>\$ 2,242,638</b>
10-00-10-547-000	WU - County Service Charge	2,228,447	2,228,447	2,228,447	-	-	2,228,447	2,228,447	2,242,638
<b>550-000</b>	<b>Subscription Based Information Technology Arrangements (SBITAs)</b>	<b>\$ 799,180</b>	<b>\$ 356,644</b>	<b>\$ 742,180</b>	<b>\$ 403,325</b>	<b>\$ -</b>	<b>\$ 1,145,505</b>	<b>\$ 337,755</b>	<b>\$ 767,900</b>
10-02-10-550-000	WU - IT - Admin - Subscription Based IT Arrangements	704,180	289,594	742,180	376,775	-	1,118,955	311,058	767,900
10-31-10-550-000	WU - Acctg- Admin - Subscription Based IT Arrangements	95,000	67,050	-	26,550	-	26,550	26,697	-

**Operating Expense Detail**

	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget	
<b>OPERATING EXPENSES (Detail)</b>									
<b>551-000</b>	<b>Utility Services</b>	\$ 3,577,615	\$ 3,359,431	\$ 3,554,631	\$ 631,140	\$ -	\$ 4,185,771	\$ 1,979,111	\$ 3,734,226
10-01-10-551-000	WU - Admin - Admin - Utility Services	161,400	158,505	22,560	3,066	-	25,626	13,752	25,626
10-40-50-551-000	WU - Ops - PowerAndPump - Utility Services	3,416,215	3,200,926	3,532,071	628,074	-	4,160,145	1,965,359	3,708,600
<b>560-000</b>	<b>Repairs and Maintenance - Water System</b>	\$ 681,287	\$ 189,715	\$ 595,000	\$ 237,346	\$ (5,000)	\$ 827,346	\$ 32,013	\$ 430,000
10-20-10-560-000	WU - Eng - Admin - Repairs and Maintenance - Water System	205,000	2,037	205,000	189,437	(5,000)	389,437	-	-
10-40-50-560-000	WU - Ops - PowerAndPump - Repairs and Maintenance - Water System	127,599	139,404	250,000	13,905	-	263,905	3,135	300,000
10-40-60-560-000	WU - Ops - TandD - Repairs and Maintenance - Water System	348,688	48,274	140,000	34,004	-	174,004	28,878	130,000
<b>561-000</b>	<b>Repairs and Maintenance - Other than Water System</b>	\$ 1,227,073	\$ 642,913	\$ 550,100	\$ 375,665	\$ 5,000	\$ 979,205	\$ 493,358	\$ 785,900
10-02-10-561-000	WU - IT - Admin - Repairs and Maintenance - Other than Water System	885,261	481,579	306,700	233,996	-	540,696	298,428	539,500
10-10-40-561-000	WU - Reg Comp - Admin - Repairs and Maintenance - Other than Water System	13,622	7,920	10,000	2,025	-	12,025	4,149	13,000
10-20-10-561-000	WU - Eng - Admin - Repairs and Maintenance - Other than Water System	-	-	-	-	5,000	5,000	-	-
10-40-60-561-000	WU - Ops - TandD - Repairs and Maintenance - Other than Water System	328,190	153,414	233,400	139,644	-	421,484	190,781	233,400
<b>562-000</b>	<b>Office Supplies</b>	\$ 2,363	\$ 2,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-31-10-562-000	WU - Acctg - Admin - Office Supplies	2,363	2,536	-	-	-	-	-	-
<b>563-000</b>	<b>Operating Supplies</b>	\$ 1,003,443	\$ 627,707	\$ 958,728	\$ 64,754	\$ 10,000	\$ 1,030,482	\$ 438,431	\$ 809,800
10-01-10-563-000	WU - Admin - Admin - Operating Supplies	13,000	21,266	18,000	282	10,000	28,282	20,231	20,000
10-02-10-563-000	WU - IT - Admin - Operating Supplies	185,810	34,371	185,000	-	-	185,000	23,655	102,000
10-10-40-563-000	WU - Reg Comp - Admin - Operating Supplies	25,000	-	25,000	48	-	25,048	4,847	26,000
10-20-10-563-000	WU - Eng - Admin - Operating Supplies	10,564	-	10,000	-	-	10,000	13,628	10,000
10-30-20-563-000	WU - Bill - Collection - Operating Supplies	3,000	3,632	3,000	3,000	-	3,000	2,896	3,000
10-31-10-563-000	WU - Acctg - Admin - Operating Supplies	4,000	5,913	4,000	-	-	4,000	455	4,000
10-40-30-563-000	WU - Ops - Source - Operating Supplies	83,953	38,891	80,000	-	-	80,000	35,875	50,000
10-40-40-563-000	WU - Ops - Purification - Operating Supplies	203,870	136,074	189,928	-	-	189,928	100,825	195,000
10-40-50-563-000	WU - Ops - PowerAndPump - Operating Supplies	77,965	41,721	75,000	18,004	-	93,004	23,740	50,000
10-40-60-563-000	WU - Ops - TandD - Operating Supplies	396,281	345,839	368,800	43,420	-	412,220	212,279	349,800
<b>563-010</b>	<b>Operating Supplies Inventory Stock</b>	\$ 3,101,023	\$ 1,061,234	\$ 1,137,000	\$ 674,892	\$ -	\$ 1,811,892	\$ 1,000,903	\$ 1,047,000
10-40-50-563-010	WU - Ops - PowerAndPump - Operating Supplies - Invty. Stock	40,000	27,949	40,000	10,387	-	50,387	48,427	40,000
10-40-60-563-010	WU - Ops - TandD - Operating Supplies - Invty. Stock	3,061,023	1,033,285	1,097,000	664,505	-	1,761,505	952,476	1,007,000
<b>564-000</b>	<b>Fuel</b>	\$ 233,524	\$ 141,374	\$ 160,000	\$ 68,200	\$ -	\$ 228,200	\$ 79,981	\$ 228,200
10-40-60-564-000	WU - Ops - TandD - Fuel	233,524	141,374	160,000	68,200	-	228,200	79,981	228,200
<b>565-000</b>	<b>Bulk Water Purchase</b>	\$ 2,250,172	\$ 1,827,482	\$ 1,934,935	\$ 314,860	\$ -	\$ 2,249,795	\$ 1,094,323	\$ 1,934,935
10-40-30-565-000	WU - Ops - Source - Bulk Water Purchase	2,250,172	1,827,482	1,934,935	314,860	-	2,249,795	1,094,323	1,934,935
10-40-60-565-000	WU - Ops - TandD - Bulk Water Purchase	-	-	-	-	-	-	-	-
<b>570-010</b>	<b>Books, Publications, Subscriptions, and Membership</b>	\$ 26,170	\$ 28,098	\$ 30,885	\$ -	\$ -	\$ 30,885	\$ 14,324	\$ 31,015
10-01-10-570-010	WU - Admin - Admin - Books, Publications, Subscriptions, and Memberships	21,170	27,686	27,880	-	-	27,880	14,324	28,010
10-20-10-570-010	WU - Eng - Admin - Books, Publications, Subscriptions, and Memberships	4,000	50	2,000	-	-	2,000	-	2,000
10-31-10-570-010	WU - Acctg - Admin - Books, Publications, Subscriptions, and Memberships	1,000	362	1,005	-	-	1,005	-	1,005

**Operating Expense Detail**

		<b>FY 2025 Budget</b>	<b>FY 2025 Actual</b>	<b>FY 2026 Budget</b>	<b>Encumbrance Rollover</b>	<b>FY 2026 +/- Budget Appropriations</b>	<b>FY 2026 Revised Budget</b>	<b>FY 2026 YTD Actual as of 2/28/2026</b>	<b>FY 2027 Proposed Budget</b>
<b>OPERATING EXPENSES (Detail)</b>									
<b>570-020</b>	<b>Books, Publications, Subscriptions, and Memberships - Board</b>	\$ 600	\$ 233	\$ 600	\$ -	\$ -	\$ 600	\$ 189	\$ 600
10-01-10-570-020	WU - Admin - Admin - Books, Publications, Subscriptions, and Memberships - Board	600	233	600	-	-	600	189	600
<b>571-010</b>	<b>Training and Development</b>	\$ 72,250	\$ 32,541	\$ 71,500	\$ -	\$ -	\$ 71,500	\$ 18,910	\$ 63,500
10-01-10-571-010	WU - Admin - Admin - Training and Development	8,250	3,228	6,500	-	-	6,500	379	3,500
10-02-10-571-010	WU - IT - Admin - Training and Development	-	-	-	-	-	-	-	-
10-10-40-571-010	WU - Reg Comp - Admin - Training and Development	5,000	300	5,000	-	-	5,000	350	10,500
10-20-10-571-010	WU - Eng - Admin - Training and Development	10,000	300	10,000	-	-	10,000	-	4,500
10-30-20-571-010	WU - Bill - Collection - Training and Development	3,000	705	4,000	-	-	4,000	1,000	-
10-31-10-571-010	WU - Acctg - Admin - Training and Development	1,000	-	1,000	-	-	1,000	-	-
10-40-60-571-010	WU - Ops - TandD - Training and Development	45,000	28,008	45,000	-	-	45,000	17,181	45,000
<b>572-010</b>	<b>Travel and Per Diem</b>	\$ 173,350	\$ 131,201	\$ 208,500	\$ -	\$ -	\$ 208,500	\$ 98,229	\$ 70,000
10-01-10-572-010	WU - Admin - Admin - Travel and Per Diem	56,100	38,588	71,000	-	-	71,000	28,906	45,500
10-20-10-572-010	WU - Eng - Admin - Travel and Per Diem	65,250	51,441	79,500	-	-	79,500	37,086	9,500
10-30-20-572-010	WU - Bill - Collection - Travel and Per Diem	1,000	2,474	3,000	-	-	3,000	3,784	-
10-31-10-572-010	WU - Acctg - Admin - Travel and Per Diem	6,000	6,463	10,000	-	-	10,000	-	-
10-40-60-572-010	WU - Ops - TandD - Travel and Per Diem	45,000	32,235	45,000	-	-	45,000	28,453	15,000
<b>572-020</b>	<b>Travel and Per Diem - Board</b>	\$ 17,000	\$ 11,107	\$ 21,000	\$ -	\$ -	\$ 21,000	\$ 4,427	\$ 24,500
10-01-10-572-020	WU - Admin - Admin - Travel and Per Diem - Board	17,000	11,107	21,000	-	-	21,000	4,427	24,500
<b>573-010</b>	<b>Meeting Expense</b>	\$ 60,100	\$ 48,413	\$ 71,150	\$ -	\$ (10,000)	\$ 61,150	\$ 20,432	\$ 39,500
10-01-10-573-010	WU - Admin - Admin - Meeting Expense	42,000	28,661	47,200	-	(10,000)	37,200	6,324	36,500
10-20-10-573-010	WU - Eng - Admin - Meeting Expense	16,000	18,817	19,950	-	-	19,950	13,173	3,000
10-30-20-573-010	WU - Bill - Collection - Meeting Expense	600	-	1,000	-	-	1,000	-	-
10-31-10-573-010	WU - Acctg - Admin - Meeting Expense	1,500	935	3,000	-	-	3,000	935	-
<b>573-020</b>	<b>Meeting Expense - Board</b>	\$ 9,950	\$ 10,237	\$ 7,500	\$ -	\$ -	\$ 7,500	\$ 1,176	\$ 8,300
10-01-10-573-020	WU - Admin - Admin - Meeting Expense - Board	9,950	10,237	7,500	-	-	7,500	1,176	8,300
<b>582-000</b>	<b>Interest Expense</b>	\$ 2,228,718	\$ 2,064,795	\$ 1,789,253	\$ -	\$ -	\$ 1,789,253	\$ 1,388,601	\$ 1,648,289
10-00-00-582-000	WU - Interest Expense	2,228,718	2,064,795	1,789,253	-	-	1,789,253	1,388,601	1,648,289
<b>Water Utility Fund Bond and Loan Repayment</b>		<b>\$ 5,261,770</b>	<b>\$ 5,334,398</b>	<b>\$ 5,231,142</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,231,142</b>	<b>\$ 5,261,770</b>	<b>\$ 5,017,884</b>
<b>682-000</b>	<b>Debt Principal Repayment</b>	<b>5,261,770</b>	<b>5,334,398</b>	<b>5,231,142</b>	<b>-</b>	<b>-</b>	<b>5,231,142</b>	<b>5,261,770</b>	<b>5,017,884</b>
10-00-00-682-000	WU - Debt Principal Repayment	5,261,770	5,334,398	5,231,142	-	-	5,231,142	5,261,770	5,017,884
<b>Water Utility Fund - Non Cash Operating Expenses</b>		<b>\$ 6,979,000</b>	<b>\$ 6,685,566</b>	<b>\$ 6,616,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,616,000</b>	<b>\$ 3,816,001</b>	<b>\$ 6,616,000</b>
10-00-90-580-000	WU - Depreciation - Depreciation	6,900,000	6,578,083	6,600,000	-	-	6,600,000	3,841,762	6,600,000
10-00-90-581-000	WU - Depreciation - Amortization	106,000	63,875	68,000	-	-	68,000	33,841	68,000
10-00-90-582-000	WU - Bond Inflows & Outflows	(27,000)	43,608	(52,000)	-	-	(52,000)	(59,602)	(52,000)

## ADMINISTRATION DIVISION

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Labor &amp; Related Fringe Expenses</b>									
510-010	Salaries and Wages (including Leaves & CTO)	\$ 998,875	\$ 944,997	\$ 1,472,877	\$ -	\$ -	\$ 1,472,877	\$ 776,663	\$ 1,589,137
510-020	Temporary Assignment	2,000	-	2,000	-	-	2,000	-	-
510-030	Overtime	20,000	5,944	80,000	-	-	80,000	39,068	10,000
520-040	Vacation Payout	100,000	192,277	100,000	-	-	100,000	59,871	100,000
530-010	FICA	78,097	72,459	118,948	-	-	118,948	54,312	122,334
530-020	Retirement Contributions	239,730	185,988	373,170	-	-	373,170	189,765	383,793
530-030	Life & Health Insurance	59,251	79,847	140,760	-	-	140,760	96,898	165,176
530-060	Other Post Employment Benefits (OPEB)	82,606	132,948	134,596	-	-	134,596	148,921	130,235
<b>Total Labor &amp; Related Fringe Expenses</b>		<b>\$ 1,580,559</b>	<b>\$ 1,614,460</b>	<b>\$ 2,422,351</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,422,351</b>	<b>\$ 1,365,498</b>	<b>\$ 2,500,675</b>
<b>Professional Services &amp; Other Expenses</b>									
540-010	Professional Services	\$ 504,474	\$ 273,901	\$ 449,500	\$ 1,098	\$ -	\$ 450,598	\$ 266,083	\$ 449,000
542-010	Public Relations - General	90,737	85,742	93,600	11,242	-	104,842	52,082	85,300
542-020	Procurement Advertising	2,500	-	2,500	-	-	2,500	-	1,000
544-000	Freight and Postage	18,000	2,287	5,000	-	-	5,000	2,475	3,000
545-000	Rentals and Leases	54,971	28,192	54,605	-	-	54,605	19,023	53,605
546-000	Insurance	200,000	28,192	400,000	-	-	400,000	30,879	400,000
<b>Total Professional Services &amp; Other Expenses</b>		<b>\$ 870,682</b>	<b>\$ 418,313</b>	<b>\$ 1,005,205</b>	<b>\$ 12,340</b>	<b>\$ -</b>	<b>\$ 1,017,545</b>	<b>\$ 370,542</b>	<b>\$ 991,905</b>
<b>Utilities &amp; Fuel</b>									
551-000	Utility Services	\$ 161,400	\$ 158,505	\$ 22,560	\$ 3,066	\$ -	\$ 25,626	\$ 13,752	\$ 25,626
<b>Total Utilities &amp; Materials</b>		<b>\$ 161,400</b>	<b>\$ 158,505</b>	<b>\$ 22,560</b>	<b>\$ 3,066</b>	<b>\$ -</b>	<b>\$ 25,626</b>	<b>\$ 13,752</b>	<b>\$ 25,626</b>
<b>Office &amp; Operating Supplies</b>									
562-000	Office Supplies								
563-000	Operating Supplies	\$ 13,000	\$ 21,266	\$ 18,000	\$ 282	\$ 10,000	\$ 28,282	\$ 20,231	\$ 20,000
570-000	Books, Subscriptions, & Dues	21,170	27,686	27,880	-	-	27,880	14,324	28,010
570-000	Books, Subscriptions, & Dues- Board	600	233	600	-	-	600	189	600
<b>Total Office &amp; Operating Supplies</b>		<b>\$ 34,770</b>	<b>\$ 49,185</b>	<b>\$ 46,480</b>	<b>\$ 282</b>	<b>\$ 10,000</b>	<b>\$ 56,762</b>	<b>\$ 34,744</b>	<b>\$ 48,610</b>
<b>Training, Travel, and Meeting Expense</b>									
571-010	Training and Development	\$ 8,250	\$ 3,228	\$ 6,500	\$ -	\$ -	\$ 6,500	\$ 379	\$ 3,500
572-010	Travel and Per Diem	56,100	38,588	71,000	-	-	71,000	28,906	45,500
572-020	Travel and Per Diem - Board	17,000	11,107	21,000	-	-	21,000	4,427	24,500
573-010	Meeting Expense	42,000	28,661	47,200	-	(10,000)	37,200	6,324	36,500
573-020	Meeting Expense - Board	9,950	10,237	7,500	-	-	7,500	1,176	8,300
<b>Total Training, Travel, and Meeting Expense</b>		<b>\$ 133,300</b>	<b>\$ 91,821</b>	<b>\$ 153,200</b>	<b>\$ -</b>	<b>\$ (10,000)</b>	<b>\$ 143,200</b>	<b>\$ 41,212</b>	<b>\$ 118,300</b>
<b>Total Administration Operating Expenses</b>		<b>\$ 2,780,711</b>	<b>\$ 2,332,284</b>	<b>\$ 3,649,796</b>	<b>\$ 15,688</b>	<b>\$ -</b>	<b>\$ 3,665,484</b>	<b>\$ 1,825,748</b>	<b>\$ 3,685,116</b>

General Expenses - Administration

Account	Description	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Water Utility Fund</b>		<b>\$ 1,200,152</b>	<b>\$ 995,706</b>	<b>\$ 1,227,445</b>	<b>\$ 15,688</b>	<b>\$ -</b>	<b>\$ 1,243,133</b>	<b>\$ 460,250</b>	<b>\$ 1,184,441</b>
10-01-10-540-010	WU/Admin/Admin/Professional Services - General	\$ 504,474	\$ 273,901	\$ 449,500	\$ 1,098	\$ -	\$ 450,598	\$ 266,083	\$ 449,000
10-01-10-542-010	WU/Admin/Admin/Public Relations	\$ 90,737	\$ 85,742	\$ 93,600	\$ 11,242	\$ -	\$ 104,842	\$ 52,082	\$ 85,300
10-01-10-542-020	WU/Admin/Admin/Procurement Advertising	\$ 2,500	\$ -	\$ 2,500	\$ -	\$ -	\$ 2,500	\$ -	\$ 1,000
10-01-10-544-000	WU/Admin/Admin/Freight and Postage Services	\$ 18,000	\$ 2,287	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ 2,475	\$ 3,000
10-01-10-545-000	WU/Admin/Admin/Rentals and Leases	\$ 54,971	\$ 28,192	\$ 54,605	\$ -	\$ -	\$ 54,605	\$ 19,023	\$ 53,605
10-01-10-546-000	WU/Admin/Admin/Insurance	\$ 200,000	\$ 306,073	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ 30,879	\$ 400,000
10-01-10-551-000	WU/Admin/Admin/Utility Services	\$ 161,400	\$ 158,505	\$ 22,560	\$ 3,066	\$ -	\$ 25,626	\$ 13,752	\$ 25,626
10-01-10-563-000	WU/Admin/Admin/Operating Supplies	\$ 13,000	\$ 21,266	\$ 18,000	\$ 282	\$ 10,000	\$ 28,282	\$ 20,231	\$ 20,000
10-01-10-570-010	WU/Admin/Admin/Books, Publications, Subscriptions, and Memberships	\$ 21,170	\$ 27,686	\$ 27,880	\$ -	\$ -	\$ 27,880	\$ 14,324	\$ 28,010
10-01-10-570-020	WU/Admin/Admin/Books, Publications, Subscriptions, and Memberships - Board	\$ 600	\$ 233	\$ 600	\$ -	\$ -	\$ 600	\$ 189	\$ 600
10-01-10-571-010	WU/Admin/Admin/Training and Development	\$ 8,250	\$ 3,228	\$ 6,500	\$ -	\$ -	\$ 6,500	\$ 379	\$ 3,500
10-01-10-572-010	WU/Admin/Admin/Travel and Per Diem	\$ 56,100	\$ 38,588	\$ 71,000	\$ -	\$ -	\$ 71,000	\$ 28,906	\$ 45,500
10-01-10-572-020	WU/Admin/Admin/Travel and Per Diem - Board	\$ 17,000	\$ 11,107	\$ 21,000	\$ -	\$ -	\$ 21,000	\$ 4,427	\$ 24,500
10-01-10-573-010	WU/Admin/Admin/Registration and Meeting Expense	\$ 42,000	\$ 28,661	\$ 47,200	\$ -	\$ (10,000)	\$ 37,200	\$ 6,324	\$ 36,500
10-01-10-573-020	WU/Admin/Admin/Registration and Meeting Expense - Board	\$ 9,950	\$ 10,237	\$ 7,500	\$ -	\$ -	\$ 7,500	\$ 1,176	\$ 8,300
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,200,152</b>	<b>\$ 995,706</b>	<b>\$ 1,227,445</b>	<b>\$ 15,688</b>	<b>\$ -</b>	<b>\$ 1,243,133</b>	<b>\$ 460,250</b>	<b>\$ 1,184,441</b>

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Professional Services - General**      \$ 504,474   \$ 273,901   \$ 449,500   \$ 1,098   \$ -   \$ 450,598   \$ 266,083   \$ 449,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Special Counsel		61,730	-	25,000	-	-	25,000	-	25,000
Legislative Liaison	Pursue Federal/State Funding Opportunities	65,000	-	65,000	-	-	65,000	-	65,000
Leadership Kaua'i Training		-	14,500	-	-	-	-	14,500	-
Professional Interpreter & Facilitator	for Public meetings	500	-	500	-	-	500	-	-
Financial Strategy & Planning	To assist DOW develop Financial Policies on Financial Planning, Capital Improvement Planning and Prioritization, Debt Issuance and Development of a Capital & Operating Expenditures Budget	-	-	-	-	-	-	-	-
HR Related Services	Drug & Alcohol Medical Testing	1,500	-	1,500	-	-	1,500	-	1,500
Safety Program	Professional review	5,000	-	5,000	-	-	5,000	-	5,000
Arbitration	Arbitrator's fees	10,000	-	10,000	-	-	10,000	-	10,000
Litigation Costs	Pending matters	10,000	-	10,000	-	-	10,000	-	10,000
Document Scanning/Disposal	Document scanning/disposal	23,244	9,401	5,000	1,098	-	6,098	1,583	5,000
Investigative Services	Personnel related tasks	50,000	-	50,000	-	-	50,000	-	50,000
Board Approved Grants	East & West Kauai Soil and Water Conservation Districts (SWCD), Kauai Watershed Alliance (KWA)	257,500	250,000	257,500	-	-	257,500	250,000	257,500
Title Search	Assets, Misc.	20,000	-	20,000	-	-	20,000	-	20,000

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Public Relations      \$   90,737   \$   85,742   \$   93,600   \$   11,242   \$           -   \$   104,842   \$   52,082           85,300**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Public Relations Programs	Advertising; Promotional & Education Materials (logo items, giveaways, publications, brochures, meeting supplies, presentation supplies, displays, etc.)	56,137	60,463	55,000	11,242	-	66,242	44,474	45,200
Project WET	Make-A-Splash, Project WET Outreach	20,000	12,779	25,000	-	-	25,000	7,608	24,000
Water Conservation District (EWSWD)	Grant	-	-	-	-	-	-	-	-
Cultural Services	Blessing, Info, etc.	1,500	-	500	-	-	500	-	3,000
Blackboard Connect CTY	Contract for County Mass Notification System - Blackboard Connect CTY	13,100	12,500	13,100	-	-	13,100	-	13,100

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Procurement Advertising**      \$    2,500    \$            -    \$    2,500    \$            -    \$            -    \$    2,500    \$            -    \$    1,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Publications	All Divisions - Legal Ads for Solicitation, Public Notices for Projects, Proposals for all Divisions including Board Notices	2,500	-	2,500	-	-	2,500	-	1,000

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Freight and Postage Services**      \$ 18,000   \$ 2,287   \$ 5,000   \$ -   \$ -   \$ 5,000   \$ 2,475   \$ 3,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
NEOPOST - Departmental Postage	Office communication not including Water Bills; Includes Governmental Records, Water System Standards, Water Quality Reports, etc, Ink Cartridge. (Lease - \$530*12, Ink Cartridge - \$200*2, Refill - \$2,000*3)	18,000	2,287	5,000	-	-	5,000	2,475	3,000
Bureau Copy Request		-	-	-	-	-	-	-	-

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Rentals and Leases \$ 54,971 \$ 28,192 \$ 54,605 \$ - \$ - \$ 54,605 \$ 19,023 \$ 53,605**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
License Fee Agreement McBryde Trust	Kalaheo/Koloa Water System	20,471	20,105	20,105	-	-	20,105	13,403	20,105
Lease Agreement with Grove Farm	Kōloa Wells 16 A, B, & E	27,500	-	27,500	-	-	27,500	-	27,500
Grant of Easement - Na Aina Kai Botanical	Annual Lease - Easement for booster pump station on Wailapa	1,000	1,000	1,000	-	-	1,000	1,000	1,000
Lease agreement storage units		6,000	7,087	6,000	-	-	6,000	-	-
Caller Svc Fees for PO Box		-	-	-	-	-	-	4,620	5,000

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Insurance                    \$ 200,000   \$ 306,073   \$ 400,000   \$ -   \$ -   \$ 400,000   \$ 30,879   \$ 400,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Small Claims	Small Claims fund per Board Policy #25 authorizing the County Attorney to investigate, settle and pay all claims filed against the Board of Water Supply where such claims amount to \$10,000	5,000	98,841	150,000	-	-	150,000	30,879	150,000
Insurance and Bonds	DOW's portion of the County's annual insurance premium for coverage in excess of \$1M deductible	195,000	207,232	250,000	-	-	250,000	-	250,000
Board Approved Claims	Claims outside of the County Attorney's discretion.								

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Utility Services      \$ 161,400   \$ 158,505   \$ 22,560   \$ 3,066   \$ -   \$ 25,626   \$ 13,752   \$ 25,626**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Electricity	Front/Back Office & Microlab Building	144,000	137,157	-	-	-	-	-	
Waste water	Puhi sewer & waste water	17,400	14,910	15,600	3,066	-	18,666	9,490	18,666
Solid Waste	Solid Waste Disposal	-	-	-	-	-	-	-	
Water	Admin & Ops Bldg, Lab	-	6,438	6,960	-	-	6,960	4,262	6,960

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Operating Supplies \$ 13,000 \$ 21,266 \$ 18,000 \$ 282 \$ 10,000 \$ 28,282 \$ 20,231 \$ 20,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Supplies for all DOW	Copy Paper, Office Supplies, Freight, Janitorial Supplies, First Aid	13,000	21,266	18,000	282	10,000	28,282	20,231	20,000

General Expenses - Administration

**WU/Admin/Admin/Books, Publications, Subscriptions, and Memberships**  
**TOTAL: \$ 21,170 \$ 27,686 \$ 27,880 \$ - \$ - \$ 27,880 \$ 14,324 \$ 28,010**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
AWWA Membership	Annual Membership Dues	4,000	9,356	8,000	-	-	8,000	5,277	8,000
Books and Subscriptions	Books for ALL DIVISIONS - Library, Subscriptions for TGI, STAR, ENR, Pacific Buisness News, HR, Manuals, Guide books, etc.	1,000	849	1,000	-	-	1,000		1,000
Water Research Foundation	Annual Membership Dues	8,000	7,459	8,000	-	-	8,000	7,459	8,000
Hawaii State Bar Association	Annual Association Dues	550	654	700	-	-	700	444	700
Kauai Chamber of Commerce Membership	Annual Membership Dues	320	409	320	-	-	320	409	450
Hawaii Rural Water Association	Annual Membership Dues	6,750	7,459	7,500	-	-	7,500		7,500
Society for Human Resource Management	HR Membership Dues	360	-	360	-	-	360	235	360
International Public Management Association - HR	HR Membership Dues	190	-	-	-	-	-	-	
Design-Build Institute of America	Annual Membership Dues	-	-	500	-	-	500	500	500
General Contractors Assn Hawaii	Annual Membership Dues	-	500	1,500	-	-	1,500	-	1,500
Hawaii Waterworks	Annual Membership Dues	-	1,000	-	-	-	-	-	

General Expenses - Administration

WU/Admin/Admin/Books, Publications,  
**TOTAL: Subscriptions, and Memberships - Board**      \$      600      \$      233      \$      600      \$      -      \$      -      \$      600      \$      189      \$      600

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
AWWA Membership	Individual Membership Dues for Board Members (7)	600	233	600	-	-	600	79	600
Books and Subscriptions		-	-	-	-	-	-	110	-

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Training and Development**      \$    8,250    \$    3,228    \$    6,500    \$       -    \$       -    \$    6,500    \$    379    \$    3,500

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Seminars & Workshops	Training & educational workshops	5,000	3,228	5,000	-	-	5,000	379	2,500
Recognition Program	Service recognition, employee of the year & SOP 56	3,250	-	1,500	-	-	1,500	-	1,000
Leadership Training	the budget was moved from 540-010	-	-	-	-	-	-	-	-

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Travel and Per Diem**      \$ 56,100   \$ 38,588   \$ 71,000   \$ -   \$ -   \$ 71,000   \$ 28,906   \$ 45,500

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Administrative Training Conferences	Administrative staff (x4)	4,000	-	4,000	-	-	4,000	-	-
AWWA Washington DC	Manager & Chief Engineer or Designee	7,500	-	10,000	-	-	10,000	-	8,000
AWWA National Conference	Manager & Chief Engineer or Designee	14,000	-	15,000	-	-	15,000	-	13,000
AWWA Training Conferences	Manager & Chief Engineer or Designee (Pacific Water, Water Infrastructure, Water Loss, Water Quality, Utility Management)	17,000	-	25,000	-	-	25,000	-	12,500
Depositions/Litigations	Manager & Chief Engineer or Designee	1,000	-	1,000	-	-	1,000	-	1,000
IMLA Conference	Deputy County Attorney (6 nights)	4,600	-	5,000	-	-	5,000	-	5,000
IT Staff Travel	Travel accommodations and per diem for IT staff to attend training & meetings, i.e ESRI, Cyber Security	5,000	-	5,000	-	-	5,000	-	5,000
WaterSmart Innovations Conference & Expo	Manager & Chief Engineer or Designee	3,000	-	4,000	-	-	4,000	-	-
Legislature	Testimonies and Legislature Opening	-	-	2,000	-	-	2,000	-	1,000

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Travel and Per Diem - Board**      \$ 17,000   \$ 11,107   \$ 21,000   \$ -   \$ -   \$ 21,000   \$ 4,427   \$ 24,500

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
AWWA National Conference	Board Members (3) Washington, DC - Jun. 21-24, 2026	10,000	-	12,000	-	-	12,000	-	14,000
AWWA Hawaii HWEA Pacific Water Conference	Board Members (2) Honolulu, HI - Feb. 2026 (Date TBD)	3,000	-	3,500	-	-	3,500	-	5,000
HWWA Hawai'i Section Conference	Board Members (2) Honolulu, HI - Oct. 2026 (Date TBD)	4,000	-	5,000	-	-	5,000	-	5,000
County Attorney Travel Expenses	Various Dates Inter-island	-	-	500	-	-	500	-	500
Mileage									
Ground Transportation	Car Rental, Shuttle Services, Airport Parking Reimbursement								
Unanticipated Travels	For board training & development - travel & per diem								

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Registration and Meeting Expense**      \$ 42,000   \$ 28,661   \$ 47,200   \$ -   \$ (10,000)   \$ 37,200   \$ 6,324   \$ 36,500

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Administrative Training Conferences	Registration	2,000	940	2,000	-	-	2,000	-	2,000
AWWA National Conference	Registration	5,400		5,000	-	-	5,000	-	5,000
AWWA Training Conferences	Registration (Pacific Water, Water Infrastructure, Water Loss, Water Quality, Utility Management)	6,000	2,000	10,000	-	-	10,000	-	2,000
HRWA Training Conference	Registration	1,350	-	1,500	-	-	1,500	-	1,500
HWWA Hawai'i Section Conference	Registration	20,000	20,500	22,000	-	-	22,000	-	22,000
IMLA Conference	Registration	700	-	700	-	-	700	-	1,000
Project WET Conference	Registration	650	-	-	-	-	-	-	-
WaterSmart Innovations Conference & Expo	Registration	900	855	4,000	-	-	4,000	-	-
IT Training Conferences	Registration	5,000	-	-	-	-	-	-	2000
Wahine Forum Conference	Registration	-	-	1,000	-	-	1,000	-	-
Design Build Conference & Expo	Registration	-	1,000	1,000	-	-	1,000	-	1,000
AWWA Water Infrastructure Conference & Exposition	Registration	-	425	-	-	-	-	-	-
IMLA Conference	Registration	-	600	-	-	-	-	-	-
						(10,000)	(10,000)		

General Expenses - Administration

**TOTAL: WU/Admin/Admin/Registration and Meeting Expense - Board**      \$ 9,950   \$ 10,237   \$ 7,500   \$ -   \$ -   \$ 7,500   \$ 1,176   \$ 8,300

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
AWWA National Conference	Registration	4,050	-	4,000	-	-	4,000	-	4,000
AWWA Hawaii HWEA Pacific Water Conference	Registration	1,200	-	1,200	-	-	1,200	-	1,800
HWWA Hawai'i Section Conference	Registration	3,500	-	1,100	-	-	1,100	-	1,300
Meeting Supplies	Supplies to facilitate monthly Board meetings, various committee meetings and workshops	1,200	-	1,200	-	-	1,200	-	1,200

## ADMINISTRATION DIVISION - INFORMATION TECHNOLOGY (IT)

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
	<b>Labor &amp; Related Fringe Expenses</b>								
510-010	Salaries and Wages (including Leaves & CTO)	\$ 360,707	\$ 234,094	\$ 362,658	\$ -	\$ -	\$ 362,658	\$ 155,762	\$ 389,659
510-020	Temporary Assignment	500	-	500	-	-	500	-	-
510-030	Overtime	30,000	4,822	20,000	-	-	20,000	-	5,000
530-010	FICA	29,928	23,782	29,312	-	-	29,312	12,021	30,191
530-020	Retirement Contributions	86,569	62,260	91,958	-	-	91,958	37,777	94,718
530-030	Life & Health Insurance	18,231	24,822	40,217	-	-	40,217	15,904	47,193
530-060	Other Post Employment Benefits (OPEB)	25,417	45,102	38,456	-	-	38,456	29,655	37,210
	<b>Total Labor &amp; Related Fringe Expenses</b>	<b>\$ 551,352</b>	<b>\$ 394,882</b>	<b>\$ 583,101</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 583,101</b>	<b>\$ 251,119</b>	<b>\$ 603,971</b>
	<b>Professional Services &amp; Other Expenses</b>								
540-010	Professional Services	\$ 913,976	\$ 70,476	\$ 610,000	\$ 144,658	\$ -	\$ 754,658	\$ 22,955	\$ 800,000
543-000	Communication Services	146,400	89,408	109,332	3,096	-	112,428	68,932	115,000
543-000	Communication Services - Power & Pump	78,792	181	13,900	-	-	13,900	-	5,900
545-000	Rentals and Leases	57,605	26,341	20,360	4,563	-	27,383	14,212	27,500
550-000	Subscription Based IT Arrangements (SBITAs)	704,180	289,594	742,180	376,775	-	1,118,955	311,058	767,900
	<b>Total Professional Services &amp; Other Expenses</b>	<b>\$ 1,900,953</b>	<b>\$ 476,000</b>	<b>\$ 1,495,772</b>	<b>\$ 529,092</b>	<b>\$ -</b>	<b>\$ 2,027,324</b>	<b>\$ 417,157</b>	<b>\$ 1,716,300</b>
	<b>Repair &amp; Maintenance Expenses</b>								
561-000	Repair & Maintenance-Non-Water System	\$ 885,261	\$ 481,579	\$ 306,700	\$ 233,996	\$ -	\$ 540,696	\$ 298,428	\$ 539,500
	<b>Total Repair &amp; Maintenance expenses</b>	<b>\$ 885,261</b>	<b>\$ 481,579</b>	<b>\$ 306,700</b>	<b>\$ 233,996</b>	<b>\$ -</b>	<b>\$ 540,696</b>	<b>\$ 298,428</b>	<b>\$ 539,500</b>
	<b>Office &amp; Operating Supplies</b>								
563-000	Operating Supplies	\$ 185,810	\$ 34,371	\$ 185,000	\$ -	\$ -	\$ 185,000	\$ 23,655	\$ 102,000
	<b>Total Office &amp; Operating Supplies</b>	<b>\$ 185,810</b>	<b>\$ 34,371</b>	<b>\$ 185,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 185,000</b>	<b>\$ 23,655</b>	<b>\$ 102,000</b>
	<b>Total Administration - IT Operating Expenses</b>	<b>\$ 3,523,376</b>	<b>\$ 1,386,832</b>	<b>\$ 2,570,573</b>	<b>\$ 763,088</b>	<b>\$ -</b>	<b>\$ 3,336,121</b>	<b>\$ 990,359</b>	<b>\$ 2,961,771</b>

General Expenses - I.T.

Account	Description	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Water Utility Fund</b>									
10-02-10-540-010	WU/IT/Admin/ Professional Services	\$ 913,976	\$ 70,476	\$ 610,000	\$ 144,658	\$ -	\$ 754,658	\$ 22,955	\$ 800,000
10-02-10-543-000	WU/IT/Admin/Communication Services	\$ 146,400	\$ 89,408	\$ 109,332	\$ 3,096	\$ -	\$ 112,428	\$ 68,932	\$ 115,000
10-02-50-543-000	WU/IT/Power/Pump/Communication Services	\$ 78,792	\$ 181	\$ 13,900	\$ -	\$ -	\$ 13,900	\$ -	\$ 5,900
10-02-10-545-000	WU/IT/Admin/Rentals and Leases	\$ 57,605	\$ 26,341	\$ 20,360	\$ 4,563	\$ -	\$ 27,383	\$ 14,212	\$ 27,500
10-02-10-550-000	WU/IT/Admin/Subscription Based IT Arrangement (SBITA)	\$ 704,180	\$ 289,594	\$ 742,180	\$ 376,775	\$ -	\$ 1,118,955	\$ 311,058	\$ 767,900
10-02-10-561-000	WU/IT/Admin/Repairs and Maintenance - Other than Water System	\$ 885,261	\$ 481,579	\$ 306,700	\$ 233,996	\$ -	\$ 540,696	\$ 298,428	\$ 539,500
10-02-10-563-000	WU/IT/Admin/Operating Supplies	\$ 185,810	\$ 34,371	\$ 185,000	\$ -	\$ -	\$ 185,000	\$ 23,655	\$ 102,000
	<b>OPERATING EXPENSES</b>	<b>\$ 2,972,024</b>	<b>\$ 991,950</b>	<b>\$ 1,987,472</b>	<b>\$ 763,088</b>	<b>\$ -</b>	<b>\$ 2,753,020</b>	<b>\$ 739,240</b>	<b>\$ 2,357,800</b>
10-02-00-604-999	WU/IT/Capital Outlay - Rehabilitation and Replacement/Misc. Capital Purchases	\$ 145,001	\$ 21,283	\$ 192,159	\$ 57,665	\$ -	\$ 249,824	\$ 31,479	\$ 185,000
10-02-00-605-999	WU/IT/Capital Outlay - Expansion/Misc. Capital Purchases	\$ 920,001	\$ 34,869	\$ 906,260	\$ 58,196	\$ -	\$ 964,456	\$ 85,914	\$ 485,000
	<b>SUMMARY OF CAPITAL PURCHASES</b>	<b>\$ 1,065,002</b>	<b>\$ 56,152</b>	<b>\$ 1,098,419</b>	<b>\$ 115,861</b>	<b>\$ -</b>	<b>\$ 1,214,280</b>	<b>\$ 117,393</b>	<b>\$ 670,000</b>
	<b>SUMMARY OF OPERATING EXPENSES</b>	<b>\$ 2,972,024</b>	<b>\$ 991,950</b>	<b>\$ 1,987,472</b>	<b>\$ 763,088</b>	<b>\$ -</b>	<b>\$ 2,753,020</b>	<b>\$ 739,240</b>	<b>\$ 2,357,800</b>
	<b>SUMMARY OF CAPITAL PURCHASES</b>	<b>\$ 1,065,002</b>	<b>\$ 56,152</b>	<b>\$ 1,098,419</b>	<b>\$ 115,861</b>	<b>\$ -</b>	<b>\$ 1,214,280</b>	<b>\$ 117,393</b>	<b>\$ 670,000</b>
	<b>OPERATING EXPENSES PLUS CAPITAL OUTLAY</b>	<b>\$ 4,037,026</b>	<b>\$ 1,048,102</b>	<b>\$ 3,085,891</b>	<b>\$ 878,949</b>	<b>\$ -</b>	<b>\$ 3,967,300</b>	<b>\$ 856,633</b>	<b>\$ 3,027,800</b>

General Expenses - I.T.

**TOTAL: WU/IT/Admin/ Professional Services      \$ 913,976    \$ 70,476    \$ 610,000    \$ 144,658    \$ -    \$ 754,658    \$ 22,955    \$ 800,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
As-Needed Technical Support		542,394	28,553	300,000	-	-	300,000	22,955	375,000
Network Security Maintenance		75,000	-	75,000	-	-	75,000	-	100,000
Financial System Upgrade	Upgrade of Microsoft GP and upgrade of Paramount WorkPlace with As-needed Technical Services (troubleshooting, training)	175,000	-	175,000	140,000	-	315,000	-	325,000
IT Strategic Plan - Review & Align Billing System Configuration	IT Strategic Plan - Review & Align Billing System Configuration	1	-	-	-	-	-	-	-
Website Replacement	Develop DOW website	46,581	41,923	10,000	4,658	-	14,658	-	-
Security installation and testing		75,000	-	50,000	-	-	50,000	-	-

General Expenses - I.T.

**TOTAL: WU/IT/Admin/Communication Services    \$ 146,400    \$ 89,408    \$ 109,332    \$ 3,096    \$ -    \$ 112,428    \$ 68,932    \$ 115,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Main Telephone Lines		7,000	-	102,600	-	-	102,600	41,169	105,000
Verizon		-	-	-	-	-	-	23,572	-
Internet Connection		11,645	-	6,132	3,096	-	9,228	4,191	10,000
Lavanet		833	-	600	-	-	600	-	-
Frame Relay (128K)		3,500	-	-	-	-	-	-	-
Frame Relay (56K)		2,000	-	-	-	-	-	-	-
Bandwidth		61,705	-	-	-	-	-	-	-
Elevator; Panic Button; Fire Alarm	Admin, Microlab	5,000	-	-	-	-	-	-	-
Ops Fax Line; Microlab Fire Alarm; Fax Machine		1,500	-	-	-	-	-	-	-
Fax for front office building		1,500	-	-	-	-	-	-	-
Fire Alarm	2 Lines - Ops	-	-	-	-	-	-	-	-
Frame Relay (AS400)		-	-	-	-	-	-	-	-
Long Distance Charges		2,000	-	-	-	-	-	-	-
T-Mobile Router		840	-	-	-	-	-	-	-
Cellular Phone (Office, includes cell phones, Ipads, and Mobile Hot Spots; Telemetry for SCADA)	Office, includes cell phones, Ipads, and Mobile Hot Spots; Telemetry for SCADA	41,377	-	-	-	-	-	-	-
Anticipated Inflation		7,500	-	-	-	-	-	-	-

General Expenses - I.T.

**TOTAL: WU/IT/Power/Pump/Communication Services**      \$ 78,792   \$ 181   \$ 13,900   \$ -   \$ -   \$ 13,900   \$ -   \$ 5,900

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Frame Relay (56K) R065		19,155	181	2,400	-	-	2,400	-	2,400
HT SCADA Net	10M DIA	3,500	-	3,500	-	-	3,500	-	3,500
Anticipated Inflation		8,000	-	8,000	-	-	8,000	-	-
SCADA Room		750	-	-	-	-	-	-	-
Haena Connection		750	-	-	-	-	-	-	-
Hanalei Connection		750	-	-	-	-	-	-	-
SCADA Alarm		750	-	-	-	-	-	-	-
Auto Dialer - Lihue		750	-	-	-	-	-	-	-
Lawai #2		750	-	-	-	-	-	-	-
Kekaha - Paua		750	-	-	-	-	-	-	-
Auto Dialer - Kilauea		750	-	-	-	-	-	-	-
SCADA Submaster - Kilauea		750	-	-	-	-	-	-	-
Hanamaulu Tank Circuit		500	-	-	-	-	-	-	-
Frame Relay (56K) Ornellas		1,750	-	-	-	-	-	-	-
Frame Relay (56K) Kalaheo		2,000	-	-	-	-	-	-	-
Frame Relay (56K) Koloa		2,000	-	-	-	-	-	-	-
Frame Relay (56K) Nonou		2,000	-	-	-	-	-	-	-
Frame Relay (56K) Eleele		2,000	-	-	-	-	-	-	-
Frame Relay (56K) Kekaha/Waimea		2,000	-	-	-	-	-	-	-
Frame Relay (56K) Kilauea		2,000	-	-	-	-	-	-	-
Haena Well Connection		750	-	-	-	-	-	-	-
Waipao/Kekaha Connection		500	-	-	-	-	-	-	-
Paua/Kekaha Connection		500	-	-	-	-	-	-	-
Hanamaulu Booster		750	-	-	-	-	-	-	-
Cell phones for standby personnel	Cell Phone for Operations Personnel; monthly services.	24,637	-	-	-	-	-	-	-

General Expenses - I.T.

**TOTAL: WU/IT/Admin/Rentals and Leases**      \$ 57,605   \$ 26,341   \$ 20,360   \$ 4,563   \$ -   \$ 27,383   \$ 14,212   \$ 27,500

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Copier Leases	Copiers/Printers	39,326	24,751	19,320	4,563	-	23,883	12,624	24,000
Postage Machine/Scale Feeder		4,029	1,590	3,500	-	-	3,500	1,588	3,500
Copier usage fees	Xerox and Ricoh	2,750	-	-	-	-	-	-	-
PaperCut	Xerox sole source	1,200	-	-	-	-	-	-	-
Safe Deposit Box		300	-	-	-	-	-	-	-
Wide Format Scanner		10,000	-	-	-	-	-	-	-

General Expenses - I.T.

**TOTAL: WU/IT/Admin/Subscription Based IT Arrangement (SBITA) \$ 704,180 \$ 289,594 \$ 742,180 \$ 376,775 \$ - \$ 1,118,955 \$ 311,058 \$ 767,900**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Prithibi Consulting	CC&B Software, Cloud Hosting	370,000	-	370,000	365,027	-	735,027	246,664	370,000
Crowdstrike	299 endpoints	50,000	-	50,000	-	-	50,000	-	50,000
Cisco FLEX licensing	62 -> 80 seats	18,000	-	18,000	-	-	18,000	-	18,000
O365 Enterprise E3	CDW 125 seats	50,000	-	50,000	-	-	50,000	-	50,000
O365 Threat Intelligence	CDW 125 seats	9,000	-	9,000	-	-	9,000	-	10,000
O365 Teams	CDW 125 seats	7,500	-	7,500	-	-	7,500	-	7,500
O365 Conf	CDW 20 seats; initiate meeting	750	-	750	-	-	750	-	800
MS Visio	CDW 9 seats	2,250	-	2,250	-	-	2,250	-	2,500
MS Teams	CDW 125 seats	7,500	-	7,500	-	-	7,500	-	7,500
Adobe Acrobat DC	SHI 55 seats	16,000	-	16,000	11,748	-	27,748	-	30,000
Adobe Creative Cloud	SHI 1 seat	900	-	900	-	-	900	-	900
Bluebeam	ENG - SHI 9 seats	5,200	-	5,200	-	-	5,200	-	5,200
AutoCAD	ENG - AutoCAD 2 seats	4,500	-	4,500	-	-	4,500	-	4,500
Innovyze	ENG - InfoWater Pro 1 seat	11,000	-	11,000	-	-	11,000	-	11,000
Cloud Backup - Rapid Recovery		34,580	-	34,580	-	-	34,580	-	35,000
Firewall		2,500	-	2,500	-	-	2,500	-	2,500
Splashtop		5,800	-	5,800	-	-	5,800	-	5,800
Rapid Recovery	VPLS 1 yr incl 2TB + 10 TB	9,500	-	9,500	-	-	9,500	-	9,500
Pairsoft	Paramount Workplace Year 2 of 3	9,100	-	9,100	-	-	9,100	-	9,100
Cyberlock		4,000	-	4,000	-	-	4,000	-	4,000
Zoom		3,600	-	3,600	-	-	3,600	-	3,600
Trimble Software		35,000	-	35,000	-	-	35,000	-	35,000
Carahsoft	OpenGov Cartegraph (Year 2 of 5)	40,000	-	40,000	-	-	40,000	41,083	45,000
Website hosting		1,500	-	1,500	-	-	1,500	-	1,500
Website maintenance		6,000	-	6,000	-	-	6,000	-	6,000
Annual License Fee	Cloud-based document workflow and repository	-	-	23,000	-	-	23,000	-	23,000
Implementation	Cloud-based document workflow and repository	-	-	15,000	-	-	15,000	-	20,000

General Expenses - I.T.

**TOTAL: WU/IT/Admin/Repairs and Maintenance - Other than Water System**      \$ 885,261    \$ 481,579    \$ 306,700    \$ 233,996    \$ -    \$ 540,696    \$ 298,428    \$ 539,500

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Dell Maintenance	Extension of Yearly Server Maintenance	27,600	-	27,600	-	-	27,600	53,191	80,000
ESRI	DOW supplement payment to County for use of ESRI (Engineering)	20,700	-	20,700	-	-	20,700	-	21,000
VoIP Phone	Hawaiian Tel	17,000	-	17,000	-	-	17,000	-	17,000
OCE Printer/Scanner	Engineering	12,000	-	12,000	-	-	12,000	-	12,000
Fire Suppression Systems	Admin-Fenwall FM-200 Fire Suppression System	5,000	-	5,000	-	-	5,000	-	5,000
SSL Certificate	Admin	1,400	-	1,400	-	-	1,400	-	1,500
SCADA System Integrator Consulting and Maintenance Contract (Annually)	Outside services - Islandwide SCADA control system remote site maintenance.	360,206	152,630	180,000	165,178	-	345,178	165,178	350,000
Veritas Backup Exec Silver - SCADA	SHI	3,000	-	3,000	-	-	3,000	-	3,000
SCADA - Wonderware		40,000	-	40,000	-	-	40,000	-	40,000
	CC&B Cloud Hosting	383,527	277,497	-	-	-	-	-	-
	Fourwinds	8,978	-	-	-	-	-	-	-
	Innovyze	5,850	-	-	-	-	-	-	-

General Expenses - I.T.

**TOTAL: WU/IT/Admin/Operating Supplies**      \$ 185,810    \$ 34,371    \$ 185,000    \$ -    \$ -    \$ 185,000    \$ 23,655    \$ 102,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Computer Supplies	Batteries, storage devices, toner, etc	40,810	34,371	40,000	-	-	40,000	23,655	40,000
Computer Hardware	Printers, external hard drives, etc	10,000		10,000	-	-	10,000	-	10,000
Paper & Toner	Paper for Large Format Printers	3,000		3,000	-	-	3,000	-	4,000
Mobile Devices	phone upgrades 40 qty	4,000		4,000	-	-	4,000	-	5,000
Computer Purchase	replacement computers >\$5K	110,000		110,000	-	-	110,000	-	25,000
Desk Phones	New desk phones	9,500		9,500	-	-	9,500	-	9,500
OPS iPads	17 iPads and cases for OPS GIS tools	8,500		8,500	-	-	8,500	-	8,500

General Expenses - I.T.

**TOTAL: WU/IT/Capital Outlay - Rehabilitation and Replacement/Misc. Capital Purchases**      \$ 145,001   \$ 21,283   \$ 192,159   \$ 57,665   \$ -   \$ 249,824   \$ 31,479   \$ 185,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Purchase of New/Replacement Computer	Replacement of WS/Servers, batteries	20,000	-	64,793	55,346	-	120,139	-	25,000
	Servers	20,000	-	20,000	-	-	20,000	-	10,000
	Switches	10,000	-	10,000	-	-	10,000	-	10,000
	Routers	25,000	-	25,000	-	-	25,000	-	25,000
SharePoint Upgrades	Total of \$295,000 is for 5 year costs; refine portals; trainings; develop sharepoint vision; site plans; develop new portals; archives; possible third-party software	10,000	-	10,000	-	-	10,000	-	10,000
Phone System	Upgrade phone system	1	-	1	-	-	1	-	-
Security Camera Replacment	baseyard replacement x 12, server for 45 cam	60,000	-	60,000	-	-	60,000	-	100,000
Computer Purchase	replacement computers >\$5K	-	21,283	2,365	2,319	-	4,684	29,557	5,000
Other	Boardroom projector	-	-	-	-	-	-	1,922	-

General Expenses - I.T.

**TOTAL: WU/IT/Capital Outlay - Expansion/Misc. Capital Purchases**      \$ 920,001    \$ 34,869    \$ 906,260    \$ 58,196    \$ -    \$ 964,456    \$ 85,914    \$ 485,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Purchase of New Computers/ Servers/Storage	New purchases; batteries/surge protection devices	-	34,869	48,433	58,196	-	106,629	85,914	25,000
800 Mhz Radios	Emergency Communication Equipment	1	-	1	-	-	1	-	-
CMDP Federal/State Reporting System	This holds all internal and compliance data, allows field samplers to enter field measurements, generates various reports, houses QC data and as of recently, transfers compliance data into CMDP via Web Services.	20,000	-	20,000	-	-	20,000	-	20,000
SOcaaS	Security operations center	200,000	-	137,826	-	-	137,826	-	140,000
	Hardware rebuild per CISA	300,000	-	300,000	-	-	300,000	-	300,000
Great Plains	Upgrade and/or replacement of legacy software	400,000	-	400,000	-	-	400,000	-	-
				-			-		-
							-		-

## ADMINISTRATION DIVISION - REGULATORY COMPLIANCE (RC)

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Labor &amp; Related Fringe Expenses</b>									
510-010	Salaries and Wages (including Leaves & CTO)	\$ 363,098	\$ 298,626	\$ 428,249	\$ -	\$ -	\$ 428,249	\$ 122,192	\$ 440,516
510-020	Temporary Assignment	5,000	-	5,000	-	-	5,000	-	-
510-030	Overtime	25,000	10,912	15,000	-	-	15,000	7,227	10,000
530-010	FICA	30,072	61,653	34,291	-	-	34,291	10,109	34,464
530-020	Retirement Contributions	87,144	85,072	107,580	-	-	107,580	29,326	108,124
530-030	Life & Health Insurance	29,398	30,525	50,271	-	-	50,271	19,194	58,992
530-060	Other Post Employment Benefits (OPEB)	40,976	51,305	48,070	-	-	48,070	23,021	46,513
<b>Total Labor &amp; Related Fringe Expenses</b>		<b>\$ 580,688</b>	<b>\$ 538,093</b>	<b>\$ 688,461</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 688,461</b>	<b>\$ 211,069</b>	<b>\$ 698,609</b>
<b>Professional Services &amp; Other Expenses</b>									
540-010	Professional Services	\$ 142,220	\$ -	\$ 150,000	\$ 57,180	\$ -	\$ 207,180	\$ 70,362	\$ 344,023
544-000	Freight and Postage	3,930	2,371	3,000	918	-	3,918	761	4,000
<b>Total Professional Services &amp; Other Expenses</b>		<b>\$ 146,150</b>	<b>\$ 2,371</b>	<b>\$ 153,000</b>	<b>\$ 58,098</b>	<b>\$ -</b>	<b>\$ 211,098</b>	<b>\$ 71,123</b>	<b>\$ 348,023</b>
<b>Repair &amp; Maintenance Expenses</b>									
561-000	Repair & Maintenance-Non-Water System	\$ 13,622	\$ 7,920	\$ 10,000	\$ 2,025	\$ -	\$ 12,025	\$ 4,149	\$ 13,000
<b>Total Repair &amp; Maintenance expenses</b>		<b>\$ 13,622</b>	<b>\$ 7,920</b>	<b>\$ 10,000</b>	<b>\$ 2,025</b>	<b>\$ -</b>	<b>\$ 12,025</b>	<b>\$ 4,149</b>	<b>\$ 13,000</b>
<b>Office &amp; Operating Supplies</b>									
563-000	Operating Supplies	\$ 25,000	\$ -	\$ 25,000	\$ 48	\$ -	\$ 25,048	\$ 4,847	\$ 26,000
<b>Total Office &amp; Operating Supplies</b>		<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 48</b>	<b>\$ -</b>	<b>\$ 25,048</b>	<b>\$ 4,847</b>	<b>\$ 26,000</b>
<b>Training, Travel, and Meeting Expense</b>									
571-010	Training and Development	\$ 5,000	\$ 300	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ 350	\$ 10,500
<b>Total Training, Travel, and Meeting Expense</b>		<b>\$ 5,000</b>	<b>\$ 300</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 350</b>	<b>\$ 10,500</b>
<b>Total Administration - RC Operating Expenses</b>		<b>\$ 770,460</b>	<b>\$ 548,684</b>	<b>\$ 881,461</b>	<b>\$ 60,171</b>	<b>\$ -</b>	<b>\$ 941,632</b>	<b>\$ 291,538</b>	<b>\$ 1,096,132</b>

General Expenses - Regulatory Compliance

Account	Description	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 1/31/2026	FY 2027 Proposed Budget
<b>Water Utility Fund</b>									
10-10-XX-540-010	WU/Admin/Regulatory Compliance/Professional Services - General	\$ 142,220	\$ -	\$ 150,000	\$ 57,180	\$ -	\$ 207,180	\$ 70,362	\$ 344,023
10-10-XX-544-000	WU/Admin/Regulatory Compliance/Freight and Postage Services	\$ 3,930	\$ 2,371	\$ 3,000	\$ 918	\$ -	\$ 3,918	\$ 761	\$ 4,000
10-10-XX-561-000	WU/Admin/Regulatory Compliance/Repairs and Maintenance - Other than Water System	\$ 13,622	\$ 7,920	\$ 10,000	\$ 2,025	\$ -	\$ 12,025	\$ 4,149	\$ 13,000
10-10-XX-563-000	WU/Admin/Regulatory Compliance/Operating Supplies	\$ 25,000	\$ -	\$ 25,000	\$ 48	\$ -	\$ 25,048	\$ 4,847	\$ 26,000
10-10-XX-571-010	WU/Admin/Regulatory Compliance/Training and Development	\$ 5,000	\$ 300	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ 350	\$ 10,500
	<b>OPERATING EXPENSES</b>	<b>\$ 189,772</b>	<b>\$ 10,591</b>	<b>\$ 193,000</b>	<b>\$ 60,171</b>	<b>\$ -</b>	<b>\$ 253,171</b>	<b>\$ 80,469</b>	<b>\$ 397,523</b>
10-10-XX-604-999	WU/Admin/Regulatory Compliance/Misc. Capital Outlay - Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,200
	<b>SUMMARY OF CAPITAL EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,200</b>
	SUMMARY OF OPERATING EXPENSES	\$ 189,772	\$ 10,591	\$ 193,000	\$ 60,171	\$ -	\$ 253,171	\$ 80,469	\$ 397,523
	SUMMARY OF CAPITAL PURCHASES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,200
	<b>OPERATING EXPENSES PLUS CAPITAL OUTLAY</b>	<b>\$ 189,772</b>	<b>\$ 10,591</b>	<b>\$ 193,000</b>	<b>\$ 60,171</b>	<b>\$ -</b>	<b>\$ 253,171</b>	<b>\$ 80,469</b>	<b>\$ 409,723</b>

General Expenses - Regulatory Compliance

WU/Admin/Regulatory

**TOTAL: Compliance/Professional Services - General**      \$ 142,220    \$ -    \$ 150,000    \$ 57,180    \$ -    \$ 207,180    \$ 70,362    \$ 344,023

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 1/31/2026	FY 2027 Proposed Budget
Water sample testing services (Contract Lab Services)	EPA-mandated UCMR4	142,220	-	100,000	57,180	-	157,180	46,765	100,000
AWIA RRA and ERP Update	Contract moved to Regulatory Compliance Section in FY2027	-	-	50,000	-	-	50,000	23,597	244,023

General Expenses - Regulatory Compliance

**TOTAL: WU/Admin/Regulatory Compliance/Freight and Postage Services**    \$ 3,930    \$ 2,371    \$ 3,000    \$ 918    \$ -    \$ 3,918    \$ 761    \$ 4,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 1/31/2026	FY 2027 Proposed Budget
Shipping samples	24 shipments of \$100 each (shipping samples to contract lab)	3,930	2,371	3,000	918	-	3,918	761	3,000
Shipping equipment for calibration		-	-	-	-	-	-	-	1,000

General Expenses - Regulatory Compliance

WU/Admin/Regulatory

**TOTAL: Compliance/Repairs and Maintenance - Other than Water System**    \$ 13,622    \$ 7,920    \$ 10,000    \$ 2,025    \$ -    \$ 12,025    \$ 4,149    \$ 13,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 1/31/2026	FY 2027 Proposed Budget
Autoclave maintenance and repairs	Annual inspection and contingency for possible repair	13,622	7,920	10,000	2,025	-	12,025	4,149	10,000
Reverse Osmosis maintenance and repairs	Annual inspection, maintenance and contingency for possible repairs	-	-	-	-	-	-	-	2,500
Analytical Balance	Annual maintenance and contingency for possible repairs	-	-	-	-	-	-	-	500

General Expenses - Regulatory Compliance

**TOTAL: WU/Admin/Regulatory Compliance/Operating Supplies**      \$ 25,000    \$ -    \$ 25,000    \$ 48    \$ -    \$ 25,048    \$ 4,847    \$ 26,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 1/31/2026	FY 2027 Proposed Budget
Lab supplies	Sample bottles, reagents, media	25,000	-	25,000	48	-	25,048	4,847	25,000
Water Quality Reports (CCR's)	Preparation & Mailing of Annual Water Quality Reports Notices	-	-	-	-	-	-	-	1,000

General Expenses - Regulatory Compliance

**TOTAL: WU/Admin/Regulatory Compliance/Training and Development**      \$ 5,000    \$ 300    \$ 5,000    \$ -    \$ -    \$ 5,000    \$ 350    \$ 10,500

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 1/31/2026	FY 2027 Proposed Budget
Training classes	SDOH & EPA rules and regulations and lab data management (CMDP)	5,000	300	5,000	-	-	5,000	350	2,000
Conferences	AWWA, HRWA, NRWA Expositions, Training Classes and Conferences	-	-	-	-	-	-	-	8,500



## FISCAL DIVISION -BILLING

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
	<b>Labor &amp; Related Fringe Expenses</b>								
510-010	Salaries and Wages (including Leaves & CTO)	\$ 655,197	\$ 757,352	\$ 559,377	\$ -	\$ -	\$ 559,377	\$ 365,625	\$ 581,427
510-020	Temporary Assignment	5,000	757	5,000	-	-	5,000	1,711	2,500
510-030	Overtime	65,000	49,151	75,000	-	-	75,000	8,546	15,000
530-010	FICA	55,477	77,578	48,912	-	-	48,912	28,682	45,818
530-020	Retirement Contributions	157,247	184,783	153,450	-	-	153,450	88,810	143,742
530-030	Life & Health Insurance	94,075	107,203	100,543	-	-	100,543	93,341	117,982
530-060	Other Post Employment Benefits (OPEB)	107,960	123,635	96,140	-	-	96,140	69,716	93,025
	<b>Total Labor &amp; Related Fringe Expenses</b>	<b>\$ 1,139,956</b>	<b>\$ 1,300,459</b>	<b>\$ 1,038,422</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,038,422</b>	<b>\$ 656,431</b>	<b>\$ 999,494</b>
	<b>Professional Services &amp; Other Expenses</b>								
540-010	Professional Services	\$ 1	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ -	\$ -
541-010	Other Services	33,000	24,203	34,400	14,764	-	49,164	22,020	31,600
541-020	Other Services -Billing Costs	197,652	244,131	240,330	138,101	-	378,431	146,941	235,566
	<b>Total Professional Services &amp; Other Expenses</b>	<b>\$ 230,653</b>	<b>\$ 268,334</b>	<b>\$ 279,730</b>	<b>\$ 152,865</b>	<b>\$ -</b>	<b>\$ 432,595</b>	<b>\$ 168,961</b>	<b>\$ 267,166</b>
	<b>Office &amp; Operating Supplies</b>								
563-000	Operating Supplies	\$ 3,000	\$ 3,632	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ 2,896	\$ 3,000
570-000	Books, Subscriptions, & Dues	-	-	-	-	-	-	-	-
	<b>Total Office &amp; Operating Supplies</b>	<b>\$ 3,000</b>	<b>\$ 3,632</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ 2,896</b>	<b>\$ 3,000</b>
	<b>Training, Travel, and Meeting Expense</b>								
571-010	Training and Development	\$ 3,000	\$ 705	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ 1,000	\$ -
572-010	Travel and Per Diem	1,000	2,474	3,000	-	-	3,000	3,784	-
573-010	Meeting Expense	600	-	1,000	-	-	1,000	-	-
	<b>Total Training, Travel, and Meeting Expense</b>	<b>\$ 4,600</b>	<b>\$ 3,179</b>	<b>\$ 8,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,000</b>	<b>\$ 4,784</b>	<b>\$ -</b>
	<b>Total Fiscal Division - Billing Operating Expenses</b>	<b>\$ 1,378,209</b>	<b>\$ 1,575,604</b>	<b>\$ 1,329,152</b>	<b>\$ 155,865</b>	<b>\$ -</b>	<b>\$ 1,482,017</b>	<b>\$ 833,072</b>	<b>\$ 1,269,660</b>

General Expenses - Billing

Account	Description	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Water Utility Fund</b>		<b>\$ 238,253</b>	<b>\$ 275,145</b>	<b>\$ 290,730</b>	<b>\$ 155,865</b>	<b>\$ -</b>	<b>\$ 443,595</b>	<b>\$ 176,641</b>	<b>\$ 270,166</b>
10-30-20-540-010	WU/Bill/Collection/Professional Services - General	\$ 1	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ -	\$ -
10-30-20-541-010	WU/Bill/Collection/Other Services	\$ 33,000	\$ 24,203	\$ 34,400	\$ 14,764	\$ -	\$ 49,164	\$ 22,020	\$ 31,600
10-30-20-541-020	WU/Bill/Collection/Billing Costs	\$ 197,652	\$ 244,131	\$ 240,330	\$ 138,101	\$ -	\$ 378,431	\$ 146,941	\$ 235,566
10-30-20-563-000	WU/Bill/Collection/Operating Supplies	\$ 3,000	\$ 3,632	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ 2,896	\$ 3,000
10-30-20-570-010	WU/Bill/Collection/Books, Publications, Subscriptions, and Memberships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-30-20-570-010	WU/Bill/Collection/Training and Development	\$ 3,000	\$ 705	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ 1,000	\$ -
10-30-20-572-010	WU/Bill/Collection/Travel and Per Diem	\$ 1,000	\$ 2,474	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ 3,784	\$ -
10-30-20-573-010	WU/Bill/Collection/Meeting Expense	\$ 600	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -
	TOTAL OPERATING EXPENSES	\$ 238,253	\$ 275,145	\$ 290,730	\$ 155,865	\$ -	\$ 443,595	\$ 176,641	\$ 270,166

General Expenses - Billing

**TOTAL: WU/Bill/Collection/Professional Services - General**      \$      1      \$      -      \$      5,000      \$      -      \$      -      \$      5,000      \$      -      \$      -

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Consulting Services	Billing Software Services	-	-	5,000	-	-	5,000	-	-
Project Management	To implement online and credit card payments options	-	-	-	-	-	-	-	-
CC&B Support and Change Requests	CC&B Software & Hardware Support - Kauai cost allocation	-	-	-	-	-	-	-	-
Project Management	Alternative Billing Software	-	-	-	-	-	-	-	-
\$ Fund	\$ Fund	1	-	-	-	-	-	-	-

General Expenses - Billing

**TOTAL: WU/Bill/Collection/Other Services      \$    33,000    \$    24,203    \$    34,400    \$    14,764    \$                    -    \$    49,164    \$    22,020    \$    31,600**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Armored Car Service	Deposit pick up from DOW to Bank institution	9,000	8,904	9,400	-	-	9,400	5,936	9,400
Processing Service	Bank fees / Lock box processing fees (moved from 541-020)	24,000	15,299	25,000	-	-	25,000	7,123	15,000
CC&B Data	Monthly water usage data - MOU with County DPW	-	-	-	14,764	-	14,764	8,961	7,200

General Expenses - Billing

**TOTAL: WU/Bill/Collection/Billing Costs                    \$ 197,652   \$ 244,131   \$ 240,330   \$ 138,101   \$ -   \$ 378,431   \$ 146,941   \$ 235,566**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Postage for Water Bills	Postage for Water Bills (bulk mailing services)	120,000	138,789	145,000	123,390	-	268,390	64,924	145,000
Bill Processing Fees	Bill Processing fees (annual)	48,000	58,312	50,400	-	-	50,400	34,987	51,000
Beacon Subscription Fee	Subscription Fee for Meters (\$0.69 per cellular meter per month ~ total 2,800)	14,472	4,493	24,000	11,287	-	35,287	35,944	23,184
Beacon Subscription Fee	Subscription Fee for Meters (\$0.05 per ME meter per month ~ total 21,704)	13,080	40,437	14,000	1,324	-	15,324	8,986	13,022
Badger Service License Agreement	Annual Service agreement February renewal - mobile read, license service agreement (\$30 ~112 qty)	2,100	2,100	6,930	2,100	-	9,030	2,100	3,360

General Expenses - Billing

**TOTAL: WU/Bill/Collection/Operating Supplies**      \$    3,000    \$    3,632    \$    3,000    \$    3,000    \$            -    \$    3,000    \$    2,896    \$    3,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Miscellaneous supplies	Binders, receipt paper, and other supplies not covered in the office supply budget, meter reading small tools	3,000	3,632	3,000	3,000	-	3,000	2,896	3,000

General Expenses - Billing

**TOTAL: WU/Bill/Collection/Training and Development**    \$    3,000    \$    705    \$    4,000    \$    -    \$    -    \$    4,000    \$    1,000    \$    -

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Staff Training	Staff training, other	3,000	705	4,000	-	-	4,000	1,000	-

General Expenses - Billing

**TOTAL: WU/Bill/Collection/Travel and Per Diem**    \$    1,000    \$    2,474    \$    3,000    \$    -    \$    -    \$    3,000    \$    3,784    \$    -

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Travel & Per Diem (airfare, lodging, transportation, post-travel expenses)	AWWA, HWWA, Professional trainings, conferences, continuing education, etc.	1,000	2,474	3,000	-	-	3,000	3,784	-

General Expenses - Billing

**TOTAL: WU/Bill/Collection/Meeting Expense**      \$      600      \$      -      \$      1,000      \$      -      \$      -      \$      1,000      \$      -      \$      -

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Registration Fees	Conference, professional, continuing education, training, meetings	600	-	1,000	-	-	1,000	-	-

## FISCAL DIVISION -ACCOUNTING

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
	<b>Labor &amp; Related Fringe Expenses</b>								
510-010	Salaries and Wages (including Leaves & CTO)	\$ 814,645	\$ 919,478	\$ 637,900	\$ -	\$ -	\$ 637,900	\$ 429,203	\$ 662,207
510-020	Temporary Assignment	5,000	1,307	5,000	-	-	5,000	542	2,500
510-030	Overtime	70,000	84,032	80,000	-	-	80,000	12,395	20,000
530-010	FICA	68,058	87,653	55,302	-	-	55,302	31,803	52,380
530-020	Retirement Contributions	195,514	266,487	173,496	-	-	173,496	106,061	164,330
530-030	Life & Health Insurance	84,668	94,485	70,380	-	-	70,380	66,357	82,588
530-060	Other Post Employment Benefits (OPEB)	97,165	179,707	67,298	-	-	67,298	83,259	65,117
	<b>Total Labor &amp; Related Fringe Expenses</b>	<b>\$ 1,335,050</b>	<b>\$ 1,633,149</b>	<b>\$ 1,089,376</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,089,376</b>	<b>\$ 729,620</b>	<b>\$ 1,049,122</b>
	<b>Professional Services &amp; Other Expenses</b>								
540-010	Professional Services	\$ 50,200	\$ 32,896	\$ 52,500	\$ 2,460	\$ -	\$ 54,960	\$ -	\$ 29,500
540-020	Professional Services - Accounting and Auditing	118,000	108,471	120,100	17,870	-	137,970	94,346	117,200
541-010	Other Services	25,000	22,413	28,000	-	-	25,000	16,318	25,000
550-000	Subscription Based IT Arrangements (SBITAs)	95,000	67,050	-	26,550	-	26,550	26,697	-
	<b>Total Professional Services &amp; Other Expenses</b>	<b>\$ 288,200</b>	<b>\$ 230,830</b>	<b>\$ 200,600</b>	<b>\$ 46,880</b>	<b>\$ -</b>	<b>\$ 244,480</b>	<b>\$ 137,361</b>	<b>\$ 171,700</b>
	<b>Office &amp; Operating Supplies</b>								
562-000	Office Supplies	\$ 2,363	\$ 2,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
563-000	Operating Supplies	4,000	5,913	4,000	-	-	4,000	455	4,000
570-000	Books, Subscriptions, & Dues	1,000	362	1,005	-	-	1,005	-	1,005
	<b>Total Office &amp; Operating Supplies</b>	<b>\$ 7,363</b>	<b>\$ 8,811</b>	<b>\$ 5,005</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,005</b>	<b>\$ 455</b>	<b>\$ 5,005</b>
	<b>Training, Travel, and Meeting Expense</b>								
571-010	Training and Development	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -
572-010	Travel and Per Diem	6,000	6,463	10,000	-	-	10,000	-	-
573-010	Meeting Expense	1,500	935	3,000	-	-	3,000	935	-
	<b>Total Training, Travel, and Meeting Expense</b>	<b>\$ 8,500</b>	<b>\$ 7,398</b>	<b>\$ 14,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,000</b>	<b>\$ 935</b>	<b>\$ -</b>
	<b>Total Fiscal Division - Accounting Operating Expenses</b>	<b>\$ 1,639,113</b>	<b>\$ 1,880,188</b>	<b>\$ 1,308,981</b>	<b>\$ 46,880</b>	<b>\$ -</b>	<b>\$ 1,352,861</b>	<b>\$ 868,371</b>	<b>\$ 1,225,827</b>

General Expenses - Accounting

Account	Description	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Water Utility Fund</b>		<b>\$ 304,063</b>	<b>\$ 247,039</b>	<b>\$ 219,605</b>	<b>\$ 46,880</b>	<b>\$ -</b>	<b>\$ 263,485</b>	<b>\$ 138,751</b>	<b>\$ 176,705</b>
<a href="#">10-31-10-540-010</a>	WU/Acctg/Admin/Professional Services - General	\$ 50,200	\$ 32,896	\$ 52,500	\$ 2,460	\$ -	\$ 54,960	\$ -	\$ 29,500
<a href="#">10-31-10-540-020</a>	WU/Acctg/Admin/Accounting and Auditing	\$ 118,000	\$ 108,471	\$ 120,100	\$ 17,870	\$ -	\$ 137,970	\$ 94,346	\$ 117,200
<a href="#">10-31-10-541-010</a>	WU/Acctg/Admin/Other Services - General	\$ 25,000	\$ 22,413	\$ 28,000	\$ -	\$ -	\$ 25,000	\$ 16,318	\$ 25,000
<a href="#">10-31-10-550-000</a>	WU/Acctg/Admin/Subscription Based IT Arrangements (SBITAs)	\$ 95,000	\$ 67,050	\$ -	\$ 26,550	\$ -	\$ 26,550	\$ 26,697	\$ -
<a href="#">10-31-10-562-000</a>	WU/Acctg/Admin/Office Supplies	\$ 2,363	\$ 2,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<a href="#">10-31-10-563-000</a>	WU/Acctg/Admin/Operating Supplies	\$ 4,000	\$ 5,913	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ 455	\$ 4,000
<a href="#">10-31-10-570-010</a>	WU/Acctg/Admin/Books, Publications, Subscriptions, and Memberships	\$ 1,000	\$ 362	\$ 1,005	\$ -	\$ -	\$ 1,005	\$ -	\$ 1,005
<a href="#">10-31-10-571-010</a>	WU/Acctg/Admin/Training and Development	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -
<a href="#">10-31-10-572-010</a>	WU/Acctg/Admin/Travel & Per Diem	\$ 6,000	\$ 6,463	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ -	\$ -
<a href="#">10-31-10-573-010</a>	WU/Acctg/Admin/Meeting Expense	\$ 1,500	\$ 935	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ 935	\$ -
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 304,063</b>	<b>\$ 247,039</b>	<b>\$ 219,605</b>	<b>\$ 46,880</b>	<b>\$ -</b>	<b>\$ 263,485</b>	<b>\$ 138,751</b>	<b>\$ 176,705</b>

General Expenses - Accounting

**TOTAL: WU/Acctg/Admin/Professional Services - General**      \$ 50,200    \$ 32,896    \$ 52,500    \$ 2,460    \$ -    \$ 54,960    \$ -    \$ 29,500

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Bond Counsel	County's allocation to DOW. County makes all decisions regarding issuing and refunding bonds.	15,000	-	15,000	-	-	15,000	-	-
MOU GASB 68- State Auditor	Reimbursement of pension audit costs	3,700	-	4,500	-	-	4,500	-	5,000
MOU GASB 75- State Auditor	Reimbursement of OPEB audit costs	4,200	4,200	4,800	-	-	4,800	-	5,300
OPEB Actuarial Valuation Report - EUTF	Reimbursement for July 1, 20XX OPEB Actuarial Valuation Report	11,600	15,600	11,900	-	-	11,900	-	12,400
GASB 75 Valuation Report - EUTF	Reimbursement for GASB 75 Valuation Report	3,200	4,300	3,500	-	-	3,500	-	3,500
GASB 68 Actuarial Valuation Report, Supporting Schedules - ERS	Reimbursement for June 30, 20XX Pension Actuarial Report and supporting schedules	2,500	2,650	2,800	-	-	2,800	-	3,300
Consulting Services	Consulting Services as needed	10,000	6,146	10,000	2,460	-	12,460	-	

General Expenses - Accounting

**TOTAL: WU/Acctg/Admin/Accounting and Auditing**      \$ 118,000   \$ 108,471   \$ 120,100   \$ 17,870   \$ -   \$ 137,970   \$ 94,346   \$ 117,200

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Auditor	Annual Financial Audit	98,000	108,471	100,100	12,470	-	112,570	94,346	102,200
Consultant	Consulting services as needed.	20,000	-	20,000	5,400	-	25,400	-	15,000

General Expenses - Accounting

**TOTAL: WU/Acctg/Admin/Other Services - General**      \$ 25,000   \$ 22,413   \$ 28,000   \$ -   \$ -   \$ 25,000   \$ 16,318   \$ 25,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Bank Service Fees	Analysis Charge ( Average \$2,300 per month = \$27,600 say \$28,000)	25,000	22,413	28,000	-	-	25,000	16,318	25,000

General Expenses - Accounting

**TOTAL: WU/Acctg/Admin/Subscription Based IT Arrangements (SBITAs)**    \$ 95,000    \$ 67,050    \$ -    \$ 26,550    \$ -    \$ 26,550    \$ 26,697    \$ -

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Debt Book	GASB 87 and 96 Software	10,000	-	-	-	-	-	-	-
Annual License Fee	Cloud-based document workflow and repository	15,000	15,000	-	-	-	-	-	-
Implementation	Cloud-based document workflow and repository	70,000	52,050	-	26,550	-	26,550	26,697	-
	Note: SBITA moved to IT								

General Expenses - Accounting

**TOTAL: WU/Acctg/Admin/Operating Supplies      \$    4,000    \$    5,913    \$    4,000    \$           -    \$           -    \$    4,000    \$    455    \$    4,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Miscellaneous supplies	Binders and other specialty items not included in the Admin office supply budget	4,000	5,913	4,000	-	-	4,000	455	4,000

General Expenses - Accounting

**TOTAL: WU/Acctg/Admin/Books, Publications, Subscriptions, and Memberships**      \$ 1,000    \$ 362    \$ 1,005    \$ -    \$ -    \$ 1,005    \$ -    \$ 1,005

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
GFOA, AGA Membership	Annual membership for professional accounting dues	1,000	362	705	-	-	705	-	705
Subscriptions	Accounting profession subscriptions	-		300	-	-	300	-	300

General Expenses - Accounting

**TOTAL: WU/Acctg/Admin/Training and Development**      \$ 1,000    \$ -    \$ 1,000    \$ -    \$ -    \$ 1,000    \$ -    \$ -

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Trainings	Staff training, other	1,000	-	1,000	-	-	1,000	-	-

General Expenses - Accounting

**TOTAL: WU/Acctg/Admin/Travel & Per Diem      \$    6,000    \$    6,463    \$    10,000    \$           -    \$           -    \$    10,000    \$           -    \$           -**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Travel & Per Diem (airfare, lodging, transportation, post-travel expenses)	GFOA - Continuing Education for GAAP and GASB updates, conference, Accounting updates, AWWA, HWWA, Professional trainings, conferences, continuing education, etc.	6,000	6,463	10,000	-	-	10,000	-	-

General Expenses - Accounting

**TOTAL: WU/Acctg/Admin/Meeting Expense**      \$    1,500    \$    935    \$    3,000    \$    -    \$    -    \$    3,000    \$    935    \$    -

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Registration Fees	GFOA, AGA conference, professional, continuing education, training, meetings, etc.	1,500	935	3,000	-	-	3,000	935	-

## ENGINEERING DIVISION - ADMINISTRATION

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
	<b>Labor &amp; Related Fringe Expenses</b>								
510-010	Salaries and Wages (including Leaves & CTO)	\$ 500,253	\$ 526,035	\$ 322,881	\$ -	\$ -	\$ 322,881	\$ 215,156	\$ 505,115
510-020	Temporary Assignment	-	-	-	-	-	-	6,078	2,500
510-030	Overtime	89,650	67,304	50,000	-	-	50,000	6,085	15,000
530-010	FICA	42,095	47,301	28,525	-	-	28,525	16,350	39,980
530-020	Retirement Contributions	120,061	114,508	89,491	-	-	89,491	51,619	125,428
530-030	Life & Health Insurance	44,097	54,350	40,217	-	-	40,217	27,929	70,790
530-060	Other Post Employment Benefits (OPEB)	61,464	111,643	38,456	-	-	38,456	40,521	55,815
	<b>Total Labor &amp; Related Fringe Expenses</b>	<b>\$ 857,620</b>	<b>\$ 921,141</b>	<b>\$ 569,570</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 569,570</b>	<b>\$ 363,738</b>	<b>\$ 814,628</b>
	<b>Professional Services &amp; Other Expenses</b>								
540-010	Professional Services	\$ 6,508,956	\$ 1,091,359	\$ 2,680,000	\$ 4,555,074	\$ (1,320,000)	\$ 5,915,074	\$ 688,006	\$ 2,880,000
544-000	Freight and Postage	-	-	-	-	-	-	-	-
	<b>Total Professional Services &amp; Other Expenses</b>	<b>\$ 6,508,956</b>	<b>\$ 1,091,359</b>	<b>\$ 2,680,000</b>	<b>\$ 4,555,074</b>	<b>\$ (1,320,000)</b>	<b>\$ 5,915,074</b>	<b>\$ 688,006</b>	<b>\$ 2,880,000</b>
	<b>Repair &amp; Maintenance Expenses</b>								
560-000	Repair & Maintenance-Water System	\$ 205,000	\$ 2,037	\$ 205,000	\$ 189,437	\$ (5,000)	\$ 389,437	\$ -	\$ -
561-000	Repair & Maintenance-Non-Water System	-	-	-	-	5,000	5,000	-	-
	<b>Total Repair &amp; Maintenance expenses</b>	<b>\$ 205,000</b>	<b>\$ 2,037</b>	<b>\$ 205,000</b>	<b>\$ 189,437</b>	<b>\$ -</b>	<b>\$ 394,437</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Office &amp; Operating Supplies</b>								
563-000	Operating Supplies	\$ 10,564	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 13,628	\$ 10,000
570-000	Books, Subscriptions, & Dues	4,000	50	2,000	-	-	2,000	-	2,000
	<b>Total Office &amp; Operating Supplies</b>	<b>\$ 14,564</b>	<b>\$ 50</b>	<b>\$ 12,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,000</b>	<b>\$ 13,628</b>	<b>\$ 12,000</b>
	<b>Training, Travel, and Meeting Expense</b>								
571-010	Training and Development	\$ 10,000	\$ 300	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ -	\$ 4,500
572-010	Travel and Per Diem	65,250	51,441	79,500	-	-	79,500	37,086	9,500
573-010	Meeting Expense	16,000	18,817	19,950	-	-	19,950	13,173	3,000
	<b>Total Training, Travel, and Meeting Expense</b>	<b>\$ 91,250</b>	<b>\$ 70,558</b>	<b>\$ 109,450</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 109,450</b>	<b>\$ 50,259</b>	<b>\$ 17,000</b>
	<b>Total Engineering - Administration Operating Expenses</b>	<b>\$ 7,677,390</b>	<b>\$ 2,085,145</b>	<b>\$ 3,576,020</b>	<b>\$ 4,744,511</b>	<b>\$ (1,320,000)</b>	<b>\$ 7,000,531</b>	<b>\$ 1,115,631</b>	<b>\$ 3,723,628</b>

## ENGINEERING DIVISION - PROJECT MANAGEMENT (PM)

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Labor &amp; Related Fringe Expenses</b>									
510-010	Salaries and Wages (including Leaves & CTO)	\$ 676,821	\$ 630,499	\$ 679,568	\$ -	\$ -	\$ 679,568	\$ 353,921	\$ 643,044
510-020	Temporary Assignment	-	206	-	-	-	-	1,282	2,500
510-030	Overtime	30,000	51,221	60,000	-	-	60,000	16,762	20,000
530-010	FICA	54,072	59,183	56,577	-	-	56,577	29,469	50,914
530-020	Retirement Contributions	162,438	157,325	177,496	-	-	177,496	86,283	159,731
530-030	Life & Health Insurance	66,145	79,565	90,489	-	-	90,489	87,698	94,387
530-060	Other Post Employment Benefits (OPEB)	92,195	112,868	86,526	-	-	86,526	67,733	74,420
<b>Total Labor &amp; Related Fringe Expenses</b>		<b>\$ 1,081,671</b>	<b>\$ 1,090,867</b>	<b>\$ 1,150,656</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,150,656</b>	<b>\$ 643,148</b>	<b>\$ 1,044,996</b>
<b>Professional Services &amp; Other Expenses</b>									
540-010	Professional Services	\$ 968,025	\$ 70,899	\$ -	\$ 961,595	\$ -	\$ 961,595	\$ 132,938	\$ -
<b>Total Professional Services &amp; Other Expenses</b>		<b>\$ 968,025</b>	<b>\$ 70,899</b>	<b>\$ -</b>	<b>\$ 961,595</b>	<b>\$ -</b>	<b>\$ 961,595</b>	<b>\$ 132,938</b>	<b>\$ -</b>
<b>Total Engineering - PM Operating Expenses</b>		<b>\$ 2,049,696</b>	<b>\$ 1,161,766</b>	<b>\$ 1,150,656</b>	<b>\$ 961,595</b>	<b>\$ -</b>	<b>\$ 2,112,251</b>	<b>\$ 776,086</b>	<b>\$ 1,044,996</b>

## ENGINEERING DIVISION - WATER RESOURCE & PLANNING (WRP)

	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget	
<b>Labor &amp; Related Fringe Expenses</b>									
510-010	Salaries and Wages (including Leaves & CTO)	\$ 534,429	\$ 738,638	\$ 367,689	\$ -	\$ -	\$ 367,689	\$ 246,603	\$ 552,195
510-020	Temporary Assignment	15,000	18,601	15,000	-	-	15,000	1,928	2,500
510-030	Overtime	73,350	115,932	60,000	-	-	60,000	15,851	20,000
530-010	FICA	45,886	82,184	33,866	-	-	33,866	17,617	43,964
530-020	Retirement Contributions	128,395	186,074	106,245	-	-	106,245	62,395	137,927
530-030	Life & Health Insurance	36,747	81,709	40,217	-	-	40,217	32,014	58,992
530-060	Other Post Employment Benefits (OPEB)	51,220	170,625	38,456	-	-	38,456	48,980	46,513
	<b>Total Labor &amp; Related Fringe Expenses</b>	<b>\$ 885,027</b>	<b>\$ 1,393,763</b>	<b>\$ 661,473</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 661,473</b>	<b>\$ 425,388</b>	<b>\$ 862,091</b>
<b>Professional Services &amp; Other Expenses</b>									
540-010	Professional Services	\$ 78,883	\$ 16,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Professional Services &amp; Other Expenses</b>	<b>\$ 78,883</b>	<b>\$ 16,731</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Engineering - WRP Operating Expenses</b>	<b>\$ 963,910</b>	<b>\$ 1,410,494</b>	<b>\$ 661,473</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 661,473</b>	<b>\$ 425,388</b>	<b>\$ 862,091</b>

General Expenses - Engineering

Account	Description	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Water Utility Fund</b>									
10-20-10-540-010	WU/Eng/Admin/Professional Services	\$ 6,508,956	\$ 1,091,359	\$ 2,680,000	\$ 4,555,074	\$ (1,320,000)	\$ 5,915,074	\$ 688,006	\$ 2,880,000
10-21-10-540-010	WU/PM/Admin/Professional Services - General	\$ 968,025	\$ 70,899	\$ -	\$ 961,595	\$ -	\$ 961,595	\$ 132,938	\$ -
10-22-10-540-010	WU/WRP/Admin/Professional Services	\$ 78,883	\$ 16,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>10-20-10-540-010</b>	<b>WU/Eng/Admin/Professional Services (Consolidated)</b>	<b>\$ 7,555,864</b>	<b>\$ 1,178,989</b>	<b>\$ 2,680,000</b>	<b>\$ 5,516,669</b>	<b>\$ (1,320,000)</b>	<b>\$ 6,876,669</b>	<b>\$ 820,944</b>	<b>\$ 2,880,000</b>
10-20-10-544-000	WU/Eng/Admin/Freight and Postage Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-20-10-560-000	WU/Eng/Admin/Repairs & Maintenance - Water System	\$ 205,000	\$ 2,037	\$ 205,000	\$ 189,437	\$ (5,000)	\$ 389,437	\$ -	\$ -
10-20-10-561-000	WU/Eng/Admin/Repairs & Maintenance - Other than Water System	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ -
10-20-10-563-000	WU/Eng/Admin/Operating Supplies	\$ 10,564	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 13,628	\$ 10,000
10-20-10-570-010	WU/Eng/Admin/Books, Publications, Subscriptions, and Memberships	\$ 4,000	\$ 50	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ -	\$ 2,000
10-20-10-571-010	WU/Eng/Admin/Training and Development	\$ 10,000	\$ 300	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ -	\$ 4,500
10-20-10-572-010	WU/Eng/Admin/Travel and Per Diem	\$ 65,250	\$ 51,441	\$ 79,500	\$ -	\$ -	\$ 79,500	\$ 37,086	\$ 9,500
10-20-10-573-010	WU/Eng/Admin/Meeting Expense	\$ 16,000	\$ 18,817	\$ 19,950	\$ -	\$ -	\$ 19,950	\$ 13,173	\$ 3,000
	<b>SUMMARY OF OPERATING EXPENSES</b>	<b>\$ 7,866,678</b>	<b>\$ 1,251,634</b>	<b>\$ 3,006,450</b>	<b>\$ 5,706,106</b>	<b>\$ (1,320,000)</b>	<b>\$ 7,392,556</b>	<b>\$ 884,831</b>	<b>\$ 2,909,000</b>
<b>Engineering</b>	<b>Miscellaneous Capital Outlay</b>								
10-20-00-604-999	WU/Eng/Admin/Capital Outlay - R & R/Misc. Capital Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-20-00-605-999	WU/Eng/Admin/Capital Outlay - Exp/Misc. Capital Purchases	\$ 3,867	\$ -	\$ 10,000	\$ 3,867	\$ -	\$ 13,867	\$ -	\$ -
	<b>Miscellaneous Capital Outlay</b>	<b>\$ 3,867</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 3,867</b>	<b>\$ -</b>	<b>\$ 13,867</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>ENGINEERING TOTAL - OPERATING &amp; MISCELLANEOUS CAPITAL OUTLAY</b>	<b>\$ 7,870,545</b>	<b>\$ 1,251,634</b>	<b>\$ 3,016,450</b>	<b>\$ 5,709,973</b>	<b>\$ (1,320,000)</b>	<b>\$ 7,406,423</b>	<b>\$ 884,831</b>	<b>\$ 2,909,000</b>

General Expenses - Engineering

**TOTAL: WU/Eng/Admin/Professional Services**      \$ 6,508,956   \$ 1,091,359   \$ 2,680,000   \$ 4,555,074   \$ (1,320,000)   \$ 5,915,074   \$ 688,006   \$ 2,880,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
USGS Rainfall, Streamflow, and Groundwater Monitoring Program	Renewal - Joint Funding Agreement (KDOW - USGS) Rainfall, Streamflow, and Groundwater Monitoring Program	121,746	72,581	80,000	36,290	-	116,290	80,000	80,000
Kauai Water Use and Development Plan Update	Professional services to complete the Kauai Water Use and Development Plan Update	69,600	-	100,000	-	-	100,000	-	50,000
Technical Design and Specialty Technical Engineering Services	Professional Technical Design, Specialty Technical Engineering Services and Hazardous Materials Survey	2,184,714	245,531	700,000	3,134,294	(370,000)	3,464,294	309,471	1,300,000
Project Management and Inspectional Services	As-Needed Project Management and Inspectional Services	2,105,481	-	1,050,000	-	(950,000)	100,000	-	1,150,000
Kukuiolono Tank Site exchange	Site assessment for hazardous materials, demolition of tank; this is a precondition of the land swap needed for ongoing capital project to design a new tank; Title Insurance, Escrow & Appraisals	-	-	100,000	-	-	100,000	-	-
SDWA Testing	EPA mandated compliance monitoring, water sample testing services (Contract Lab Services)	142,220	-	100,000	57,180	-	157,180	46,765	-
LCRR Update	Lead and Copper Rule Revisions (LCRR) Update to meet EPA regulatory deadlines	886,421	238,957	-	373,897	-	373,897	2,444	-
Surveying	As-needed surveying services	26,916	-	50,000	46,259	-	96,259	-	50,000
Water System Investment Plan (WSIP)	Long Range plan, GIS and hydraulic model update and validation	857,958	534,290	500,000	885,054	-	1,385,054	249,326	100,000
Specialty Technical Services	Hazardous Material Survey & Specialty Engineering Services	-	-	-	-	-	-	-	150,000
Preliminary Engineering	Permit fees and project related start-up fees	5,000	-	-	-	-	-	-	-

General Expenses - Engineering

**TOTAL: \*\*WU/Eng/Admin/Repairs & Maintenance - Water System**      \$ 205,000   \$ 2,037   \$ 205,000   \$ 189,437   \$ (5,000)   \$ 389,437   \$ -   \$ -

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Water Quality Field Sampling Stations	Microbiology field sampling station	5,000	-	5,000	-	(5,000)	-	-	-
Paua Tank	Repair and remediation, additional sample testing	200,000	-	200,000	-	-	200,000	-	-
Job 09-01	Kalaheo Water System Improvements	-	2,037	-	189,437	-	189,437	-	-

General Expenses - Engineering

**TOTAL: \*\*WU/Eng/Admin/Repairs & Maintenance - Other than Water System**      \$      -      \$      -      \$      -      \$      -      \$      5,000      \$      5,000      \$      -      \$      -

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Lab equipment maintenance and repairs	Annual inspection, maintenance and repair	-	-	-	-	5,000	5,000	-	-
	***Budget moved to Administration - Regulatory Compliance***								

General Expenses - Engineering

**Total: WU/Eng/Admin/Operating Supplies**      \$ 10,564   \$ -   \$ 10,000   \$ -   \$ -   \$ 10,000   \$ 13,628   \$ 10,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Equipment and Supplies	Annual replacement of safety equipment (ear protection, hard hats, safety vests, steel toe shoes and boots); As-needed field equipment (engineering and inspection field tablets, misc tools, traffic cones, etc.); office work area equipment, ergonomics, etc. and engineering supplies.	10,564	-	10,000	-	-	10,000	13,628	10,000
Microlaboratory Supplies	Sample bottles, reagents, media								

General Expenses - Engineering

**TOTAL: WU/Eng/Admin/Books, Publications, Subscriptions, and Memberships**      \$      4,000      \$      50      \$      2,000      \$      -      \$      -      \$      2,000      \$      -      \$      2,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
American Planning Association	Annual membership for Engineering Division representatives to attend and participate in Planning events, training and updates as it relates to the water industry and other stakeholder and utilities.	2,000	-	-	-	-	-	-	-
Books/Manuals/Reference Materials	Annual purchase of reference materials as required: ASTM Manuals, AWWA Manuals, Cross-Connection Control Manual, Uniform Building Code, Uniform Plumbing Code, etc. relating to the Engineering Division functional responsibility	2,000	50	2,000	-	-	2,000	-	2,000
Contractors Association of Kauai	Annual membership for Engineering Division representative to attend and participate in Contractors Association of Kauai events, training and updates as it relates to the water related construction aspects of the construction industry.	-	-	-	-	-	-	-	-

General Expenses - Engineering

**TOTAL: WU/Eng/Admin/Training and Development**      \$    10,000   \$        300   \$    10,000   \$            -   \$            -   \$    10,000   \$            -   \$        4,500

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Professional Development Training - Various	As needed on-island and/or off-island training to assist with the professional development of the Engineering Division's staff. (i.e. EPA/HDOH Rules and Regulations updates, NPDES, NEPA and HEPA - Ch. 343, Law, Legislation and Regulation updates, GIS & GPS Concepts, Microsoft Suite, Business Writing, etc.)	5,000	300	5,000	-	-	5,000	-	2,500
ESRI ArcMap/GIS - Innovyze InfoWater Training	On-site and/or off-island training courses for the Engineering Division's staff to work with and update the GIS and hydraulic modeling system.	5,000	-	5,000	-	-	5,000	-	2,000

General Expenses - Engineering

**TOTAL: WU/Eng/Admin/Travel and Per Diem**                      \$    65,250   \$    51,441   \$    79,500   \$           -   \$           -   \$    79,500   \$    37,086   \$    9,500

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
American Backflow Prevention Association Conference	Travel accommodations and per diem for one (1) staff member to attend the American Backflow Prevention Association Conference. (Estimate: air fare \$1000, lodging & ground transportation \$1750, per diem \$1000)	3,750	5,460	6,000	-	-	6,000	-	-
American Planning Association Conference	Travel accommodations and per diem for two (2) staff members to attend the American Planning Association Conference. (Estimate: air fare \$2000, lodging & ground transportation \$4000, per diem \$2500)	8,500	-	-	-	-	-	-	-
AWWA Water Infrastructure Conference	Travel accommodations and per diem for two (2) staff members to attend the AWWA Water Infrastructure Conference. (Estimate: air fare \$2000, lodging & ground transportation \$4000, per diem \$2500)	8,500	2,389	8,500	-	-	8,500	5,779	-
AWWA Water Quality Technology Conference	Travel accommodations and per diem for two (2) staff members to attend the AWWA Water Quality Technology Conference. (Estimate: air fare \$2000, lodging & ground transportation \$4000, per diem \$2500)	8,500	-	8,500	-	-	8,500	1,677	-
Conference/Training - Various	Travel accommodations and per diem for eight (8) staff member trips to attend off island training & meetings. (Estimate: air fare \$1750, lodging & ground transportation \$2500, per diem \$1500).	5,750	21,860	7,500	-	-	7,500	14,950	7,500
DBIA - Design-Build Water/Wastewater Conference	Travel accommodations and per diem for two (2) staff members to attend the DBIA Design-Build Water/Wastewater Conference. (Estimate: air fare \$2000, lodging & ground transportation \$3500, per diem \$2000)	7,500	2,507	7,500	-	-	7,500	-	-
ESRI User Conference	Travel accommodations and per diem for two (2) staff member to attend the annual ESRI User Conference. (Estimate: air fare \$2000, lodging & ground transportation \$4000, per diem \$2500)	8,500	10,138	8,500	-	-	8,500	12,050	-
ESRI Water GIS Conference Water Infrastructure	Travel accommodations and per diem for two (2) staff members to attend the annual ESRI Water Utilities Conference. (Estimate: air fare \$2000, lodging & ground transportation \$4000, per diem \$2500)	8,500	-	8,500	-	-	8,500	3,742	-
Hydraulic Modelers Committee	Travel accommodations and per diem for two (2) staff members to attend the quarterly, four (4), Hydraulic Modelers Committee training & meetings. (Estimate: air fare \$1750, lodging & ground transportation \$2500, per diem \$1500)	5,750	-	7,500	-	-	7,500	-	2,000
AWWA Annual Conference & Expo	Travel accommodations and per diem for two (2) staff members to attend the AWWA Annual Conference & Expo. (Estimate: air fare \$2000, lodging & ground transportation \$4000, per diem \$2500)	-	-	8,500	-	-	8,500	942	-
AWWA Membrane Technology		-	6,205	8,500	-	-	8,500	-	-

General Expenses - Engineering

**TOTAL: WU/Eng/Admin/Meeting Expense**

**\$ 16,000 \$ 18,817 \$ 19,950 \$ - \$ - \$ 19,950 \$ 13,173 \$ 3,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
American Backflow Prevention Association Conference	Registration for one (1) staff member to attend the American Backflow Prevention Association Annual Conference. The American Backflow Prevention Association Annual conference includes, backflow prevention continuing education, backflow prevention device testing certification classes, hands on backflow prevention device training and professional networking with industry professionals to assist with the professional development of backflow prevention implementors. Attendees will learn & understand updates and advancements in backflow prevention research and best practices to continue to advance the Department's backflow prevention program.	700	1,350	1,400	-	-	1,400	-	-
American Planning Association Conference	Registration for two (2) staff members to attend the American Planning Association Annual Conference. The American Planning Association Annual conference includes, planning area continuing education, focused water utility classes and training and professional networking with industry professionals to assist with the professional development of Planners. Attendees will learn & understand updates and advancements in planning research and best practices to continue to advance the Department's water planning and outreach program.	1,750	-	-	-	-	-	-	-
AWWA Water Infrastructure Conference	Registration for two (2) staff members to attend the AWWA Water Infrastructure Conference (WIC). The AWWA WIC conference includes, water infrastructure area continuing education, focused water infrastructure utility classes and training and professional networking with industry professionals to assist with the professional development of water utility staff and supervisors. Attendees will learn & understand updates and advancements in water infrastructure research and best practices to continue to advance the Department's infrastructure research, compliance and outreach program.	1,750	670	1,750	-	-	1,750	1,360	-
AWWA Water Quality Technology Conference	Registration for two (2) staff members to attend the AWWA Water Quality Technology Conference (WQTC). The AWWA WQTC conference includes, water quality area continuing education, focused water quality utility classes and training and professional networking with industry professionals to assist with the professional development of water quality staff and supervisors. Attendees will learn & understand updates and advancements in water quality research and best practices to continue to advance the Department's water quality research, compliance and outreach program.	1,750	-	1,750	-	-	1,750	760	-
Conference/Training Registration - Various	Registration fees for staff to attend various on-island and off-island professional development training, certification and conferences.	3,000	8,500	6,000	-	-	6,000	6,253	3,000
DBIA - Design-Build Water/Wastewater Conference	Registration for two (2) staff members to attend the DBIA Design-Build Water/Wastewater Conference (DBWWC). The DBWWC includes, water design-build continuing education, focused water design-build classes and training and professional networking with industry professionals to assist with the professional development of water utility staff and supervisors. Attendees will learn & understand updates and advancements in water design-build methods and best practices to continue to advance the Department's infrastructure implementation program.	1,750	750	1,750	-	-	1,750	-	-

General Expenses - Engineering

ESRI User Conference	Registration for two (2) staff member to attend the annual ESRI User Conference. Annual ESRI User Conference includes GIS classes, hands on software training, water & utility user group sessions and networking to assist with the professional development of ESRI users. ESRI Users Conference attendees will learn & understand updates and advancements in ESRI GIS services, support and best practices to continue to advance the Department's GIS & hydraulic modeling program.	3,800	-	3,800	-	-	3,800	3,850	-
ESRI Water GIS Conference	Registration for two (2) staff members to attend the annual ESRI Water GIS Conference. Annual ESRI Water GIS Conference includes GIS classes, hands on software training, water utility specific group sessions and networking to assist with the professional development of ESRI users. ESRI Water GIS Conference attendees will learn & understand updates and advancements in ESRI GIS services, support and best practices to continue to advance the Department's GIS & hydraulic modeling program.	1,500	-	1,500	-	-	1,500	950	-
AWWA Annual Conference & Expo	Registration for two (2) staff members to attend the AWWA Annual Conference and Expo (ACE).	-	-	2,000	-	-	2,000	-	-
AWWA Membrane Technology		-	1,890	-	-	-	-	-	-

General Expenses - Engineering

**TOTAL: WU/Eng/Admin/Capital Outlay - Expansion/Capital Purchases**      \$      3,867    \$      -    \$      10,000    \$      3,867    \$      -    \$      13,867    \$      -    \$      -

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Preliminary Engineering	Permit fees and project related start-up fees	3,867	-	-	3,867	-	3,867	-	-
GPS Rover		-	-	10,000	-	-	10,000	-	-

## OPERATIONS DIVISION - SOURCE

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Labor &amp; Related Fringe Expenses</b>									
510-010	Salaries and Wages (including Leaves & CTO)	\$ 590,085	\$ 691,885	\$ 503,621	\$ -	\$ -	\$ 503,621	\$ 390,991	\$ 936,696
510-020	Temporary Assignment	2,000	614	2,000	-	-	2,000	2,144	2,000
510-030	Overtime	10,000	9,650	10,000	-	-	10,000	16,986	10,000
510-040	Standby	7,000	1,595	7,000	-	-	7,000	2,900	-
530-010	FICA	46,595	14,849	39,981	-	-	39,981	31,557	72,575
530-020	Retirement Contributions	141,620	182,035	125,429	-	-	125,429	94,567	227,687
530-030	Life & Health Insurance	56,818	79,690	70,380	-	-	70,380	95,350	141,580
530-060	Other Post Employment Benefits (OPEB)	62,406	109,763	67,298	-	-	67,298	74,236	111,630
<b>Total Labor &amp; Related Fringe Expenses</b>		<b>\$ 916,524</b>	<b>\$ 1,090,081</b>	<b>\$ 825,709</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 825,709</b>	<b>\$ 708,731</b>	<b>\$ 1,502,168</b>
<b>Bulk Water Purchase</b>									
565-000	Bulk Water Purchase	\$ 2,250,172	\$ 1,827,482	\$ 1,934,935	\$ 314,860	\$ -	\$ 2,249,795	\$ 1,094,323	\$ 1,934,935
<b>Total Bulk Water Purchase</b>		<b>\$ 2,250,172</b>	<b>\$ 1,827,482</b>	<b>\$ 1,934,935</b>	<b>\$ 314,860</b>	<b>\$ -</b>	<b>\$ 2,249,795</b>	<b>\$ 1,094,323</b>	<b>\$ 1,934,935</b>
<b>Office &amp; Operating Supplies</b>									
563-000	Operating Supplies	\$ 83,953	\$ 38,891	\$ 80,000	\$ -	\$ -	\$ 80,000	\$ 35,875	\$ 50,000
<b>Total Office &amp; Operating Supplies</b>		<b>\$ 83,953</b>	<b>\$ 38,891</b>	<b>\$ 80,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ 35,875</b>	<b>\$ 50,000</b>
<b>Total Operations - Source Operating Expenses</b>		<b>\$ 3,250,649</b>	<b>\$ 2,956,454</b>	<b>\$ 2,840,644</b>	<b>\$ 314,860</b>	<b>\$ -</b>	<b>\$ 3,155,504</b>	<b>\$ 1,838,929</b>	<b>\$ 3,487,103</b>

## OPERATIONS DIVISION - PURIFICATION

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Labor &amp; Related Fringe Expenses</b>									
510-010	Salaries and Wages (including Leaves & CTO)	\$ 231,873	\$ 346,848	\$ 288,334	\$ -	\$ -	\$ 288,334	\$ 177,984	\$ 332,178
510-020	Temporary Assignment	2,000	2,731	2,000	-	-	2,000	1,595	2,000
510-030	Overtime	30,000	28,226	30,000	-	-	30,000	24,150	30,000
530-040	Standby	10,000	14,133	10,000	-	-	10,000	9,851	15,000
530-010	FICA	20,951	36,483	25,271	-	-	25,271	16,727	29,007
530-020	Retirement Contributions	55,649	70,693	79,280	-	-	79,280	42,858	91,003
530-030	Life & Health Insurance	24,351	39,730	40,217	-	-	40,217	25,878	58,992
530-060	Other Post Employment Benefits (OPEB)	26,746	59,538	38,456	-	-	38,456	33,644	46,513
<b>Total Labor &amp; Related Fringe Expenses</b>		<b>\$ 401,570</b>	<b>\$ 598,382</b>	<b>\$ 513,558</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 513,558</b>	<b>\$ 332,687</b>	<b>\$ 604,693</b>
<b>Office &amp; Operating Supplies</b>									
563-000	Operating Supplies	\$ 203,870	\$ 136,074	\$ 189,928	\$ -	\$ -	\$ 189,928	\$ 100,825	\$ 195,000
<b>Total Office &amp; Operating Supplies</b>		<b>\$ 203,870</b>	<b>\$ 136,074</b>	<b>\$ 189,928</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 189,928</b>	<b>\$ 100,825</b>	<b>\$ 195,000</b>
<b>Total Operations - Purification Operating Expenses</b>		<b>\$ 605,440</b>	<b>\$ 734,456</b>	<b>\$ 703,486</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 703,486</b>	<b>\$ 433,512</b>	<b>\$ 799,693</b>

## OPERATIONS DIVISION - POWER & PUMP (P & P)

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Labor &amp; Related Fringe Expenses</b>									
510-010	Salaries and Wages (including Leaves & CTO)	\$ 250,232	\$ 302,911	\$ 237,683	\$ -	\$ -	\$ 237,683	\$ 154,033	\$ 446,304
510-020	Temporary Assignment	3,000	2,690	3,000	-	-	3,000	934	2,000
510-030	Overtime	15,000	20,423	20,000	-	-	20,000	15,647	20,000
530-040	Standby	10,000	24,906	10,000	-	-	10,000	22,924	35,000
530-010	FICA	21,285	38,357	20,707	-	-	20,707	15,246	38,503
530-020	Retirement Contributions	60,056	84,019	64,964	-	-	64,964	41,861	120,793
530-030	Life & Health Insurance	24,351	29,708	30,163	-	-	30,163	19,545	58,992
530-060	Other Post Employment Benefits (OPEB)	26,746	58,141	28,843	-	-	28,843	32,861	46,513
<b>Total Labor &amp; Related Fringe Expenses</b>		<b>\$ 410,670</b>	<b>\$ 561,155</b>	<b>\$ 415,360</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 415,360</b>	<b>\$ 303,051</b>	<b>\$ 768,105</b>
<b>Utilities &amp; Fuel</b>									
551-000	Utilities	\$ 3,416,215	\$ 3,200,926	\$ 3,532,071	\$ 628,074	\$ -	\$ 4,160,145	\$ 1,965,359	\$ 3,708,600
<b>Total Utilities Expense</b>		<b>\$ 3,416,215</b>	<b>\$ 3,200,926</b>	<b>\$ 3,532,071</b>	<b>\$ 628,074</b>	<b>\$ -</b>	<b>\$ 4,160,145</b>	<b>\$ 1,965,359</b>	<b>\$ 3,708,600</b>
<b>Repair &amp; Maintenance Expenses</b>									
560-000	Repair & Maintenance-Water System	\$ 127,599	\$ 139,404	\$ 250,000	\$ 13,905	\$ -	\$ 263,905	\$ 3,135	\$ 300,000
<b>Total Repair &amp; Maintenance expenses</b>		<b>\$ 127,599</b>	<b>\$ 139,404</b>	<b>\$ 250,000</b>	<b>\$ 13,905</b>	<b>\$ -</b>	<b>\$ 263,905</b>	<b>\$ 3,135</b>	<b>\$ 300,000</b>
<b>Office &amp; Operating Supplies</b>									
563-000	Operating Supplies	\$ 77,965	\$ 41,721	\$ 75,000	\$ 18,004	\$ -	\$ 93,004	\$ 23,740	\$ 50,000
563-010	Inventory Stock	40,000	27,949	40,000	10,387	-	50,387	48,427	40,000
<b>Total Office &amp; Operating Supplies</b>		<b>\$ 117,965</b>	<b>\$ 69,670</b>	<b>\$ 115,000</b>	<b>\$ 28,391</b>	<b>\$ -</b>	<b>\$ 143,391</b>	<b>\$ 72,167</b>	<b>\$ 90,000</b>
<b>Total Operations -P &amp; P Operating Expenses</b>		<b>\$ 4,072,449</b>	<b>\$ 3,971,155</b>	<b>\$ 4,312,431</b>	<b>\$ 670,370</b>	<b>\$ -</b>	<b>\$ 4,982,801</b>	<b>\$ 2,343,712</b>	<b>\$ 4,866,705</b>

## OPERATIONS DIVISION - TRANSMISSION & DISTRIBUTION (T & D)

		FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY 2026 +/- Budget Appropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Labor &amp; Related Fringe Expenses</b>									
510-010	Salaries and Wages (including Leaves & CTO)	\$ 3,743,887	\$ 3,434,449	\$ 2,871,991	\$ -	\$ -	\$ 2,871,991	\$ 1,532,782	\$ 2,785,524
510-020	Temporary Assignment	25,000	47,175	25,000	-	-	25,000	29,869	25,000
510-030	Overtime	250,000	431,334	350,000	-	-	350,000	278,095	350,000
530-040	Standby	200,000	189,732	200,000	-	-	200,000	123,925	190,000
530-010	FICA	322,744	399,696	263,695	-	-	263,695	150,233	256,315
530-020	Retirement Contributions	898,533	905,124	827,278	-	-	827,278	399,699	804,126
530-030	Life & Health Insurance	373,376	461,172	432,335	-	-	432,335	334,320	448,336
530-060	Other Post Employment Benefits (OPEB)	410,099	610,681	413,405	-	-	413,405	275,601	353,496
<b>Total Labor &amp; Related Fringe Expenses</b>		<b>\$ 6,223,639</b>	<b>\$ 6,479,363</b>	<b>\$ 5,383,704</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,383,704</b>	<b>\$ 3,124,524</b>	<b>\$ 5,212,797</b>
<b>Professional Services &amp; Other Expenses</b>									
541-010	Other Services	\$ 3,257	\$ 3,353	\$ 3,000	\$ 1,090	\$ -	\$ 4,090	\$ 2,014	\$ 4,090
545-000	Rentals and Leases	35,602	13,107	30,000	4,234	-	34,234	563	20,000
<b>Total Professional Services &amp; Other Expenses</b>		<b>\$ 38,859</b>	<b>\$ 16,460</b>	<b>\$ 33,000</b>	<b>\$ 5,324</b>	<b>\$ -</b>	<b>\$ 38,324</b>	<b>\$ 2,577</b>	<b>\$ 24,090</b>
<b>Repair &amp; Maintenance Expenses</b>									
560-000	Repair & Maintenance-Water System	\$ 348,688	\$ 48,274	\$ 140,000	\$ 34,004	\$ -	\$ 174,004	\$ 28,878	\$ 130,000
561-000	Repair & Maintenance-Non-Water System	328,190	153,414	233,400	139,644	-	421,484	190,781	233,400
<b>Total Repair &amp; Maintenance expenses</b>		<b>\$ 676,878</b>	<b>\$ 201,688</b>	<b>\$ 373,400</b>	<b>\$ 173,648</b>	<b>\$ -</b>	<b>\$ 595,488</b>	<b>\$ 219,659</b>	<b>\$ 363,400</b>
<b>Utilities &amp; Fuel</b>									
564-000	Fuel	\$ 233,524	\$ 141,374	\$ 160,000	\$ 68,200	\$ -	\$ 228,200	\$ 79,981	\$ 228,200
<b>Total Utilities Expense</b>		<b>\$ 233,524</b>	<b>\$ 141,374</b>	<b>\$ 160,000</b>	<b>\$ 68,200</b>	<b>\$ -</b>	<b>\$ 228,200</b>	<b>\$ 79,981</b>	<b>\$ 228,200</b>
<b>Office &amp; Operating Supplies</b>									
563-000	Operating Supplies	\$ 396,281	\$ 345,839	\$ 368,800	\$ 43,420	\$ -	\$ 412,220	\$ 212,279	\$ 349,800
563-010	Inventory Stock	3,061,023	1,033,285	1,097,000	664,505	-	1,761,505	952,476	1,007,000
<b>Total Office &amp; Operating Supplies</b>		<b>\$ 3,457,304</b>	<b>\$ 1,379,124</b>	<b>\$ 1,465,800</b>	<b>\$ 707,925</b>	<b>\$ -</b>	<b>\$ 2,173,725</b>	<b>\$ 1,164,755</b>	<b>\$ 1,356,800</b>
<b>Training, Travel, and Meeting Expense</b>									
571-010	Training and Development	\$ 45,000	\$ 28,008	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ 17,181	\$ 45,000
572-010	Travel and Per Diem	45,000	32,235	45,000	-	-	45,000	28,453	15,000
<b>Total Training, Travel, and Meeting Expense</b>		<b>\$ 90,000</b>	<b>\$ 60,243</b>	<b>\$ 90,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 45,634</b>	<b>\$ 60,000</b>
<b>Total Operations -T &amp; D Operating Expenses</b>		<b>\$ 10,720,204</b>	<b>\$ 8,278,252</b>	<b>\$ 7,505,904</b>	<b>\$ 955,097</b>	<b>\$ -</b>	<b>\$ 8,509,441</b>	<b>\$ 4,637,130</b>	<b>\$ 7,245,287</b>

General Expenses - Operations

Account	Description	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>Water Utility Fund</b>									
10-40-60-541-010	WU/Ops/TandD/Other Services	3,257	3,353	3,000	1,090	-	4,090	2,014	4,090
10-40-60-545-000	WU/Ops/TandD/Rentals and Leases	35,602	13,107	30,000	4,234	-	34,234	563	20,000
10-40-50-551-000	WU/Ops/Power/Pump/Utility Services	3,416,215	3,200,926	3,532,071	628,074	-	4,160,145	1,965,359	3,708,600
10-40-50-560-000	WU/Ops/PandP/Repairs and Maintenance - Water System	127,599	139,404	250,000	13,905	-	263,905	3,135	300,000
10-40-60-560-000	WU/Ops/TandD/Repairs and Maintenance - Water System	348,688	48,274	140,000	34,004	-	174,004	28,878	130,000
10-40-60-561-000	WU/Ops/TandD/Repairs and Maintenance - Other than Water System	328,190	153,414	233,400	139,644	-	421,484	190,781	233,400
10-40-30-563-000	WU/Ops/Source/Operating Supplies	83,953	38,891	80,000	-	-	80,000	35,875	50,000
10-40-40-563-000	WU/Ops/Purification/Operating Supplies	203,870	136,074	189,928	-	-	189,928	100,825	195,000
10-40-50-563-000	WU/Ops/PandP/Operating Supplies	77,965	41,721	75,000	18,004	-	93,004	23,740	50,000
10-40-60-563-000	WU/Ops/TandD/Operating Supplies	396,281	345,839	368,800	43,420	-	412,220	212,279	349,800
10-40-50-563-010	WU/Ops/PandP/Operating Supplies/Invty. Stock	40,000	27,949	40,000	10,387	-	50,387	48,427	40,000
10-40-60-563-010	WU/Ops/TandD/Operating Supplies/Invty. Stock	3,061,023	1,033,285	1,097,000	664,505	-	1,761,505	952,476	1,007,000
10-40-60-564-000	WU/Ops/TandD/Fuel	233,524	141,374	160,000	68,200	-	228,200	79,981	228,200
10-40-30-565-000	WU/Ops/Source/Bulk Water Purchase	2,250,172	1,827,482	1,934,935	314,860	-	2,249,795	1,094,323	1,934,935
10-40-60-571-010	WU/Ops/TandD/Training & Development	45,000	28,008	45,000	-	-	45,000	17,181	45,000
10-40-60-572-010	WU/Ops/TandD/Travel & Per Diem	45,000	32,235	45,000	-	-	45,000	28,453	15,000
	<b>OPERATING EXPENSES</b>	<b>\$ 10,696,339</b>	<b>\$ 7,211,336</b>	<b>\$ 8,224,134</b>	<b>\$ 1,940,327</b>	<b>\$ -</b>	<b>\$ 10,212,901</b>	<b>\$ 4,784,290</b>	<b>\$ 8,311,025</b>
10-40-00-604-999	WU/Ops/Capital Outlay - R&R/Misc. Capital Purchases	2,749,281	579,105	1,330,000	1,963,752	-	3,293,752	634,140	200,000
10-40-00-605-999	WU/Ops/Capital Outlay - Expansion/Misc. Capital Purchases	431,573	390,053	1,119,276	235,818	-	1,355,094	244,732	1,903,276
	<b>SUMMARY OF CAPITAL PURCHASES</b>	<b>\$ 3,180,854</b>	<b>\$ 969,158</b>	<b>\$ 2,449,276</b>	<b>\$ 2,199,570</b>	<b>\$ -</b>	<b>\$ 4,648,846</b>	<b>\$ 878,872</b>	<b>\$ 2,103,276</b>
	<b>SUMMARY OF OPERATING EXPENSES</b>	<b>\$ 10,696,339</b>	<b>\$ 7,211,336</b>	<b>\$ 8,224,134</b>	<b>\$ 1,940,327</b>	<b>\$ -</b>	<b>\$ 10,212,901</b>	<b>\$ 4,784,290</b>	<b>\$ 8,311,025</b>
	<b>SUMMARY OF CAPITAL PURCHASES</b>	<b>\$ 3,180,854</b>	<b>\$ 969,158</b>	<b>\$ 2,449,276</b>	<b>\$ 2,199,570</b>	<b>\$ -</b>	<b>\$ 4,648,846</b>	<b>\$ 878,872</b>	<b>\$ 2,103,276</b>
	<b>OPERATING EXPENSES + CAPITAL OUTLAY</b>	<b>\$ 13,877,193</b>	<b>\$ 8,180,494</b>	<b>\$ 10,673,410</b>	<b>\$ 4,139,897</b>	<b>\$ -</b>	<b>\$ 14,861,747</b>	<b>\$ 5,663,162</b>	<b>\$ 10,414,301</b>

General Expenses - Operations

**TOTAL: WU/Ops/TandD/Other Services**      \$    3,257    \$    3,353    \$    3,000    \$    1,090    \$            -    \$    4,090    \$    2,014    \$    4,090

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
One Call	One Call Center	3,257	3,353	3,000	1,090	-	4,090	2,014	4,090

General Expenses - Operations

**TOTAL: WU/Ops/TandD/Rentals and Leases      \$    35,602    \$    13,107    \$    30,000    \$    4,234    \$            -    \$    34,234    \$    563    \$    20,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Construction equipment rentals.	Equipment rental. (e.g. excavator, roller, loader, scissor lift, boom lift, etc.)	35,602	13,107	30,000	4,234	-	34,234	563	20,000
License Fee Agreement McBryde Trust	Kalaheo/Koloa Water System	-	-	-	-	-	-	-	-

General Expenses - Operations

**TOTAL: WU/Ops/Power/Pump/Utility Services      \$ 3,416,215   \$ 3,200,926   \$ 3,532,071   \$ 628,074   \$ -   \$ 4,160,145   \$ 1,965,359   \$ 3,708,600**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Pumping facility electricity	63 accounts	3,231,415	3,200,926	3,328,856	628,074	-	3,956,930	1,965,359	3,495,299
Tank sites and Garage Building electricity	25 Tank sites and one garage building.	48,300	-	50,715	-	-	50,715	-	53,251
Solid Waste	Solid Waste Disposal	1,500	-	1,500	-	-	1,500	-	1,500
	Contingency - price increases	135,000	-	-	-	-	-	-	-
<b>Consolidate DOW-wide Electricity costs</b>	<b>All other accounts</b>	-	-	151,000	-	-	151,000	-	158,550

General Expenses - Operations

**TOTAL: WU/Ops/PandP/Repairs and Maintenance Water System** \$ 127,599 \$ 139,404 \$ 250,000 \$ 13,905 \$ - \$ 263,905 \$ 3,135 \$ 300,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Pump replacement program	Including emergency pump replacement and repairs, ongoing program.	127,599	139,404	250,000	13,905	-	263,905	3,135	300,000

General Expenses - Operations

**TOTAL: WU/Ops/TandD/Repairs and Maintenance - Water System**    \$ 348,688    \$ 48,274    \$ 140,000    \$ 34,004    \$ -    \$ 174,004    \$ 28,878    \$ 130,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Outside contractual services	Includes waste management, maintaining and repairing plant facilities, maintenance of facilities, maintenance of tunnel sources, alarm circuits.	48,688	48,274	40,000	34,004	-	74,004	28,878	30,000
Storage Tanks	Tank Cleaning, Painting, Minor Repairs	200,000	-	-	-	-	-	-	50,000
Remote Sites	Facilities Improvements and Additions	100,000	-	100,000	-	-	100,000	-	50,000

General Expenses - Operations

**TOTAL: WU/Ops/TandD/Repairs and Maintenance - Other than Water System**    \$ 328,190    \$ 153,414    \$ 233,400    \$ 139,644    \$ -    \$ 467,834    \$ 190,781    \$ 233,400

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Rehab and Restoration Services	Roadway rehab and repairs	64,507	-	48,000	2,278	-	66,785	-	48,000
Baseyard Parking Lot	Baseyard Parking Lot		-	-	-	-	-	-	-
Vehicle maintenance and service	Outside repair services and maintenance.	103,247	-	48,000	11,917	-	115,164	-	48,000
Debris and HazMat Disposal	Landfill and Off-Island disposal	20,000	-	20,000	-	-	20,000	-	20,000
Building Equipment Repairs	Building Equipment Repairs	5,000	-	5,000	-	-	5,000	-	5,000
A/C & Refrigerator Maintenance	A/C & Ref. Maint. For OPS Bldg., Microlab, New Admin Bldg., Old Admin Bldg.	90,954	-	70,000	64,581	-	155,535	-	75,000
Elevator Maintenance	Elevator Maint. For New Admin Bldg., & Microlab	5,000	-	5,000	320	-	5,320	-	5,000
Fire Protection	Fire Extinguishers	5,000	2,915	5,000	6,583	-	11,583	4,748	5,000
Alarm Service	Alarm Services and Maintenance	20,303	-	20,000	-	-	20,303	-	20,000
Offices	Operations offices furnitures and equipment	11,779	-	10,000	7,615	-	19,394	-	5,000
MOA DOW, DPW, DPR, KFD	Monthly Maintenance Charge for Hanalei Baseyard at \$200/month	2,400	-	2,400	-	-	2,400	-	2,400
Demolition of Old building	Demolition of Old building		-	-	-	-	-	-	-
Job 24-10	Piwai Well No. 3	-	-	-	46,350	-	46,350	-	-

General Expenses - Operations

**TOTAL: WU/Ops/Source/Operating Supplies**      \$    83,953    \$    38,891    \$    80,000    \$            -    \$            -    \$    80,000    \$    35,875    \$    50,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Miscellaneous Rehab Projects	construction, maintenance and rehabilitation projects.	83,953	38,891	80,000	-	-	80,000	35,875	50,000
Sodium Hypochlorite On-Site Generation	Kilohana OSG								

General Expenses - Operations

**TOTAL: WU/Ops/Purification/Operating Supplies \$ 203,870 \$ 136,074 \$ 189,928 \$ - \$ - \$ 189,928 \$ 100,825 \$ 195,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Sodium Hypochlorite	Chemical supplies for disinfection	193,870	136,074	179,928	-	-	179,928	100,825	185,000
Soda Ash	pH control for source water.	5,000	-	5,000	-	-	5,000	-	-
Sodium Hydroxide	Replace Wainiha Soda Ash	5,000	-	5,000	-	-	5,000	-	10,000

General Expenses - Operations

**TOTAL: WU/Ops/PandP/Operating Supplies**      \$ 77,965   \$ 41,721   \$ 75,000   \$ 18,004   \$ -   \$ 93,004   \$ 23,740   \$ 50,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Electrical parts and materials	Repair parts for plant electricians to maintain, repair, and operate electrical pumping plants, booster stations, buildings, and structures.	77,965	41,721	75,000	18,004		93,004	23,740	50,000
Sodium Hypochlorite on-site generation	Sodium Hypochlorite on--site generation (Moved to 10-40-30-563-000)								

General Expenses - Operations

**TOTAL: WU/Ops/TandD/Operating Supplies      \$ 396,281   \$ 345,839   \$ 368,800   \$ 43,420   \$ -   \$ 412,220   \$ 212,279   \$ 349,800**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Meter Parts	Repair parts and field testing equipment	16,580	-	16,500	-	-	16,500	-	16,500
Road repair supplies	Cold mix and other roadway patching materials	99,000	-	99,000	14,557	-	113,557	-	80,000
Traffic Safety Signs and Equipment	New safety and traffic control signs.	10,181	-	9,900	-	-	9,900	-	9,900
Safety Equipment	Cost of safety shoes, safety glasses, PUC exams, respiratory exams, work shirts, safety clothing, replacement tools, equipment as mandated and required by OSHA, and collective bargaining agreements.	48,400	-	48,400	16,481	-	64,881	-	48,400
Miscellaneous expenditures	damages to property, and expenditures not classified elsewhere.	5,000	-	5,000	-	-	5,000	-	5,000
Operational materials, supplies, and accessories.	Repair and maintenance materials for plant buildings and structures, equipment parts, pest and weed control, small tool purchases and replacements, trench patching and road repairs. (\$50K budget under 102)	115,388	-	90,000	-	-	90,000	-	100,000
Vehicle parts and materials	Cost of repair and maintenance of motor vehicles and power operated equipment, parts, accessories, tires, tire repairs, safety checks, batteries, and oil. (\$50K budget under 102)	91,732	-	90,000	12,382	-	102,382	-	80,000
Operational Equipment less than \$5,000 per Board Policy No. 3, Item No. 4	Furnitures & Fixtures <\$5,000.	5,000	-	5,000	-	-	5,000	-	5,000
Operational Equipment less than \$5,000 per Board Policy No. 3, Item No. 4	Tools and Equipment <\$5,000. Includes but not limited to purchase of new computers	5,000	-	5,000	-	-	5,000	-	5,000

General Expenses - Operations

**TOTAL: WU/Ops/PandP/Operating Supplies/Invty. Stock**    \$ 40,000    \$ 27,949    \$ 40,000    \$ 10,387    \$ -    \$ 50,387    \$ 48,427    \$ 40,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Electrical parts and materials	inventory Stock for repair parts for plant electricians to maintain, repair, and operate electrical pumping plants, booster stations, buildings, and structures.	40,000	27,949	40,000	10,387	-	50,387	48,427	40,000

General Expenses - Operations

**TOTAL: WU/Ops/TandD/Operating Supplies/Invty. Stock**    **\$ 3,061,023**    **\$ 1,033,285**    **\$ 1,097,000**    **\$ 664,505**    **\$ -**    **\$ 1,761,505**    **\$ 952,476**    **\$ 1,007,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Small pipeline and service line replacement parts	Pipe and valves	48,237	-	45,000	39,613	-	84,613	-	45,000
Large inventory items	Large diameter pipe, valves, and other items in inventory	25,000	-	25,000	-	-	25,000	-	25,000
R&R - 5/8" & 3/4" meters	9000 ea @ \$315 (set), 14,000 ea @\$205 (EP/Register)	1,984,539	-	252,000	-	-	252,000	-	252,000
Replacement meters, all other sizes	65 others @ \$600	45,000	-	45,000	-	-	45,000	-	45,000
Replacement meter boxes and covers	2000 ea @ \$115	230,000	-	130,000	-	-	130,000	-	130,000
Hydrant replacement	Ongoing hydrant replacement program, as needed.	100,000	-	100,000	-	-	100,000	-	100,000
Stock Inventory Items	Warehouse inventory parts and materials.	628,247	-	500,000	624,892	-	1,124,892	-	400,000
SCADA Replacement Parts Inventory	Inventory parts	-	-	-	-	-	-	-	10,000



General Expenses - Operations

**TOTAL: WU/Ops/Source/Bulk Water Purchase      \$ 2,250,172   \$ 1,827,482   \$ 1,934,935   \$ 314,860   \$ -   \$ 2,249,795   \$ 1,094,323   \$ 1,934,935**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Princeville Utilities for Anini	24MG per Year x \$2.40 per thousand gallons plus \$148 per month standby charge	81,330	-	59,376	11,381	-	70,757	-	59,376
Princeville Tract Subdivision	0.7 MG per year X \$2.00 per thousand gallons plus \$6.11 per month for standby charge	1,900	-	1,900	-	-	1,900	-	1,900
Princeville Tank	1 MG per year X \$2.00 per thousand gallons plus \$230 per month standby charge	10,800	-	10,800	-	-	10,800	-	10,800
Plantation Road Tank	0.7 MG per year X \$2.00 per thousand gallons plus \$70 per month for standby charge	7,000	-	7,000	-	-	7,000	-	7,000
Grove Farm Water Purchase Agreement	2.5MGD @ 365 days @ \$2.00 per thousand gallons	2,018,760	-	1,733,750	301,394	-	2,035,144	-	1,733,750
Molooa	0.7MG at \$1.44 per thousand gallons	9,119	-	5,000	-	-	5,000	-	5,000
Kalihiwai Bay Estate Water Association	1 mG @ \$5 per thousand gallons	26,072	-	24,000	-	-	24,000	-	24,000
Anahola Emergency Interconnection	Annual fee for interconnectoin	4,182	-	2,100	2,085	-	4,185	-	2,100
Contingency fr price increases	Contingency - increasing cost	91,009	-	91,009	-	-	91,009	-	91,009

General Expenses - Operations

**TOTAL: WU/Ops/TandD/Training & Development \$ 45,000 \$ 28,008 \$ 45,000 \$ - \$ - \$ 45,000 \$ 17,181 \$ 45,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Certification classes and trainings/workshops/conferences	Training & Development	35,000	-	35,000	-	-	35,000	-	35,000
Medical Certifications	CDL and Vehicles over 10,000 LBS GVWR	10,000	-	10,000	-	-	10,000	-	10,000

General Expenses - Operations

**TOTAL: WU/Ops/TandD/Travel & Per Diem**      \$ 45,000   \$ 32,235   \$ 45,000   \$ -   \$ -   \$ 45,000   \$ 28,453   \$ 15,000

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Operations Certification	AWWA, HWWA, HRWA, Pacific Water Conference and other conferences	-	-	-	-	-	-	-	-
	Neighbor Island	15,000	-	15,000	-	-	15,000	-	15,000
	Mainland	30,000	-	30,000	-	-	30,000	-	-

General Expenses - Operations

**TOTAL: WU/Ops/Capital Outlay - R&R/Misc. Capital Purchases**      **\$ 2,749,281**    **\$ 579,105**    **\$ 1,330,000**    **\$ 1,963,752**    **\$ -**    **\$ 3,293,752**    **\$ 634,140**    **\$ 200,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
(2) 125 kVA & (1) 220 kVA Emergency Generator	Replace (2) multiquip 125 kVA and upsize Kilauea 150 kVA to 220 kVA	425,000	323,536	-	-	-	-	-	-
(2) 4x4 F-450 Utility Bed vehicle	CK-1964 & 1965 replacement for 2007 Maintenance Worker Trucks	350,000	-	-	257,808	-	257,808	-	-
(1) 4x4 F-450 Utility Bed w/ accessories	CK-2237 replacement for 2013 Field LPF Truck	200,000	-	-	169,033	-	169,033	-	-
(1) 4x2 pickup truck	CK-2345, replacement for 2015 Nissan Frontier for the Meter Readers	50,000	-	-	36,906	-	36,906	36,906	-
Building Equipment Repair	Repair and replacement of building equipment.	60,000	-	-	-	-	-	-	-
Excavator	TB228 Takeuchi replacement	85,000	-	-	63,455	-	63,455	63,455	-
Job 24-16	Piiwai Well No. 2 Emergency Repair	294,000	-	-	391,500	-	391,500	391,500	-
Eleele 16" HDPE Slip Line	Slip line 16" HDPE with 12" Liner	-	-	250,000	-	-	250,000	-	-
SCADA RTU & PLC Upgrade	Pua Loke SCADA RTU & PLC Upgrade	261,282	245,683	700,000	19,499	-	719,499	-	-
Demolish Old Admin Building	Demolish Old Admin Building	-	-	-	-	-	-	-	-
(1) 4x4 F-250 pickup truck w/ lift gate	CK-2310 replacement for 2015 WPO Truck	-	-	80,000	-	-	80,000	-	-
(1) Dump Truck	CK-2128 replacement for 2011 Field Dump Truck	-	-	-	-	-	-	-	200,000
Emergency Booster Pump	Replace 1992 Hale Fire Pump	-	-	300,000	-	-	300,000	-	-
Pump Replacement	Pump Replacement - Paua Valley (pump & MCC)	859,635	9,886	-	876,286	-	876,286	-	-
Hydro Cell	Replace Hydro Cell for Hanapepe Well 4	-	-	-	-	-	-	-	-
	Other Miscellaneous Purchases	164,364	-	-	-	-	-	-	-
	Maka Ridge Well Emergency Procurement	-	-	-	146,707	-	146,707	139,721	-
	Main Building AC board and fan	-	-	-	2,558	-	2,558	2,558	-
(1) 4x4 F-450 Utility Bed w/ accessories	CK-2351 replacement for 2016 Field LPF Truck	-	-	-	-	-	-	-	-
(1) mini-SUV	CK-1769 replacement for 2003 Engineering SUV	-	-	-	-	-	-	-	-
(1) mini-SUV	CK-1770 replacement for 2003 Engineering SUV	-	-	-	-	-	-	-	-
(1) 4x4 Van	Replace CK-2163 for Leak Investigators	-	-	-	-	-	-	-	-
(1) SUV/Truck	Replace CK-2134 for 2010 Highlander Regulatory Compliance	-	-	-	-	-	-	-	-

General Expenses - Operations

**TOTAL: WU/Ops/Capital Outlay - Expansion/Misc. Capital Purchases**    \$ 431,573    \$ 390,053    \$ 1,119,276    \$ 235,818    \$ -    \$ 1,355,094    \$ 244,732    \$ 1,903,276

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
Sodium Hypochlorite On-Stite Generation	Kilohana OSG	-	-	-	-	-	-	-	175,000
Non-Federal Grant Share	HIEMA Emergency Generator Grant Purchase	-	-	525,000	-	-	525,000	-	1,000,000
Non-Federal Grant Share	Hazard Mitigation Grant Program (HMPG)	-	-	347,776	-	-	347,776	-	347,776
2-20 feet storage containers	Containers on slab with roof built separately	-	13,229	-	-	-	-	-	-
AMI Meter Register Sets (New Accounts)	New Subdivisions (Estimated 700 new accounts)	332,344	337,340	220,500	235,818	-	456,318	234,460	220,500
Facility Improvements	Security & Hardening	-	-	-	-	-	-	-	-
Leak Detection Equipment	Equipment for East and West Crews	31,229	15,511	18,000	-	-	18,000	8,034	10,000
Fusing Machine	Fusing machine for HDPE pipe	-	-	8,000	-	-	8,000	-	-
Pipe Threader	Threader for small pipe under 3 inch	-	-	-	-	-	-	-	-
Excavator Attachment	Roller for Takeuchi Excavator	6,000	-	-	-	-	-	-	-
Jumping Jack Compactor	(2) additional jumping jacks for field crews	12,000	5,183	-	-	-	-	-	-
4x2 P/U Truck	New Meter Reader position in Fiscal requires vehicle	50,000	-	-	-	-	-	-	-
	Multiquip Mikasa Rammer	-	5,430	-	-	-	-	-	-
	Sakai RS65 Rammer	-	3,874	-	-	-	-	-	-
	Sakai RS65 Rammer	-	9,486	-	-	-	-	-	-
Small Dump Truck	5 cubic yard dump for field operations - non-CDL	-	-	-	-	-	-	-	-
4x4 P/U Truck	Building Maintenance Supervisor	-	-	-	-	-	-	-	75,000
4x4 P/U Truck	Water Meter Repair Supervisor	-	-	-	-	-	-	-	75,000

## 2027 Proposed Capital Budget

		FY 2027 Proposed Budget
<b>Capital Budget (New Appropriations)</b>		<b>4,778,876</b>
<b>Water Utility Fund (Capital - Rehabilitation &amp; Replacement)</b>		<b>1,390,600</b>
10-10-XX-604-999	WU-Regulatory Compliance-RandR Capital Purchases	12,200
10-02-00-604-999	WU-IT-RandR Capital Purchases	185,000
10-20-00-604-120	WU-Eng 02-06 Kilauea 1.0 MG Tank (Puu Pane) 20% Match	218,400
10-20-00-604-136	WU-Eng H-05 Weke, Anae, Mahimahi and Hee Roads 6" and 8" Main Replacement	300,000
10-20-00-604-148	WU-Eng PLH-27 Kūhiō Highway (Hardy-Oxford) 16' Main Replacement	400,000
10-20-00-604-175	WU-Eng Phase I-Demo Admin Building/Relocate Electrical Conduit/add ATS to Microlab	75,000
10-40-00-604-999	WU-Ops-RandR Capital Purchases	200,000
<b>Water Utility Fund (Capital - Expansion)</b>		<b>3,388,276</b>
10-02-00-605-999	WU-IT-Expansion Capital Purchases	485,000
10-20-00-605-116	WU-Eng WK-08-Kapaa Homesteads 2-0.5MG Tanks	1,000,000
10-40-00-605-999	WU-Ops-Expansion Capital Purchases	1,903,276

Capital Budget - Engineering

Account	Description	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
<b>CAPITAL BUDGET</b>									
<b>Water Utility Fund</b>									
10-20-00-604-000	WU/Eng/Capital Outlay - R&R	\$ 10,344,345	\$ 779,469	\$ 1,350,000	\$ 9,145,412	\$ 1,383,780	\$ 11,879,192	\$ 260,551	\$ 993,400
10-20-00-605-000	WU/Eng/Admin/Capital Outlay - Expansion/Capital Purchases	\$ 1,476,641	\$ 133,599	\$ 2,800,000	\$ 1,492,691	\$ (79,922)	\$ 4,212,769	\$ -	\$ 1,000,000
10-21-00-604-000	WU/Const/Capital Outlay - R&R/Capital Projects	\$ 3,295,889	\$ 1,597,954	\$ -	\$ 2,832,161	\$ -	\$ 2,832,161	\$ 90,189	\$ -
10-21-00-605-000	WU/Cons/Capital Outlay - Expansion/Capital Projects	\$ 3,184,341	\$ -	\$ -	\$ 3,184,341	\$ -	\$ 3,184,341	\$ -	\$ -
	<b>Water Utility Fund - Capital Outlay</b>	<b>\$ 18,301,216</b>	<b>\$ 2,511,022</b>	<b>\$ 4,150,000</b>	<b>\$ 16,654,605</b>	<b>\$ 1,303,858</b>	<b>\$ 22,108,463</b>	<b>\$ 350,740</b>	<b>\$ 1,993,400</b>
<b>FRC Fund</b>									
20-20-00-605-000	FRC/Eng/Capital Outlay - Expansion	\$ 6,165,434	\$ 142,705	\$ -	\$ 3,639,805	\$ 16,142	\$ 3,655,947	\$ 191,371	\$ -
20-21-00-605-000	FRC/Cons/Capital Outlay - Expansion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>FRC Fund - Capital Outlay</b>	<b>\$ 6,165,434</b>	<b>\$ 142,705</b>	<b>\$ -</b>	<b>\$ 3,639,805</b>	<b>\$ 16,142</b>	<b>\$ 3,655,947</b>	<b>\$ 191,371</b>	<b>\$ -</b>
<b>BAB Fund</b>									
30-20-00-604-000	BAB/Eng/Capital Outlay - R&R	\$ 63,999	\$ 63,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30-21-00-604-000	BAB/Capital Outlay - R&R/Capital Projects - CM	\$ 1,091,650	\$ -	\$ -	\$ 1,091,650	\$ -	\$ 1,091,650	\$ -	\$ -
30-20-00-605-000	BAB/Eng/Capital Outlay - Expansion	\$ 8,263,215	\$ -	\$ -	\$ 8,263,215	\$ -	\$ 8,263,215	\$ -	\$ -
30-21-00-605-000	BAB/Const/Capital Outlay - Expansion/Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>BAB Fund - Capital Outlay</b>	<b>\$ 9,418,864</b>	<b>\$ 63,999</b>	<b>\$ -</b>	<b>\$ 9,354,865</b>	<b>\$ -</b>	<b>\$ 9,354,865</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grant Fund</b>									
40-21-00-604-000	State Appropriation Grant/Capital Outlay - R&R/Capital Projects - CM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40-20-00-605-000	Grants/Eng/Capital Outlay - Expansion	\$ 7,300,000	\$ -	\$ 2,400,000	\$ -	\$ -	\$ 2,400,000	\$ -	\$ -
40-21-00-605-000	Grants/Const/Capital Outlay - Expansion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Grant Fund - Capital Outlay</b>	<b>\$ 7,300,000</b>	<b>\$ -</b>	<b>\$ 2,400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,400,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SRF Fund</b>									
60-20-00-604-000	SRF/Const/Capital Outlay - R&R	\$ 5,200,000	\$ -	\$ -	\$ 5,200,000	\$ -	\$ 5,200,000	\$ -	\$ -
60-21-00-604-000	SRF/Const/Capital Outlay - R&R	\$ 6,926,518	\$ 3,163,074	\$ -	\$ 4,128,478	\$ -	\$ 4,128,478	\$ -	\$ -
	<b>SRF Fund - Capital Outlay</b>	<b>\$ 12,126,518</b>	<b>\$ 3,163,074</b>	<b>\$ -</b>	<b>\$ 9,328,478</b>	<b>\$ -</b>	<b>\$ 9,328,478</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Water Utility Fund - Capital Outlay/CIP</b>	<b>\$ 18,301,216</b>	<b>\$ 2,511,022</b>	<b>\$ 4,150,000</b>	<b>\$ 16,654,605</b>	<b>\$ 1,303,858</b>	<b>\$ 22,108,463</b>	<b>\$ 350,740</b>	<b>\$ 1,993,400</b>
	<b>FRC Fund/Capital Outlay/CIP</b>	<b>\$ 6,165,434</b>	<b>\$ 142,705</b>	<b>\$ -</b>	<b>\$ 3,639,805</b>	<b>\$ 16,142</b>	<b>\$ 3,655,947</b>	<b>\$ 191,371</b>	<b>\$ -</b>
	<b>BAB Fund/Capital Outlay/CIP</b>	<b>\$ 9,418,864</b>	<b>\$ 63,999</b>	<b>\$ -</b>	<b>\$ 9,354,865</b>	<b>\$ -</b>	<b>\$ 9,354,865</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Grant Fund/Capital Outlay/CIP</b>	<b>\$ 7,300,000</b>	<b>\$ -</b>	<b>\$ 2,400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,400,000</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>SRF Fund/Capital Outlay/CIP</b>	<b>\$ 12,126,518</b>	<b>\$ 3,163,074</b>	<b>\$ -</b>	<b>\$ 9,328,478</b>	<b>\$ -</b>	<b>\$ 9,328,478</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Capital Outlay Totals</b>	<b>\$ 53,312,032</b>	<b>\$ 5,880,800</b>	<b>\$ 6,550,000</b>	<b>\$ 38,977,753</b>	<b>\$ 1,320,000</b>	<b>\$ 46,847,753</b>	<b>\$ 542,111</b>	<b>\$ 1,993,400</b>

Capital Budget - Engineering

**TOTAL: WU/Eng/AdminCapital Outlay - R&R      \$ 10,344,345    \$ 779,469    \$ 1,350,000    \$ 9,145,412    \$ 1,383,780    \$ 11,879,192    \$ 260,551    \$ 993,400**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
10-20-00-604-001	KW-07 Paua Valley Tank Repair	9,408	-	-	9,408	-	9,408	-	-
10-20-00-604-009	Hanapepe Stream Crossing	84,030	-	-	54,499	-	54,499	-	-
10-20-00-604-110	LO-10 Lāwa'i 6" and 8" Main Replacement: 6,400'	200,000	124,675	-	75,325	-	75,325	7,864	-
10-20-00-604-116	WK-08-Kapaa Homesteads 2-0.5MG Tanks	2,297,000	-	300,000	2,297,000	(237,078)	2,359,922	-	-
10-20-00-604-120	Job 02-06 Kilauea 1.0 MG Tank (Puu Pane) 20% Match	-	-	-	-	-	-	-	218,400
10-20-00-604-136	H-05 Weke, Anae, Mahimahi and Hee Roads 6" and 8" Main Replacement	3,137,663	124,700	300,000	3,124,663	(2,040)	3,422,623	118,465	300,000
10-20-00-604-138	HE-03a Hanapēpē Town Well MCC, Chlorination Facilities	489,286	5,688	100,000	402,319	(83,000)	419,319	9,670	-
10-20-00-604-147	WK-20, Rehabilitate Puupilo Steel Tank, 0.125 MG	169,783	93,916	-	-	-	-	-	-
10-20-00-604-148	PLH-27 Kūhiō Highway (Hardy-Oxford) 16' Main Replacement	2,808,942	14,919	400,000	2,799,897	1,468,820	4,668,717	121,178	400,000
10-20-00-604-149	WK-25 Kūhiō Hwy (N. Papaloa to Kawaihau) 16" and 12" Main Replacement	318,284	281,280	-	69,075	-	69,075	-	-
10-20-00-604-157	WK-03 Kilauea Wells MCC Rehab	66,864	33,401	200,000	33,463	239,603	473,066	-	-
10-20-00-604-175	Demo Old Admin Build (Phase I) Relocate Electrical Conduit and Add ATS to Microlab	750,000	-	50,000	180,700	(2,525)	228,175	3,374	75,000
10-20-00-604-177	WK-34 Kuamoo Road Water Main Replacement	13,085	100,890	-	99,063	-	99,063	-	-
									-

Capital Budget - Engineering

**TOTAL: WU/Eng/AdminCapital Outlay - Expansion \$ 1,476,641 \$ 133,599 \$ 2,800,000 \$ 1,492,691 \$ (79,922) \$ 4,212,769 \$ - \$ 1,000,000**

Line Item	Notes	FY 2025 Budget	FY 2025 Actual	FY 2026 Budget	Encumbrance Rollover	FY2026 +/- Budget Reappropriations	FY 2026 Revised Budget	FY 2026 YTD Actual as of 2/28/2026	FY 2027 Proposed Budget
10-20-00-605-116	WK-08 Kapa'a Homesteads 325' Tanks - Two 0.5 MG Tanks	-	-	400,000	-	(162,922)	237,078	-	1,000,000
10-20-00-605-118	WK-39, Kapaa Homesteads Well No. 4 Pump and Controls	-	-	2,400,000	-	83,000	2,483,000	-	-
10-20-00-605-141	Kapaia Cane Haul Road 18" Main (98.55% Exp) \$3,241,350	1,124,376	-	-	1,124,376	-	1,124,376	-	-
10-20-00-605-178	Security Fencing for Admin Building	352,265	133,599	-	368,315	-	368,315	-	-

EXHIBIT I

PO Number	Account Number	Amount	Vendor Name
PO0006117	10-01-10-540-010	\$ 5,000.00	KAUAI SHREDDING
PO0006092	10-01-10-542-010	\$ 1,666.68	HOCHMAN HAWAII ONE
PO0006093	10-01-10-542-010	\$ 2,785.36	PACIFIC MEDIA GROUP
PO0006103	10-01-10-545-000	\$ 5,026.17	WALTER D. MCBRYE TRUST
PO0006102	10-01-10-551-000	\$ 2,698.25	DEPARTMENT OF WATER, COUNTY OF KAUAI
PO0006121	10-01-10-551-000	\$ 6,109.80	PUHI SEWER & WATER CO. INC.
PO0006206	10-02-00-604-999	\$ 1,195.92	DELL MARKETING LP
PO0006241	10-02-00-604-999	\$ 7,803.77	DELL MARKETING LP
PO0006243	10-02-00-604-999	\$ 12,226.19	DELL MARKETING LP
PO0006244	10-02-00-604-999	\$ 1,897.85	DELL MARKETING LP
PO0006020	10-02-10-540-010	\$ 111,407.40	KMH LLLP
PO0006127	10-02-10-543-000	\$ 2,831.42	HAWAIIAN TELCOM
PO0006128	10-02-10-543-000	\$ 2,219.50	HAWAIIAN TELCOM
PO0006129	10-02-10-543-000	\$ 4,809.50	SPECTRUM BUSINESS
PO0006130	10-02-10-543-000	\$ 14,602.52	VERIZON WIRELESS
PO0006077	10-02-10-545-000	\$ 3,269.28	RICOH AMERICAS CORPORATION
PO0006098	10-02-10-545-000	\$ 529.29	QUADIENT LEASING USA, INC
PO0006126	10-02-10-545-000	\$ 6,360.77	XEROX CORPORATION
PO0006072	10-02-10-550-000	\$ 82,553.87	PRITHIBI LLC
PO0006122	10-02-10-550-000	\$ 47.71	DELL MARKETING LP
PO0006224	10-02-10-550-000	\$ 38,000.00	COMPULINK MANAGEMENT CENTER INC
PO0006178	10-02-10-561-000	\$ 9,309.44	GLENMOUNT GLOBAL
PO0006122	10-02-10-563-000	\$ 47.71	DELL MARKETING LP
PO0004335	10-20-00-604-001	\$ 399.80	KAI HAWAII
PO0005807	10-20-00-604-110	\$ 85.76	THE LIMTIACO CONSULTING GROUP
PO0005830	10-20-00-604-116	\$ 2,297,000.00	HAWAIIAN DREDGING
PO0005522	10-20-00-604-136	\$ 4,371.00	ESAKI SURVEYING
PO0005813	10-20-00-604-136	\$ 2,881,535.00	KOGA ENGINEERING & CONSTUCTION
PO0006057	10-20-00-604-136	\$ 6,000.00	KOGA ENGINEERING & CONSTUCTION
PO0005867	10-20-00-604-136	\$ 89,000.00	KOGA ENGINEERING & CONSTUCTION
PO0005555	10-20-00-604-138	\$ 26,846.00	AUDTIN, TSUTSUMI & ASSOC.
PO0005972	10-20-00-604-138	\$ 150,000.00	VALLEY WELL DRILLING
PO0006046	10-20-00-604-138	\$ 185,900.08	KIEWIT INFRASTRUCTURE WEST CO

EXHIBIT I

PO Number	Account Number	Amount	Vendor Name
PO0003601	10-20-00-604-148	\$ 10,131.18	BELT COLLINS HAWAII
PO0005560	10-20-00-604-148	\$ 45,147.00	BOWERS + KUBOTA
PO0005738	10-20-00-604-148	\$ 200,000.00	EARTHWORKS PACIFIC INC
PO0006056	10-20-00-604-148	\$ 2,398,052.72	ALPHA INC.
PO0006223	10-20-00-604-148	\$ 1,864,740.00	ALPHA INC.
PO0005560	10-20-00-604-149	\$ 45,147.00	BOWERS + KUBOTA
PO0006035	10-20-00-604-175	\$ 177,325.60	PAUL'S ELECTRICAL CONTRACTING LLC
PO0006048	10-20-00-604-177	\$ 99,063.00	KENNEDY JENKS
PO0006211	10-20-00-605-118	\$ 2,483,000.00	HAWAIIAN DREDGING CONSTRUCTION
PO0005827	10-20-00-605-141	\$ 1,124,375.70	R.M. TOWILL
PO0005973	10-20-00-605-178	\$ 214,296.50	PACIFIC CONCRETE CUTTING & CORING
PO0006018	10-20-00-605-178	\$ 4,369.94	PACIFIC CONCRETE CUTTING & CORING
PO0006073	10-20-00-605-178	\$ 16,050.45	PACIFIC CONCRETE CUTTING & CORING
PO0005808	10-20-00-605-999	\$ 3,867.01	TITLE GUARANTEE
PO0005383	10-20-10-540-010	\$ 7,862.50	KAI HAWAII
PO0005388	10-20-10-540-010	\$ 16,250.00	BROWN AND CALDWELL
PO0005562	10-20-10-540-010	\$ 345,119.48	KENNEDY JENKS
PO0005629	10-20-10-540-010	\$ 22,253.40	BOWERS + KUBOTA
PO0005656	10-20-10-540-010	\$ 8,900.52	PONSAR VALUATION LLC
PO0005699	10-20-10-540-010	\$ 52,613.55	BROWN AND CALDWELL
PO0005752	10-20-10-540-010	\$ 19,498.65	BROWN AND CALDWELL
PO0005871	10-20-10-540-010	\$ 173,330.50	KENNEDY JENKS
PO0005925	10-20-10-540-010	\$ 19,322.00	ESAKI SURVEYING
PO0005926	10-20-10-540-010	\$ 336,500.00	BOWERS + KUBOTA
PO0005935	10-20-10-540-010	\$ 72,485.11	KODANI & ASSOCIATES ENGINEERS, LLC
PO0005937	10-20-10-540-010	\$ 146,702.30	KIEWITT
PO0005952	10-20-10-540-010	\$ 14,679.21	BROWN AND CALDWELL
PO0005999	10-20-10-540-010	\$ 22,476.00	ESAKI SURVEYING
PO0006000	10-20-10-540-010	\$ 930.00	EUROFINS EATON ANALYTICAL
PO0006022	10-20-10-540-010	\$ 243,723.43	BROWN AND CALDWELL
PO0006029	10-20-10-540-010	\$ 36,460.00	R.M. TOWILL
PO0006065	10-20-10-540-010	\$ 148,960.02	BROWN AND CALDWELL
PO0006066	10-20-10-540-010	\$ 39,539.00	BROWN AND CALDWELL

EXHIBIT I

PO Number	Account Number	Amount	Vendor Name
PO0006193	10-20-10-540-010	\$ 100,000.00	BROWN AND CALDWELL
PO0006194	10-20-10-540-010	\$ 177,800.00	FUKUNAGA & ASSOCIATES, INC.
PO0006215	10-20-10-540-010	\$ 747,715.00	BROWN AND CALDWELL
PO0006217	10-20-10-540-010	\$ 74,960.00	U.S. GEOLOGICAL SURVEY
PO0006220	10-20-10-540-010	\$ 25,000.00	R.M. TOWILL
PO0006242	10-20-10-540-010	\$ 1,800.00	EUROFINS DRINKING WATER
PO0006249	10-20-10-540-010	\$ 73,678.50	EUROFINS DRINKING WATER
PO0006120	10-20-10-544-000	\$ 1,238.88	FEDERAL EXPRESS
PO0006007	10-20-10-560-000	\$ 187,400.20	BROWN AND CALDWELL
PO0006044	10-20-10-561-000	\$ 58.97	HYDRATE HAWAII INC
PO0006240	10-20-10-561-000	\$ 8,962.30	THERMO SOLUTIONS SERVICES
PO0006142	10-20-10-563-000	\$ 4,080.60	IDEXX LABORATORIES
PO0006188	10-20-10-563-000	\$ 4,523.49	IDEXX LABORATORIES
PO0004404	10-21-00-604-001	\$ 110,250.00	EARTHWORKS PACIFIC INC
PO0005257	10-21-00-604-029	\$ 50,000.00	BOWERS + KUBOTA
PO0005258	10-21-00-604-029	\$ 1,016,518.37	HAWAIIAN DREDGING
PO0005574	10-21-00-604-171	\$ 32,899.55	EARTHWORKS PACIFIC INC
PO0003577	10-21-00-605-017	\$ 2,990,220.00	H E JOHNSON COMPANY, INC
PO0005397	10-21-00-605-118	\$ 163,241.24	EARTHWORKS PACIFIC INC
PO0005260	10-21-10-540-010	\$ 582,879.92	R.M. TOWILL
PO0005993	10-30-20-541-010	\$ 2,879.60	PRITHIBI LLC
PO0006091	10-30-20-541-010	\$ 2,721.10	C R DISPATCH SERVICE
PO0006245	10-30-20-541-010	\$ 6,911.04	PRITHIBI LLC
PO0005622	10-30-20-541-020	\$ 123,390.00	UTILITEC
PO0006123	10-30-20-541-020	\$ 57,253.39	DOXIM UTILITEC LLC
PO0006138	10-30-20-541-020	\$ 12,909.87	BADGER METER INC
PO0006137	10-31-10-540-010	\$ 4,600.00	STATE OF HAWAII, OFFICE OF THE AUDITOR
PO0006030	10-31-10-550-000	\$ 675.00	COMPULINK MANAGEMENT CENTER INC
PO0006203	10-31-10-550-000	\$ 6.63	COMPULINK MANAGEMENT CENTER INC
PO0005725	10-40-00-604-182	\$ 19,498.65	E-TECHNOLOGIES
PO0005054	10-40-00-604-999	\$ 3,411.00	RONALD N.S. HO & ASSOCIATES, INC.
PO0005539	10-40-00-604-999	\$ 403.00	RONALD N.S. HO & ASSOCIATES, INC.
PO0005771	10-40-00-604-999	\$ 859,635.00	PAUL'S ELECTRICAL CONTRACTING LLC

EXHIBIT I

PO Number	Account Number	Amount	Vendor Name
PO0005987	10-40-00-604-999	\$ 169,032.53	CUTTER FORD INC
PO0006051	10-40-00-604-999	\$ 6,986.00	DERRICK'S WELL DRILLING & PUMP SERVICE
PO0006064	10-40-00-604-999	\$ 257,807.68	WINDWARD FORD OF HAWAII
PO0006078	10-40-00-605-999	\$ 475.64	BADGER METER INC
PO0006246	10-40-00-605-999	\$ 7,450.26	PACIFIC PUMP AND POWER
PO0006235	10-40-30-563-000	\$ 163.06	CANRO01
PO0006106	10-40-30-565-000	\$ 3,006.82	KALIHIWAI BAY ESTATES WATER ASSN
PO0006111	10-40-30-565-000	\$ 2,091.00	STATE OF HAWAII, DHHL
PO0006112	10-40-30-565-000	\$ 574,317.15	WAIAHI WATER COMPANY LLC
PO0006119	10-40-30-565-000	\$ 22,553.95	PRINCEVILLE UTILITIES COMPANY, INC
PO0006114	10-40-40-563-000	\$ 20,931.60	BEI WATER
PO0006108	10-40-50-551-000	\$ 1,459,982.47	KAUAI ISLAND UTILITY COOPERATIVE
PO0005516	10-40-50-560-000	\$ 8,466.00	DERRICK'S WELL DRILLING & PUMP SERVICE
PO0006169	10-40-50-560-000	\$ 6.35	MSC INDUSTRIAL SUPPLY CO
PO0006175	10-40-50-560-000	\$ 28,108.05	PACIFIC PUMP AND POWER
PO0006238	10-40-50-560-000	\$ 5,968.58	SAKO INDUSTRIES INC
PO0005962	10-40-50-563-000	\$ 2,152.27	PAUL D TJARKS
PO0006207	10-40-50-563-000	\$ 6,293.80	HAWAII ENGINEERING SERVICES, INC
PO0006239	10-40-50-563-000	\$ 9,935.07	THE GELLERT CO INC
PO0006248	10-40-50-563-000	\$ 6,723.75	ALPHA SUPPLY, LLC
PO0006164	10-40-50-563-010	\$ 558.02	CALTROL, INC
PO0006201	10-40-50-563-010	\$ 102.41	CALTROL, INC
PO0006105	10-40-60-541-010	\$ 985.93	HAWAII PUBLIC UTILITIES COMMISSION
PO0005812	10-40-60-560-000	\$ 8,688.00	GLENMOUNT GLOBAL
PO0006060	10-40-60-560-000	\$ 92.40	SAKO INDUSTRIES INC
PO0006104	10-40-60-560-000	\$ 653.20	GARDEN ISLE DISPOSAL INC
PO0006166	10-40-60-560-000	\$ 19,476.50	EVERON, LLC
PO0006177	10-40-60-560-000	\$ 7,524.44	THE SOLARAY CORPORATION
PO0006195	10-40-60-560-000	\$ 10,379.44	ENVIRO SERVICES & TRAINING CENTER
PO0006198	10-40-60-560-000	\$ 4,937.17	KAUAI MECHANICAL INC
PO0005730	10-40-60-561-000	\$ 12,250.00	HAWAII DRILLING & PUMP SERVICE
PO0006009	10-40-60-561-000	\$ 3,228.80	KAUAI MECHANICAL INC INC
PO0006058	10-40-60-561-000	\$ 432.00	KAHULUI TRUCKING & STORAGE INC

EXHIBIT I

PO Number	Account Number	Amount	Vendor Name
PO0006095	10-40-60-561-000	\$ 7,622.77	TIRE WAREHOUSE KAUAI
PO0006096	10-40-60-561-000	\$ 1,487.18	KONE INC.
PO0006097	10-40-60-561-000	\$ 4,000.00	UNITEK SOLVENT SERVICES, INC
PO0006101	10-40-60-561-000	\$ 175.48	KAHULUI TRUCKING & STORAGE INC
PO0006131	10-40-60-561-000	\$ 17.89	KING AUTO CENTER
PO0006147	10-40-60-561-000	\$ 34.07	PARSONS ENVIRONMENT
PO0006148	10-40-60-561-000	\$ 1,389.76	EVERON, LLC
PO0006149	10-40-60-561-000	\$ 8,495.38	JOHNSON CONTROLS FIRE PROTECTION
PO0006160	10-40-60-561-000	\$ 3,351.18	KAUAI MECHANICAL INC
PO0006204	10-40-60-561-000	\$ 14,470.31	ALLIED MACHINERY CORPORATION
PO0006227	10-40-60-561-000	\$ 75,000.00	KAUAI MECHANICAL INC
PO0006085	10-40-60-563-000	\$ 3.84	MSC INDUSTRIAL SUPPLY CO
PO0006089	10-40-60-563-000	\$ 806.81	KAUAI CONCRETE LLC
PO0006222	10-40-60-563-000	\$ 7,192.31	KAUAI CONCRETE LLC
PO0006234	10-40-60-563-000	\$ 3,786.64	4IMPRINT
PO0006236	10-40-60-563-000	\$ 4,225.39	CANRO01
PO0006247	10-40-60-563-000	\$ 4,330.68	U.S. SAWS, INC.
PO0006008	10-40-60-563-010	\$ 21,074.38	ABR VENTURES LLC DBA HONUA
PO0006144	10-40-60-563-010	\$ 366.49	ALLIED MACHINERY CORPORATION
PO0006145	10-40-60-563-010	\$ 350.64	JAS. W. GLOVER, LTD.
PO0006161	10-40-60-563-010	\$ 7,329.84	KAUAI CONCRETE LLC
PO0006176	10-40-60-563-010	\$ 11,098.47	JAS. W. GLOVER, LTD.
PO0006237	10-40-60-563-010	\$ 4,554.97	PACIFIC PIPE COMPANY, INC
PO0006008	10-40-60-564-000	\$ 21,074.38	ABR VENTURES LLC DBA HONUA
PO0006159	10-40-60-564-000	\$ 1,735.69	SEALMASTER HAWAII
PO0006174	10-40-60-564-000	\$ 266.89	ABR VENTURES LLC DBA HONUA
PO0006107	10-40-60-564-000	\$ 5,780.51	PAR HAWAII LLC DBA KAUAI AUTOMATED FUEL
PO0006109	10-40-60-564-000	\$ 74,718.90	PAR HAWAII LLC
PO0006150	10-40-60-571-010	\$ 11.66	GRACELAND COLLEGE CENTER
PO0005524	20-20-00-605-018	\$ 130,000.00	R.M. TOWILL
PO0005830	20-20-00-605-116	\$ 3,000,000.00	HAWAIIAN DREDGING
PO0005534	20-20-00-605-117	\$ 119,765.00	ESAKI SURVEYING
PO0004545	20-20-00-605-118	\$ 42,082.88	HDR ENGINEERING, INC.

EXHIBIT I

<u>PO Number</u>	<u>Account Number</u>	<u>Amount</u>	<u>Vendor Name</u>
PO0002611	20-20-00-605-120	\$ 10,405.24	KODANI & ASSOCIATES ENGINEERS, LLC
PO0005523	20-20-00-605-155	\$ 200,000.00	R.M. TOWILL
PO0005830	30-20-00-605-116	\$ 5,600,000.00	HAWAIIAN DREDGING
PO0005832	30-20-00-605-118	\$ 2,600,000.00	HAWAIIAN DREDGING
PO0002611	30-20-00-605-120	\$ 10,405.24	KODANI & ASSOCIATES ENGINEERS, LLC
PO0002608	30-20-00-605-125	\$ 51,189.00	ESAKI SURVEYING
PO0003577	30-21-00-604-017	\$ 1,091,650.00	H E JOHNSON COMPANY, INC
PO0005830	60-20-00-605-116	\$ 5,200,000.00	HAWAIIAN DREDGING
	WU Fund	\$ 26,724,331.97	
	FRC Fund	\$ 3,502,253.12	
	BABs Fund	\$ 9,353,244.24	
	SRF Fund	\$ 5,200,000.00	
	Total	\$ 44,779,829.33	

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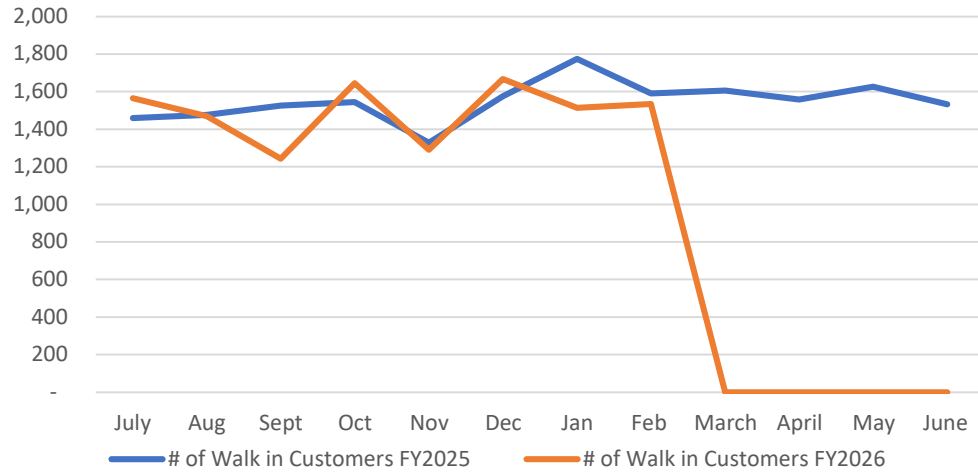
STAFF

REPORTS

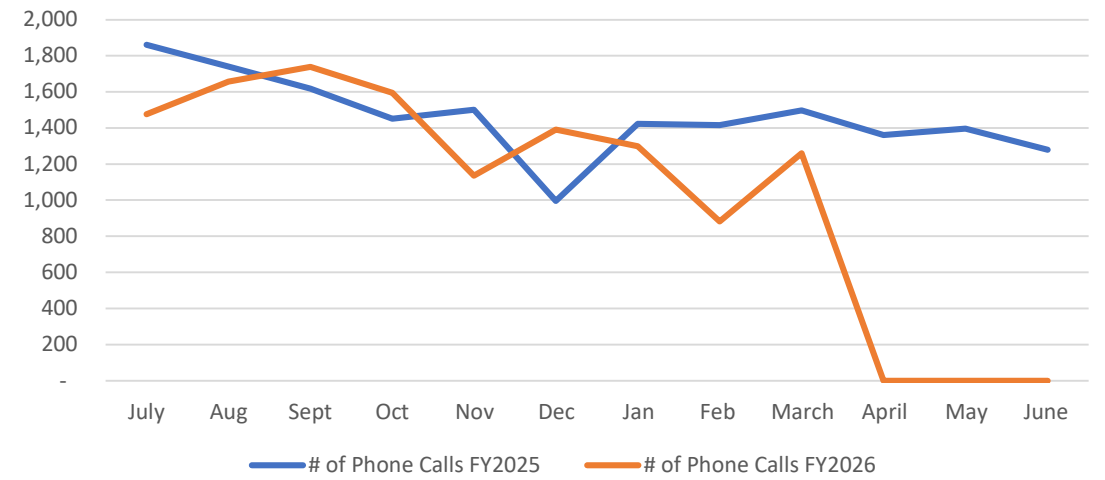


# FISCAL DIVISION DASHBOARD

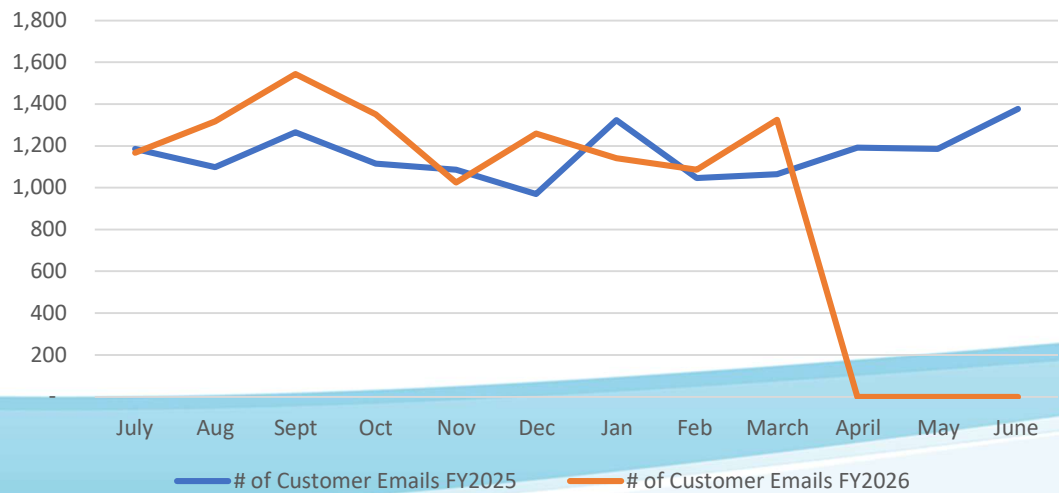
### # of Walk in Customers



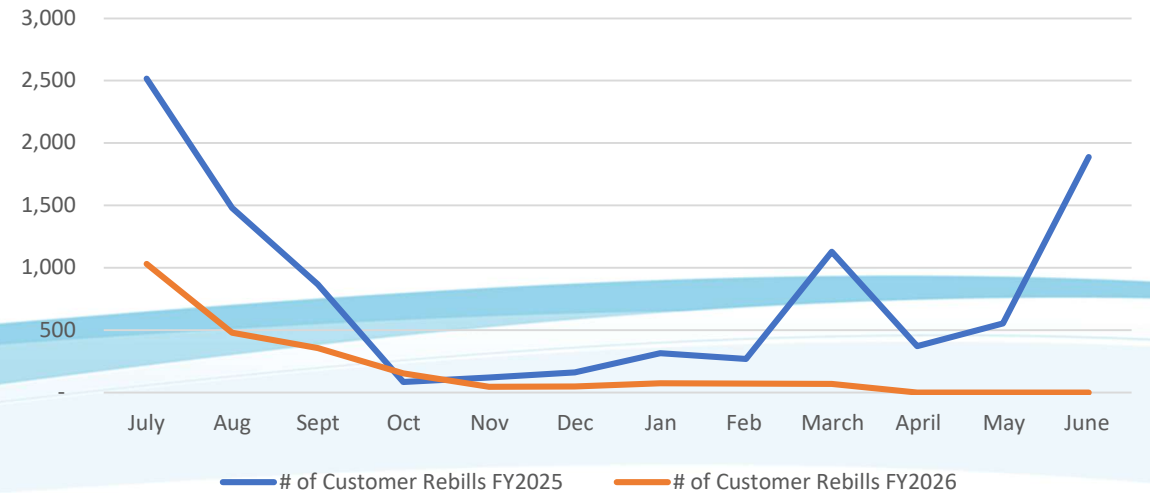
### # of Customer Service Calls



### # of Customer Emails and Correspondence

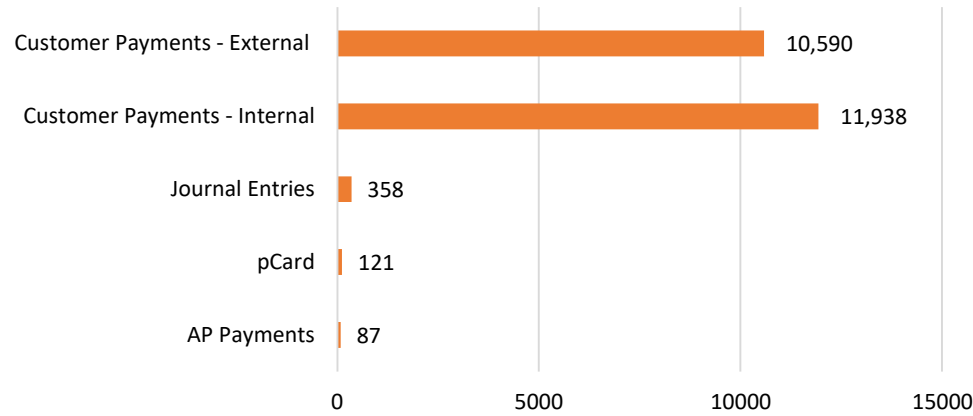


### # of Customer Rebills



# FISCAL DIVISION DASHBOARD

## Accounting Highlights

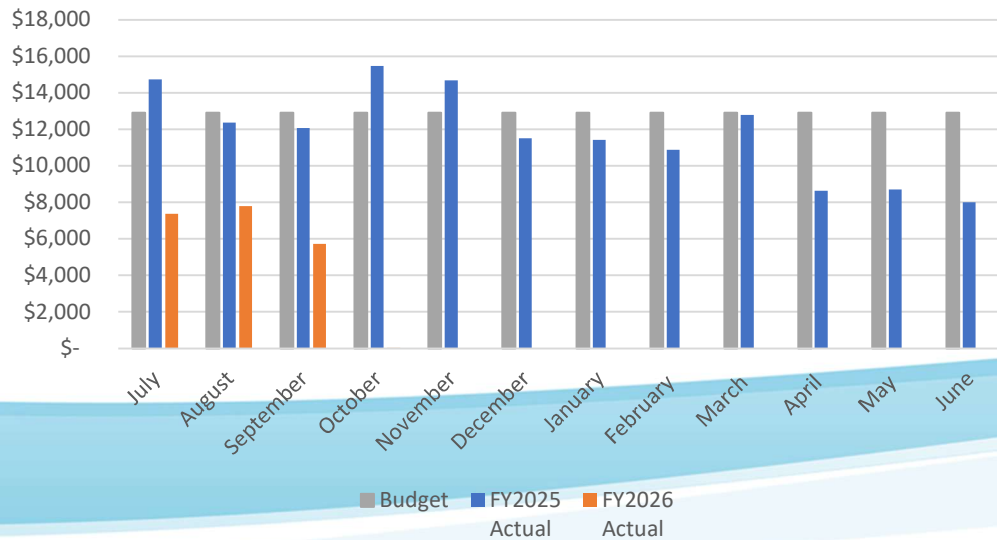


### Transponder Replacement Highlights:

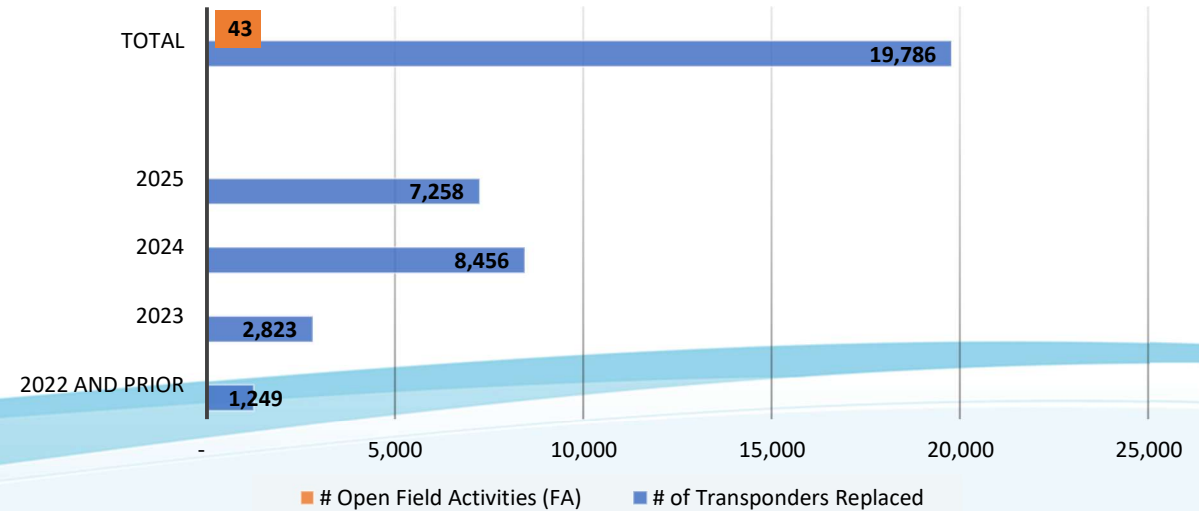
- 67 Transponders Replaced in March 2026.
- 86% Replaced to date.
- <1>% Failed; awaiting replacement.
- 14% Active; expected to fail soon.

Monthly Transactional Volume processed and reconciled by the Accounting Team.

## Overtime



## Transponder Replacement Progress (Calendar Year)



**Department Of Water Budget Report for March, 2026**

	March 2026			Fiscal Year 2026			
	Budget	Actual	Variance	Year to Date Budget	Year to Date Actual	Variance	Variance %
<b>Operating Revenue</b>	\$ 2,995,974.00	\$ 2,536,145.44	\$ (459,828.56)	\$ 26,963,766.00	\$ 27,053,789.80	\$ 90,023.80	0.3%
<b>Expenses</b>							
Labor *	\$ 1,278,478.42	\$1,147,197.21	\$ 131,281.20	\$ 11,506,305.75	\$ 10,324,774.92	\$ 1,181,530.83	10.3%
Services	1,361,349.08	\$895,745.75	465,603.33	12,252,141.75	5,130,337.30	7,121,804.45	58.1%
Utilities & Materials	797,635.75	\$297,914.78	499,720.97	7,178,721.75	4,901,953.17	2,276,768.58	31.7%
<b>Total Operating Expenses</b>	<b>\$ 3,437,463.25</b>	<b>\$ 2,340,857.74</b>	<b>\$ 1,096,605.51</b>	<b>\$ 30,937,169.25</b>	<b>\$ 20,357,065.39</b>	<b>\$ 10,580,103.86</b>	<b>34.2%</b>
<b>Debt Service Principal &amp; Interest</b>	<b>217,630.00</b>	<b>\$ -</b>	<b>\$ 217,630.00</b>	<b>6,751,908.00</b>	<b>6,874,834.47</b>	<b>(122,926.47)</b>	<b>(1.8%)</b>
<b>Operating and Debt Expenses</b>	<b>\$ 3,655,093.25</b>	<b>\$ 2,340,857.74</b>	<b>\$ 1,314,235.51</b>	<b>\$ 37,689,077.25</b>	<b>\$ 27,231,899.86</b>	<b>\$ 10,457,177.39</b>	<b>27.7%</b>
<b>Net Income (Loss)</b>	<b>\$ (659,119.25)</b>	<b>\$ 195,287.70</b>	<b>\$ 854,406.95</b>	<b>\$ (10,725,311.25)</b>	<b>\$ (178,110.06)</b>	<b>\$ 10,547,201.19</b>	<b>98.3%</b>

\* Current month's labor is estimated

**Capital Projects and Purchases\*\***

	Fiscal Year Budget	YTD 2026 Actual	Remaining Budget
<b>Water Utility Funded Projects</b>			
WU-IT-RandR Capital Purchases--	\$ 57,665.38	\$ 33,044.91	\$ 24,620.47
WU-IT-Expansion Capital Purchases--	978,197.32	74,921.07	903,276.25
WU-Eng-ALLR-17-10-KW-07 Paua Valley Tank Repair	9,407.62		9,407.62
WU-Eng-ALLR-Hanapepe Stream Crossing	54,498.95		54,498.95
WU-Eng 11-04 LO-10 Lawai 6n8inch Main Replacement	75,324.96	7,864.28	67,460.68
WU-Eng WK-08, Kapaa Homesteads 2-0.5MG Tanks	2,597,000.00		2,597,000.00
WU -23-05 Weke, Anae, Mahimahi Hee 6-8 inch mains	3,424,663.00		3,424,663.00
WU-Eng-23-08 Hanapepe Town Well MCC	502,319.08	9,670.00	492,649.08
WU-Eng-Job 18-3 -Kuhio Hwy Hardy-Oxford 16IN Main	3,199,896.96	121,177.51	3,078,719.45
WU-Eng Phase I-Demo Admin Bldg/MoveConduit/ATS Lab	230,700.00	3,374.40	227,325.60
WU-Eng-56%R-Job 23-03 Kuhio Hwy Papaloa to Waikaea	69,074.57		69,074.57
WU-Eng-16-4-WKK-03-Kilauea Wells MCC Rehab	233,462.60		233,462.60
WU-23-02 WK-34, Kuamoo Rd 8" Main Replace (6,500')	99,063.00		99,063.00
WU-Eng-WK-08-Kapaa Homesteads 2-0.5MG Tanks	400,000.00		400,000.00
WU-Eng-WK-39 Kapaa Homesteads Well #4 Pump&Control	2,400,000.00		2,400,000.00
WU-Eng PLH-35b, Kapaia Cane Haul Road 18" Main Env	1,124,375.70		1,124,375.70
WU-Eng-Security Fencing Admin Bldg	368,315.39		368,315.39
WU-Eng-Expansion Capital Purchases	13,867.01		13,867.01
Job 17-10 KW-07 Paua Valley Tank Repair	278,450.95		278,450.95
WU-Cns-44%R-09-01 Yamada Tank Clearwell, Conn Pipe	2,520,810.21	90,189.77	2,430,620.44
WU-Const-R&R-Tank Remediation Repair	32,899.55		32,899.55
Job 16-02 PLH-35B Kapaia Cane Haul Rd 18" Main	2,990,220.00		2,990,220.00
Job 02-14 WK39 WK08 Kapaa Hmstd Well 4; Pkg A Well	194,120.62		194,120.62

WU-Ops-R&R-Upgrade and Replace SCADA RTU and PLC	19,498.65		19,498.65
WU-Ops-RandR Capital Purchases	3,274,252.87	631,582.74	2,642,670.13
WU-Ops-Expansion Capital Purchases	1,355,094.26	10,199.45	1,344,894.81
	<b>\$ 26,503,178.65</b>	<b>\$ 982,024.13</b>	<b>\$ 25,521,154.52</b>

<b>FRC Funded Projects</b>			
FRC-Eng-ALLE--H-08 Hanalei Well 2	\$ 130,000.00	\$ -	\$ 130,000.00
FRC-Eng WK-08, Kapaa Homesteads 2-0.5MG Tanks	3,000,000.00	157,061.25	2,842,938.75
FRC-Eng-ALLE-12-02 WK-23 UH Expmntal Storage Tank	198,957.00		198,957.00
FRC Eng 04-08 WK-39 Drill Kapaa Homestead Well 4	102,328.99	(122,751.00)	225,079.99
FRC-Eng-90%E-Kilauea 1.0MG Tank Job 02-06	7,212.24		7,212.24
Job 15-08-HW-11-Haena 0.2MG Tank	1,306.63		1,306.63
FRC-Eng-ALLE-Wainiha Well #4	200,000.00		200,000.00
Projects with budget but no activity			-
	<b>\$ 3,639,804.86</b>	<b>\$ 34,310.25</b>	<b>\$ 3,605,494.61</b>

<b>Build America Bonds Funded Projects</b>			
Eng-ALLR-09-01 K-01 Kalaheo 1111FT & 1222FT	\$ 63,998.94	\$ -	\$ 63,998.94
Eng-ALLE-02-14 WK-08 Kapaa Homesteads Tank	5,600,000.00		5,600,000.00
Eng WK-39, Drill/Dev Kapaa Homesteads Well No4	2,600,000.00		2,600,000.00
Cns-ALLE-02-06WKK15-Kilauea 466 Tank Puu Pane	9,706.76		9,706.76
Eng-98%E-02-01 Land for Kukuioolono Tank Site	53,508.05		53,508.05
Cons-Exp-Kapaia Cane Haul Road	1,091,650.00		1,091,650.00
	<b>\$ 9,418,863.75</b>	<b>\$ -</b>	<b>\$ 9,418,863.75</b>

<b>State Allotment Funded Projects</b>			
WK-08-Kapaa Homesteads 2-0.5MG Tanks	\$ 7,250,000.00	\$ 2,488,891.00	\$ 4,761,109.00
PLH-27 Kūhiō Highway (Hardy-Oxford) 16' Main Replacement	2,500,000.00	920,810.00	1,579,190.00
	<b>\$ 9,750,000.00</b>	<b>\$ 3,409,701.00</b>	<b>\$ 6,340,299.00</b>

<b>State Revolving Funded Projects</b>			
WK-08, Kapaa Homesteads 2.0 5MG Tanks	\$ 5,200,000.00	\$ -	\$ 5,200,000.00
Kalaheo Water Systems Improvement Project (Yamada Tank)	4,128,478.23	385,391.25	3,743,086.98
	<b>\$ 9,328,478.23</b>	<b>\$ 385,391.25</b>	<b>\$ 8,943,086.98</b>

<b>Total Capital Projects</b>	<b>\$ 58,640,325.49</b>	<b>\$ 4,811,426.63</b>	<b>\$ 53,828,898.86</b>
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**Selected Divisions**

	March 2026			Fiscal Year 2026			
	Budget	Actual	Variance	Year to Date Budget	Year to Date Actual	Variance	Variance %
Engineering	\$ 931,395.00	\$ 540,630.92	\$ 390,764.08	\$ 8,382,555.00	\$ 3,016,645.83	\$ 5,365,909.17	64.0.0%
Fiscal	234,918.00	198,422.40	36,495.60	2,114,262.00	1,902,332.59	211,929.41	10.0.0%
Operations	1,441,899.00	880,222.63	561,676.37	12,977,091.00	10,171,814.23	2,805,276.77	21.6.0%
	<b>\$ 2,608,212.00</b>	<b>\$ 1,619,275.95</b>	<b>\$ 988,936.05</b>	<b>\$ 23,473,908.00</b>	<b>\$ 15,090,792.65</b>	<b>\$ 8,383,115.35</b>	<b>35.7.0%</b>

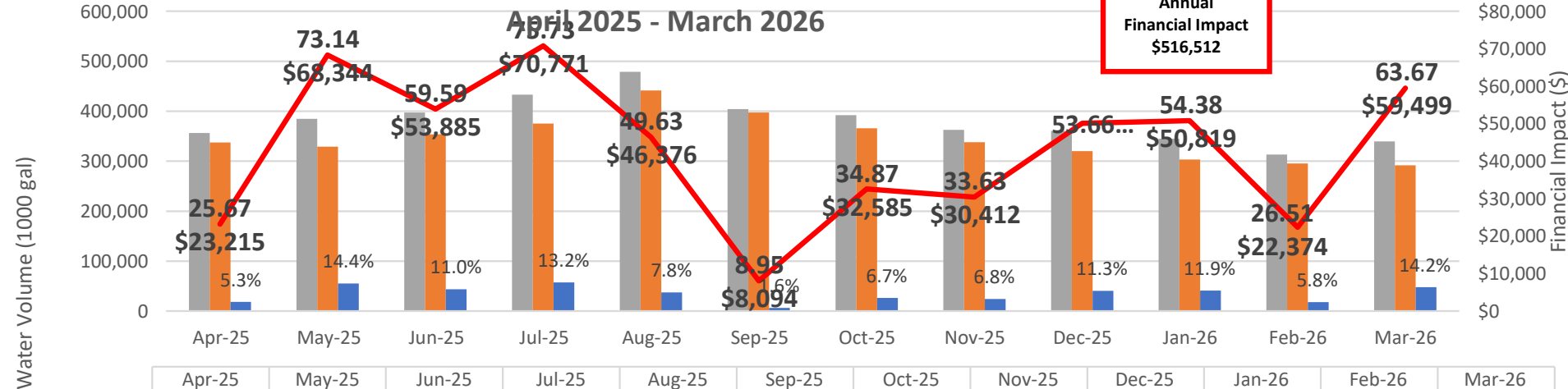
CASH RECEIPTS		TOTAL	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>BEGINNING CASH BALANCE</b>		\$ 60,000,000.00													\$ -	\$ -	\$ -	\$ -	\$ 60,000,000.00
Bond Proceeds																			
Interest Income		\$ 2,773,421.36	\$ 135,492.14	\$ 382,235.75	\$ 406,245.12	\$ 10,145.00	\$ (321,259.46)	\$ 1,406.49	\$ 318,033.00	\$ 239,725.76	\$ 136,213.08	\$ 43,433.92	\$ 62,650.14	\$ 246,093.42	\$ 1,113,007.00				
<b>TOTAL RESOURCES</b>		\$ 62,773,421.36	\$ 135,492.14	\$ 382,235.75	\$ 406,245.12	\$ 10,145.00	\$ (321,259.46)	\$ 1,406.49	\$ 318,033.00	\$ 239,725.76	\$ 136,213.08	\$ 43,433.92	\$ 62,650.14	\$ 246,093.42	\$ 1,113,007.00	\$ -	\$ -	\$ -	\$ 60,000,000.00
201-01 BAB - CIP		\$ -																	
Cost of Issuance		\$ 535,838.66																	\$ 535,838.66
217 EA-194 Hanalei River & Moelepe Stream Pipeline		\$ 741,141.50																	\$ 741,141.50
218 Job 02-18	Pipeline replacement, Kapaa Homesteads	\$ 2,941,979.00															\$ 966,229.51	\$ 1,975,749.49	
219 Job 04-02	Main replacement, Vivian Heights and Apopo Road and Kanahele Road	\$ 2,651,730.99														\$ 105,007.40	\$ 476,365.60	\$ 2,070,357.99	
220 Job 03-02	Anahola 0.15 MG Tank Renovation	\$ 1,571,169.09													\$ 417,459.47	\$ 738,342.29	\$ 348,437.12	\$ 66,930.21	
684 Job 05-01	Waimea Main Replacement	\$ 3,272,975.12															\$ 112,524.38	\$ 3,160,450.74	
687 Job 02-03	Kekaha 12" Main Replacement and Waimea Canyon Drive 12" Main Replacement	\$ 677,234.29															\$ 8,796.00	\$ 668,438.29	
221 Job 10-01	Pipeline replacement, Anini Road	\$ 724,652.00								\$ 320.25		\$ 40,444.75	\$ 99,727.00	\$ 75,360.00	\$ 91,600.00	\$ 331,800.00	\$ 85,400.00		
222 Job 10-02 & 13-03	Kaunuaalii Hwy widening, Anonou St to Lihue Mill Bridge	\$ 5,208,503.03													\$ 603,320.00		\$ 4,368,972.73	\$ 236,210.30	
223 Job 05-06	PLH-25, 8" Main Replacement, Eiwa, Umi, Akahi, Elua & Hardy/Alohi Streets	\$ 2,710,970.00														\$ 207,527.45	\$ 1,837,108.24	\$ 666,334.31	
224 Job 02-16	Rehabilitation of Maka Ridge Deepwell Tank, Pipeline and Rdway, Ohana, Anolani & Kuamoo Roads	\$ 1,381,988.40													\$ 70,243.40	\$ 816,129.43	\$ 495,615.57		
227 Waimea Well A Renovation		\$ 639,282.53														\$ 299,937.43	\$ 308,235.45	\$ 31,109.65	
326 Job 02-02	Omao 0.5 MG Tank and connecting Pipeline	\$ 2,519,540.05															\$ 1,105,978.21	\$ 1,413,561.84	
228 Koloa Tank Site Acquisition		\$ 500,991.73																\$ 500,991.73	
230 Job 02-08	Rehabilitation of Eleele Twin 0.4 MG Steel Tanks	\$ 2,018,853.05													\$ 419,657.59	\$ 820,325.86	\$ 654,054.56	\$ 124,815.04	
231 Job 02-19	Waipouli Main Replacement to Akulikuli	\$ 2,229,690.39													\$ 140,809.76	\$ 460,829.74	\$ 1,628,050.89		
232 Job 02-14	Kapaa Homesteads 0.5 MG Tank #2 and Kapahi 1.0 MG Tank	\$ 410,240.21				\$ 104,355.40	\$ 12,281.25			\$ 28,276.20	\$ 181,031.23	\$ 33,913.47				\$ 4,820.46	\$ 44,327.74	\$ 1,234.46	
233 Job 09-01 K-01, K-12	Kalaheo 1111' & 1222' Water System Improvement	\$ 63,998.94		\$ 63,998.94	\$ (1,117,183.23)	\$ 54,579.24	\$ 5,326.25	\$ 30,660.00	\$ 67,910.95	\$ 40,510.00	\$ 252,930.74	\$ 4,084.44	\$ 41,155.98	\$ 29,424.45		\$ 54,561.67	\$ 505,005.23	\$ 31,034.28	

CASH RECEIPTS		TOTAL	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	
683	Job 04-06	Kekaha Well B Renovation	\$ 627,165.43													\$ 42,828.60	\$ 265,223.57	\$ 319,113.26		
234	Kukuiolono Water Tank Site Acquisition		\$ 302,396.47															\$ 302,396.47		
235	Job 05-05	Nawiliwili, Niumalu and Kupolo 6", 8" and 12" Main replacement	\$ 3,150,226.75													\$ 689,732.75	\$ 2,460,494.00	\$ -		
237	Job 11-02	Replacement Grove Farm Tanks #1 & #2	\$ 201,658.00								\$ 24,767.90	\$ 33,185.10	\$ -	\$ 67,905.00	\$ 44,165.00	\$ -	\$ 31,635.00	\$ -		
692	PLH-39 Lihue Baseyd		\$ 7,755,133.98							\$ 15,035.86	\$ 544,777.77	\$ 575,693.09	\$ 5,951,097.31	\$ 1,510.40	\$ 1,466.25	\$ 382,445.74	\$ 283,107.56	\$ -		
621	Job 02-06	Kilauea 1.0 MG Tank	\$ 16,329.20		\$ (234,643.96)					\$ 17,438.16	\$ 13,380.00				\$ 73,995.00	\$ 93,310.00	\$ 52,850.00			
238	Job 11-04	Lawai-Omao Water Main Replacement & Service Improvements	\$ 71,737.50											\$ 5,967.45		\$ 30,745.05	\$ 35,025.00			
239	Job 02-17	Maka Ridge Facilities Rehabilitation and Princeville Interconnection Plan	\$ 2,333,850.55											\$ 244,226.89	\$ 276,328.78	\$ 1,813,294.88				
240	Job 11-03	Land and Well Acquisition, Moloaa and Waiimea, Kauai	\$ 159,938.00								\$ 3,678.00	\$ 25,300.00	\$ 14,160.00		\$ 23,290.00	\$ 71,730.00	\$ 21,780.00			
242	Job 02-11	Moloaa Land Acquisition	\$ -																	
243	Job 11-06	Rehabilitate Moelelpe Tunnel and improve access road	\$ 19,200.00														\$ 19,200.00			
244	K-05A Kukuiolono 0.5 MG 886' Tank		\$ 193,578.95								\$ 67,715.05	\$ 61,552.30			\$ 64,311.60					
	Job 11-10	8" WL Halewili Kaumuallii to Hale	\$ 694,331.55									\$ 282,186.78	\$ 412,144.77							
	Job 11-07	MCC Chlor KoloaWell16-A,B,E	\$ 3,667,032.67						\$ 44,513.76	\$ 1,623,383.03	\$ 1,999,135.88									
	Job 04-08	Kapaa Homesteads Well #4	\$ 1,502,796.10				\$ 32,504.61	\$ 162,138.43	\$ 43,250.00	\$ 588,360.39	\$ 676,542.67									
<b>TOTAL</b>			\$ 51,496,154.13	\$ -	\$ 63,998.94	\$ (1,351,827.19)	\$ 191,439.25	\$ 179,745.93	\$ 73,910.00	\$ 700,785.10	\$ 2,401,506.17	\$ 3,087,416.57	\$ 1,056,359.93	\$ 6,518,285.06	\$ 349,034.19	\$ 2,210,406.85	\$ 6,723,168.75	\$ 16,360,816.36	\$ 11,654,128.06	\$ 1,276,980.16
<b>Cash &amp; Investment Balance</b>			\$ 11,277,267.23																	



# OPERATIONS DASHBOARD

## Monthly Water Audit

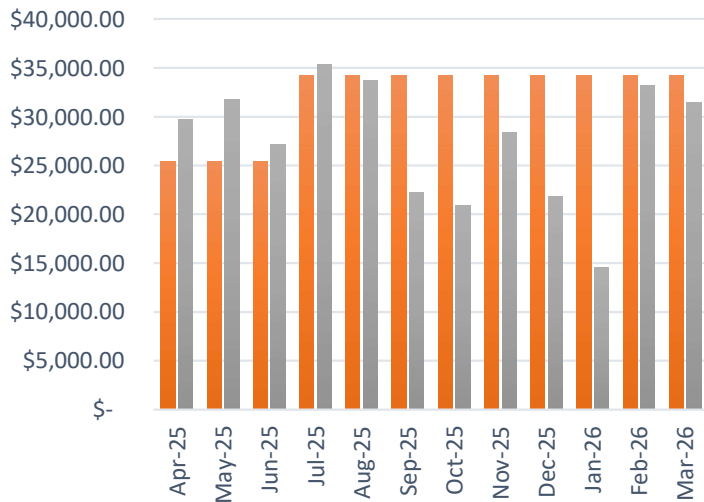


	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Produced (Kgals)	356,362	384,673	397,151	432,800	478,834	404,003	392,013	362,519	360,824	344,669	313,535	339,728
Customer Read (Kgals)	337,556	329,308	353,499	375,469	441,265	397,446	365,616	337,882	320,206	303,501	295,410	291,528
Non-Rev Water (Kgals)	18,806	55,365	43,652	57,331	37,569	6,557	26,397	24,637	40,618	41,168	18,125	48,200
Financial Impact	\$23,215	\$68,344	\$53,885	\$70,771	\$46,376	\$8,094	\$32,585	\$30,412	\$50,140	\$50,819	\$22,374	\$59,499

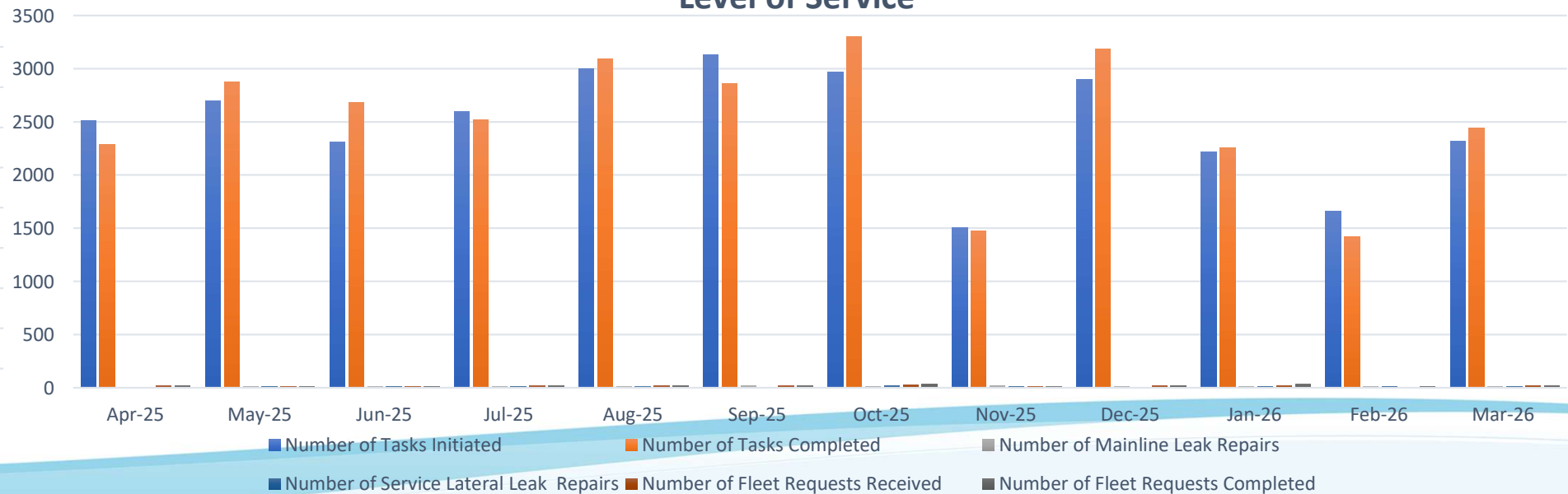
**Ops Highlights:**

1. Water Service Investigator interviews ongoing. Janitor Working Supervisor, Water Meter Mechanic, Construction & Maintenance Worker I, and Pipefitter all hired/promoted.
2. 4 different IFB and RFP procurements are out for bid and 2 RFP in the contract phase.
3. Training conducted was for Workday Supervisor Refresher and Leadership Kauai.

## Overtime



## Level of Service



# OPERATIONS

	Last Month		Current Month		Previous FY Year to Date		Current FY Year to Date	
<b>STAFFING</b>								
Budgeted Staff   Vacancies	48	12	49	11	48	11	49	11
<b>OVERTIME</b>								
Budget (\$)   Actual (\$)	\$34,166.67	\$33,221.48	\$34,166.67	\$31,481.78	\$228,750.00	\$304,816.75	\$307,500.00	\$241,814.08
<b>FLEET MANAGEMENT</b>								
# of Fleet Requests Received	9		22		211		170	
# of Fleet Requests Completed	10		22		215		203	
<b>METER PROGRAM</b>								
# of Existing Meters Replaced	0		0		250		3	
# of Existing Meters Repaired	84		81		4743		1551	
# of New Meters Installed	5		15		117		74	
# of New Laterals Installed	1		0		2		1	

# OPERATIONS



## LEVEL OF SERVICE

	Last		Current		Previous		Current	
	Month	Month	Month	Month	FY YTD	FY YTD	FY YTD	FY YTD
# of Tasks Initiated	1663		2322		23002		22300	
# of Tasks Completed	1424		2443		23684		22560	
# of Mainline Leak Repairs	15		11		130		131	
# of Service Lateral Leak Repairs	10		10		150		111	
# of Calls for Service	188		185		1890		1554	
# of Temporary Hydrant Meters Installed	0		0		24		6	
# One Call Request Received   Completed	43	38	52	57	376	375	645	637
# of Hydrant Hits	2		5		10		22	

## WATER AUDIT

	Last	Current Month	Previous	Current
	Month		FY YTD	FY YTD
Water Produced (Million Gallons)	313.535	339.728	3560.093	3428.925
Customer Meter Reading (Million Gallons)	295.410	291.528	3032.115	3128.323
Non-Revenue Water (Million Gallons)	18.125	48.200	527.978	300.602
Non-revenue %	6%	14%	15%	9%
Financial Impact	\$22,373.86	\$59,499.04	\$651,746.60	\$371,069.12



# ENGINEERING DASHBOARD

	Last Month		Current Month		Previous FY Year to Date		Current FY Year to Date	
<b>STAFFING</b>								
Budgeted Staff   Vacancies	22	4	22	4	25	6	-	-
<b>OVERTIME</b>								
Budget (\$)   Actual (\$)	\$15,400	\$2,600	\$15,400	\$8,100	\$116,300	\$202,100	\$138,800	\$77,400

	Last Month		Current Month	
<b>PROJECT MANAGEMENT</b>				
DOW Projects In Design   In Construction	8	11	8	11
Private Projects Design Approved   In Construction	4	171	6	170
Private Projects Construction Completed	2		7	

- CIP Project Highlights:
- Pu‘u Pane 1.0 MG Tank
    - Bid opening, 4/22/26
    - Funding construction via a DWSRF Loan
  - Kalāheo Water System Improvements
    - Working on change order proposal to upgrade booster pumps at 908’ Tank site and Yamada Tank site
  - UH Experimental Station 605’ Tank
    - Provided comments to consultant on water line profile
    - Tank design moving forward
  - Kīlauea Wells 1 & 2 MCC, Chlorination Facilities
    - Transferred pumps to temporary MCC
    - Permanent MCC to be installed this fall
  - Kūhiō Hwy (Hardy-Oxford) 18” Main Replacement
    - Night work ongoing for water line work on Kūhiō Highway
  - Weke, Anae, Mahimahi and Hee Roads 6” and 8” Main Replacement
    - Water line work ongoing
  - Kuamoo Road Water Main Replacement
    - Reviewing 90% submittal



# ENGINEERING DASHBOARD

	Last Month		Current Month		Previous FY Year to Date		Current FY Year to Date	
<b>WATER RESOURCES AND PLANNING</b>								
Number of Customer Requests Received   Completed								
Subdivision Applications, Zoning, Land Use and Variance Permits	5	5	2	4	86	86	74	56
ADU/ARU Clearance Applications	11	10	10	8	52	50	112	106
Building Permits	88	105	83	84	1303	1257	942	950
Water Service Requests	20	11	24	13	263	254	224	232
Government Records Request	3	3	4	1	37	29	27	26
Backflow Inspection # of Devices Tested	205		203		979		1,297	

## DOW Project Highlights:

- Water Systems Investment Plan (WSIP)
  - Public meetings being performed week of 4/6/26 and 4/13/26
  - Working on Ka Pa‘akai analysis, held meetings week of 3/23/26; upcoming meetings week of 5/18/26
- Kaua‘i Water Use and Development Plan (KWUDP)
  - Working on developing a general inventory of traditional and customary practices for each moku, held meetings week of 3/23/26; upcoming meetings week of 5/18/26
- As-Needed Grant Writing and Preparation Services
  - Applied for WaterSMART Grant for AMI Meters 11/13/24

# QUARTERLY UPDATE

Period of January 1, 2026 to March 31, 2026

## ENGINEERING DIVISION

Submitted by: Jason Kagimoto, P.E.

DEPARTMENT OF WATER

April 16, 2026

# Overview

- **Water Resources and Planning Section**

- Subdivision-Land Use Applications Completed = 14
- ADU/ARU Clearance Applications Completed = 34
- Building Permit Applications Reviewed = 242
- Water Service Requests Completed = 54
- Backflow Devices Inspected and Tested = 728
- KWUDP Update – Working on developing a general inventory of traditional and customary practices for each moku
- WSIP – Performing public meetings for the Board-approved rate increases
- As-Needed Grant Writing and Preparation Services
  - Waiting to hear back on USBR WaterSMART Grant

- **Project Management Section**

- 8 active DOW CIP design projects
- 11 active DOW CIP construction projects (\$69M total)
- Kapa‘a Homesteads 325’ Tanks – Construction in progress
- Pu‘u Pane 1.0 MG Tank – Bid opens 4/22/26
- Kalāheo Water System Improvements – Working on change order to upgrade existing BPSs and construct new BPSs
- Hā‘ena 0.2 MG Tank – Bidding FY27
- Kūhiō Highway (Hardy-Oxford) 16” Main Replacement – Performing night work on Kūhiō Highway
- Weke, ‘Anae, Mahimahi and He‘e Roads Main Replacement – Construction in progress
- Kapa‘a Homesteads Well No. 4 Pump and Controls – Working on permitting and preliminary design
- Līhu‘e Baseyard Electrical Relocation – Submittals complete, waiting for new phone system to be installed

# Water Restriction Areas

Water System/Sub-System	Restrictions (5/8-inch water meter or number units per lot)	Inadequate Facilities	Comments
Upper Lāwaʻi	2	Storage	Administration Approved
Poʻipū	300	Storage	Board Approved (50% of new tank allowed for new development; 50% to make up storage deficit)
Wailua Homesteads	5	Storage	Administration Approved
Upper Wailua Homesteads	2	Storage	Administration Approved
Kapaʻa Homesteads	5	Source	Board Approved
Moloaʻa	0	Source and Storage	Water Purchase Agreement
Kīlauea-Kalihiwai	5	Source and Storage	Administration Approved
Aliomanu – Kukuna Road	0	Transmission	Administration Approved
ʻAnini	1	Source and Storage	Water Purchase Agreement
Upper Wainiha Valley	1	Storage	Administration Approved
Wainiha – Hāʻena	3	Storage	Administration Approved

# Water Plan 2020 Construction Project Status

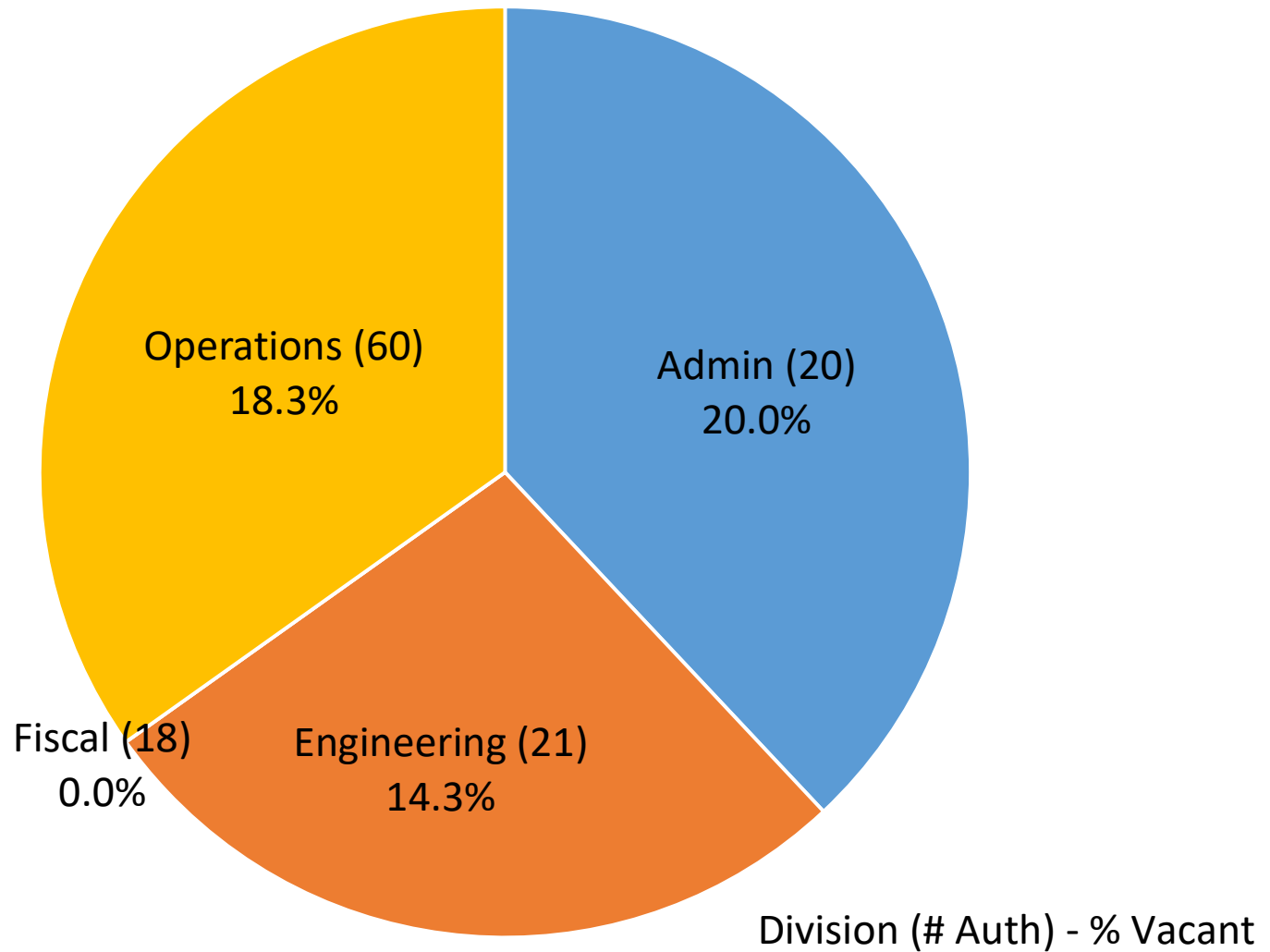
WP 2020 NUMBER	JOB NO	PROJECT TITLE	% COMPLETE MARCH 2025	ORIGINAL ESTIMATE TO COMPLETE	CURRENT ESTIMATE TO COMPLETE	CURRENT CONTRACT AMOUNT
WK-08	02-14	Kapa'a 325' Tanks – Package A Drain Line	90%	Q3 2019	Q4 2026 (1)	\$2,605,418.35
WK-08	02-14	Kapa'a 325' Tanks – Package B 2 0.5MG Tanks	7%	Q1 2027	Q1 2027	\$23,347,000.00 (2)
WK-39		Drill and Test Kapa'a Homestead Well No. 4	80%	Q3 2019	Q4 2026 (1)	See First Line
K-01 & K-12	09-01	Kalaheo Water System Improvements Package A – 0.5 MG Yamada Reservoir Package B – 0.1 MG Clearwell Reservoir Package C – Water Main Installation	90%	Q1 2025	Q4 2026 (3)	\$21,792,073.48 (4)
PLH-35B	16-02	Kapaia Haul Cane Road 18" Transmission Line	10%	Q3 2019	Q4 2027 (5)	\$4,127,545.00
WKK-03	16-04	Kilauea Wells Nos. 1 and No. 2, MCC, Chlorination Facilities	50%	Q3 2024	Q3 2026	\$3,984,072.47 (6)
KW-07	17-10	Rehabilitate Paua Valley Tank No. 1, 0.5 MG Tank	100%	Q2 2021	Completed	\$3,694,829.86 (7)
PLH-27	18-03	Kūhiō Hwy (Hardy-Oxford) 18" Main Replacement	30%	Q4 2026	Q4 2026	\$6,878,010.50 (8)
H-05	23-05	Weke, Anae, Mahimahi and Hee Roads 6" and 8" Main Replacement	15%	Q4 2026	Q4 2026	\$3,095,000.00
	24-05	Kapa'a Homesteads Well No. 4 Pump and Controls	5%	Q4 2027	Q4 2027	\$7,683,000.00 (9)
HE-03a	23-08	Hanapēpē Town Well MCC, Chlorination Fac.	95%	Q3 2025	Q4 2025	\$150,000.00
					TOTAL =	\$77,356,949.66

- (1) Additional contract time required to obtain land-owner approval for DOW drainage easement and construct drain line
- (2) \$7.25M State appropriation
- (3) Additional contract time required to add in two booster pump stations
- (4) \$10.2M State appropriation, \$5.2M DWSRF Loan Principal Forgiveness
- (5) Project issued stop work order and is on hold while performing environmental permitting
- (6) \$2.6M State appropriation
- (7) \$1.2M State appropriation
- (8) \$2.5M State appropriation
- (9) \$2.6M State appropriation

# Supplemental Support Services

Contract Number	Company	Professional Service	Contract Amount	Amount Invoiced	Number of PAOs
728	RM Towill, Inc.	As-Needed CM	\$1,000,000	\$346,740	4
747	Kennedy/Jenks	As-Needed PM and Inspectional Services	\$1,000,000	\$385,000	6
763	Brown and Caldwell	As-Needed GIS and Hydraulic Modeling Services	\$919,623	\$98,800	2
767	Maddaus Water Management	As-Needed Grant Writing and Preparation Services	\$100,000	\$86,800	4

## % Vacancy Within Each Division Level



DEPARTMENT OF WATER

County of Kaua'i

"Water has no substitute – Conserve It!"

MANAGER’S UPDATE

April 16, 2026

*Pursuant to Board Policy No. 3*

**1. FY2026 BUDGET ADJUSTMENT - ENGINEERING DIVISION  
SOLE SOURCE NO. SS-2026-04, THERMO SOLUTIONS SERVICES USA –  
AUTOCLAVE ANNUAL PREVENTIVE MAINTENANCE**

RECOMMENDATION:

It is recommended that the Manager approve a budget transfer of \$5,000.00 to award Sole Source No. SS-2026-04 to Thermo Solutions Services USA.

FUNDING:

<b>FROM:</b>		
Account No.	10-20-10-560-000	
Acct Description	Wu/Eng/Admin/Repairs & Maintenance – Water System	
Funds Available	<i>Verified by WWC</i>	<\$5,000.00>
<b>TO:</b>		
Account No.	10-20-10-561-000	
Acct Description	WU/Eng/Admin/Repairs & Maintenance – Other Than Water System	
		\$5,000.00

BACKGROUND:

Thermo Solutions Services USA is an approved sole source provider with SS No. 2026-04. The annual autoclave preventive maintenance was inadvertently excluded from the lab equipment maintenance budget. Additional budget is needed to move forward with awarding the contract for the required annual preventive maintenance of the autoclave.

**2. FY2026 BUDGET ADJUSTMENT - ADMINISTRATION DIVISION  
 FOR REPLENISHMENT OF OPERATIONAL SUPPLIES**

RECOMMENDATION:

It is recommended that the Manager approve a budget transfer of \$10,000.00 to provide additional budget for replenishment of operational supplies

FUNDING:

<b>FROM:</b>		
Account No.	10-01-10-573-010	
Acct Description	WU/Admin/Meeting Expense	
Funds Available	<i>Verified by WWC</i>	<\$10,000.00>
<b>TO:</b>		
Account No.	10-01-10-563-000	
Acct Description	WU/Admin/Operating Supplies	
		\$10,000.00

BACKGROUND:

In fiscal year 2026, department-wide operational supplies budget was consolidated in the Administration Division. Additional budget is needed to cover replenishment of supplies through June 30<sup>th</sup>.

**3. CHANGE ORDER NO. 6 TO CONTRACT NO. 716 WITH RONALD N.S. HO & ASSOCIATES, INC..**  
**JOB NO. 21-03, PAUA VALLEY WELL MCC REPLACEMENT, KEKAHA, KAUA'I, HAWAII**

RECOMMENDATION:

It is recommended that the Manager approve Change Order No. 6 for Contract No. 716 with Ronald N.S. Ho & Associates, Inc.

FUNDING:

Account No.	10-40-00-604-999		
Acct Description	WU/Ops/Capital Outlay- R&R/Misc. Capital Purchases		
Funds Available	<i>Verified by WWC</i>		\$N/A
Contract No.	716		
Vendor	Ronald N.S. Ho & Associates, Inc.		
	Original Contract	\$68,222.04	
	Change Order No. 1 (time only)	\$0.00	
	Change Order No. 2	\$5,068.68	
	Change Order No. 3	\$403.00	
	Change Order No. 4 (time only)	\$0.00	
	Change Order No. 5 (time only)	\$0.00	
	Total Funds Certified To Date	\$73,693.72	
Change Order No. 6:			
	Contract Time Extension of 301 calendar days	\$0.00	
	Total Change Order	\$0.00	
Contract Amount To Date		\$73,693.72	

BACKGROUND:

Contract NTP Date: November 3, 2021  
 Original Contract End Date: September 18, 2022  
 New Contract End Date: December 27, 2026

**4. CHANGE ORDER NO. 5 FOR CONTRACT NO. 753 WITH HAWAII DRILLING & PUMP SERVICES, LLC  
 JOB NO. 24-10 PIWAI WELL NO. 3 REPAIR**

RECOMMENDATION:

It is recommended that the Manager approve Change Order No. 5 for Contract No. 753 with Hawaii Drilling & Pump Services, LLC, for a no cost time extension to continue troubleshooting motor issues.

FUNDING:

Account No.	10-40-60-561-000		
Acct Description	WU/Ops/TandD/Repairs and Maintenance – Other than Water System		
Funds Available	<i>Verified by WWC</i>		\$N/A
Contract No.	753		
Vendor	Hawaii Drilling & Pump Services, LLC		
	Contract Amount	\$245,000.00	
	5% Contingency	\$11,640.00	
	CO1 (06/20/24)	\$610.00	
	CO2 (01/23/25)	\$0.00	
	CO3 (07/17/25)	\$0.00	
	CO4 (09/18/25)	\$0.00	
	Total Funds Certified To Date	\$257,250.00	
Change Order:			
	CO5 (contract time extension)	\$0.00	
	Total Change Order	\$0.00	\$N/A
	Contract Amount To Date	\$245,610.00	

BACKGROUND:

Contract NTP Date: February 26, 2024  
 Original Contract End Date: November 22, 2024  
 New Contract End Date: February 26, 2027

The pump and motor require additional troubleshooting, which includes removal of the pump and motor.

**5. FIRST AMENDMENT TO CONTRACT NO. 773 WITH PRITHIBI LLC  
 JOB NO. SS-2025-06, CC&B DATA EXTRACTION FOR DEPARTMENT OF PUBLIC  
 WORKS, WASTEWATER DIVISION (DPW) FOR THE PURPOSE OF BILLING  
 COMMERCIAL CUSTOMERS**

**RECOMMENDATION:**

It is recommended that the Manager approve the First Amendment to Contract No. 773 with Prithibi LLC to assist DPW for the purposes of rendering commercial customer bills, for an additional contract time extension of 12 months.

**FUNDING:**

Account No.	10-30-20-541-010		
Acct Description	WU/Bill/Collection/Other Services		
Funds Available	<i>Verified by WWC</i>		\$6,911.04
Contract No.	773		
Vendor	Prithibi LLC		
	Contract Amount	\$14,764.44	
	5% Contingency	N/A	
	Total Funds Certified To Date	\$14,764.44	
First Amendment:			
	Contract Time Extension and Continued Services	\$6,911.04	
	Total Amendment	\$6,911.04	<\$6,911.04>
	Contract Amount To Date	\$21,675.48	

**BACKGROUND:**

Contract NTP Date: February 19, 2025  
 Original Contract End Date: February 18, 2026  
 New Contract End Date: February 18, 2027

The DPW requested assistance from DOW to provide water consumption data from its CC&B software application, for their commercial customer accounts that are invoiced based on water consumption to render bi-monthly billing statements. DOW's software consultant, Prithibi LLC, will continue to provide a hosted cloud-based solution that will extract consumption data from CC&B. As-needed training and technical support will also continue to be provided. C773 allows for contract extension of time, not to exceed 36 months. This First Amendment is the first 12-months of the 36 month extension.

**6. CHANGE ORDER NO. 2 FOR CONTRACT NO. 778 WITH ABR VENTURES LLC DBA HONUA WATERWORKS  
 GS-2025-04 HYRDANTS & APPURTENANCES AND VARIOUS DRINKING WATER PIPE REPAIR AND MAINTENANCE FITTINGS**

RECOMMENDATION:

It is recommended that the Manager approve a no cost time extension with ABR Ventures LLC dba Honua Waterworks to furnish and deliver the subjects materials.

FUNDING:

Account No.	10-40-60-563-010		
Acct Description	WU/Ops/TandD/Operating Supplies/Invty. Stock		
Funds Available	<i>Verified by WWC</i>		\$ N/A
Contract No.	778		
Vendor	ABR Ventures LLC dba Honua Waterworks		
	Contract Amount	\$624,891.89	
	5% Contingency	\$N/A	
	CO1 (12/18/25)	\$0.00	
	Total Funds Certified	\$624,891.89	
Change Order No. 2			
	Contract Time Extension (75 calendar days)	\$0.00	
	Total Change Order	\$0.00	

BACKGROUND:

Contract NTP Date: March 11, 2025  
 Original Contract End Date: December 5, 2025  
 New Contract End Date: April 16, 2026

Honua Waterworks has requested a no cost time extension for the subject contract due to manufacturing and shipping delays outside of their control. The Department has deemed this request fair and reasonable and recommends approval of the extension.

**7. YEAR 2 OF 3 SERVICES FOR CONTRACT NO. 780 WITH EUROFINS DRINKING WATER AND WASTEWATER WEST, LLC  
 SOLE SOURCE NO. SS-2025-09, LABORATORY TESTING SERVICES**

RECOMMENDATION:

It is recommended that the Manager approve Year 2 of 3 for Laboratory Testing Services with Eurofins Drinking Water and Wastewater West, LLC.

FUNDING:

Account No.	10-20-10-540-010		
Acct Description	WU/Eng/Admin/Professional Services (SDWA Testing)		
Funds Available	<i>Verified by WWC</i>		\$73,678.50
Contract No.	780		
Vendor	Eurofins Drinking Water and Wastewater West, LLC		
	Contract Amount	\$221,210.93	
	5% Contingency	\$N/A	
	Year 1 of 3 (02/20/25)	\$70,170.00	
	Total Funds Certified	\$70,170.00	
Year 2 of 3:			
	Laboratory Testing Services	\$73,678.50	
	Total Year 2	\$73,678.50	<\$73,678.50>
Funds Certified To Date		\$143,848.50	

BACKGROUND:

Contract NTP Date: May 5, 2025  
 Original Contract End Date: May 3, 2028  
 New Contract End Date: N/A

Eurofins Drinking Water and Wastewater West, LLC is the only provider that complies with the State of Hawaii, Department of Health, Safe Drinking Water Branch, Electronic Data Delivery data management system Safe Drinking Water Information System. Vendor provides laboratory testing services required by the U.S. Safe Drinking Water Act.

The DOW has entered into a multi-term contract with Eurofins per Exhibit B of the contract for the following compensation amount:

Year 1 = \$70,170.00  
**Year 2 = \$73,678.50**  
 Year 3 = \$77,362.43

Total Contract = \$221,210.93

**8. CONTRACT AWARD TO ABR VENTURES LLC DBA HONUWA WATERWORKS  
 GS-2026-01 HYRDANTS & APPURTENANCES AND VARIOUS DRINKING WATER  
 PIPE REPAIR AND MAINTENANCE FITTINGS**

RECOMMENDATION:

It is recommended that the Manager approve a contract award to ABR Ventures LLC dba Honua Waterworks to furnish and deliver the subjects materials.

FUNDING:

Account No.	10-40-60-563-010		
Acct Description	WU/Ops/TandD/Operating Supplies/Invty. Stock		
Funds Available	<i>Verified by WWC</i>		\$504,599.29
Contract No.	787		
Vendor	ABR Ventures LLC dba Honua Waterworks		
	Contract Amount	\$504,599.29	
	5% Contingency	\$N/A	
	Total Funds Certified	\$504,599.29	<\$504,599.29>

BACKGROUND:

The Board approved budget to purchase inventory items to replenish stock used. The inventory items consist of repair clamps, pipe of various materials, valves of various types, meter boxes and covers, fittings of various materials, and hydrants. The Board solicited this purchase through competitive sealed bidding and the award was given to Honua Waterworks whose pricing was deemed fair and reasonable.

**9. CONTRACT AWARD TO E-TECHNOLOGIES GROUP, LLC  
 RFP JOB NO. 26-04, SCADA SYSTEM MAINTENANCE AND PROFESSIONAL  
 CONSULTATION SERVICES**

RECOMMENDATION:

It is recommended that the Manager approve a multi-term contract award in the amount of \$578,157.00 with E-Technologies, LLC for professional support and maintenance services for the Department of Water's (DOW) island-wide SCADA system.

FUNDING:

Account No.	10-02-10-561-000		
Acct Description	WU/IT/Admin/Repairs and Maintenance – Other than Water System		
Funds Available	<i>Verified by WWC</i>		\$202,355.00
Contract No.	788		
Vendor	E-Technologies Group, LLC		
	Contract Amount	\$578,157.00	
	Year 1 of 3	\$192,719.00	
	5% Contingency	\$9,636.00	
	Total Funds Certified	\$202,355.00	<\$202,355.00>

BACKGROUND:

Request For Proposals was posted and E-Technologies, LLC had a higher rating and lower cost proposal than the other offeror. E-Technologies, LLC has been providing professional support and maintenance services for DOW's Pua Loke Master SCADA Site, as well as island-wide remote sites for the past 20 years. Familiarity with the existing system will allow E-Technologies, LLC to commence support immediately. The budget breakdown for this multi-term contract is the following:

**Year 1 = \$192,719.00**  
 Year 2 = \$192,719.00  
 Year 3 = \$192,719.00

Total Contract = \$578,157.00

CONVEYANCE OF WATER FACILITIES NONE

<u>APPLICANT</u>	<u>TMK #</u>	<u>LOCATION</u>