

On March 16, 2020, Governor David Y. Ige issued a Supplementary Emergency Proclamation related to COVID-19 which suspended Chapter 92 of the Hawai‘i Revised Statutes (“HRS”), relating to Public Agency Meetings and Records (commonly referred to as the Sunshine Law) to the extent necessary in order to enable boards to conduct business in-person or through remote technology without holding meetings open to the public. Boards shall consider reasonable measures to allow public participation consistent with social distancing practices, such as providing notice of meetings, allowing the submission of written testimony on items which have been posted on an agenda, live streaming of meetings, and posting minutes of meetings online. No board deliberation or action shall be invalid, if such measures are not taken.

In accordance with the Governor’s Proclamations including the stay-at-home order and the Mayor’s Proclamations and Emergency Rules, the Board of Water Supply public hearing will be conducted as follows:

- The public hearing will be held via remote technology to be consistent with social distancing practices and stay-at-home orders.
- Board members and/or resource individuals will appear via remote technology.
- The public hearing will continue to be noticed pursuant to HRS Chapter 92.
- Written and oral testimony on the proposed Rules will continue to be accepted.
 - Written testimony may be submitted to Edie Ignacio-Neumiller, the Commission Support Clerk via email at eineumiller@kauaiwater.org by the close of business the day before the public hearing is scheduled or mailed to the Board of Water Supply at 4398 Pua Loke Street, Lihu‘e, Kaua‘i, Hawai‘i 96766 with attention to the Commission Support Clerk. The public is asked to please provide sufficient time if mailing in public testimony.
 - Oral testimony may be submitted by leaving a voice message at (808) 245-5412.
 - The Commission Support Clerk will provide electronic copies of public testimony received, if any, to the Board members prior to the start of the public hearing.
- The public hearing will comply with HRS Chapter 92 and be posted to the Board’s website at http://www.kauaiwater.org/cp_waterboard_agendas.asp.

The proposed rule will be available to view on the Kaua'i Department of Water’s website, www.kauaiwater.org. A copy of the proposed rule will be mailed to any interested person who requests a copy and pays the required fees for the copy and the postage. Requests may be made by calling the Commission Support Clerk at (808) 245-5406 or via email at eineumiller@kauaiwater.org. Requests may also be made up to and including the date of the public hearing.

BOARD OF WATER SUPPLY of the COUNTY OF KAUA‘I

REGULAR MEETING

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

Thursday, August 27, 2020

10:00 a.m. or soon thereafter

PUBLIC ACCESS: +1-415-655-0001 US Toll

Access code: 126 699 4514 #

Password: 4398 #

To listen live to the Regular Board meeting, members of the public may use the public access number and enter the access code. No live public testimony will be received. If members of the public require technical assistance with please contact: informationtechnology@kauaiwater.org

A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES

Review and Approval of:

Regular Board Meeting – July 23, 2020

Finance Committee Meeting – August 14, 2020

E. CORRESPONDENCE/ANNOUNCEMENTS/PUBLIC TESTIMONY

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS

1. Report of the Finance Committee of the Kaua'i County Board of Water Supply
Financial Management Planning and Water Rate Analysis for the Department of Water's
FY2020 through FY2024 held on August 14, 2020 (*Update*)

G. OLD BUSINESS

1. *Manager's Report No. 17-29* - Financial Management Planning and Water Rate Analysis
for the Department of Water's FY2020 through FY2024 held on August 14, 2020
(*Update*)
2. *Manager's Report No. 17-50* - Discussion and Possible Action to enter into a Use and
Occupancy Agreements No. 362 and No. 362-A between the State of Hawai'i and the
Board of Water Supply, County of Kaua'i for Job No. 16-02, Water Plan 2020 No. PLH-
35b, Kapaia Cane Haul Road 18" Main, Līhu'e, Kaua'i, Hawai'i (*Update*)
3. *Manager's Report No. 20-41* - Waiahi Surface Water Treatment Plant Renovation
Construction Cost Progress Report (*Update*)

H. NEW BUSINESS

1. Manager's Report No. 21-02 - Discussion and Possible Action on the Approval of the Department of Water's Supplemental Budget for Fiscal Year 2021
2. Manager's Report No. 21-03 - Discussion and Possible Action on a Request for Proposal Contract to Glenmount Global Solutions, Inc., Job No. 20-03, Supervisory Control & Data Acquisition System Maintenance and Professional Consultation Services
3. Manager's Report No. 21-04 - Discussion and Possible Action for the Board to approve a Right of Entry Agreement from Grove Farm Company, Inc., Visionary LLC, Haile Moe Inc., and Haupu Land Company LLC for Job No. 16-02, Water Plan 2020 No. PLH-35b, "Kapaia Cane Haul Road 18" Main" project that will allow the Department to construct the project, affecting Lihue, Kaua'i, Hawai'i in the following:
 - a. TMK: (4) 3-7-001:001
 - b. TMK: (4) 3-8-018:001
 - c. TMK: (4) 3-8-018:002
4. Manager's Report No. 21-05 – Discussion and Possible Action on the Manager's approval relative to the Rules and Regulations of the Board for the Pua Loke 'Ohana Zone Project which postponed the requirement of the grant of easement for the Project's water meter located on TMK: 3-8-005: Por 002, Lihue, Kaua'i, Hawai'i and permits the issuance of a Certificate of Completion for the Project pending the County's receipt of an Executive Order from the Governor

I. STAFF REPORTS MONTHLY

1. Discussion and Receipt of the Kaua'i County Water Department's Statement of Revenues and Expenditures
 - a. July Monthly Summary Budget
 - b. Accounts Receivable Aging Summary
2. Discussion and Receipt of the Report by the Information & Education Specialist on Public Relations Activities
3. Discussion and Receipt of the Chief of Operation's Summary Report on Operational Activities
4. Discussion and Receipt of the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW

J. 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 § 92-4 and § 92-5(a)(6), the purpose of this Executive Session is for the Board to consider sensitive matters related to ensuring the continued safety and security of the Department's information technology systems.

J. EXECUTIVE SESSION (cont'd)

2. Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as those relate to CIV-5CC-18-1-0063, *Kia'i Wai O Wai'ale'ale vs. Department of Water*.
3. Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(2) and (4), the purpose of this Executive Session is for the Board to consider the hiring of an interim manager and chief engineer where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held; and for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.
4. Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(2) and (4), the purpose of this Executive Session is for the Board to consider the discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held; and for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

K. TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING (September 2020)

1. Discussion and Suggestions of the Department of Water's Capital Improvement Projects for 2021-2022
2. Manager's Report No. 19-47 - Discussion and Possible Action for Board Approval to enter into the First Amendment to the Memorandum of Agreement between the Department of Public Works, County of Kaua'i and the Board of Water Supply, County of Kaua'i for the County's Kahilihoho Road Culvert Repair Project and expenditure of funds in the amount of \$44,100.00 (*Update*)
3. Manager's Report No. 19-60 - Discussion and Possible Action for Water Plan 2020 Project No. WK-39 Drill & Develop Kapa'a Homesteads Well No. 4 & Package A-Well and Drainage Package of Water Plan 2020 Project No. WK-08, Job No. 02-14, Kapa'a Homesteads 325' Tanks, Two 0.5 MG Tanks Projects, Kapa'a, Kaua'i, Hawai'i for additional construction funding in the amount of \$150,311.48 and 298 calendar day time extension for proposed Change Order #14 (*Update*)

L. TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS

1. Department of Water Performance Audit (*Update*)
2. Table of Organization Workshop
3. Discussion and Possible Action to establish Fiscal Policies and Procedures
4. Manager's Report No. 20-51 – Discussion and Possible Action regarding the communication from the Salary Commission requesting for the Board's opinion on the challenges that the Board is facing while hiring a Manager & Chief Engineer (*Update*)
5. Baseyard Master Plan Workshop
6. Discussion and Receipt of the Department of Water's Draft Audit Financial Statements and Independent Auditor's Report by Accuity, Inc. for Fiscal Year 2020 and 2019 (November 2020)
7. Election of Officers for 2021 (November 2020)
8. Board Meeting Dates for 2021 (November 2020)

M. UPCOMING EVENTS

N. NEXT WATER BOARD MEETING

1. Thursday, September 24, 2020, 10:00 a.m.
2. Thursday, October 22, 2020, 10:00 a.m.
3. Thursday, November 19, 2020, 10:00 a.m.
4. Thursday, December 17, 2020, 10:00 a.m.

O. ADJOURNMENT

PUBLIC TESTIMONY

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

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

SPECIAL ASSISTANCE

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

Draft Minutes

MINUTES
BOARD OF WATER SUPPLY
July 23, 2020

The Board of Water Supply, County of Kaua'i, met in regular meeting **via remote** in Lihu'e on Thursday, July 23, 2020. Chair Kurt Akamine called the meeting to order at 10:07 a.m. The following Board members were present:

BOARD: Mr. Kurt Akamine, *Chair*
Ms. Julie Simonton, *Vice Chair (joined @ 10:12 a.m.)*
Mr. Lawrence Dill
Mr. Elesther Calipjo
Mr. Gregory Kamm

EXCUSED: Mr. Troy Tanigawa
Mr. Ka`aina Hull

Quorum was achieved with 4 members present at Roll Call.

STAFF: Mr. Bryan Wienand Mr. Valentino Reyna
(*via remote*) Mr. Michael Hinazumi Mr. Claus Bollmann
Mr. Keith Aoki Mr. Marcelino Soliz
Mrs. Marites Yano Mrs. Mary-jane Akuna
Mrs. Jonell Kaohelaulii Mr. Jas Banwait
Deputy County Attorney Mahealani Krafft Mr. Darrell Acob

Public Access Line: Three public listened in, per IT.

C. ACCEPTANCE OF AGENDA
Agenda was unanimously approved.

D. MEETING MINUTES
Review and Approval of:
Regular Board Meeting – June 25, 2020
Regular Board Meeting minutes of June 25, 2020 was unanimously approved.

Review of Executive Session
Executive Session – June 25, 2020
Executive Session minutes of June 25, 2020 was unanimously approved.

At 10:12 a.m., Ms. Simonton joined the meeting.

E. CORRESPONDENCE/ANNOUNCEMENTS/PUBLIC TESTIMONY
Chair announced that Civil Engineer Mr. Michael Hinazumi would be at the County of Kaua'i Emergency Management Agency at 12:30 pm today, to prepare for the potential tropical storm Douglas updates and to will inform the Board.

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS (PIG)
None.

G. OLD BUSINESS
1. Manager's Report No. 19-16 – Discussion and Possible Ratification of the Amendment to the Memorandum of Agreement between the Department of Public Works, County of Kaua'i and the Board of Water Supply, County of Kaua'i and the approval of Funds for the Reconstruction of Weke Road and Reinstallation of Damaged Water Main and Appurtenances, Hanalei Water System, in the amount of \$139,215.00

BACKGROUND:

The County of Kaua'i (COK) and the Department of Water (DOW) will be requesting reimbursements from FEMA for the reconstruction of Weke Road and reinstallation of a damaged water main and appurtenances in the amount of \$139,215.00 by entering into a First Amendment to the Memorandum of Agreement (MOA). The MOA is with the Department of Public Works and the COK which needs to be completed per Hawai'i Emergency Management Agency's (HIEMA) request. The DOW is funding the project to reimburse the COK.

Mr. Kamm moved to approve *Manager's Report No. 19-16* – Discussion and Possible Ratification of the Amendment to the Memorandum of Agreement between the Department of Public Works, County of Kaua'i and the Board of Water Supply, County of Kaua'i and the approval of Funds for the Reconstruction of Weke Road and Reinstallation of Damaged Water Main and Appurtenances, Hanalei Water System, in the amount of \$139,215.00; seconded by Ms. Simonton; with no objections, motion carried with 5 Ayes, Roll Call: KA, JS, LD, LC, GK

2. *Manager's Report No. 20-41* - Waiahi Surface Water Treatment Plant Renovation Construction Cost Progress Report (*Update*)

BACKGROUND:

Civil Engineer Mr. Bryan Wienand provided an update that does not require Board action. The Cost Table on Pages 19-22 showed the construction cost of the project and Grove Farm's cost for the water delivery and water treatment. Updated attachments will be included with this report every month.

The Cost Table on Page 21 (in blue) showed: *Taxes & Additional US Customs Duty Fees, in accordance with SUEZ's proposal* (for membrane units installed at the WSTP) – Total cost for the unit was over \$1M (split 2/3 cost for DOW & 1/3 cost for Grove Farm). Additional cost for State and County taxes & fees are \$47,000. This amount was included in the \$1.015M GF included in the Cost Table. There was a misunderstanding between Grove Farm and SUEZ the membrane manufacturer. The initial invoice was for \$31,901 which was not included in the Cost Table previously from Grove Farm. After discussing this matter with the Board Chair, DOW staff was authorized to approve the invoice for the taxes & fees under two conditions listed on Page 17 as follows for transparency:

1. The request is fair and reasonable, and
2. It is understood and acknowledged by DOW staff and the Board that the actual construction costs may differ from the line item estimates approved by the Board at the February 28, 2020 Board meeting. DOW staff are authorized to exercise judgment in approving invoices as long as the Board-approved project total of \$2,821,347.00 is not exceeded. In the future, should an invoice request an amount that would exceed this project total, the DOW will evaluate the request and, if deemed fair and reasonable, bring the request to the Board for approval of any additional funds.

If invoices are not paid within 15 days, interest costs would be incurred.

DISCUSSION:

Mr. Kamm asked for clarification on the County taxes. Mr. Wienand mentioned that the membranes came from Canada; 4.166 State & County taxes .5%; part of the Kaua'i excise tax.

Ms. Simonton requested for the next portion of the work if it could be assured that DOW has input on the bids for the 2/3 cost? Make sure there is adequate number of contractors who receives the plans for the bids. If the bids come back high, have an opportunity to discuss with Grove Farm and the contractors to bring down costs; this would avoid bills that are over budget. Mr. Wienand said Grove Farm has a reasonable interest for the cost of the project and DOW would work with them. The agreement may not have an instrument to exercise. Ms. Simonton added that not only back money is due but how to move forward by working with Grove Farm.

Mr. Dill requested updates for next month for Mr. Wienand to add to this report and the cost table:

- Track Grove Farm expenditures
- Show the 1/3 payment Grove Farm pays

- Change total cost estimate to the total taxes and fees column
- Indicate what changed from the original total cost estimate
- Correct typo in columns to show that Grove Farm pays 1/3 (not 2/3) & DOW pays 2/3

The Board requested at the June meeting information on the new membrane performance. Mr. Wienand visited the SWTP this month to inspect the membranes and to speak with the Grove Farm staff. Attachment 2 was provided by Grove Farm who worked with Aqua Engineers on a comprehensive report that outlined the basic need for replacing membranes and performance to date.

Ms. Simonton commented that construction bids could be discussed on the finance issues with staff.

H. NEW BUSINESS

1. Manager's Report No. 21-01 - Discussion and Possible Action to Request Board Approval for Indemnification for CrowdStrike Falcon Complete software between the Board of Water Supply, County of Kaua'i and CrowdStrike

BACKGROUND:

Mr. Michael Hinazumi and Information Technology (IT) researched security software features and intrusion prevention and decided to switch from Semantic to CrowdStrike for remote access. CrowdStrike would provide the needs of the Department to address monitoring and repair issues. Mr. Hinazumi requested the Board to indemnify sections of the Terms and Conditions.

DISCUSSION:

Mr. Dill asked if the software is within the existing budget for the fiscal year? Mr. Hinazumi said the software was not incorporated in the budget and will remove some of the software programs with no impact on the IT budget.

Mr. Kamm questioned the indemnity on certain sections and requested clarification. Mr. Hinazumi said that certain section of the Terms & Conditions, CrowdStrike would not change it for companies. The Department is requesting the Board agree to the Terms & Conditions that includes the limited liability and the governing law in the State of California.

Mr. Dill approved; Ms. Simonton seconded. No legal review of the agreement has been done according to DCA Krafft.

Mr. Dill moved to defer Manager's Report No. 21-01; Ms. Simonton seconded. – After discussion there was a need to approve rather than defer prompting the approval subject to legal review.

Mr. Dill withdraw his first motion; Ms. Simonton withdrew her motion.

Mr. Dill approved Manager's Report No. 21-01 subject to DCA Krafft's legal review and approval; seconded by Ms. Simonton; with no objections, motion carried with 5 Ayes, Roll Call: KA, JS, LD, LC, GK

Chair Akamine acknowledged Mr. Hinazumi who is the Acting IT Manager which is above his Water Resources & Planning position along with the assistance with Jas Banwait and Darrell Acob on amazing job with IT.

I. STAFF REPORTS MONTHLY

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

Fiscal reports were "Received for the Record" as distributed.

BACKGROUND:

Waterworks Controller Mrs. Marites Yano went over the fiscal reports on the Received for the Record Pages 1 to 20 that included: Monthly Summary Highlights for June, 2020, Monthly Budget Summary vs. Actual, FY 2019 – 2020 Certification of Funds, Billed Revenues Comparative Report, Cash Receipts (W/U) Comparative Report,

Metered Consumption (000 gallons) Monthly Comparative Charts, Accounts Receivable Aging Summary, Summary of Meter Cuts (Mcut), Statement of Net Position June 30, 2020 and 2019.

DISCUSSION:

Mr. Dill referred to Page 3 relating to the Water Rate Study and for the Department to decide if they should proceed with the study in light of the COVID pandemic this year or next year. Mrs. Yano recommended that the Finance Committee meet for discussion. Mr. Dill agreed to have a Finance Committee meeting to determine if the Water Rate Study would be completed this year or next year. Commission Support Clerk will coordinate a meeting date.

Aging on Page 17 was mentioned by Mr. Dill that in June the jump was 120 +days and 90 +days which was related to the pandemic. He asked if the Department was doing something for customers who can't pay their bills? Mrs. Yano explained the Department's Meter Cut (MCut) disconnections for customer's delinquent payments. MCut is a Rules and Regulations of the Department. The Department *may charge late fees* for delinquent accounts. Because of the pandemic, late fees were waived if requested by the customer. Mr. Dill requested that Mrs. Yano keep the Board updated on the Department's Rules & Regulations on discretionary decisions. The Department have been calling customers on delinquent bills which customers have been paying.

Chair Akamine mentioned that the Governor sent out information regarding utility charges and cut offs during the emergency situations. DCA Krafft mentioned when COVID started, most utilities decided to waive late fees. The Department has discretion to waive late fees. Emergency Rules are a Board function.

Mr. Wienand suggested doing a Rule change on Part 2 to allow late payment with exceptions. Chair requested to take this up at the next Agenda meeting with Mrs. Yano.

Received for the Record

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

BACKGROUND:

Information & Education Specialist Mrs. Jonell Kaohelaulii provide the following highlights:

1. Promoted Water Emergency Preparedness Awareness Campaign that was kicked off late May at the start of the hurricane season. This included social media posts, radio, newspaper ads, news release updates and a water storage jug distribution event. The water storage jug distribution outreach event was held early July, the Department's first event since March. The Department provided water storage jugs to approximately 600 families. An on-going partnership began last October with the County's Agency of Elderly Affairs who helped distribute the emergency storage water jugs to seniors to continue during the hurricane season. The Water Emergency Preparedness Campaign efforts are done year round and focuses on natural disasters during the hurricane season. Mrs. Kaohelaulii thanked the Kauai Department of Education's District Office and participating schools for allowing the Department to offer the water jug distribution during at the free meal program sites this month. Also acknowledged were DOW employees Jason Fujinaka, Terrilyn Amorin, Gina Gudoy and Virgil Kapanui for their assistance with the community distribution of the water jugs. Special thanks to the partner Hawai'i Emergency Management Agency who provided additional jugs at no cost to the Department.
2. Make A Splash Project WET has been cancelled by the Department for this year due to COVID-19 precautions. This would have been the 16th year of offering the State's only water education event to about 800 5th grade students, 20 volunteers and 15 water agencies to promote the importance of water & conservation. Public Relations is working on an alternative option to a physical in person event this year and is in consultation with Project WET and local teachers to assist with the water education criteria for 5th graders.

Received for the Record

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

BACKGROUND:

Mr. Valentino Reyna provided highlights:

1. Hawai'i Rural Water Association provided a virtual Safety Training for Operations; 2 days for 12 people.
2. Puhi Well No. 3 & Anahola Well No. A are back in service for redundancies.

Received for the Record

3. Discussion and Receipt of the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW
 - a. Build America Bond Quarterly Report (*April – June 2020*)

Received for the Record

QUARTERLY (*April – June 2020*)

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

Received for the Record

- b. Engineering Division Design Status

Mr. Aoki highlighted the following:

1. Kūhi'ō Hwy., Oxford, Hardy Street waterline project, a 60% plan submittal was received and in review.
2. Hā'ena .2M Tank project - CDUA Permit completed; "As Needed" Engineering services contract negotiations were completed and the contract was executed this month.
3. Last quarter, Engineering completed 22 private project reviews which included 9 new projects.

Received for the Record

- c. Water Resources & Planning Division Status

Received for the Record

- d. Information Technology Strategic Plan Status

Received for the Record

Ms. Simonton moved to defer Executive Session Item 1 until a report is received from the Department of Human Resources; seconded by Mr. Dill with no objections, motion carried with 5 Ayes, Roll Call: KA, JS, LD, LC, GK

J. EXECUTIVE SESSION

1. Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(2) and (4), the purpose of this Executive Session is for the Board to consider the hiring, evaluation, dismissal, or discipline of the an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held; and for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

Any future Agenda topics could be discussed with the Chair or Commission Support Clerk.

K. TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING (August 2020)

1. Discussion and Possible Action on the Approval of the Department of Water's Supplemental Budget for Fiscal Year 2021
2. Manager's Report No. 19-47 - Discussion and Possible Action for Board Approval to enter into the First Amendment to the Memorandum of Agreement between the Department of Public Works, County of Kaua'i and the Board of Water Supply, County of Kaua'i for the County's Kahiliholo Road Culvert Repair Project and expenditure of funds in the amount of \$44,100.00

L. TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS

1. Department of Water Performance Audit (Update)
2. Table of Organization Workshop
3. Discussion and Possible Action to establish Fiscal Policies and Procedures
4. Report of the Finance Committee of the Kaua'i County Board of Water Supply, Financial Management Planning and Water Rate Analysis for the Department of Water's FY2020 through FY2024 held on November 4, 2019
5. *Manager's Report No. 20-51* – Discussion and Possible Action regarding the communication from the Salary Commission requesting for the Board's opinion on the challenges that the Board is facing while hiring a Manager & Chief Engineer(*Update*)
6. Baseyard Master Plan Workshop
7. Discussion and Suggestions of the Department of Water's Capital Improvement Projects for 2021-2022 (September)
8. Discussion and Receipt of the Department of Water's Draft Audit Financial Statements and Independent Auditor's Report by Accuity, Inc. for Fiscal Year 2020 and 2019 (November 2020)
9. Election of Officers for 2021 (November 2020)
10. Board Meeting Dates for 2021 (November 2020)

M. UPCOMING EVENTS

N. NEXT WATER BOARD MEETING

- | | |
|---|------------------------------|
| 1. Friday, August 28, 2020 , 10:00 a.m. | THURSDAY, August 27, 2020 |
| 2. Friday, September 25, 2020 , 10:00 a.m. | THURSDAY, September 24, 2020 |
| 3. Friday, October 23, 2020 , 10:00 a.m. | THURSDAY, October 22, 2020 |
| 4. Friday, November 20, 2020 , 10:00 a.m. | THURSDAY, November 19, 2020 |
| | THURSDAY, December 17, 2020 |

O. ADJOURNMENT

Chair Akamine adjourned the meeting at 11:15 a.m. with no objections.

Respectfully submitted,

Approved,

Edith Ignacio Neumiller
Commission Support Clerk

Elesther Calipjo
Secretary, Board of Water Supply

FINANCE COMMITTEE MEETING

Friday, August 14, 2020

Committee Members Present: Finance Committee Chair Lawrence Dill, Ka`aina Hull and Elesther Calipjo. Also present was Board Member Gregory Kamm and Troy Tanigawa.

Staff Present: Marites Yano, Michael Hinazumi, Anne Parrott, Marcelino Soliz, Terri Amorin, Bryan Wienand, Keith Aoki, Valentino Reyna, Mary-jane Akuna, Jas Banwait

Guest(s) **via Remote:** DCA Todd Jensen

Finance Chair Dill called the meeting to order at 8:10 a.m., and quorum was established.

No Testimonies received on the call in number.

D. OLD BUSINESS

1. Manager's Report No. 17-29 - Discussion and Possible Action on the Financial Management Planning and Water Rate Study for the Department of Water for Fiscal Year 2020 through Fiscal Year 2024 (*Update*)

BACKGROUND:

Waterworks Controller Mrs. Marites Yano briefed the Finance Committee on the Water Rate Study done in 2016 and two workshops were held for staff's input. Refer to Page 3 on the DOW staff and consultants review on four objectives that were identified. A model was developed by the consultants that was presented for the Board's deliberation then provided for the Finance Committee's consideration.

Key events took place when the Water Rate Study began that caused a delay. The Facilities Reserve Charge (FRC) rule amendment was discussed at the Board level. The Finance Committee deferred the FRC rule amendment until it was effective on September 9, 2017. The second event was the vacancy of the Manager and Chief Engineer of the Department and a new Board. A workshop was presented to the new Board on the goals and objectives of the Water Rate Study. The proposed Capital Improvement Project (CIP) list was updated and the proposed financial model was completed. The Department received \$14M funding from the State and was incorporated into the financial model for CIP. The last model presented to the Finance Committee in November 2019 proposed annual rate increases of 7% effective February 2020, 2021, 2022, 2023. The Department checked with the County of Kaua'i (COK) policies on the reserve funds that affected the roll over balances in the proposed Water Rate Study. After working with the COK, the Department revised and completed updates to the reserve fund policies.

Due to the impacts of the global COVID-19 pandemic on water consumption, the Water Rate Study data is now obsolete. Three (3) Options on Page 5 were presented for the Finance Committee's consideration. Mrs. Yano recommended *Option 1: Terminate the Water Rate Study and start fresh with a new data when ready.*

DISCUSSION:

Mr. Calipjo asked if the options would be voted on at this meeting. Mrs. Yano said yes, then the Finance Committee would go back to the full Board on a recommendation to vote on.

Mr. Hull agreed that the study would have to be redone fresh on the availability of the money. He was in favor of *Option 1: Terminate the Water Rate Study and start fresh with a new data when ready.*

Civil Engineer Mr. Bryan Wienand proposed for consideration a 0% revenue adjustment and to complete the Water Rate Study with the model. Recent data could be updated in the model by the consultants on the new revenue projections. Mr. Wienand did not feel the need to start over with a new consultant. The current consultants could possibly let the Department know how much could be spent.

After speaking with the Fiscal staff, Mrs. Yano commented on why the Department should spend more if the Water Rate Study is not going to be used. The last Water Rate Study data was from 2015 and the customer's base increased, consumption decreased, trends are not applicable based on the pandemic but the model belongs to the Department in which Fiscal could input new data for new rate scenarios.

Mr. Marcelino Soliz informed the Finance Committee that the key consultant is no longer with the firm and the main consultant would have to ramp up the data. Water consumption is stable; hotel consumption decreased and residential consumption is steady. He added the change would be the amount of revenue for the consumption. Customers who were receiving unemployment benefits and the extra \$600 were able to pay their bills but this benefit ended. Fiscal will have to look at the downfall of revenues. If the contract is not terminated with limited funds, these funds may be used in another areas. Mr. Soliz agreed with Option 1 to terminate the contract. Mr. Hull was not in agreement regarding the hotel rates based on using the pre-pandemic modeling for post-pandemic future. It would be better to start fresh.

Mr. Wienand said if the contract is cancelled, there would be no value of the \$164,000 which has some remaining funds. The timeline to rebuild a new model would be in the dark for the spring budget process without completing the model. This would give the Board and staff an idea of an estimate. He was not in agreement to cancel the Water Rate Study.

Chair Dill mentioned that the Department was ready to come before the Board with a completed model. Now the Department could run various scenarios based on inputting new data. Chair Dill asked if there was a cost to work with the consultant? Accountant Mrs. Anne Parrott shared Fiscal's issue along with Mrs. Yano and Mr. Soliz that the bulk of the work the consultant did was based on 2015 data that determined the revenues. Mrs. Yano would have to request additional funds for the consultant to update the data. Funds on all of the Scope of Work on the contract has been spent. The additional amount of funds would need to be addressed with the consultant.

Mr. Calipjo recommended Option 1 to terminate the contract and start over.

Chair Dill referred to the Water Utility General Fund (Page 6) - \$6.5M is the Estimate Ending Balance for 6/30/21 based on no rate increase and recent estimates of water consumption based on reduced consumption rates during the pandemic. This was correct information from Mrs. Yano with significantly reduced projected revenues. In the July revenues, the Department was in line with the projections. Chair Dill asked if one year beyond these projections change, what would the estimated ending balance would be by June 30, 2022? Mrs. Yano mentioned based on are flat revenues for this fiscal year it could be \$5M. What could be controlled is the operating expenses and projected capital expenditures. In previous years, a large amount was budgeted for projects. She indicated there is \$20M in capital expenditures which would be spent this fiscal year. There would be enough cash to sustain the Department the next fiscal year.

Mr. Hull strongly discussed the back and forth dialog during this meeting with staff. The message from staff needs to be unified before coming before an official Board meeting. Chair Dill agreed and acknowledged that the Finance Committee and staff has worked hard to support the recommendation.

Mr. Hull moved to approve Option 1: Terminate the Water Rate Study and start fresh with a new data when ready as recommended by the Finance Committee; seconded by Mr. Calipjo; with no objections, motion carried with 3 Ayes, Roll Call: KH, LC, LD

This Agenda item will before the full Board at the August Agenda recommending Option No. 1.

E. ADJOURNMENT

Chair Dill adjourned the Finance Committee meeting at 8:40 a.m. with no objections.

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Board Committee Reports



DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

BOARD REPORT

August 27, 2020

Subject: Finance Committee Report

Report of the Finance Committee of the Kaua'i County Board of Water Supply

The Finance Committee met with the Department of Water staff on August 14, 2020 via remote to discuss the Financial Management Planning and Water Rate Analysis for the Department of Water's FY2020 through FY2024 held on August 14, 2020.

The Finance Committee unanimously approved Option 1 – To Terminate the Water Rate Study and start fresh with new data when ready.

The Finance Committee's decision to approve Option 1 will be presented to the full Board at the August 27, 2020 Regular Board Meeting.

Sincerely,



Larry Dill, P.E.
Finance Committee Chair

Old Business

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 17-29 (Update)

August 14, 2020

Re: Discussion and Possible Action on the Financial Management Planning and Water Rate Study for the Department of Water for Fiscal Year 2020 through Fiscal Year 2024

RECOMMENDATION: It is recommended that the Board review and discuss the options provided below and approve Option 1.

FUNDING: N/A.

BACKGROUND:

The Board of Water Supply (Board) of the Department of Water (DOW) approved a contract with Raftelis Consultants, Inc. on January 1, 2016 to assist the DOW in the analysis of the DOW's Financial Management Plan and conduct a five year Water Rate Study after the last Water Rate Study ended on June 30, 2016.

The DOW staff and consultants worked together to review and address the DOW's operational and financial needs. The study objectives were identified below as follows:

- Adequate revenues to meet the ongoing operating and capital costs with emphasis on allocation between fixed and variable sources to ensure revenue stability and equity amongst customer classes.
- Funding of DOW capital outlay for ongoing replacement and rehabilitation capital projects.
- Development of a comprehensive financial plan that will provide for effective implementation of capital projects and recovery of operations and maintenance costs for the overall stability of DOW and reserves to meet DOW's risk management practices.
- Design water rates with minimum overall impact that is fair and equitable to customers.

Raftelis conducted two separate workshops attended by DOW staff and Board members. A draft of the DOW's Financial Plan and Rate Model was developed and the proposed rates were presented to the Board for discussion and approval on February 24, 2017. It was referred to the Finance Committee for further deliberation.

There were two Finance Committee meetings held to discuss the proposed financial plan and water rates. The second Finance Committee meeting concluded with a decision to defer the rate study while the Facilities Reserve Charge (FRC) Rule amendment was discussed at the Board level. It was approved and implemented effective as of September 9, 2017.

Within the Water Rate Study deferral period, there were Department decisions and actions that affected the proposed plan. The CIP projects were re-evaluated, reprioritized, and new projects were added to the list. On May 2, 2019, the DOW was approved with \$14,000,000.00 in State grants for the top three priority CIP projects. The Water Rate Study was again updated and reevaluated.

The closing of the FY 2019 prompted another update in the Rates Financial Model. The staff provided the actual Operating & Capital Expenses as of June 30, 2019 including encumbrances and/or PO rollovers to the FY 2020 budget and Unrestricted Fund Balance (unaudited) as of 6/30/19. The Consultants received the most recent data and the DOW staff felt that they were ready to give their recommendation to the Board.

The prolonged rate study as explained in the sequence of events above prompted the Department to change the Water Rate Study period. It was initially proposed to cover the fiscal years 2017-2021 (July 1, 2016 – June 30, 2021) so it was resubmitted to be changed to FY 2020-2024. The Board approved the change on May 24, 2019.

The DOW coordinated another workshop presentation for the new set of Board Members in order to educate and familiarize them with the Water Rate Study approach, principles, financial goals, pricing objectives, financial plan development, cost of service allocation, and rate design. The goal was to provide the Board an opportunity to understand the basis for the recommendations that would be forthcoming at the conclusion of the Water Rate Study.

On November 4, 2019, the Department submitted the proposed water rate increases as follows; 7.0% increase on February 1, 2020 and proposed increases of 7.0% on July 1, 2021, July 1, 2022, and July 1, 2023 but new concerns were raised that prompted the Department to realign the DOW's Reserve Funds with the policies of the County of Kauai.

In response, the DOW revised the reserve fund policies including the change in budget methodology of presenting the DOW's available funds for budget planning purposes. The result increased the DOW's beginning funds, which was a component of the Water Rate Study projections thus a reduced proposed rate increase was anticipated.

With a new perspective, the Department had all the data to update the financial model but unfortunately, the COVID 19 pandemic hit the economy globally and the economic impact just invalidated all the studies that the Department completed. The data that we used in the study are no longer applicable, the projections are off the chart and the timing of implementing a water rate increase is just not right.

We are now facing many uncertainties; when does the economy come back and what would be the normal economy when it stabilizes back? Can the DOW sustain its operations without a water rate increase? How long?

The options below are for the Board’s review and consideration.

OPTIONS:

Option 1: Terminate the Water Rate Study and start fresh with a new data when ready.

Pros: The DOW will start with a fresh data and projections will be more accurate when the new normal phase is in place.

Cons: The DOW will need to re-procure and request new funding to execute a new contract.

Option 2: Suspend the Water Rate Study and resume when it is viable to do so.

Pros: This option will provide flexibility for the Department to resume where we left off.

Cons: It will require updated data because the current data used is obsolete and no longer viable.

Option 3: Continue with the Water Rate Study, incorporate the results of the Revised Board Policy on the DOW’s Reserve Funds and update the Financial Model with a revised management plan.

Pros: The DOW will resubmit an updated water rate increase proposal for review and approval by the Board.

Cons: It is objectionable considering the current economic conditions.

MY/ein

Attachment: Budget Summary
Raftelis Financial Consultants, Inc. Water Rates Presentation – November 4, 2019
Water Cost of Service and Rate Study Draft Report – November 2019
Comparative Customer Data Chart
Metered Consumption Chart

Mgrpp/August 2020/17-29/Discussion and Possible Action on the Financial Management Planning and Water Rate Study for the Department of Water for Fiscal Year 2020 through Fiscal Year 2024 (4-27-18, 7-27-18, 8-31-18, 5-24-19, 11-4-19, 8-14-20):ein

Fund Balance Projections

Fund Balance Projections								
	Water Utility General Fund	Water Utility Emergency Reserve	Water Utility Debt Reserve	WURF (30% of Previous Years' Last Audited Operating Revenue)	**Facility Reserve Charge Fund	Bond Fund	State Revolving Fund	TOTAL
Cash, Investments & Receivables as of 5/31/2020	\$50,404,995	\$0	\$0	\$9,300,000	\$2,000,383	\$9,928,026	\$0	\$71,633,404
Encumbrances - PO & Contracts (-)	\$16,494,674	\$0	\$0		\$709,103	\$3,733,219	\$0	\$20,936,995
Current Liabilities, excluding Debt (-)	\$4,454,579							\$4,454,579
Estimated Available Resources for Budget Appropriation - 7/1/20	\$29,455,743	\$0	\$0	\$9,300,000	\$1,291,280	\$6,194,807	\$0	\$46,241,830
Revenues	\$31,563,000	\$0	\$0		\$640,291	\$35,000	\$0	\$32,238,291
Non- Revenue Cash - Inflow	\$0						\$0	\$0
Transfers In	\$0	\$0	\$0			\$0	\$0	\$0
Transfers (Out)	\$0	\$0	\$0			\$0		\$0
Adjusted Balance	\$61,018,743	\$0	\$0	\$9,300,000	\$1,931,571	\$6,229,807	\$0	\$78,480,121
Operating Expenses	\$27,808,367	\$0	\$0		\$0	\$0	\$0	\$27,808,367
Short Term Debt - Principal Repayment	\$5,160,541	\$0	\$0		\$0			\$5,160,541
Miscellaneous Capital Purchases - TFFE	\$1,280,502	\$0	\$0					\$1,280,502
New Capital Outlay - CIP	\$20,251,962				\$675,000	\$6,000,000	\$0	\$26,926,962
Supplemental Budget # 1								\$0
Interfund Transfer								\$0
Estimated Ending Balance - 6/30/21	\$6,517,371	\$0	\$0	\$9,300,000	\$1,256,571	\$229,807	\$0	\$17,303,750

Note 1: FRC fund balance is not sufficient to fund the Proposed Capital Outlay - Expansion Projects. An Interfund transfer through a Manager's Report will be required in order to proceed with any of the FRC Capital Outlay - Expansion projects.

Revenue Summary

		FY 2016-2017 Actual	FY 2017-2018 Actual	FY 2018-2019 Actual	FY 2019-2020 Budget	FY 2020-2021 Proposed
REVENUES						
Water Utility Fund		\$32,006,961	\$30,832,569	\$36,894,780	\$34,762,769	\$31,563,000
10-00-00-400-000	Water Sales	\$28,445,143	\$27,910,121	\$27,959,468	\$26,929,850	\$22,993,488
10-00-00-405-000	Revenue from Public Fire Protection	\$2,133,294	\$2,136,510	\$2,174,298	\$2,136,510	\$2,174,298
10-00-00-410-000	Other Water Revenue	\$335,888	\$395,067	\$348,905	\$250,000	\$300,000
10-00-00-430-000	Federal Grants (FEMA)	\$0	\$0	\$32,228	\$828,535	\$828,535
10-00-00-432-000	State Grants	\$330,405	\$0	\$3,754,453	\$3,800,000	\$4,500,000
10-00-00-440-000	Capital Contributions - Cash Receipts	\$619,529	\$604,085	\$586,575	\$611,874	\$560,679
10-00-00-440-010	Capital Contributions - Non - Cash Receipts	\$0	\$0	\$0	\$0	\$0
10-00-00-453-000	Net Increase / Decrease in Fair Value of Investments	-\$294,918	-\$807,073	\$1,150,866	\$0	\$0
10-00-00-461-000	Investment Income	\$417,287	\$567,364	\$812,034	\$200,000	\$200,000
10-00-00-470-000	Gain or Loss on Disposal of Capital Assets	\$18,554	\$18,554	\$0	\$5,000	\$5,000
10-00-00-480-000	Gain or Loss from the Retirement of Debt	\$0	\$0	\$0	\$0	\$0
10-00-00-490-000	Miscellaneous Revenues	\$1,781	\$7,940	\$75,953	\$1,000	\$1,000
Water Utility Fund Bond and Loan Proceeds		\$0	\$0	\$0	\$0	\$0
10-00-00-498-300	WU Bond Proceeds	\$0	\$0	\$0	\$0	\$0
10-00-00-499-600	WU/ Loan Proceeds - SRF Loan	\$0	\$0	\$0	\$0	\$0
FRC Fund		\$613,657	\$1,093,629	\$696,519	\$662,232	\$640,291
20-00-00-424-000	Facility Reserve Charge	\$348,145	\$834,735	\$437,130	\$400,000	\$400,000
20-00-00-430-000	Federal Grants	\$265,512	\$258,894	\$259,389	\$262,232	\$240,291
20-00-00-453-000	Net Increase / Decrease in Fair Value of Investments	\$0	\$0	\$0	\$0	\$0
20-00-00-461-000	Investment Income	\$0	\$0	\$0	\$0	\$0
Bond Fund		\$60,752	\$151,726	\$225,696	\$35,000	\$35,000
30-00-00-453-000	Net Increase / Decrease in Fair Value of Investments	-\$229,160	-\$104,183	-\$13,847	-\$30,000	-\$30,000
30-00-00-461-000	Investment Income (Net of custodial fees & other investment cost)	\$289,912	\$255,909	\$239,543	\$65,000	\$65,000
SRF Fund		\$0	\$0	\$0	\$0	\$0
60-00-00-430-000	SRF - Federal Grants	\$0	\$0	\$0	\$0	\$0
60-00-00-453-000	Net Increase / Decrease in Fair Value of Investments	\$0	\$0	\$0	\$0	\$0

Operating Expense Summary

		FY 2016-2017 Actuals	FY 2017 - 2018 Actual	FY 2018-2019 Budget	FY 2018 - 2019 Actual	FY 2019-2020 Budget	FY 2020-2021 Proposed Budget
OPERATING EXPENSES							
Water Utility Fund		\$21,895,366	\$22,846,711	\$29,484,540	\$22,640,351	\$29,527,971	\$27,808,367
510-010	Salaries & Wages (Regular & Compensated Leave)	\$4,935,361	\$5,243,958	\$6,458,998	\$5,329,149	\$7,065,711	\$6,394,682
510-020	Temporary Assignment	\$41,924	\$55,428	\$61,386	\$86,571	\$71,000	\$60,500
510-030	Overtime	\$579,324	\$491,073	\$519,000	\$497,658	\$486,000	\$477,000
510-040	Standby Pay	\$182,192	\$196,342	\$181,594	\$192,126	\$195,000	\$195,000
520-040	Vacation & Compensatory Time Pay out	\$0	\$0	\$100,000	\$21,812	\$100,000	\$100,000
530-010	FICA Taxes	\$404,526	\$431,116	\$560,055	\$447,135	\$605,705	\$552,879
530-020	Retirement Contributions	\$2,269,719	\$2,157,977	\$1,382,436	\$1,108,853	\$1,731,996	\$1,723,724
530-030	Life and Health Insurance	\$465,933	\$471,557	\$484,247	\$517,237	\$611,045	\$643,445
530-040	Workers Compensation	\$2,954	\$15,215	\$0	\$0	\$0	\$0
530-050	Unemployment Compensation	\$0	\$0	\$15,000	\$0	\$15,000	\$0
530-060	Post Employment Benefits (OPEB)	\$968,000	\$988,943	\$1,011,000	\$1,223,378	\$1,077,000	\$1,077,000
540-010	Professional Services - General	\$504,191	\$939,740	\$3,910,401	\$1,534,881	\$3,643,351	\$3,531,801
540-020	Professional Services - Accounting and Auditing	\$58,805	\$75,132	\$106,800	\$58,668	\$106,800	\$106,800
541-010	Other Services - General	\$47,367	\$33,676	\$60,878	\$33,209	\$64,478	\$50,988
541-020	Other Services - Billing Costs	\$199,586	\$147,184	\$206,658	\$143,393	\$206,658	\$179,418
542-010	Public Relations - General	\$62,009	\$97,148	\$111,300	\$78,061	\$80,089	\$115,725
542-020	Procurement Advertising	\$10,069	\$12,550	\$10,000	\$0	\$10,000	\$10,000
543-000	Communication Services	\$118,711	\$112,178	\$120,360	\$111,602	\$127,144	\$130,444
544-000	Freight and Postage Services	\$338	\$7,840	\$16,370	\$3,891	\$16,370	\$14,370
545-000	Rentals and Leases	\$114,527	\$44,311	\$153,075	\$80,159	\$131,075	\$131,075
546-000	Insurance	\$69,109	\$279,240	\$1,195,000	\$62,466	\$395,000	\$155,000
547-000	County Service Charge	\$2,133,294	\$2,136,510	\$2,133,294	\$2,174,298	\$2,136,510	\$2,174,298
551-000	Utility Services	\$2,709,416	\$2,724,216	\$2,877,540	\$2,730,889	\$2,862,624	\$2,863,878
560-000	Repairs and Maintenance - Water System	\$43,342	\$312,502	\$221,000	\$151,433	\$221,000	\$211,000
561-000	Repairs and Maintenance - Other than Water System	\$708,299	\$380,061	\$627,150	\$452,061	\$700,750	\$704,900
562-000	Office Supplies	\$13,196	\$20,307	\$22,000	\$20,307	\$22,000	\$22,000
563-000	Operating Supplies	\$565,140	\$758,364	\$1,252,050	\$962,750	\$1,356,300	\$941,800
564-000	Fuel	\$82,695	\$81,993	\$115,500	\$101,324	\$115,500	\$122,500
565-000	Bulk Water Purchase	\$1,009,005	\$847,634	\$1,810,176	\$1,225,770	\$1,816,176	\$1,820,176
570-010	Books, Publications, Subscriptions, and Memberships	\$23,701	\$34,110	\$30,045	\$10,807	\$32,845	\$70,500
570-020	Books, Publications, Subscriptions, and Memberships - Board	\$600	\$375	\$1,025	\$450	\$1,095	\$1,095
571-010	Training and Development	\$74,294	\$48,120	\$127,580	\$72,074	\$80,880	\$83,600
572-010	Travel and Per Diem	\$40,817	\$45,273	\$84,570	\$46,443	\$106,610	\$55,660
572-020	Travel and Per Diem - Board	\$8,862	\$8,783	\$17,490	\$6,139	\$20,970	\$0
573-010	Meeting Expense	\$2,288	\$3,702	\$26,400	\$8,683	\$37,290	\$19,877
573-020	Meeting Expense - Board	\$5,680	\$5,054	\$14,075	\$7,609	\$9,952	\$0

Operating Expense Summary

		FY 2016-2017 Actuals	FY 2017 - 2018 Actual	FY 2018-2019 Budget	FY 2018 - 2019 Actual	FY 2019-2020 Budget	FY 2020-2021 Proposed Budget
OPERATING EXPENSES							
582-000	Interest Expense	\$3,440,092	\$3,639,100	\$3,460,087	\$3,139,065	\$3,268,048	\$3,067,232
Water Utility Fund - Bond and Loan Proceeds and Repayment		\$4,717,296	\$4,884,833	\$4,883,749	\$4,883,749	\$5,017,034	\$5,160,541
682-000	Debt Principal Repayment	\$4,717,296	\$4,884,833	\$4,883,749	\$4,883,749	\$5,017,034	\$5,160,541
Water Utility Fund - Non Budgetary Operating Expenses		\$7,482,384	\$7,674,658	\$8,014,750	\$6,906,633	\$8,014,750	\$7,252,653
580-000	Depreciation	\$6,821,400	\$6,931,203	\$7,314,750	\$6,153,980	\$7,314,750	\$6,500,000
581-000	Amortization	\$660,984	\$743,456	\$700,000	\$752,653	\$700,000	\$752,653
580-000	Inflows/Outflows	-\$41,932	-\$41,932	-\$41,932	-\$41,932	-\$41,932	-\$41,932

Items 601, 602 and 682 are balance sheet items that are tracked as revenues and expenses for convenience during the year.

Operating Expense Detail

		FY 2016-2017 Actuals	FY 2017 - 2018 Actual	FY 2018-2019 Budget	FY 2018-2019 Actual	FY 2019-2020 Budget	FY 2020-2021 Proposed Budget
OPERATING EXPENSES (Detail)							
Water Utility Fund Operating Expenses		\$21,895,366	\$22,846,711	\$29,484,540	\$22,640,351	\$29,527,971	\$27,808,367
510-010	Salaries and Wages (includes compensated annual leaves and comp time.)	\$4,935,361	\$5,243,958	\$6,458,998	\$5,329,149	\$7,065,711	\$6,394,682
0-01-10-510-010	WU - Admin - Admin - Salaries and Wages	\$561,707	\$614,324	\$908,186	\$655,545	\$916,128	\$667,182
0-02-10-510-010	WU - IT - Admin - Salaries and Wages	\$160,362	\$194,141	\$245,649	\$193,677	\$214,258	\$206,503
0-10-40-510-010	WU - Qual - Purification - Salaries and Wages	\$216,663	\$227,789	\$233,339	\$235,476	\$241,893	\$254,442
0-20-10-510-010	WU - Eng - Admin - Salaries and Wages	\$243,947	\$229,591	\$306,930	\$195,246	\$358,838	\$219,011
0-21-10-510-010	WU - Const - Admin - Salaries and Wages	\$344,275	\$323,479	\$550,332	\$364,817	\$718,049	\$477,881
0-22-10-510-010	WU - Plan - Admin - Salaries and Wages	\$425,186	\$448,385	\$522,927	\$462,861	\$536,606	\$468,708
0-30-20-510-010	WU - Bill - Collection - Salaries and Wages	\$461,920	\$477,987	\$570,078	\$458,705	\$542,886	\$544,666
0-31-10-510-010	WU - Acctg - Admin - Salaries and Wages	\$406,898	\$447,502	\$503,168	\$454,216	\$506,989	\$622,746
0-40-30-510-010	WU - Ops - Source - Salaries and Wages	\$248,045	\$321,729	\$349,097	\$301,732	\$418,864	\$464,124
0-40-40-510-010	WU - Ops - Purification - Salaries and Wages	\$185,999	\$187,861	\$252,491	\$143,360	\$216,457	\$227,005
0-40-50-510-010	WU - Ops - PowerAndPump - Salaries and Wages	\$164,471	\$177,370	\$208,607	\$187,056	\$205,007	\$197,017
0-40-60-510-010	WU - Ops - TandD - Salaries and Wages	\$1,515,888	\$1,593,799	\$1,808,196	\$1,676,459	\$2,189,736	\$2,045,398
510-020	Temporary Assignment	\$41,924	\$55,428	\$61,386	\$86,571	\$71,000	\$60,500
0-01-10-510-020	WU - Admin - Admin - Temporary Assignment	\$2,845	\$10,814	\$2,000	\$9,395	\$2,000	\$2,000
0-02-10-510-020	WU - IT - Admin - Temporary Assignment	\$1,105	\$221	\$500	\$2,365	\$500	\$500
0-10-40-510-020	WU - Qual - Purification - Temporary Assignment	\$1,415	\$870	\$1,500	\$1,105	\$1,500	\$1,500
0-20-10-510-020	WU - Eng - Admin - Temporary Assignment	\$4,218	\$6,009	\$6,000	\$6,705	\$8,500	\$1,000
0-21-10-510-020	WU - Const - Admin - Temporary Assignment	\$0	\$1,081	\$5,000	\$0	\$5,000	\$2,000
0-22-10-510-020	WU - Plan - Admin - Temporary Assignment	\$825	\$1,534	\$10,000	\$5,646	\$5,000	\$5,000
0-30-20-510-020	WU - Bill - Collection - Temporary Assignment	\$5,227	\$3,358	\$5,000	\$5,554	\$5,000	\$5,000
0-31-10-510-020	WU - Acctg - Admin - temporary Assignment	\$4,383	\$4,034	\$12,000	\$9,090	\$10,000	\$10,000
0-40-30-510-020	WU - Ops - Source - Temporary Assignment	\$983	\$2,892	\$886	\$6,506	\$3,000	\$3,000
0-40-40-510-020	WU - Ops - Purification - Temporary Assignment	\$1,296	\$885	\$500	\$2,089	\$1,500	\$1,500
0-40-50-510-020	WU - Ops - PowerAndPump - Temporary Assignment	\$2,090	\$3,866	\$3,000	\$5,770	\$4,000	\$4,000
0-40-60-510-020	WU - Ops - TandD -Temporary Assignment	\$17,537	\$19,865	\$15,000	\$32,346	\$25,000	\$25,000
510-030	Overtime	\$579,324	\$491,073	\$519,000	\$497,658	\$486,000	\$477,000
0-01-10-510-030	WU - Admin - Admin - Overtime	\$38,214	\$23,340	\$30,000	\$24,219	\$30,000	\$30,000
0-02-10-510-030	WU - IT - Admin - Overtime	\$48,774	\$44,622	\$30,000	\$33,358	\$30,000	\$30,000
0-10-40-510-030	WU - Qual - Purification - Overtime	\$1,398	\$270	\$2,000	\$207	\$2,000	\$3,000
0-20-10-510-030	WU - Eng - Admin - Overtime	\$23,767	\$18,322	\$25,000	\$8,088	\$10,000	\$10,000
0-21-10-510-030	WU - Const - Admin - Overtime	\$14,375	\$8,770	\$35,000	\$10,832	\$25,000	\$15,000
0-22-10-510-030	WU - Plan - Admin - Overtime	\$9,952	\$13,708	\$30,000	\$12,016	\$15,000	\$15,000
0-30-20-510-030	WU - Bill - Collection - Overtime	\$62,631	\$53,150	\$50,000	\$65,850	\$60,000	\$60,000
0-31-10-510-030	WU - Acctg - Admin - Overtime	\$79,401	\$51,231	\$60,000	\$49,116	\$60,000	\$60,000
0-40-30-510-030	WU - Ops - Source - Overtime	\$5,447	\$11,081	\$6,000	\$3,711	\$6,000	\$6,000
0-40-40-510-030	WU - Ops - Purification - Overtime	\$40,341	\$27,233	\$50,000	\$35,655	\$30,000	\$30,000
0-40-50-510-030	WU - Ops - PowerAndPump - Overtime	\$11,770	\$8,534	\$1,000	\$15,224	\$8,000	\$8,000
0-40-60-510-030	WU - Ops - TandD - Overtime	\$243,255	\$230,812	\$200,000	\$239,383	\$210,000	\$210,000
510-040	Standby Pay	\$182,192	\$196,342	\$181,594	\$192,126	\$195,000	\$195,000

Operating Expense Detail

		FY 2016-2017 Actuals	FY 2017 - 2018 Actual	FY 2018-2019 Budget	FY 2018-2019 Actual	FY 2019-2020 Budget	FY 2020-2021 Proposed Budget
OPERATING EXPENSES (Detail)							
0-01-10-510-040	WU - Admin - Admin - Standby Pay	\$390	\$0	\$0	\$0	\$0	\$0
0-40-40-510-040	WU - Ops - Purification - Standby Pay	\$9,692	\$8,827	\$11,594	\$8,338	\$10,000	\$10,000
0-40-50-510-040	WU - Ops - PowerAndPump - Standby Pay	\$0		\$0	\$0	\$0	\$0
0-40-60-510-040	WU - Ops - TandD - Standby Pay	\$172,110	\$187,515	\$170,000		\$185,000	\$185,000
520-040	Vacation & Compensatory Time Payout		\$0	\$100,000	\$21,812	\$100,000	\$100,000
0-01-10-520-040	WU - Admin - Admin - Vacation Payout	\$0	\$0	\$90,000	\$21,812	\$90,000	\$90,000
0-01-10-520-040	WU - Admin - Admin - Compensatory Time Payout	\$0	\$0	\$10,000	\$0	\$10,000	\$10,000
530-010	FICA Taxes	\$404,526	\$431,116	\$560,055	\$447,135	\$605,705	\$552,879
0-01-10-530-010	WU - Admin - Admin - FICA	\$42,473	\$49,319	\$79,574	\$49,371	\$80,182	\$61,137
0-02-10-530-010	WU - IT - Admin - FICA	\$15,046	\$17,844	\$21,125	\$20,666	\$18,724	\$18,131
0-10-40-530-010	WU - Qual - Purification - FICA	\$15,903	\$17,033	\$18,118	\$17,640	\$18,773	\$19,809
0-20-10-530-010	WU - Eng - Admin - FICA	\$19,670	\$18,751	\$25,852	\$15,553	\$28,866	\$17,596
0-21-10-530-010	WU - Const - Admin - FICA	\$25,930	\$24,299	\$45,160	\$27,352	\$57,226	\$37,858
0-22-10-530-010	WU - Plan - Admin - FICA	\$29,733	\$32,783	\$43,064	\$33,338	\$42,580	\$37,386
0-30-20-530-010	WU - Bill - Collection - FICA	\$37,253	\$37,160	\$47,818	\$39,089	\$46,503	\$46,639
0-31-10-530-010	WU - Acctg - Admin - FICA	\$34,451	\$36,269	\$44,000	\$39,291	\$44,140	\$52,995
0-40-30-530-010	WU - Ops - Source - FICA	\$16,976	\$23,031	\$27,233	\$22,091	\$32,732	\$36,194
0-40-40-530-010	WU - Ops - Purification - FICA	\$18,411	\$16,763	\$24,066	\$14,514	\$19,734	\$20,541
0-40-50-530-010	WU - Ops - PowerAndPump - FICA	\$12,093	\$13,213	\$16,264	\$14,807	\$16,601	\$15,990
0-40-60-530-010	WU - Ops - TandD - FICA	\$136,584.49	\$144,652	\$167,779	\$153,423	\$199,645	\$188,603
530-020	Retirement Contributions	\$2,269,719	\$2,157,977	\$1,382,436	\$1,108,853	\$1,731,996	\$1,723,724
0-01-10-530-020	WU - Admin - Admin - Retirement Contributions	\$208,649	\$211,494	\$189,085	\$124,236	\$220,688	\$181,004
0-02-10-530-020	WU - IT - Admin - Retirement Contributions	\$77,652	\$90,218	\$52,468	\$45,213	\$53,847	\$56,881
0-10-40-530-020	WU - Qual - Purification - Retirement Contributions	\$81,033	\$86,847	\$44,999	\$44,593	\$53,986	\$62,146
0-20-10-530-020	WU - Eng - Admin - Retirement Contributions	\$95,413	\$90,700	\$64,207	\$39,532	\$83,014	\$55,203
0-21-10-530-020	WU - Const - Admin - Retirement Contributions	\$129,751	\$123,801	\$112,163	\$69,885	\$164,571	\$118,771
0-22-10-530-020	WU - Plan - Admin - Retirement Contributions	\$162,517	\$173,925	\$106,956	\$89,626	\$122,453	\$117,290
0-30-20-530-020	WU - Bill - Collection - Retirement Contributions	\$190,999	\$196,161	\$118,765	\$97,206	\$133,735	\$146,320
0-31-10-530-020	WU - Acctg - Admin - Retirement Contributions	\$177,864	\$181,912	\$109,282	\$93,877	\$126,938	\$166,259
0-40-30-530-020	WU - Ops - Source - Retirement Contributions	\$93,803	\$124,873	\$67,637	\$58,380	\$94,130	\$113,550
0-40-40-530-020	WU - Ops - Purification - Retirement Contributions	\$97,591	\$86,107	\$59,771	\$38,743	\$56,751	\$64,441
0-40-50-530-020	WU - Ops - PowerAndPump - Retirement Contributions	\$64,478	\$69,547	\$40,395	\$38,375	\$47,742	\$50,164
0-40-60-530-020	WU - Ops - TandD - Retirement Contributions	\$889,969	\$722,391	\$416,707	\$369,187	\$574,142	\$591,696
530-030	Life and Health Insurance	\$465,933	\$471,557	\$484,247	\$517,237	\$611,045	\$643,445
0-01-10-530-030	WU - Admin - Admin - Life and Health Insurance	\$47,537	\$40,981	\$85,347	\$53,981	\$66,949	\$55,213
0-02-10-530-030	WU - IT - Admin - Life and Health Insurance	\$12,297	\$12,118	\$26,713	\$16,226	\$17,340	\$23,145
0-10-40-530-030	WU - Qual - Purification - Life and Health Insurance	\$10,315	\$9,803	\$9,939	\$10,508	\$10,334	\$10,940
0-20-10-530-030	WU - Eng - Admin - Life and Health Insurance	\$20,246	\$17,893	\$31,013	\$16,851	\$20,790	\$20,034
0-21-10-530-030	WU - Const - Admin - Life and Health Insurance	\$14,190	\$30,814	\$34,221	\$36,660	\$62,003	\$54,910
0-22-10-530-030	WU - Plan - Admin - Life and Health Insurance	\$49,590	\$50,263	\$36,602	\$55,763	\$60,173	\$67,261
0-30-20-530-030	WU - Bill - Collection - Life and Health Insurance	\$33,712	\$34,828	\$31,952	\$44,203	\$47,861	\$61,712
0-31-10-530-030	WU - Acctg - Admin - Life and Health Insurance	\$43,734	\$40,495	\$35,799	\$40,366	\$47,784	\$49,379

Operating Expense Detail

		FY 2016-2017 Actuals	FY 2017 - 2018 Actual	FY 2018-2019 Budget	FY 2018-2019 Actual	FY 2019-2020 Budget	FY 2020-2021 Proposed Budget
OPERATING EXPENSES (Detail)							
0-40-30-530-030	WU - Ops - Source - Life and Health Insurance	\$31,115	\$36,403	\$29,698	\$30,314	\$35,386	\$30,902
0-40-40-530-030	WU - Ops - Purification - Life and Health Insurance	\$13,189	\$10,857	\$11,974	\$9,186	\$12,311	\$20,034
0-40-50-530-030	WU - Ops - PowerAndPump - Life and Health Insurance	\$18,299	\$17,419	\$14,477	\$18,333	\$19,397	\$19,184
0-40-60-530-030	WU - Ops - TandD - Life and Health Insurance	\$171,709	\$169,682	\$136,512	\$184,846	\$210,717	\$230,730
530-040	Workers Compensation	\$2,954	\$15,215	\$0	\$0	\$0	\$0
530-050	Unemployment Compensation	\$0	\$0	\$15,000	\$0	\$15,000	\$0
0-01-10-530-050	WU - Admin - Admin - Unemployment Compensation	\$0	\$0	\$15,000	\$0	\$15,000	\$0
530-060	Post-Employment Benefits (OPEB)	\$968,000	\$988,943	\$1,011,000	\$1,223,378	\$1,077,000	\$1,077,000
0-01-10-530-060	WU - Admin - Admin - OPEB	\$97,166	\$96,114	\$142,155	\$134,576	\$139,642	\$112,368
0-02-10-530-060	WU - IT - Admin - OPEB	\$35,687	\$40,279	\$38,450	\$48,458	\$32,659	\$34,779
0-10-40-530-060	WU - Qual - Purification - OPEB	\$37,260	\$38,782	\$36,523	\$47,644	\$36,871	\$42,853
0-20-10-530-060	WU - Eng - Admin - OPEB	\$46,200	\$42,699	\$48,042	\$42,234	\$54,696	\$36,886
0-21-10-530-060	WU - Const - Admin - OPEB	\$60,564	\$55,679	\$86,141	\$75,284	\$109,450	\$80,485
0-22-10-530-060	WU - Plan - Admin - OPEB	\$74,128	\$77,670	\$81,852	\$95,758	\$81,793	\$78,940
0-30-20-530-060	WU - Bill - Collection - OPEB	\$89,537	\$89,274	\$89,232	\$106,848	\$82,750	\$91,733
0-31-10-530-060	WU - Acctg - Admin - OPEB	\$83,277	\$84,057	\$78,759	\$102,064	\$77,278	\$104,884
0-40-30-530-060	WU - Ops - Source - OPEB	\$42,914	\$56,533	\$54,643	\$62,815	\$63,846	\$78,168
0-40-40-530-060	WU - Ops - Purification - OPEB	\$45,130	\$36,916	\$39,521	\$41,476	\$32,994	\$38,232
0-40-50-530-060	WU - Ops - PowerAndPump - OPEB	\$30,286	\$31,407	\$32,652	\$41,478	\$31,248	\$33,182
0-40-60-530-060	WU - Ops - TandD - OPEB	\$325,850	\$339,533	\$283,029	\$424,743	\$333,773	\$344,488
540-010	Professional Services - General	\$504,191	\$939,740	\$3,910,401	\$1,534,881	\$3,643,351	\$3,531,801
0-01-10-540-010	WU - Admin - Admin - Professional Services - General	\$38,695	\$22,257	\$365,800	\$135,925	\$371,300	\$503,800
0-02-10-540-010	WU - IT - Admin - Professional Services - General	\$2,600	\$118,547	\$160,000	\$95,363	\$220,000	\$60,000
0-10-40-540-010	WU - Qual - Purification - Professional Services - General	\$7,448	\$22,940	\$63,600	\$61,812	\$106,050	\$36,400
0-20-10-540-010	WU - Eng - Admin - Professional Services - General	\$111,932	\$277,009	\$425,000	\$296,451	\$405,000	\$615,000
0-21-10-540-010	WU - Const - Admin - Professional Services - General	\$0	\$93,146	\$500,000	\$625,038	\$700,000	\$50,000
0-22-10-540-010	WU - Plan - Admin - Professional Services - General	\$272,638	\$359,646	\$1,635,000	\$237,171	\$1,635,000	\$1,785,000
0-30-20-540-010	WU - Bill - Collection - Professional Services - General	\$0	\$1,802	\$230,000	\$26,245	\$0	\$100,000
0-31-10-540-010	WU - Acctg - Admin - Professional Services - General	\$70,879	\$44,393	\$206,000	\$56,877	\$206,000	\$381,600
0-40-60-540-010	WU - Ops - TandD - Professional Services - General	\$0	\$0	\$325,001	\$0	\$1	\$1
540-020	Professional Services - Accounting and Auditing	\$58,805	\$75,132	\$106,800	\$58,668	\$106,800	\$106,800
0-31-10-540-020	WU - Acctg - Admin - Professional Services - Accounting and Auditing	\$58,805	\$75,132	\$106,800	\$58,668	\$106,800	\$106,800
541-010	Other Services	\$47,367	\$33,676	\$60,878	\$33,209	\$64,478	\$50,988
0-01-10-541-010	WU - Admin - Admin - Other Services	\$4,908	\$167	\$2,178	\$1,966	\$2,178	\$1,188
0-30-20-541-010	WU - Bill - Collection - Other Services	\$24,513	\$23,715	\$35,100	\$20,918	\$35,100	\$26,700
0-31-10-541-010	WU - Acctg - Admin - Other Services	\$16,954	\$9,154	\$21,600	\$10,031	\$25,200	\$21,600
0-40-60-541-010	WU - Ops - TandD - Other Services	\$993	\$640	\$2,000	\$294	\$2,000	\$1,500
541-020	Billing Costs	\$199,586	\$147,184	\$206,658	\$143,393	\$206,658	\$179,418
0-30-20-541-020	WU - Bill - Collection - Billing Costs	\$199,586	\$147,184	\$206,658	\$143,393	\$206,658	\$179,418
542-010	Public Relations - General	\$62,009	\$97,148	\$111,300	\$78,061	\$80,089	\$115,725
0-01-10-542-010	WU - Admin - Admin - Public Relations - General	\$62,009	\$97,148	\$111,300	\$78,061	\$80,089	\$115,725
542-020	Procurement Advertising	\$10,069	\$12,550	\$10,000	\$0	\$10,000	\$10,000

Operating Expense Detail

		FY 2016-2017 Actuals	FY 2017 - 2018 Actual	FY 2018-2019 Budget	FY 2018-2019 Actual	FY 2019-2020 Budget	FY 2020-2021 Proposed Budget
OPERATING EXPENSES (Detail)							
0-01-10-542-020	WU - Admin - Admin - Procurement Advertising	\$10,069	\$12,550	\$10,000	\$0	\$10,000	\$10,000
543-000	Communication Services	\$118,711	\$112,178	\$120,360	\$111,602	\$127,144	\$130,444
0-02-10-543-000	WU - IT - Admin - Communication Services	\$82,517	\$74,898	\$82,260	\$76,667	\$86,060	\$83,360
0-02-50-543-000	WU - IT - PowerAndPump - Communication Services	\$0	\$0	\$38,100	\$34,720	\$41,084	\$47,084
0-40-50-543-000	WU - Ops - PowerAndPump - Communication Services	\$36,194	\$37,280	\$0	\$215	\$0	\$0
544-000	Freight and Postage	\$338	\$7,840	\$16,370	\$3,891	\$16,370	\$14,370
0-01-10-544-000	WU - Admin - Admin - Freight and Postage	\$0	\$6,503	\$12,870	\$2,113	\$12,870	\$12,870
0-02-10-544-000	WU - IT - Admin - Freight and Postage	\$0	\$30	\$500	\$5	\$500	\$0
0-10-40-544-000	WU - Qual - Purification - Freight and Postage	\$338	\$1,306	\$3,000	\$1,772	\$3,000	\$1,500
545-000	Rentals and Leases	\$114,527	\$44,311	\$153,075	\$80,159	\$131,075	\$131,075
0-01-10-545-000	WU - Admin - Admin - Rentals and Leases	\$20,000	\$20,000	\$52,900	\$20,594	\$50,900	\$50,900
0-02-10-545-000	WU - IT - Admin - Rentals and Leases	\$24,697	\$19,597	\$30,175	\$20,661	\$30,175	\$30,175
0-40-60-545-000	WU - Ops - TandD - Rentals and Leases	\$69,831	\$4,713	\$70,000	\$38,903	\$50,000	\$50,000
546-000	Insurance	\$69,109	\$279,240	\$1,195,000	\$62,466	\$395,000	\$155,000
0-01-10-546-000	WU - Admin - Admin - Insurance	\$69,109	\$279,240	\$1,195,000	\$62,466	\$395,000	\$155,000
547-000	County Service Charge	\$2,133,294	\$2,136,510	\$2,133,294	\$2,174,298	\$2,136,510	\$2,174,298
0-00-10-547-000	WU - County Service Charge	\$2,133,294	\$2,136,510	\$2,133,294	\$2,174,298	\$2,136,510	\$2,174,298
551-000	Utility Services	\$2,709,416	\$2,724,216	\$2,877,540	\$2,730,889	\$2,862,624	\$2,863,878
0-01-10-551-000	WU - Admin - Admin - Utility Services	\$146,400	\$135,454	\$177,540	\$174,681	\$162,624	\$163,878
0-40-50-551-000	WU - Ops - PowerAndPump - Utility Services	\$2,563,016	\$2,588,761	\$2,700,000	\$2,556,208	\$2,700,000	\$2,700,000
560-000	Repairs and Maintenance - Water System	\$43,342	\$312,502	\$221,000	\$151,433	\$221,000	\$211,000
0-40-50-501-000	WU - Ops - Powerand Pump - Emergency Repairs	\$0	\$0	\$0	\$0	\$0	\$0
0-40-50-560-000	WU - Ops - Source - Repairs and Maintenance - Water System	\$8,292	\$5,730	\$50,000	\$40,658	\$50,000	\$40,000
0-40-60-560-000	WU - Ops - TandD - Repairs and Maintenance - Water System	\$35,050	\$306,772	\$171,000	\$110,775	\$171,000	\$171,000
561-000	Repairs and Maintenance - Other than Water System	\$708,299	\$380,061	\$627,150	\$452,061	\$700,750	\$704,900
0-01-10-561-000	WU - Admin - Admin - Repairs and Maintenance - Other than Water System	\$12,158	\$21,555	\$0	\$18,987	\$0	\$0
0-02-10-561-000	WU - IT - Admin - Repairs and Maintenance - Other than Water System	\$486,797	\$252,860	\$397,150	\$355,365	\$488,750	\$90,700
0-10-40-561-000	WU - Qual - Purification - Repairs and Maintenance - Other than Water System	\$1,464	\$1,714	\$2,000	\$3,796	\$3,000	\$4,000
0-21-40-561-000	WU - Const - Admin - Repairs and Maintenance - Other than Water System						\$40,000
0-22-10-561-000	WU - Plan - Admin - Repairs and Maintenance - Other than Water System						\$6,500
0-30-20-561-000	WU - Bill-Collection - Repairs and Maintenance - Other than Water System						\$280,000
0-31-10-561-000	WU - Acctg - Admin - Repairs and Maintenance - Other than Water System						\$13,700
0-40-60-561-000	WU - Ops - TandD - Repairs and Maintenance - Other than Water System	\$207,879	\$103,933	\$228,000	\$73,912	\$209,000	\$270,000
562-000	Office Supplies	\$13,196	\$20,307	\$22,000	\$20,307	\$22,000	\$22,000
0-31-10-562-000	WU - Accounting - Admin - Office Supplies	\$13,196	\$20,307	\$22,000	\$20,307	\$22,000	\$22,000
563-000	Operating Supplies	\$565,140	\$758,364	\$1,252,050	\$962,750	\$1,356,300	\$941,800
0-01-10-563-000	WU - Admin - Admin - Operating Supplies	\$1,517	\$727	\$5,000	\$3,651	\$5,000	\$5,000
0-02-10-563-000	WU - IT - Admin - Operating Supplies	\$66,131	\$75,827	\$61,000	\$58,465	\$61,000	\$61,000
0-10-40-563-000	WU - Qual - Purification - Operating Supplies	\$6,868	\$12,779	\$15,000	\$24,910	\$15,000	\$18,000
0-20-10-563-000	WU - Eng - Admin - Operating Supplies	\$115	\$341	\$300	\$147	\$300	\$300
0-21-10-563-000	WU - Const - Admin - Operating Supplies	\$3,230	\$3,665	\$4,500	\$5,243	\$4,500	\$4,500
0-22-10-563-000	WU - Plan - Admin - Operating Supplies	\$346	\$2,956	\$1,250	\$332	\$1,000	\$500

Operating Expense Detail

		FY 2016-2017 Actuals	FY 2017 - 2018 Actual	FY 2018-2019 Budget	FY 2018-2019 Actual	FY 2019-2020 Budget	FY 2020-2021 Proposed Budget
OPERATING EXPENSES (Detail)							
0-30-20-563-000	WU - Bill - Collection - Operating Supplies	\$2,520	\$2,547	\$3,500	\$2,688	\$4,500	\$4,500
0-31-10-563-000	WU - Acctg - Admin - Operating Supplies	\$2,776	\$2,664	\$2,500	\$2,184	\$3,000	\$6,000
0-40-30-563-000	WU - Ops - Source - Operating Supplies	\$38,008	\$49,962	\$75,000	\$52,877	\$60,000	\$60,000
0-40-40-563-000	WU - Ops - Purification - Operating Supplies	\$34,245	\$48,115	\$78,000	\$115,070	\$101,000	\$91,000
0-40-50-563-000	WU - Ops - PowerAndPump - Operating Supplies	\$36,568	\$22,616	\$95,000	\$53,144	\$185,000	\$35,000
0-40-60-563-000	WU - Ops - TandD - Operating Supplies	\$251,688	\$268,781	\$250,000	\$590,894	\$255,000	\$255,000
0-40-50-563-010	WU - Ops - PowerAndPump - Operating Supplies - Invty. Stock	\$1,857	\$6,580	\$15,000	\$53,144	\$15,000	\$15,000
0-40-60-563-010	WU - Ops - TandD - Operating Supplie - Invty. Stock	\$119,269	\$260,804	\$646,000	\$0	\$646,000	\$386,000
564-000	Fuel	\$82,695	\$81,993	\$115,500	\$101,324	\$115,500	\$122,500
0-40-60-564-000	WU - Ops - TandD - Fuel	\$82,695	\$81,993	\$115,500	\$101,324	\$115,500	\$122,500
565-000	Bulk Water Purchase	\$1,009,005	\$847,634	\$1,810,176	\$1,225,770	\$1,816,176	\$1,820,176
0-40-30-565-000	WU - Ops - Source - Bulk Water Purchase (Reclass)	\$1,009,005	\$847,634	\$1,810,176	\$1,225,770	\$1,816,176	\$1,820,176
570-010	Books, Publications, Subscriptions, and Memberships	\$23,701	\$34,110	\$30,045	\$10,807	\$32,845	\$70,500
0-01-10-570-010	WU - Admin - Admin - Books, Publications, Subscriptions, and Memberships	\$21,958	\$33,290	\$26,685	\$9,237	\$26,685	\$25,240
0-02-10-570-010	WU - IT - Admin - Books, Publications, Subscriptions, and Memberships	\$0	\$0	\$500	\$318	\$500	\$39,200
0-10-40-570-010	WU - Qual - Purification - Books, Publications, Subscriptions, and Memberships	\$0	\$0	\$0	\$0	\$0	\$0
0-20-10-570-010	WU - Eng - Admin - Books, Publications, Subscriptions, and Memberships	\$0	\$0	\$200	\$0	\$0	\$0
0-21-10-570-010	WU - Const - Admin - Books, Publications, Subscriptions, and Memberships	\$1,543	\$820	\$1,550	\$1,052	\$1,550	\$1,550
0-22-10-570-010	WU - WRP - Admin - Books, Publications, Subscriptions, and Memberships	\$0	\$0	\$0	\$0	\$3,000	\$3,400
0-30-20-570-010	WU - Bill - Collection - Books, Publications, Subscriptions, and Memberships	\$0	\$0	\$350	\$0	\$350	\$350
0-31-10-570-010	WU - Acctg - Admin - Books, Publications, Subscriptions, and Memberships	\$200	\$0	\$760	\$200	\$760	\$760
570-020	Books, Publications, Subscriptions, and Memberships - Board	\$600	\$375	\$1,025	\$450	\$1,095	\$1,095
0-01-10-570-020	WU - Admin - Admin - Books, Publications, Subscriptions, and Memberships - B	\$600	\$375	\$1,025	\$450	\$1,095	\$1,095
571-010	Training and Development	\$74,294	\$48,120	\$127,580	\$72,074	\$80,880	\$83,600
0-01-10-571-010	WU - Admin - Admin - Training and Development	\$12,209	\$14,460	\$51,700	\$33,039	\$13,500	\$23,500
0-02-10-571-010	WU - IT - Admin - Training and Development	\$9,363	\$4,390	\$12,000	\$2,615	\$12,000	\$2,000
0-10-40-571-010	WU - Qual - Purification - Training and Development	\$0	\$0	\$1,500	\$0	\$0	\$1,600
0-20-10-571-010	WU - Eng - Admin - Training and Development	\$705	\$705	\$1,130	\$375	\$1,130	\$500
0-21-10-571-010	WU - Const - Admin - Training and Development	\$5,341	\$1,010	\$6,250	\$1,285	\$6,250	\$6,250
0-22-10-571-010	WU - Plan - Admin - Training and Development	\$14,565	\$14,740	\$20,000	\$11,050	\$18,000	\$16,000
0-30-20-571-010	WU - Bill - Collection - Training and Development	\$75	\$0	\$3,000	\$550	\$3,000	\$3,000
0-31-10-571-010	WU - Acctg - Admin - Training and Development	\$517	\$638	\$2,000	\$1,075	\$2,000	\$5,750
0-40-60-571-010	WU - Ops - TandD - Training and Development	\$31,519	\$12,177	\$30,000	\$22,085	\$25,000	\$25,000
572-010	Travel and Per Diem	\$40,817	\$45,273	\$84,570	\$46,443	\$106,610	\$55,660
0-01-10-572-010	WU - Admin - Admin - Travel and Per Diem	\$28,504	\$35,131	\$38,600	\$26,873	\$59,880	\$55,660
0-02-10-572-010	WU - IT - Admin - Travel and Per Diem	\$0	\$0	\$0	\$0	\$0	\$0
0-20-10-572-010	WU - Eng - Admin - Travel and Per Diem	\$20	\$2,357	\$3,760	\$0	\$1,880	\$0
0-21-10-572-010	WU - Const - Admin - Travel and Per Diem	\$213	\$0	\$5,000	\$0	\$5,000	\$0
0-22-10-572-010	WU - Plan - Admin - Travel and Per Diem	\$8,100	\$4,463	\$22,300	\$7,547	\$25,600	\$0
0-30-20-572-010	WU - Bill - Collection - Travel and Per Diem	\$0	\$0	\$4,425	\$1,365	\$3,765	\$0
0-31-10-572-010	WU - Acc - Admin - Travel and Per Diem	\$0	\$0	\$4,485	\$3,675	\$4,485	\$0
0-40-60-572-010	WU - Ops - TandD - Travel and Per Diem	\$3,980	\$3,321	\$6,000	\$6,983	\$6,000	\$0

Operating Expense Detail

		FY 2016-2017 Actuals	FY 2017 - 2018 Actual	FY 2018-2019 Budget	FY 2018-2019 Actual	FY 2019-2020 Budget	FY 2020-2021 Proposed Budget
OPERATING EXPENSES (Detail)							
572-020	Travel and Per Diem - Board	\$8,862	\$8,783	\$17,490	\$6,139	\$20,970	\$0
0-01-10-572-020	WU - Admin - Admin - Travel and Per Diem - Board	\$8,862	\$8,783	\$17,490	\$6,139	\$20,970	\$0
573-010	Meeting Expense	\$2,288	\$3,702	\$26,400	\$8,683	\$37,290	\$19,877
0-01-10-573-010	WU - Admin - Admin - Meeting Expense	\$2,034	\$3,544	\$13,500	\$4,158	\$26,440	\$19,877
0-02-10-573-010	WU - IT - Admin - Meeting Expense						\$0
0-20-10-573-010	WU - Eng - Admin - Meeting Expense	\$254	\$0	\$1,050	\$0	\$1,050	\$0
0-21-10-573-010	WU - Const - Admin - Meeting Expense	\$0	\$158	\$3,250	\$0	\$3,250	\$0
0-22-10-573-010	WU - WRP - Admin - Meeting Expense	\$0	\$0	\$0	\$0	\$5,950	\$0
0-30-20-573-010	WU - Bill - Collection - Meeting Expense	\$0	\$0	\$0	\$0	\$0	\$0
0-31-10-573-010	WU - Acctg - Admin - Meeting Expense	\$0	\$0	\$600	\$0	\$600	\$0
0-40-60-573-010	WU - Ops - TandD - Meeting Expense	\$0	\$0	\$8,000	\$4,525	\$0	\$0
573-020	Meeting Expense - Board	\$5,680	\$5,054	\$14,075	\$7,609	\$9,952	\$0
0-01-10-573-020	WU - Admin - Admin - Meeting Expense - Board	\$5,680	\$5,054	\$14,075	\$7,609	\$9,952	\$0
582-000	Interest Expense	\$3,440,092	\$3,639,100	\$3,460,087	\$3,139,065	\$3,268,048	\$3,067,232
0-00-00-582-000	WU - Interest Expense	\$3,440,092	\$3,639,100	\$3,460,087	\$3,139,065	\$3,268,048	\$3,067,232
Water Utility Fund Bond and Loan Repayment		\$4,717,296	\$4,884,833	\$4,883,749	\$4,883,749	\$5,017,034	\$5,160,541
682-000	Debt Principal Repayment	\$4,717,296	\$4,884,833	\$4,883,749	\$4,883,749	\$5,017,034	\$5,160,541
0-00-00-682-000	WU - Debt Principal Repayment	\$4,717,296	\$4,884,833	\$4,883,749	\$4,883,749	\$5,017,034	\$5,160,541
Water Utility Fund - Non Cash Operating Expenses		\$7,440,452	\$7,632,727	\$7,972,818	\$6,864,701	\$7,972,818	\$7,210,721
0-00-90-580-000	WU - Depreciation - Depreciation	\$6,821,400	\$6,931,203	\$7,314,750	\$6,153,980	\$7,314,750	\$6,500,000
0-00-90-581-000	WU - Depreciation - Amortization	\$660,984	\$743,456	\$700,000	\$752,653	\$700,000	\$752,653
0-00-90-582-000	WU - Bond Inflows & Outflows	-\$41,932	-\$41,932	-\$41,932	-\$41,932	-\$41,932	-\$41,932

New Capital Outlay

		FY 2016- 2017 Actual	FY 2017- 2018 Actual	FY 2018- 2019 Budget	FY 2018- 2019 Actual	FY 2019 - 2020 Budget	Proposed Budget FY 2020- 2021
CAPITAL Outlay (New Appropriations)		\$1,175,237	\$471,275	\$1,915,000	\$51,024	\$1,918,000	\$1,280,502
Water Utility Fund (Misc. Capital Purchases - Replacement)		\$470,491	\$407,020	\$1,267,000	\$44,125	\$915,000	\$1,092,302
10-01-00-604-999	WU-Admin-RandR Capital Purchases	\$0	\$0	\$90,000	\$0	\$0	\$0
10-02-00-604-999	WU-IT-RandR Capital Purchases	\$50,588	\$216,357	\$427,000	\$44,025	\$565,000	\$112,302
10-10-40-604-999	WU-Qual-Purification-RandR Capital Purchases	\$0	\$0	\$37,000	\$0	\$0	\$40,000
10-21-00-604-999	WU-Const/Admin/Capital Purchases	\$1,669	\$39,491	\$10,000	\$100	\$10,000	\$10,000
10-30-00-604-999	WU-Fiscal-RandR Capital Purchases	\$0	\$0	\$33,000	\$0	\$0	\$159,000
10-40-00-604-999	WU-Ops-RandR Capital Purchases	\$418,234	\$151,172	\$670,000	\$0	\$340,000	\$771,000
Water Utility Fund (Misc. Capital Purchases - New)		\$704,746	\$64,256	\$648,000	\$6,899	\$1,003,000	\$188,200
10-01-00-605-999	WU-Admin-RandR Capital Purchases	\$0	\$0	\$0	\$0	\$0	\$0
10-02-00-605-999	WU-IT-Expansion Capital Purchases	\$35,567	\$0	\$310,000	\$6,899	\$425,000	\$160,000
10-10-40-605-999	WU-Qual-Expansion Capital Purchases	\$0	\$0	\$0	\$0	\$0	\$0
10-21-00-605-999	WU-Const/Admin/Capital Purchases	\$1,021	\$0	\$10,000	\$0	\$100,000	\$10,000
10-30-00-605-999	WU-Fiscal-RandR Capital Purchases	\$596,689	\$54,384	\$0	\$0	\$0	\$0
10-31-00-605-999	WU-Const/Admin/Capital Purchases	\$0	\$0	\$0	\$0	\$3,000	\$0
10-40-00-605-999	WU-Ops-Expansion Capital Purchases	\$71,469	\$9,872	\$328,000	\$0	\$475,000	\$18,200
CAPITAL OUTLAY - CIP (New Appropriations)		\$1,229,143	\$1,428,714	\$5,325,000	\$8,372,336	\$6,530,001	\$26,926,962
Water Utility Fund (Capital Outlay - Rehabilitation & Replacement- Design)		\$13,994	\$355,061	\$170,000	\$119,523	\$370,000	\$345,000
10-20-00-604-000	WU/Eng-Permit Fees	\$0	\$0	\$20,000	\$3,138	\$20,000	\$10,000
10-20-00-604-001	WU-Eng-ALLR-KW-07 Paua Valley Tank Repair	\$0	\$51,764	\$0	\$16,539	\$0	\$85,000
10-20-00-604-006	WU-Eng-34%R-PLH-28 Hanamaulu Main (Hoohana Street)	\$0	\$0	\$0	\$0	\$0	\$0
10-20-00-604-007	WU-Eng-ALLR-WK-11a Upper Wailua Houselots Main Rpl	\$0	\$0	\$0	\$0	\$0	\$0
10-20-00-604-009	WU-Eng-ALLR-Hanapepe Stream Crossing	\$0	\$0	\$0	\$0	\$0	\$0
10-20-00-604-013	WU-Eng-ALLR-PLH-32 Rice St Kapule Intersection	\$0	\$0	\$0	\$0	\$0	\$0
10-20-00-604-120	WU-Eng-Kilauea 1.0 MG tank (RR 10%)	\$3,740	\$2,671	\$0	\$0	\$0	\$0
10-20-00-604-146	WU-Eng-Hanapepe-Eleele Connecting Pipeline HE-1 and HE-10 (RR 12%)	\$10,254	\$71,960	\$0	\$12,999	\$0	\$0
10-20-00-604-147	WU-Eng-Rehabilitate Puupilo Steel tank	\$0	\$0	\$0	\$0	\$0	\$0
10-20-00-604-148	WU-Eng-Kuhio Hwy (Hardy-Oxford) 16" Main Replace (R&R 56% of \$100K)	\$0	\$0	\$0	\$1,283	\$0	\$0
10-20-00-604-149	WU-Eng-Kuhio Hwy (N. Papalooa to Waikaea Canal) Main Replace (RR 56%)	\$0	\$0	\$0	\$0	\$0	\$0
10-20-00-604-150	WU-Eng-Makanui and Kuai Road Main Replacement (RR 37%)	\$0	\$0	\$0	\$0	\$0	\$0
10-20-00-604-151	KP-14a Koloa 6" and 12" Main Replacement plus additional area (Wailani and Waihothono)	\$0	\$0	\$0	\$0	\$0	\$0
10-20-00-604-152	WU-Eng-Hoona, Hoone, Pane Road main replacement (RR 37%)	\$0	\$0	\$0	\$0	\$0	\$0
10-20-00-604-157	Kilauea Wells MCC rehab	\$0	\$228,666	\$0			\$250,000
10-20-00-604-163	WU-Eng-ALLR-18-8 Limahuli Stream and Mānoa Stream Water Line Repairs	\$0	\$0	\$0	\$85,564	\$350,000	\$0
10-20-00-604-162	WU-Eng-17-13 & 14, Engineering Services for Islandwide Vulnerability and Resiliency Assessment.	\$0	\$0	\$150,000			\$0
10-20-00-604-169	Baseyard MP Ph 1	\$0	\$0	\$0	\$0	\$0	\$0
Water Utility Fund (Misc. Capital Purchases - Expansion)		\$0	\$0	\$0	\$0	\$0	\$0
10-20-00-605-017	18" Cane Haul Road Main						
10-20-00-605-xxx	Kuhio Hwy (Hardy-Oxford) 16" Main replacement (EXP 44% of \$150K)						
10-20-00-605-xxx	Kilauea 1.0 MG tank (EXP 90%)						
Water Utility Fund (Capital Projects - R&R - Construction)		\$315,299	\$5,650	\$5,155,000	\$3,564,521	\$5,255,000	\$17,705,000

New Capital Outlay

		FY 2016- 2017 Actual	FY 2017- 2018 Actual	FY 2018- 2019 Budget	FY 2018- 2019 Actual	FY 2019 - 2020 Budget	Proposed Budget FY 2020- 2021
10-21-00-604-017	WU/Cns/1.45%R-18In Cane Haul Main (1.45% RR of \$3.15M)	\$0	\$0	\$0	\$0	\$0	\$0
10-21-00-604-029	WU/Const/Capital Outlay/09-01, Yamada Tank, Clearwell & connecting PL	\$0	\$0	\$0	\$0	\$0	\$13,200,000
10-21-00-604-033	WU-Cns-ALLR-13-07, Koloa Well D Repairs (s/b 20, per Dustin)	\$315,299	\$5,650	\$0	\$0	\$0	\$0
10-21-00-604-035	WU-Cns-ALLR-XX-YY, HE-14, Eleele Booster Rehab	\$0	\$0	\$0	\$1,073,665	\$0	\$0
10-21-00-604-102	WU-Cns-44%R-10-01 Ani-01b-Anini Rd WL DOW-Princvl	\$0	\$0	\$0	\$0	\$0	\$0
10-21-00-604-132	WU-Cns-ALLR-13-05 Kolo Road Main (Kilauea School)	\$0	\$0	\$0	\$0	\$0	\$0
10-21-00-604-146	WU/Cns/78%RR/15-07/HE-01,HE-10, Reorganize Wtr Sys. PL connecting Hanapepe & Eleele (6" Main Repl) Ph I (County R/W)(78%RR of \$1.9M)	\$0	\$0	\$0	\$2,490,856	\$0	\$0
10-21-00-604-001	Paua Valley Tank Repair	\$0	\$0	\$1,400,000	\$0	\$1,400,000	\$0
10-21-00-604-157	Kilauea 1&2 MCC (engineer's estimate - \$2.576M)	\$0	\$0	\$3,755,000	\$0	\$3,755,000	\$3,755,000
10-21-00-604-167	Kukuiofono Tank Demo					\$100,000	\$750,000
10-21-00-604-XXX	02-06, WKK-15 - Construct Kilauea 466 Tank, 1.0MG, Puu Pane Well 3 (R&R - 10%) (Total= \$5M)					\$0	\$0
Water Utility Fund (Capital Outlay - Rehabilitation & Replacement- Operations)		\$0	\$0	\$0	\$0	\$1	\$2,201,962
10-40-00-604-166	SWTP - Water Treatment Delivery Agreement with Grove Farm - R&R	\$0	\$1,050	\$0		\$1	\$2,201,962
Water Utility Fund (Capital Projects - Exp - Construction)		\$0	\$0	\$0	\$2,302,856	\$0	\$0
10-21-00-605-118	WU/Const/Capital Outlay/WK-39-Kapaa Homestead Well No. 4 (100% Expansion)	\$0	\$0	\$0	\$750,000	\$0	\$0
10-21-00-605-146	WU/Cns/22%EXP/15-07/HE-01,HE-10, Reorganize Wtr Sys. PL connecting Hanapepe & Eleele (6" Main Repl) Ph I (County R/W)(22%EXP of \$1.9M)	\$0	\$0	\$0	\$0	\$0	\$0
10-21-00-605-146	WU/Cns/100%EXP/15-07/HE-01,HE-10, Reorganize Wtr Sys. PL connecting Hanapepe & Eleele (6" Main Repl) Ph II State R/W)	\$0	\$0	\$0	\$1,552,856	\$0	\$0
10-21-00-605-017	Kapaia Cane Haul Road 18" Main (98.55% Exp) \$3,241,350	\$0	\$0	\$0	\$0	\$0	\$0
FRC Fund (Capital Projects - Expansion - Design)		\$33,657	\$190,102	\$0	\$85,510	\$680,000	\$450,000
20-20-00-605-006	FRC-Eng-66%E-PLH-28 Hanamaulu Main (Hoohana Street)	\$0	\$0	\$0		\$0	\$0
20-20-00-605-010	FRC-Eng-ALLE-Wailua Homesteads 538 1.0 MG Tank	\$0	\$0	\$0		\$0	\$0
20-20-00-605-014	FRC-Eng-ALLE-Purchase Water System 1	\$0	\$0	\$0		\$0	\$0
20-20-00-605-016	FRC-Eng-ALLE-Poipu 1 MG Storage Tank	\$0	\$0	\$0		\$0	\$0
20-20-00-605-018	FRC-Eng-ALLE-H-08 Hanalei Well 2	\$0	\$0	\$0		\$0	\$0
20-20-00-605-019	FRC-Eng-E-Kapaia SWTP Expansion	\$0	\$0	\$0		\$0	\$0
20-20-00-605-120	FRC-Eng-Kilauea 1.0 MG tank (EXP 90%)	\$33,657	\$0	\$0		\$0	\$0
20-20-00-605-148	FRC-Eng-Kuhio Hwy (Hardy-Oxford) 16" Main replacement (EXP 44% of \$150K)	\$0	\$0	\$0		\$0	\$0
20-20-00-605-149	FRC-Eng-Kuhio Hwy (N. Papaloa to Waikaea Canal) Main Replacement (EXP 44%)	\$0	\$0	\$0		\$0	\$0
20-20-00-605-150	FRC-Eng-Makanui and Kuai Road Main Replacement (EXP 63%)	\$0	\$0	\$0		\$0	\$0
20-20-00-605-151	KP-14A Koloa 6" & 12" Main Repla + add'l area (Wailani & Waihihinou Rds, prt of KP-14 (Exp 50%))	\$0	\$0	\$0		\$0	\$0
20-20-00-605-152	FRC-Eng-Hoona, Hoone, Pane Road main replacement (EXP 63%)	\$0	\$0	\$0		\$0	\$0
20-20-00-605-154	FRC-Eng-Drill and Test Kilauea Well #3 (EXP)	\$0	\$2,760	\$0		\$0	\$0
20-20-00-605-155	FRC-Eng-Wainiha Well #4 (EXP)	\$0	\$0	\$0		\$160,000	\$0
20-20-00-605-156	FRC-Eng-land acquisition for Kilauea Well #3	\$0	\$0	\$0		\$0	\$0
20-20-00-605-156	FRC-Eng-land acquisition for jelly factory booster pump	\$0	\$0	\$0		\$0	\$0
20-20-00-605-156	FRC-Eng-land acquisition for Poipu tank	\$0	\$0	\$0		\$0	\$0
20-20-00-605-153	FRC-Eng-Haena 0.2 MG tank	\$0	\$187,342	\$0	\$85,510	\$30,000	\$0

New Capital Outlay

		FY 2016- 2017 Actual	FY 2017- 2018 Actual	FY 2018- 2019 Budget	FY 2018- 2019 Actual	FY 2019 - 2020 Budget	Proposed Budget FY 2020- 2021
20-20-00-605-156	FRC-Eng-land acquisition for SWTP expansion	\$0	\$0	\$0		\$0	\$0
20-20-00-605-118	Develop Kapaa Well No. 4 site improvements (production well)		\$0	\$0		\$450,000	\$450,000
20-20-00-605-117	UH Experiment Station Tank - land acquisition		\$0	\$0		\$0	\$0
20-20-00-605-168	Kalaheo System Improvements - recertify plans/permits		\$0	\$0		\$40,000	\$0
FRC Fund (Capital Projects - Expansion - Construction)		\$0	\$0	\$0	\$0	\$225,000	\$225,000
20-21-00-605-017	FRC-Eng-ALLE-18IN Cane Haul Road Main	\$0	\$0	\$0	\$0	\$0	\$0
20-21-00-605-029	FRC-Cns-56%E-09-01 Yamada Tank Clearwell, Conn Pip	\$0	\$0	\$0	\$0	\$0	\$0
20-21-00-605-102	WU/Const/Capital Outlay/10-01 Ani-01b anini Rd. WL DOW -Princevl (56% Exp)	\$0	\$0	\$0	\$0	\$0	\$0
20-21-00-605-116	WU/Const/Capital Outlay/WK-08-Kapaa Homestead 313' 1.0 MG Tank (Ornellas) (0% RR of \$10M)	\$0	\$0	\$0	\$0	\$0	\$0
20-21-00-605-161	Hanapepe River Bridge, Kaunualii Hwy. Rt. 50, HI STP SR50 (1) Project, Hanapepe, Kauai, HI	\$0	\$0	\$0	\$0	\$225,000	\$225,000
20-21-00-605-XXX	02-06, WKK-15 - Construct Kilauea 466 Tank, 1.0MG, Puu Pane Well 3 (Expansion - 90%)					\$0	\$0
Bond Fund (Capital Projects - R&R - Construction)		\$866,193	\$877,902	\$0	\$1,623,383	\$0	\$0
30-21-00-604-101	BAB-Cns-ALLR-10-01 Ani01a-Anini Kalihiwai 6IN Main	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-604-102	BAB-Cns-44%R-10-01 Ani-01b-Anini Rd WL DOW-Princvl	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-604-107	BAB-Cns-ALLR-XX-YY KP-09-MCC Chlor KoloaWell16-A,E	\$0	\$877,902	\$0	\$1,623,383	\$0	\$0
30-21-00-604-109	BAB-Cns-19%R-XX-YYLO-08LO-10-Koloa Al.-Piko, Lawai	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-604-112	BAB-Cns-40%R-11-02 PLH-01a Grove Farm Tanks 1 - 2	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-604-114	BAB-Cns-ALLR-XX-YY PLH-39a-Lihue Baseyard Imprvmt	\$605,698	\$0	\$0	\$0	\$0	\$0
30-21-00-604-120	BAB-Cns-10%R-0206WKK15-Kilauea 466 Tnk Puu Pane W3	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-604-129	BAB-Cns-ALLR-11-10 8IN WL Halewili, Kaum to HHale	\$260,495	\$0	\$0	\$0	\$0	\$0
30-21-00-604-136	BAB-Cns-11%R-XX-YY H-05 Weke Anae Hee 6-8IN Mains	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-604-017	BAB-Cns-Kapaia Cane Haul Road 18" main (1.45% R&R - \$3,241,350))	\$0	\$0	\$0	\$0	\$0	\$0
Bond Fund (Capital Projects: Expansion - Design)		\$0	\$0	\$0	\$0	\$0	\$0
30-20-00-605-139	BAB-Eng-ALLE-Moloaa Tank Site Acquisition	\$0	\$0	\$0	\$0	\$0	\$0
30-20-00-605-140	BAB-Eng-ALLE-Koloa Well F Land Acquisition	\$0	\$0	\$0	\$0	\$0	\$0
Bond Fund (Capital Projects - Expansion - Construction)		\$0	\$0	\$0	\$676,543	\$0	\$6,000,000
30-21-00-605-102	BAB-Cns-56%E-10-01 Ani-01b-Anini Rd WL DOW-Princvl	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-605-106	BAB-Cns-50%E-03-04 K05a-Kalaheo Tank 0.5MG 886FT	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-605-109	BAB-Cns-81%E-XX-YYLO-08LO-10-Koloa Al.-Piko, Lawai	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-605-110	BAB-Cns-ALLE-WK-08-Kapaa Homestead Tank (Ornellas)	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-605-112	BAB-Cns-60%E-11-02 PLH-01a Grove Farm Tanks 1 - 2	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-605-118	BAB-Cns-ALLE-WK-39-Kapaa Homestead Well No. 4	\$0	\$0	\$0	\$676,543	\$0	\$0
30-21-00-605-120	BAB-Cns-90%E-0206WKK15-Kilauea 466 Tnk Puu Pane W3	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-605-136	BAB-Cns-89%E-XX-YY H-05 Weke Anae Hee 6-8IN Mains	\$0	\$0	\$0	\$0	\$0	\$0
30-21-00-605-029	BAB-Cns-CO-09-01 Kalaheo 1111' & 1112' WS Improv Pkg A,B,C	\$0	\$0	\$0	\$0	\$0	\$6,000,000
30-21-00-605-017	BAB-Cns-CO-Kapaia Cane Haul Road 18" Main (98.55% Exp \$3,241,350)	\$0	\$0	\$0	\$0	\$0	\$0
SRF Fund (Capital Projects - R&R - Construction)		\$0	\$0	\$0	\$0	\$0	\$0
60-21-00-604-029	WU/Const/Capital Outlay/09-01, Kalaheo 1111' & 1222' Water System Improvements (Package A: 0% Yamada Tank, Package B: 34% Clearwell, Package C: 94 %Pipeline) (Total \$19.2M) Cumulative 52% R&R/48% Expansion - \$ 9,984,000						\$0

New Capital Outlay

		FY 2016- 2017 Actual	FY 2017- 2018 Actual	FY 2018- 2019 Budget	FY 2018- 2019 Actual	FY 2019 - 2020 Budget	Proposed Budget FY 2020- 2021
60-21-00-604-114	SRF-Cns-ALLR-X-YY PLH-39a-Lihue Baseyard Imprvmts	\$0	\$0	\$0	\$0	\$0	\$0

COUNTY OF KAUAI DEPARTMENT OF WATER

Finance Committee Meeting

November 4, 2019

AGENDA

- » Study Objectives
- » Financial Plan
 - › Key Assumptions
 - › Revenue and Expenses
 - › Proposed Revenue Adjustments
- » Rate Design
- » Customer Impacts
- » Next Steps
- » Q&A

STUDY OBJECTIVES

- » Adequate funding of the water utility's ongoing operation and capital needs
 - › Overall financial stability and adequate reserves
 - › Minimize overall impacts
- » Development of water rates that
 - › Provide revenue stability
 - › Are fair and equitable to customers

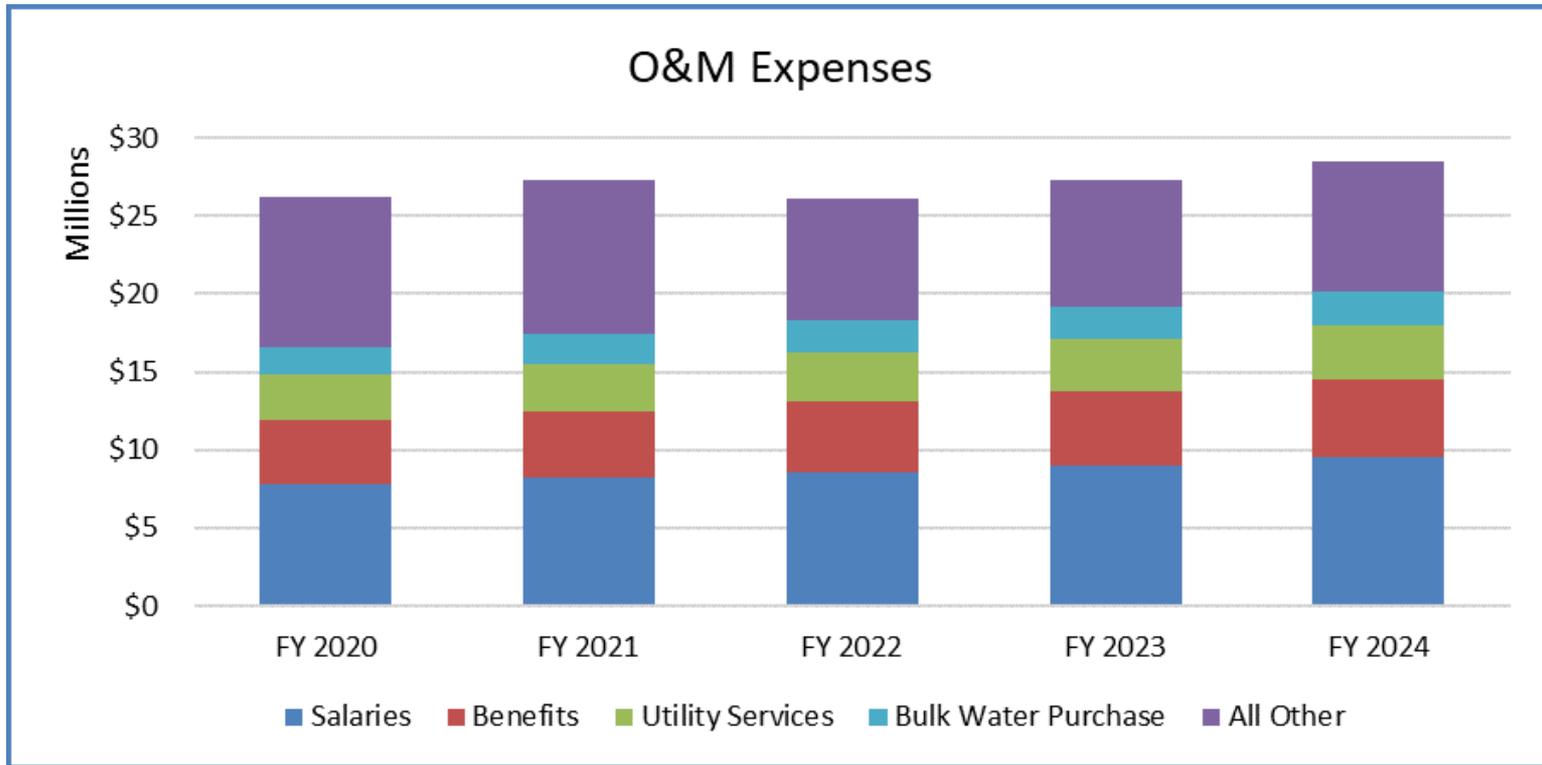
KEY ASSUMPTIONS

- » Inflation Factors:
 - › General (CPI) – 3% per year
 - › Salaries, benefits, and utilities – 5% per year
 - Retirement benefits – 24% of salaries
 - › Chemicals and capital – 4% per year
- » Miscellaneous revenue growth rate – 0% per year
- » Customer growth rate – 0.05% per year (~10 new accounts per year)

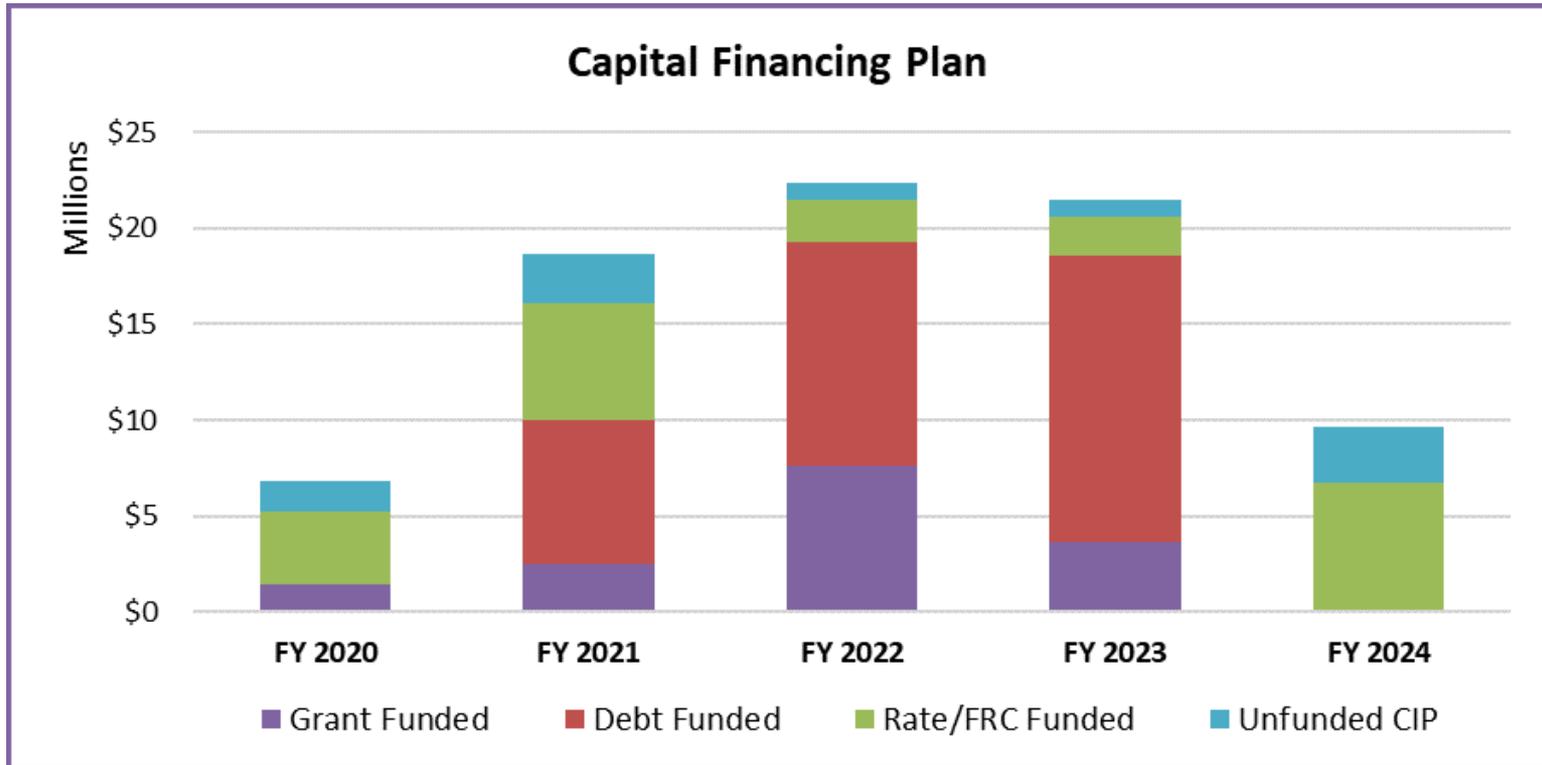
KEY ASSUMPTIONS (CONT'D)

- » Financing assumptions:
 - › Bonds – 5% interest, 30 year term, 2% issuance cost
 - › SRF Loan – 1.75% interest, 20 year term
- » Reserve interest rate – 1.5% in FY 2020 and 2% per year thereafter

O&M EXPENSES

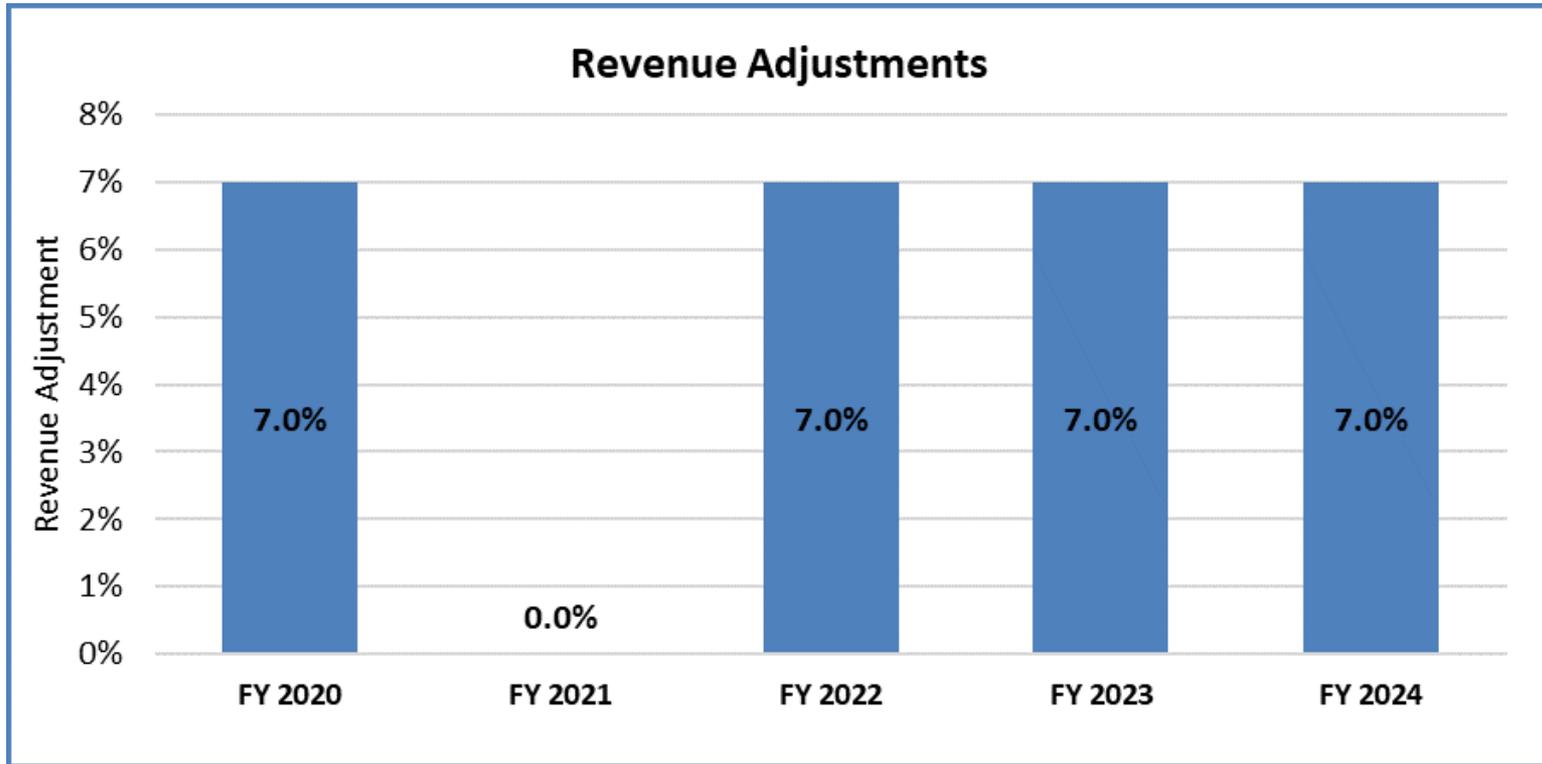


CIP FINANCING PLAN



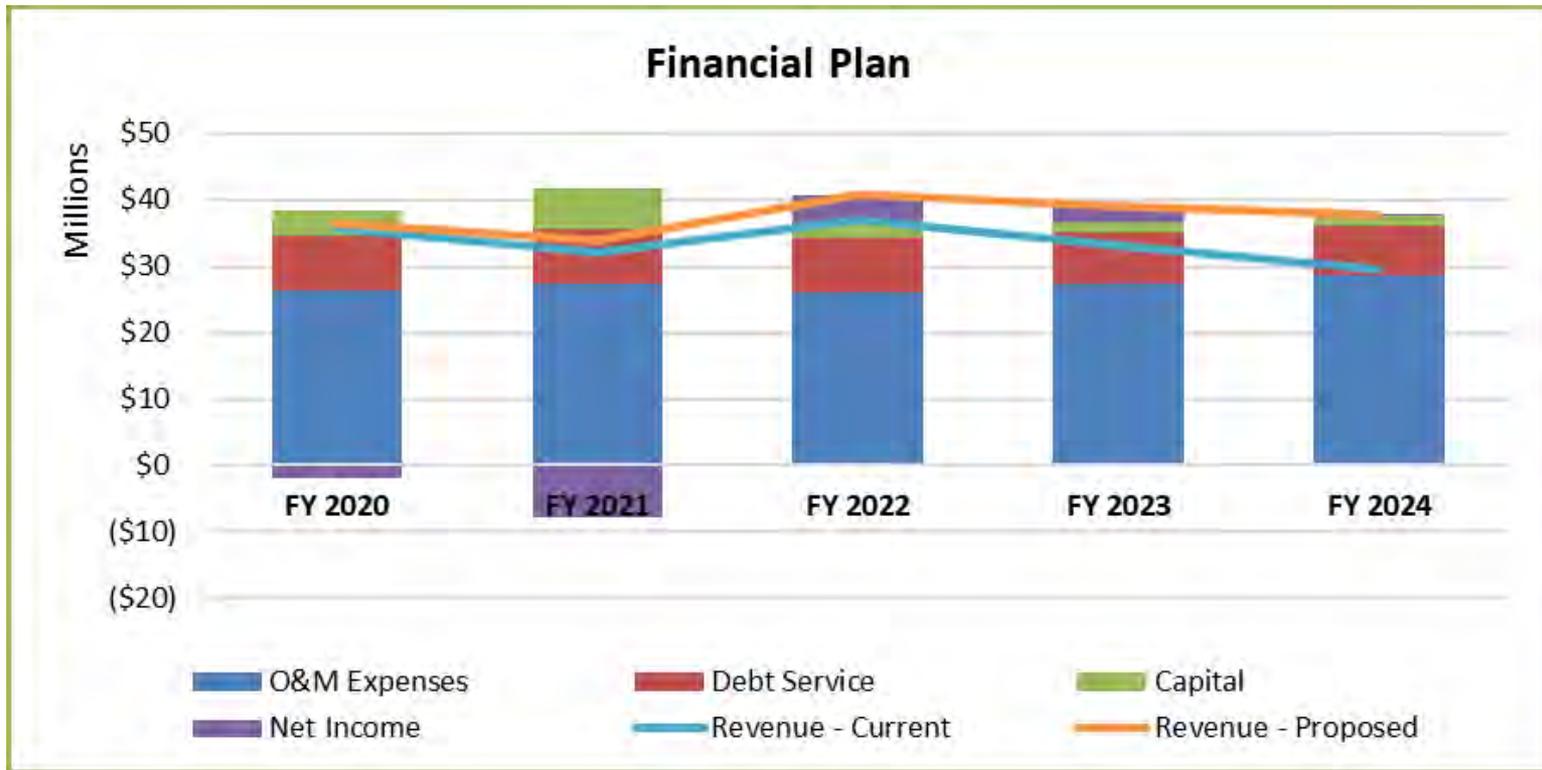
Assume \$15M (inflated dollars) in grant funding in FY 2020-FY 2024 and \$26.6M (inflated dollars) in SRF Loan funding in FY 2022-2023.

PROPOSED REVENUE ADJUSTMENTS



Assume rates effective February 1, 2020 and every July 1 starting July 1, 2021

FINANCIAL PLAN

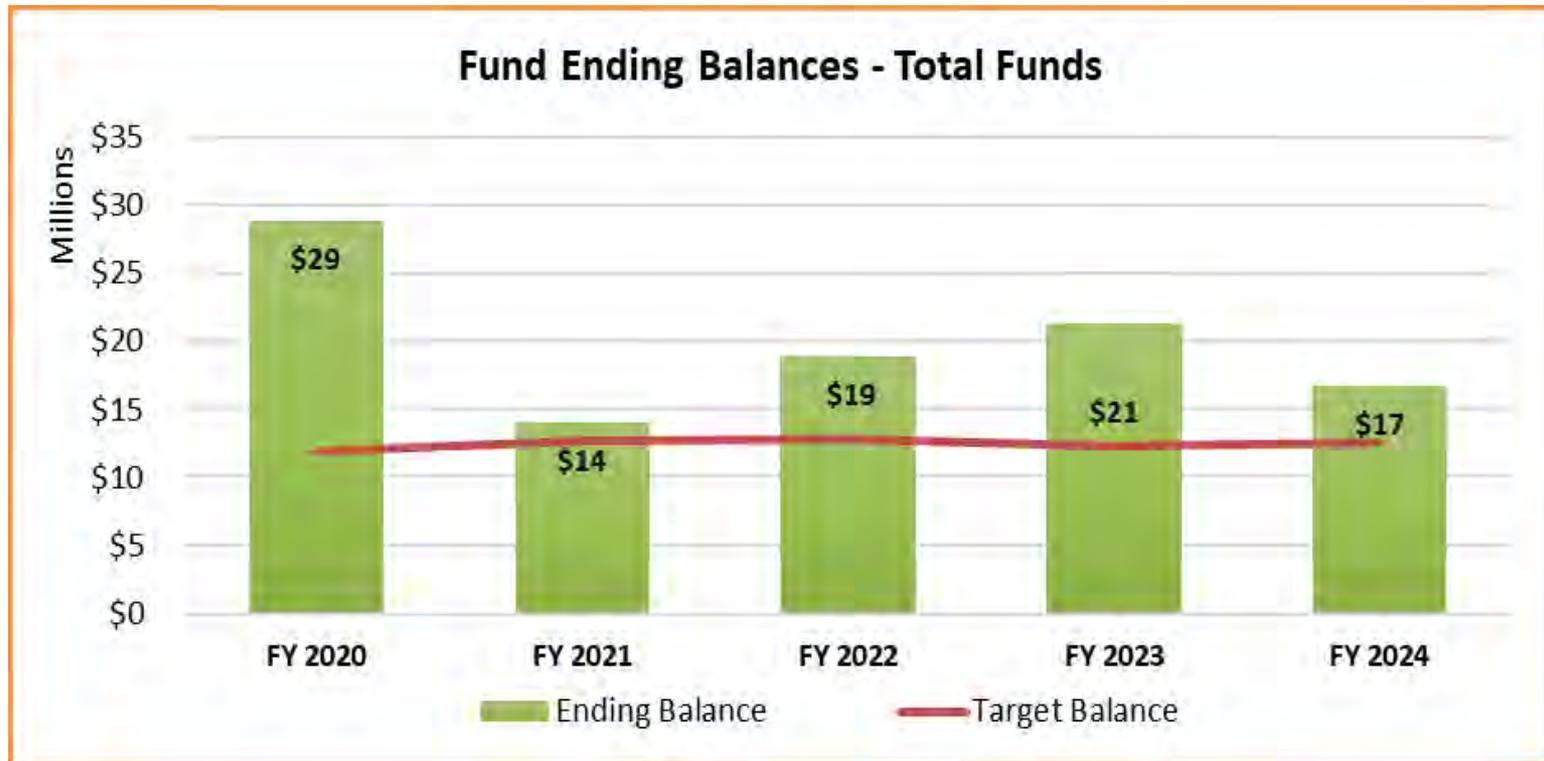


Revenue dipped in FY 2021 due to projected amount of State Grants received.

CURRENT TARGET RESERVE

- » Utility Fund
- » Emergency Reserve Fund
 - › 25% of prior year's operating expenses, net of interest expense, depreciation and amortization, and non-cash expenses
 - › \$1M for insurance deductible
- » Debt Reserve Fund
 - › 50% of annual debt service budget

ENDING FUND BALANCE



RATE DESIGN

EXISTING WATER RATES

» Monthly service charge + 5-tier consumption rate

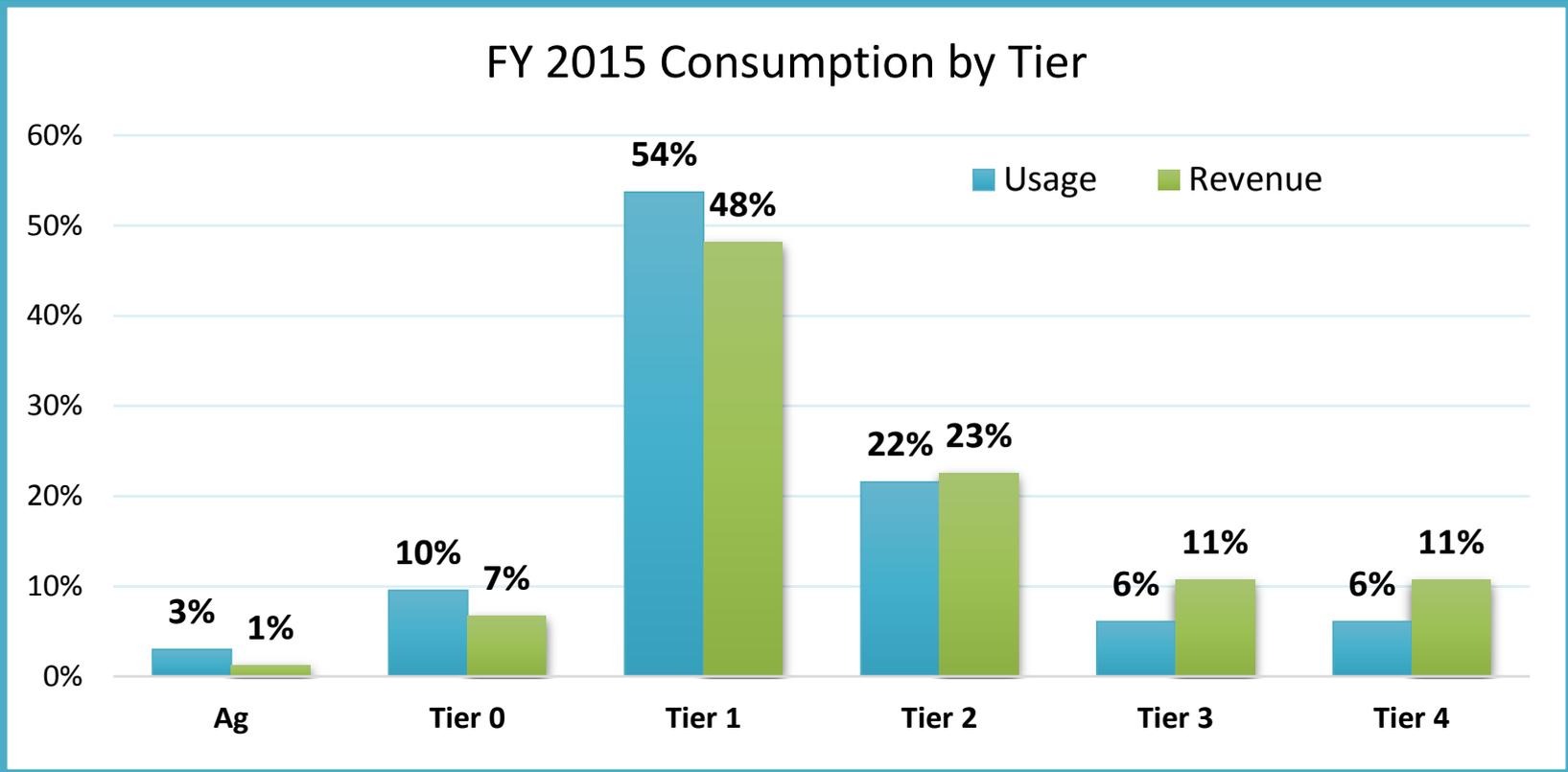
- › Tiers are based on meter size
- › Agriculture customers have uniform rate of \$2.20/kgal
- › Power adjustment rate of \$0.12/kgal for everyone

Meter Size	No. of Meters	Meter Charge	Tier 0 Min	Tier 1	Tier 2	Tier 3	Tier 4
			\$3.80	\$4.85	\$5.65	\$9.50	\$10.00
5/8"	20,784	\$17.75	1	7	14	18	18 +
3/4"	108	\$24.75	2	29	57	65	65 +
1"	211	\$36.50	3	68	137	175	175 +
1 1/2"	209	\$65.50	10	169	337	387	387 +
2"	199	\$100.00	12	400	750	925	925 +
3"	53	\$181.00	50	600	1,200	1,750	1,750 +
4"	40	\$297.00	175	1,000	2,500	2,750	2,750 +
6"	59	\$587.00	225	4,000	7,500	10,000	10,000 +
8"	56	\$934.00	250	1,000	2,500	12,500	12,500 +

FY 2015 CUSTOMER DATA

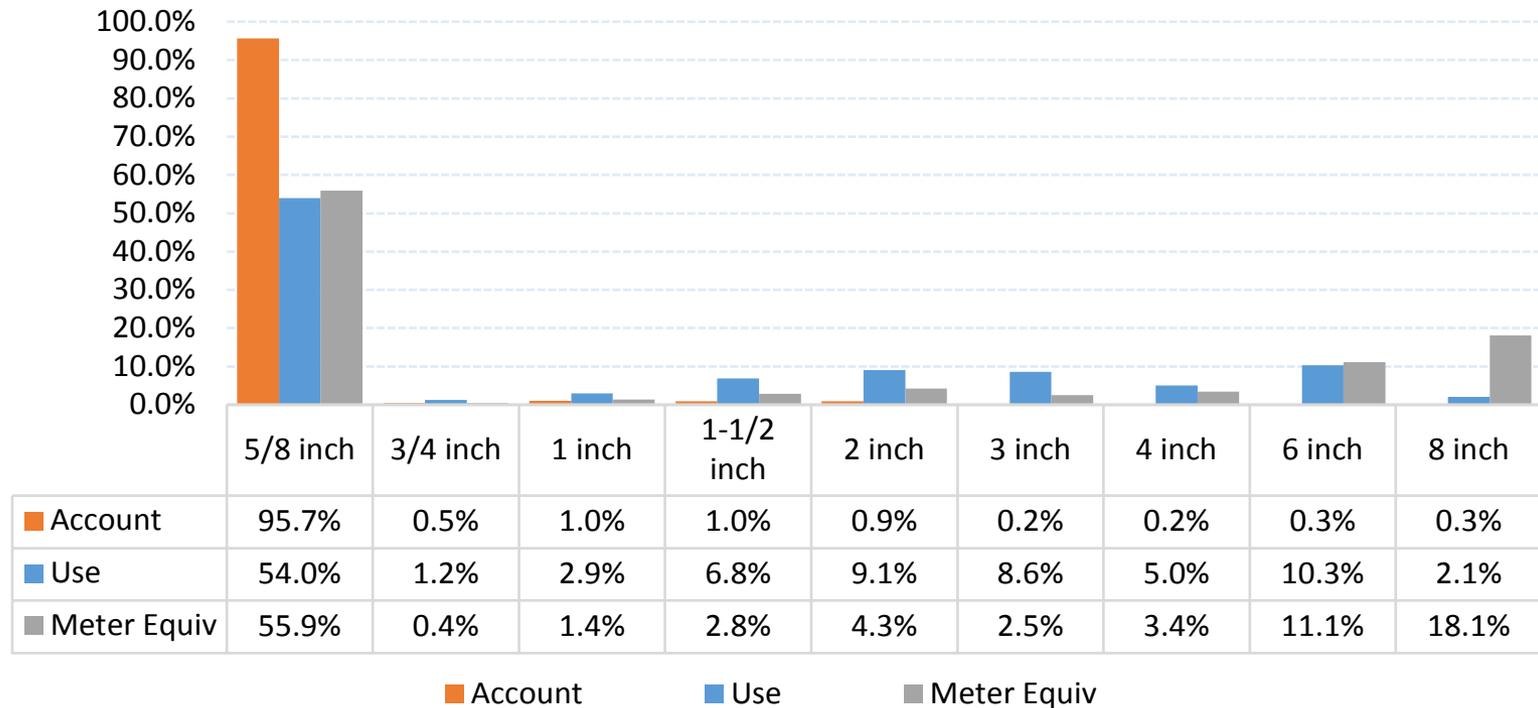
Meter Size	Usage (kgal)	Number of Meters	Average Monthly Use (kgal)
5/8 inch	2,160,717	20,784	9
3/4 inch	48,851	108	38
1 inch	117,981	211	47
1-1/2 inch	273,491	209	109
2 inch	362,748	199	152
3 inch	343,110	53	539
4 inch	200,570	40	418
6 inch	411,961	59	582
8 inch	82,843	56	123
TOTAL	4,002,272	21,719	15

FY 2015 CUSTOMER DATA



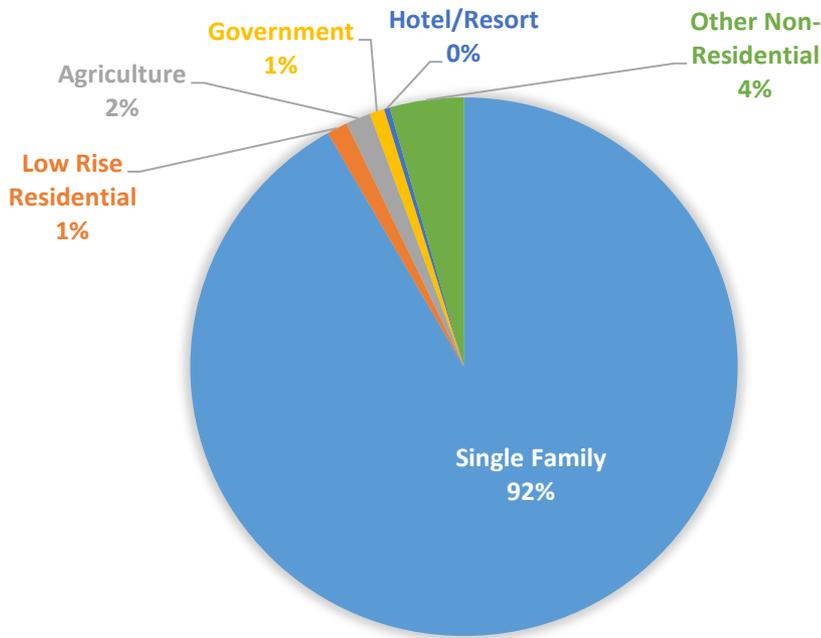
FY 2015 CUSTOMER DATA

FY 2015 Account v. Use

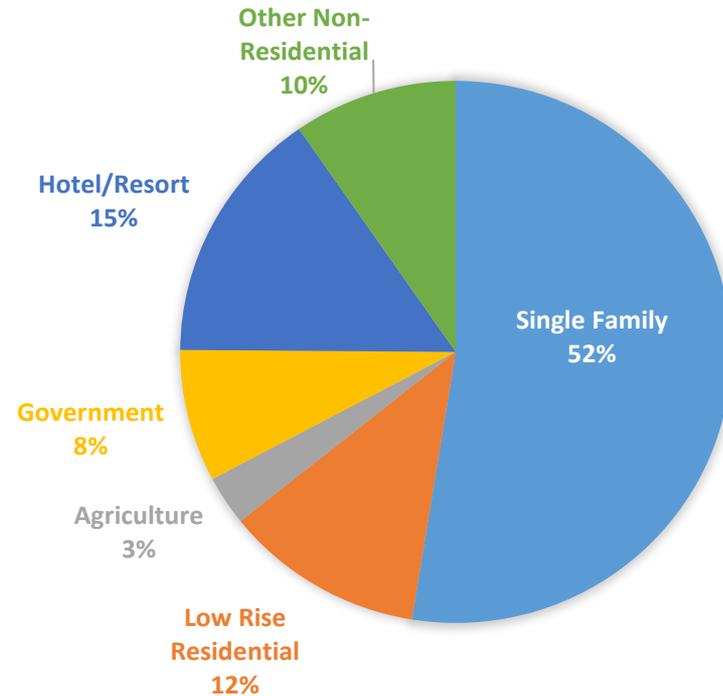


FY 2015 CUSTOMER DATA

FY 2015 WATER ACCOUNT BY CLASS



FY 2015 WATER CONSUMPTION BY CLASS



PROPOSED RATE STRUCTURE

- » Meter charges based on AWWA capacity factors ratios
- » Volumetric rates differentiated by customer class (not meter size)
 - › Single Family Residential customers have 3 tiers
 - Tier 1: 0 to 7 kgal per month (represents the indoor essential use to be provided at the lowest rate)
 - Tier 2: 8 to 10 kgal per month (additional 3 kgal is for average outdoor use)
 - Tier 3: over 10 kgal per month
 - › All other customers have uniform rate

PROPOSED MONTHLY METER CHARGES – FY 2020

- » Current fixed charge revenue is ~19% without Tier 0 revenue, ~26% with Tier 0 revenue
- » Proposed fixed charge revenue is retained at ~26%
- » Meter ratios based on AWWA hydraulic capacities

Meter Size	Meter Ratio	Meter Component	Billing Component	Total Monthly Charges + Tier 0	Current 0	Difference
5/8"	1.00	\$16.11	\$7.56	\$23.67	\$21.55	\$2.12
3/4"	1.50	\$24.16	\$7.56	\$31.72	\$32.35	(\$0.63)
1"	2.50	\$40.26	\$7.56	\$47.82	\$47.90	(\$0.08)
1 1/2"	5.00	\$80.53	\$7.56	\$88.09	\$103.50	(\$15.41)
2"	8.00	\$128.84	\$7.56	\$136.40	\$145.60	(\$9.20)
3"	17.50	\$281.84	\$7.56	\$289.40	\$371.00	(\$81.60)
4"	31.50	\$507.31	\$7.56	\$514.87	\$962.00	(\$447.13)
6"	65.00	\$1,046.83	\$7.56	\$1,054.39	\$1,442.00	(\$387.61)
8"	120.00	\$1,932.60	\$7.56	\$1,940.16	\$1,884.00	\$56.16

PROPOSED MONTHLY PRIVATE FIRE METER CHARGES – FY 2020

Meter Size	Meter Ratio	Meter Component	Billing Component	Total Monthly Charges	Current Charges	Difference
2"	0.06	\$10.34	\$7.56	\$17.90	\$28.25	(\$10.35)
3"	0.16	\$30.04	\$7.56	\$37.60	\$49.00	(\$11.40)
4"	0.34	\$64.02	\$7.56	\$71.58	\$80.00	(\$8.42)
6"	1.00	\$185.96	\$7.56	\$193.52	\$166.00	\$27.52
8"	2.13	\$396.29	\$7.56	\$403.85	\$283.00	\$120.85

PROPOSED VOLUME RATES

- » Water rates are comprised of 3 components:
 - › Water supply cost – lower cost water would be allocated to Ag and lower tiers
 - Groundwater (~80% of total water)
 - Purchased water (~20% of total water)
 - › Base delivery cost – all system costs to provide water at average rate of use
 - › Peaking cost – costs to provide peak capacity in the water system

PROPOSED VOLUME RATES – FY 2020

Customer Class	Monthly Tier (kgal)	Supply Unit Cost	Base Delivery Unit Cost	Peaking Unit Cost	Total Rate (\$/kgal)	Current Rate (\$/kgal)	Difference
SFR							
Tier 1	0 to 7	\$1.72	\$1.45	\$0.67	\$3.84	Varies	
Tier 2	8 to 10	\$1.72	\$1.45	\$2.02	\$5.19	Varies	
Tier 3	Over 10	\$2.06	\$1.45	\$5.38	\$8.90	Varies	
Agricultural		\$1.72	\$1.45	\$0.00	\$3.17	\$2.20	\$0.97
All Other		\$1.83	\$1.45	\$2.02	\$5.30	Varies	

Note: Included in the rate is \$0.75/kgal for power cost. If in the future, the power cost is higher, the DOW will pass through the increases to all customers.

CUSTOMER IMPACTS – FY 2020

Based on most recent bill in 2019

Meter Size	Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill
5/8" - Res	173	\$21.55	\$1,656.65	\$1,678.20	\$23.67	\$1,493.15	\$1,516.82	(\$161.38)
1"	104	\$47.90	\$518.65	\$566.55	\$47.82	\$551.20	\$599.02	\$32.47
1 1/2"	59	\$103.50	\$237.65	\$341.15	\$88.09	\$312.70	\$400.79	\$59.64
2"	735	\$145.60	\$3,774.55	\$3,920.15	\$136.40	\$3,895.50	\$4,031.90	\$111.75
3"	701	\$371.00	\$3,238.15	\$3,609.15	\$289.40	\$3,715.30	\$4,004.70	\$395.55
4"	2,334	\$962.00	\$11,538.35	\$12,500.35	\$514.87	\$12,370.20	\$12,885.07	\$384.72
6"	3,868	\$1,442.00	\$17,668.55	\$19,110.55	\$1,054.39	\$20,500.40	\$21,554.79	\$2,444.24
8"	2,598	\$1,884.00	\$13,043.50	\$14,927.50	\$1,940.16	\$13,769.40	\$15,709.56	\$782.06
Ag - 5/8"	774	\$17.75	\$1,702.80	\$1,720.55	\$23.67	\$2,453.58	\$2,477.25	\$756.70

CUSTOMER IMPACTS – FY 2020

Meter Size 5/8"		Customer Impacts - Residential						
Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill	Difference Total Bill
4	\$21.55	\$14.55	\$36.10	\$23.67	\$15.36	\$39.03	\$2.93	8.1%
6	\$21.55	\$24.25	\$45.80	\$23.67	\$23.04	\$46.71	\$0.91	2.0%
8	\$21.55	\$34.75	\$56.30	\$23.67	\$32.07	\$55.74	(\$0.56)	-1.0%
10	\$21.55	\$46.05	\$67.60	\$23.67	\$42.45	\$66.12	(\$1.48)	-2.2%
12	\$21.55	\$57.35	\$78.90	\$23.67	\$60.25	\$83.92	\$5.02	6.4%
15	\$21.55	\$78.15	\$99.70	\$23.67	\$86.95	\$110.62	\$10.92	11.0%
20	\$21.55	\$126.65	\$148.20	\$23.67	\$131.45	\$155.12	\$6.92	4.7%
30	\$21.55	\$226.65	\$248.20	\$23.67	\$220.45	\$244.12	(\$4.08)	-1.6%

Meter Size 5/8"		Customer Impacts - Non-Residential					
Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill
4	\$21.55	\$14.55	\$36.10	\$23.67	\$21.20	\$44.87	\$8.77
6	\$21.55	\$24.25	\$45.80	\$23.67	\$31.80	\$55.47	\$9.67
8	\$21.55	\$34.75	\$56.30	\$23.67	\$42.40	\$66.07	\$9.77
10	\$21.55	\$46.05	\$67.60	\$23.67	\$53.00	\$76.67	\$9.07
12	\$21.55	\$57.35	\$78.90	\$23.67	\$63.60	\$87.27	\$8.37
15	\$21.55	\$78.15	\$99.70	\$23.67	\$79.50	\$103.17	\$3.47
20	\$21.55	\$126.65	\$148.20	\$23.67	\$106.00	\$129.67	(\$18.53)
30	\$21.55	\$226.65	\$248.20	\$23.67	\$159.00	\$182.67	(\$65.53)

CUSTOMER IMPACTS – FY 2020

Meter Size 3/4"				Customer Impacts - Non-Residential			
Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill
12	\$32.35	\$48.50	\$80.85	\$31.72	\$63.60	\$95.32	\$14.47
20	\$32.35	\$87.30	\$119.65	\$31.72	\$106.00	\$137.72	\$18.07
40	\$32.35	\$193.10	\$225.45	\$31.72	\$212.00	\$243.72	\$18.27
75	\$32.35	\$465.15	\$497.50	\$31.72	\$397.50	\$429.22	(\$68.28)
100	\$32.35	\$715.15	\$747.50	\$31.72	\$530.00	\$561.72	(\$185.78)
120	\$32.35	\$915.15	\$947.50	\$31.72	\$636.00	\$667.72	(\$279.78)

Meter Size 1"				Customer Impacts - Non-Residential			
Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill
15	\$47.90	\$58.20	\$106.10	\$47.82	\$79.50	\$127.32	\$21.22
25	\$47.90	\$106.70	\$154.60	\$47.82	\$132.50	\$180.32	\$25.72
50	\$47.90	\$227.95	\$275.85	\$47.82	\$265.00	\$312.82	\$36.97
100	\$47.90	\$496.05	\$543.95	\$47.82	\$530.00	\$577.82	\$33.87
150	\$47.90	\$828.60	\$876.50	\$47.82	\$795.00	\$842.82	(\$33.68)
200	\$47.90	\$1,316.10	\$1,364.00	\$47.82	\$1,060.00	\$1,107.82	(\$256.18)

CUSTOMER IMPACTS – FY 2020

Meter Size 1 1/2"				Customer Impacts - Non-Residential			
Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill
35	\$103.50	\$121.25	\$224.75	\$88.09	\$185.50	\$273.59	\$48.84
80	\$103.50	\$339.50	\$443.00	\$88.09	\$424.00	\$512.09	\$69.09
120	\$103.50	\$533.50	\$637.00	\$88.09	\$636.00	\$724.09	\$87.09
200	\$103.50	\$946.30	\$1,049.80	\$88.09	\$1,060.00	\$1,148.09	\$98.29
300	\$103.50	\$1,511.30	\$1,614.80	\$88.09	\$1,590.00	\$1,678.09	\$63.29
375	\$103.50	\$2,081.35	\$2,184.85	\$88.09	\$1,987.50	\$2,075.59	(\$109.26)

Meter Size 2"				Customer Impacts - Non-Residential			
Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill
75	\$145.60	\$305.55	\$451.15	\$136.40	\$397.50	\$533.90	\$82.75
150	\$145.60	\$669.30	\$814.90	\$136.40	\$795.00	\$931.40	\$116.50
240	\$145.60	\$1,105.80	\$1,251.40	\$136.40	\$1,272.00	\$1,408.40	\$157.00
350	\$145.60	\$1,639.30	\$1,784.90	\$136.40	\$1,855.00	\$1,991.40	\$206.50
500	\$145.60	\$2,446.80	\$2,592.40	\$136.40	\$2,650.00	\$2,786.40	\$194.00
775	\$145.60	\$4,096.80	\$4,242.40	\$136.40	\$4,107.50	\$4,243.90	\$1.50

CUSTOMER IMPACTS – FY 2020

Meter Size 3"		Customer Impacts - Non-Residential					
Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill
150	\$371.00	\$485.00	\$856.00	\$289.40	\$795.00	\$1,084.40	\$228.40
300	\$371.00	\$1,212.50	\$1,583.50	\$289.40	\$1,590.00	\$1,879.40	\$295.90
600	\$371.00	\$2,667.50	\$3,038.50	\$289.40	\$3,180.00	\$3,469.40	\$430.90
800	\$371.00	\$3,797.50	\$4,168.50	\$289.40	\$4,240.00	\$4,529.40	\$360.90
1,000	\$371.00	\$4,927.50	\$5,298.50	\$289.40	\$5,300.00	\$5,589.40	\$290.90
1,200	\$371.00	\$6,057.50	\$6,428.50	\$289.40	\$6,360.00	\$6,649.40	\$220.90

Meter Size 4"		Customer Impacts - Non-Residential					
Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill
300	\$962.00	\$606.25	\$1,568.25	\$514.87	\$1,590.00	\$2,104.87	\$536.62
700	\$962.00	\$2,546.25	\$3,508.25	\$514.87	\$3,710.00	\$4,224.87	\$716.62
1,100	\$962.00	\$4,566.25	\$5,528.25	\$514.87	\$5,830.00	\$6,344.87	\$816.62
1,500	\$962.00	\$6,826.25	\$7,788.25	\$514.87	\$7,950.00	\$8,464.87	\$676.62
2,000	\$962.00	\$9,651.25	\$10,613.25	\$514.87	\$10,600.00	\$11,114.87	\$501.62
2,700	\$962.00	\$14,376.25	\$15,338.25	\$514.87	\$14,310.00	\$14,824.87	(\$513.38)

CUSTOMER IMPACTS – FY 2020

Meter Size 6"				Customer Impacts - Non-Residential			
Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill
1,000	\$1,442.00	\$3,758.75	\$5,200.75	\$1,054.39	\$5,300.00	\$6,354.39	\$1,153.64
1,500	\$1,442.00	\$6,183.75	\$7,625.75	\$1,054.39	\$7,950.00	\$9,004.39	\$1,378.64
2,600	\$1,442.00	\$11,518.75	\$12,960.75	\$1,054.39	\$13,780.00	\$14,834.39	\$1,873.64
4,000	\$1,442.00	\$18,308.75	\$19,750.75	\$1,054.39	\$21,200.00	\$22,254.39	\$2,503.64
6,000	\$1,442.00	\$29,608.75	\$31,050.75	\$1,054.39	\$31,800.00	\$32,854.39	\$1,803.64
9,000	\$1,442.00	\$52,333.75	\$53,775.75	\$1,054.39	\$47,700.00	\$48,754.39	(\$5,021.36)

Meter Size 8"				Customer Impacts - Non-Residential			
Monthly Usage (kgal)	Current Fixed + Tier 0	Current Commodity	Current Total Bill	Proposed Fixed	Proposed Commodity	Proposed Total Bill	Difference Total Bill
275	\$1,884.00	\$121.25	\$2,005.25	\$1,940.16	\$1,457.50	\$3,397.66	\$1,392.41
600	\$1,884.00	\$1,697.50	\$3,581.50	\$1,940.16	\$3,180.00	\$5,120.16	\$1,538.66
900	\$1,884.00	\$3,152.50	\$5,036.50	\$1,940.16	\$4,770.00	\$6,710.16	\$1,673.66
1,500	\$1,884.00	\$6,462.50	\$8,346.50	\$1,940.16	\$7,950.00	\$9,890.16	\$1,543.66
2,000	\$1,884.00	\$9,287.50	\$11,171.50	\$1,940.16	\$10,600.00	\$12,540.16	\$1,368.66
3,000	\$1,884.00	\$16,862.50	\$18,746.50	\$1,940.16	\$15,900.00	\$17,840.16	(\$906.34)

NEXT STEPS

- » Finalize financial plan
- » Finalize rate structure
- » Finalize water rates
- » Prepare water rate report

Q & A

DEPARTMENT OF WATER COUNTY OF KAUA'I

Water Cost of Service and Rate Study

Draft Report / November 2019

October 22, 2019

Mr. Bryan Wienand
Manager and Chief Engineer, P.E.
Department of Water
County of Kaua'i

Subject: Water Cost of Study and Rate Study Report

Dear Mr. Wienand,

Raftelis is pleased to provide this report to the County of Kaua'i Department of Water (Department) for the Water Cost of Service and Rate Study. This report presents the analyses, rationales, and methodologies utilized in the study to determine water rates that meet industry standards and the Department's goals and objectives.

The study involved a comprehensive review of the Department's current water rate structure, long-term financial plan, cost requirements, and alternative rate structures to determine proposed water rates that are in line with the Department's policy objectives. The main objectives that informed the study include:

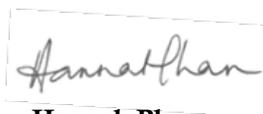
- » Adequately recovering all costs to maintain the Department's financial sufficiency
- » Evaluating alternative rate structures and tier definitions
- » Minimizing customer impacts due to changes in rate structure

We are confident that the proposed rates developed during this study are fair and equitable for the Department's customers and are compliant with industry standards. It was a pleasure working with you and your team, and we wish to express our gratitude for the support you and other Department staff provided to us during the study. If you have any questions, please do not hesitate to call me at 626-827-8931.

Sincerely,
Raftelis



Sudhir Pardiwala
Executive Vice President



Hannah Phan
Manager

Table of Contents

EXECUTIVE SUMMARY	3
Study Background	3
Department Background.....	3
Current Rates	3
Process And Approach.....	5
Results And Recommendations	6
Proposed Rates.....	6

List of Tables

Table 1-1: Current Fixed Charges (\$/meter or line size)	4
Table 1-2: Current Consumption Rates (\$/kgal).....	4
Table 1-3: Current Tier Block (kgal/month)	4
Table 1-4: Proposed Meter Charges (\$/meter size).....	6
Table 1-5: Proposed Fire Line Service Charges (\$/line size).....	7
Table 1-6: Proposed Consumption Rates (\$/kgal).....	7

1 Executive Summary

Study Background

The County of Kaua'i Department of Water (Department) engaged Raftelis to conduct the cost of service and rate study for its water utility in early 2016. The Department last completed a water rate study in 2011. The Department wants to ensure that its rates will adequately fund the capital improvements and fairly and equitably recover costs for providing water service to its customers.

The major objectives that informed the study include the following:

- » Ensure revenue sufficiency to fund operating and maintenance (O&M) costs, capital improvement plan (CIP) costs, and reserve requirements
- » Evaluate alternative rate structures
- » Minimize customer impacts due to changes in rate structure
- » Develop rates that are fair, equitable, and defensible, and compatible with the billing system

This executive summary provides an overview of the study and its results, including recommendations for proposed water rates beginning February 1, 2020. The study period is between FY 2020¹ through FY 2024.

Department Background

The Department's water utility provides sufficient, high-quality water to a population of approximately 72,000 people residing on the island of Kaua'i through nine separate water systems. The water systems consist of 50 pump stations, 19 booster pump stations, 58 storage tanks, and over 400 miles of pipelines – all of which are operated and maintained by Department staff. The Department sources approximately 80 percent of the total water supply through groundwater and purchases approximately 20 percent via surface water.

The Department operates as a semi-autonomous enterprise department of the County of Kaua'i, under the direction of the Board of Water Supply and derives all of its revenue from water sales with no direct subsidy from, or contributions to, the County of Kaua'i General Fund.

Current Rates

The Department's current water rates include the following components:

- » Monthly meter charge by meter size
- » Monthly fire service charge by private fire line size
- » Five-tiered consumption rate based on meter size for all customers by thousand gallon (kgal) of water usage

Table 1-1 shows the current fixed charges, which include the monthly meter charge and monthly fire service charge.

¹ FY 2019 is the year starting July 1, 2018 and ending June 30, 2019.

Table 1-1: Current Monthly Fixed Charges (\$/meter or line size)

A	B	C	D
Line	Meter/Line Size	Meter Charge	Fire Service Charge
1	5/8"	\$17.75	N/A
2	3/4"	\$24.75	N/A
3	1"	\$36.50	N/A
4	1-1/2"	\$65.50	N/A
5	2"	\$100.00	\$28.25
6	3"	\$181.00	\$49.00
7	4"	\$297.00	\$80.00
8	6"	\$587.00	\$166.00
9	8"	\$934.00	\$283.00

Table 1-2 shows the current consumption rates by tiers. All customers are charged based on a five-tiered rate structure based on their meter size.

Table 1-2: Current Consumption Rates (\$/kgal)

A	B	C
Line	Customer/Tiers	Current Consumption Rate (\$/kgal)
1	Tier 0	\$3.80
2	Tier 1	\$4.85
3	Tier 2	\$5.65
4	Tier 3	\$9.50
5	Tier 4	\$10.00
6		
7	Agricultural	\$2.20

Table 1-3 shows the current monthly tier block for each meter size per kgal. All customers are charged the Tier 0 minimum regardless of actual water used.

Table 1-3: Current Monthly Tier Blocks (kgal/month)

A	B	C	D	E	F	G
Line	Meter Size	Tier 0 (Minimum)	Tier 1	Tier 2	Tier 3	Tier 4
1	5/8"	1	7	14	18	18 +
2	3/4"	2	29	57	65	65 +
3	1"	3	68	137	175	175 +
4	1-1/2"	10	169	337	387	387 +
5	2"	12	400	750	925	925 +
6	3"	50	600	1,200	1,750	1,750 +
7	4"	175	1,000	2,500	2,750	2,750 +
8	6"	225	4,000	7,500	10,000	10,000 +
9	8"	250	1,000	2,500	12,500	12,500 +

Process and Approach

The process and approach Raftelis utilized in the study to determine water rates is informed by the Department's policy objectives and the current water system and rates. The resulting financial plan, cost of service analysis, and rate design process take all factors into consideration and follow five key steps, outlined below, to determine proposed rates that fulfill the Department's objectives, meet industry standards, and comply with relevant regulations.

Step 1: Long-Term Financial Plan

The first step of the study is to develop a long-term financial plan that projects the water utility's revenues, expenses, capital project financing, annual debt service, and reserve funding. The financial plan is used to determine the revenue adjustments, which allow the water utility to recover sufficient revenues to fund all operating and capital expenses and reserves for a five-year planning period.

Step 2: Revenue Requirement Determination for Test Year

After completing the long-term financial plan, the rate-making process can begin by determining the revenue requirement for the test year, also known as the rate-setting year. The test year for this study is FY 2020. The revenue requirement should sufficiently fund the utility's O&M costs, annual debt service, CIP costs, and reserve funding as projected based on the utility's FY 2020 budget.

Step 3: Cost of Service Analysis

The annual cost of providing water service, or the revenue requirement, is then distributed to customer classes and tiers commensurate with their use of and burden on the system. A cost of service analysis involves the following steps:

1. Functionalize costs – the different components of the revenue requirement are categorized into functions such as supply, transmission and distribution (T&D), customer service and billing, etc.
2. Allocate to cost causation components – the functionalized costs are then allocated to cost causation components such as supply, base delivery, peaking, etc.
3. Develop unit costs – unit costs for each cost component are determined using appropriate units of service for each component.
4. Distribute cost causation components – the cost causation components are allocated to each customer class and tier using the unit costs in proportion to their demand and burden on the system.

A cost of service analysis considers both the average water demand and peak demand. Peaking costs are incurred during periods of peak consumption, most often coinciding with summertime water usage. There are additional capacity-related costs associated with designing, constructing, operating, maintaining, and replacing facilities to meet peak demand. These peaking costs are allocated to the different customer classes based on each respective class's water consumption patterns. The patterns of usage impose additional costs for the utility and are used to determine the expense of the peaking-related facilities.

Step 4: Rate Design and Calculation

After allocating the revenue requirement to each customer class and tier, the rate design and calculation process can begin. Rates do more than simply recover costs; within the legal framework and industry standards, properly designed rates should support and optimize for the Department's policy objectives. Rates also act as a public

information tool in communicating these policy objectives to customers. This process also includes a rate impact analysis for all proposed water rates and sample customer bill impacts.

Step 5: Administrative Record Preparation and Rate Adoption

The final step in a rate study is to develop the administrative record in preparation for the rate adoption process. The administrative record, also known as the study report, documents the results of the rate study and presents the methodologies, rationale, justifications, and calculations utilized to determine the proposed rates. A thorough and methodological administrative record serves two important functions: maintaining defensibility in a stringent legal environment and communicating the rate adoption process to customers and important stakeholders.

Results and Recommendations

One key objective for the study is to evaluate alternative rate structures and tier definitions. Raftelis worked closely with Department staff to develop various rate structures and analyze the impacts of those alternatives. The recommendations for changes to the rate structure are as follows:

- » Single Family Residential (SFR): recommend three-tier rate structure. The first tier is at 7 kgal per month, which represents the estimated indoor water needs for an average family. The second tier is at 10 kgal per month, which includes some irrigation or outdoor water needs for an average family. The third tier represents all water usage above 10 kgal per month.
- » All Other Customers: recommend uniform rate for simplicity and equity purposes.

Additionally, Raftelis recommends that the Department implement the following revenue adjustments:

- » 7 percent revenue adjustment starting February 1, 2020
- » 7 percent revenue adjustment starting July 1, 2021
- » 7 percent revenue adjustment starting July 1, 2022
- » 7 percent revenue adjustment starting July 1, 2023

The Department’s current water rates are only sufficient to cover O&M expenses and a portion of the debt service; the revenue adjustments will allow the Department to adequately fund annual debt service and a portion of its CIP through water rates.

Proposed Rates

Table 1-4, Table 1-5, and Table 1-6 show the proposed rate schedule over the next five fiscal years for the monthly meter charges, monthly fire line service charges, and consumption rates, respectively.

Table 1-4: Proposed Meter Charges (\$/meter size)

A	B	C	D	E	F
Line	Meter Size	February 2020	July 2021	July 2023	July 2023
1	5/8"	\$23.67	\$25.33	\$27.11	\$29.01
2	3/4"	\$31.72	\$33.95	\$36.33	\$38.88
3	1"	\$47.82	\$51.17	\$54.76	\$58.60
4	1-1/2"	\$88.09	\$94.26	\$100.86	\$107.93
5	2"	\$136.40	\$145.95	\$156.17	\$167.11
6	3"	\$289.40	\$309.66	\$331.34	\$354.54

7	4"	\$514.87	\$550.92	\$589.49	\$630.76
8	6"	\$1,054.39	\$1,128.20	\$1,207.18	\$1,291.69
9	8"	\$1,940.16	\$2,075.98	\$2,221.30	\$2,376.80

Table 1-5: Proposed Fire Line Service Charges (\$/line size)

A	B	C	D	E	F
Line	Fire Line Size	February 2020	July 2021	July 2023	July 2023
1	2"	\$17.90	\$19.16	\$20.51	\$21.95
2	3"	\$37.60	\$40.24	\$43.06	\$46.08
3	4"	\$71.58	\$76.60	\$81.97	\$87.71
4	6"	\$193.52	\$207.07	\$221.57	\$237.08
5	8"	\$403.85	\$432.12	\$462.37	\$494.74
6	10"	\$17.90	\$19.16	\$20.51	\$21.95

Table 1-6: Proposed Consumption Rates (\$/kgal)

A	B	C	D	E	F	G
Line	Customer Class	Monthly Tiers (kgal)	February 2020	July 2021	July 2023	July 2023
1	Single Family					
2	Tier 1	0 to 7	\$3.84	\$4.11	\$4.40	\$4.71
3	Tier 2	8 to 10	\$5.19	\$5.56	\$5.95	\$6.37
4	Tier 3	10+	\$8.90	\$9.53	\$10.20	\$10.92
5						
6	Agricultural		\$3.17	\$3.40	\$3.64	\$3.90
7	All Other Customers		\$5.30	\$5.68	\$6.08	\$6.51

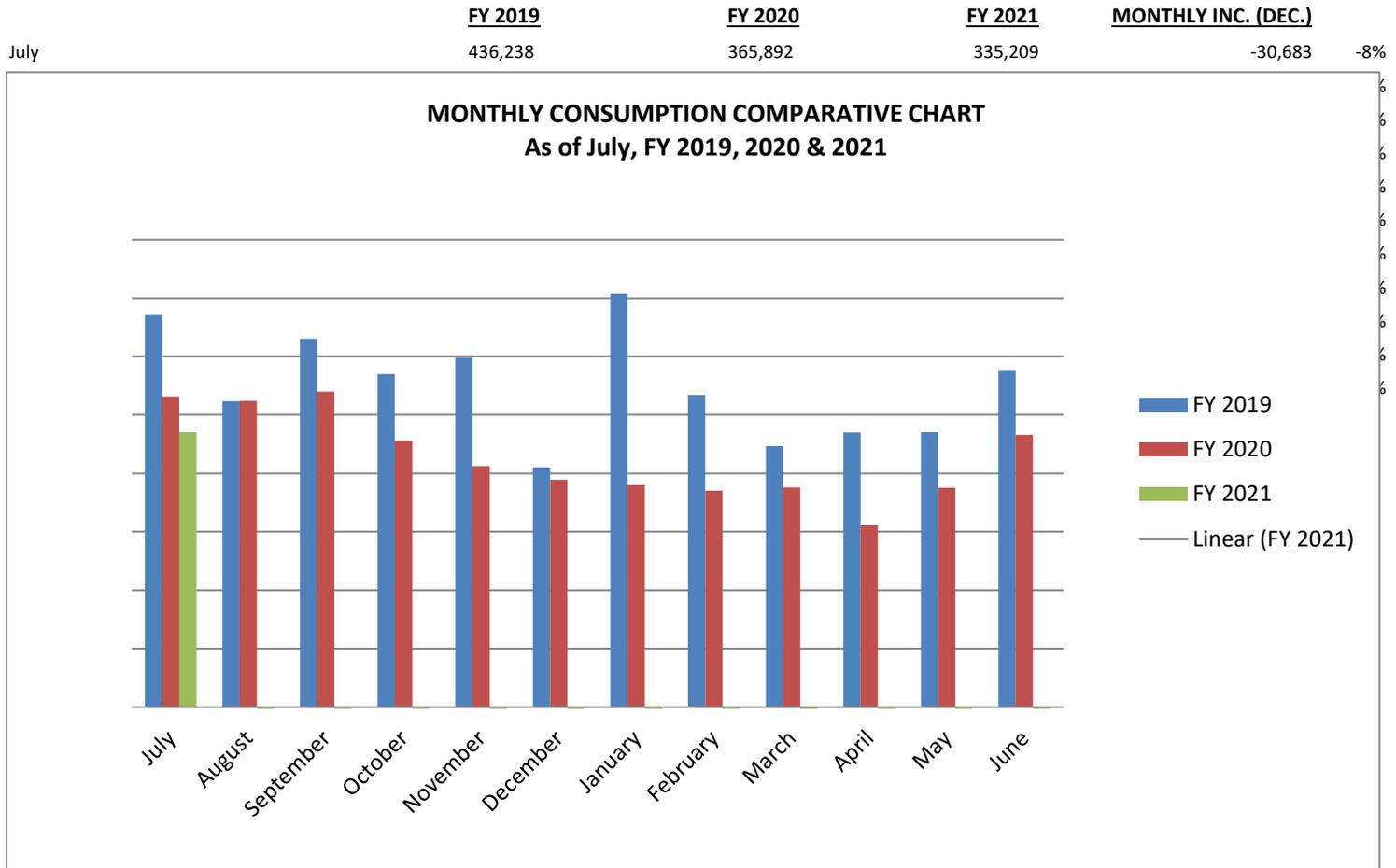
COMPARATIVE CUSTOMER DATA
FY 2015 Customer Data (used for the rate study)

Count of Meter size			
Row Labels	2015	2019	2020
5/8 inch	20,784	23,393	23,354
3/4 inch	108	131	129
1 inch	211	231	231
1-1/2 inch	209	223	228
2 inch	199	188	179
3 inch	53	53	53
4 inch	40	17	16
6 inch	59	10	10
8 inch	56	3	3
Grand Total	21,719	24,249	24,203

Sum of Consumption in kgals			
Row Labels	2015	2019	2020
5/8 inch	2,160,717	2,038,340	2,066,429
3/4 inch	48,851	49,751	48,774
1 inch	117,981	113,915	112,623
1-1/2 inch	273,491	299,518	272,880
2 inch	362,748	338,303	301,766
3 inch	343,110	372,898	361,694
4 inch	200,570	205,049	160,781
6 inch	411,961	428,230	375,467
8 inch	82,843	56,705	52,533
Grand Total	4,002,272	3,902,709	3,752,947

Sum of Total charges			
Row Labels	2015	2019	2020
5/8 inch		16,616,739	16,969,896
3/4 inch		335,941	331,219
1 inch		722,814	707,824
1-1/2 inch		1,910,283	1,763,625
2 inch		2,080,121	1,782,326
3 inch		2,151,761	2,089,303
4 inch		1,100,808	840,278
6 inch		2,461,264	2,141,644
8 inch		336,725	313,177
Grand Total	-	27,716,456	26,939,292

METERED CONSUMPTION (000 GALLONS) MONTHLY COMPARATIVE CHART
 For Fiscal Years 2019, 2020 & 2021
 (expressed in thousands)



DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 17-50 (Update)

August 27, 2020

Re: Discussion and Possible Action to enter into a Use and Occupancy Agreements No. 362 and No. 362-A between the State of Hawai'i and the Board of Water Supply, County of Kaua'i for Job No. 16-02, Water Plan 2020 No. PLH-35b, Kapaia Cane Haul Road 18" Main, Lihu'e, Kaua'i, Hawai'i

RECOMMENDATION:

It is recommended that the Board enter into Use and Occupancy Agreements No. 362 and No. 362-A Use and Occupancy Agreements (UOA's) with the State of Hawaii for Job No. 16-02, Water Plan 2020 No. PLH-35b, Kapaia Cane Haul Road 18" Main, Lihu'e, Kaua'i, Hawai'i.

Further, Board approval is specifically requested of the indemnification provisions in the UOA's, wherein the Board agrees to hold harmless, indemnify and defend the State, its officers, agents, successors and assigns, and employees, from and against all claims, demands, liabilities, suits, actions, judgments, costs and expenses for loss, injury, death or damage, including, without limitation, claims for property damage, personal injury, or loss or death of persons, whenever such loss, injury, death or damage arises out of, is connected with or related to (a) occurrences or incidents on, within, under, over or across the Premises or the Project, as it relates to Department of Water, County of Kauai (DOWK) use of the Premises (b) the exercise of the rights and privileges herein granted, (c) any failure on the part of the DOWK to use due care or otherwise perform in accordance with the terms and conditions of these agreements, (d) any act or omission of the DOWK and/or the DOWK's use and occupancy of the Premises.

Further, Board approval is specifically requested of the indemnification provisions in the UOA, wherein the Board agrees to indemnify, defend and hold harmless the State from liability, loss, injury, or damage to persons or property which the State may suffer as a result of claims, demands, costs or judgements arising against the State in connection with Department of Water's use and occupancy within Kūhiō Highway.

FUNDING: N/A.

BACKGROUND:

The State requires that the Department agree to a conditional letter and complete a UOA for the new water facilities being installed in the State Right of Way with the Department's Kapaia Cane Haul Road 18" Main project.

The Board approved Manager's Report No. 17-50 at the June 23, 2017 Board meeting. In the approval, the Board approved the State of Hawai'i's May 3, 2017 conditional letter and agreed to enter into UOA No. 362 between the State of Hawai'i and the Board of Water Supply, County of Kaua'i and for Job No. 16-02, Kapaia Cane Haul Road 18" Main. The Department informed the Board that an updated Manager's Report would be done prior to the Board signing the UOA.

The UOA area for this project was broken up into two distinct areas. The State requires that a separate UOA be completed for each distinct area of the project. As such, the State has submitted UOA's 362 and 362-A to the Department for execution. The Department is recommending that the Board enter into these two UOA's.

Potential future financial liabilities:

Condition in UOA ("State remedies for failure to cure") allows for the State, at the option of the State, to cure any defaults of the DOWK in the fulfillment of the DOWK's obligations under the agreement. The State may charge the DOWK for any costs and expenses incurred in curing any defaults of the DOWK. The DOWK shall immediately pay said costs and expenses to the State upon receiving written notice from the State.

Due to not knowing when or the amount of any financial liabilities that may or may not occur in the future associated with the conditions of the UOA, specific funding to address potential financial liabilities is not being requested or budgeted at this time. If special funding is required in the future, the necessary funds will be requested from the Board at that time.

OPTIONS:

Option 1:

Approve Manager's Report as recommended.

Pro: The completion of the UOA's will meet the State requirement that a UOA is completed for new facilities installed in the State Highway ROW. This will allow the DOW to install the 18" main to provide adequate transmission facilities to the Lihu'e area.

Con: The UOA will obligate the DOW with unknown financial liabilities and risk; to some extent, at the discretion of the State.

Option 2:

Do not Approve Manager's Report as recommended.

Pro: The Department will not be bound by an agreement that subjects the Department to unknown financial liabilities and risk.

Con: The Department will not be able to connect to the existing main in the State Right of Way and will not be able to complete the project, as intended.

KA/ein

Attachment(s): UOA 362 and UOA 362-A

Mgrrp/August 2020/Discussion and Possible Action to enter into a Use and Occupancy Agreements No. 362 and No. 362-A between the State of Hawai'i and the Board of Water Supply, County of Kaua'i for Job No. 16-02, Water Plan 2020 No. PLH-35b, Kapaia Cane Haul Road 18" Main, Lihu'e, Kaua'i, Hawai'i (6-23-17, 7-24-18, 8-27-20):ein

DAVID Y. IGE
GOVERNOR



JADE T. BUTAY
DIRECTOR

HIGHWAY DESIGN BRANCH, ROOM 688A
BRIDGE DESIGN SECTION, ROOM 611
CADASTRAL DESIGN SECTION, ROOM 600
ENVIRONMENTAL DESIGN SECTION, ROOM 688A
HIGHWAY DESIGN SECTION, ROOM 609
HYDRAULIC DESIGN SECTION, ROOM 636
LANDSCAPE DESIGN SECTION, ROOM 688A
TECHNICAL DESIGN SERVICE, ROOM 688

RIGHT-OF-WAY BRANCH, ROOM 691

TRAFFIC BRANCH, ROOM 602

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
HIGHWAYS DIVISION AT KAPOLEI
601 KAMOKILA BOULEVARD
KAPOLEI, HAWAII 96707

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

IN REPLY REFER TO:
HWY-RM 3.96269

July 31, 2020

Mr. Keith Aoki, Civil Engineer
Department of Water
County of Kauai
4398 Pua Loke Street
Lihue, Hawaii 96766

Dear Mr. Aoki:

Subject: Kuhio Highway at Ehiku Road, Lihue, Kauai
FAP No. E-12-A, TMK: (4) 3-8-09: Road
Request for Use and Occupancy for Water Main Replacement
Transmittal for Document Execution

We are transmitting for your execution via eSign, the newly revised Use and Occupancy Agreements No. 362 and 362-A for water main replacement within Kuhio Highway. Once fully executed, we will send you a copy for your files.

Should you have any questions, please contact Katja M. Jordan-King, Right-of-Way Agent, of our Highways Division, Right-of-Way Branch at (808) 692-7324 or by email at Katja.M.Jordan-King@Hawaii.Gov.

Sincerely,

A handwritten signature in black ink that reads "Fawn Y. Yamada".

FAWN Y. YAMADA
Right-of-Way Manager

Attachments

USE AND OCCUPANCY AGREEMENT NO. 362

THIS USE AND OCCUPANCY AGREEMENT NO. 362 is made on _____, but effective as of _____, by and between the STATE OF HAWAII, by its Director of Transportation, for the Highways Division, (hereinafter referred to as the "STATE") and BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, whose principal place of business and mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereinafter referred to as the "DOWK").

RECITALS:

WHEREAS, the STATE is the owner of those certain parcels of land upon which Kuhio Highway, intersection of Ehiku Street and Kuhio Highway, Hawaii (hereinafter referred to as the "Highway") is situated, which parcels contain approximately 1,820 Square Feet, designated as Tax Map Key Numbers (4) 3-8-9: Road (Portion), (hereinafter referred to as the "Property"); and

WHEREAS, the DOWK desires to occupy a portion of the Property, as described in Exhibit A and delineated on Exhibit B attached hereto and incorporated herein by reference (hereinafter referred to as the "Premises"), for the construction, operation, maintenance, and repair of a 18 Inch Water Main Replacement (the Water Main project, together with all improvements, equipment, facilities, components and appurtenances related thereto, is hereinafter referred to as the "Project"); and

WHEREAS, the STATE does not object to granting the DOWK use and occupancy rights over the Premises provided the DOWK fully complies with the terms and conditions set forth below,

NOW, THEREFORE, for good and valuable consideration, and other valuable consideration, the receipt whereof is hereby acknowledged, and the mutual covenants and promises herein made, and pursuant to Section 264-13, Hawaii Revised Statutes ("HRS"), the parties do hereby agree as follows:

AGREEMENT:

1. Grant of Use and Occupancy Rights. The STATE hereby grants to the DOWK the non-exclusive right to use and occupy the Premises for the purpose of constructing, operating, maintaining, and repairing the Project.

2. Right to Construct the Project. The DOWK may construct, maintain and repair the Project on, within, under, over and across the Premises provided that the DOWK obtains the STATE's prior written approval for the plans and specifications for the Project and any subsequent alterations thereto prior to commencing the construction of any portion of the Project. The DOWK shall be solely responsible for all costs and expenses incurred in connection with the Project and the maintenance of the Premises, in accordance with this Agreement, including but not limited to, all design, planning, engineering, construction, alteration and maintenance costs and expenses.

3. Work Permit. The DOWK shall obtain a permit from the STATE for any construction, installation, maintenance, repair, removal, replacement, reconstruction and upkeep work for or related to the Project on, within, under, over or across the Premises prior to commencing such work. Without limiting the foregoing or any other provision contained herein, the DOWK shall comply with any and all other requirements of the STATE relating to any construction, installation, maintenance, repair, removal, replacement, reconstruction, and upkeep work for or related to the Project.

4. Work Completion. Upon the completion of any work performed in, on, under, over or across the Premises by the DOWK, the DOWK shall remove therefrom within seven days of completion, all equipment and unused or surplus materials, if any, and shall restore the Premises and any other affected areas to a condition satisfactory to the STATE in its sole discretion. In addition, the DOWK shall provide all as-built drawings of work completed, for the STATE's acceptance within 60 days of the DOWK's final acceptance of the DOWK's contractor's work and the DOWK shall warranty the restoration work for a period of one year from the date of final inspection and acceptance by the STATE. Such warranty shall insure that the DOWK shall be responsible for any failure of the restoration work and any potholes occurring in and along the restoration area for the warranty period. An example of such potholes is those occurring along the seams of a trench that was restored after installing a water pipeline.

5. Maintenance. The DOWK shall, at its sole cost and expense, keep the Premises and the Project in a safe, clean, sanitary, and orderly condition, including, but not limited to, making all necessary repairs to the Project.

6. Repair. The DOWK shall not damage, undermine or otherwise destroy any portion of the State of Hawaii ("STATE") property, including without limitation, any

Highway facilities or improvements or facilities of other Highway tenants or other permitted users of the Highway situated on or near the Premises or any equipment or appurtenances relating thereto, including, but not limited to, sidewalks, storm drains, drainage systems, and underground utility systems. The DOWK shall, at its sole cost and expense, repair, restore and reconstruct that portion of the Property so damaged, undermined or destroyed, including any and all affected facilities, improvements, equipment and appurtenances. All repairs, restoration, and reconstruction shall be completed by the DOWK immediately to the existing, or better, condition and shall be inspected and approved by the STATE in its sole discretion.

7. No Obstruction. The DOWK shall not construct, replace, repair or maintain any improvements or any portion of the Project on, within, under, over or across the Premises in such a manner as to: (a) unnecessarily obstruct traffic, (b) obstruct, in any way whatsoever, the sight lines and distances and view corridors along the Highway; or (c) otherwise constitute a hazard to users of the Highway, as determined by the STATE in its sole discretion; (d) obstruct Highway operations and or (e) obstruct operations of Highway tenants or other permitted users of the Highway on the Property or near the Premises.

8. Reservation of Rights. The STATE reserves unto itself the full use and enjoyment of the Premises and the right to grant to others rights and privileges for any and all purposes affecting the Premises, all without charge by and without the consent of the DOWK, provided that such use by the STATE and/or third parties does not unreasonably interfere with the DOWK's rights to use the Premises under this Agreement. The DOWK shall take steps necessary to ensure that the DOWK's exercise of the rights and privileges granted hereunder does not cause any substantial interference with the STATE's operations in or near the Premises. In addition, the DOWK acknowledges and agrees that this Agreement is for a limited purpose, and that the DOWK shall use the Premises only for the purpose of serving the Project. Any intensification to include modification or expansion of the use of the facilities, from what is approved herein, including but not limited to, connection of additional laterals or extensions that feed or are fed from the Project shall require the written consent of the STATE, which consent may be withheld in the STATE's sole discretion, and may require a new request and review and consideration by any user not covered by this Agreement.

9. STATE Work Within or Affecting the Premises. If the STATE decides to perform work of any kind on, within, under, over, across, near, or affecting the Premises, the

STATE will coordinate such work with the DOWK. The DOWK shall not prevent the STATE from performing such work, provided, however, that the STATE will take certain protective measures to assure that such work does not unreasonably interfere with the DOWK's use of the Premises as described herein. At the STATE's sole option, the DOWK, at the DOWK's sole cost, except as may otherwise be required by law, shall relocate the Project to the extent the Project conflicts with plans of a STATE project.

10. Indemnity. The DOWK shall, with respect to the Project and the Premises, always use due care for public safety. It is strictly understood that the STATE shall in no way be held liable for any claims, damages, causes of action, or suits resulting from any acts or omissions of the DOWK. The DOWK shall hold harmless, indemnify, and defend the STATE, its officers, agents, successors and assigns, and employees, from and against all claims, demands, liabilities, suits, actions, judgments, costs, and expenses (including attorney's fees) for loss, injury, death, or damage, including, without limitation, claims for property damage, personal injury, or loss or death of persons, whenever such loss, injury, death, or damage arises out of, is connected with or related to, (a) occurrences or incidents on, within, under, over or across the Premises or the Project, as it relates to DOWK's use of the Premises, (b) the exercise of the rights and privileges herein granted, (c) any failure on the part of the DOWK to use due care or otherwise perform in accordance with the terms and conditions of this Agreement, or (d) any act or omission of the DOWK and/or the DOWK's use and occupancy of the Premises. This provision shall survive the expiration or earlier termination of this Agreement.

11. Assignment. The DOWK's rights under this Agreement shall not be sold, assigned, conveyed, leased, subleased, mortgaged, or otherwise transferred or disposed of, directly or by operation of law, except with the prior written consent of the STATE, which may be withheld by the STATE in its sole discretion. In giving any such consent, the STATE need not release the DOWK from any liabilities or obligations hereunder.

12. Insurance. The DOWK shall procure, at the DOWK's sole cost and expense, and keep in force during the entirety of this Agreement, with an insurer acceptable to the STATE, a general liability insurance policy with a combined minimum single limit of not less than \$1,000,000 for bodily injury and property damage per occurrence, and \$2,000,000 in aggregate, which insurance policy shall cover the Premises and Project. The general liability insurance shall be in addition to insurance requirements, if any, imposed by the STATE in

connection with the issuance of work permits pursuant to Paragraph 3 (Work Permit) of this Agreement. The DOWK shall furnish the STATE with a copy of the insurance policy, or other documentation required by the STATE, evidencing that such a policy has been issued and is in force as of the effective date of this Agreement, and without notice or demand, furnish a like policy, or other documentation required by the STATE, upon each renewal thereof. The general liability insurance policy shall name the STATE as an additional insured and provide the STATE with 30 days prior written notice of any termination, cancellation, or material change in the coverage provided by the policy. The minimum limits of insurance recited herein may be increased by the STATE as the STATE deems necessary in the exercise of sound business judgment. The procurement of insurance pursuant to this paragraph shall not relieve or release the DOWK from its responsibilities under this Agreement or limit the amount or degree of the DOWK's liability. It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by DOWK's policy.

13. Default.

a. Notice of default. If the DOWK defaults on or otherwise fails to perform the DOWK's obligations under this Agreement, the STATE will issue a written notice of default to the DOWK by hand-delivery or first-class mail.

b. DOWK to cure defaults. Any and all defaults or failures to perform contained in such notice of default must be resolved and remedied to the STATE's sole satisfaction within 30 days of the date of the STATE's written notice to the DOWK or such further time as may be authorized by the STATE in writing, unless there is an immediate safety problem, then the STATE has the right to take immediate action and the DOWK will pay for all costs incurred by the STATE. Without limiting the foregoing, the DOWK's failure to construct the Project in accordance with the plans and specifications approved by the STATE shall be deemed a default of this Agreement.

c. STATE remedies for failure to cure. If the DOWK fails to cure the defaults or fails to perform within the required time period, the STATE itself may, but shall not be obligated to, cure or remedy the defaults or failures to perform and charge any costs and expenses incurred in performing the cure or remedy to the DOWK, who shall immediately pay the costs and expenses to the STATE upon receiving notice from the STATE. If the DOWK fails to cure the defaults or fails to perform within the required time period, the STATE may

terminate this Agreement and the DOWK's rights under this Agreement to use the Premises and the Project. Upon such termination and at the STATE's option, the Project improvements will thereafter belong to the STATE. If the DOWK defaults or fails to perform as required under this Agreement, the STATE shall be entitled to all remedies available under this Agreement and by law, which remedies shall be cumulative and not exclusive. This provision shall survive the expiration or earlier termination of this Agreement.

14. Abandonment. This Agreement and all of the DOWK's rights hereunder shall terminate, without any action on the part of the STATE, in the event of non-use or abandonment by the DOWK of the Premises or the Project, or any portion thereof, for a period of one (1) year; provided, however, that the DOWK is subject to the provisions of the STATE's Pipeline Removal Policy, dated September 24, 2002, as the same may be amended, which may include, but not limited to, the DOWK's execution of an agreement, in form and substance acceptable to the STATE in its sole discretion. The current Pipeline Removal Policy is attached hereto as Exhibit C and made a part hereof.

15. Termination. If not otherwise terminated or cancelled, this Agreement may be cancelled in whole or in part at any time by the mutual written agreement of the parties hereto or by the STATE, in its sole discretion upon the STATE's giving 30 days' prior written notice to the DOWK by hand delivery or first-class mail, return receipt requested. Any termination or cancellation of this Agreement, in whole or in part, shall not relieve the DOWK of its obligations to indemnify, defend and/or hold harmless the STATE as provided herein and including, but not limited to Paragraphs 10 (Indemnity) and 16 (Hazardous Substances) herein with respect to any such claims, demands, liabilities, suits, actions, judgments, costs, and expenses for loss, injury, death, or damage arising prior to such termination or cancellation of all or a portion of this Agreement. This provision shall survive the expiration or earlier termination of this Agreement.

16. Hazardous Substances.

a. Definitions. For purposes of this Agreement, the DOWK acknowledges and agrees that the following terms shall have the following meanings:

"Environmental Laws" shall mean all federal, state and local laws of every nature including statutes, ordinances, rules, regulations, codes, notices, standards, directives of every kind, guidelines, permits, licenses, authorizations, approvals, interpretations

of the foregoing by any court, legislative body, agency or official, judicial decisions, judicial and administrative orders, rulings or judgments, or rules of common law which currently are in effect or which may come into effect through enactment, issuance, promulgation, adoption or otherwise, which in any way pertain to, relate to, or have any relevance to the environment, health or safety. These environmental laws include, but are not limited to, regulations and orders of the federal Environmental Protection Agency and the State of Hawaii Department of Health.

“Hazardous Substance” shall include any chemical, substance, radioactive materials, organic or inorganic material, controlled substance, object, condition, waste, living organism, or combination thereof which is, may in the future be, or has been determined by state or federal authority under any Environmental Law to be hazardous to human health or safety or detrimental to the environment. This term shall include, but not be limited to, petroleum hydrocarbons, asbestos, radon, polychlorinated biphenyls, methane, fuels of any kind, and other materials or substances that are, or may in the future be, regulated by the state or federal authorities.

b. DOWK’s Activities and Duties.

b. 1 Compliance with Environmental Laws. The DOWK agrees, at its sole expense and cost, to comply with all Environmental Laws applicable to the Property and the DOWK’s occupancy, activities, operations, and use of the Project and the Premises. This duty shall survive the expiration or earlier termination of this Agreement, which means that the DOWK’s duty to comply with Environmental Laws shall include complying with all Environmental Laws that may in the future apply, or be determined to apply, to the occupancy and activities of the DOWK on the Premises after the expiration or termination of this Agreement. Failure of the DOWK to comply with any Environmental Law shall constitute a breach of this Agreement for which the STATE may, in its sole discretion, terminate this Agreement, exercise its remedies under this Agreement, including, but not limited to, remediation of any condition on behalf of the DOWK at the DOWK’s expense under subparagraph 16.b.5 below (Environmental Investigations and Assessments), subparagraph 16.b.6 below (Remediation) and subparagraph 16.b.7 below (Restoration and Surrender of Premises), and take any other action at law or in equity that the STATE deems appropriate.

b. 2 Hazardous Substances. The DOWK shall not use, store, treat, dispose, discharge, release, generate, create, or otherwise handle any Hazardous Substances, or

allow the same by any of its employees, agents, guests, contractors, or third persons, on the Premises without first obtaining the written consent of the STATE (which consent may be withheld by the STATE in its absolute discretion) and shall fully comply with all Environmental Laws, including giving all required notices, reporting to, and obtaining permits from, all appropriate authorities, and shall comply with all provisions of this Agreement.

b. 3 Notice to the STATE. The DOWK shall always keep the STATE fully informed regarding all matters related to any Environmental Laws affecting the DOWK, the Project, or the Premises. This duty shall include, but not be limited to, providing the STATE with a current and complete list and accounting of all Hazardous Substances of every kind which are present in, on, or about the Premises by, or as a result of, the DOWK, together with evidence that the DOWK has in effect all required and appropriate permits, licenses, registrations, approvals, and other consents that may be required by any federal, state, or county authority, under any authority or Environmental Laws. The DOWK shall provide the list and accounting at the commencement of this Agreement and shall update the list and accounting whenever any Hazardous Substance not accounted for on the list is or becomes present in, on, or about the Premises by the DOWK or otherwise. The DOWK shall also provide immediate written notice to the STATE of any spills, releases, and/or discharge of Hazardous Substances investigation, enforcement action, compliance order, or order of any type, or any other legal action, initiated, issued, or any indication of an intent to do so, communicated in any way to the DOWK by any federal, state, or county authority or individual that relates in any way to any Environmental Law or any Hazardous Substance. This written notice to the STATE shall include copies of all written communications from any federal, state, or county agency or authority, including copies of all correspondence, claims, complaints, warnings, reports, technical data, and any other documents received or obtained by the DOWK. At least 30 days prior to termination of this Agreement, or termination of the use and occupancy of the Premises by the DOWK, whichever occurs first, the DOWK shall provide the STATE with written evidence satisfactory to the STATE that the DOWK has fully complied with all Environmental Laws, including any orders issued by any governmental authority that relate to the Premises, and the results of all assessments and investigations that may be ordered by the STATE pursuant to subparagraph 16.b.5 (Environmental Investigations and Assessments) of this provision, or by any governmental agency responsible for enforcement of the Environmental Laws.

b. 4. Disposal/Removal. The DOWK shall cause any Hazardous Substances resulting from the DOWK's use to be removed and transported from the Premises for disposal solely by duly licensed hazardous substances transporters to duly licensed facilities for final disposal as required by all applicable Environmental Laws. Within 10 days of any such disposal, the DOWK shall provide the STATE with copies of documentary proof including manifests, receipts, or bills of lading, which reflect that the Hazardous Substances have been properly removed and disposed of in accordance with all Environmental Laws. This provision shall not apply to the possession and handling of Hazardous Substances provided that the DOWK is authorized by law to possess or handle the Hazardous Substances, has obtained all currently required permits to store or use the Hazardous Substances on the Premises, and has written permission from the STATE to possess or handle the Hazardous Substances. This provision shall survive the expiration or earlier termination of this Agreement.

b. 5. Environmental Investigations and Assessments. The DOWK, at its sole cost and expense, shall cause to be conducted such investigations and assessments of the Premises to determine the presence of any Hazardous Substance on, in, or under the Premises as may be reasonably directed from time to time by the STATE, or by any federal or state authority. The extent and number of any environmental investigations and assessments shall be determined by the STATE or the federal or state authority directing the investigations and assessments to be conducted. The DOWK shall retain a competent and qualified person or entity that is satisfactory to the STATE or governmental authority, as applicable, to conduct the investigations and assessments. The DOWK shall direct the person or entity to provide the STATE or governmental authority, if so requested, with testable portions of all samples of any soils, water, ground water, or other material that may be obtained for testing and provide directly to the STATE and the other governmental authority, at the sole expense of the DOWK, written results of all tests on the samples upon completion of the testing. In any event, the DOWK shall have the option to conduct the environmental assessments prior to or at the time of termination of this Agreement to determine the condition of the Premises.

b. 6. Remediation. If any Hazardous Substance is used, stored, treated, or disposed of on the Premises or any location off the Premises to which it is determined any Hazardous Substance has migrated, by the DOWK, or its duly authorized employees, or handled, discharged, or released by the DOWK, or determined to be present on the Premises or any

location off the Premises to which it is determined any Hazardous Substances has migrated by or as a result of the DOWK's actions or the actions of its duly authorized employees, agents, contractors, guests, or invitees, the DOWK shall, at its sole expense and cost, remediate the Premises, or any location off the Premises to which it is determined any Hazardous Substance has migrated, of such Hazardous Substance, and dispose/remove the Hazardous Substance in accordance with subparagraph 16.b.4 (Disposal/Removal) of this provision. This duty to remediate includes strict compliance with all Environmental Laws, as well as any directives by the STATE or other governmental authority, to the DOWK to remediate such Hazardous Substance. This duty to remediate shall include replacement of any materials, such as soils, removed with material that is reasonably satisfactory to the STATE and governmental authority, as applicable.

b. 7. Restoration and Surrender of Premises. The DOWK hereby agrees to timely surrender the Premises upon termination of the Agreement and, prior thereto, shall restore the Premises to the same condition as the Premises existed at the commencement of this Agreement, as determined by the STATE in its sole discretion, reasonable wear and tear excepted. The surrender and restoration shall be at the sole cost and expense of the DOWK. This duty to restore the Premises includes remediation as described in the previous subsection. Subject to subparagraph 18.b (STATE's option), this duty also includes, but is not limited to, the removal within seven days of termination or such longer period of time as the STATE may agree to in writing, of all of the DOWK's improvements, including, without limitation, pipes, pipelines, tanks, containers, equipment, and appurtenances of any kind that the DOWK has installed or erected on the Premises. In the event the DOWK does not timely restore the Premises to a satisfactory condition, as determined by the STATE in its sole discretion, the DOWK understands and agrees that the STATE may exercise its rights under subparagraph 16.b.9 (STATE's Right to Act), and until such time as the restoration is completed to the satisfaction of the STATE in its sole discretion, the DOWK shall be liable for any damages and costs that the STATE may have incurred, including penalties, fines, and assessments related to the Premises which may be imposed on the STATE or the DOWK by any governmental authority.

b. 8. Tanks, Pipelines; Inspections and Repairs; Protection of Waters.
Unless the STATE specifically agrees in writing prior to their installation, all pipes,

pipelines, tanks, containers, or conduits of any kind that may at any time have contained, or may have been intended to contain, Hazardous Substances of any type (hereafter referred to as a “facility”), must be installed above ground level in such a manner that allows for the periodic inspection and maintenance of the facility for purposes of determining the existence of leaks and discharges from, and deterioration of any kind to, and that allows repair of, the facility. The DOWK shall provide the STATE with prior written notice of the DOWK’s intent to install a facility to allow the STATE ample time, as reasonably determined by the STATE, to inspect the plan for installation of such a facility. The facility shall not be installed unless and until the facility and its manner of installation are approved, in writing, by the STATE. Within 90 days of the commencement of this Agreement, or commencement of possession of the Premises by the DOWK, whichever first occurs, the DOWK shall submit a contingency plan covering the DOWK facilities, if any, and as applicable, to control and remedy any spill, discharge, or leak from any DOWK facility on the Premises during the term of this Agreement, which plan shall include the cleanup of all Hazardous Substances that may be spilled, discharged, or leaked, to the satisfaction of the STATE in its sole discretion. The DOWK shall also submit to the STATE a plan for the DOWK to conduct, or have conducted, regular inspections of all facilities, if any, on the Premises for the purpose of prevention of any leak, discharge, or spill from the facilities. The contingency plan and inspection plan are subject to the prior written approval of the STATE. The DOWK shall timely obtain and maintain in effect all required permits, licenses, and approvals for such facilities from any governmental authority. Failure to submit the plans, to comply with the plans, or obtain and maintain any required permits, licenses, or approvals constitutes a breach of this Agreement, giving the STATE the right to immediately terminate this Agreement, take possession of the Premises, and pursue any other remedy available to the STATE.

The DOWK shall maintain and employ reasonable debris, pollution, and contamination control measures, safeguards, and techniques on the Premises to prevent debris, pollution, or contamination to ocean waters, streams or waterways, or groundwater, including any storm drains within and about the Premises, resulting from the activities or operations of the DOWK and the DOWK’s agents on, within, over, through, across, under, or connected with the Premises. The DOWK shall take immediate corrective action in the event of an unauthorized release of Hazardous Substances by the DOWK or its agents to immediately remove or correct

the cause of such release, and shall immediately clean the Premises and affected areas and surrounding waters of such Hazardous Substances, pollutants or contaminants to levels satisfactory to the STATE's and/or other governmental authority in the STATE's sole discretion, all at the DOWK's own cost and expense. This section shall not be construed to require the DOWK to cleanup or respond to any Hazardous Substances existing on the Premises prior to the DOWK's occupancy of the same.

b. 9. STATE's Right to Act. If the DOWK fails for any reason to comply with any of its duties under this Agreement or under any Environmental Laws within the time set for doing so, or within a reasonable time as determined by the STATE, the STATE shall have the right, but not the obligation, in its sole discretion, to perform those duties, or cause them to be performed. The DOWK hereby grants access to the Premises and the Project at all reasonable hours to the STATE, its agents, and anyone designated by the STATE, to perform the acts and duties. Any cost, expense, or liability of any type that may be incurred by the STATE in performing the acts or duties shall be the sole responsibility of the DOWK and the DOWK hereby agrees to immediately pay to the STATE all of such costs and expenses incurred by the STATE in performing the acts or duties. This obligation shall extend to any costs and expenses incident to enforcement of the STATE's right to act, including litigation costs, attorney fees, and the costs and fees for collection of the costs, expenses, or liability.

b. 10. Release and Indemnity. In addition to, and without limiting the provisions of Paragraph 10 (Indemnity) above, the DOWK hereby agrees to release, indemnify, defend, and hold harmless the STATE, its officers, employees, agents, successors, and assigns from any liability of any kind, including, but not limited to, any liability for any damages, penalties, fines, judgments, or assessments that may be imposed or obtained by any person, agency, or governmental authority by reason of any Hazardous Substance that may be present by or as a result of the DOWK's use of the Premises or the Project by whatever means on, in, or under the Premises including, but not limited to, any fines or penalties assessed against the STATE for the DOWK non-compliance with any Environmental Laws.

The DOWK understands and agrees that any claims for damages, penalties, fines, judgments, or assessments that may be assessed against the DOWK or the STATE by any person or governmental authority based on any violation of any Environmental Laws concerning the Premises or the Project shall be paid in full, complied with, and in every way satisfied by the

DOWK within the required time, and not by the STATE. If the STATE and the DOWK are liable for any environmental cleanup or remediation of the Premises, the DOWK shall indemnify, defend, and hold harmless the STATE in accordance with the terms of this subsection, unless the STATE, or any other entity with an easement or access to the property has been shown to have actually caused the condition requiring cleanup or remediation. This provision shall survive the expiration or earlier termination of this Agreement.

b. 11. Burden of Proof. In all instances covered in this Paragraph 16 (Hazardous Substances), the DOWK has the burden of establishing that it is not responsible for the existence of Hazardous Substances in the Premises or in any location off the premises to which Hazardous Substances have migrated. If the DOWK cannot establish that it is not responsible for the existence of Hazardous Substances in the Premises, or any location off the Premises to which Hazardous Substances have migrated, the DOWK shall be responsible for the existence of the Hazardous Substances.

b. 12. Protection of Waters. The DOWK shall maintain and employ reasonable debris, pollution, or contamination control measures, safeguards, and techniques on the premises to prevent debris, pollution, or contamination from reaching ocean waters, streams or waterways, and groundwater, including any storm drains within and about the Premises, resulting from the activities or operations of the DOWK and the DOWK's employees, agents, contractors, or third persons on, within, over, through, across, under, or connected with the Premises. The DOWK shall take immediate corrective action in the event of an unauthorized release of Hazardous Substances by the DOWK or its employees, agents, contractors, or third persons to immediately remove or correct the cause of such release, and shall immediately clean the Premises and affected areas and surrounding waters of such Hazardous Substances, pollutants, or contaminants to levels satisfactory to the Hawaii State Department of Health, U.S. Environmental Protection Agency, and/or any governmental entity with regulatory jurisdiction over the release, in strict compliance with all Environmental Laws, all at the DOWK's own cost and expense. This subparagraph shall not be construed to require the DOWK to clean up or respond to any Hazardous Substances existing on the Premises prior to the DOWK's occupancy of the same provided, however, that the DOWK acknowledges and agrees that the date of the DOWK's occupancy may be a date prior to the Effective Date such that the DOWK shall be

responsible for cleanup or to respond to any Hazardous Substances for the DOWK's occupancy prior to the Effective Date.

17. Removal of Improvements. If the STATE decides to perform work of any kind within, on, over, under, across, near, or affecting the Premises, the DOWK shall be responsible for the removal or relocation of all or any portion of the Project from the Premises deemed necessary by the STATE, without cost and expense to the STATE, within 30 days from the date the STATE requests such removal or such longer period of time as may be approved in writing by the STATE, except as shall be otherwise required by applicable law. If it becomes necessary for the STATE to destroy, remove, or alter all or any portion of the Project or improvements, the STATE shall not be obligated to replace or restore those portions of the Project or improvements so destroyed, removed, or altered and the DOWK waives any and all right to compensation therefore, except as shall be otherwise required by applicable law.

18. Removal upon Termination. Upon any full or partial termination or cancellation of this Agreement, the DOWK shall, at the DOWK's sole cost and expense:

a. Remove and restore. Remove any and all portions of the Project installed or constructed on, within, under, over, or across the Premises and any improvements, equipment, facilities, components, and appurtenances relating thereto and restore the Premises to as good a condition as existed prior to the commencement of this Agreement, satisfactory to the STATE in its sole discretion, and if the DOWK fails to restore the Premises to a condition satisfactory to the STATE, the STATE shall have the right to charge the DOWK, and the DOWK shall be solely responsible for, any and all costs and expenses incurred by the STATE in completing and accomplishing such restoration, including but not limited to, any costs the STATE incurs in removing and disposing of the DOWK's property; or

b. STATE's option. At the STATE's sole option and subject to the provisions of Paragraph 14, (Abandonment) including, but not limited to, the provisions of the STATE's Pipeline Removal Policy, and any other terms and conditions, or amendments therein, abandon in place the Project and any improvements, equipment, facilities, components, and appurtenances relating thereto; provided, however, that such termination or cancellation shall not relieve the DOWK of its obligations to indemnify, defend, and/or hold harmless the STATE pursuant to Paragraphs 10 (Indemnity) and 16 (Hazardous Substances) herein with respect to any such claims, demands, liabilities, suits, actions, judgments, costs, and expenses for loss, injury,

death, or damage arising prior to such termination or cancellation of all or a portion of this Agreement. A Memorandum of Agreement or Memorandum of Understanding must be executed if the Director of Transportation approves abandonment in place.

19. Compliance with Laws. The DOWK, at all times during the term of this Agreement, shall comply with all of the requirements of the federal, state, and county authorities and shall observe all federal, state, and county laws, statutes, ordinances, rules, and regulations, now in force or which may hereafter be in force, including, but not limited to, all laws and regulations applicable to the use of areas within the highway right-of-way and/or federal-aid highways.

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

21. Singular, Plural. All words used herein the singular number shall extend to and include the plural. All words used in any gender shall extend to and include all genders.

22. Headings. The headings and captions herein are for convenience of reference only and are not intended to fully describe, define, or limit the provisions of this Agreement to which they may pertain.

23. Counterparts. This instrument may be executed in two or more counterparts, and when all counterparts have been executed, each counterpart shall be considered an original but when assembled shall constitute one and the same instrument, and shall have the same force and effect as though all the signatories had executed a single instrument. Any unexecuted duplicate pages may be omitted from the assembled original document.

24. No Drafter. The DOWK and the STATE agree that no party shall be deemed to be the drafter of this Agreement and further that in the event that this Agreement is ever construed by a court of law, such court shall not construe this Agreement or any provision of this Agreement against any party as the drafter of this Agreement.

25. Prehistoric and Historic Remains. Any and all prehistoric and historic remains found at, in, on, over, or under the Premises shall be and remain the property of the State of Hawaii, and shall not be disturbed or removed by the DOWK, and/or the DOWK's successors in interest, assigns, officers, directors, employees, agents, or guests, without the express written approval of the STATE. Upon discovery of any prehistoric or historic remains, the DOWK shall

immediately stop and cease any further disturbance of the remains and surrounding portion(s) of the Premises containing the remains, and promptly notify the STATE of such discovery.

26. Severability. If any provision of this Agreement is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Agreement.

27. Waiver. The failure of the STATE to insist upon strict compliance with any term, provision, or condition of this Agreement shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE's right to enforce the same in accordance with this Agreement.

28. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Hawaii.

29. Nondiscrimination. The use and enjoyment of the Premises shall not be in support of any policy which discriminates upon any basis or in any manner that is prohibited by any applicable federal, state, or county law.

30. Notices. Except as otherwise specifically provided in this Agreement, any notice, consent, request, demand, or other correspondence given under this Agreement shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or overnight courier, return receipt requested, with postage prepaid; to: (a) the DOWK at the address as stated on page one herein; or (b) the STATE at the following address: State of Hawaii, Department of Transportation, Highways Division, 869 Punchbowl Street, Honolulu, Hawaii 96813, Attn: Administrator; or (c) such other address as either the DOWK or the STATE may designate, in writing, as its new address for such purpose by notice given to the other in accordance with this section. Any notice hereunder shall be deemed to have been given and received and effective two calendar days after the date when it is mailed, if sent by first-class, certified mail, one calendar day after the date when it is mailed if sent by overnight courier, or upon the date personal delivery is made.

31. Entire Agreement. This instrument constitutes the entire agreement of the parties with respect to the matters set forth in this Agreement, and, except as specifically provided otherwise herein, there are no agreements, understandings, warranties, or representations between the parties except as set forth herein. This Agreement cannot be modified except by an instrument, in writing, signed by each of the parties. Any termination or

cancellation of this Agreement, in whole or in part, shall not relieve the DOWK of its obligations to indemnify, defend, and/or hold harmless the STATE as provided herein.

32. Amendments. All amendments to this Agreement must be in writing and must be signed by all parties to this Agreement.

33. No Recordation. This instrument shall not be recorded.

34. No Third-Party Beneficiaries. No third-party beneficiaries are intended by this Agreement, and the terms and provisions of this Agreement shall not give rise to any right in third parties to enforce the provisions of this Agreement.

[SIGNATURE PAGE IS ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Use and Occupancy Agreement No. 362 the day and year first above written.

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION

APPROVED AS TO FORM AND
AND LEGALITY:

By: _____
Its: _____
STATE

Print Name: _____
Title: Deputy County Attorney

BOARD OF WATER SUPPLY
COUNTY OF KAUA'I

APPROVED:

By: _____
Name: _____
Title: _____
DOWK

Manager and Chief Engineer
Department of Water,
County of Kaua'i

APPROVED AS TO
FORM:



Deputy Attorney General,
Print Name: Diane Rokesch

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

On this _____ day of _____, 2020, before me appeared

KURT AKAMINE , to me personally known, who, being by me duly sworn, did say that he is the CHAIRPERSON of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, and that the foregoing instrument was signed on behalf of the BOARD, and the officer acknowledged the instrument to be the free act and deed of the BOARD, and that the BOARD has no corporate seal.

Notary Public, State of Hawaii

Name of Notary

My Commission Expires: _____

KUHIO HIGHWAY
INTERESESECTION OF EHIKU STREET AND KUHIO HIGHWAY
Federal Aid Project (E-12-A)

USE AND OCCUPANCY AGREEMENT NO. 362
(For Water Line and Access Purposes)

Being portion of Kuhio Highway, Centerline Station 117+53.52
Federal Aid Project (E-12-A)

Land Situated at Kalapaki, Līhu'e, Kaua'i, Hawai'i

Beginning at the Westerly corner of the piece of land, the true azimuth and distance from the Southeast corner Ehiku Street, File Plan 437, Isenberg Subdivision Block A and on the Southwesterly side of Kuhio Highway, Federal Aid Project (E-12-A), portions of Royal Patent 4480, Land Commission Award 7713, Apana 2, Part 1 to V. Kamamalu, the coordinate referred to Government Triangulation Station "KĀLEPA" being 6606.96 South and 3128.10 West, being 193° 52' 30" 23.00 feet, thence running by azimuths measured clockwise from True South:

- | | | |
|----|--------------|--|
| 1. | 193° 52' 30" | 20.00 feet along the Southwesterly side of Kuhio Highway, Federal Aid Project (E-12-A), portions of Royal Patent 4480, Land Commission Award 7713, Apana 2, Part 1 to V. Kamamalu; |
| 2. | 283° 52' 30" | 29.00 feet along the remainder of Kuhio Highway, Federal Aid Project (E-12-A), portions of Royal Patent 4480, Land Commission Award 7713, Apana 2, Part 1 to V. Kamamalu; |
| 3. | 193° 52' 30" | 22.00 feet along the remainder of Kuhio Highway, Federal Aid Project (E-12-A), portions of Royal Patent 4480, Land Commission Award 7713, Apana 2, Part 1 to V. Kamamalu; |
| 4. | 283° 52' 30" | 20.00 feet along the remainder of Kuhio Highway, Federal Aid Project (E-12-A), portions of Royal Patent 4480, Land Commission Award 7713, Apana 2, Part 1 to V. Kamamalu; |
| 5. | 13° 52' 30" | 62.00 feet along the remainder of Kuhio Highway, Federal Aid Project (E-12-A), portions of Royal Patent 4480, Land Commission Award 7713, Apana 2, Part 1 to V. Kamamalu; |

Traverse No. UOA **362 16" WL** 01/03/18

LN NO	AZIMUTH		SS.SS	DISTANCE	LATITUDE	DEPARTURE	N/S COORD	E/W COORD
	DDD	MM					6,584.831S	3,122.584W
1	193	52	30.00	20.000	19.416N	4.796E	6,565.215S	3,117.788W
2	283	52	30.00	29.000	6.954S	28.154E	6,572.169S	3,089.634W
3	193	52	30.00	22.000	21.358N	5.276E	6,550.811S	3,084.358W
4	283	52	30.00	20.000	4.796S	19.416E	6,555.607S	3,084.942W
5	13	52	30.00	22.000	21.358S	5.276W	6,576.965S	3,070.218W
6	13	52	30.00	40.000	38.833S	9.592W	6,615.798S	3,079.810W
7	103	52	30.00	20.000	4.796N	19.416W	6,611.002S	3,099.226W
8	193	52	30.00	20.000	19.416N	4.796E	6,591.585S	3,094.430W
9	103	52	30.00	29.000	0.954N	28.154W	6,584.631S	3,122.584W

CLOSURE ERROR	0.000N	0.000E	
PERIMETER W/O CURVES	222.000	,W/ CURVES	222.000
DMD AREA W/O SEGMENTS	1820.000 SQ.FT.		0.042 ACRES
NET SEGMENT AREA	0.000 SQ.FT.		
DMD AREA W/ SEGMENTS	1820.000 SQ.FT.		0.042 ACRES

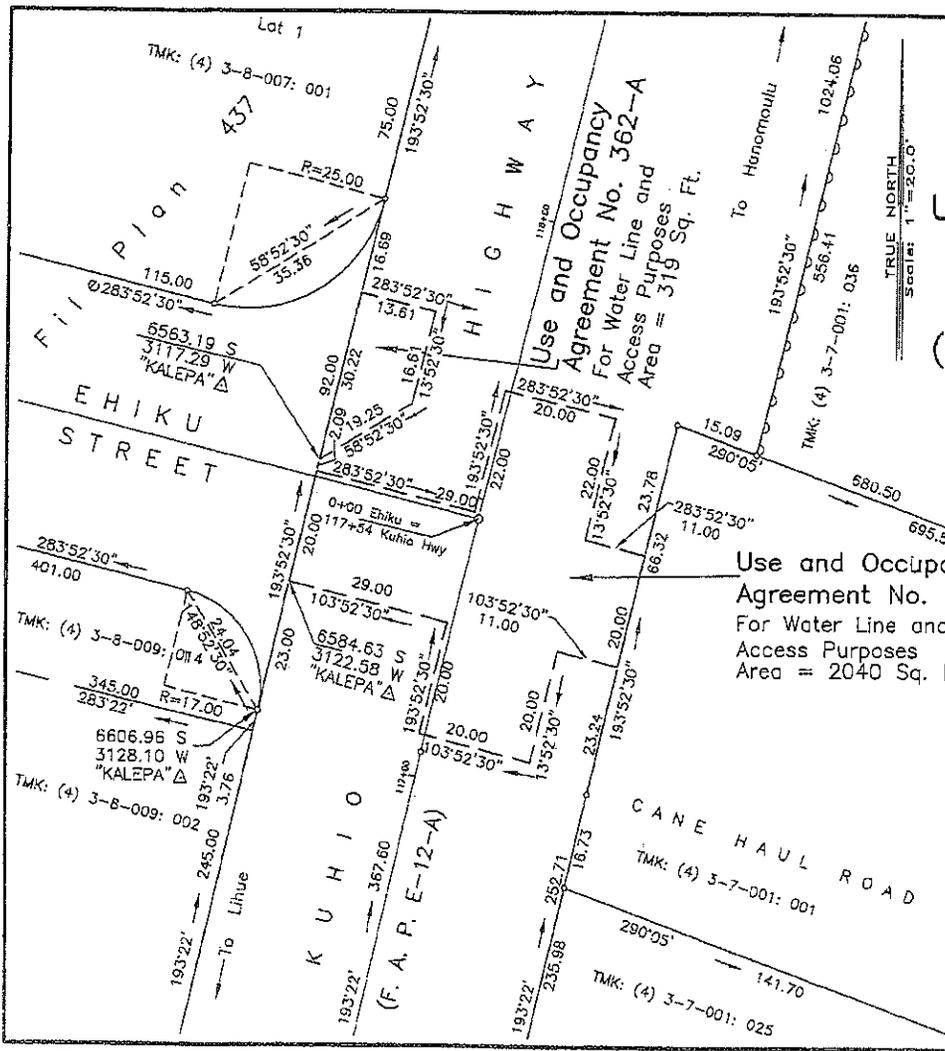


EXHIBIT B
MAP SHOWING
USE AND OCCUPANCY AGREEMENT
NO. 362 AND 362-A
KUHIO HIGHWAY
(FEDERAL AID PROJECT E-12-A)
INTERSECTION OF EHIKU STREET
AT KALAPAKI, LIHUE, KAUAI, HAWAII



This work was prepared by me or under my direct supervision

Thomas H. O'Neil 5/22/2018

Thomas H. O'Neil
 Licensed Professional Land Surveyor
 Certificate Number 9033-15
 Expire on April 30, 2018.

NOTES:
 Area of Use and Occupancy Agreement No. 362 for Water Line = 2040 Sq. Ft.
 Area of Use and Occupancy Agreement No. 362-A for Water Line = 319 Sq. Ft.
 Coordinate Referred To "KALEPA" Δ

LEGEND:
 —○— Denotes no vehicle access permitted

TMK: (4) 3-8-009

10"x 15"=1.041 Sq. Ft.

USE AND OCCUPANCY AGREEMENT NO. 362-A

THIS USE AND OCCUPANCY AGREEMENT NO. 362-A is made on _____, but effective as of _____, by and between the STATE OF HAWAII, by its Director of Transportation, for the Highways Division, (hereinafter referred to as the "STATE") and BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, whose principal place of business and mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereinafter referred to as the "DOWK").

RECITALS:

WHEREAS, the STATE is the owner of those certain parcels of land upon which Kuhio Highway, intersection of Ehiku Street and Kuhio Highway, Hawaii (hereinafter referred to as the "Highway") is situated, which parcels contain approximately 319 Square Feet, designated as Tax Map Key Numbers (4) 3-8-9: Road (Portion), (hereinafter referred to as the "Property"); and

WHEREAS, the DOWK desires to occupy a portion of the Property, as described in Exhibit A and delineated on Exhibit B attached hereto and incorporated herein by reference (hereinafter referred to as the "Premises"), for the construction, operation, maintenance, and repair of a 18 Inch Water Main Replacement (said Water Main project, together with all improvements, equipment, facilities, components and appurtenances related thereto, is hereinafter referred to as the "Project"); and

WHEREAS, the STATE does not object to granting the DOWK use and occupancy rights over the Premises provided the DOWK fully complies with the terms and conditions set forth below,

NOW, THEREFORE, for good and valuable consideration, and other valuable consideration, the receipt whereof is hereby acknowledged, and the mutual covenants and promises herein made, and pursuant to Section 264-13, Hawaii Revised Statutes ("HRS"), the parties do hereby agree as follows:

AGREEMENT:

1. Grant of Use and Occupancy Rights. The STATE hereby grants to the DOWK the non-exclusive right to use and occupy the Premises for the purpose of constructing, operating, maintaining, and repairing the Project.

2. Right to Construct the Project. The DOWK may construct, maintain and repair the Project on, within, under, over and across the Premises provided that the DOWK obtains the STATE's prior written approval for the plans and specifications for the Project and any subsequent alterations thereto prior to commencing the construction of any portion of the Project. The DOWK shall be solely responsible for all costs and expenses incurred in connection with the Project and the maintenance of the Premises, in accordance with this Agreement, including but not limited to, all design, planning, engineering, construction, alteration and maintenance costs and expenses.

3. Work Permit. The DOWK shall obtain a permit from the STATE for any construction, installation, maintenance, repair, removal, replacement, reconstruction and upkeep work for or related to the Project on, within, under, over or across the Premises prior to commencing such work. Without limiting the foregoing or any other provision contained herein, the DOWK shall comply with any and all other requirements of the STATE relating to any construction, installation, maintenance, repair, removal, replacement, reconstruction, and upkeep work for or related to the Project.

4. Work Completion. Upon the completion of any work performed in, on, under, over or across the Premises by the DOWK, the DOWK shall remove therefrom within seven days of completion, all equipment and unused or surplus materials, if any, and shall restore the Premises and any other affected areas to a condition satisfactory to the STATE in its sole discretion. In addition, the DOWK shall provide all as-built drawings of work completed, for the STATE's acceptance within 60 days of the DOWK's final acceptance of the DOWK's contractor's work and the DOWK shall warranty the restoration work for a period of one year from the date of final inspection and acceptance by the STATE. Such warranty shall insure that the DOWK shall be responsible for any failure of the restoration work and any potholes occurring in and along the restoration area for the warranty period. An example of such potholes is those occurring along the seams of a trench that was restored after installing a water pipeline.

5. Maintenance. The DOWK shall, at its sole cost and expense, keep the Premises and the Project in a safe, clean, sanitary, and orderly condition, including, but not limited to, making all necessary repairs to the Project.

6. Repair. The DOWK shall not damage, undermine or otherwise destroy any portion of the State of Hawaii ("STATE") property, including without limitation, any

Highway facilities or improvements or facilities of other Highway tenants or other permitted users of the Highway situated on or near the Premises or any equipment or appurtenances relating thereto, including, but not limited to, sidewalks, storm drains, drainage systems, and underground utility systems. The DOWK shall, at its sole cost and expense, repair, restore and reconstruct that portion of the Property so damaged, undermined or destroyed, including any and all affected facilities, improvements, equipment and appurtenances. All repairs, restoration, and reconstruction shall be completed by the DOWK immediately to the existing, or better, condition and shall be inspected and approved by the STATE in its sole discretion.

7. No Obstruction. The DOWK shall not construct, replace, repair or maintain any improvements or any portion of the Project on, within, under, over or across the Premises in such a manner as to: (a) unnecessarily obstruct traffic, (b) obstruct, in any way whatsoever, the sight lines and distances and view corridors along the Highway; or (c) otherwise constitute a hazard to users of the Highway, as determined by the STATE in its sole discretion; (d) obstruct Highway operations and or (e) obstruct operations of Highway tenants or other permitted users of the Highway on the Property or near the Premises.

8. Reservation of Rights. The STATE reserves unto itself the full use and enjoyment of the Premises and the right to grant to others rights and privileges for any and all purposes affecting the Premises, all without charge by and without the consent of the DOWK, provided that such use by the STATE and/or third parties does not unreasonably interfere with the DOWK's rights to use the Premises under this Agreement. The DOWK shall take steps necessary to ensure that the DOWK's exercise of the rights and privileges granted hereunder does not cause any substantial interference with the STATE's operations in or near the Premises. In addition, the DOWK acknowledges and agrees that this Agreement is for a limited purpose, and that the DOWK shall use the Premises only for the purpose of serving the Project. Any intensification to include modification or expansion of the use of the facilities, from what is approved herein, including but not limited to, connection of additional laterals or extensions that feed or are fed from the Project shall require the written consent of the STATE, which consent may be withheld in the STATE's sole discretion, and may require a new request and review and consideration by any user not covered by this Agreement.

9. STATE Work Within or Affecting the Premises. If the STATE decides to perform work of any kind on, within, under, over, across, near, or affecting the Premises, the

STATE will coordinate such work with the DOWK. The DOWK shall not prevent the STATE from performing such work, provided, however, that the STATE will take certain protective measures to assure that such work does not unreasonably interfere with the DOWK's use of the Premises as described herein. At the STATE's sole option, the DOWK, at the DOWK's sole cost, except as may otherwise be required by law, shall relocate the Project to the extent the Project conflicts with plans of a STATE project.

10. Indemnity. The DOWK shall, with respect to the Project and the Premises, always use due care for public safety. It is strictly understood that the STATE shall in no way be held liable for any claims, damages, causes of action, or suits resulting from any acts or omissions of the DOWK. The DOWK shall hold harmless, indemnify, and defend the STATE, its officers, agents, successors and assigns, and employees, from and against all claims, demands, liabilities, suits, actions, judgments, costs, and expenses (including attorney's fees) for loss, injury, death, or damage, including, without limitation, claims for property damage, personal injury, or loss or death of persons, whenever such loss, injury, death, or damage arises out of, is connected with or related to, (a) occurrences or incidents on, within, under, over or across the Premises or the Project, as it relates to DOWK's use of the Premises, (b) the exercise of the rights and privileges herein granted, (c) any failure on the part of the DOWK to use due care or otherwise perform in accordance with the terms and conditions of this Agreement, or (d) any act or omission of the DOWK and/or the DOWK's use and occupancy of the Premises. This provision shall survive the expiration or earlier termination of this Agreement.

11. Assignment. The DOWK's rights under this Agreement shall not be sold, assigned, conveyed, leased, subleased, mortgaged, or otherwise transferred or disposed of, directly or by operation of law, except with the prior written consent of the STATE, which may be withheld by the STATE in its sole discretion. In giving any such consent, the STATE need not release the DOWK from any liabilities or obligations hereunder.

12. Insurance. The DOWK shall procure, at the DOWK's sole cost and expense, and keep in force during the entirety of this Agreement, with an insurer acceptable to the STATE, a general liability insurance policy with a combined minimum single limit of not less than \$1,000,000 for bodily injury and property damage per occurrence, and \$2,000,000 in aggregate, which insurance policy shall cover the Premises and Project. The general liability insurance shall be in addition to insurance requirements, if any, imposed by the STATE in

connection with the issuance of work permits pursuant to Paragraph 3 (Work Permit) of this Agreement. The DOWK shall furnish the STATE with a copy of the insurance policy, or other documentation required by the STATE, evidencing that such a policy has been issued and is in force as of the effective date of this Agreement, and without notice or demand, furnish a like policy, or other documentation required by the STATE, upon each renewal thereof. The general liability insurance policy shall name the STATE as an additional insured and provide the STATE with 30 days prior written notice of any termination, cancellation, or material change in the coverage provided by the policy. The minimum limits of insurance recited herein may be increased by the STATE as the STATE deems necessary in the exercise of sound business judgment. The procurement of insurance pursuant to this paragraph shall not relieve or release the DOWK from its responsibilities under this Agreement or limit the amount or degree of the DOWK's liability. It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by DOWK's policy.

13. Default.

a. Notice of default. If the DOWK defaults on or otherwise fails to perform the DOWK's obligations under this Agreement, the STATE will issue a written notice of default to the DOWK by hand-delivery or first-class mail.

b. DOWK to cure defaults. Any and all defaults or failures to perform contained in such notice of default must be resolved and remedied to the STATE's sole satisfaction within 30 days of the date of the STATE's written notice to the DOWK or such further time as may be authorized by the STATE in writing, unless there is an immediate safety problem, then the STATE has the right to take immediate action and the DOWK will pay for all costs incurred by the STATE. Without limiting the foregoing, the DOWK's failure to construct the Project in accordance with the plans and specifications approved by the STATE shall be deemed a default of this Agreement.

c. STATE remedies for failure to cure. If the DOWK fails to cure the defaults or fails to perform within the required time period, the STATE itself may, but shall not be obligated to, cure or remedy the defaults or failures to perform and charge any costs and expenses incurred in performing the cure or remedy to the DOWK, who shall immediately pay the costs and expenses to the STATE upon receiving notice from the STATE. If the DOWK fails to cure the defaults or fails to perform within the required time period, the STATE may

terminate this Agreement and the DOWK's rights under this Agreement to use the Premises and the Project. Upon such termination and at the STATE's option, the Project improvements will thereafter belong to the STATE. If the DOWK defaults or fails to perform as required under this Agreement, the STATE shall be entitled to all remedies available under this Agreement and by law, which remedies shall be cumulative and not exclusive. This provision shall survive the expiration or earlier termination of this Agreement.

14. Abandonment. This Agreement and all of the DOWK's rights hereunder shall terminate, without any action on the part of the STATE, in the event of non-use or abandonment by the DOWK of the Premises or the Project, or any portion thereof, for a period of one (1) year; provided, however, that the DOWK is subject to the provisions of the STATE's Pipeline Removal Policy, dated September 24, 2002, as the same may be amended, which may include, but not limited to, the DOWK's execution of an agreement, in form and substance acceptable to the STATE in its sole discretion. The current Pipeline Removal Policy is attached hereto as Exhibit C and made a part hereof.

15. Termination. If not otherwise terminated or cancelled, this Agreement may be cancelled in whole or in part at any time by the mutual written agreement of the parties hereto or by the STATE, in its sole discretion upon the STATE's giving 30 days' prior written notice to the DOWK by hand delivery or first-class mail, return receipt requested. Any termination or cancellation of this Agreement, in whole or in part, shall not relieve the DOWK of its obligations to indemnify, defend and/or hold harmless the STATE as provided herein and including, but not limited to Paragraphs 10 (Indemnity) and 16 (Hazardous Substances) herein with respect to any such claims, demands, liabilities, suits, actions, judgments, costs, and expenses for loss, injury, death, or damage arising prior to such termination or cancellation of all or a portion of this Agreement. This provision shall survive the expiration or earlier termination of this Agreement.

16. Hazardous Substances.

a. Definitions. For purposes of this Agreement, the DOWK acknowledges and agrees that the following terms shall have the following meanings:

"Environmental Laws" shall mean all federal, state and local laws of every nature including statutes, ordinances, rules, regulations, codes, notices, standards, directives of every kind, guidelines, permits, licenses, authorizations, approvals, interpretations

of the foregoing by any court, legislative body, agency or official, judicial decisions, judicial and administrative orders, rulings or judgments, or rules of common law which currently are in effect or which may come into effect through enactment, issuance, promulgation, adoption or otherwise, which in any way pertain to, relate to, or have any relevance to the environment, health or safety. These environmental laws include, but are not limited to, regulations and orders of the federal Environmental Protection Agency and the State of Hawaii Department of Health.

“Hazardous Substance” shall include any chemical, substance, radioactive materials, organic or inorganic material, controlled substance, object, condition, waste, living organism, or combination thereof which is, may in the future be, or has been determined by state or federal authority under any Environmental Law to be hazardous to human health or safety or detrimental to the environment. This term shall include, but not be limited to, petroleum hydrocarbons, asbestos, radon, polychlorinated biphenyls, methane, fuels of any kind, and other materials or substances that are, or may in the future be, regulated by the state or federal authorities.

b. DOWK’s Activities and Duties.

b. 1 Compliance with Environmental Laws. The DOWK agrees, at its sole expense and cost, to comply with all Environmental Laws applicable to the Property and the DOWK’s occupancy, activities, operations, and use of the Project and the Premises. This duty shall survive the expiration or earlier termination of this Agreement, which means that the DOWK’s duty to comply with Environmental Laws shall include complying with all Environmental Laws that may in the future apply, or be determined to apply, to the occupancy and activities of the DOWK on the Premises after the expiration or termination of this Agreement. Failure of the DOWK to comply with any Environmental Law shall constitute a breach of this Agreement for which the STATE may, in its sole discretion, terminate this Agreement, exercise its remedies under this Agreement, including, but not limited to, remediation of any condition on behalf of the DOWK at the DOWK’s expense under subparagraph 16.b.5 below (Environmental Investigations and Assessments), subparagraph 16.b.6 below (Remediation) and subparagraph 16.b.7 below (Restoration and Surrender of Premises), and take any other action at law or in equity that the STATE deems appropriate.

b. 2 Hazardous Substances. The DOWK shall not use, store, treat, dispose, discharge, release, generate, create, or otherwise handle any Hazardous Substances, or

allow the same by any of its employees, agents, guests, contractors, or third persons, on the Premises without first obtaining the written consent of the STATE (which consent may be withheld by the STATE in its absolute discretion) and shall fully comply with all Environmental Laws, including giving all required notices, reporting to, and obtaining permits from, all appropriate authorities, and shall comply with all provisions of this Agreement.

b. 3 Notice to the STATE. The DOWK shall always keep the STATE fully informed regarding all matters related to any Environmental Laws affecting the DOWK, the Project, or the Premises. This duty shall include, but not be limited to, providing the STATE with a current and complete list and accounting of all Hazardous Substances of every kind which are present in, on, or about the Premises by, or as a result of, the DOWK, together with evidence that the DOWK has in effect all required and appropriate permits, licenses, registrations, approvals, and other consents that may be required by any federal, state, or county authority, under any authority or Environmental Laws. The DOWK shall provide the list and accounting at the commencement of this Agreement and shall update the list and accounting whenever any Hazardous Substance not accounted for on the list is or becomes present in, on, or about the Premises by the DOWK or otherwise. The DOWK shall also provide immediate written notice to the STATE of any spills, releases, and/or discharge of Hazardous Substances investigation, enforcement action, compliance order, or order of any type, or any other legal action, initiated, issued, or any indication of an intent to do so, communicated in any way to the DOWK by any federal, state, or county authority or individual that relates in any way to any Environmental Law or any Hazardous Substance. This written notice to the STATE shall include copies of all written communications from any federal, state, or county agency or authority, including copies of all correspondence, claims, complaints, warnings, reports, technical data, and any other documents received or obtained by the DOWK. At least 30 days prior to termination of this Agreement, or termination of the use and occupancy of the Premises by the DOWK, whichever occurs first, the DOWK shall provide the STATE with written evidence satisfactory to the STATE that the DOWK has fully complied with all Environmental Laws, including any orders issued by any governmental authority that relate to the Premises, and the results of all assessments and investigations that may be ordered by the STATE pursuant to subparagraph 16.b.5 (Environmental Investigations and Assessments) of this provision, or by any governmental agency responsible for enforcement of the Environmental Laws.

b. 4. Disposal/Removal. The DOWK shall cause any Hazardous Substances resulting from the DOWK's use to be removed and transported from the Premises for disposal solely by duly licensed hazardous substances transporters to duly licensed facilities for final disposal as required by all applicable Environmental Laws. Within 10 days of any such disposal, the DOWK shall provide the STATE with copies of documentary proof including manifests, receipts, or bills of lading, which reflect that the Hazardous Substances have been properly removed and disposed of in accordance with all Environmental Laws. This provision shall not apply to the possession and handling of Hazardous Substances provided that the DOWK is authorized by law to possess or handle the Hazardous Substances, has obtained all currently required permits to store or use the Hazardous Substances on the Premises, and has written permission from the STATE to possess or handle the Hazardous Substances. This provision shall survive the expiration or earlier termination of this Agreement.

b. 5. Environmental Investigations and Assessments. The DOWK, at its sole cost and expense, shall cause to be conducted such investigations and assessments of the Premises to determine the presence of any Hazardous Substance on, in, or under the Premises as may be reasonably directed from time to time by the STATE, or by any federal or state authority. The extent and number of any environmental investigations and assessments shall be determined by the STATE or the federal or state authority directing the investigations and assessments to be conducted. The DOWK shall retain a competent and qualified person or entity that is satisfactory to the STATE or governmental authority, as applicable, to conduct the investigations and assessments. The DOWK shall direct the person or entity to provide the STATE or governmental authority, if so requested, with testable portions of all samples of any soils, water, ground water, or other material that may be obtained for testing and provide directly to the STATE and the other governmental authority, at the sole expense of the DOWK, written results of all tests on the samples upon completion of the testing. In any event, the DOWK shall have the option to conduct the environmental assessments prior to or at the time of termination of this Agreement to determine the condition of the Premises.

b. 6. Remediation. If any Hazardous Substance is used, stored, treated, or disposed of on the Premises or any location off the Premises to which it is determined any Hazardous Substance has migrated, by the DOWK, or its duly authorized employees, or handled, discharged, or released by the DOWK, or determined to be present on the Premises or any

location off the Premises to which it is determined any Hazardous Substances has migrated by or as a result of the DOWK's actions or the actions of its duly authorized employees, agents, contractors, guests, or invitees, the DOWK shall, at its sole expense and cost, remediate the Premises, or any location off the Premises to which it is determined any Hazardous Substance has migrated, of such Hazardous Substance, and dispose/remove the Hazardous Substance in accordance with subparagraph 16.b.4 (Disposal/Removal) of this provision. This duty to remediate includes strict compliance with all Environmental Laws, as well as any directives by the STATE or other governmental authority, to the DOWK to remediate such Hazardous Substance. This duty to remediate shall include replacement of any materials, such as soils, removed with material that is reasonably satisfactory to the STATE and governmental authority, as applicable.

b. 7. Restoration and Surrender of Premises. The DOWK hereby agrees to timely surrender the Premises upon termination of the Agreement and, prior thereto, shall restore the Premises to the same condition as the Premises existed at the commencement of this Agreement, as determined by the STATE in its sole discretion, reasonable wear and tear excepted. The surrender and restoration shall be at the sole cost and expense of the DOWK. This duty to restore the Premises includes remediation as described in the previous subsection. Subject to subparagraph 18.b (STATE's option), this duty also includes, but is not limited to, the removal within seven days of termination or such longer period of time as the STATE may agree to in writing, of all of the DOWK's improvements, including, without limitation, pipes, pipelines, tanks, containers, equipment, and appurtenances of any kind that the DOWK has installed or erected on the Premises. In the event the DOWK does not timely restore the Premises to a satisfactory condition, as determined by the STATE in its sole discretion, the DOWK understands and agrees that the STATE may exercise its rights under subparagraph 16.b.9 (STATE's Right to Act), and until such time as the restoration is completed to the satisfaction of the STATE in its sole discretion, the DOWK shall be liable for any damages and costs that the STATE may have incurred, including penalties, fines, and assessments related to the Premises which may be imposed on the STATE or the DOWK by any governmental authority.

b. 8. Tanks, Pipelines; Inspections and Repairs; Protection of Waters. Unless the STATE specifically agrees in writing prior to their installation, all pipes,

pipelines, tanks, containers, or conduits of any kind that may at any time have contained, or may have been intended to contain, Hazardous Substances of any type (hereafter referred to as a “facility”), must be installed above ground level in such a manner that allows for the periodic inspection and maintenance of the facility for purposes of determining the existence of leaks and discharges from, and deterioration of any kind to, and that allows repair of, the facility. The DOWK shall provide the STATE with prior written notice of the DOWK’s intent to install a facility to allow the STATE ample time, as reasonably determined by the STATE, to inspect the plan for installation of such a facility. The facility shall not be installed unless and until the facility and its manner of installation are approved, in writing, by the STATE. Within 90 days of the commencement of this Agreement, or commencement of possession of the Premises by the DOWK, whichever first occurs, the DOWK shall submit a contingency plan covering the DOWK facilities, if any, and as applicable, to control and remedy any spill, discharge, or leak from any DOWK facility on the Premises during the term of this Agreement, which plan shall include the cleanup of all Hazardous Substances that may be spilled, discharged, or leaked, to the satisfaction of the STATE in its sole discretion. The DOWK shall also submit to the STATE a plan for the DOWK to conduct, or have conducted, regular inspections of all facilities, if any, on the Premises for the purpose of prevention of any leak, discharge, or spill from the facilities. The contingency plan and inspection plan are subject to the prior written approval of the STATE. The DOWK shall timely obtain and maintain in effect all required permits, licenses, and approvals for such facilities from any governmental authority. Failure to submit the plans, to comply with the plans, or obtain and maintain any required permits, licenses, or approvals constitutes a breach of this Agreement, giving the STATE the right to immediately terminate this Agreement, take possession of the Premises, and pursue any other remedy available to the STATE.

The DOWK shall maintain and employ reasonable debris, pollution, and contamination control measures, safeguards, and techniques on the Premises to prevent debris, pollution, or contamination to ocean waters, streams or waterways, or groundwater, including any storm drains within and about the Premises, resulting from the activities or operations of the DOWK and the DOWK’s agents on, within, over, through, across, under, or connected with the Premises. The DOWK shall take immediate corrective action in the event of an unauthorized release of Hazardous Substances by the DOWK or its agents to immediately remove or correct

the cause of such release, and shall immediately clean the Premises and affected areas and surrounding waters of such Hazardous Substances, pollutants or contaminants to levels satisfactory to the STATE's and/or other governmental authority in the STATE's sole discretion, all at the DOWK's own cost and expense. This section shall not be construed to require the DOWK to cleanup or respond to any Hazardous Substances existing on the Premises prior to the DOWK's occupancy of the same.

b. 9. STATE's Right to Act. If the DOWK fails for any reason to comply with any of its duties under this Agreement or under any Environmental Laws within the time set for doing so, or within a reasonable time as determined by the STATE, the STATE shall have the right, but not the obligation, in its sole discretion, to perform those duties, or cause them to be performed. The DOWK hereby grants access to the Premises and the Project at all reasonable hours to the STATE, its agents, and anyone designated by the STATE, to perform the acts and duties. Any cost, expense, or liability of any type that may be incurred by the STATE in performing the acts or duties shall be the sole responsibility of the DOWK and the DOWK hereby agrees to immediately pay to the STATE all of such costs and expenses incurred by the STATE in performing the acts or duties. This obligation shall extend to any costs and expenses incident to enforcement of the STATE's right to act, including litigation costs, attorney fees, and the costs and fees for collection of the costs, expenses, or liability.

b. 10. Release and Indemnity. In addition to, and without limiting the provisions of Paragraph 10 (Indemnity) above, the DOWK hereby agrees to release, indemnify, defend, and hold harmless the STATE, its officers, employees, agents, successors, and assigns from any liability of any kind, including, but not limited to, any liability for any damages, penalties, fines, judgments, or assessments that may be imposed or obtained by any person, agency, or governmental authority by reason of any Hazardous Substance that may be present by or as a result of the DOWK's use of the Premises or the Project by whatever means on, in, or under the Premises including, but not limited to, any fines or penalties assessed against the STATE for the DOWK non-compliance with any Environmental Laws.

The DOWK understands and agrees that any claims for damages, penalties, fines, judgments, or assessments that may be assessed against the DOWK or the STATE by any person or governmental authority based on any violation of any Environmental Laws concerning the Premises or the Project shall be paid in full, complied with, and in every way satisfied by the

DOWK within the required time, and not by the STATE. If the STATE and the DOWK are liable for any environmental cleanup or remediation of the Premises, the DOWK shall indemnify, defend, and hold harmless the STATE in accordance with the terms of this subsection, unless the STATE, or any other entity with an easement or access to the property has been shown to have actually caused the condition requiring cleanup or remediation. This provision shall survive the expiration or earlier termination of this Agreement.

b. 11. Burden of Proof. In all instances covered in this Paragraph 16 (Hazardous Substances), the DOWK has the burden of establishing that it is not responsible for the existence of Hazardous Substances in the Premises or in any location off the premises to which Hazardous Substances have migrated. If the DOWK cannot establish that it is not responsible for the existence of Hazardous Substances in the Premises, or any location off the Premises to which Hazardous Substances have migrated, the DOWK shall be responsible for the existence of the Hazardous Substances.

b. 12. Protection of Waters. The DOWK shall maintain and employ reasonable debris, pollution, or contamination control measures, safeguards, and techniques on the premises to prevent debris, pollution, or contamination from reaching ocean waters, streams or waterways, and groundwater, including any storm drains within and about the Premises, resulting from the activities or operations of the DOWK and the DOWK's employees, agents, contractors, or third persons on, within, over, through, across, under, or connected with the Premises. The DOWK shall take immediate corrective action in the event of an unauthorized release of Hazardous Substances by the DOWK or its employees, agents, contractors, or third persons to immediately remove or correct the cause of such release, and shall immediately clean the Premises and affected areas and surrounding waters of such Hazardous Substances, pollutants, or contaminants to levels satisfactory to the Hawaii State Department of Health, U.S. Environmental Protection Agency, and/or any governmental entity with regulatory jurisdiction over the release, in strict compliance with all Environmental Laws, all at the DOWK's own cost and expense. This subparagraph shall not be construed to require the DOWK to clean up or respond to any Hazardous Substances existing on the Premises prior to the DOWK's occupancy of the same provided, however, that the DOWK acknowledges and agrees that the date of the DOWK's occupancy may be a date prior to the Effective Date such that the DOWK shall be

responsible for cleanup or to respond to any Hazardous Substances for the DOWK's occupancy prior to the Effective Date.

17. Removal of Improvements. If the STATE decides to perform work of any kind within, on, over, under, across, near, or affecting the Premises, the DOWK shall be responsible for the removal or relocation of all or any portion of the Project from the Premises deemed necessary by the STATE, without cost and expense to the STATE, within 30 days from the date the STATE requests such removal or such longer period of time as may be approved in writing by the STATE, except as shall be otherwise required by applicable law. If it becomes necessary for the STATE to destroy, remove, or alter all or any portion of the Project or improvements, the STATE shall not be obligated to replace or restore those portions of the Project or improvements so destroyed, removed, or altered and the DOWK waives any and all right to compensation therefore, except as shall be otherwise required by applicable law.

18. Removal upon Termination. Upon any full or partial termination or cancellation of this Agreement, the DOWK shall, at the DOWK's sole cost and expense:

a. Remove and restore. Remove any and all portions of the Project installed or constructed on, within, under, over, or across the Premises and any improvements, equipment, facilities, components, and appurtenances relating thereto and restore the Premises to as good a condition as existed prior to the commencement of this Agreement, satisfactory to the STATE in its sole discretion, and if the DOWK fails to restore the Premises to a condition satisfactory to the STATE, the STATE shall have the right to charge the DOWK, and the DOWK shall be solely responsible for, any and all costs and expenses incurred by the STATE in completing and accomplishing such restoration, including but not limited to, any costs the STATE incurs in removing and disposing of the DOWK's property; or

b. STATE's option. At the STATE's sole option and subject to the provisions of Paragraph 14, (Abandonment) including, but not limited to, the provisions of the STATE's Pipeline Removal Policy, and any other terms and conditions, or amendments therein, abandon in place the Project and any improvements, equipment, facilities, components, and appurtenances relating thereto; provided, however, that such termination or cancellation shall not relieve the DOWK of its obligations to indemnify, defend, and/or hold harmless the STATE pursuant to Paragraphs 10 (Indemnity) and 16 (Hazardous Substances) herein with respect to any such claims, demands, liabilities, suits, actions, judgments, costs, and expenses for loss, injury,

death, or damage arising prior to such termination or cancellation of all or a portion of this Agreement. A Memorandum of Agreement or Memorandum of Understanding must be executed if the Director of Transportation approves abandonment in place.

19. Compliance with Laws. The DOWK, at all times during the term of this Agreement, shall comply with all of the requirements of the federal, state, and county authorities and shall observe all federal, state, and county laws, statutes, ordinances, rules, and regulations, now in force or which may hereafter be in force, including, but not limited to, all laws and regulations applicable to the use of areas within the highway right-of-way and/or federal-aid highways.

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

21. Singular, Plural. All words used herein the singular number shall extend to and include the plural. All words used in any gender shall extend to and include all genders.

22. Headings. The headings and captions herein are for convenience of reference only and are not intended to fully describe, define, or limit the provisions of this Agreement to which they may pertain.

23. Counterparts. This instrument may be executed in two or more counterparts, and when all counterparts have been executed, each counterpart shall be considered an original but when assembled shall constitute one and the same instrument, and shall have the same force and effect as though all the signatories had executed a single instrument. Any unexecuted duplicate pages may be omitted from the assembled original document.

24. No Drafter. The DOWK and the STATE agree that no party shall be deemed to be the drafter of this Agreement and further that in the event that this Agreement is ever construed by a court of law, such court shall not construe this Agreement or any provision of this Agreement against any party as the drafter of this Agreement.

25. Prehistoric and Historic Remains. Any and all prehistoric and historic remains found at, in, on, over, or under the Premises shall be and remain the property of the State of Hawaii, and shall not be disturbed or removed by the DOWK, and/or the DOWK's successors in interest, assigns, officers, directors, employees, agents, or guests, without the express written approval of the STATE. Upon discovery of any prehistoric or historic remains, the DOWK shall

immediately stop and cease any further disturbance of the remains and surrounding portion(s) of the Premises containing the remains, and promptly notify the STATE of such discovery.

26. Severability. If any provision of this Agreement is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Agreement.

27. Waiver. The failure of the STATE to insist upon strict compliance with any term, provision, or condition of this Agreement shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE's right to enforce the same in accordance with this Agreement.

28. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Hawaii.

29. Nondiscrimination. The use and enjoyment of the Premises shall not be in support of any policy which discriminates upon any basis or in any manner that is prohibited by any applicable federal, state, or county law.

30. Notices. Except as otherwise specifically provided in this Agreement, any notice, consent, request, demand, or other correspondence given under this Agreement shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or overnight courier, return receipt requested, with postage prepaid; to: (a) the DOWK at the address as stated on page one herein; or (b) the STATE at the following address: State of Hawaii, Department of Transportation, Highways Division, 869 Punchbowl Street, Honolulu, Hawaii 96813, Attn: Administrator; or (c) such other address as either the DOWK or the STATE may designate, in writing, as its new address for such purpose by notice given to the other in accordance with this section. Any notice hereunder shall be deemed to have been given and received and effective two calendar days after the date when it is mailed, if sent by first-class, certified mail, one calendar day after the date when it is mailed if sent by overnight courier, or upon the date personal delivery is made.

31. Entire Agreement. This instrument constitutes the entire agreement of the parties with respect to the matters set forth in this Agreement, and, except as specifically provided otherwise herein, there are no agreements, understandings, warranties, or representations between the parties except as set forth herein. This Agreement cannot be modified except by an instrument, in writing, signed by each of the parties. Any termination or

cancellation of this Agreement, in whole or in part, shall not relieve the DOWK of its obligations to indemnify, defend, and/or hold harmless the STATE as provided herein.

32. Amendments. All amendments to this Agreement must be in writing and must be signed by all parties to this Agreement.

33. No Recordation. This instrument shall not be recorded.

34. No Third-Party Beneficiaries. No third-party beneficiaries are intended by this Agreement, and the terms and provisions of this Agreement shall not give rise to any right in third parties to enforce the provisions of this Agreement.

[SIGNATURE PAGE IS ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Use and Occupancy Agreement No. 362-A the day and year first above written.

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION

APPROVED AS TO FORM AND
AND LEGALITY:

By: _____
Its: _____
STATE

Print Name: _____
Title: Deputy County Attorney

BOARD OF WATER SUPPLY
COUNTY OF KAUA'I

APPROVED:

By: _____
Name: _____
Title: _____
DOWK

Manager and Chief Engineer
Department of Water,
County of Kaua'i

APPROVED AS TO
FORM:



Deputy Attorney General
Print Name: Dane Kokoich

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

On this _____ day of _____, 2020, before me appeared
KURT AKAMINE , to me personally known, who, being by me duly sworn, did say that he
is the CHAIRPERSON of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, and that
the foregoing instrument was signed on behalf of the BOARD, and the officer acknowledged the
instrument to be the free act and deed of the BOARD, and that the BOARD has no corporate
seal.

Notary Public, State of Hawaii

Name of Notary

My Commission Expires: _____

EXHIBIT A

KUHIO HIGHWAY INTERESECTION OF EHIKU STREET AND KUHIO HIGHWAY Federal Aid Project (E-12-A)

USE AND OCCUPANCY AGREEMENT NO. 362-A (For Water Line and Access Purposes)

Being portion of Kuhio Highway, Centerline Station 117+53.52
Federal Aid Project (E-12-A)

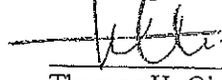
Land Situated at Kalapaki, Līhu'e, Kāua'i, Hawai'i

Beginning at the West corner of the piece of land, on the East side of Ehiku Street, and on the Southwest side of Kuhio Highway, Federal Aid Project (E-12-A), portions of Royal Patent 4480, Land Commission Award 7713, Apana 2, Part 1 to V. Kamamalu, the coordinate referred to Government Triangulation Station "KĀLEPA" being 6563.19 South and 3117.29 West, thence running by azimuths measured clockwise from True South:

1. 193° 52' 30" 30.22 feet along the West side of Kuhio Highway, Federal Aid Project (E-12-A);
2. 283° 52' 30" 13.61 feet along the remainder of Kuhio Highway, Federal Aid Project (E-12-A);
3. 13° 52' 30" 16.61 feet along the same;
4. 58° 52' 30" 19.25 feet along the same to the point of beginning and containing an area of 319 Square Feet.



This work was prepared by me or under my direct supervision.

 5/22/2018

Thomas H. Oi
License Professional Land Surveyor
Certificate Number 9033-LS Exp. 4/30/20

Tax Map Key: (4) 3-8-009: Highway

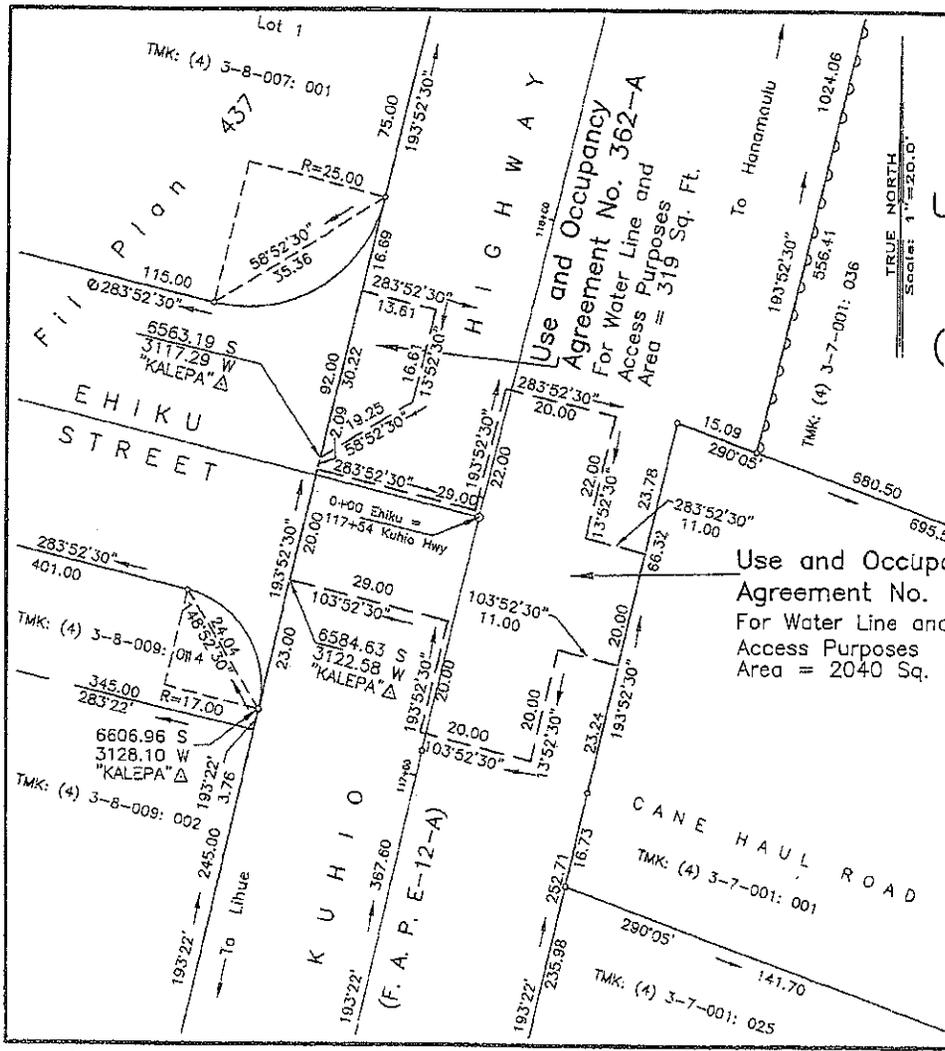
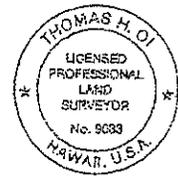


EXHIBIT B
MAP SHOWING
USE AND OCCUPANCY AGREEMENT
NO. 362 AND 362-A
KUHIO HIGHWAY
(FEDERAL AID PROJECT E-12-A)
INTERSECTION OF EHIKU STREET
AT KALAPAKI, LIHUE, KAUAI, HAWAII

Use and Occupancy Agreement No. 362
 For Water Line and Access Purposes
 Area = 2040 Sq. Ft.



This work was prepared by me or under my direct supervision
Thomas H. Oi 5/22/2018
 Thomas H. Oi
 Licensed Professional Land Surveyor
 Certificate Number 9033-LS
 Expires on April 30, 2018.

NOTES:
 Area of Use and Occupancy Agreement No. 362 for Water Line = 2040 Sq. Ft.
 Area of Use and Occupancy Agreement No. 362-A for Water Line = 319 Sq. Ft.
 Coordinate Referred To "KALEPA" Δ

LEGEND:
 --- Denotes no vehicle access permitted

TMK: (4) 3-8-009

10"x 13"=1.041 Sq. Ft.

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 20-41 (Update)

August 27, 2020

Re: Waiahi Surface Water Treatment Plant Renovation Construction Cost Progress Report

RECOMMENDATION:

There is no action necessary; for Board review and discussion purposes only.

FUNDING: N/A.

BACKGROUND:

As requested by the Board of Water during its January 24th and February 28th Regular Board meeting, the Board requested the Department to provide a monthly update on the status of payments to Grove Farm in accordance with the project's budget. Please refer to Attachment 1.

There are no updates to report since the July 23, 2020 Board meeting.

BW/ein

Attachment(s): Waiahi Surface Water Treatment Plant Renovation Construction Cost Progress Report as of August 17, 2020

Mgrrp/August 2020/20-41/Waiahi Surface Water Treatment Plant Renovation Project Construction Cost Progress Report (Update) (1-24-20, 2-28-20, 6-25-20, 7-23-20, 8-27-20):ein

**Waiahi SWTP Renovation
Maintaining 3.0 MGD
Construction Costs**

Item No.	Qty.	Unit	Cost Per Unit	Description	Total Cost Estimate	Grove Farm Total (1/3) 33.33%	BWS Total (2/3) 66.67%	BWS Total Amount Due to Date (\$)	BWS Amount Paid to Date (\$)	Estimate Total to Date (% Line Item)	All Payments Received by Grove Farm within 15 days?
SITEWORK¹											
1	1	LS	\$100,000	Mobilization & Demobilization	\$100,000	\$33,333	\$66,667	\$0	\$0	0.00%	N/A
2	1.44	Acre	\$14,876	Clearing & Grubbing, including demolition of existing shed at Off-site Detention Basins, in place complete	\$21,421	\$7,140	\$14,281	\$0	\$0	0.00%	N/A
3	4151	CY	\$30	Excavation, in place complete	\$124,530	\$41,510	\$83,020	\$0	\$0	0.00%	N/A
4	2673	CY	\$15	Embankment, in place complete.	\$40,095	\$13,365	\$26,730	\$0	\$0	0.00%	N/A
5	1	LS	\$11,950	Erosion Control, including temp silt fence, temp wheel wash area, temp ground cover & erosion control fabric	\$11,950	\$3,983	\$7,966	\$0	\$0	0.00%	N/A
6	16	SY	\$450	Rip-rap Lined Embankment Swale, in place complete	\$7,200	\$2,400	\$4,800	\$0	\$0	0.00%	N/A
7	956	LF	\$80	Chain Link Fence, including warning signs, in place complete	\$76,480	\$25,493	\$50,987	\$0	\$0	0.00%	N/A
8	1	EA	\$2,500	Chain Link Gate, 18' Wide X 6' High at Off-site Detention Basins, in place complete.	\$2,500	\$833	\$1,667	\$0	\$0	0.00%	N/A
9	1	EA	\$1,000	Chain Link Pedestrian Gate, 30" Wide X 6' High at Drain/Reject Water Pump Station, in place complete	\$1,000	\$333	\$667	\$0	\$0	0.00%	N/A
10	2434	SY	\$80	Asphalt Concrete Pavement, including base course, in place complete	\$194,720	\$64,907	\$129,813	\$0	\$0	0.00%	N/A
11	1055	LF	\$55	Concrete curb, in place complete	\$58,025	\$19,342	\$38,683	\$0	\$0	0.00%	N/A
12	1321	LF	\$45	Concrete header, in place complete	\$59,445	\$19,815	\$39,630	\$0	\$0	0.00%	N/A
13	8	EA	\$250	Concrete drop curb, in place complete	\$2,000	\$667	\$1,333	\$0	\$0	0.00%	N/A
14	13	EA	\$800	Bollards, in place complete.	\$10,400	\$3,467	\$6,933	\$0	\$0	0.00%	N/A
15	2	EA	\$500	Ring Buoy, including pipe stand, in place complete	\$1,000	\$333	\$667	\$0	\$0	0.00%	N/A
YARD PIPING¹											
1	1	LS	\$58,000	Pre-lube Line for Existing Reservoir Intake Pumps, including fittings and appurtenances, in place complete	\$58,000	\$19,333	\$38,667	\$0	\$0	0.00%	N/A
2	1	LS	\$123,000	Flocculation Tank Inlet Line, including fittings, valves, and appurtenances, cutting, removing and relocating	\$123,000	\$41,000	\$82,000	\$0	\$0	0.00%	N/A

**Waiahi SWTP Renovation
Maintaining 3.0 MGD
Construction Costs**

Item No.	Qty.	Unit	Cost Per Unit	Description	Total Cost Estimate	Grove Farm Total (1/3) 33.33%	BWS Total (2/3) 66.67%	BWS Total Amount Due to Date (\$)	BWS Amount Paid to Date (\$)	Estimate Total to Date (% Line Item)	All Payments Received by Grove Farm within 15 days?
3	1	LS	\$29,000	Drainline "A", including connection to existing drain manholes & modifications to existing DMH "A-2"	\$29,000	\$9,667	\$19,333	\$0	\$0	0.00%	N/A
4	1	LS	\$150,000	Drainline "B," including headwall with ungrouted rip rap, & drain manholes, in place complete	\$150,000	\$50,000	\$100,000	\$0	\$0	0.00%	N/A
5	1	LS	\$24,000	Drainline "C", including headwalls, in place complete	\$24,000	\$8,000	\$16,000	\$0	\$0	0.00%	N/A
6	1	LS	\$130,000	Force Mains "A", "B" & "C", including fittings, valves & appurtenances, & concrete blocks	\$130,000	\$43,333	\$86,667	\$0	\$0	0.00%	N/A
7	1	LS	\$69,182	Off-Site Detention Basin Inlet & Outlet Lines, including residuals discharge connection	\$69,182	\$23,061	\$46,121	\$0	\$0	0.00%	N/A
8	1	LS	\$28,302	Residuals Discharge Lines "A" & "B", including fittings, valves & appurtenances & concrete blocks	\$28,302	\$9,434	\$18,868	\$0	\$0	0.00%	N/A
9	1	LS	\$75,472	Residuals Drying Beds Inlet Lines, including fittings, valves & appurtenances, concrete blocks	\$75,472	\$25,157	\$50,315	\$0	\$0	0.00%	N/A
STRAINER SYSTEM¹											
1	1	LS	\$120,000	16" Automatic Backwashing Strainer, including removal & disposal of ex. strainer, drain & backwash lines	\$120,000	\$40,000	\$80,000	\$0	\$0	0.00%	N/A
PUMP GALLERY IMPROVEMENTS¹											
1	1	LS	\$5,000	Liquid Level Sensor Alarm System, in place complete	\$5,000	\$1,667	\$3,333	\$0	\$0	0.00%	N/A
2	1	LS	\$5,000	8" Butterfly Valve on Permeate Line to Backpulse Tank, in place complete	\$5,000	\$1,667	\$3,333	\$0	\$0	0.00%	N/A
3	1	LS	\$10,000	Replace Existing Membrane Tank Level Transmitters. (Transmitters furnished by SUEZ. See Bid Item G-1.)	\$10,000	\$3,333	\$6,667	\$0	\$0	0.00%	N/A
4	1	LS	\$10,000	Combined Permeate Turbidimeter, including sampling line & revisions to sample drains & control wiring	\$10,000	\$3,333	\$6,667	\$0	\$0	0.00%	N/A
DRAIN/REJECT WATER PUMP STATION¹											
1	1	LS	\$44,025	Drain/Reject Water Pump Station Concrete Wet Well & Pipe Support, including structural excavation	\$44,025	\$14,675	\$29,350	\$0	\$0	0.00%	N/A

**Waiahi SWTP Renovation
Maintaining 3.0 MGD
Construction Costs**

Item No.	Qty.	Unit	Cost Per Unit	Description	Total Cost Estimate	Grove Farm Total (1/3) 33.33%	BWS Total (2/3) 66.67%	BWS Total Amount Due to Date (\$)	BWS Amount Paid to Date (\$)	Estimate Total to Date (% Line Item)	All Payments Received by Grove Farm within 15 days?
2	1	LS	\$69,182	Drain/Reject Water Pump System, including liquid level sensor, transducer, pump accessories, access hatch	\$69,182	\$23,061	\$46,121	\$0	\$0	0.00%	N/A
3	1	LS	\$62,893	Drain/Reject Water Piping, including fittings, valves & appurtenances, & connection to existing drain line	\$62,893	\$20,964	\$41,929	\$0	\$0	0.00%	N/A
MEMBRANE UNIT REPLACEMENT²											
1	1	LS	\$1,015,545	Membrane Unit Upgrades by SUEZ, all in accordance with SUEZ's proposal dated 9/6/2019.	\$1,015,545	\$338,515.00	\$677,030	\$677,030.00	\$677,030.00	100.00%	Yes
2	1	LS	\$160,941	Installation of Membrane Unit Upgrades by SUEZ, in place complete. Aqua Engineers, proposal dated 9/16/2019	\$160,941	\$53,647.00	\$107,294	\$107,294.00	\$107,294.00	100.00%	Yes
3	1	LS	*Initial estimate \$0	Taxes & Additional US Customs Duty Fees, in accordance with SUEZ's proposal (*estimate was \$0)	\$47,852.48	\$15,950.83	\$31,901.65	\$31,901.65	\$31,901.65	100.00%	Yes
LINER FOR OFF-SITE DETENTION BASINS¹											
1	1	LS	\$119,497	Liner for Off-Site Detention Basins, including geotextile fabric, anchoring battens & trenches	\$119,497	\$39,832	\$79,665	\$0	\$0	0.00%	N/A
PORTABLE PUMP FOR RESIDUALS TRANSFER³											
1	1	LS	\$41,024	Portable Pump for Residuals Transfer, including wheel kit & hoses, in place complete.	\$41,024	\$13,675	\$27,349	\$0	\$0	0.00%	N/A
GENERATOR BUILDING¹											
1	1	LS	\$350,000	Generator Building	\$350,000	\$116,667	\$233,333	\$0	\$0	0.00%	N/A
2	1	LS	\$300,000	Emergency Generator System	\$300,000	\$100,000	\$200,000	\$0	\$0	0.00%	N/A
3	1	LS	\$28,000	Painting and Coating	\$28,000	\$9,333	\$18,667	\$0	\$0	0.00%	N/A
ELECTRICAL WORK¹											
1	1	LS	\$493,192	Electrical Work, in place complete.	\$493,192	\$164,397	\$328,795	\$0	\$0	0.00%	N/A

**Waiahi SWTP Renovation
Maintaining 3.0 MGD
Construction Costs**

Item No.	Qty.	Unit	Cost Per Unit	Description	Total Cost Estimate	Grove Farm Total (1/3) 33.33%	BWS Total (2/3) 66.67%	BWS Total Amount Due to Date (\$)	BWS Amount Paid to Date (\$)	Estimate Total to Date (% Line Item)	All Payments Received by Grove Farm within 15 days?
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Summary for July 23, 2020 Board Meeting

	Total Cost Estimate	GF Total 1/3 (33.33%)	BWS Total 2/3 (66.67%)	BWS Total Amount Due to Date (\$)	BWS Total Amount Paid to Date (\$)	Estimate Total to Date (% of total project)	All Payments Received by Grove Farm within 15 days?
Project Total Estimates =	\$4,279,874	\$1,426,625	\$2,853,249	\$816,226	\$816,226	28.61%	Yes

DOW NOTES

*Payments due within 15 calendar days of receipt of invoice.

*DOW will not be withholding 5% retainage.

New Business

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 21-02

August 27, 2020

Re: Discussion and Possible Action on the Approval of the Department of Water's Supplemental Budget for Fiscal Year 2021

RECOMMENDATION:

The Department is requesting Board approval to rollover the budget of the attached list of Outstanding Purchase Orders (PO) to Fiscal Year (FY) 2020- 2021 DOW Budget.

BACKGROUND:

The Board approved the Operating & New Capital Outlay Budgets for FY 2021 on June 25, 2020.

In addition to the approved Operating and Capital Outlay budgets, the Department requests Board approval to rollover the attached list of Outstanding Purchase Orders from the FY 2020 budget to the FY 2021 budget. These PO Rollovers are encumbrances for contracts and miscellaneous purchase orders for materials and services as of June 30, 2020. The Outstanding PO list is attached.

If approved, the FY 2021 budget will be increased as follows:

Operating Expenses - W/U		\$ 3,921,675.20
Capital Outlay:		16,095,205.66
Water Utility	\$ 12,668,783.42	
FRC	451,108.72	
BAB	2,975,313.52	
Total PO Rollovers		<u><u>\$ 20,016,880.86</u></u>

OPTIONS:

Option 1: Approve the Supplemental Budget for Fiscal Year 2021 as recommended.

Pro: The Department will be able to continue the implementation of its ongoing programs and projects.

Con: None known.

Option 2: Do not approve the Supplemental Budget for Fiscal Year 2021.

Pro: None known.

Con: The DOW is still obligated to fulfill its contractual obligations for the remaining terms of the contract.

MY/ein

Attachments: Supplemental Budget Year End Encumbrance Increase Report

Mgrpp/August 2020/21-02/Discussion and Possible Action on the Approval of the Department of Water's Supplemental Budget for Fiscal Year 2021 (8-27-20):ein

Supplemental Budget - Year End Encumbrance Increase Report

PO Rollvers

FY Encumbrance Increase Budget			20,016,880.86
Water Utility Fund - Prior Year Encumbrances - Operating Expenses			3,921,675.20
PO Number	G/L code	Description	Roll over amt
PO0004216	10-01-10-540-010	WU-Adm-Adm-Professional Services	20,116.23
PO0004429	10-01-10-540-010	WU-Adm-Adm-Professional Services	21,250.00
PO0004523	10-01-10-540-010	WU-Adm-Adm-Professional Services	11,593.77
PO0004586	10-01-10-540-010	WU-Adm-Adm-Professional Services	20,000.00
PO0004607	10-01-10-540-010	WU-Adm-Adm-Professional Services	15,000.00
		10-01-10-540-010 Total	87,960.00
PO0004140	10-01-10-542-010	WU-Adm-Adm-Public Relations - General	4,870.00
PO0004359	10-01-10-542-010	WU-Adm-Adm-Public Relations - General	880.00
		10-01-10-542-010 Total	5,750.00
PO0004191	10-01-10-551-000	WU - Admin - Admin - Utility Services	38,481.30
		10-02-10-551-000 Total	38,481.30
PO0004190	10-01-10-570-010	WU - Admin - Admin - Books, Publications, Subscriptions, and Memberships	3,450.00
PO0004193	10-01-10-570-010	WU - Admin - Admin - Books, Publications, Subscriptions, and Memberships	10,000.00
		10-02-50-543-000 Total	13,450.00
PO0004571	10-02-10-540-010	WU - IT - Admin - Professional Services - General	162,364.75
PO0004606	10-02-10-540-010	WU - IT - Admin - Professional Services - General	312,805.00
		10-20-10-540-010 Total	475,169.75
PO0004616	10-02-10-543-000	WU - IT - Admin - Communication Services	28,860.00
		10-20-10-543-000 Total	28,860.00
PO0004250	10-02-10-561-000	WU - IT - Admin - Repairs and Maintenance - Other than Water System	6,250.00
PO0004438	10-02-10-561-000	WU - IT - Admin - Repairs and Maintenance - Other than Water System	142,480.00
PO0004469	10-02-10-561-000	WU - IT - Admin - Repairs and Maintenance - Other than Water System	15,932.14
PO0004558	10-02-10-561-000	WU - IT - Admin - Repairs and Maintenance - Other than Water System	8,673.35
PO0004570	10-02-10-561-000	WU - IT - Admin - Repairs and Maintenance - Other than Water System	7,843.40
PO0004582	10-02-10-561-000	WU - IT - Admin - Repairs and Maintenance - Other than Water System	4,099.13
PO0004604	10-02-10-561-000	WU - IT - Admin - Repairs and Maintenance - Other than Water System	1,079.00
PO0004617	10-02-10-561-000	WU - IT - Admin - Repairs and Maintenance - Other than Water System	5,237.33
		10-20-10-561-000 Total	191,594.35
PO0004608	10-02-10-563-000	WU - IT - Admin - Operating Supplies	3,837.11
		10-02-10-563-000 Total	3,837.11
PO0004269	10-10-40-540-010	WU - Qual - Purification - Professional Services - General	28,348.00
		10-10-10-540-000 Total	28,348.00
PO0004385	10-10-40-563-000	WU - Qual - Purification - Operating Supplies	608.92
PO0004459	10-10-40-563-000	WU - Qual - Purification - Operating Supplies	405.40
		10-10-10-563-000 Total	1,014.32
PO0002615	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	14,473.18
PO0002616	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	107,119.57
PO0002836	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	25,116.10
PO0003149	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	48,460.83
PO0004075	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	1,000.00
PO0004183	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	335,683.22
PO0004300	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	21,000.00
PO0004301	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	12,016.68
PO0004460	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	51,516.00
PO0004548	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	38,137.42
PO0004577	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	11,636.00
PO0004593	10-20-10-540-010	WU - Eng - Admin - Professional Services - General	150,000.00
		10-20-10-540-010 Total	816,159.00
PO0002630	10-21-10-540-010	WU - Const - Admin - Professional Services - General	46,299.22
PO0002835	10-21-10-540-010	WU - Const - Admin - Professional Services - General	288,435.12
PO0003583	10-21-10-540-010	WU - Const - Admin - Professional Services - General	50,000.00
PO0004458	10-21-10-540-010	WU - Const - Admin - Professional Services - General	305,988.45
PO0004461	10-21-10-540-010	WU - Const - Admin - Professional Services - General	700,000.00
		10-21-10-540-010 Total	1,390,722.79

PO0004211	10-22-10-540-010	WU - Plan - Admin - Professional Services - General	12,480.00
PO0004217	10-22-10-540-010	WU - Plan - Admin - Professional Services - General	162,561.40
		10-22-10-540-010 Total	175,041.40
PO0004182	10-31-10-540-010	WU - Acctg - Admin - Professional Services - General	23,473.66
PO0004600	10-31-10-540-010	WU - Acctg - Admin - Professional Services - General	3,900.00
PO0004605	10-31-10-540-010	WU - Acctg - Admin - Professional Services - General	164,238.00
		10-31-10-540-010 Total	191,611.66
PO0004215	10-31-10-540-020	WU - Acctg - Admin - Professional Services - Accounting and Auditing	110,600.00
		10-31-10-540-020 Total	110,600.00
PO0004594	10-31-10-562-000	WU - Accounting - Admin - Office Supplies	62.45
		10-31-10-562-000 Total	62.45
PO0004543	10-40-40-563-000	WU - Ops - Purification - Operating Supplies	27,412.10
		10-40-40-563-000 Total	27,412.10
PO0004601	10-40-50-563-000	WU - Ops - PowerAndPump - Operating Supplies	117,094.00
		10-40-50-563-000 Total	117,094.00
PO0004579	10-40-60-545-000	WU - Ops - TandD - Rentals and Leases	3,141.36
		10-40-60-545-000 Total	3,141.36
PO0004559	10-40-60-561-000	WU - Ops - TandD - Repairs and Maintenance - Other than Water System	71,551.96
		10-40-60-561-000 Total	71,551.96
PO0004531	10-40-60-563-000	WU - Ops - TandD - Operating Supplies	87,098.73
PO0004578	10-40-60-563-000	WU - Ops - TandD - Operating Supplies	3,621.67
PO0004611	10-40-60-563-000	WU - Ops - TandD - Operating Supplies	984.68
		10-40-60-563-000 Total	91,705.08
PO0004551	10-40-60-563-010	WU - Ops - TandD - Operating Supplie - Invty. Stock	9,118.57
PO0004595	10-40-60-563-010	WU - Ops - TandD - Operating Supplie - Invty. Stock	27,901.50
		10-40-60-563-010 Total	37,020.07
PO0004233	10-40-60-564-000	WU - Ops - TandD - Fuel	15,088.50
PO0004398	10-40-60-564-000	WU - Ops - TandD - Fuel	-
		10-40-60-564-000 Total	15,088.50
All Funds - Prior Year Encumbrances - Capital Outlay			16,095,205.66
PO0004467	10-02-00-604-999	WU-IT-RandR Capital Purchases	36,120.32
PO0004556	10-02-00-604-999	WU-IT-RandR Capital Purchases	5,271.70
		10-02-00-604-999 Total	41,392.02
PO0004189	10-40-00-604-999	WU-Ops-RandR Capital Purchases	157,142.35
PO0004566	10-40-00-604-999	WU-Ops-RandR Capital Purchases	134,400.00
		10-40-00-604-999 Total	291,542.35
PO0004556	10-02-00-605-999	WU-IT-Expansion Capital Purchases	24,943.47
		10-02-00-605-999 Total	24,943.47
PO0004547	10-40-00-605-999	WU-Ops-Expansion Capital Purchases	59,057.58
PO0004561	10-40-00-605-999	WU-Ops-Expansion Capital Purchases	84,012.12
PO0004562	10-40-00-605-999	WU-Ops-Expansion Capital Purchases	155,444.96
PO0004567	10-40-00-605-999	WU-Ops-Expansion Capital Purchases	54,035.88
PO0004590	10-40-00-605-999	WU-Ops-Expansion Capital Purchases	68,497.35
PO0004609	10-40-00-605-999	WU-Ops-Expansion Capital Purchases	55,000.02
		10-40-00-605-999 Total	476,047.91
Water Utility Fund (Miscellaneous Capital Outlay)			833,925.75
PO0004335	10-20-00-604-001	WU-Eng-ALLR-KW-07 Paua Valley Tank Repair	17,270.12
PO0002609	10-20-00-604-132	Job 13-05 WkK-09 - Kilauea Water System; Kolo Road Main Replacement	2,712.00
PO0002601	10-20-00-604-138	Job 11-07, KP-09 Koloa Wells 16A & 16B Site and Building Improvement	24,467.50
PO0002615	10-20-00-604-146	WU-Eng-Hanapepe-Elelee Connecting Pipeline HE-1 and HE-10 (RR 12%)	3,426.68
PO0003601	10-20-00-604-148	WU-Eng-Kuhio Hwy (Hardy-Oxford) 16" Main Replace (R&R 56% of \$100K)	171,593.09
PO0002836	10-20-00-604-157	JOB 16-4; WP2020 WKK-03 Kilauea Wells No. 1 & No. 2 MCC	66,863.70
PO0003581	10-20-00-604-160	Job No. 18-02; Iland wide Rehabilitation of Tanks	346,218.15
PO0004577	10-20-00-604-164	ENG-CAPITAL PUCHASES REHAB	229,632.00
		10-20-00-604-000 Total	862,183.24
PO0004404	10-21-00-604-001	WU-CM-ALLR-KW-07 Paua Valley Tank Repair	2,375,000.00
PO0003576	10-21-00-604-146	WU/Cns/78%R&R/15-07/HE-01,HE-10, Reorganize Wtr Sys. PL connecting Hanapepe & Elelee (6" Main Repl) Ph I (County R/W)(22%EXP of \$1.9M)	4,931,895.55
		10-21-00-604-000 Total	7,306,895.55
Water Utility Fund (Capital Outlay - R&R)			8,169,078.79

PO0002624	10-20-00-605-139	02-11 M-02 100K Tnk & Pipeline Moloaa	125,200.00
		10-20-00-605-000 Total	125,200.00
PO0003576	10-21-00-605-146	WU/Cns/100%EXP/15-07/HE-01,HE-10, Reorganize Wtr Sys. PL connecting Hanapepe & Eleele (6" Main Repl) Ph II State R/W)	125,231.08
PO0003577	10-21-00-605-017	Kapaia Cane Haul Road 18" Main (98.55% Exp) \$3,241,350	2,986,533.66
PO0003575	10-21-00-605-118	WU/Const/Capital Outlay/WK-39-Kapaa Homestead Well No. 4 (100% Expansion)	428,814.14
		10-21-00-605-000 Total	3,540,578.88
Water Utility Fund (Capital Outlay - Expansion)			3,665,778.88
Water Utility Fund - Prior Year Encumbrances - Capital Outlay			12,668,783.42
PO0004612	20-20-00-605-117		26,832.00
PO0004545	20-20-00-605-118		61,152.00
PO0002611	20-20-00-605-120		7,212.24
PO0002616	20-20-00-605-153		49,105.48
PO0004401	20-20-00-605-153		9,567.00
PO0003149	20-20-00-605-154		297,240.00
		20-20-00-605-xxx Total	451,108.72
FRC Fund (Capital Outlay - Expansion)			451,108.72
PO0002607	30-20-00-604-105	Kalaheo 111FT & 1222FT	260,752.01
PO0004218	30-20-00-604-105		38,500.00
PO0004334	30-20-00-604-105		33,672.05
		30-20-00-604-105 Total	332,924.06
BAB Fund (Capital Outlay - R&R)			332,924.06
PO0002611	30-20-00-605-120		22,649.00
PO0002608	30-20-00-605-125	kukuiofono	53,508.05
PO0002620	30-20-00-605-139	02-11 M-02 100K Tnk & Pipeline Moloaa	94,222.00
		30-20-00-605-xxx Total	94,222.00
PO0003577	30-21-00-604-017		1,091,650.00
PO0003747	30-21-00-604-107	Job 11-07 KP-09 Koloa 16A & 16B MCCCChlorination Facilites	1,323,634.55
		30-21-00-604-107 Total	2,415,284.55
PO0003575	30-21-00-605-118		56,725.86
		30-21-00-605-118 Total	56,725.86
BAB Fund (Capital Outlay - Expansion)			2,642,389.46
BAB Fund - Capital Outlay			2,975,313.52

Fund Balance Projections (R)

Fund Balance Projections (REVISED)								
	Water Utility General Fund	Water Utility Emergency Reserve	Water Utility Debt Reserve	WURF (30% of Previous Years' Last Audited Operating Revenue)	**Facility Reserve Charge Fund	Bond Fund	State Revolving Fund	TOTAL
Cash, Investments & Receivables as of 6/30/2020	\$49,641,875	\$0	\$0	\$9,300,000	\$2,000,383	\$9,928,026	\$0	\$70,870,284
Encumbrances - PO & Contracts (-)	\$16,590,459	\$0	\$0		\$451,109	\$2,975,314	\$0	\$20,016,881
Current Liabilities, excluding Debt (-)	\$4,557,536							\$4,557,536
Estimated Available Resources for Budget Appropriation - 7/1/20	\$28,493,881	\$0	\$0	\$9,300,000	\$1,549,274	\$6,952,712	\$0	\$46,295,867
Revenues	\$31,563,000	\$0	\$0		\$640,291	\$35,000	\$0	\$32,238,291
Non- Revenue Cash - Inflow	\$0						\$0	\$0
Transfers In	\$1,300,000	\$0	\$0			\$0	\$0	\$1,300,000
Transfers (Out)	\$0	\$0	\$0		-\$1,300,000	\$0		-\$1,300,000
Adjusted Balance	\$61,356,881	\$0	\$0	\$9,300,000	\$889,565	\$6,987,712	\$0	\$78,534,158
Operating Expenses	\$27,808,367	\$0	\$0		\$0	\$0	\$0	\$27,808,367
Short Term Debt - Principal Repayment	\$5,160,541	\$0	\$0		\$0			\$5,160,541
Miscellaneous Capital Purchases - TFFE	\$1,280,502	\$0	\$0					\$1,280,502
New Capital Outlay - CIP	\$20,251,962				\$675,000	\$6,000,000	\$0	\$26,926,962
Supplemental Budget # 1								\$0
Interfund Transfer								\$0
Estimated Ending Balance - 6/30/21	\$6,855,509	\$0	\$0	\$9,300,000	\$214,565	\$987,712	\$0	\$17,357,787

Note 1: FRC fund balance is not sufficient to fund the Proposed Capital Outlay - Expansion Projects. An Interfund transfer through a Manager's Report will be required in order to proceed with any of the FRC Capital Outlay - Expansion projects.

Fund Balance Projections

Fund Balance Projections								
	Water Utility General Fund	Water Utility Emergency Reserve	Water Utility Debt Reserve	WURF (30% of Previous Years' Last Audited Operating Revenue)	**Facility Reserve Charge Fund	Bond Fund	State Revolving Fund	TOTAL
Cash, Investments & Receivables as of 5/31/2020	\$50,404,995	\$0	\$0	\$9,300,000	\$2,000,383	\$9,928,026	\$0	\$71,633,404
Encumbrances - PO & Contracts (-)	\$16,494,673	\$0	\$0		\$709,103	\$3,733,219	\$0	\$20,936,995
Current Liabilities, excluding Debt (-)	\$4,454,579							\$4,454,579
Estimated Available Resources for Budget Appropriation - 7/1/20	\$29,455,743	\$0	\$0	\$9,300,000	\$1,291,280	\$6,194,807	\$0	\$46,241,830
Revenues	\$31,563,000	\$0	\$0		\$640,291	\$35,000	\$0	\$32,238,291
Non- Revenue Cash - Inflow	\$0						\$0	\$0
Transfers In	\$0	\$0	\$0			\$0	\$0	\$0
Transfers (Out)	\$0	\$0	\$0			\$0		\$0
Adjusted Balance	\$61,018,743	\$0	\$0	\$9,300,000	\$1,931,571	\$6,229,807	\$0	\$78,480,121
Operating Expenses	\$27,808,367	\$0	\$0		\$0	\$0	\$0	\$27,808,367
Short Term Debt - Principal Repayment	\$5,160,541	\$0	\$0		\$0			\$5,160,541
Miscellaneous Capital Purchases - TFFE	\$1,280,502	\$0	\$0					\$1,280,502
New Capital Outlay - CIP	\$20,251,962				\$675,000	\$6,000,000	\$0	\$26,926,962
Supplemental Budget # 1								\$0
Interfund Transfer								\$0
Estimated Ending Balance - 6/30/21	\$6,517,372	\$0	\$0	\$9,300,000	\$1,256,571	\$229,807	\$0	\$17,303,750

Note 1: FRC fund balance is not sufficient to fund the Proposed Capital Outlay - Expansion Projects. An Interfund transfer through a Manager's Report will be required in order to proceed with any of the FRC Capital Outlay - Expansion projects.

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 21-03

August 27, 2020

Re: Discussion and Possible Action on a Request for Proposal Contract to Glenmount Global Solutions, Inc., Job No. 20-03, Supervisory Control & Data Acquisition System Maintenance and Professional Consultation Services

RECOMMENDATION:

It is recommended that the Board approve additional funding for a multi-year contract with Glenmount Global Solutions, Inc. (GGS) for professional support and maintenance services for the Department of Water's (DOW) island-wide Supervisory Control & Data Acquisition (SCADA) System. The recently approved budget FY2021 for this contract is \$150,000.00. The annual contract amount is \$158,764.00; therefore, it is recommended that the additional amount of \$16,702.00 be approved for the first contract year.

FUNDING:

FROM:			
Account No.	10-00-00-330-000		
	Water Utility Fund (unrestricted)		
Funds Available	<i>Verified by WWC</i>		\$ 16,702.00
TO:			
Account No.	10-40-60-560-000		
Acct Description	WU/Ops/TandD/Repairs and Maintenance – Water System (Line 2)	\$ 150,000.00	
	<i>Additional Funds</i>	\$ 16,702.00	\$ <16,702.00>
	Total for Contract	\$ 166,702.00	
Contract No.	TBD		
Vendor	Glenmount Global Solutions, Inc.		
	Contract Amount	\$ 158,764.00	
	5% Contingency	\$ 7,938.00	
	Total Funds Certified	\$ 166,702.00	

BACKGROUND:

Request For Proposals (RFP) was opened on June 22, 2020 and Glenmount Global Solutions (GGS), Inc. submittal was the only proposer that submitted. The RFP package was pulled by multiple companies who all had ample time to submit proposals. The RFP from GGS was reviewed, graded and assessed by a panel of Department employees. GGS was highly rated and recommended for approval by the panel members. The original proposal was in the total amount of \$531,816.00. The best and final offer in the total amount of \$476,292.00 was negotiated and

determined to be fair and reasonable. GGS has been providing professional support and maintenance services for the Department's Pua Loke Master SCADA System for over 13 years. The Department has 2 SCADA servers, 5 desktop computers, 9 laptop computers, 96 remote terminal units, and a network of telemetry equipment to relay communications between sites. The approval of this proposal will allow the Department to continue to operate and maintain the SCADA System for the next 3 years.

OPTIONS:

Option 1: Approve Manager's Report as recommended.

Pro: The Department will be able to provide continued uninterrupted water service to our customers using our automated SCADA systems. With GGS technical support, IT and Operations staff can focus on regular duties of their positions.

Con: The Department would incur the cost of the maintenance contract for \$158,764.00 annually.

Option 2: Disapprove Manager's Report as recommended.

Pro: The Department would save the cost of the yearly maintenance contract.

Con: With no SCADA support, the burden would fall onto an already overloaded IT Division to maintain our servers and remote systems. SCADA Outages, including water outages, would be expected with extended response time for troubleshooting. These outages, if technical expertise is required, could last indefinitely, resulting in increased operational cost to manually maintain tank levels as well as deep well pump and motor operations.

VR/RS:ein

Mgrpp/August 2020/20-03/Discussion and Possible Action on a Request for Proposal Contract to Glenmount Global Solutions, Inc., Job No. 20-03, Supervisory Control & Data Acquisition System Maintenance and Professional Consultation Services (8-27-20):ein

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 21-04

August 27, 2020

Re: Discussion and Possible Action for the Board to approve a Right of Entry Agreement from Grove Farm Company, Inc., Visionary LLC, Haile Moe Inc., and Haupu Land Company LLC for Job No. 16-02, Water Plan 2020 No. PLH-35b, "Kapaia Cane Haul Road 18" Main" project that will allow the Department to construct the project, affecting Lihue, Kaua'i, Hawai'i in the following:

- a. TMK: (4) 3-7-001:001
- b. TMK: (4) 3-8-018:001
- c. TMK: (4) 3-8-018:002

RECOMMENDATION:

It is recommended that the Board approve the Right of Entry (ROE) Agreement from Grove Farm Company, Inc., Visionary LLC, Haile Moe Inc., and Haupu Land Company LLC (collectively "Permitors") the land owner, to proceed with the construction work involved with the Kapaia Cane Haul Road 18" Main project.

Further, Board approval is specifically requested of the indemnification provisions in the Right of Entry Agreement from Grove Farm wherein Board agrees to indemnify, defend (with legal counsel acceptable to Grantor) and hold harmless from and against any loss, damage, injury (including death), accident, fire or other casualty, liability, claim, cost or expense (including but not limited to attorneys' fees) of any kind or character as to any person or property arising from or caused by (i) use of the Premises by Grantee, (ii) any act or omission of Grantee relating in any way to this right-of entry, (iii) any bodily injury (including death), property damage, accident, fire or other casualty on the Premises attributable to the use, act or omission described in subparts (i) and (ii), (iv) any violation or alleged violation by Grantee of any law, ordinance, or regulation now or hereafter enacted, and (v) any enforcement by Grantors of any provision of this ROE. This Section 7 shall survive the termination or expiration of this ROE.

FUNDING: N/A

BACKGROUND:

The DOW is proposing to construct the Kapaia Cane Haul Road 18" Main project. The majority of the land the project is located on is privately owned. A right of entry is needed from the land owners for the Department and Department's duly authorized employees, agents, consultants, and other representatives to have the legal right to enter onto the Premises for the Permitted Uses. The land owner will grant necessary easements to the Department after construction of the project is completed.

The construction contractor is required to complete a separate ROE with the land owners for this project and is not covered in this ROE for the DOW.

OPTIONS:

Option 1: Approve Manager's Report as recommended.

Pro: The ROE will allow the DOW the right to enter onto Permitors land for the project.

Con: None.

Option 2: Do Not Approve Manager's Report as recommended.

Pro: None.

Con: The DOW will not be able to legally enter onto Permitors property for the project.

KA/ein

Attachment(s): Right of Entry Agreement and Tax Map

Mgrrrp/August 2020/21-04/Discussion and Possible Action for the Board to approve a Right of Entry Agreement from Grove Farm Company, Inc., Visionary LLC, Haile Moe Inc., and Haupū Land Company LLC for Job No. 16-02, Water Plan 2020 No. PLH-35b, "Kapaia Cane Haul Road 18" Main" project that will allow the Department to construct the project, affecting Lihue, Kaua'i, Hawai'i in the following: a) TMK: (4) 3-7-001:001, b) TMK: (4) 3-8-018:001 & c) TMK: (4) 3-8-018:002 (8-27-20):ein

RIGHT-OF-ENTRY

THIS INDENTURE made this ____ day of _____, 2020, by and between Grove Farm Company, Incorporated, a Hawaii corporation, whose mailing address is 3-1850 Kaumualii Highway, Lihue, Kauai, Hawaii 96766-7069; Visionary LLC, a Virginia limited liability company, whose mailing address is 3-1850 Kaumualii Highway, Lihue, Kauai, Hawaii 96766-7069; Haile Moe Incorporated, a Hawaii corporation, whose mailing address is 3-1850 Kaumualii Highway, Lihue, Kauai, Hawaii 96766-7069; and Haupu Land Company LLC, a Delaware limited liability company, whose mailing address is 3-1850 Kaumualii Highway, Lihue, Kauai, Hawaii 96766-7069 (hereinafter collectively, the "Grantor"), and the BOARD OF WATER SUPPLY of the County of Kaua'i, whose mailing address is 4398 Pua Loke Street, Lihu'e, Hawai'i 96766 (hereinafter, the "Board").

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 Board, and its officers, employees, and agents (hereinafter collectively, the "Grantee"), a right of entry as provided below, 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) 3-7-01:001, (4) 3-8-18:001, and (4) 3-8-18:002 and as illustrated in the map attached hereto as Exhibit "A" and made a part hereof (the "Premises").
2. The Premises shall be used by the Grantee for the sole purposes of: (i) inspecting and administering construction related activities required for, and all necessary appurtenances for Job No. 16-02, Kapaia Cane Haul Road 18-inch Main, undertaken pursuant to the Entry right-of-entry by and between Grove Farm Company, Incorporated and _____, dated _____; and (ii) upon completion of such construction related activities, 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 Premises, with or without vehicles or equipment, as the Grantee deems reasonably necessary for the proper operation of its water system. Grantee shall observe and comply with, all laws, ordinances, rules, and regulations now or hereafter made by the federal, state, and local governments affecting or applicable to the Premises and this right-of-entry.
3. This right-of-entry shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

4. The Grantor warrants and covenants with the Grantee that Grantor is the fee simple owner of the Premises, has full right to convey said right-of-entry and will warrant and defend the right-of-entry granted herein against all adverse claims.
5. 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.
6. 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) 3-7-01:001, (4) 3-8-18:001, and (4) 3-8-18:002 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 Premises, with or without vehicles or equipment, as the Grantee deems reasonably necessary for the proper operation of its water system.
7. The Board hereby agrees to indemnify, defend (with legal counsel acceptable to Grantor) and hold harmless from and against any loss, damage, injury (including death), accident, fire or other casualty, liability, claim, cost or expense (including but not limited to attorneys' fees) of any kind or character as to any person or property arising from or caused by (i) use of the Premises by Grantee, (ii) any act or omission of Grantee relating in any way to this right-of-entry, (iii) any bodily injury (including death), property damage, accident, fire or other casualty on the Premises attributable to the use, act or omission described in subparts (i) and (ii), (iv) any violation or alleged violation by Grantee of any law, ordinance, or regulation now or hereafter enacted, and (v) any enforcement by Grantors of any provision of this right-of-entry. This Section 7 shall survive the termination or expiration of this right-of-entry.
8. Grantee accepts the Premises in their condition as of the date of this right-of-entry and acknowledges that Grantor has made no representations concerning the condition of the Premises. Grantee hereby releases Grantor from any and all liabilities and claims which may arise from the presence or release of hazardous materials at or from the Premises.
9. This right-of-entry is subject to the prior rights of any lessees, tenants, and/or prior licensees of Grantor, and Grantee shall take all necessary steps to ensure that the Grantee's exercise of the rights and privileges granted herein do not

cause substantial interference with any lessees, tenants, and/or prior licensees of Grantor or Grantor's operations in or near the Premises.

10. The Board shall ensure that any person who accesses the Premises on behalf of Grantee pursuant to this right-of-entry is covered by a policy of commercial general liability insurance, written on an occurrence basis, on which Grantor shall be named as an additional insured, insuring against liability for injury to persons and/or property and/or death of persons occurring in, on or about the Premises caused by Grantee's conduct caused by, related to or arising out of the use of the Premises by Grantee or by the exercise of any of Grantee's rights under this right-of entry, with a limit of liability of not less than Two Million Dollars (\$2,000,000) combined single limit. Such coverage afforded to Grantor shall be primary and non-contributory. All such insurance shall also provide for fire, personal and advertising injury, and contractual liability coverage. Such policy or policies or certificate showing the above coverage shall be deposited with Grantor concurrently with the execution and delivery of this right-of-entry. The Board shall also ensure that each such Grantee accessing the Premises shall be covered by: (i) Workers Compensation Insurance that provides statutory benefits and coverage imposed by applicable state or federal law for Grantee; (ii) Employer's Liability Insurance in an amount not less than Five Hundred Thousand Dollars (\$500,000.00) for each accident for bodily injury, Five Hundred Thousand Dollars (\$500,000.00) policy limit for bodily injury by disease, and Five Hundred Thousand Dollars (\$500,000.00) for per employee for bodily injury by disease; and (iii) Commercial Automobile Liability Insurance coverage with limits of not less than One Million Dollars (\$1,000,000.00) per person for bodily injury and One Million Dollars (\$1,000,000.00) for property damage per occurrence specifying "all autos" coverage or "all owned, leased, hired or non-owned autos."
11. Grantee shall not cause nor permit the use, storage, treatment, disposal, discharge or release of any hazardous materials in, at or upon the Premises.
12. Grantee shall not suffer or permit to be enforced against the Premises, or any part thereof, any mechanic's, materialmen's, contractors' or subcontractors' liens or any claim for damage.

[Signature pages follow]

GRANTORS:

GROVE FARM COMPANY, INCORPORATED,
a Hawaii corporation

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

VISIONARY LLC,
a Virginia limited liability company

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

HAILI MOE INCORPORATED,
a Hawaii corporation

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

HAUPU LAND COMPANY LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

GRANTEE:

BOARD OF WATER SUPPLY, COUNTY
OF KAUA'I

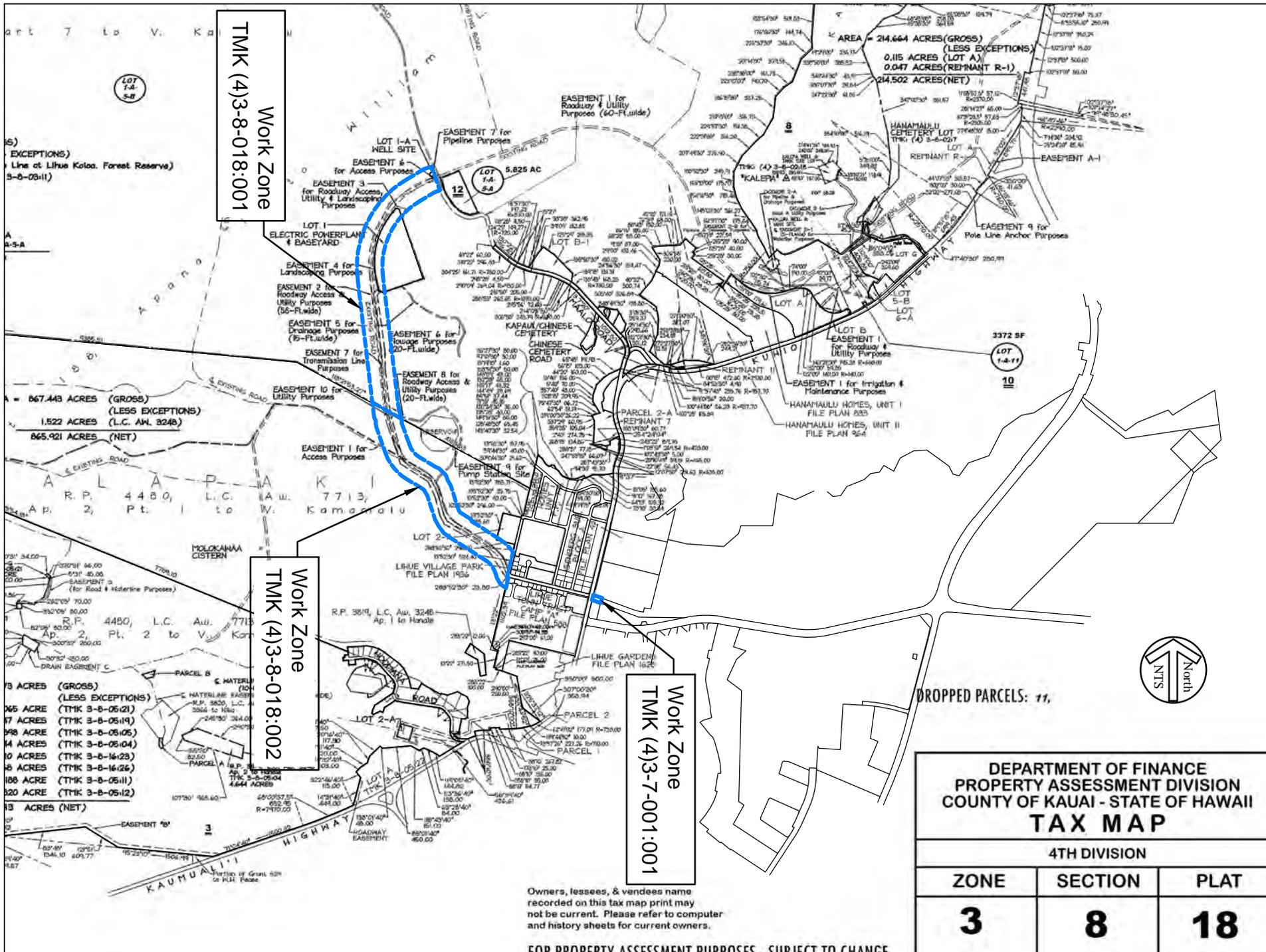
RECOMMEND APPROVAL:

Keith Aoki, Engineering Division Head

Chairperson

APPROVED AS TO FORM
AND LEGALITY:

Deputy County Attorney



Work Zone
TMK (4)3-8-018:001

Work Zone
TMK (4)3-8-018:002

Work Zone
TMK (4)3-7-001:001

Owners, lessees, & vendees name recorded on this tax map print may not be current. Please refer to computer and history sheets for current owners.

FOR PROPERTY ASSESSMENT PURPOSES - SUBJECT TO CHANGE

DEPARTMENT OF FINANCE PROPERTY ASSESSMENT DIVISION COUNTY OF KAUAI - STATE OF HAWAII TAX MAP		
4TH DIVISION		
ZONE	SECTION	PLAT
3	8	18

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 21-05

August 27, 2020

Re: Discussion and Possible Action on the Manager's approval of a deviation from the Rules and Regulations of the Board for the Pua Loke 'Ohana Zone Project ("Project") which postponed the requirement of the grant of easement for the Project's water meter located on TMK: 3-8-005: Por 002, Lihu'e, Kaua'i, Hawai'i and permits the issuance of a Certificate of Completion for the Project pending the County's receipt of an Executive Order from the Governor

RECOMMENDATION:

It is recommended that the Board endorse the Manager's approval of a deviation from the Rules and Regulations of the Board for the Pua Loke 'Ohana Zone Project.

FUNDING: N/A

BACKGROUND:

The Project is located on State owned land. The County has informed the Department of Water (DOW) that they are working on an executive order with the State that would transfer control to the County over the Project site. However, the issuance of the executive order will not occur prior to the completion of the Project.

The construction drawings (plans) titled "Lihu'e Affordable Housing Homeless Families" for the Project, which have been approved, call for the water meter for the project to be located in a proposed easement on the State parcel. The easement would allow the DOW access to the water meter located in the State parcel. The plans require the easement to be completed as one of the required items needed prior to the DOW issuing a Certification of Completion ("COC") for the water facilities installed with the project plans. The DOW's conditional approval letter for the Project's water meter requires that a COC be completed prior to the water meter (application) approval. The County has requested that the DOW approve the water meter without the easement being completed on the subject State parcel.

The Rules and Regulations of the Board require an easement be granted/provided for DOW facilities located outside of government road right of ways. (Ref. section 102.02 and 104.03 of the Water System Standards which are part of the Rules and Regulations). The County has stated to the DOW that the issuance of the executive order will not occur prior to the completion of the Project. Any delays in obtaining the water meter will delay the use of the Affordable Housing for people in need.

As required by the Rules and Regulations, the Manager has found the following:

Finding 1: Strict application of the rule would cause an absurd, unfair, or unreasonable harsh result.

There is a high probability that an executive order will be issued for the state lands upon which the Project is currently under construction. The BLNR issued the right of entry and indicated its intent to reset aside the lands for the purposes of the Project. Once an executive order is issued a grant of easement can be executed by the County under the authority granted in the executive order. During the period between the completion of construction and the issuance of an executive order there is low to no risk to the Board's

rights. Given the BLNR's expressed intent to set aside the lands for the Project it is highly unlikely that the lands would be sold or otherwise conveyed. Thus, no subsequent owner would be deprived of notice and the Board's rights related to the placement of its facilities on the land would not be in jeopardy.

The Manager's approval is to allow for the deferral of a grant of easement, it does not waive the requirement, which would jeopardize the Board's rights. Strict application would prohibit the water service connection for the Project which would delay the goal of the Project of "improving the health and well-being of individuals experiencing homelessness and providing access to needed services" when a grant of easement is guaranteed once an executive order is issued.

Finding 2: The Project circumstance is unique and exceptional, and similarly situated projects would be granted the same request.

The Project is a part of the statewide initiative to address homelessness:

"In 2018, the Hawaii State Legislature passed Act 209, which appropriated \$30 million in `Ohana Zone funds to address homelessness statewide. In 2019, the Legislature passed Act 128, which appropriated an additional \$2 million for `Ohana Zones. Acts 209 and 128 requires that projects receiving `Ohana Zone funds have a connection to state and county land, and that projects provide services to assist homeless individuals and families to access permanent housing. A minimum of six projects were required to be developed with these funds – three (3) sites on Oahu, and one (1) site each on Maui, Kauai, and Hawaii Island. As described in Act 209, "Ohana zones will have the goal of improving the health and well-being of individuals experiencing homelessness and providing access to needed services."

As mentioned above, this is the only site in the County and, as such, it is unique. Furthermore, this Project is a direct result of Governor Ige's emergency proclamation October 16, 2015 to address homelessness issue and is a cooperative endeavor to address homelessness, mental health and substance abuse, and transitional and supportive housing. As the Project is the first and only of its kind in the County it is exceptional. Were additional project site locations identified in the County and were to complete construction before the issuance of an executive order for the set aside of the state lands, these projects would also likely be permitted to defer the execution of a grant of easement.

Finding 3: The deferral is both reasonably necessary and expedient, and is not contrary to the law or the intent and purposes of the Board's Rules.

As noted in Finding 1, the Manager's approval allows for the deferral of a grant of easement, it does not waive the requirement, which would jeopardize the Board's rights. The deferral is reasonably necessary and expedient to address the lack of secure, safe, and sanitary shelter, and adequate health and social services in the community. Additionally, it is not contrary to the law or intent and purposes of the Board Rules as it is merely a deferral, not a waiver, and there is little to no risk to the Board's rights during the interim period.

In light of the Manager's findings, the DOW is recommending endorsement of the Manager's approval of a deviation from the Rules and Regulations of the Board for the Pua Loke `Ohana Zone Project.

OPTIONS:

Option 1: Endorse the Manager's approval of a deviation from the Rules and Regulations of the Board for the Pua Loke 'Ohana Zone Project.

Pros: Under an executive order the County would have the authority to encumber state lands which includes entering into a grant of easement. However, as title does not pass to the County, the deviation approved by the Manager allows the County and the Board to enter into a grant of easement once the executive order is issued. This would preserve the rights of the Board for its infrastructure in property not owned by the County which is consistent with the Rules and Regulations of the Board, past practice, and standard practice related to real property.

Cons: Access to the meter in the interim period will be without any authority.

Option 2: Overturn or nullify the Manager's approval of a deviation from the Rules and Regulations of the Board for the Pua Loke 'Ohana Zone Project.

Pros: The Department will not be deviating from the Rules and Regulations of the Board.

Cons: The water meter approval and use of the Project will held up until either an easement is provided to the DOW or, the executive order is issued by the Governor to the County and a grant of easement is completed.

MK/ein

Mgrrp/August 2020/21-05/Discussion and Possible Action on the Manager's approval of a deviation from the Rules and Regulations of the Board for the Pua Loke 'Ohana Zone Project ("Project") which postponed the requirement of the grant of easement for the Project's water meter located on TMK: 3-8-005: Por 002, Lihu'e, Kaua'i, Hawai'i and permits the issuance of a Certificate of Completion for the Project pending the County's receipt of an Executive Order from the Governor (8-27-20):ein

Staff Reports



DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

FISCAL REPORT: MONTHLY SUMMARY HIGHLIGHTS – JULY, 2020

I. BUDGET SUMMARY VS. ACTUAL (see attached report for details)

YEAR TO DATE (YTD) BUDGET & ACTUAL EXPENSES SUMMARY – AS OF JULY, 2020

	<u>BUDGET</u>	<u>vs</u>	<u>EXPENSED</u>
· Operating Expenses	\$6,914,654		\$1,770,335
· Debt Principal Payment	430,045		3,790,538
· Capital Projects	<u>19,034,982</u>		<u>47,811</u>
TOTAL	<u>\$26,379,681</u>		<u>\$3,838,349</u>

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

- Total Revenue as of July, 2020 was 2% below projection.
 - Water sales of \$2.4 million (M) was \$473.5 thousand (K) higher than projected.
 - Other Water Revenue - Receipts of \$7K was \$17.8K below projection or – (71%).
 - Capital Contributions: Contributions from Federal & State Grants – None.
 - Investment Income & Net Increase in FV of Investments –\$26.4K.
 - Miscellaneous Revenues - None

OPERATING EXPENSES: VARIANCE = BUDGET LESS ACTUAL

EXPENSES; POSITIVE INDICATES LESS SPENDING THAN PLANNED. **REVISED YTD BUDGET COLUMNS INCLUDE PO ROLLOVER FROM FY ENDING 2020.**

- YTD Operating Expenses before depreciation and amortization was \$1.77M. Total spending was \$515.2K less than planned or budgeted based on the original budget; and \$5.1M over based on the revised budget that included the PO rollover; a positive variance of 74%.
 - Employee Related Expenses –\$849.5K with a 9% positive variance.
 - Contracts & Services – \$312.9K with a 94% positive variance.
 - Professional Services, Other Services – Billing, Communication, Insurance and Repairs and Maintenance for non-water systems are the main items contributing to the 94% positive variance.
 - Exceptional Expenses – None.
 - Fuel & Utilities – \$196K with a 36% positive variance.
 - Bulk Water Purchase –\$120K with a 21% positive variance.
 - Office & Operating Supplies – \$46.4K with 89% positive variance.
 - Training, Travel & Meeting Expenses – None.
 - Debt Service – Interest Expense - \$245.3 with 3% positive variance.
 - Depreciation & Amortization (non-cash expenses) is \$598.3K with 1% positive variance.



DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

NET OPERATING INCOME:

- Net Operating Income before depreciation and amortization - \$890.2K
- Net Operating Income after depreciation & amortization was \$291.9K.

NON-OPERATING PROCEEDS & DISBURSEMENTS

- SRF Loan Proceeds – None.
- FRC – Facility Reserve Charge –\$42.6K.
- YTD Debt Principal Payment is \$3.79M.

CAPITAL PROJECTS BUDGET: YTD DISBURSEMENTS = \$47,810.57

- Capital Projects: Water Utility Fund - \$8.15K
- Capital Projects: FRC Fund – None
- Capital Projects: BAB Fund - \$39.66K
- Capital Projects: SRF Loan Fund - None

II. FY 2020 – 2021 CERTIFICATION OF FUNDS YTD \$183,315.

	REPORT TO MANAGER (with approved Budget)	MANAGER'S REPORT (New Budget Requests)
Water Utility Fund	\$0	\$183,315
FRC Fund	\$0	\$0
BAB Fund	\$0	\$0
Total	\$0	\$183,315

III. COMPARATIVE CHARTS:

METERED CONSUMPTION:

- July, 2020, monthly metered consumption was 335.2 million gallons (mg) which decreased by 30.68 mg as compared from the same month of FY 2020.
- Year to Date (YTD) metered consumption as of 7/31/20 was 335.2 mg with a YTD cumulative decrease of 30.68 mg as compared from the same month of FY 2020.

IV. COMPARATIVE BALANCE SHEET: SEE ATTACHED.

Statement of Net Position as of July 31, 2020 (unadjusted).

V. OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:

- Fiscal Year end closing is in progress.
- FY 2020 Financial Audit is in progress.
- On-going; Water Audit for Calendar Year 2019.
- Purchase Order Rollover – added to the FY 2021 approved budget
- Clarification to the questions posed by Mr. Dill during the July board meeting regarding the following DOW actions:



DEPARTMENT OF WATER

County of Kaua'i

“Water has no Substitute – Conserve It!”

- **The meter cuts (M-Cuts) for delinquent accounts was suspended due to COVID 19 until further notice; guidance used - Rules & Regulations; Part 2**
 - SECTION XI - DISCONTINUATION OF WATER SERVICE Water Service may be discontinued for the following reasons: 1. Nonpayment of Bills. Water service may be discontinued for the nonpayment of a bill within thirty (30) days after the mailing or presentation thereof to the consumer.
- **Penalties for delinquent accounts will be waived upon customer request. Guidance used – Rules & Regulations Part 4.**
 - SECTION X – LATE CHARGES A late payment charge **may be** applied to any delinquent balance payable to the Department. The late payment charge shall be assessed at the rate of half a percent (0.5%) for each month or fraction thereof against the delinquent balance, beginning 30 days after the date of the bill. For the purposes of this section, 'delinquent balance' includes any loan, fee, charge, or other liquidated sum which is 30 days past due to the Department, regardless of whether there is an outstanding judgment for that sum, and whether the sum has accrued through contract, subrogation, tort, operation of law, or administrative order.
- Five (5) years Water Rate Study – The Department met with the Finance Committee (FC) on 8/14/20 and recommended to terminate the rate study and start fresh with a new data when a more reliable data can be established. The FC concurred with this recommendation so this option to terminate the rate study is now submitted to the full Board for final approval.
- FEMA update: DOW submitted a request for an additional 30 months' extension to complete two outstanding projects for FEMA grant funding reimbursement; the Makaleha tunnel and Mānoa Stream.
- Develop Financial Policies for DOW – Scope of work is in progress; procurement of Consultants will follow.
- Budget Program Solution – It will be addressed concurrently with the Financial Policies Development procurement.
- On-going; Fiscal and IT are working together to implement Office 365; Great Plains (GP) upgrade to the cloud, update the 2007 Depreciation Study & implement Share point in the cloud.
- Depreciation Study – Kicked off meeting with consultants was completed. Anticipated completion is 11/2020.
- Fiscal is working with a consultant to review and analyze Grove Farm's revenue and rate of return's worksheet.

MY/ein



Department of Water, County of Kauai
 Monthly Budget Summary vs. Actual
 SUMMARY
 7/31/2020

	July				FY 2021			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
I. OPERATING BUDGET								
Revenue								
Water Sales	\$1,916,124.00	\$1,916,124.00	\$2,389,627.75	\$473,503.75	\$1,916,124.00	\$2,389,627.75	\$473,503.75	25%
Revenue from Public Fire Protection	181,192.00	181,192.00	181,191.50	(0.50)	181,192.00	181,191.50	(0.50)	
Other Water Revenue	25,000.00	25,000.00	7,129.05	(17,870.95)	25,000.00	7,129.05	(17,870.95)	(71%)
Federal Grants	49,021.00	49,021.00		(49,021.00)	49,021.00		(49,021.00)	(100%)
State Grants	375,000.00	375,000.00		(375,000.00)	375,000.00		(375,000.00)	(100%)
Capital Contributions	46,723.00	46,723.00	56,452.56	9,729.56	46,723.00	56,452.56	9,729.56	21%
Net Increase in Fair Value of Investments	2,500.00	2,500.00		(2,500.00)	2,500.00		(2,500.00)	(100%)
Investment Income	11,250.00	11,250.00	26,425.91	15,175.91	11,250.00	26,425.91	15,175.91	135%
Gain or Loss on Disposal of Capital Assets	417.00	417.00		(417.00)	417.00		(417.00)	(100%)
Gain or Loss from the Retirement of Debt								
Miscellaneous Revenues	83.00	83.00	(330.54)	(413.54)	83.00	(330.54)	(413.54)	(498%)
Total Revenue	2,607,310.00	2,607,310.00	2,660,496.23	53,186.23	2,607,310.00	2,660,496.23	53,186.23	2%
Employee-Related Expenses								
Salaries and Wages (includes Leaves & CTO)	541,224.00	541,224.00	452,181.65	89,042.35	541,224.00	452,181.65	89,042.35	16%
Temporary Assignment	5,042.00	5,042.00	8,779.63	(3,737.63)	5,042.00	8,779.63	(3,737.63)	(74%)
Overtime	39,750.00	39,750.00	58,640.72	(18,890.72)	39,750.00	58,640.72	(18,890.72)	(48%)
Standby	16,250.00	16,250.00	17,940.30	(1,690.30)	16,250.00	17,940.30	(1,690.30)	(10%)
FICA	46,075.00	46,075.00	39,023.75	7,051.25	46,075.00	39,023.75	7,051.25	15%
Retirement Contribution	143,644.00	143,644.00	119,820.33	23,823.67	143,644.00	119,820.33	23,823.67	17%
Life & Health Insurance	53,623.00	53,623.00	46,350.12	7,272.88	53,623.00	46,350.12	7,272.88	14%
Workers Compensation								
Unemployment Compensation								
Post Employment Benefits (OPEB)	89,748.00	89,748.00	106,780.25	(17,032.25)	89,748.00	106,780.25	(17,032.25)	(19%)
Total Employee-Related Expenses	935,356.00	935,356.00	849,516.75	85,839.25	935,356.00	849,516.75	85,839.25	9%
Contracts & Services								
Professional Services-General	294,316.00	3,910,893.78	46,374.14	3,864,519.64	3,910,893.78	46,374.14	3,864,519.64	99%
Professional Services-Accounting & Auditing	8,900.00	119,500.00		119,500.00	119,500.00		119,500.00	100%
Other Services-General	4,249.00	48,769.50	2,761.83	46,007.67	48,769.50	2,761.83	46,007.67	94%
Other Services-Billing Costs	14,952.00	102,459.83		102,459.83	102,459.83		102,459.83	100%
Public Relations-General	9,644.00	16,911.67	1,507.86	15,403.81	16,911.67	1,507.86	15,403.81	91%
Procurement Advertising	833.00	833.00	6,446.68	(5,613.68)	833.00	6,446.68	(5,613.68)	(674%)
Communication Services	10,871.00	61,899.45	7,830.21	54,069.24	61,899.45	7,830.21	54,069.24	87%
Freight and Postage	1,198.00	2,264.78		2,264.78	2,264.78		2,264.78	100%
Rentals and Leases	10,923.00	29,882.96	8,722.96	21,160.00	29,882.96	8,722.96	21,160.00	71%
Insurance	12,917.00	12,917.00		12,917.00	12,917.00		12,917.00	100%
County Service Charge	181,192.00	181,192.00	181,191.50	0.50	181,192.00	181,191.50	0.50	
Repairs and Maintenance-Water System	17,583.00	23,551.02		23,551.02	23,551.02		23,551.02	100%
Repairs and Maint-Non Water System	30,391.00	306,566.47	58,054.37	248,512.10	306,566.47	58,054.37	248,512.10	81%
Total Contracts & Services	597,969.00	4,817,641.46	312,889.55	4,504,751.91	4,817,641.46	312,889.55	4,504,751.91	94%



Department of Water, County of Kauai
 Monthly Budget Summary vs. Actual
 SUMMARY
 7/31/2020

	July				FY 2021			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
Exceptional Expenses								
FY2014 & FY2015 Kalaheo Emergency								
FY 2015 Kilauea								
Abandoning Hanamaulu Wells 1 & 2								
Total Exceptional Expenses								
Fuel & Utilities								
Utility Services	238,657.00	277,138.30	187,826.07	89,312.23	277,138.30	187,826.07	89,312.23	32%
Fuel	10,208.00	27,690.50	8,318.59	19,371.91	27,690.50	8,318.59	19,371.91	70%
Total Fuel & Utilities	248,865.00	304,828.80	196,144.66	108,684.14	304,828.80	196,144.66	108,684.14	36%
Bulk Water Purchase								
Bulk Water Purchase	151,681.00	151,681.00	119,979.38	31,701.62	151,681.00	119,979.38	31,701.62	21%
Total Bulk Water Purchase	151,681.00	151,681.00	119,979.38	31,701.62	151,681.00	119,979.38	31,701.62	21%
Office & Operating Supplies								
Office Supplies	1,833.00	2,184.26	230.63	1,953.63	2,184.26	230.63	1,953.63	89%
Operating Supplies	78,484.00	418,178.59	46,200.51	371,978.08	418,178.59	46,200.51	371,978.08	89%
Books, Subscriptions and Dues	5,874.00	19,324.00		19,324.00	19,324.00		19,324.00	100%
Books, Subscriptions and Dues - Board	91.00	91.00		91.00	91.00		91.00	100%
Total Office & Operating Supplies	86,282.00	439,777.85	46,431.14	393,346.71	439,777.85	46,431.14	393,346.71	89%
Training, Travel & Meeting Expenses								
Training and Development	6,966.00	6,966.00	80.00	6,886.00	6,966.00	80.00	6,886.00	99%
Travel and Per Diem	4,638.00	4,638.00		4,638.00	4,638.00		4,638.00	100%
Travel and Per Diem - Board								
Meeting Expense	1,656.00	1,656.00		1,656.00	1,656.00		1,656.00	100%
Meeting Expense - Board								
Total Training, Travel & Meeting Expenses	13,260.00	13,260.00	80.00	13,180.00	13,260.00	80.00	13,180.00	99%
Debt Service								
Interest Expense	252,109.00	252,109.00	245,293.44	6,815.56	252,109.00	245,293.44	6,815.56	3%
Total Interest Expense	252,109.00	252,109.00	245,293.44	6,815.56	252,109.00	245,293.44	6,815.56	3%
Total Operating Expenses	2,285,522.00	6,914,654.11	1,770,334.92	5,144,319.19	6,914,654.11	1,770,334.92	5,144,319.19	74%
Net Operating Income (Loss) Before Depreciation & Amortization	\$321,788.00	(\$4,307,344.11)	\$890,161.31	\$5,197,505.42	(\$4,307,344.11)	\$890,161.31	\$5,197,505.42	(121%)
Depreciation & Amortization								
Depreciation	541,667.00	541,667.00	578,677.62	(37,010.62)	541,667.00	578,677.62	(37,010.62)	(7%)
Amortization	62,721.00	62,721.00	19,577.71	43,143.29	62,721.00	19,577.71	43,143.29	69%
Total Depreciation & Amortization	604,388.00	604,388.00	598,255.33	6,132.67	604,388.00	598,255.33	6,132.67	1%
Net Operating Income (Loss)	(282,600.00)	(4,911,732.11)	291,905.98	5,203,638.09	(4,911,732.11)	291,905.98	5,203,638.09	(106%)



Department of Water, County of Kauai
 Monthly Budget Summary vs. Actual
 SUMMARY
 7/31/2020

	July				FY 2021			
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Revised YTD Budget</u>	<u>YTD Actual</u>	<u>*Variance</u>	<u>Variance %</u>
Non Operating Proceeds								
FRC-Facility Reserve Charge	(33,333.00)	(33,333.00)	42,565.00	75,898.00	(33,333.00)	42,565.00	75,898.00	(228%)
Total Non Operating Proceeds	(33,333.00)	(33,333.00)	42,565.00	75,898.00	(33,333.00)	42,565.00	75,898.00	(228%)
Transfers Out(In) to Other Funds								
Debt Principal Payment	430,045.00	430,045.00	3,790,537.74	(3,360,492.74)	430,045.00	3,790,537.74	(3,360,492.74)	(781%)
Net Proceeds (Expenditures)	(745,978.00)	(5,375,110.11)	(3,456,066.76)	1,919,043.35	(5,375,110.11)	(3,456,066.76)	1,919,043.35	(36%)
II. CAPITAL BUDGET								
Capital Projects (See Attached for Details)	2,350,620.00	19,034,981.81	47,810.57	18,987,171.24	19,034,981.81	47,810.57	18,987,171.24	100%



Department of Water, County of Kauai
 Monthly Budget Summary vs. Actual
 SUMMARY
 7/31/2020

	<u>July</u>				<u>FY 2021</u>			
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Revised YTD Budget</u>	<u>YTD Actual</u>	<u>*Variance</u>	<u>Variance %</u>
Capital Projects (See Attached for Details):								
Water Utility - Capital Projects (See Attached for Details)	1,794,370.00	15,032,534.87	8,148.07	15,024,386.80	15,032,534.87	8,148.07	15,024,386.80	100%
FRC Special Trust Fund - Capital Projects (See Attached for Details)	56,250.00	527,133.22		527,133.22	527,133.22		527,133.22	100%
BAB Fund - Capital Projects (See Attached for Details)	500,000.00	3,475,313.72	39,662.50	3,435,651.22	3,475,313.72	39,662.50	3,435,651.22	99%
SRF Loan Fund - Capital Projects (See Attached for Details)								
Total Capital Projects (See Attached for Details)	<u>2,350,620.00</u>	<u>19,034,981.81</u>	<u>47,810.57</u>	<u>18,987,171.24</u>	<u>19,034,981.81</u>	<u>47,810.57</u>	<u>18,987,171.24</u>	<u>100%</u>



Department of Water, County of Kauai
 Monthly Budget Summary vs. Actual
 10
 7/31/2020

	July				FY 2021			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
Capital Projects (See Attached for Details):								
10-02-00-604-999 WU-IT-RandR Capital Purchases--	9,359.00	193,099.34		193,099.34	193,099.34		193,099.34	100%
10-02-00-605-999 WU-IT-Expansion Capital Purchases--	13,333.00	38,276.47		38,276.47	38,276.47		38,276.47	100%
10-10-40-604-999 WU-QualRandR Capital Purchases	3,333.00	3,333.00		3,333.00	3,333.00		3,333.00	100%
10-20-00-604-001 WU-Eng-ALLR-17-10-KW-07 Paua Valley Tank Repair	7,083.00	24,353.12		24,353.12	24,353.12		24,353.12	100%
10-20-00-604-132 WU-Eng-ALLR-13-05 Kolo Rd Main Replacement		2,712.50		2,712.50	2,712.50		2,712.50	100%
10-20-00-604-138 WU-Eng-69%R-11-07 HE-03 Hanapepe & Koloa Well MCC		24,467.50		24,467.50	24,467.50		24,467.50	100%
10-20-00-604-146 WU-Eng-12%R-Job 15-7 HE-01&10HanapepeEleeleConn PL		3,426.68		3,426.68	3,426.68		3,426.68	100%
10-20-00-604-148 WU-Eng-56%R-Kuhio Hwy Hardy-Oxford 16IN Main Repla		171,593.09	8,148.07	163,445.02	171,593.09	8,148.07	163,445.02	95%
10-20-00-604-157 WU-Eng-16-4-WKK-03-Kilauea Wells MCC Rehab	20,833.00	87,696.70		87,696.70	87,696.70		87,696.70	100%
10-20-00-604-160 Job 18-02 Islandwide Rehabilitation of Tanks		346,218.15		346,218.15	346,218.15		346,218.15	100%
10-20-00-604-164 WU-Eng-Job. 18-9 Makaleha Tunnel		229,632.00		229,632.00	229,632.00		229,632.00	100%
10-20-00-604-999 WU-Eng-RandR Capital Purchases	833.00	833.00		833.00	833.00		833.00	100%
10-20-00-605-139 WU-Eng-ALLE-02-11 M-02 100K Tank & Pipeline Moloaa		125,200.00		125,200.00	125,200.00		125,200.00	100%
10-21-00-604-001 Job 17-10 KW-07 Paua Valley Tank Repair		2,375,000.00		2,375,000.00	2,375,000.00		2,375,000.00	100%
10-21-00-604-029 WU-Cns-44%R-09-01 Yamada Tank Clearwell, Conn Pipe	1,100,000.00	1,100,000.00		1,100,000.00	1,100,000.00		1,100,000.00	100%
10-21-00-604-146 Job 15-07 HE-01 HE-10 Kaunualii Hwy 16" Main Boost		4,931,895.55		4,931,895.55	4,931,895.55		4,931,895.55	100%
10-21-00-604-157 Job 16-4 WKK-03-Kilauea Wells MCC Rehab	312,917.00	312,917.00		312,917.00	312,917.00		312,917.00	100%
10-21-00-604-167 WU-CM-R&R-Kukuilono Tank Demo	62,500.00	62,500.00		62,500.00	62,500.00		62,500.00	100%
10-21-00-604-999 WU-CM-RandR Capital Purchases	833.00	833.00		833.00	833.00		833.00	100%
10-21-00-605-017 Job 16-02 PLH-35B Kapaia Cane Haul Rd 18" Main		3,195,675.00		3,195,675.00	3,195,675.00		3,195,675.00	100%
10-21-00-605-118 Job 02-14 WK39 WK08 Kapaa Hmstd Well 4; Pkg A Well		603,660.83		603,660.83	603,660.83		603,660.83	100%
10-21-00-605-146 Job 15-07 HE-01 HE-10 Kaunualii Hwy 16" Main Boost		125,231.08		125,231.08	125,231.08		125,231.08	100%
10-21-00-605-999 WU-CM-Expansion Capital Purchases	833.00	833.00		833.00	833.00		833.00	100%
10-30-00-604-999 WU-Bill-RandR Capital Purchases	13,250.00	13,250.00		13,250.00	13,250.00		13,250.00	100%
10-40-00-604-166 WU-Operations-R&R-SWTP Delivery Agreement-GroveFar	183,496.00	183,496.00		183,496.00	183,496.00		183,496.00	100%
10-40-00-604-999 WU-Ops-RandR Capital Purchases	64,250.00	398,836.95		398,836.95	398,836.95		398,836.95	100%
10-40-00-605-999 WU-Ops-Expansion Capital Purchases	1,517.00	477,564.91		477,564.91	477,564.91		477,564.91	100%
Total Capital Projects (See Attached for Details)	1,794,370.00	15,032,534.87	8,148.07	15,024,386.80	15,032,534.87	8,148.07	15,024,386.80	100%



Department of Water, County of Kauai
 Monthly Budget Summary vs. Actual
 20
 7/31/2020

	July				FY 2021			
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Revised YTD Budget</u>	<u>YTD Actual</u>	<u>*Variance</u>	<u>Variance %</u>
Capital Projects (See Attached for Details):								
20-20-00-605-117 FRC-Eng-ALLE-12-02 WK-23 UH Expmntal Storage Tank		26,832.00	26,832.00		26,832.00	26,832.00	26,832.00	100%
20-20-00-605-118 Job 04-08 WK-39 Drill Kapaa Homestead Well 4	37,500.00	118,426.50	118,426.50		118,426.50	118,426.50	118,426.50	100%
20-20-00-605-120 FRC-Eng-90%E-Kilauea 1.0MG Tank Job 02-06		7,212.24	7,212.24		7,212.24	7,212.24	7,212.24	100%
20-20-00-605-153 Job 15-08-HW-11-Haena 0.2MG Tank		58,672.48	58,672.48		58,672.48	58,672.48	58,672.48	100%
20-20-00-605-154 Job 17-11 Drill & Test Kilauea Well #3		297,240.00	297,240.00		297,240.00	297,240.00	297,240.00	100%
20-21-00-605-161 FRC-Cns-Hanapepe River Bridge Kaumualii Hwy	18,750.00	18,750.00	18,750.00		18,750.00	18,750.00	18,750.00	100%
Total Capital Projects (See Attached for Details)	56,250.00	527,133.22	527,133.22		527,133.22	527,133.22	527,133.22	100%



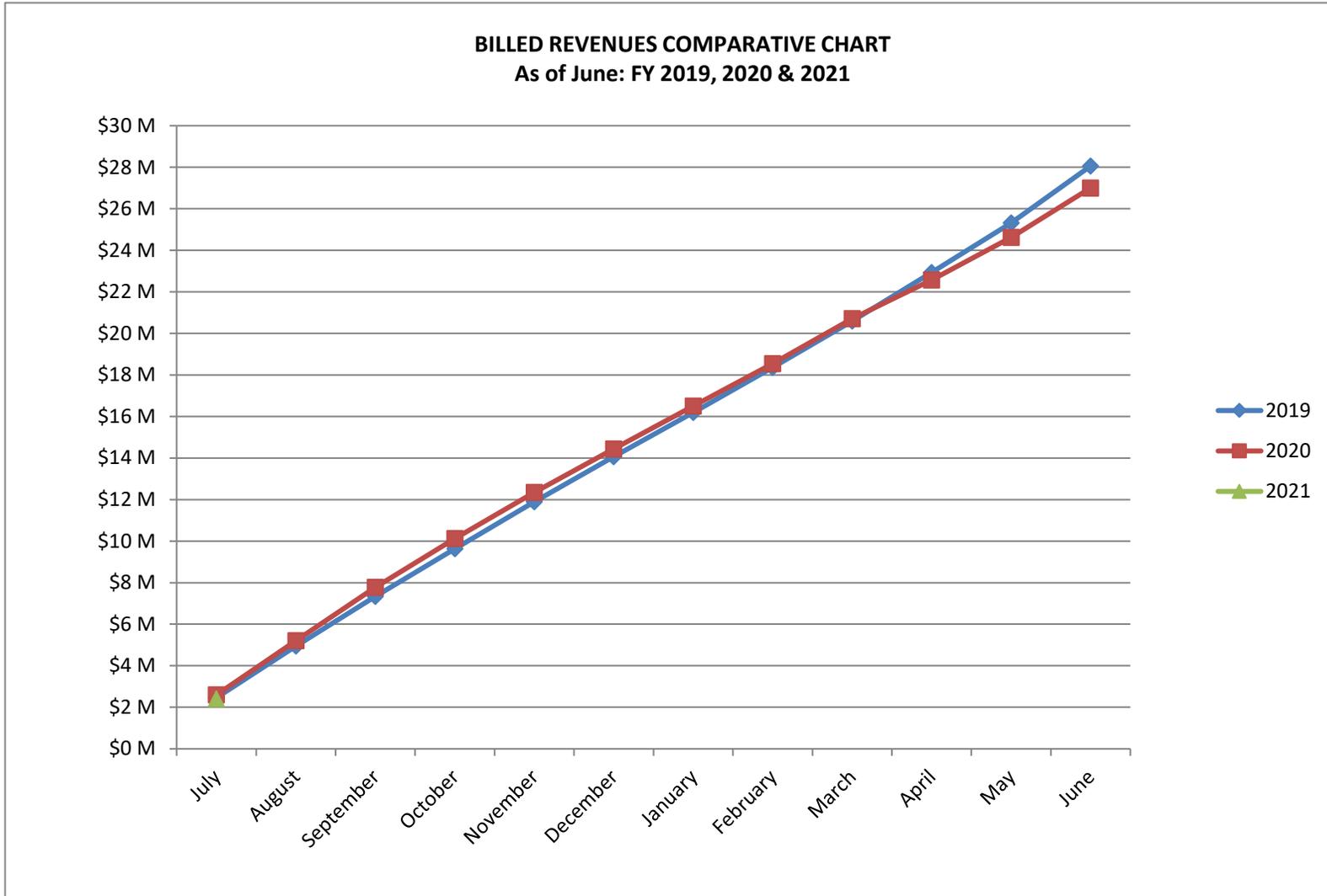
Department of Water, County of Kauai
 Monthly Budget Summary vs. Actual
 30
 7/31/2020

	July				FY 2021			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
Capital Projects (See Attached for Details):								
30-20-00-604-105 BAB-Eng-ALLR-09-01 K-01 Kalaheo 1111FT & 1222FT		332,924.26		332,924.26	332,924.26		332,924.26	100%
30-20-00-605-120 BAB-Cns-ALLE-02-06WKK15-Kilauea 466 Tank Puu Pane		22,649.00		22,649.00	22,649.00		22,649.00	100%
30-20-00-605-125 BAB-Eng-98%E-02-01 Land for Kukuiolono Tank Site		53,508.05		53,508.05	53,508.05		53,508.05	100%
30-20-00-605-139 BAB-Eng-ALLE-02-11 M-02 100K Tnk & Pipeline Moloaa		94,222.00		94,222.00	94,222.00		94,222.00	100%
30-21-00-604-017 Job 16-02 PLH-35B Kapaia Cane Haul Rd 18" Main		1,091,650.00		1,091,650.00	1,091,650.00		1,091,650.00	100%
30-21-00-604-107 Job 11-07 KP-09-MCC Chlor KoloaWell16-A,B,E		1,323,634.55		1,323,634.55	1,323,634.55		1,323,634.55	100%
30-21-00-605-029 BAB--09-01 Yamada Tank Clearwell, Conn Pip	500,000.00	500,000.00		500,000.00	500,000.00		500,000.00	100%
30-21-00-605-118 Job 04-08 WK39 WK08 Kapaa Hmstd Well 4; Pkg A Well		56,725.86	39,662.50	17,063.36	56,725.86	39,662.50	17,063.36	30%
Total Capital Projects (See Attached for Details)	500,000.00	3,475,313.72	39,662.50	3,435,651.22	3,475,313.72	39,662.50	3,435,651.22	99%

III.

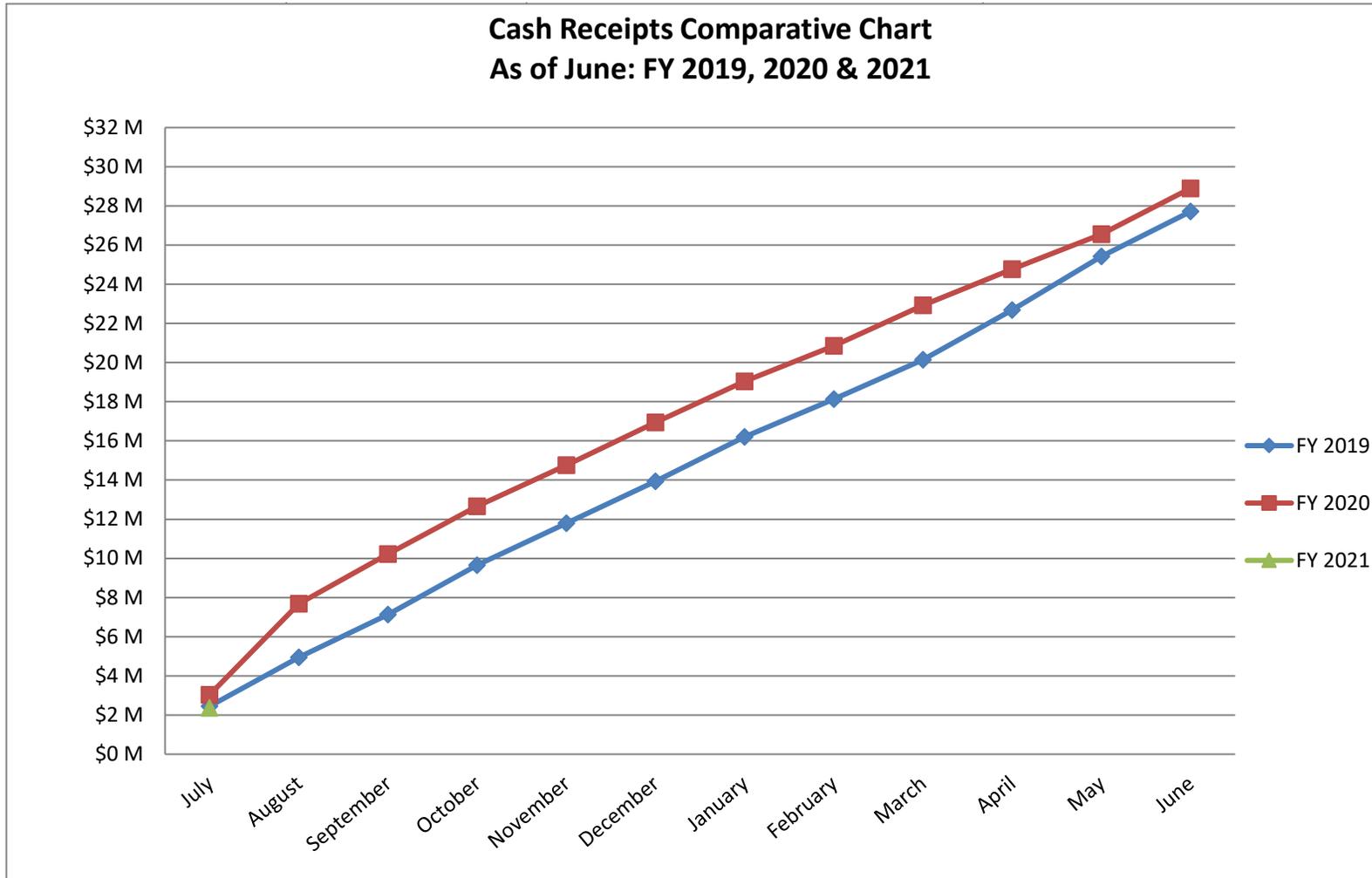
BILLED REVENUES COMPARATIVE REPORT
For Fiscal Years 2019, 2020 & 2021

		<u>2019</u>		<u>2020</u>		<u>2021</u>		Cum. Inc (Dec)	% Inc. (Dec.)
July	\$	2,459,791	\$	2,594,993	\$	2,399,952	\$	(195,041)	-7.52%

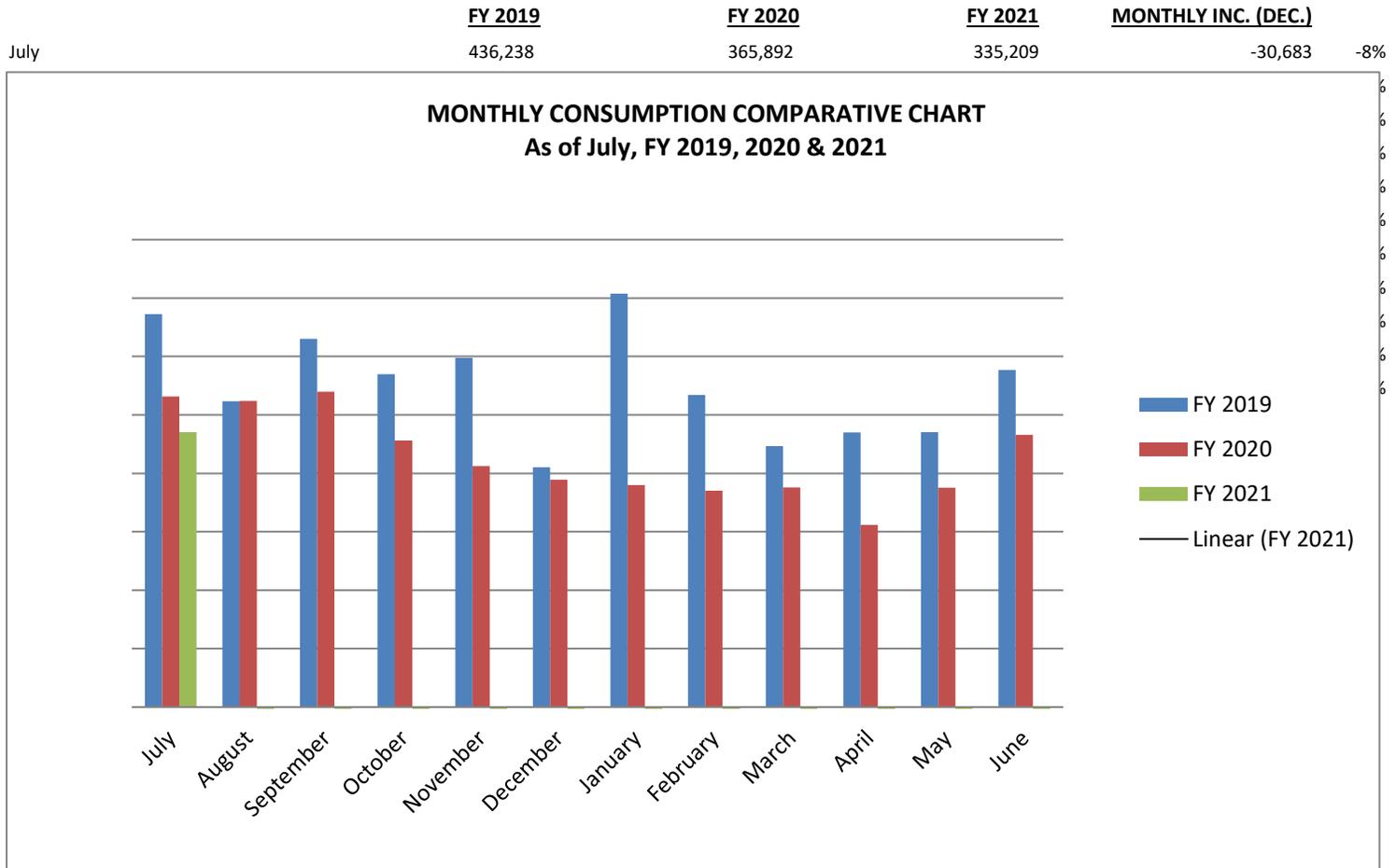


CASH RECEIPTS (W/U) COMPARATIVE REPORT
For Fiscal Years 2019, 2020 & 2021

		<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	Cum. Inc (Dec)	% of Inc (Dec)
July	\$	2,449,372 \$	3,035,518 \$	2,368,257 \$	(667,261)	-22%

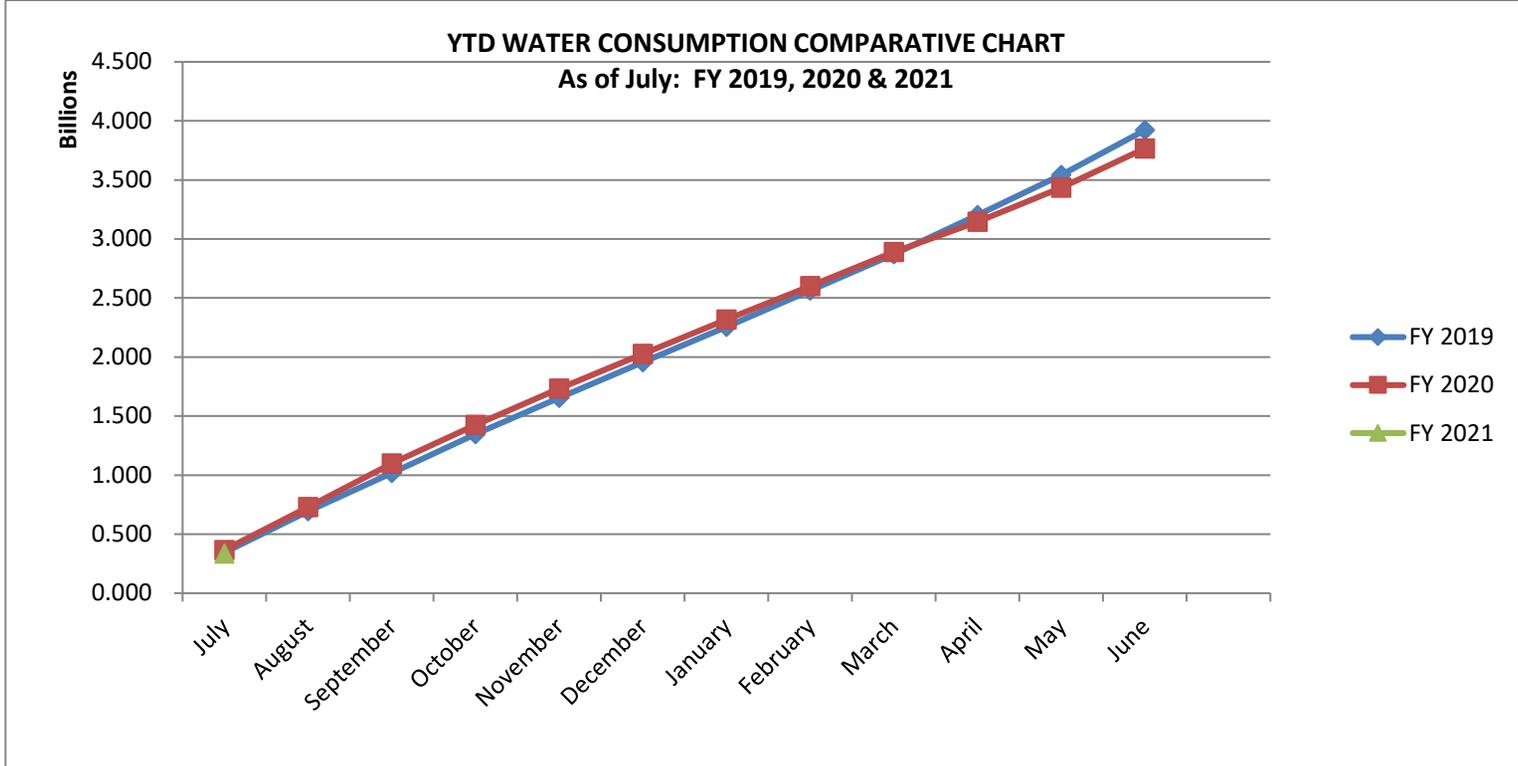


METERED CONSUMPTION (000 GALLONS) MONTHLY COMPARATIVE CHART
 For Fiscal Years 2019, 2020 & 2021
 (expressed in thousands)



YTD METERED CONSUMPTION (000 GALLONS) COMPARATIVE REPORT
 For Fiscal Years 2019, 2020 & 2021
 (expressed in thousands)

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>CUM. INC (DEC)</u>	<u>%</u>
July	344,364	365,892	335,209	-30,683	-8%



Department of Water - County of Kauai
 Statements of Net Position
 July 31, 2020 and 2019

Assets and Deferred Outflows

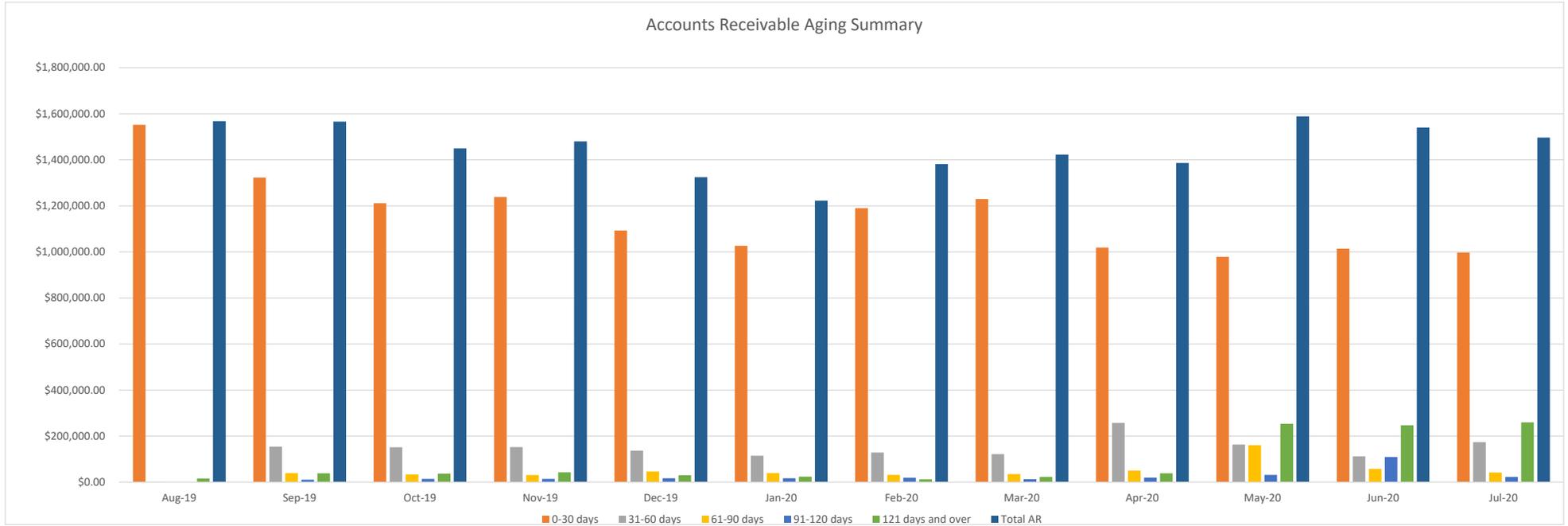
	<u>July 31, 2020</u>	<u>July 31, 2019</u>
	<u>(Unadjusted)</u>	
Current Assets		
Cash	7,206,388	4,538,997
Equity interest in pooled investments	7,687,585	13,639,770
Receivables:	-	
Accounts, net of allowance for doubtful accounts*	1,440,415	1,586,816
Due from other funds	-	-
Unbilled accounts	1,378,550	1,532,261
Grants and subsidies	2,646,993	1,292,447
Accrued interest	-	230,006
Total receivables	5,465,958	4,641,530
	-	
Materials and supplies	1,089,732	1,112,506
Prepaid expenses	46,629	39,705
Total current asset	21,496,292	23,972,508
Restricted Assets:		
Facility reserve charge funds:		
Cash	1,964,869	1,110,638
Accounts receivable and other	116,652	127,870
Total facility reserve charge funds	2,081,521	1,238,508
Bond funds:		
Cash	1,226,320	1,118,943
Investments	8,623,168	9,318,809
Accrued interest	35,988	22,315
Total bond funds	9,885,477	10,460,066
	-	
Total restricted assets	11,966,998	11,698,574
	-	
Equity Interest in Pooled Investment - Noncurrent	34,053,426	34,153,426
Utility Plant:		
In service	347,814,063	345,717,444
Accumulated depreciation	(142,160,806)	(135,112,097)
Total utility plant	205,653,257	210,605,347
	-	
Construction work in progress	15,067,775	11,179,132
Total property, plant and equipment	220,721,032	221,784,480
Total assets	288,237,747	291,608,988
Deferred Outflow of Resources	4,946,898	5,251,661
Total assets and deferred outflows of resources	293,184,646	296,860,649
*Allowance for doubtful accounts	(246,545)	(242,164)

Department of Water - County of Kauai
 Statements of Net Position
 July 31, 2020 and 2019

Liabilities, Deferred Inflows and Net Position

	July 31, 2020 (Unadjusted)	July 31, 2019
Current Liabilities:		
Accounts payable and accrued liabilities	1,193,892	639,828
Contracts payable, including retainages	491,013	536,407
Accrued Vacation And Compensatory Pay, current portion	552,118	513,191
Due to/Due From Other Funds	212	212
Customer overpayment	194,035	165,961
Customer deposits and advances	475,400	785,356
Current portion of long term debt	5,160,541	5,017,034
Current portion of capital lease obligation	0	4,058
Total current liabilities	8,067,210	7,662,046
Long-Term Debt	58,365,009	63,721,239
Capital Lease Obligation	-	-
OPEB & Retirement Benefits	24,667,478	24,260,840
Accrued Vacation and Compensatory Pay	971,573	903,522
Deferred Inflow of Assets	912,344	912,344
Total liabilities and deferred inflows:	92,983,615	97,459,991
Net Position:		
Water Utility Reserves	9,300,000	9,400,000
Restricted FRC	2,073,670	1,230,657
Restricted Build American Bonds	9,780,607	10,203,512
Invested in Capital Assets Net of Related Debt	157,178,909	153,041,858
Unrestricted	21,867,845	25,524,630
Total net position	200,201,031	199,400,658
Total liabilities, deferred inflows and net position:	293,184,646	296,860,649
	-	-

DEPARTMENT OF WATER
Accounts Receivable Aging Summary
As of July, 2020



AR Aging	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
0-30 days	\$1,551,549.22 99%	\$1,322,141.93 84%	\$1,211,614.04 84%	\$1,238,572.50 84%	\$1,093,337.19 83%	\$1,026,241.32 84%	\$1,189,752.20 86%	\$1,229,258.09 86%	\$1,018,686.24 73%	\$978,907.17 62%	\$1,013,853.91 66%	\$997,485.31 67%
31-60 days	\$69.02 0%	\$154,707.79 10%	\$151,924.87 10%	\$152,570.76 10%	\$137,197.13 10%	\$115,140.84 9%	\$128,662.63 9%	\$121,758.30 9%	\$257,987.42 19%	\$163,475.93 10%	\$112,069.52 7%	\$174,030.47 12%
61-90 days	\$0.00 0%	\$39,193.31 3%	\$33,854.98 2%	\$31,100.40 2%	\$46,080.54 3%	\$39,702.40 3%	\$31,954.93 2%	\$35,486.34 2%	\$50,532.72 4%	\$160,891.80 10%	\$57,755.74 4%	\$42,403.40 3%
91-120 days	\$0.00 0%	\$11,189.86 1%	\$14,639.21 1%	\$14,451.96 1%	\$17,301.17 1%	\$17,200.37 1%	\$18,953.24 1%	\$13,058.29 1%	\$20,047.89 1%	\$31,925.61 2%	\$109,465.82 7%	\$22,617.26 2%
121 days and over	\$15,946.29 1%	\$38,505.09 2%	\$37,349.21 3%	\$42,761.86 3%	\$30,389.69 2%	\$24,330.48 2%	\$12,326.29 1%	\$22,886.96 1%	\$38,823.06 3%	\$253,754.60 16%	\$247,167.20 16%	\$259,985.17 17%
Total AR	\$1,567,564.53 100%	\$1,565,737.98 100%	\$1,449,382.31 100%	\$1,479,457.48 100%	\$1,324,305.72 100%	\$1,222,615.41 100%	\$1,381,649.29 100%	\$1,422,447.98 100%	\$1,386,077.33 100%	\$1,588,955.11 100%	\$1,540,312.19 100%	\$1,496,521.61 100%

*Total AR is net of Customer deposits and overpayments.

Customer Deposits & Overpayments	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
	(\$207,673.50)	(\$204,973.25)	(\$205,885.03)	(\$196,263.56)	(\$209,366.49)	(\$216,003.50)	(\$231,033.54)	(\$219,423.13)	(\$207,346.51)	(\$179,741.24)	(\$235,645.43)	(\$228,641.66)

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve it!"

INFORMATION & EDUCATION SPECIALIST REPORT

August 27, 2020

Public Notices and Announcements

All news releases were also published on the Department's Facebook social media page and online at www.kauai.gov/press-releases.

- **Kapa'a - Scheduled water service shutdown**
 - A news release was issued on July 13, 2020 to remind customers of a water service shutdown scheduled on a portion of Kaulana Road, from the Haleilio Road intersection to the Kihei Road intersection in Kapa'a. The affected service area also includes a portion of Kihei Road, from the Kaulana Road intersection to the mauka-end of Kihei Road. Water service is scheduled to be turned off on Tuesday, July 14th, from 10 a.m. to 5 p.m., weather permitting, in order to upgrade and install fire hydrant valves, service laterals and a main line.
 - A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
- **Lihue – Temporary source change in Lihue-Kapa'a water system**
 - A news release was issued on July 16, 2020 to announce a temporary change in water source; from surface water treatment plant to a ground water (well water) source for its Līhu'e-Hanamā'ulu and a portion of Kapa'a's water system beginning, July 16, 2020 until further notice. Some customers were previously experiencing discolored water at the tap. The temporary switch to a different source will provide clear water for customers in the affected areas and will also allow the surface water treatment plant to adjust and stabilize pH levels and clear-up the discoloration in the tap water before returning to service. DOW testing confirms that water quality continues to be safe for normal use and conducts water testing on a continuous schedule to ensure drinking water remains safe and meets state and federal drinking water standards.
- **All Systems – Water emergency preparedness reminders and service advisory guidelines**
 - A news release was issued on July 23, 2020 to remind residents of water emergency preparedness guidelines and water service advisories that may be issued during an emergency or natural disaster. The news release included info regarding what to do during a water conservation request and a do not drink advisory as well as provide water storage tips. Residents were also reminded of the emergency preparedness recommendations provided by the Hawaii Emergency Management Agency; includes storing one gallon of water, per person, per day for at least fourteen days.
 - The Garden Island newspaper published the news release article on July 22, 2020, titled "Water source switch for Līhu'e, Hanama'ulu, part of Kapa'a".
(Attached)
- **Ele`ele – Water service shutdown reminder**
 - A news release was issued on July 27, 2020 to remind customers of a scheduled a water service shutdown on Tuesday, July 28th, from 9 p.m. to 5 a.m. on Wednesday, July 29th, weather permitting. The affected area includes customers located on Waialo Road, Okupu Street, Olali Street, Mana Olana Court, Mana Wanui Court, Port Allen Road, Aka ula Street, the Harbor Access Road and approximately 3 customers on a portion of Ele`ele Road. The shutdown is necessary in order to tie in a new 8-inch water line to the existing system, as part of the Hanapēpē-Ele`ele Water Systems

Improvements Project. A trailer-mounted water tank was also provided during the shutdown.

- A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
- A final news release was issued at 12:30 a.m. on July 29, 2020 to announce that water service has been restored to customers in the service affected area.
- **Waimea – Water service shutdown scheduled**
 - A news release was issued on July 30, 2020 to announce a scheduled water service shutdown for Waimea customers located on Carl Furutani Street, a portion of Huakai Road, from the intersection of Carl Furutani Street to Waimea Canyon Drive and a portion of Waimea Canyon Drive, from the intersection of Kaumuali`i Highway to Waena Road. Water service will be turned off on Tuesday, August 4th, from 9 p.m. to 5 a.m. on Wednesday, August 5th, weather permitting.
 - A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
 - A reminder news release was issued on August 3, 2020 to remind customers in Waimea of a scheduled overnight water service shutdown on Tuesday, August 4th, from 9 p.m. to 5 a.m. on Wednesday, August 5th, weather permitting. The affected area includes customers located on Carl Furutani Street, a portion of Huakai Road; from the intersection of Carl Furutani Street to Waimea Canyon Drive and a portion of Waimea Canyon Drive; from the intersection of Kaumuali`i Highway to Waena Road.
 - A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
 - The Garden Island newspaper published the news release on August 4, 2020, “Overnight water service shutdown scheduled for Waimea”. (*Attached*)
- **Hanapepe – Water service shutdown scheduled**
 - A news release was issued on August 5, 2020 to announce a water service shutdown for customers located on a portion of Hanapēpē Road; from Ko Road to Hana Road, Pa Lane and includes a portion of Kona Road; from Hanapēpē Road to Koula Road in Hanapēpē town. The affected service area will also include customers located on the Makai side of Kaumuali`i Highway; between Kona Road to Puna Road. Water service will be turned off on Tuesday, Aug. 11th from 9 p.m. to 5 a.m. on Wednesday, Aug. 12th; weather permitting. The overnight water service shutdown is necessary in order to conduct improvements to a 12-inch main line on Kona Road as part of the Hanapepe-Ele`ele Water Systems Improvements Project. Additionally, a one-lane road closure will be in place near the intersection of Kaumuali`i Highway and Kona Road in Hanapepe, beginning at 8:30 p.m. on Aug. 11th until approximately 6 a.m. on Aug. 12th.
 - A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
 - An updated news release was issued on August 6, 2020 to revise the affected service area to include the following: a portion of Hanapēpē Road; from Ko Road to Hāna Road, Pa Lane, Kona Road, Koula Road, Pepe Road and a portion of Kaumuali`i Highway; between Hāna Road and Puna Road.
 - A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
 - A second news release update was issued on August 7, 2020 to provide a final update to the affected service area for the scheduled shutdown. The affected area included:

customers located on Iona Road, Lea Lane, Luka Place, Hana Road, Kuiloa Road and extends the portion of Hanapēpē Road; from Kaumuali'i Highway to Hana Road in Hanapēpē town. The affected service area will also include the following: Pa Lane, Kona Road, Koula Road, Puna Road and Pepe Road.

- A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
- A reminder water service shutdown was issued on August 10, 2020 to remind customers of the water service shutdown scheduled for Tuesday night, Aug. 11th beginning at 9 p.m. to 5 a.m. on Wednesday, Aug. 12th, weather permitting. Water service will be turned off on Hanapēpē Road; from Kaumuali'i Highway to Hana Road, Pa Lane, Kona Road, Koula Road, Puna Road, Kuiloa Road, Hana Road, Pepe Road, Iona Road, Luka Place, Lea Lane and on Kaumuali'i Highway; between Iona Road and Puna Road in Hanapēpē town on the scheduled times in order to conduct necessary improvements to a 12-inch main line on Kona Road as part of the Hanapēpē-Ele'ele Water Systems Improvements Project.
 - A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
- A final news release was issued on August 12, 2020 to announce that water service was restored to all affected service areas and that the road work was extended to 6:30 a.m., instead of the 6 a.m. announced time.
- **Kalaheo – Water conservation request**
 - A news release was issued on August 12, 2020 at approximately 6 a.m. to announce an immediate water conservation request for customers in Kalāheo until further notice, due to an electrical power outage that is affecting the Kalāheo pump station. Residents and business are asked to limit water use to essential needs only; such as cooking, showering and toilet flushing, in order to avoid a full water outage.
 - A 10 a.m. news release update was issued on August 12, 2020 to announce that the water conservation request remains in effect for customers in Kalaheo until further notice. An electrical power outage continued to affect the pump stations and crews were able to get a generator to our pump station, however, due to the limited power supply, only one water well was in operation at time. Residents and businesses were asked to continue to limit water use to essential needs only; such as drinking, cooking and sanitation needs, in order to avoid a water service outage.
 - A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
 - A final news release update was issued at approximately 2 p.m. on August 12, 2020 to lift the water conservation request for Kalāheo customers as of approximately 1:50 p.m. Power was restored to the pump station and well site and customers were allowed to resume normal water use.
 - A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
- **Haena – Water conservation request**
 - A news release was issued on August 12, 2020 at approximately 4 p.m. to issue an immediate water conservation request for customers in Wainiha and Hā'ena until further notice, due to an electrical power outage that is affecting our pump stations and water facilities in the area. Customers are urged to limit water usage to essential needs only; such as drinking, cooking and sanitation needs.

- A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
- An 8 p.m. news release was issued on August 12, 2020 to remind residents that the water conservation notice remained in place until further notice. Electrical power has been restored to our pump stations and water facilities however, the water conservation request remained in effect in order to allow water tanks time to replenish the water supply. Customers were asked to continue to limit water use to essential needs only; such as drinking, cooking and sanitation needs, in order to avoid a water outage.
 - A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.
- A final news release update was issued at 9 a.m. on August 13, 2020 to lift the water conservation notice for Wainiha and Haena customers. Water tank levels have restored and customers were allowed to resume normal water use.
 - A courtesy notice was also issued to the affected service area via BlackBoard Connect mass notification service.

Other Media Acknowledgements:

- The Department of Water was featured on the front page of the Garden Island newspaper on July 15, 2020 in the article titled “Free emergency water containers” by Dennis Fujimoto. The article promoted the Department’s distribution of emergency water storage jugs into the communities and its efforts to keep water emergency preparedness top-of-mind during hurricane season. (*Attached*)

Public Relations Program

Community Outreach & Education

- Public Relations staff (PR) have been progressive in the improvement and increase of direct communications with customers; by providing courtesy calls, assisting divisions with information dissemination, social media posts/responses and by issuing additional notices regarding service disruptions, service inquiries, etc. *On-going*.
- On July 14-16, 2020 the Department distributed collapsible water storage jugs to residents in Waimea, Kōloa, Līhu'e and Kapa'a, in an effort to promote water emergency preparedness and keep water storage top-of-mind during hurricane season. The water storage jug also includes step-by-step instructions on how to safely store water for emergencies and included DOW information on what to expect during service outages. As a result of the community outreach event, PR distributed jugs to over 500 families; totaling approximately 2,000 in jug distribution on island since October 2019. The jugs were well received by customers and the Department received a front-page article acknowledgement in the July 15, 2020 edition of the Garden Island Newspaper (*Attached*). PR continues to promote water emergency preparedness in our community during the 2020 hurricane season and beyond.
 - The Department would like to thank the Department of Education (DOE) – Kauai District Office, DOE hosting sites: Waimea High School, Kōloa Elementary, Chiefess Kamakahalei Middle School and Kapa'a High School for allowing DOW to host distribution sites during their free meal programs. Special thanks to Department staff: Jason Fujinaka, Terrilyn Amorin, Gina Gudoy, Virgil Kapanui and Jonell Kaohelaulii for participating in the community outreach event and County of Kauai’s Agency on Elderly Affairs for continuing to provide jugs to our senior and vulnerable community residents.

- PR is currently seeking an appropriate north shore venue to continue community outreach reach efforts and distribute the remaining water jugs to customers from Kilauea to Haena.

Upcoming Community Outreach & Educational Events

- October 21, 2020 – Imagine a Day Without Water (online campaign)

Project WET Hawaii

- Effective March 13th, all Project WET Hawaii training and workshops have been postponed until further notice. Workshops and training requirements include hands-on experiences that are unable to be offered at this time. *No update.*
- Project WET’s annual training and conference was held virtually July 27-29, 2020. Project WET was not able to attend this year due to covid-19 related schedule conflicts and availability.
- Project WET Hawaii is preparing to coordinate virtual workshops for educators and facilitator trainings, tentatively planned to begin in January 2021. In anticipation of an increase of virtual training requests, Jonell is working with Project WET USA and projectwet.org for additional resources and opportunities to expand the local network virtually during covid-19. Project WET Hawaii has received 3 requests for educator trainings to help support teachers with distance learning activities.

Miscellaneous

- PR donated DOW pencils, rulers, drawstring backpacks and conservation magnets towards the County’s Employee Council school supplies event on July 29, 2020. Special thanks to Jason Fujinaka for volunteering at the distribution event. The Department’s contribution (including Jason) was featured in the Garden Island newspaper’s featured “Happy Camper” section on July 31, 2020 (*Attached*).

JK/ein

Attachments: TGI Article, 7-15-20 – Free emergency water containers
TGI Article, 7-22-20 – Water-source switch in effect for Līhu'e, Hanamā'ulu, part of Kapa'a
Happy Camper, 7-31-20 - Project Wet Hawai'i bag distribution
TGI Article, 8-4-20 – Overnight water service shutdown scheduled for Waimea

Mgrrp/August 2020/Information & Education Specialist Report (8-27-20): ein

Hawaii News

Free emergency water containers

By [Dennis Fujimoto](#) The Garden Island | Wednesday, July 15, 2020, 12:05 a.m.

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Dennis Fujimoto/The Garden Island

Terri Amarin, Jason Fujinaka, Gina Gudoy, and Jonell Kaohelaulii of the Department of Water wait for the line of cars to move, Thursday during distribution of emergency water containers at Koloa Elementary School Grab and Go site.

-continued-



KOLOA — There are two more days when people have the opportunity to get free emergency water containers from the county Department of Water — today at the Waimea High School grab-and-go meal site, and Thursday at the Kapa’a High School grab-and-go meal site.

The containers, at a limit of one container per family, are available from DOW representatives from 11:30 a.m. to noon at both sites.

“The Department of Water offices are closed because of COVID-19,” said Jonell Kaohelauli’i of the DOW. “Our community outreach is on pause because of this. This year, the DOW is partnering with the Department of Education to get these containers out. We’re going through the grab-and go meal pickup sites because it reaches all parts of the island.”

Tuesday, the DOW team distributed about 50 containers at the Chiefess Kamakahelei Middle School grab-and-go site during the breakfast pick up, and continued to move containers at the Koloa School site during the lunch pickup.

Kaohelauli’i said last year, the Department of Water coordinated a similar distribution in partnership with the County Housing Agency and Kaua’i Economic Opportunity, where Mayor Derek Kawakami personally knocked on kupuna’s doors and took the time to explain how the container works.

Denise Kalani, one of the parents waiting on her grab-and-go lunch order in the blustery remnants of once-hurricane Christina, was part of one family getting the collapsible water container capable of holding up to 2.5 gallons of drinking water.

“This is what we needed,” Kalani said. “It’s going to come in handy.”

Koloa School instructors like Cathy Braun was able to secure containers for her family as well as those from summer-school students who accompanied her for lunch.

-continue-

“The containers are provided in partnership with the Hawai'i Emergency Management Agency, and the participating county water agencies across the state,” Kaohelauli'i said.

“With this continued effort, the DOW strives to promote water-emergency preparedness — especially during this hurricane season.”

A complete water-emergency preparedness tips can be found by visiting the Department of Water's website at www.kauaiwater.org.

...

Dennis Fujimoto, staff writer and photographer, can be reached at 245-0453 or dfujimoto@thegardenisland.com.



Translate to ▾



Water-source switch in effect for

Lihu'e, Hanama'ulu, part of Kapa'a

LIHU'E — The county Department of Water announced a temporary change in the water source, from surface-water- treatment-plant water to a ground water source, for its Lihu'e-Hanama'ulu and a portion of Kapa'a's water system, now until further notice.

Some customers may have been or are currently experiencing discolored water at the tap. The temporary switch to a different source will provide clear water for customers in the affected areas, and will also allow the surface-water- treatment plant to adjust and stabilize pH levels and clear up the discoloration in the tap water before returning to service

DOW testing confirms that water quality continues to be safe for normal use, and conducts water testing on a continuous schedule to ensure water quality remains safe and meets state and federal drinking-water standards.

Updates will be provided when new information becomes available. To monitor water-service updates online, visit [facebook.com/KauaiDOW](https://www.facebook.com/KauaiDOW).

To report a water-service emergency, contact the DOW at 245-5444, or after hours call Kaua'i Police Department dispatch, 241-1711.

••• *The Garden Island*



Dennis Fujimoto

Happy Camper

It would've been nice to have been one of the 1,300 employees of the County of Kaua'i Wednesday when Mayor Derek Kawakami and Managing Director Michael Dahilig (that giant chess set would be nice for checking out the new menu — it's got something for almost everybody at TGI — at the Kaua'i Beer Company) joined members of the county's Employees' Council in distributing school supplies to children of county employees.

Kaleo Carvalho said he's thinking about alternative Halloween festivities (nah, we got our own because Aerie Soto surprised us all Tuesday by returning to work after being laid off because of the COVID-19 pandemic). Stay tuned. COVID-19 can't stop Halloween (any ideas about alternatives for those popular Christmas parades?).

Kudos to Joell Edwards and Malama Kaua'i on the phs two of their food (fresh produce to help local farmers) distribution that now happens on Wednesday at the Kaua'i War Memorial Convention Hall, where Manager Lenny Rapozo was helping clear the tables after all those packages moved out in less than an hour. Definitely a sign of need.

Face masks (they go naturally with Halloween) are like slippahs. You never know how much you need them until you need them.



PHOTOS BY DENNIS FUJIMOTO / THE GARDEN ISLAND

ABOVE: County Managing Director Michael Dahilig, right, joins members of the county's Employees' Council in checking out the contents of back-to-school bags distributed Wednesday afternoon in the Vidinha Stadium parking lot. **BELOW:** Jason Fujinaka of the county Department of Water, right, helps stuff back-to-school items into Project Wet Hawai'i bags.



Kudos to State Farm Insurance Agent Darrellyn Lemke for donating more than a hundred to Wilcox Elementary School. Now, who's taking care of the other schools that will be welcoming students (yes, they're more than 5 years old) who always seem to

"forget" where they put their masks.

Happy weekend — we already dodged Hurricane Douglas.

Dennis Fujimoto, staff writer and photographer, can be reached at 245-0453 or dffujimoto@thegardenisland.com.

briefly

Overnight water service shutdown scheduled for Waimea

WAIMEA – The Department of Water (DOW) has scheduled an overnight water service shutdown for Waimea customers located on Carl Furutani Street, a portion of Huakai Road, from the intersection of Carl Furutani Street to Waimea Canyon Drive and a portion of Waimea Canyon Drive, from the intersection of Kaumuali'i Highway to Waena Road.

Water service will be turned off on Tuesday, August 4th, from 9 p.m. to 5 a.m. on Wednesday, August 5th, weather permitting.

The water service shutdown is necessary in order to allow private contractor, Ka'iwa Construction, Inc., to tie-in a new 8-inch water line to the existing water system.

Customers located in the affected area are advised to prepare for the overnight service shutdown by taking the following steps:

- ▶ Store enough water to meet your needs during the shutdown.
- ▶ Notify family, friends, tenants and neighbors that may be affected by the service shutdown.
- ▶ Those with faulty water heaters should ensure that water heaters do not empty during the shutdown.
- ▶ Businesses should plan appropriately prior to and during a service shutdown.
- ▶ To monitor updates online, visit www.facebook.com/KauaiDOW.

A trailer mounted water tank containing potable water will be available at the Waimea Athletic Field, back parking lot during the service shutdown. Customers must bring their own water containers to fill up, if needed.

More information: 245-5455

•••

The Garden Island

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

Operations Division Report for the Month of July 2020

Source and Storage

- Maintenance workers continued cleaning various remote facilities island-wide. Works included clearing of vegetation and drainage as well as repair and construction of structures and facilities including access driveways.
- Water Plant Operators performed routine inspection and maintenance at all sites including valve maintenance, piping repair and replacement, chlorination equipment maintenance, and mixing of sodium hypochlorite.
- Puhi Well 3 refurbishment Contract 679 with Derrick's Well Drilling completed; deep well is back in service.
- Job-20-05 Waimea Well B Repair on-site pre-bid meeting completed.
- Contract for Kapilimao On-Site Sodium Hypochlorite Generation being processed.
- Anahola Well A pump replacement Contract 687 completed. Well is back in service.
- Koloa Well D pump replacement Contract 693 Notice to Proceed issued, June 1, 2020.
- Monitoring of Sodium Hypochlorite on-site generation equipment on Makaleha Wells and Tank Site is on-going.
- Electrical workers performed routine electrical maintenance at all sites including SCADA radio troubleshooting, electrical wiring for motor controls, lighting repair and replacement.
- SCADA RFP submittal from Glenmount Global Services review completed, Best and Final Offer accepted. Recommendation submitted.
- Auto mechanics performed routine maintenance of all DOW vehicle and equipment including light, medium and heavy vehicles as well as construction equipment and generators.

Distribution

- Operations Division Field Section crews continue to perform routine leak repair of service laterals and mainlines. Field Section personnel responded to thirty two (32) leak repair work orders.
- Field Section personnel installed a service lateral.

- We received a total of 131 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including complaints of no water, complaints of low pressure, high pressure, calls requesting remote site/facility grounds and vegetation maintenance, calls for assistance in shutting off the water meter, calls reporting damaged meter box and cover, reports of leaking or damaged fire hydrants and report of white milky water, and non-water emergency calls mainly customer inquiries. Work orders were generated and all calls resolved. Leak after the meter needs to be addressed by the customer.
- Field Operations personnel completed the replacement of 2” galvanized steel pipe on Amio Road in Po’ipū.
- Seven (7) temporary hydrant meters were installed.
- Operations Division received five (5) emergency calls for hydrants hit by vehicle.

Fleet, Inventory, Warehouse and Baseyard Area

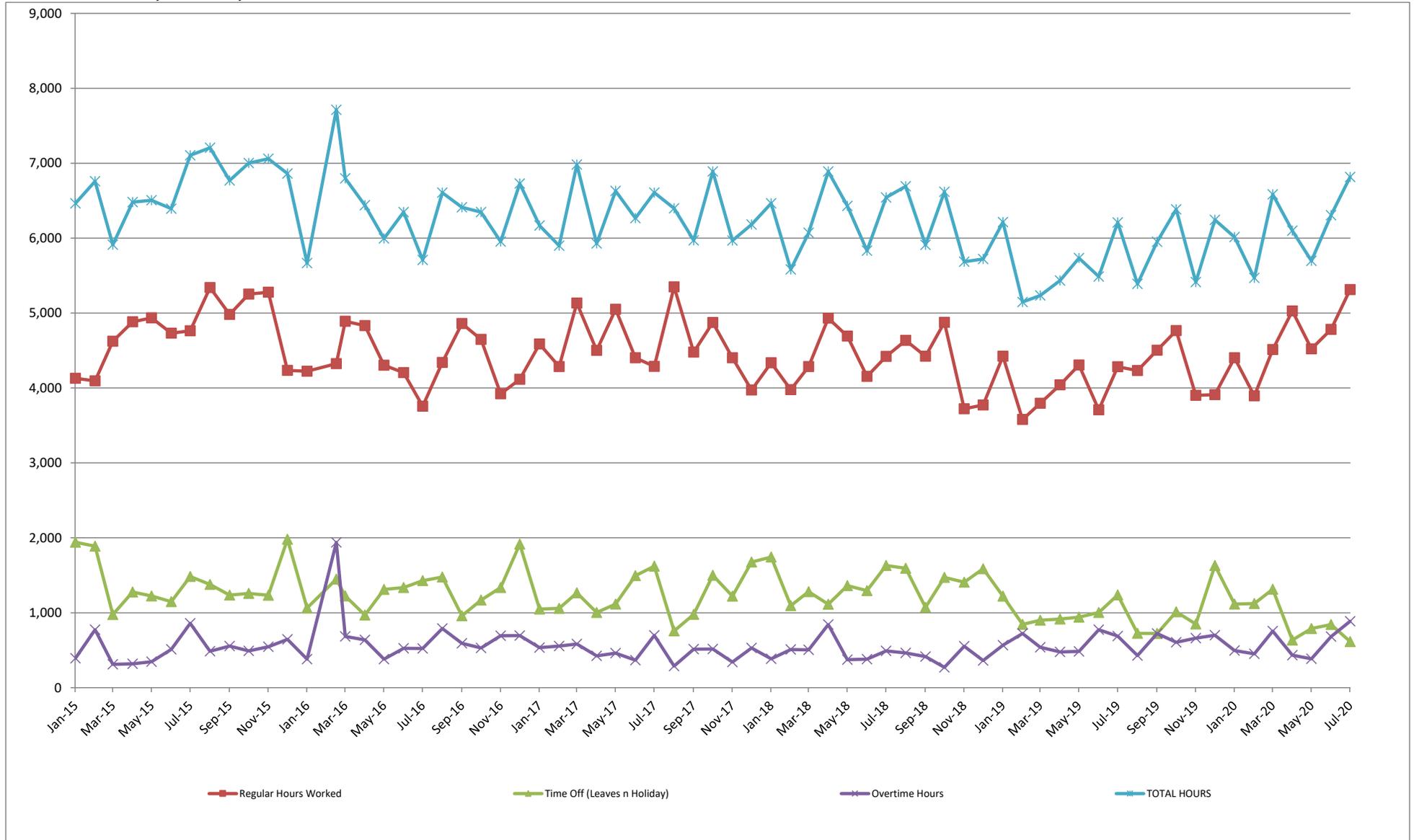
- A total of two hundred forty seven (247) work orders were issued for Operations Division. Works included: electrical repairs and maintenance; automotive repairs and maintenance including power generator maintenance; Hawai’i One Call requests for markings; water meter installation and replacement; service lateral installations; leak repairs; well, tank site and PRV maintenance; replace damaged meter boxes; repair defective meters; replace damaged or leaking hydrant; door-to-door customer notifications for tie-ins of new lines to existing lines as well as notifications regarding scheduled repairs; callouts due to customer complaints/reports; meter replacement requests; Hawai’i One Call relative to contractor’s requests for markings.
- Thirty (30) Hawaii One Call requests for markings were received. Also, twenty two (22) meters were maintained, replaced, repaired, issued and installed.
- Operations personnel is coordinating with Fiscal Division personnel to proceed with auction of vehicles and equipment.

VPR/ein

Attachments: Overtime Chart
Leak Report Chart
Production/Billing Chart

Mgrrp/August 2020/Operations Division Report for the Month of July 2020 (8-27-20):ein

County Of Kauai - DEPARTMENT OF WATER
 Operations Division: Plant & Field
 Total Hours for the Month
 For the Period: January 2015 to July 2020

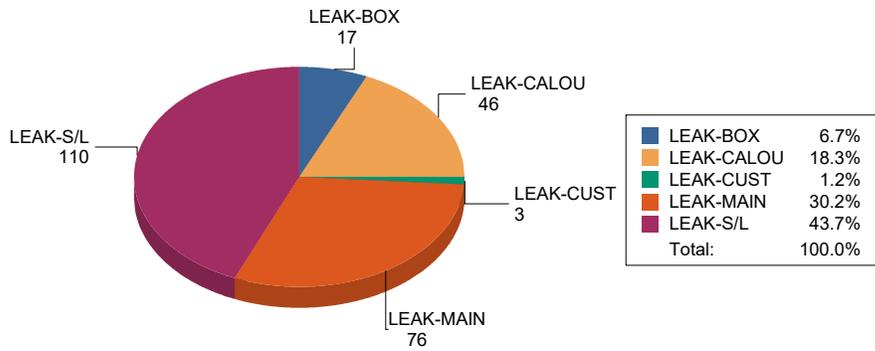


Work Orders by Job Reason Code for Selected Date Range

07/01/2019 to 07/31/2020

# of W/O's	Job Reason Code	Description
17	LEAK-BOX	Meter Box Leak Repair
46	LEAK-CALOU	LEAK CALL OUT
3	LEAK-CUST	Customer-Side Leak Repair
76	LEAK-MAIN	Mainline Leak Repair
110	LEAK-S/L	Service Lateral Leak Repair

Work Orders by Job Reason Code

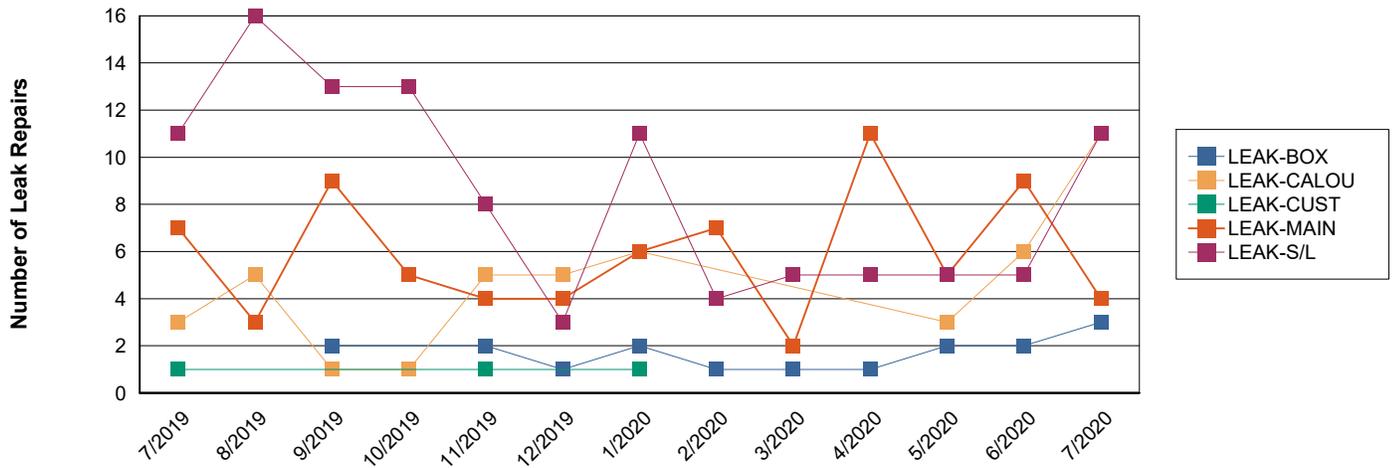


Work Orders by Job Reason Code for Selected Date Range

07/01/2019 to 07/31/2020

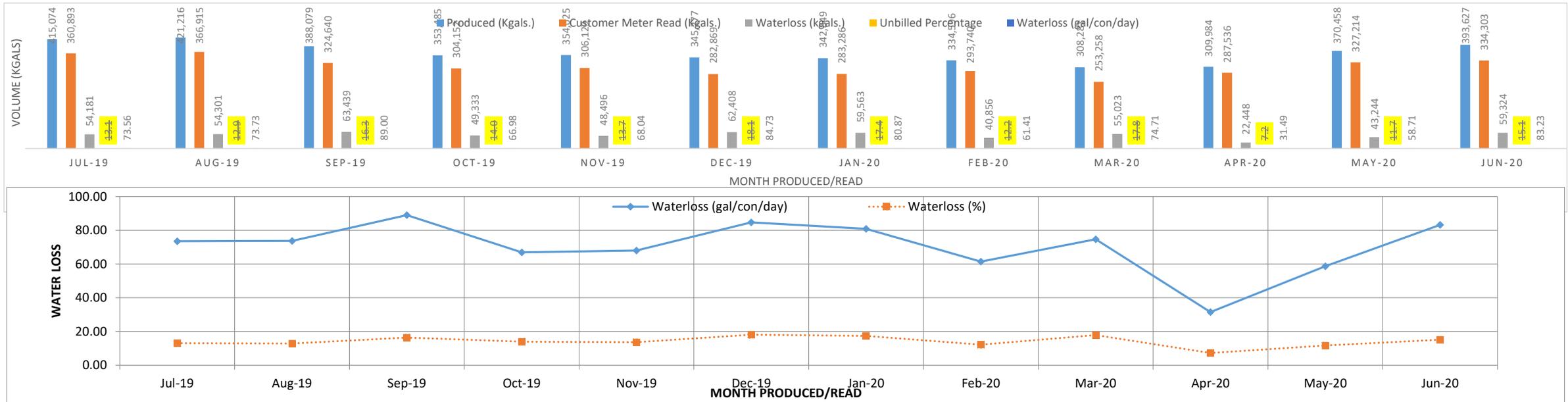
of W/O's Job Reason Code Description

Number of Leak Repairs per Month



Monthly Water Produced, Customer Meter Read and Waterloss Comparison For Calendar Year 2019/2020

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total Year
Produced (Kgals.)	415,074	421,216	388,079	353,485	354,625	345,277	342,849	334,596	308,281	309,984	370,458	393,627	4,337,549
Customer Meter Read (Kgals.)	360,893	366,915	324,640	304,152	306,129	282,869	283,286	293,740	253,258	287,536	327,214	334,303	3,724,935
Waterloss (kgals.)	54,181	54,301	63,439	49,333	48,496	62,408	59,563	40,856	55,023	22,448	43,244	59,324	612,614
Waterloss (%)	13.1	12.9	16.3	14.0	13.7	18.1	17.4	12.2	17.8	7.2	11.7	15.1	14.1
Waterloss (\$)	69,189	69,343	81,011	62,998	61,929	79,695	76,061	52,173	70,264	28,666	55,222	75,757	782,308
Waterloss (gal/con/day)	73.56	73.73	89.00	66.98	68.04	84.73	80.87	61.41	74.71	31.49	58.71	83.23	70.64



DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S UPDATE

August 27, 2020

Pursuant to Board Policy No. 3

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

1 THIRD AMENDMENT TO CONTRACT NO. 637, AS NEEDED CONSTRUCTION MANAGEMENT SERVICES WITH R.M. TOWILL CORPORATION FOR A CONTRACT TIME EXTENTION ENDING FEBRUARY 28, 2021 WITH NO ADDITIONAL FUNDING

FUNDING:

Account No.	10-21-10-540-010			
Acct Description	WU/Const/Admin/Professional Services-General			
Funds Available	Verified by WWC (FY 2019-2020 Approved Budget		\$	N/A
Contract No.	637			
Vendor	R.M. Towill Corporation			
	Contract Amount	\$	200,000.00	
	Contingency	\$	18,664.00	
	PAO#1R	\$	400,405.00	
	First Amendment	\$	0.00	
	Second Amendment	\$	440,000.00	
	Total Funds Certified To Date	\$	1,059,069.00	
Third Amendment:				
	Contract Time Extension	\$	0.00	
	Total Amendment	\$	0.00	
	Contract Amount To Date	\$	1,059,069.00	
	Fund Balance		\$	N/A

BACKGROUND:

Contract NTP Date: June 26, 2017
 Original Contract End Date: June 25, 2019
 First Amendment Contract End Date: December 31, 2019
 Second Amendment Contract End Date: September 30, 2020
 Third Amendment Contract End Date: February 28, 2021

First Amendment to Contract No. 637:

Unanticipated delays during the design phase caused the construction work to proceed later in construction

than originally planned, resulting in the contract work extending beyond the original contractual limit. The Department of Water (DOW) was unable to attract qualified engineering and inspection staff. This impacted our Construction Management (CM) ability to manage projects with current staff and was exacerbated with the infusion of the state appropriation funding projects such as the Hanapēpē Waterlines project (Job No. 15-07) that RM Towill Corporation (RMTC) has been utilized as our As Needed Construction Manager. The Board approved additional funding for this project at the June 22, 2018 meeting and RMTC was given notice to proceed as the As Needed Construction Manager via Project Assignment Order #1 on June 30, 2018. In addition, the original contract language and PAO #1 did not clearly state that the monthly rental of housing in lieu of a hotel room is allowed. In June of 2018 when the DOW received RMTC's proposal, they included \$82,750.00 for airfare and \$14,000 for car rental. During the June 22, 2018 Board meeting, DOW staff mentioned to the Board having RMTC look for housing on island to lower travel costs. They secured a condo at approximately \$1,850 per month that is furnished. The amendment was approved by the Board at the August 24, 2018 meeting to realize cost savings.

Second Amendment to Contract No. 637:

There have been numerous unanticipated delays during the course of construction with the biggest being the redesign of the waterline crossing the historic Hanapēpē Bridge and encountering petroleum contaminated soils in Hanapēpē Town. The redesign of the waterline crossing is nearing completion and the proposed plan in dealing with contaminated soils is currently being formulated. Due to these delays, a contract amendment to extend the contract to September 30, 2020 and an additional \$440,000.00 in funding for the span from the current contract end date of December 31, 2019 to September 30, 2020 is necessary to complete the construction management portion of the project. The amendment was approved by the Board at the December 2, 2019 meeting.

Proposed Third Amendment to Contract No. 637:

Due to project construction delays, a contract amendment to extend the contract to February 28, 2021 will allow for project closeout and completion.

2 CONTRACT NO. 660, SOLE COURSE #SS-2018-1, MULTI-TERM CONTRACT FOR LABORATORY TESTING SERVICES, YEAR 3 OF 3 WITH EUROFINS EATON ANALYTICAL, LLC IN THE AMOUNT OF \$36,400.00

FUNDING:

Account No.	10-10-40-540-010			
Acct Description	WU/Qual/Purification/ Professional Services - General			
Funds Available	Verified by WWC		\$	36,400.00
Contract No.	660			
Vendor	Eurofins Eaton Analytical, LLC			
	Contract Amount	\$	63,600.00	
	2 nd Year	\$	106,050.00	
	Total Funds Certified To Date	\$	169,650.00	
3 rd Year:				
Laboratory Testing Services		\$	36,400.00	\$ <36,400.00>

MANAGER'S UPDATE

Re: Manager's Update for July 2020 to August 2020

August 27, 2020

Page 3 of 7

	Total for 3 rd Year	\$	36,400.00	
Contract Amount To Date		\$	206,050.00	
Fund Balance				\$ 0.00

BACKGROUND:

Contract NTP Date: 09/17/18

Original Contract End Date: 06/30/21

New Contract End Date: N/A

\$36,400 is budgeted for FY 2020-2021 to comply with Safe Drinking Water Act (SDWA) monitoring requirements. The testing will be provided by Eurofins Eaton Analytical, LLC. There are two different SDWA programs. Phase 2-5 will be approximately \$26,400. UCMR4 testing will be approximately \$1,650. New and repaired well testing estimated is \$6,000. \$2,000 is for unforeseen, miscellaneous testing.

UCMR4 testing continues in to FY 2020-2021. Prices will remain the same throughout the contract period.

3 CONTRACT NO. TBA, JOB NO. 20-03 SCADA SYSTEM MAINTENANCE AND PROFESSIONAL CONSULTATION SERVICES AWARDED TO GLENMOUNT GLOBAL SOLUTIONS, LLC IN THE AMOUNT OF \$158,764.00

FUNDING:

Account No.	10-40-60-560-000			
Acct Description	WU/Ops/TandD/Repairs and Maintenance – Water System (Line 2)			
Funds Available	Verified by WWC (Per Approved Manager's Report No. 21-TBA)		\$	166,702.00
Contract No.				
Vendor	Glenmount Global Solutions, LLC			
	Contract Amount (1 st Year)	\$	158,764.00	
	5% Contingency	\$	7,938.00	
	Total Funds Certified	\$	166,702.00	\$ <166,702.00>
Fund Balance			\$	0.00

BACKGROUND:

Request For Proposals (RFP) was opened on June 22, 2020 and Glenmount Global Solutions (GGS), LLC submittal was the only proposer that submitted. The RFP package was pulled by multiple companies who all had ample time to submit proposals. The RFP from GGS was reviewed, graded and assessed by a panel of Department employees. GGS was highly rated and recommended for approval by the panel

members. The original proposal was in the total amount of \$531,816.00. The best and final offer in the total amount of \$476,292.00 was negotiated and determined to be fair and reasonable. GGS has been providing professional support and maintenance services for the Department's Pua Loke Master SCADA System for over 13 years. The Department has 2 SCADA servers, 5 desktop computers, 9 laptop computers, 96 remote terminal units, and a network of telemetry equipment to relay communications between sites. The approval of this proposal will allow the Department to continue to operate and maintain the SCADA System for the next 3 years. The recently approved budget FY2021 for this contract is \$150,000.00. The annual contract amount is \$158,764.00; therefore, an additional amount of \$16,702.00 was requested for approval for the first contract year. Reference Manager's Report No. 21-TBA.

WAIVER, RELEASE & INDEMNITY APPLICATIONS:

None

STAFF REPORTS - FY 20-21:

PERSONNEL MATTERS

August 17, 2020

Administration

1. Manager and Chief Engineer. Position currently in recruitment.

I.T. Division

1. Information Technology Specialist III #2475, #2615. Positions vacant.
2. Waterworks IT Manager #2485. Working with DHR on recruitment.

Fiscal Division

1. Assistant Waterworks Controller #2619. Position filled 8/1/2020.
2. Customer Service Representative I #2305. Working with DHR on classification and recruitment actions.

Engineering Division

1. Civil Engineer II #2458. Working with DHR on recruitment.

Construction Management Division

1. Civil Engineer V #2355. Working with DHR on recruitment.

Operations Division

1. Assistant Water Plant Operator #2312. Pending list of eligibles.
2. Construction & Maintenance Worker I #2401. Mid-August interviews scheduled.
3. Pipefitter #2418. Received referred list of eligibles extended to 09/16/2020.
4. Pipefitter Helper #2471. Pending list of eligibles.
5. Plant Electrician #2457. Pending list of eligibles.
6. Utility Worker #2612. Mid-August interview scheduled.
7. Water Service Investigator III #2617. Pending list of eligibles.

Pursuant to Board Policy No. 24

CONVEYANCE OF WATER FACILITIES **None**

CUSTOMER CARE AND BILLING (CC&B) SYSTEM UPDATE:

None

I.T. STRATEGIC PLAN UPDATE:

These updates will be placed in the Quarterly reports per Board action during the July 26, 2019 Regular Board meeting. The current update is in the October 25, 2019 Regular Board meeting.

I.T. INITIATIVES UPDATE:

August 17, 2020

Information Technology continues to work diligently to assist the Department to adapt to the COVID-19 challenges. Support to improve the DOW IT network with upgrades and maintenance of the server system continues.

The Waterworks Information Technology Manager position was offered to a prospective candidate's, however, the offer was declined due to salary compensation request disparity. The Department has requested DHR to re-review the salary compensation range for the position. The review was conducted and the position recruitment will be re-posted.

DEPARTMENT OF WATER'S CAPITAL IMPROVEMENT PROJECTS REQUESTS FOR STATE AID FOR FY 2020-2021 UPDATE

None

ADVISOR REPORT TO THE BOARD OF WATER SUPPLY UPDATE

Period ending July 31, 2020

- Handled emails, calls and texts from staff
- Discussions with Chair Akamine and staff on various matters
- Discussions with Construction Division on various projects
- Participated in and/or conducted DH/Leads weekly meeting
- Participated in DOW Board Meeting
- Reviewed Kilauea MCC Invitation for Bids

COUNTY RICE STREET TIGER PROJECT STATUS:

A Memorandum of Agreement (MOA) between the County and Department of Water (DOW) is required to be completed for this project to address various requests by the County during the design of the project.

- A draft MOA was prepared to address the County's requests during the design. The draft MOA was sent back to the County for review and execution.
- Construction of the project started prior to the County executing the draft MOA.
- During the construction of the project, the County and DOW personnel met and agreed to revise the draft MOA to address a new item that came up during construction.
- The DOW has proposed revised language to the draft MOA to address this new item and the revised draft MOA has been sent to the County for review.
- Completion of the MOA is pending County review and agreement to the revised draft MOA terms and execution of the MOA.

Construction Management (CM) coordinated a meeting with Department of Public works (DPW) several months ago when utility post issue arose and Chief of Operations Val Reyna agreed to allow what DPW

wanted with the updated MOA. DPW was working with Civil Engineer Keith Aoki. CM was not tasked to do the MOA. Chief of Construction Management Dustin Moises recalls Mr. Reyna was working on the added language. Mr. Moises had Mr. Reyna in this email to provide an update. CM was in middle since it came about in construction phase to make sure the Department didn't sign off until the MOA was executed. DPW is waiting for the contractor to submit the MOA exhibit(s) showing facilities that did not meet DOW standards as reported by CM. The Lihue Town Core Mobility and Revitalization Project is in the closing documentation phase with DOW. The project is near final inspection approval.

- Project Cost - N/A. This is a County project not funded by the DOW.
- Project Scope - N/A. This is a County project. (From the DOW point of view: The construction drawings included Road and sidewalk improvements to portions of Rice Street and some other side streets and roads connected to Rice Street. The project also included relocating certain water facilities.)
- Project Impacts: There are potential increased future maintenance costs to the DOW due to the project.

WAIMEA HUAKAI SUBDIVISION PROJECT

CRC 2019-21 C Charter Section 17.04 relating to the minimum requirements for the position of Manager and Chief Engineer of the Department of Water, ballot question, and educational material

*(Language to be deleted is bracketed and stricken through. Language to be added is underlined.)

Ballot question submitted for review:

Shall an individual who has extensive work and supervisory experience in an engineering or related field be qualified to serve as manager and chief engineer of the Department of Water?

Edited ballot question:

Shall an individual who has extensive work and supervisory experience in an engineering or related field **also** be qualified to serve as manager and chief engineer of the Department of Water **Supply**?

Charter language submitted for review:

Section 17.04. Staff. The ~~{board shall appoint an engineer duly registered under Hawai'i state laws pertaining to registration of engineers}~~ **manager and chief engineer shall be appointed and may be removed by the board of water.** ~~{Said person shall be known as the manager and chief engineer and shall be the head of the department.}~~ The manager and chief engineer shall have had a minimum of five years of training and experience in an engineering **related** position, at least three years of which shall have been in a responsible administrative capacity. Said person shall have the powers and duties prescribed by the board. (Amended 1980)

Edited charter language:

Section 17.04. Staff. The ~~{board shall appoint an engineer duly registered under Hawai'i state laws pertaining to registration of engineers}~~ **manager and chief engineer shall be appointed and may be removed by the board of water.** **Said person** ~~{shall be known as the manager and chief engineer and shall be the head of the department.}~~ **The manager and chief engineer may but is not required to be an engineer duly registered under Hawai'i state laws pertaining to registration of engineers, and** shall have had a minimum of five years of training and experience in an engineering related position, at least three years of which shall have been in a responsible administrative capacity. Said person shall have the powers and duties prescribed by the board. (Amended 1980)

Educational material:

The direction of the Department of Water is increasingly an administrative rather than an engineering function. This provision would recognize that a qualified manager with engineering experience could meet the requirements of the position as well as would a Hawai`i-registered engineer.

Furthermore, as the Board of Water Supply has had difficulty filling this position with qualified engineers, this provision has the capacity to expand the pool of qualified applicants.

Leaving the provision as-is would continue to require a Hawai`i-registered engineer hold the position.

Mgrrp/Manager's Update (August 27, 2020):mja

Ignacio-Neumiller, Edith

Subject: FW: Public Comment Objecting to Proposed Actions G2, G3 and H3
Attachments: KDOW's Managers Report Re- Need for Permit or Lease 1-25-2019.pdf; 3749134370
Kia'i Wai Notice of Appeal, Exhibits A-E.pdf; 3749134370 Kia'i Wai CADS.pdf

From: Bridget Hammerquist
Sent: Tuesday, August 25, 2020 2:49 PM
To: Ignacio-Neumiller, Edith <eineumiller@kauaiwater.org>
Subject: Public Comment Objecting to Proposed Actions G2, G3 and H3

Aloha Board Members, Kauai Department of Water,

As a rate payer, a kama`aina and resident of Kauai, please accept this comment filed on behalf of myself and others in the organizations I represent who object to the contract between KDOW and Grove Farm and in particular to the terms and conditions associated with the purchase and sale of water from the Waiahi Surface Water Treatment Plant. The contract and the actions of KDOW and Grove Farm constitute an unfair and deceptive practice in violation of the Federal Trade Commission and HRS 480. KDOW and Grove Farm are operating as if their actions are legal when in fact they violate our State Constitution, its Public Trust Doctrine and HRS 171-58 and 343.

This Board is likely aware of the Notice of Appeal and Civil Appeal Docketing Statement on file with the Interim Court of Appeal that directly challenges the legality of the Kapaia Cane Haul Road 18" main project. Based on the pending appeal and the legal challenges raised which are not resolved, there should be no further plan to construct or install, no cost incurred that rate payers will have to cover and no further action should be taken by your Board or KDOW which involves the sale of State water without permit, license or lease for that water. Your actions to date have deprived the State of rightful compensation and have further deprived the beneficiaries specifically provided for by the Hawaii State Constitution through the shared allocation of water revenue to DHHL and OHA.

Until the appeal is resolved, this Board and KDOW should cease and desist from any further action under its contract with Grove Farm to avoid the risk of needing to disgorge even greater ill gotten gains. There is no question that KDOW is aware of the legal issues arising from its contract with Grove Farm which has been the subject of prior Board discussions an example of which is found in the January 25, 2019 Manager's Report:

"The Department has previously requested a copy of the agreements referenced in Section 2.b. Control of Surface Water System, but to date has not received them. Without a copy of these agreements, the Department cannot properly evaluate the possibility of acquiring the SWTP. Without documentation regarding Grove Farm ownership rights to the source water (for e.g. appurtenant and riparian rights), the ditch system, and its obligations to other parties with whom it may have water agreements, the Department cannot ensure the continued supply of water as a transferee of these "rights."" Page 69, copy attached.

Mahalo nui loa,

Bridget Hammerquist, President
Friends of Maha`ulepu, a 501(c)(3)
Kia`i Wai o Wai`ale`ale, Co-founder
friendsofmahaulepu.org

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 19-42

January 25, 2019

Re: Discussion and Receipt of Update regarding Status of Water Treatment and Delivery Agreement with Grove Farm Properties, Inc.

FUNDING: N/A

BACKGROUND:

The Department entered into the attached Water Treatment and Delivery Agreement (henceforth "Agreement") with Grove Farm Properties, Inc. on February 19, 2004. As stated on page 4 of the Agreement, "...this Agreement, unless earlier terminated in accordance with Section 17, shall terminate fifteen (15) years after the effective date or upon dedication of the Facility to BWS, whichever occurs first, except to the extent specifically provided to the contrary in this Agreement. If the Facility has not been dedicated to BWS within the initial fifteen (15) year term of this Agreement, the term of this Agreement shall be automatically extended for successive two (2) year periods (the "**Renewal Term(s)**") unless and until (i) the Facility is dedicated to BWS, (ii) either part delivers to the other written notice of such party's election to terminate this Agreement at least ninety (90) days prior to the conclusion of the initial term or any successive two (2) year term (the "**Termination Notice**") or (iii) the parties mutually agree to terminate this Agreement. In the event a timely Termination Notice is given, this Agreement shall terminate at the conclusion of the initial (15) year term or Renewal Term during which the Termination Notice is given.

The Kapaia Surface Water Treatment Plant (SWTP) treats and delivers an average of 2.4 Million Gallons of water per day (MGD) and provides a consistent supply of water for the Department's Puhi-Līhu'e-Hanamā'ulu system, which is interconnected with the Wailua-Kapa'a system. Per the 3rd Amendment to the Agreement executed on December 23, 2016, the Department currently pays \$1.90 per 1,000 gallons of Delivered Water per the Agreement, for an approximate total of \$140,000 per month or \$1.7M per year. By comparison, the Department's current water rates for a 5/8-inch meter are \$3.80 for the first tier (1,000 gallons), \$4.85 per thousand gallons for the next (1,000-7,000 gallons), and so on. The Department has not recommended action to the Board because Sec. 2b of the Agreement requires the submission of documentation which Grove Farm has not yet provided.

Section 2.b. Control of Surface Water System of the Agreement is as follows:

b. Control of Surface Water System Grove Farm, its stockholder ALPS LLC, a Delaware limited liability company, Visionary and LLCO are each independent, but related, companies with common ownership. One or more of these companies (1) own or control the Hanamā'ulu Ditch System, which feeds Kapaia Reservoir and the stream diversion facilities (the "**Stream Diversion Facilities**") for the South Fork Wailua River (the "**Stream**"), which can divert over 30 million gallons of water per day into the Hanamā'ulu Ditch System and (2) act as diversion works operator under a Stream Diversion Registration of Works and Declaration of Water Use, dated May 24, 1989, filed with the Commission on Water Resource Management for the Stream by LPCO. To facilitate the performance of this Agreement, Grove Farm will enter into an agreement or agreements (the "**Authorizing Agreements**") with LLCO: (i) permitting Grove Farm access to allowing Grove Farm to operate the Stream Diversion Facilities, (ii) allowing Grove Farm to secure limited water from Kapaia Reservoir, (iii) securing for Grove Farm an easement or license over the Water Delivery System Easement Area, (iv) securing for

Grove Farm an easement or license of the Treatment Plant Site and (v) permitting Grove Farm to construct the Facility. Such authorizing agreement shall contain a provision binding the successors and assigns of Grove Farm and LLCO. Grove Farm shall provide copies of the Authorizing Agreements to BWS by December 31, 2003.”

The Department has previously requested a copy of the agreements referenced in Section 2.b. Control of Surface Water System, but to date has not received them. Without a copy of these agreements, the Department cannot properly evaluate the possibility of acquiring the SWTP. Without documentation regarding Grove Farm ownership rights to the source water (for e.g. appurtenant and riparian rights), the ditch system, and its obligations to other parties with whom it may have water agreements, the Department cannot ensure the continued supply of water as a transferee of these “rights.”

The Department will continue to work with Grove Farm to obtain the information necessary to properly evaluate the dedication option whereby the Department would assume ownership, operate, and maintain the SWTP. It is in the best interest of the Department and its ratepayers to continue utilizing the SWTP by allowing the Agreement to automatically extend beyond the upcoming February 19, 2019 termination date.

BW/ein

Attachments: Water Treatment and Delivery Agreement dated February 19, 2004 with Grove Farm Properties, Inc.
3rd Amendment to Water Treatment and Delivery Agreement, dated December 23, 2016

Mgrrp/January 2019/19-42/Discussion and Receipt of Update regarding Status of Water Treatment and Delivery Agreement with Grove Farm Properties, Inc.
(1-25-19):ein

appeal to the Intermediate Court of Appeals of the State of Hawai'i from the Fifth Circuit Court's (1) orders as to all counts of Plaintiff's First Amended Complaint in SCC No. 18-1-0063 namely:

(a) Order Granting Defendant Department of Water, County of Kauai's Motion for Summary Judgment as to Plaintiff's Count IV, filed April 2, 2019, a copy of which is attached hereto as Exhibit "A";

(b) Order Granting Defendant Department of Water, County of Kauai's Motion for Summary Judgment as to Plaintiff's Counts V, VI, VIII and IX, filed October 3, 2019, a copy of which is attached hereto as Exhibit "B";

(c) Order Granting Defendant Department of Water, County of Kauai's Motion for Summary Judgment as to Plaintiff's Counts I, II, III, VII, and X, filed June 30, 2020, a copy of which is attached hereto as Exhibit "C"; and

(2) Final Judgment entered in favor of Defendant Department of Water, County of Kauai as to all claims asserted in Plaintiff's First Amended Complaint for Declaratory, Injunctive and Other Relief, filed on October 17, 2018, filed on June 30, 2020, a copy of which is attached hereto as Exhibit "D".

DATED: July 29, 2020.

/s/Linda M. B. Paul

LINDA M. B. PAUL,

Attorney for Plaintiff-Petitioner-Appellant

KIA'I WAI O WAI'ALE'ALE

EXHIBIT "A"

FILED

Of Counsel:
ASHFORD & WRISTON
A Limited Liability Law Partnership LLP

2019 APR -2 AM 8:43

CIRCUIT COURT
STATE OF HAWAII

ROSEMARY T. FAZIO 2228-0
NAOMI U. KUWAYE 6648-0
MICAH P. K. AIU 10589-0
First Hawaiian Center, Suite 1400
999 Bishop Street
P. O. Box 131
Honolulu, Hawaii 96813
Tel. No.: (808) 539-0400

CLERK CHRISTINE MARTINEZ

Attorneys for Defendant
DEPARTMENT OF WATER,
COUNTY OF KAUA'I

IN THE CIRCUIT COURT OF THE FIFTH CIRCUIT

STATE OF HAWAII

KIA'I WAI O WAI'ALE'ALE, an
unincorporated community association,

Plaintiff,

vs.

DEPARTMENT OF WATER, COUNTY OF
KAUA'I, applicant and accepting agency of the
subject Environmental Assessment; and DOES
1-50,

Defendants.

) Civil No. 18-1-0063 (KNAW)
) (Environmental Court)
)
) ORDER GRANTING DEFENDANT
) DEPARTMENT OF WATER, COUNTY
) OF KAUA'I'S MOTION FOR PARTIAL
) SUMMARY JUDGMENT AS TO COUNT
) IV
) Hearing:
) Date: March 13, 2019
) Time: 1:00 p.m.
) Judge: Honorable Kathleen N.A. Watanabe
)
) Trial Date: Not Set

ORDER GRANTING DEFENDANT DEPARTMENT OF WATER, COUNTY
OF KAUA'I'S MOTION FOR PARTIAL SUMMARY JUDGMENT AS TO COUNT IV

I do hereby certify that this is a full, true
and correct copy of the original on file in
this office.


Clerk, Circuit Court, Fifth Circuit

EXHIBIT “B”

FILED

Of Counsel:
ASHFORD & WRISTON
A Limited Liability Law Partnership LLP

2019 OCT -3 PM 1:35

5TH CIRCUIT COURT
STATE OF HAWAII

DOREENA OLIVAS BRUN
CLERK

ROSEMARY T. FAZIO 2228-0
NAOMI U. KUWAYE 6648-0
MICAH P. K. AIU 10589-0
First Hawaiian Center, Suite 1400
999 Bishop Street
P. O. Box 131
Honolulu, Hawaii 96813
Tel. No.: (808) 539-0400

Attorneys for Defendant
DEPARTMENT OF WATER,
COUNTY OF KAUA'I

IN THE CIRCUIT COURT OF THE FIFTH CIRCUIT

STATE OF HAWAII

KIA'I WAI O WAI'ALE'ALE, an
unincorporated community association,

Plaintiff,

vs.

DEPARTMENT OF WATER, COUNTY OF
KAUA'I, applicant and accepting agency of the
subject Environmental Assessment; and DOES
150,

Defendants.

) Civil No. 18-1-0063 (KNAW)
) (Environmental Court)
)
) ORDER GRANTING DEFENDANT
) DEPARTMENT OF WATER, COUNTY
) OF KAUA'I'S MOTION FOR PARTIAL
) SUMMARY JUDGMENT AS TO
) COUNTS V, VI, VIII AND IX
)
) Hearing:
) Date: September 18, 2019
) Time: 1:00 p.m.
) Judge: Honorable Kathleen N.A. Watanabe
)
) Trial Date: Not Set

ORDER GRANTING DEFENDANT DEPARTMENT OF WATER,
COUNTY OF KAUA'I'S MOTION FOR PARTIAL SUMMARY
JUDGMENT AS TO COUNTS V, VI, VIII AND IX

2424438v1

I do hereby certify that this is a full, true
and correct copy of the original on file in
this office.


Clerk, Circuit Court, Fifth Circuit

Defendant Department of Water, County of Kauai's ("KDOW") Motion for Partial Summary Judgment as to Counts V, VI, VIII AND IX filed August 13, 2019, came on for hearing on September 18, 2019, before the Honorable Kathleen N. A. Watanabe. Naomi U. Kuwaye, Esq., appeared on behalf of KDOW and Linda M.B. Paul, Esq., appeared on behalf Plaintiff Kia'i Wai O Wai'ale'ale ("Plaintiff").

The Court having considered the Motion, Opposition, related memoranda, declarations, and exhibits, and having considered the arguments of counsel, and being duly advised of the record and files herein, and after finding good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the KDOW's Motion for Partial Summary Judgment as to Counts V, VI, VIII and IX filed August 13, 2019, is GRANTED.

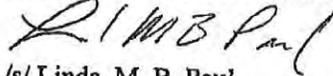
DATED: Honolulu, Hawaii; _____

OCT - 3 2019

SEAL KATHLEEN N.A. WATANABE

JUDGE OF THE ABOVE-ENTITLED COURT

APPROVED AS TO FORM:



/s/ Linda M. B. Paul

LINDA M.B. PAUL, ESQ.

Attorney for Plaintiff

Kia'i Wai O Wai'ale'ale

Kia'i Wai O Wai'ale'ale vs. Department of Water, County of Kaua'i, Civil No. Civil No. 18-1-0063; Order Granting Defendant Department of Water, County Of Kauai's Motion for Partial Summary Judgment As To Counts V, VI, VIII AND IX; Page 2

EXHIBIT “C”

Of Counsel:
ASHFORD & WRISTON
A Limited Liability Law Partnership LLP

ROSEMARY T. FAZIO 2228-0
NAOMI U. KUWAYE 6648-0
MICAH P. K. AIU 10589-0
First Hawaiian Center, Suite 1400
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P. O. Box 131
Honolulu, Hawaii 96813
Tel. No.: (808) 539-0400

Attorneys for Defendant
DEPARTMENT OF WATER,
COUNTY OF KAUAI

Electronically Filed
FIFTH CIRCUIT
5CC181000063
30-JUN-2020
11:18 AM

IN THE CIRCUIT COURT OF THE FIFTH CIRCUIT

STATE OF HAWAII

KIA'I WAI O WAI'ALE'ALE, an
unincorporated community association.

Plaintiff.

vs.

DEPARTMENT OF WATER, COUNTY OF
KAUAI, applicant and accepting agency of the
subject Environmental Assessment; and DOES
1-50,

Defendants.

) Civil No. 5CC181000063 (KNAW)
) (Environmental Court)
)
) ORDER GRANTING DEFENDANT
) DEPARTMENT OF WATER, COUNTY
) OF KAUAI'S MOTION FOR SUMMARY
) JUDGMENT AS TO PLAINTIFF'S
) REMAINING COUNTS I, II, III, VII,
) AND X
)
) Hearing:
) Date: June 23, 2020
) Time: 1:30 p.m.
) Judge: Honorable Kathleen N.A. Watanabe
)
) Trial Date: Not Set
)

ORDER GRANTING DEFENDANT DEPARTMENT OF WATER,
COUNTY OF KAUAI'S MOTION FOR SUMMARY JUDGMENT
AS TO PLAINTIFF'S REMAINING COUNTS I, II, III, VII, AND X

Defendant Department of Water, County of Kauai's (the "County") Motion for Summary Judgment as to Plaintiff's Remaining Counts I, II, III, VII, and X, filed January 8, 2020, came on for hearing on June 23, 2020, before the Honorable Kathleen N. A. Watanabe. Naomi U. Kuwaye, Esq., Rosemary T. Fazio, Esq., and Micah P. K. Aiu, Esq., appeared by telephone on behalf of the County, joined by the County's representative, Mahealani Krafft, Esq. Linda M.B. Paul, Esq., appeared by telephone on behalf Plaintiff Kia'i Wai O Wai'ale'ale ("Plaintiff"), joined by Plaintiff's representative, Bridget Hammerquist.

The Court having considered the Motion, Opposition, related memoranda, declarations, and exhibits, and having considered the arguments of counsel, being very familiar with the citations made in terms of applicable cases and relevant sections of the law, and being duly advised of the record and files herein, and after finding good cause appearing therefor;

The Court finds that there are no genuine issues as to any material fact. The Court finds that the Environmental Assessment that was done was sufficient and there is no need for an Environmental Impact Statement. In addition, much of the arguments made by the Plaintiff is repetitive and go beyond the initial complaint that this Court has reviewed. The Court adopted the arguments made by the Department of Water as to the Department of Water not having to secure any further leases or permits, and the Court will not touch upon other arguments made with respect to jurisdiction of the BLNR.

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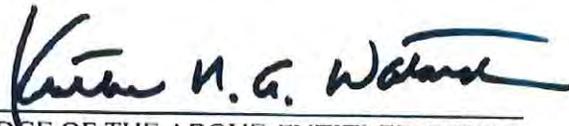
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IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Department of Water, County of Kauai's Motion for Summary Judgment as to Plaintiff's Remaining Counts I, II, III, VII, and X, filed January 8, 2020, is GRANTED.

DATED: Lihue, Hawaii; June 30, 2020.



JUDGE OF THE ABOVE-ENTITLED COURT

APPROVED AS TO FORM:

/s/ Linda M.B. Paul
LINDA M.B. PAUL, ESQ.
Attorney for Plaintiff
Kia'i Wai O Wai'ale'ale

Kia'i Wai O Wai'ale'ale vs. Department of Water, County of Kaua'i, Civil No. 5CC181000063;
Order Granting Defendant Department of Water, County of Kauai's Motion for Summary Judgment as to Plaintiff's Remaining Counts I, II, III, VII, and X

EXHIBIT "D"

Of Counsel:
ASHFORD & WRISTON
A Limited Liability Law Partnership LLP

ROSEMARY T. FAZIO 2228-0
NAOMI U. KUWAYE 6648-0
MICAH P. K. AIU 10589-0
First Hawaiian Center, Suite 1400
999 Bishop Street
P. O. Box 131
Honolulu, Hawaii 96813
Tel. No.: (808) 539-0400

Attorneys for Defendant
DEPARTMENT OF WATER,
COUNTY OF KAUAI

Electronically Filed
FIFTH CIRCUIT
5CC181000063
30-JUN-2020
11:26 AM

IN THE CIRCUIT COURT OF THE FIFTH CIRCUIT

STATE OF HAWAII

KIA'I WAI O WAI'ALE'ALE, an unincorporated community association,)	Civil No. 5CC181000063 (KNAW)
)	(Environmental Court)
Plaintiff,)	FINAL JUDGMENT
vs.)	
DEPARTMENT OF WATER, COUNTY OF KAUAI, applicant and accepting agency of the subject Environmental Assessment; and DOES 1-50,)	
Defendants.)	
)	
)	
)	
)	

FINAL JUDGMENT

Pursuant to Rule 58 of the Hawaii Rules of Civil Procedure and based upon:

1. Order Granting Defendant Department of Water, County of Kauai's Motion for Partial Summary Judgment as to Count IV, filed April 2, 2019;

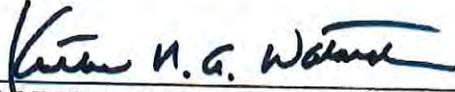
2. Order Granting Defendant Department of Water, County of Kauai's Motion for Partial Summary Judgment as to Counts V, VI, VIII and IX, filed October 3, 2019; and

3. Order Granting Defendant Department of Water, County of Kauai's Motion for Summary Judgment as to Plaintiff's Remaining Counts I, II, III, VII, X, filed concurrently herewith.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that FINAL JUDGMENT is hereby entered in favor of Defendant Department of Water, County of Kauai's (the "County") and against Plaintiff Kia'i Wai O Wai'ale'ale ("Plaintiff") as to all claims asserted in Plaintiff's First Amended Complaint for Declaratory, Injunctive and Other Relief, filed October 17, 2018.

This resolves all claims against all parties.

DATED: Lihue, Hawaii; June 30, 2020



JUDGE OF THE ABOVE-ENTITLED COURT

APPROVED AS TO FORM:

/s/ Linda M.B. Paul
LINDA M.B. PAUL, ESQ.
Attorney for Plaintiff
Kia'i Wai O Wai'ale'ale

Kia'i Wai O Wai'ale'ale vs. Department of Water, County of Kaua'i, Civil No. 5CC181000063;
Final Judgment

IN THE CIRCUIT COURT OF THE FIFTH CIRCUIT STATE OF HAWAII
CIVIL APPEAL DOCKETING STATEMENT

Electronically Filed
Intermediate Court of Appeals
CAAP-20-0000487
29-JUL-2020
04:56 PM

KIA'I WAI O WAI'ALE'ALE,
Plaintiff-Petitioner-Appellant,

Trial Court Docket Number
CIVIL NO. 18-1-0063 (KNAW)

vs.

Is this a Cross-Appeal? NO

DEPARTMENT OF WATER, COUNTY OF
KAUA'I, applicant and accepting agency of the
subject Environmental Assessment; DOES 1-50,

Has this matter previously been
before the Hawai'i Appellate Courts?

Defendants-Respondents-Appellees.

NO

TRIAL COURT DISPOSITION

1. STAGE OF THE PROCEEDINGS

X After Trial

2. RELIEF

X Other: Plaintiff-Petitioner-Appellant requests the Intermediate Court of Appeals to:

(a) Reverse the Fifth Circuit Court's:

(1) Order Granting Defendant-Respondent-Appellee Department of Water, County of Kauai's Motion for Summary Judgment as to Plaintiff's Count IV, filed April 2, 2019, a copy of which is attached hereto as Exhibit "A";

(2) Order Granting Defendant Department of Water, County of Kauai's Motion for Summary Judgment as to Plaintiff's Counts V, VI, VIII and IX, filed October 3, 2019, a copy of which is attached hereto as Exhibit "B";

(3) Order Granting Defendant Department of Water, County of Kauai's Motion for Summary Judgment as to Plaintiff's Counts I, II, III, VII, and X, filed June 30, 2020, a copy of which is attached hereto as Exhibit "C";

(b) Declare that the uncontested facts in this case do not support a Finding of No Significant Impact (FONSI) and that Defendant Department of Water, County of Kauai's is required to

prepare an Environmental Impact Statement (EIS) pursuant to HRS §343-2 and HAR §11-200-11.2 and obtain a lease, license or revocable permit to use state water pursuant to HRS §171-58 before applying for any state or county permits for its proposed Kapaia Cane Haul Road 18" Main water transmission line located at Tax Map Key (TMK) Nos. (4) 3-8-018:001; and 'Ehiku and Kūhiō Highway, plats (4) 3-8-015, -007, and -009 in Līhu'e, Kaua'i;

(c) Issue a temporary injunction on stream water diversions in the Kauai's East and Southeast watersheds to protect streams and threatened and endangered species until Defendant completes an EIS for its water transport system and the State of Hawaii grants it a lease, license or revocable permit authorizing Defendant's extraction and transport of public trust water from Kauai's East and Southeast watersheds and Lihu'e Basin as required by HRS §171-58(c)(3)

(d) Grant Plaintiff-Petitioner-Appellant's attorney's fees and costs pursuant to the private attorney general doctrine and provide for such other relief as is just and proper.

DESCRIPTION OF NATURE OF ACTION AND RESULT IN THE TRIAL COURT & AGENCY

On 02/08/2018, Defendant published a Draft Environmental Assessment (DEA) and an Anticipated Finding of No Significant Impact (AFONSI) for its Kapaia Cane Haul Road 18" Main water transmission line project in OEQC's Environmental Notice. The project is located at Tax Map Key (TMK) Nos. (4) 3-8-018:001 and 'Ehiku and Kūhiō Highway, plats (4) 3-8-015, -007, and -009 in Līhu'e, Kaua'i. Plaintiff and its members, who include Kauai residents and Native Hawaiian beneficiaries of East and Southeast Kauai's freshwater resources, submitted comments up until the end of 03/12/2018, the day comments were due. On that day Defendant approved a Final Environmental Assessment (FEA) and Finding of No Significant Impact (FONSI) prior to the end of the comment period.

On 10/17/2018, Plaintiff filed its First Amended Complaint challenging Defendant's FEA-FONSI for its proposed 18" Main project pursuant to HRS §343 and HAR §11-200 because:

1. it fails to fully disclose and assess the full extent of the significant environmental and cultural impacts that are highly likely to result from Defendant's permanent removal and transport of public trust water from Kauai's East and Southeast watersheds and Lihu'e Basin through its proposed 18" Main water transmission line. If Defendant's proposed 18" Main line is constructed, its water transmission capacity will increase to approximately 9.9 MGD (combined new 18" and existing 12" lines), which is 325% of the existing 3.05 MGD currently being transported, and the new limiting main segments will be the 16" lines that the 18" "Relief

Line" would connect to at either end increasing transmission capacity to 5.41 MGD, which is 178% of the existing capacity, which is not an insignificant increase;

2. it is improperly segmented and fails to describe and evaluate all of the significant adverse environmental impacts that will be caused by the proposed 18" Main Project, including the direct, indirect, secondary, and cumulative as well as the short-term and long-term effects as required by HRS §343 and HAR §§11-200-7, 10 and 12;

3. Defendant's proposed 18" Main line will transport public trust waters diverted from state conservation district streams and pumped from state aquifers without a lease, license or permit from the Board of Land and Natural Resources (BLNR) in violation of HRS §171-58 and without any Environmental Impact Statement (EIS) for Defendant's entire water extraction and transport system ever having been done as required by HRS §171-58(c)(3);

4. the FEA-FONSI violates HRS §195D-4 and the Constitution of Hawaii Article XI Section 1 for failing to disclose and assess the proposed 18" Main line project's significant environmental impacts on public trust freshwater resources and threatened and endangered species in the East and Southeast Kauai watersheds;

5. the FEA-FONSI violates the Hawaii Constitution Article XII Section 7 for failing to disclose and assess the significant adverse impacts on native Hawaiian ahupua'a tenants affected by Defendant's stream diversion and water withdrawal and transport projects; and

6. Defendant's flawed environmental review process violated Plaintiff's members' substantive and procedural due process rights under the Hawaii Constitution Article I Section 5 when Defendant granted itself a FONSI before the public comment period was over.

On 01/16/2019, Defendant filed a motion for partial summary judgment as to Plaintiff's Count IV, which claims that Defendant segmented its FEA in violation of HRS §343 and HAR §11-200-7 by failing to disclose and assess the significant upstream and downstream environmental impacts of its proposed 18" water main project. Plaintiff filed a response and memorandum in opposition together with Exhibits "1"- "2". A hearing was held on 03/13/2019. On 04/02/2019, the Fifth Circuit Court granted Defendant's Motion for Summary Judgment as to Plaintiff's Count IV. The Court made no findings.

On Sept. 13, 2019, Defendant filed a motion for partial summary judgment as to Plaintiff's Counts V, VI, VIII, and IX, which claim that Defendant's FEA-FONSI violated HRS §343-2 and

HAR §11-200-12 when it failed to disclose and assess indirect, secondary and cumulative impacts and long term effects on the environment of Defendant's improvements in its capacity to transport state water from all sources, failed to provide an alternative that would reduce the amount of water taken from the watersheds in violation of HAR §11-200-9(c), failed to disclose and assess the project's significant environmental impact on public trust sources in violation of HRS §195D-4 and the Hawaii Constitution Article XI Section 1, and failed to disclose, assess and protect the rights of the native Hawaiian ahupua'a tenants affected by its stream diversions that will channel water to its 18" Main line in violation of Article XII Section 7. Plaintiff filed a response and memorandum in opposition together with Exhibits "1"-"5". A hearing was held on 09/18/2019. On 10/03/2019, the Fifth Circuit Court granted Defendant's Motion for Summary Judgment as to Plaintiff's Counts V, VI, VIII and IX. The Court made no findings.

On 01/08/2020, Defendant filed a motion for partial summary judgment as to Plaintiff's Counts I, II, III, VII, and X, which claim that Defendant's FEA does not comply with HRS § 343-2 and HAR §11-200-10 & 12 EA content requirements, which require describing and evaluating the sum of the significant effects and total impact of the 18" Main project on the quality of the environment, including actions that irrevocably commit a natural resource, curtail the range of beneficial uses of the environment, are contrary to the State's environmental policies or long-term environmental goals as established by law, or adversely affect the economic welfare, social welfare, or cultural practices of the community and State, and claim Defendant's flawed environmental review process violated Plaintiff's members' substantive and procedural due process rights by granting itself a FONSI before the public comment period was over, and claim that Defendant is continuing to violate HRS § 171-58 by taking and transporting state water without a lease, license or permit from the State, and include a request for a temporary injunction on Defendant's stream water diversions from Kauai's East and Southeast watersheds until Defendant completes an EIS for its water extraction and transport system and obtains a lease, license or revocable permit from the State of Hawaii authorizing its use of public trust water, including, but not limited to the diversion of stream water from the watersheds, the pumping of water from Kauai's aquifers and the transmission of public trust water out of the watersheds.

On 03/03/2020, Plaintiff filed a response and memorandum in opposition to the motion together with a declaration from expert witness Matt Rossner and Exhibits "A"-"C". A hearing was held

on 06/23/2020. Defendant proffered no expert witnesses either in its Reply or at the hearing to counter Mr. Rossner's expert testimony that the 18" Main line will take more water.

On 06/30/2020, the Fifth Circuit Court granted Defendant's Motion for Summary Judgment as to Plaintiff's Counts I, II, III, VII, and X. The Court found that there were no genuine issues as to any material fact and that the Environmental Assessment that was done was sufficient and there was no need for an Environmental Impact Statement.

On 06/30/2020, the Fifth Circuit Court entered Final Judgment in favor of Defendant Department of Water, County of Kauai and against Plaintiff Kia`i Wai as to all claims asserted in Plaintiff's First Amended Complaint for Declaratory, Injunctive and Other Relief, filed 10/17/2018.

ANTICIPATED ISSUES PROPOSED TO BE RAISED ON APPEAL

1. Whether the Fifth Circuit Court made a pure error of law when it found on 06/30/2020, that there were no genuine issues as to any material fact and that Defendant's Environmental Assessment that was done was sufficient and there was no need for an Environmental Impact Statement, when the record clearly indicates *inter alia* that there was and is a factual dispute as to whether Defendant's Kapaia Cane Haul Road proposed 18" Main water line when added to its existing 12" Main water line will significantly increase its capacity to transport state water from the East and Southeast Kauai watersheds and aquifers to consumers without a lease, license, or permit and Defendant countered that the additional water it admitted that it needs to supply the larger transmission line will come from the water sources it currently taps even though the sources of that water are the East and Southeast Kauai watersheds and aquifers. The standard of review on questions of pure errors of law is *de novo*.
2. Whether the Fifth Circuit Court's Order filed 04/02/2019, was clearly erroneous and a pure error of law and acted in excess of its statutory authority and/or jurisdiction when it granted Defendant's motion for summary judgment on Count IV when Defendant's FEA-FONSI on its face indicates that it was improperly segmented in violation of HRS §343 and HAR §§11-200-7 & 12(b)(8), which require that component actions that are increments of a larger total undertaking are to be treated as a single action (no segmentation) when the FEA limited its environmental assessment of the environmental impacts of the 18" Main project to the immediate water transmission line installation area and failed to address the significant impacts to upstream

state forest reserve streams, threatened and endangered wildlife and native Hawaiian ahupua`a tenants that will likely result from the permanent removal of even more unpermitted state water from the East and Southeast Kauai watersheds to supply Defendant's water transport system.

"[An agency's] conclusion of law is reviewed under the clearly erroneous standard because the conclusion is dependent on the facts and circumstances of the particular case." *Pele Def. Fund*, 141 Haw. 381(2018) quoting *Kilakila `O Haleakala v. Univ. of Hawaii*, 138 Haw. 364, 375-76, 382 P.3d 176, 187-88 (2016) in turn quoting *Sierra Club v. Dep't of Transp.*, 115 Haw. 299, 315, 167 P.3d 292, 308 (2007). The standard of review on mixed questions of fact and law is *de novo*, the "right/wrong" standard.

3. Whether the Fifth Circuit Court's Order filed 10/03/2019, was clearly erroneous and a pure error of law when it granted Defendant's motion for summary judgment on Counts V and VI when the FEA-FONSI failed to include sufficient and required alternatives including reducing the amount of state water taken to supply its system and failed to include information required by HRS §343 and HAR §11-200. The standard of review on mixed questions of fact and law is *de novo*, the "right/wrong" standard. *See Price v. Obayashi Hawaii Corp.*, 81 Hawai'i 171, 182, 914 P.2d 1364, 1375 (1996)(citing *Life of Land v. Ariyoshi*, 59 Haw. 156, 164, 577 P.2d 1116 (1978)):

[A]n EIS need not be exhaustive to the point of discussing all possible details bearing on the proposed action but will be upheld as adequate if it has been compiled in good faith and sets forth *sufficient information* to enable the decision-maker to consider fully the environmental factors involved and to make a reasoned decision after balancing the risks of harm to the environment against the benefits to be derived from the proposed action, as well as to make a reasoned choice between alternatives. *Price*, 81 Hawai'i at 183, 914 P.2d at 1376 (quoting *Life of the Land*, 59 Haw. at 164-65, 577 P.2d at 1121). Although this case presents the question of the sufficiency of the State's compliance with regulations regarding an EA rather than an EIS, we recognize the same latitude in the HAR given to the accepting agency over EISs for EAs, and apply the same standard in evaluating EAs. *Price*, 81 Hawai'i at 182-83, 914 P.3d at 1375-76.

4. Whether the Fifth Circuit Court's Order filed 10/03/2019, was clearly erroneous and a pure error of law when it granted Defendant's motion for summary judgment on Count VIII when the FEA-FONSI failed to disclose and assess the project's impact on public trust water resources and threatened and endangered species in violation not only of HRS §343 and HAR

§11-200, but also HRS §195D-4 and the Constitution of Hawaii Article XI Section 1. The standard of review on mixed questions of fact and law is *de novo*, the "right/wrong" standard.

5. Whether the Fifth Circuit Court's Order filed 10/03/2019, was clearly erroneous and a pure error of law when it granted Defendant's motion for summary judgment on Count IX when the FEA-FONSI on its face indicates that it violates Hawaii Constitution Article XII Section 7 because it failed to disclose, assess and protect the rights of the native Hawaiian ahupua`a tenants affected by its stream diversions that channel water to its water transport system. The standard of review on mixed questions of fact and law is *de novo*, the "right/wrong" standard.

6. Whether the Fifth Circuit Court's Order filed 06/30/2020, was clearly erroneous and a pure error of law when it granted Defendant's motion for summary judgment on as to Count I when the FEA-FONSI fails to describe and evaluate the full extent, cumulative and overall significant impacts of the 18" Main project on the quality of the environment, including the direct, indirect, secondary, and cumulative as well as the short-term and long-term effects as required by HRS §343 and HAR §11-200. The standard of review on mixed questions of fact and law is *de novo*, the "right/wrong" standard.

7. Whether the Fifth Circuit Court's Order filed 06/30/2020, was a pure error of law when it granted Defendant's motion for summary judgment on Count II when Defendant's flawed environmental review process violated HRS §343 and HAR §11-200 requirements and plaintiff's substantive and procedural due process rights. "Whether or not an agency has followed proper procedures or considered the appropriate factors in making its determination is a question of law, and will be reviewed *de novo*." *Sierra Club*, 115 Haw. at 315, 167 P.3d at 308.

8. Whether the Fifth Circuit Court's Order filed June 30, 2020, was clearly erroneous and a pure error of law when it granted Defendant's motion for summary judgment on Count III when the FEA-FONSI did not satisfy the HRS § 343 and HAR § 11-200 environmental assessment content requirements, which require describing and evaluating the sum of the significant effects and total impact of the 18" Main project on the quality of the environment. The standard of review on mixed questions of fact and law is *de novo*, the "right/wrong" standard.

9. Whether the Fifth Circuit Court Order filed 06/30/2020, was a pure error of law when it granted Defendant's motion for summary judgment on Count VII when the record indicates that Defendant is taking public trust water resources without a lease, license, or permit from the State

of Hawaii and an EIS as required by HRS §171-58 and Defendant did and does not deny that it has none. The standard of review on questions of pure errors of law is *de novo*.

10. Whether the Fifth Circuit Court Order filed 06/30/2020, was clearly erroneous and a pure error of law when it granted Defendant's motion for summary judgment on Count X when the record shows that a temporary injunction on stream water diversions in the Kauai's East and Southeast watersheds is needed to protect public trust resources until such time as Defendant completes an EIS for its water transport system and BLNR grants it a water lease or revocable permit authorizing Defendant's extraction and transport of public trust water from Kauai's East and Southeast watersheds and Lihue Basin as required by HRS §171-58(c)(3). The standard of review on mixed questions of fact and law is *de novo*, the "right/wrong" standard.

DOES THIS APPEAL INVOLVE ANY OF THE FOLLOWING:

 No Likelihood of a motion to expedite the appeal.

 No Likelihood of a motions to stay appeal pending resolution of a related case.

 No Other procedural complexities. If so, please identify them.

APPELLANT'S NAME:

KIA'I WAI O WAI'ALE'ALE

COUNSEL FOR APPELLANT:

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Email: linpaul@aloha.net

I CERTIFY THAT A COPY OF THIS CIVIL APPEAL DOCKETING STATEMENT WAS SERVED ON EACH PARTY/COUNSEL SHOWN ON THE ATTACHED SERVICE LIST.

 /s/Linda M. B. Paul
Signature

 July 29, 2020
Date

Ignacio-Neumiller, Edith

From: Eliel Starbright [REDACTED]
Sent: Monday, August 24, 2020 4:53 PM
To: Ignacio-Neumiller, Edith
Subject: My main objection is that no one has the right to divert and sell the waters of Wai`ale`ale, Waikoko and our other streams without permit or proper review of the environmental impact.

My main objection is that no one has the right to divert and sell the waters of Wai`ale`ale, Waikoko and our other streams without permit or proper review of the environmental impact.

Ignacio-Neumiller, Edith

From: Frank Kelly [REDACTED]
Sent: Monday, August 24, 2020 8:48 PM
To: Ignacio-Neumiller, Edith
Subject: Agenda items G2 page 76 and/or H3 page 136

Kauai Department of Water Board:

No one has the right to divert and sell the water of Wai'ale'ale, Waikoko and other Kauai streams without permit or proper review of environmental impact. To proceed with construction and installation of nearly 2 miles of water main without permits is foolhardy in the extreme.

Please await the court's decision on FOM's appeal of the Circuit Court's denial of their case.

Mahalo.

Frank & Marilyn Kelly
3566 Old Mill Place
Koloa

Ignacio-Neumiller, Edith

Subject: FW: Kapaia Cane Haul Road 18" Main

From: Michael Goodwin
Sent: Wednesday, August 26, 2020 9:59 AM
To: Ignacio-Neumiller, Edith <eineumiller@kauaiwater.org>
Subject: Re: Kapaia Cane Haul Road 18" Main

Greetings Board Members, Kaua`i Department of Water,

I am a resident and rate payer. I urge KDOW to not make a big mistake by proceeding with construction of the roughly mile long 18" main along Kapaia Cane Haul Road. As per your own 1/25/19 Manager's Report you must know water to be transported through that pipe by Grove Farm was obtained illegally. Grove Farm has no lease or permit to divert and profit from publicly owned water without paying the State for it, required by HRS 171- 58 and 343 in our Constitution.

The plantation era is over, and so are industry friendly, customary practices in those days. The law is the law. Please first make the water provider establish and prove ownership before abetting the illegal taking, for Grove Farm's financial gain, of the water at the bottom end of the pipe.

With Regards,
Kip Goodwin
Olohena Road, Kapaa

Ignacio-Neumiller, Edith

From: Renee Rosemark Harper [REDACTED]
Sent: Tuesday, August 25, 2020 6:12 AM
To: Ignacio-Neumiller, Edith
Subject: KDOW

Please do not start construction of 18 inch water line on Kapaia cane haul road until appeal is complete.
Thank you for your consideration and time on this matter.
Sincerely,
Renee Rosemark Harper

Ignacio-Neumiller, Edith

Subject: FW: Objection of diversions.

From: rhoda libre
Sent: Wednesday, August 26, 2020 5:27 AM
To: Ignacio-Neumiller, Edith <eineumiller@kauaiwater.org>
Cc: kauaiwestsidewatershedcouncil@gmail.com
Subject: Objection of diversions.

To the board of water:

Kauai Westside Watershed Council n the kona moku cultural communities highly objects to the county n state to divert and sell the waters of Wai`ale`ale, Waikoko and any other streams. The genocide of native species, the blatant killing of our food supplies n native fish by leaf catchers, further impingement of habitats, and dewatering of our streams, Rivers, and springs, as well as the poisoning of the pipes that is ingested by our people and direct negative impacts to our shoreline and reefs once again interrupting native practices.

We demand you stop killing and stealing and destroying our water supplies and resources. From waialeale to waimea and makaweli Waters we strongly advise you to stop and return what u have taken and stop your killing as well as request for the dismissal of department head and board of directors and approving planners. The conspiracy to undermine and ravage Kaua'i and our right to our waters and ahupuaa is direct and open arrogance and immoral. You have put us under duress and your acts of war against our cultural communities, humble people, and the litigiousness and underhanded acts are not supported nor welcomed. All the evidence shows are illegals acts that are callous,absconding, and clearly and openly treacherous.

We strongly advise you stop all behavior, remediate damages, and pay compensation to the violated parties. Killing of innocent native aquatic life is unconscionable and deplorable but most greatly disasters our quality of life and so wrong in many levels.

Regards,
Rhoda Libre
Executive Director KWWC and Hanakaumaka Puuhonua

Lihue, Kauai HI 96766