

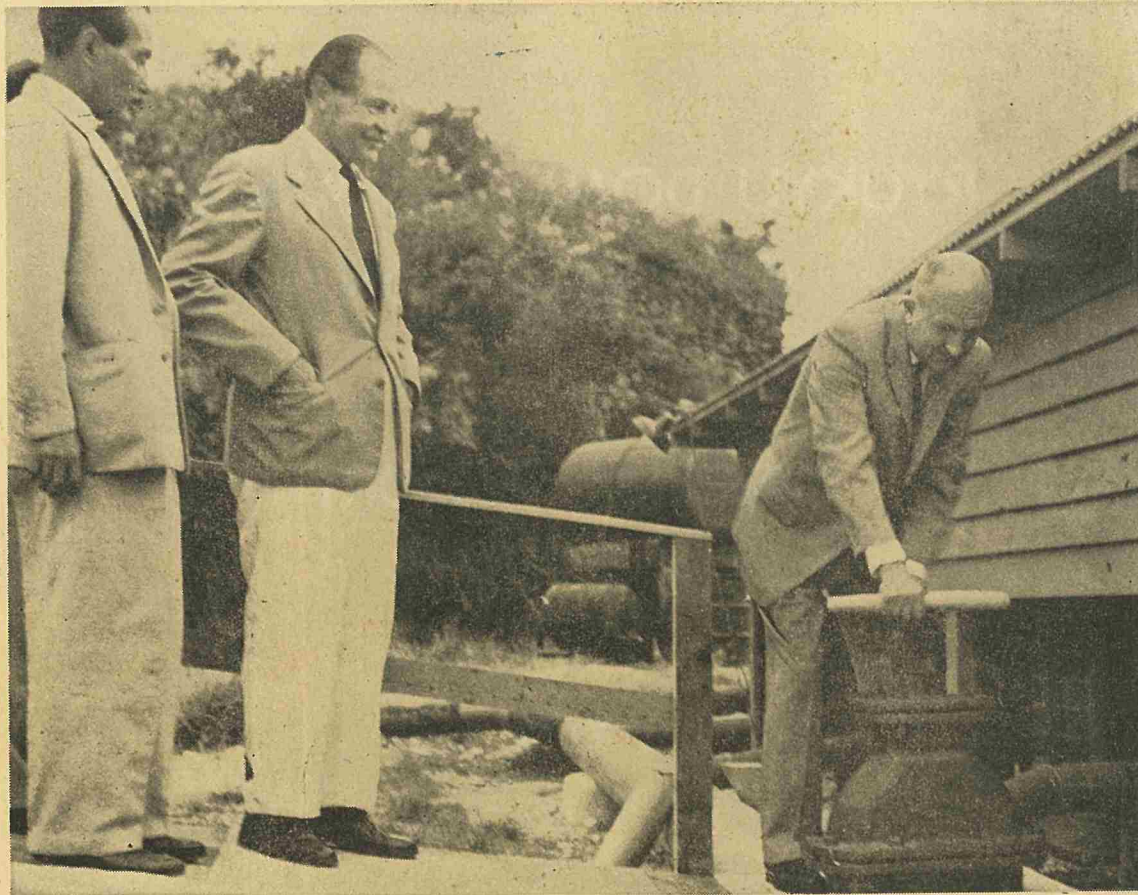
RYUKYU DOMESTIC WATER
CORPORATION

ANNUAL REPORT

Fiscal Year 1960



IA②
SK0051
=企業局=



Brig. General John G. Ondrick, U.S. Civil Administrator turns on new 2,000,000 gallons Bishigawa Raw water line to Naha City, while Speaker of GRI Legislature, Asato, and RDWC President Ross look on - Oct 26, 1959.

Annual Report
of
Ryukyu Domestic Water Corporation

Fiscal Year 1960

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Ryukyu Domestic Water Corporation
Annual Report
Fiscal Year 1960

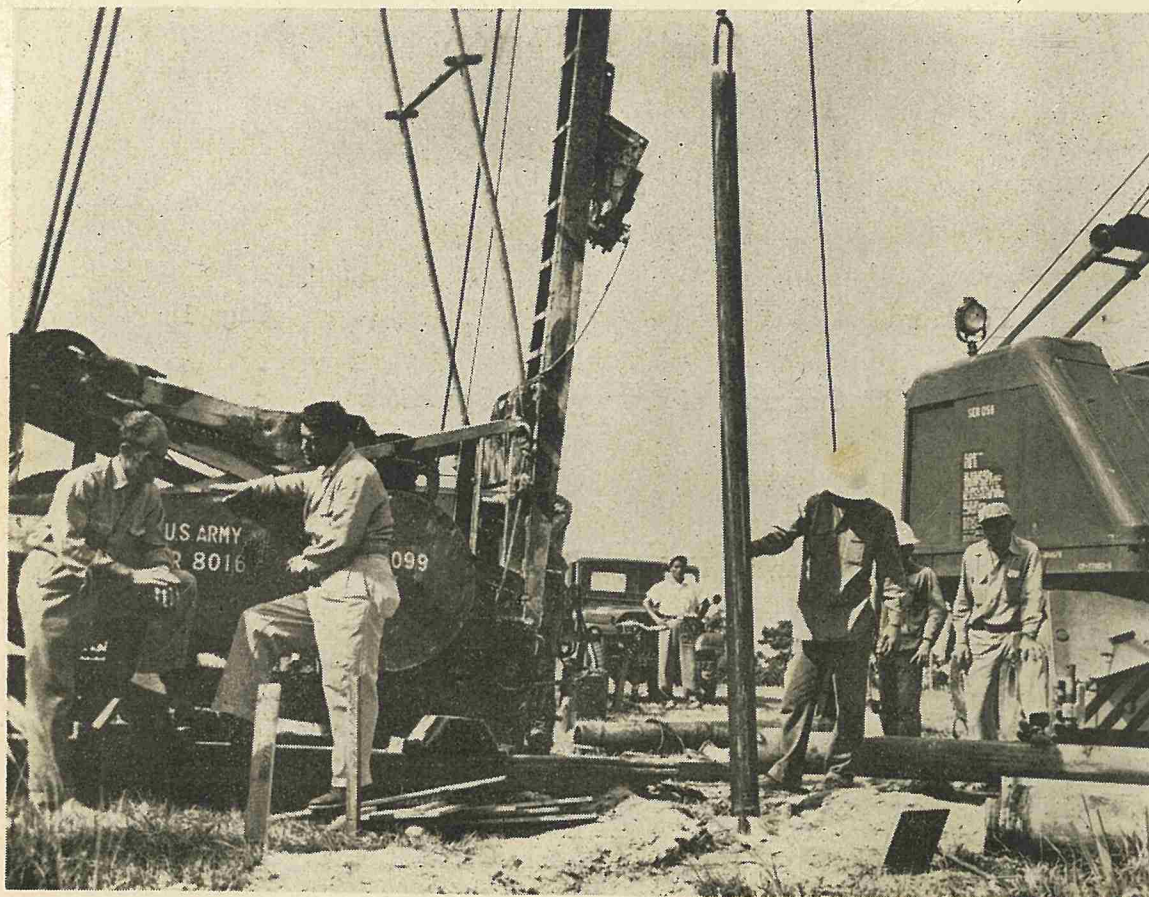
Foreword

The Ryukyu Domestic Water Corporation was chartered on September 4, 1958 to provide water for the use and benefit of the Ryukyuan people and to encourage industrial development. The Corporation is one of the most recently formed of the corporate instrumentalities of the U.S. Civil Administration. The history and financial condition, as well as other pertinent information about the Corporation, are presented in the following sections of this Report.

In this introduction to the annual report I should like to point to the general policies of the Corporation. In the first place it is the policy to supply water to the Ryukyuan people at the minimum practicable cost and to the maximum practicable extent. Secondly it is the policy of the Corporation to encourage the municipalities to develop municipal water systems to become integrated into the Island Water System. The implementation of the latter objective will make the most efficient use of scarce raw water and will avoid the growth of wasteful dual treatment and distribution facilities. Whenever a municipality develops an integrated water system it is the policy of the Corporation to transfer to the municipality any customer's resident in the municipality who previously purchased water directly from the Corporation. The Corporation will, therefore, in increasing degree supply water to municipalities which will in turn distribute water to their citizens. Municipalities are encouraged to develop plans for integrating their water systems into the Island Water System. At the present time Naha, Koza and Chatan are integrated into the Island System.

The Corporation will endeavor to complete as soon as possible the expansion of the water facilities described in the Report and to provide increasing supplies of potable water to the municipalities and people of Okinawa.

JAMES A. ROSS, JR.
President
Ryukyu Domestic Water Corporation



Test well drilling to discover new water sources for the Ryukyuan Economy.

SECTION I

Summary of History and Operation

In the prewar period municipal water works were confined to the cities of Naha and Nago on Okinawa and these served only limited portions of their respective areas. Citizens at large received their water supply from rivers, wells and rain water tanks.

The U.S. Army developed a potable water system on Okinawa in the early days of the occupation and from the very beginning has supplied municipalities, institutions and individuals with water in excess of military requirements. Since the U.S. Army's water system was designed to meet only military needs and developed water sources and pumping and distribution mains were inadequate to satisfy the increasing demands of the Ryukyuan economy, the U.S. Army and USCAR agreed in 1958 to assume the responsibility for planning, funding, construction and operation of an integrated island water system which would serve both the military and Ryukyuan population. It was further agreed that the facilities and water sources required to be constructed and developed in order to furnish the Ryukyuan economy with treated water should be funded by USCAR or its designated agency. The Ryukyu Domestic Water Corporation was, therefore, created as an instrumentality of the U.S. Civil Administration to acquire title to all USCAR and certain US. funded facilities and improvements to the island water system and to perform necessary administrative functions accompanying the responsibilities assigned to USCAR under the agreement.

As provided in the charter of the Ryukyu Domestic Water Corporation, which is included as appendix #1 of this Report, the Corporation is empowered to acquire, maintain, and operate domestic water producing properties and facilities in the Ryukyus in order that the various water supply installations can be united into one or more systems by inter-connecting pipe lines for the purpose of collection, treatment, transmission, and distribution and sale of water for the use and benefit of the Ryukyuan people, for industrial development, and for other purposes.

The Board of Directors of the Corporation is composed of six members (including one non-voting member) appointed by the Civil Administrator of the Ryukyu Islands. The members consist of representatives from USCAR (2), GRI (1), RDLC (1), USARYIS Engineer Group (1), and Okinawa Engineer District (1). The Board is assisted in its legal, technical and financial matters by three advisors from the USCAR staff. The Board of Directors meet regularly once a month and at other times as required. The Corporation's routine business is carried on by eleven Ryukyuan employees including a General Manager, a treasurer, and engineering and accounting staff.

above and small water systems handling untreated water for domestic use, serve approximately 40% of the population. It is expected that ultimately all of the major systems on Okinawa will be connected with the integrated island-wide water system.

In the fiscal year 1960 the Ryukyu Domestic Water Corporation supplied 436,314,000 million gallons of treated and raw water to Naha City, or 35.5 percent of its total consumption. The supply to Koza City and Chatan-Son was 109.7 and 9.0 million gallons respectively. Approximately 133,000 people out of a total population of 391,500 or one-third of the people living in eight municipalities located along the water lines of the Ryukyu Domestic Water Corporation, namely Gushikawa-Son, Misato-Son, Kitanakagusuku-Son, Chatan-Son, Ginowan-Son, Urasoe-Son and Koza and Naha Cities are now receiving water from the Ryukyu Domestic Water Corporation.

SECTION II

Programs of Developmet

The objectives of the overall program for water services as set forth in the Joint Economic plan for the Ryukyu Islands, 1961-1965 of the GRI and USCAR are:

"To provide an adequate supply of potable water for the Ryukyuan community at the lowest possible cost. Specifically, to complete the construction of the \$2.6 million addition to the integrated island-wide water system that was begun in FY 1959 and thereby provide an additional seven million gallons per day of water to the heavily populated area of central Okinawa, including Naha City; to make a comprehensive survey and evaluation of the water resources of the Ryukyu Islands, with particular emphasis upon demand of the heavily populated southern and central sectors of Okinawa; to expand the present water supply to southern Okinawa as an independent system or as part of the island-wide water system and to develop potable water systems in other areas of the Ryukyu Islands sufficient to meet the essential economic and social needs of these areas."

The \$2.6 million program of the Ryukyu Domestic Water Corporation will include in addition to the raw water facilities for Naha City mentioned above ten important projects. The status of these projects as of June 30, 1960 was as follows:

- | | |
|--|--|
| 1. Zukeyama Dam and Reservoir to store 600,000,000 gallons of water | Under construction.
Approximately 60% complete. |
| 2. Pipe line—Sukiran Storage Tank to Naha City Water Treatment Plant at Tomari | |
| Phase I Sukiran Tank to Futenma | Completed |

- | | | |
|-----------|---|--|
| Phase II | Futenma to Kakazu Pumping Station | Under Construction.
Approximately 41% complete. |
| Phase III | Kakazu Pumping Station to Naha City Wtr Treatment Plant at Tomari | Under Construction.
Approximately 1% complete. |
| 3. | Futenma Pumphouse | Design approximately 90% complete. |
| 4. | Tengan Pumping Station
Increase capacity from 4 to 6 million gallons per day | Completed. |
| 5. | Conversion of raw water main to pottable water line - Tengan to Kadena Air Base (Tybase) Treatment plant | Design approximately 50% complete. |
| 6. | Kadena Air Base (Tybase) Treatment Plant - Increase capacity from 8.6 to 15.0 million gallons per day | Design approximately 5% complete. |
| 7. | Kadena Air Base (Tybase) Pumping Station - Increase capacity from 8.6 to 20.0 million gallons per day | Design approximately 5% complete. |
| 8. | Replacement of 14,000 feet of 16" pipe with 32" pipe - Kadena Air Base (Tybase) Water Plant to Sukiran Storage Tank | Design approximately 75% complete. |
| 9. | Installation of 12,000 feet of 16" pipe - Kadena Well Field to Kadena Air Base (Tybase) Water Plant | Design approximately 50% complete. |
| 10. | Development of Kadena Well Field
Installation of 6 motor driven pumps | Design approximately 50% complete. |

\$ 8,228 was paid to the U.S. Army for the operation and maintenance of the raw water facility.

\$ 4,394 was paid to the U.S. Army for services rendered in installing meters and repairing and connecting pipe for consumers.

\$ 11,237 represents the total administrative expenses of the Corporation including salaries and wages paid to 11 employees; fees paid to a commercial audit firm for examination of the financial records of the Corporation; rent for use of the office; outlays for office supplies, equipment, electricity and water, repairs and maintenance of vehicles and office furniture; and other expenses of a sundry nature.

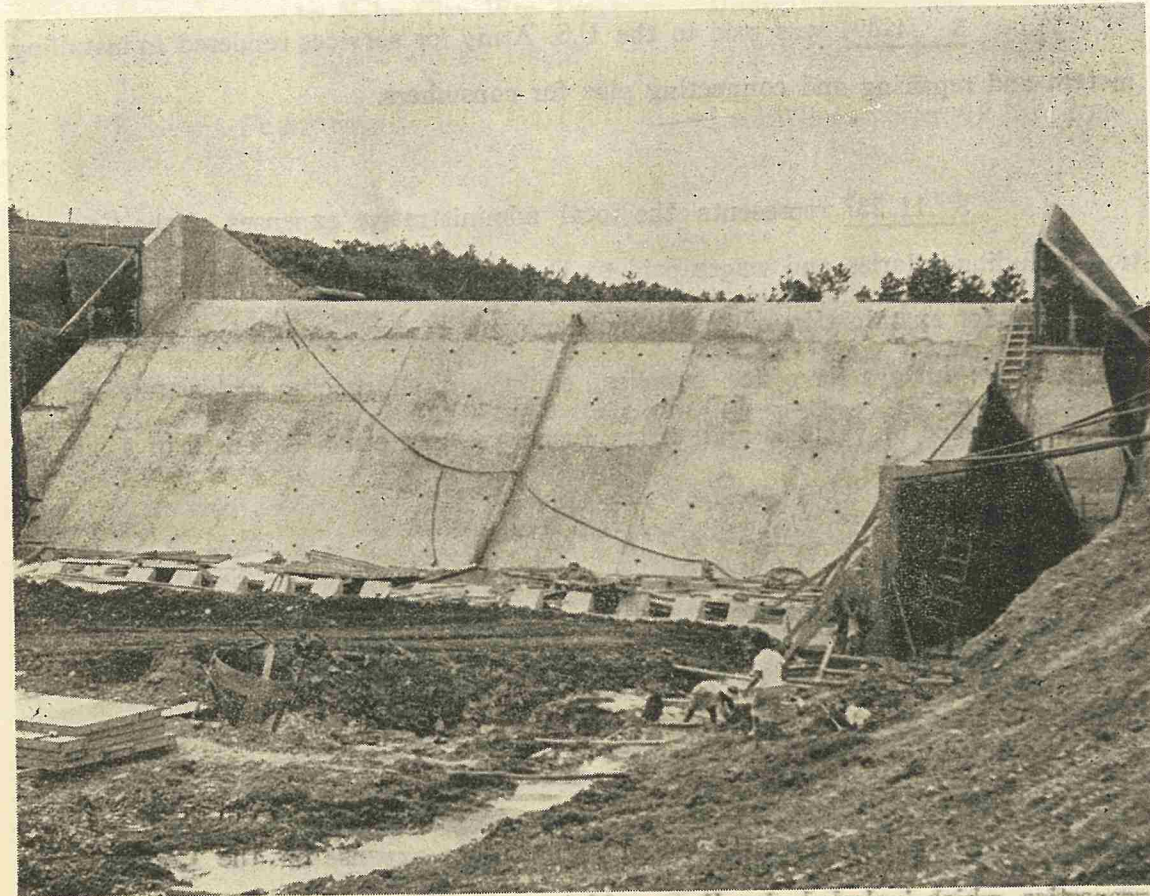
\$ 1,972 represents expenses incurred in repairing and maintaining secondary distribution lines, and installation of meters, manholes and sealing boxes as an integral part of the water distribution facility.

\$ 1,128 represents annual depreciation expense on the Corporation's properties, which included pipe lines, vehicles and office equipment.

3. \$ 62,068 is the total net earnings of the Corporation for the fiscal year 1960.

\$ 1,759 represents net changes to retained earnings and consists of adjustment to prior year water sales.

4. Ryukyu Domestic Water Corporation Balance Sheet and Profit and Loss Statement for the Fiscal Year 1960 are in Appendixes 5 and 6 below.



Spillway under construction of the Zukeyama Dam.

APPENDIX I

CHARTER

of the

RYUKYU DOMESTIC WATER CORPORATION

4 September 1958

(As Amended by Change No.1, June 30, 1960)

ARTICLE I

PURPOSE OF RYUKYU DOMESTIC WATER CORPORATION

For the purpose of acquiring, maintaining, and operating domestic water producing properties and facilities in the Ryukyus for collection, treatment, transmission, distribution and sale of water for the use and benefit of, the Ryukyuan people, for industrial development, and for other purposes, there is created, as an instrumentality of the United States Civil Administration of the Ryukyu Islands (hereinafter referred to as USCAR), a body corporate by the name of "Ryukyu Domestic Water Corporation" (hereinafter referred to as the "Corporation").

ARTICLE II

PRINCIPAL OFFICE

The address and principal office of the Corporation shall be Naha, Okinawa, Ryukyu Islands.

ARTICLE III

DIRECTORS

1. The Board of Directors of the Corporation (hereinafter referred to as the "Board") shall be composed of five members to be appointed by the Civil Administrator of the Ryukyu Islands or his lawful successor. He shall also designate the Chairman, who shall also act as the President of the Corporation and the member of the Board who shall act as Vice - President. The authority appointing the members of the Board may also appoint one or more alternate members who shall act as Directors during the absence or unavailability of any regular appointed members at the call of the Chairman or acting chairman. of the Board shall be appointed in the same manner as the original member.

2. The members of the Board shall serve at the pleasure of the appointing authority, but, unless sooner removed from office, shall serve for terms specified by the appointing authority at the time of appointment. A successor of a member of the Board shall be appointed in the same manner as the original member.



Inastallation of 16" water main on Route 1. The main runs from Kakazu Pumping Station to Naha Water Treatment Plant at Tomari

3. Vacancies in the Board, so long as there shall be four regularly appointed members in office, shall not impair the powers of the Board to execute the functions of the Corporation. A quorum shall consist of four members made up of regular members or a combination of regular and alternate appointed members of the Board for the transaction of the business of the Board. The concurrence of three members at the meeting of the Board shall be necessary for a resolution of the Board.

4. The Board shall have the general management and control of the business affairs and property of the Corporation, and is empowered to exercise all the powers that may be exercised or performed by the Corporation under this Charter and applicable laws and ordinances.

5. Regular meetings of the Board shall be held once each month at such time and place as the Board shall, by resolution, designate. Special meetings may be called by the Chairman or by any two Directors by giving three days' notice to each Director.

6. Each Director shall be paid by the Corporation such salary or compensation for his service as a Director of the Corporation as shall be specified by the appointing authority, but in no event shall employees of the United States Government or Government of the Ryukyu Islands receive any salary or compensation for their services as Directors of the Corporation. Members of the Board shall, with the approval of the Board, be reimbursed by the Corporation for actual expenses incurred by them in the performance of the duties vested in the Board by this Charter.

7. Except as otherwise provided by this Charter, and subject to the approval or direction of the authority appointing the members of the Board, the Board shall select and appoint the officers and such employees and agents as are necessary for the transaction of the business of the Corporation, and shall fix their compensation, define their duties, and require sufficient bonds of such of them as the Board may designate. Any officer, employee or agent may be removed at the direction, and in the discretion, of the Civil Administrator of the Ryukyu Islands or his lawful successor.

8. The Board shall file with the appointing authority operating and financial statements at such time and in such form as the appointing authority shall direct.

9. Each member of the Board, before entering upon the duties of his office, shall subscribe to an oath faithfully and impartially to perform the duties imposed upon him by this Charter.

ARTICLE IV
OFFICERS

1. The officers of this Corporation shall consist of the President and such other officers as shall be appointed by the Board.

2. The President shall execute and direct the affairs of the Corporation in accordance with the resolutions of the Board of Directors, and shall be the officer who shall execute and deliver, in the name of and on behalf of the Corporation,

contracts, conveyances, leases, and other instruments affecting the corporate properties. The President may delegate to the manager of the Corporation the power to execute contracts and such other instruments as are necessary in the routine business activities of the Corporation.

3. The duties and powers of officers other than the President shall be defined in the resolution providing for such office and appointment thereto.

ARTICLE V

CORPORATE POWERS

1. Except as otherwise specifically provided in this Charter, the Corporation:

a. Shall have succession in its corporate name.

b. May sue and be sued in its corporate name.

c. Shall adopt and use the Corporate Seal.

d. May make contracts, as herein authorized.

e. May purchase or lease and hold such real and personal property as may be necessary or convenient in the transaction of its business.

f. Shall have power to exercise the right of eminent domain, and in the purchase or condemnation of any real estate, or rights therein, the title thereto shall be taken in the name of the Corporation and for the accomplishment of the purposes of this Charter.

g. Shall have power to acquire any property, real or personal, or rights therein or thereto, for the collection, treatment, transmission, distribution and sale of water, and shall have power to acquire or to construct dams, pumping stations, treatment plants, transmission lines, and incidental works, including storage facilities, in the Ryukyu Islands, and to unite the various water supply installations into one or more systems by interconnecting pipe lines,

h. Shall have power:

(1) To convey by deed, lease, or otherwise, all or any portion of the corporate property; Provided, that no transfer authorized herein shall be made without the prior approval of the Civil Administrator of the Ryukyu Islands, or his lawful successor, if the property to be conveyed exceeds \$500 in value; And Provided further, that no transfer of the entire corporate properties shall be made for the conduct of any business other than the collection, treatment, transmission, and sale of water or for any purpose in conflict with the purposes for which the Corporation is created.

(2) To lease, consistent with the provisions of subsection (1), all or any portion of the corporate property to other government agencies of the United States of America.

(3) To make loans to and to purchase the obligations of private companies engaged in the distribution and public sale of water in the Ryukyu Islands.

i. Shall have power to produce, to purchase and to distribute and sell, water to public and private consumers at rates approved by the Civil Administrator of the Ryukyu Islands, or his lawful successor.

j. Shall have power to perform any other lawful acts necessary for the accomplishment of the corporate purposes.

ARTICLE VI

SEAL

The Corporate Seal of this Corporation shall be a circular seal bearing the name of the Corporation and the year of incorporation.

ARTICLE VII

EXEMPTION FROM TAXATION

The Corporation, its property, revenues, activities, and operations shall be exempt from all taxation.

ARTICLE VIII

FINANCING

1. There is hereby established a Ryukyu Domestic Water Fund (referred to hereinafter as the "Fund"). Receipts from any operations under this act shall be credited to the Fund. The Fund shall be available for payment of all expenditures of the Corporation under this act.

2. The Board of Directors is authorized to invest, pursuant to approved budget programs, such portion of the Fund as is not required to meet current needs in interest bearing obligations of the Government of the Ryukyu Islands or of any of its agencies and instrumentalities. Such obligations shall be guaranteed as to principal and interest by the Government of the Ryukyu Islands and shall bear interest at a rate determined by agreement between the Corporation and the Government of the Ryukyu Islands. The interest on, and the proceeds from the sale or redemption of, any obligation held in the Fund shall be credited to and form a part of the Fund.

3. The banking or checking accounts of the Corporation shall be maintained with those banks designated by the Board of Directors, and all such accounts shall be credited to and form a part of the Fund.

4. Whenever any capital in the Fund is determined by the Board of Directors to be in excess of the needs of the Corporation, taking into consideration funds required for operations, plant replacement and expansion, and emergencies, such surplus shall be paid into the General Fund of the USCAR as miscellaneous receipts.

5. The Corporation may borrow, for any of the purposes of the Corporation, sums of money not to exceed a total of \$1,000,000 outstanding at any one time. For this purpose the Corporation is authorized to issue its notes, debentures, bonds or other obligations to be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in such obligations. Any borrowings by the Corporation shall be subject to approval of the Civil Administrator.

ARTICLE IX
BUDGET AND AUDIT

1. The Corporation shall cause to be prepared annually a business type budget which shall be submitted to the Civil Administrator for review and approval, under such rules and regulations as the Civil Administrator may establish as to the date of submission, the form and content, the classification of date, and the manner in which such budget program shall be prepared and presented. The budget program shall be a plan of operations, with due allowance given to the need for flexibility, including provision for emergencies and contingencies, in order that the Corporation may properly carry out its activities as authorized by law.

2. The financial transactions of the Corporation shall be audited annually in accordance with principles and procedures applicable to commercial corporate transactions and under such rules, regulations or circumstances as may be prescribed by the Civil Administrator.

ARTICLE X
DISSOLUTION

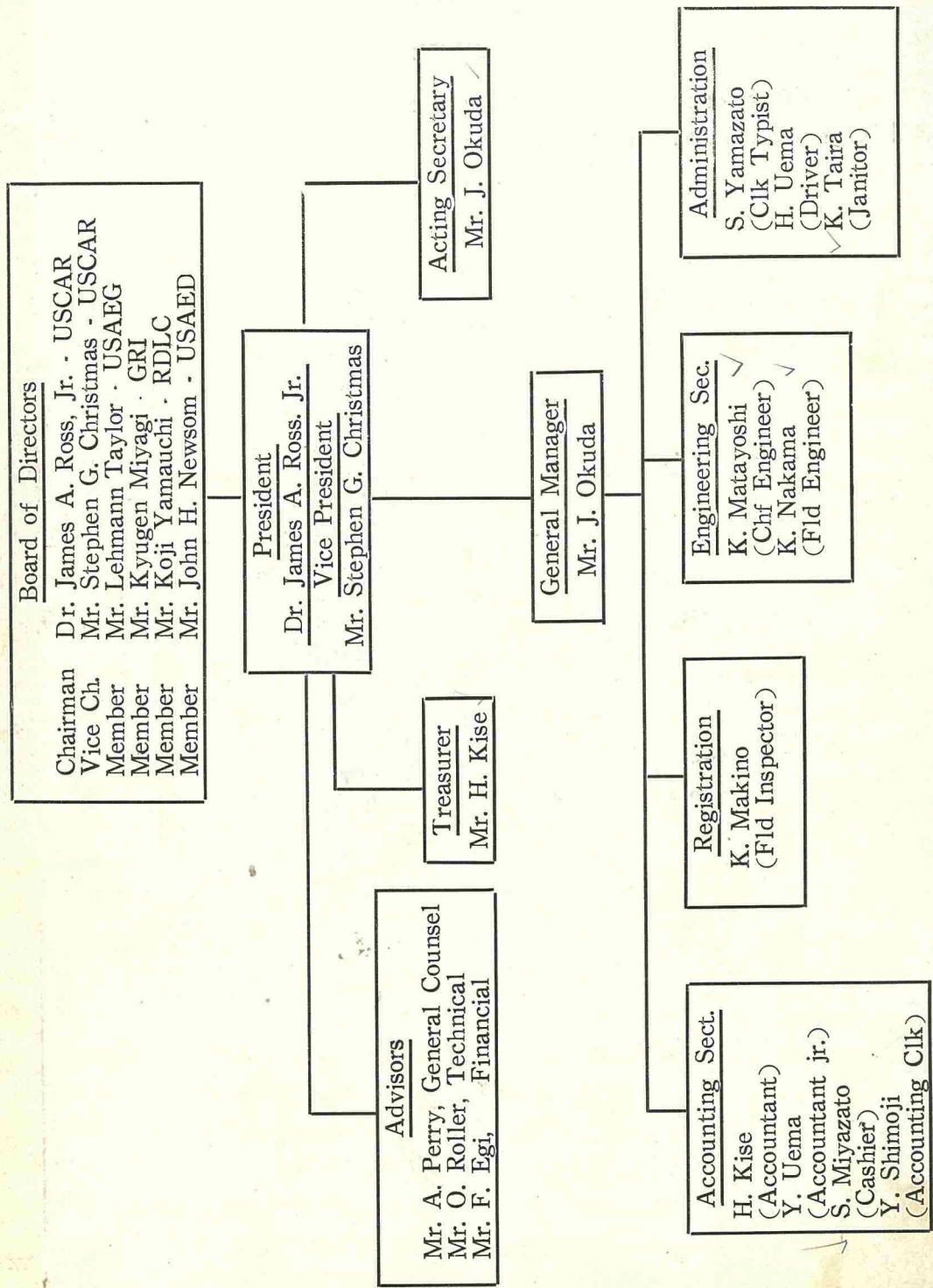
1. Upon dissolution of the Corporation or upon notification by the Civil Administrator of the Ryukyu Islands or his lawful successor that he intends to dissolve the Corporation, the Board shall proceed to liquidate the assets and wind up the affairs of the Corporation. If, after one year from the date of such dissolution or notification the Board has not completed the liquidation of the assets of the Corporation and the winding up of its affairs, the duty of completing these functions shall be transferred to the USCAR which for such purposes shall succeed to all the powers and duties of the Board to carry out the liquidation and the winding up of the affairs of the Corporation.

2. Any balance remaining after the liquidation of all the Corporation's assets and after provision has been made for payment of all legal obligations, shall be paid into the General Fund of the USCAR.

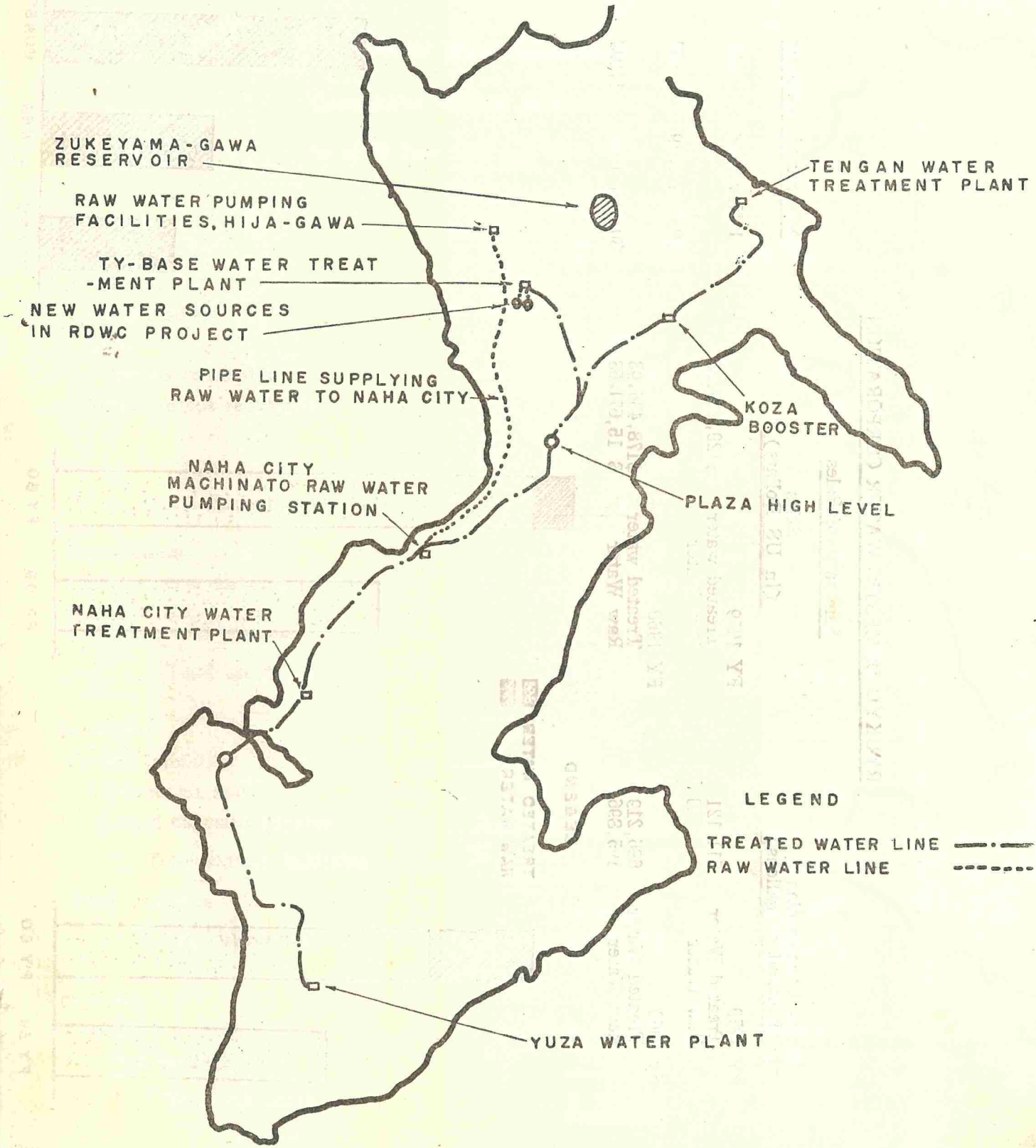
ARTICLE XI
AMENDMENTS

This Charter may be amended only by the Civil Administrator of the Ryukyu Islands or his lawful successor.

Ryukyu Domestic Water Corporation Organization



MAP OF INTEGRATED ISLAND WIDE WATER SYSTEM. PRINCIPAL FEATURES ONLY



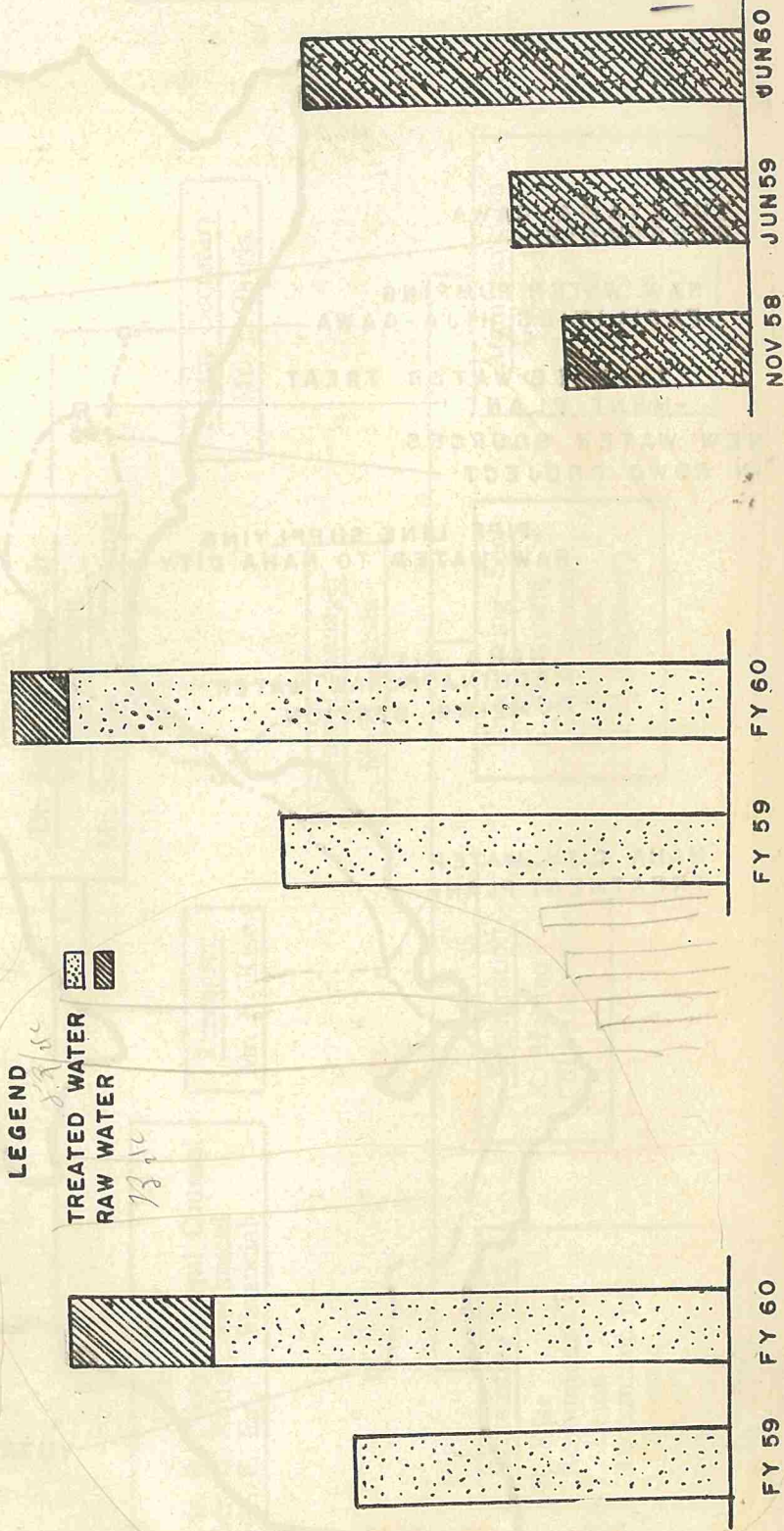
RYUKYU DOMESTIC WATER CORPORATION

Summary of Sales

Water Consumption (In thousand of gallons)		Sales (In US Dollars)		Number of Customer	
FY 1959	Treated Water 511,121	FY 1959	Treated water \$120,269.08	1 Nov 1958	516
	Raw Water 0		Raw Water 0	30 Jun 1959	649
Fy 1960	Treated Water 696,219	FY 1960	Treated water \$178,436.93	30 Jun 1960	1,203
	Raw Water 195,896		Raw Water \$ 15,671.68		

LEGEND

TREATED WATER
RAW WATER



APPENDIX 5

Ryukyu Domestic Water Corporation

Comparative Balance Sheet

As of 30 June 1959 and 1960

	30 June 1959	30 June 1960
Assets:		
Current assets:		
Cash	\$ 37,138	\$ 93,911
Accounts receivable	21,749	27,928
Miscellaneous receivable	-0-	200
Total current assets	<u>58,887</u>	<u>122,039</u>
Fixed assets	1,577	5,593
Less reserve for depreciation	(319)	(1,447)
Construction in progress	137,000	1,018,480
Total assets	<u>\$ 197,145</u>	<u>\$ 1,144,665</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 20,740	\$ 23,342
Accrued expenses payable	419	-0-
Total current liabilities	<u>21,159</u>	<u>23,342</u>
Other liabilities	-0-	3,548
Total liabilities	<u>\$ 21,159</u>	<u>\$ 26,890</u>
Net worth:		
Capital	\$ 138,577	\$ 1,020,057
Retained earnings	37,409	97,718
Total net worth	<u>\$ 175,986</u>	<u>\$ 1,117,775</u>

APPENDIX 6

Ryukyu Domestic Water Corporation
Comparative Profit and Loss Statements

For the Fiscal years Ended 30 June 1959 and 1960

	<u>FY 1959</u>	<u>FY 1960</u>
Earnings:		
Sales	\$ 122,557	\$198,943
Less cost of sales	<u>82,116</u>	<u>122,538</u>
Total earnings	<u>40,441</u>	<u>76,405</u>
Expenses:		
Administrative expenses	2,459	11,237
Field maintenance expenses	254	1,972
Depreciation expenses	<u>319</u>	<u>1,128</u>
Total expenses	<u>3,032</u>	<u>14,337</u>
Net earnings	\$ 37,409	\$ 62,068
Adjustments to prior year earnings	-0-	(1,759)
Net changes to retained earnings	\$ 37,409	\$ 60,309
Retained earnings at beginning of period	-0-	\$ 37,409
Retained earnings at end of period	\$ 37,409	\$ 97,718

APPENDIX 6 (Cont'd)

Ryukyu Domestic Water Corporation
Comparative Profit and Loss Statements

For the Fiscal Years Ended 30 June 1959 and 1960

Schedule of Administrative Expenses

	<u>FY 1959</u>	<u>FY 1960</u>
1. Salaries and wages	\$ 1,849	\$ 7,796
2. Advertising	20	57
3. Audit fee	-0-	737
4. Insurance	130	184
5. Office and general supplies	201	448
6. Office equipment	122	205
7. Postage	131	302
8. Repairs and maintenance		
Office equipment, furniture and fixtures	-0-	128
Vehicles	-0-	270
9. Rent (office and jeep)	-0-	935
10. Telephone	-0-	26
11. Transportation	6	42
12. Utilities (electricity and water)	<u>-0-</u>	<u>107</u>
Total	<u>\$ 2,459</u>	<u>\$ 11,237</u>

Schedule of Field Maintenance Expenses

1. Customer control expenses (sealing boxes)	-0-	\$ 329
2. Equipment and tools	\$ 26	4
3. Meters and manholes	-0-	1,064
4. Repair and maintenance of secondary distribution lines	<u>228</u>	<u>575</u>
Total	<u>\$ 254</u>	<u>\$ 1,972</u>