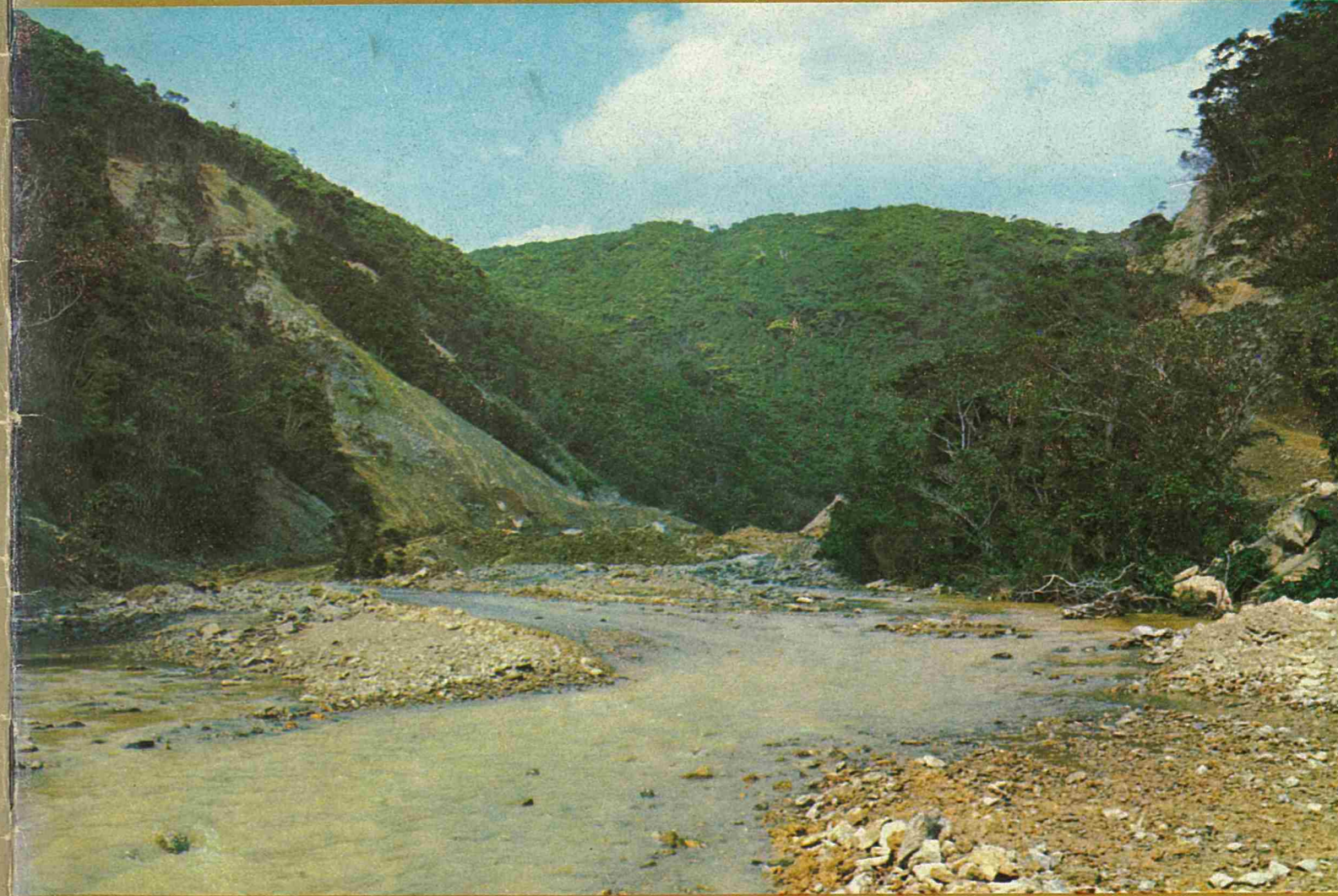
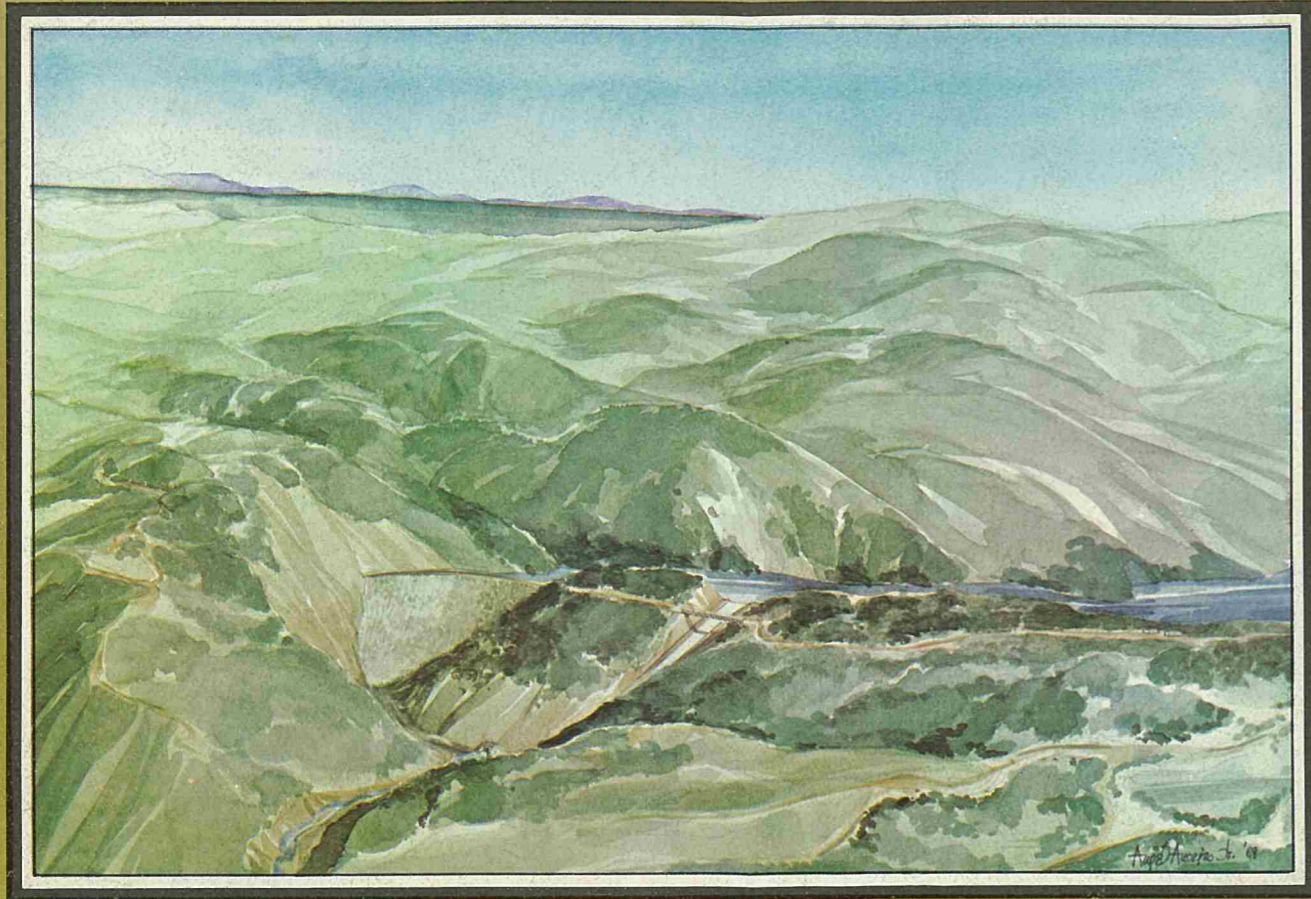


FY 1969

水
安ヶ名

Annual Report



Head Office: #664-2, Aja, Naha, Okinawa

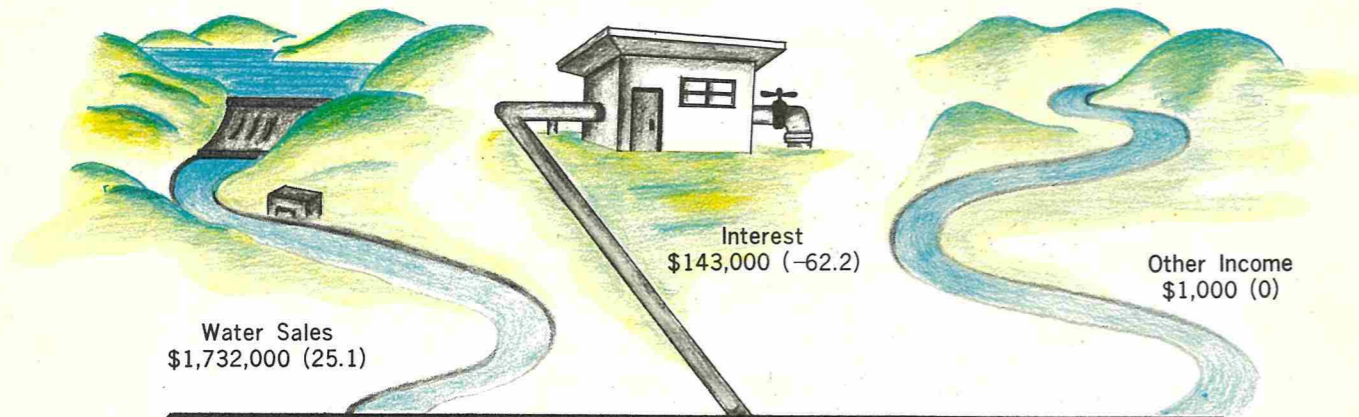
Office		Water Treatment Plant	
President	8-4536	Ishikawa	9-28-7259
Vice President	8-1720	Tybase	9-41355
Administration	8-8403	Tengan	9-52272
Accounting	8-7926		
Engineering	8-4075		

IA②
SK0066
=企業局=

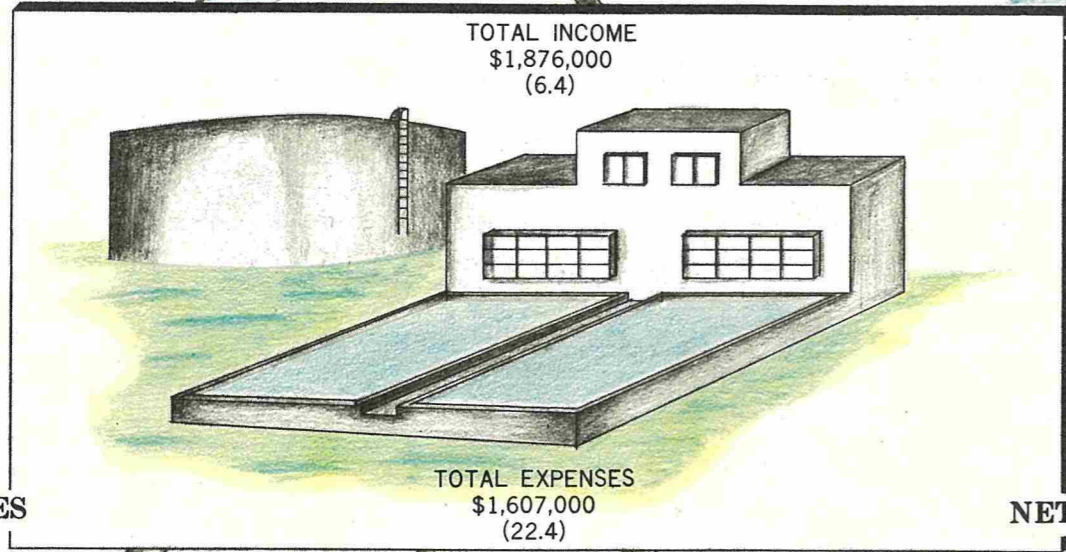
Ryukyu Domestic Water Corporation

FY 1969 At a Glance

INCOME



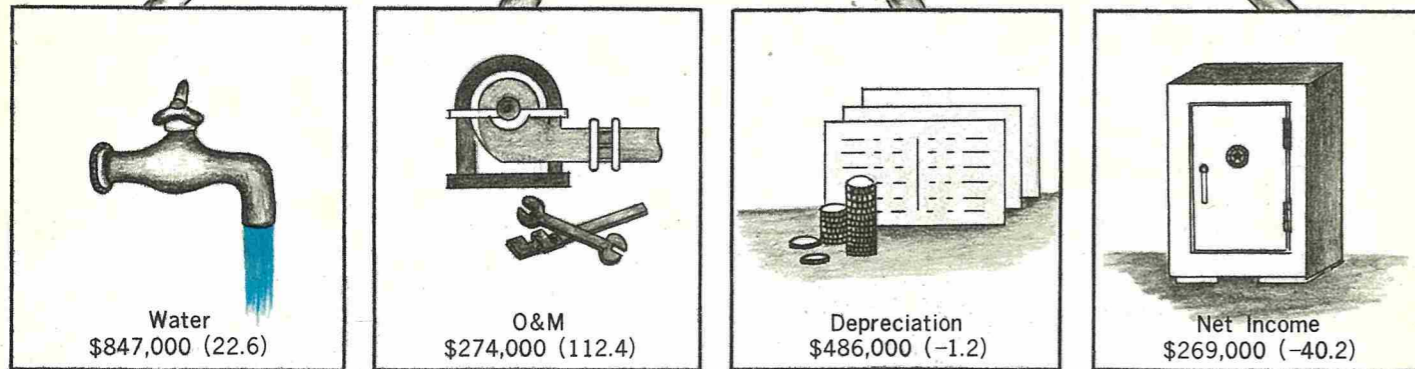
TOTAL INCOME
\$1,876,000
(6.4)



TOTAL EXPENSES
\$1,607,000
(22.4)

EXPENSES

NET INCOME



Note: () % change from 1968

Front Cover— Photo.....Fukuji Dam Construction Site

RDWC

FY 1969

Annual Report

CONTENTS

FY 1969 at a GlanceInside Cover

Letter from the President 2

Board of Directors..... 3

Future Home of RDWC 4

Organization..... 5

Ryukyu Domestic Water Corporation..... 6

Activities in FY 1969 8

Integrated Water System.....10

A Look at The Future13

Financial Review.15

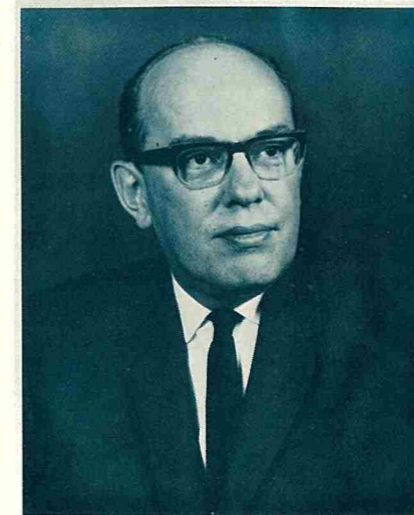
Comparative Balance Sheet16

Comparative Statement of
Income and Retained Earnings.....17

Notes to Financial Statements18

Audit Report20

HighlightsInside Back Cover



Mr. Stanley S. Carpenter
Civil Administrator
U. S. Civil Administration
Ryukyu Islands.

Letter from the President:



I am pleased to present our Fiscal Year 1969 Annual Report. The highlight of the Corporation's 10th Anniversary was the completion of the Ishikawa Water Treatment Plant and additional water transmission and pumping facilities in Northern Okinawa. In September 1968 our first "All Ryukyu Water Week" was observed to promote public understanding and cooperation concerning water works in the Ryukyus. Eighteen municipalities participated with RDWC in this notable event.

RDWC continues to strive to provide an ample supply of potable water for the populace and water for industrial development. We have concentrated our efforts toward the development of water sources in Northern Okinawa. In May 1969 construction started on Fukuji Dam - our largest current construction project. Upon completion in 1972, this reservoir will store more than 9.7 billion gallon of water and will provide a safe yield of 33 million gallon per day. In addition, the Corporation is planning an east coast raw water line from Fukuji Reservoir to the Ishikawa Water Treatment Plant to augment an existing west coast - east coast water line. Concurrently, the Ishikawa Water Treatment Plant will be expanded.

The Corporation started construction of its new administrative and logistical complex in Koza City with the award of a construction contract for its office building. Completion of our office building in June 1970 will enable the Corporation to better serve the public.

I sincerely appreciate the encouragement, guidance and financial support provided to the Corporation by the Civil Administrator, the RDWC Board of Directors and others. Your cooperation and support have enabled RDWC to more effectively accomplish its mission.

Hirosada Ohama
Hirosada Ohama
President

BOARD OF DIRECTORS



Chairman
Harrington W. Cochran
Col. CE, USA
Director, Public Works Dept.
U. S. Civil Administration
Ryukyu Islands



Billy H. Morris
Lt. Col. CE, USA
Post Engineer, Fort Buckner



Eiichi Miyazato
Director
Construction Department
Government of the Ryukyu Islands



Teruo Teruya
President
Ryukyu Development Loan Corp.



Hirosada Ohama
President
Ryukyu Domestic Water Corp.

Alternate Board Members

- Harold D. Sursa, LTC, CE, USA
- Alfred A. DeSanto
- Ichiro Asato
- Hiroshi Higa
- Yoei Miyara

FUTURE HOME OF RDWC

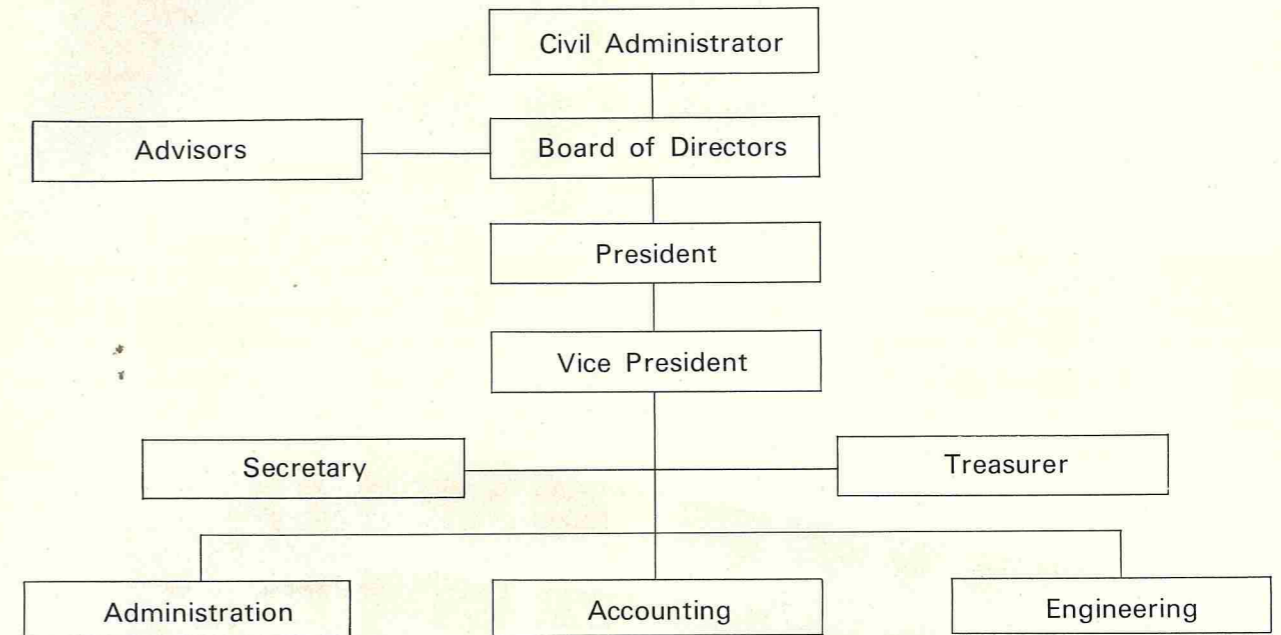


RDWC Office Building

Location: Yamazato, Koza City
Awarded: June 1969
Completion: June 1970

THE RYUKYU DOMESTIC WATER CORPORATION

ORGANIZATION



OFFICERS



Hirosada Ohama
President



Yoei Miyara
Vice President



Goro Chinen
Secretary



Gensuke Arakaki
Treasurer

RYUKYU DOMESTIC WATER CORPORATION

Establishment and Objectives

The Ryukyu Domestic Water Corporation (RDWC) was established on September 4, 1958 by High Commissioner Ordinance Number 8, as an instrumentality of the United States Civil Administration of the Ryukyu Islands (USCAR), for the purpose of providing safe and adequate water for the use and benefit of the Ryukyuan people and for the industrial development of the Ryukyu Islands.

Management and Operations

The management of the Corporation is vested in a Board of Directors consisting of five members appointed by the Civil Administrator.

The Corporation is staffed with 42 Ryukyuan employees.

The Integrated Island Water System (IWS), the main source of potable water for the people on Okinawa, consists of facilities owned by the United States Army Ryukyu Islands (USARYIS) and RDWC.

As of 30 June 1969, the Integrated Island Water System plus the Tomari Treatment Plant of Naha City produced a daily average of 42 million gallons

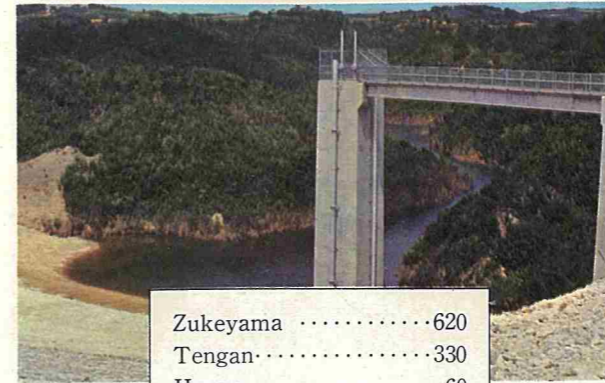
of potable water. About 2/3 of this water is supplied to 18 municipalities with the remainder being consumed by Military Installations.

Under the agreement of May 1958 between USARYIS and RDWC, USARYIS operates and maintains the Integrated Island Water System and furnishes to RDWC that amount of water needed to satisfy the requirements of local municipalities and other consumers. In FY 1969, IWS produced 13.6 billion gallons of water (12.5 billion gallons treated water and 1.1 billion gallons raw water) and furnished RDWC 8.6 billion gallons of water (7.5 billion gallons treated water and 1.1 billion gallons raw water).

Based on an operational arrangement between RDWC and Fort Buckner, RDWC is providing 60 employees (Deputy Chief of IWSD, a water works engineer, chemists, pump station operators, and dam tenders). These employees are engaged in the daily operations of the water system. The IWS reimburses RDWC for their wages through water bill credits to the Corporation.

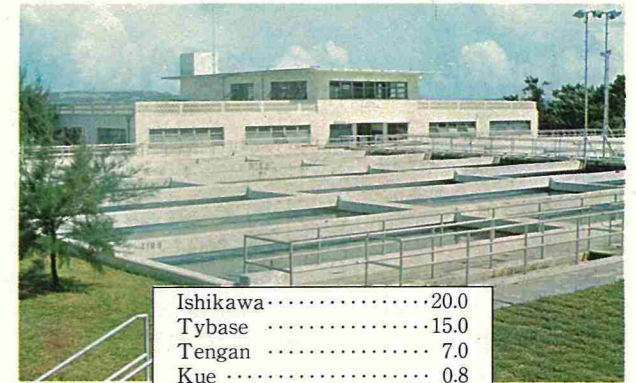
The principal water facilities of the IWS in service are:

RESERVOIRS



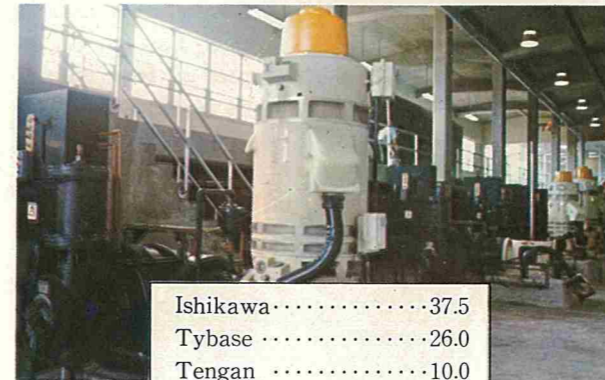
Zukeyama	620
Tengan	330
Hansen	60
Hirayama	40
Total: 1,050 MG	

TREATMENT PLANTS



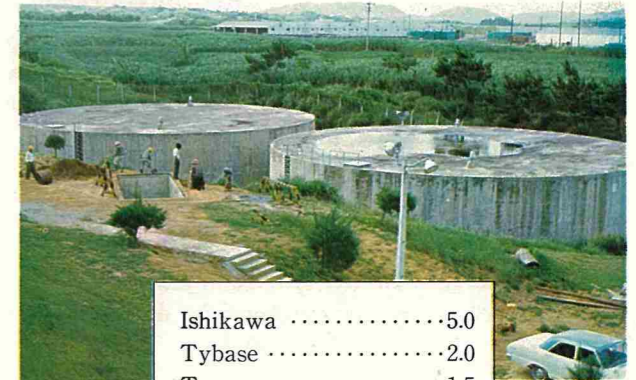
Ishikawa	20.0
Tybase	15.0
Tengan	7.0
Kue	0.8
Yoza	0.7
Bold Point	0.06
Naha City	6.0
Total: 49.56 MGD	

HIGH LIFT PUMP STATIONS



Ishikawa	37.5
Tybase	26.0
Tengan	10.0
Yoza	4.3
Kue	3.2
Total: 81.0 MGD	

CLEAR WELLS



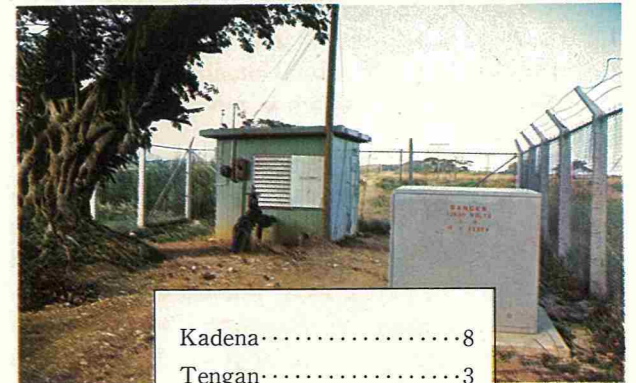
Ishikawa	5.0
Tybase	2.0
Tengan	1.5
Napunja	0.2
Total: 8.7 MG	

STORAGE TANKS



Uema	10.0
Ojana	5.0
Plaza #1	5.0
Plaza #2	1.5
Yomitan	2.0
Minami-Uehara	2.0
Others	21.9
Total: 47.4 MG	

WELLS



Kadena	8
Tengan	3
Napunja	2
Total: 13 MGD	

ACTIVITIES

General

Development of water sources in northern and central Okinawa continued. More than \$4.8 million was expended for expanded water facilities. The development of the water sources in the northern Okinawa called for the construction of pump stations at Genka, Henan, Taiho and Fukuji rivers to collect raw water from these rivers; installation of raw water transmission pipeline along west coast via Nago-Cho from Fukuji to Ishikawa Water Treatment Plant and construction of Kyoda Booster Pump Station to facilitate transmission of raw water to Ishikawa Water Treatment Plant. Most of those projects have been completed and put into operation during the reporting period and are delivering 6 to 16 million gallons per day of raw water to Ishikawa Water Treatment Plant. In addition to those projects, construction of a new pump station at Camp Hansen Dam site to deliver an additional 4 - 6 million gallons per day of raw water to Ishikawa Treatment Plant was commenced in December 1968.

The Corporation also continued to improve the facilities in central and southern Okinawa through modifications to high lift pumping facilities, additions to storage facilities, extension and/or installation of water mains, and development of well fields.

Employees

Effective January 6, 1969, Mr. Yoei Miyara, former Chief of Liaison and Public Affairs Division of GRI, was appointed Vice President of the Corporation.

RDWC personnel strength was increased to meet the workload generated by the expansion of facilities and activities. The total number of employees as of June 1969 is 101, which is a 63% increase over personnel strength in June 1968.

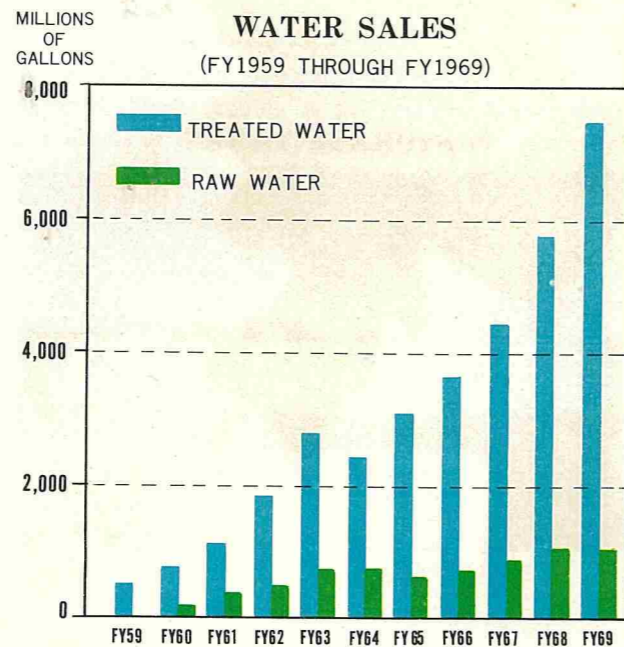
RDWC continued its vigorous employee development program. Fourteen employees attended various management courses offered by Okinawa Regional Productivities Center, a local Management Consultant Firm and Managers Association. Two employees attended seminars conducted by Japan Water Works Association. RDWC continued its policy of encouraging employees to receive training during their off-duty hours by providing them with all necessary training expenses.

Public Relations

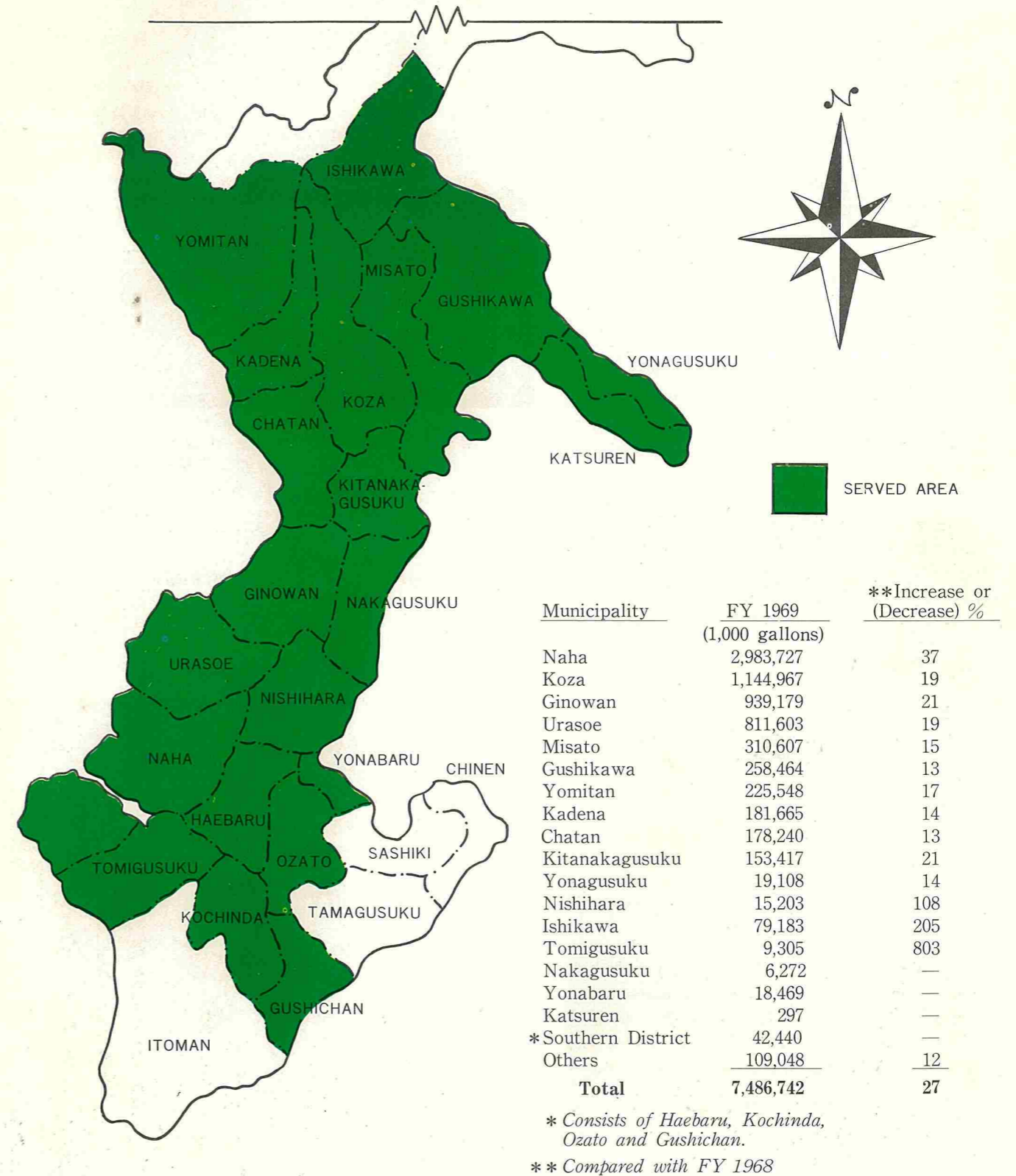
In order to better acquaint the public with RDWC activities, plans and facilities, the first "All-Ryukyu Water Week" was held during the first week of September 1968. These activities were jointly sponsored by the Government of the Ryukyu Islands, RDWC and the Okinawa Water Works Association. During the week, RDWC conducted tours of water facilities such as the Treatment Plants at Ishikawa and Tengan, Tengan and Zukeyma Reservoirs, Storage Tanks and Pumping Stations for some 900 citizens from 18 municipalities in central and southern Okinawa.

Water Sales

During the Fiscal Year 1969, the Corporation sold 7.5 billion gallons of treated water to 18 municipalities (including Southern District Eastern Sector Water Works Association composed of four municipalities in southern Okinawa) one housing company and 28 retail customers, which represents a 27% increase over the previous year. RDWC sold 1.1 billion gallons of raw water to Naha City and others. The chart below illustrates the growth in the quantities of water sold by RDWC from FY 1959 through 1969. The area served by the Corporation and the breakdown of the water sales is indicated on the following map.

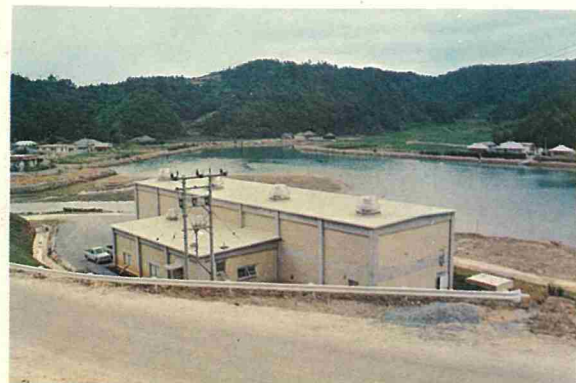


MUNICIPALITIES SERVED BY RDWC

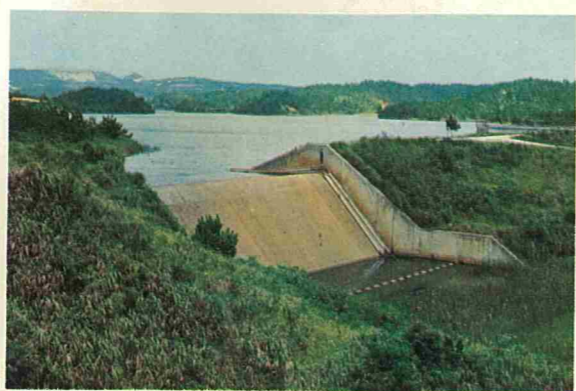


INTEGRATED WATER SYSTEM

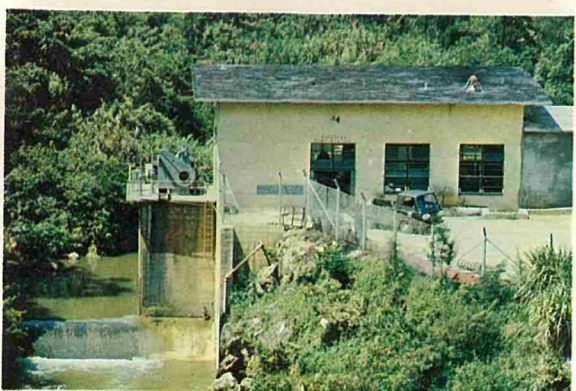
Principal Features with Capacities



Kyoda Booster Station



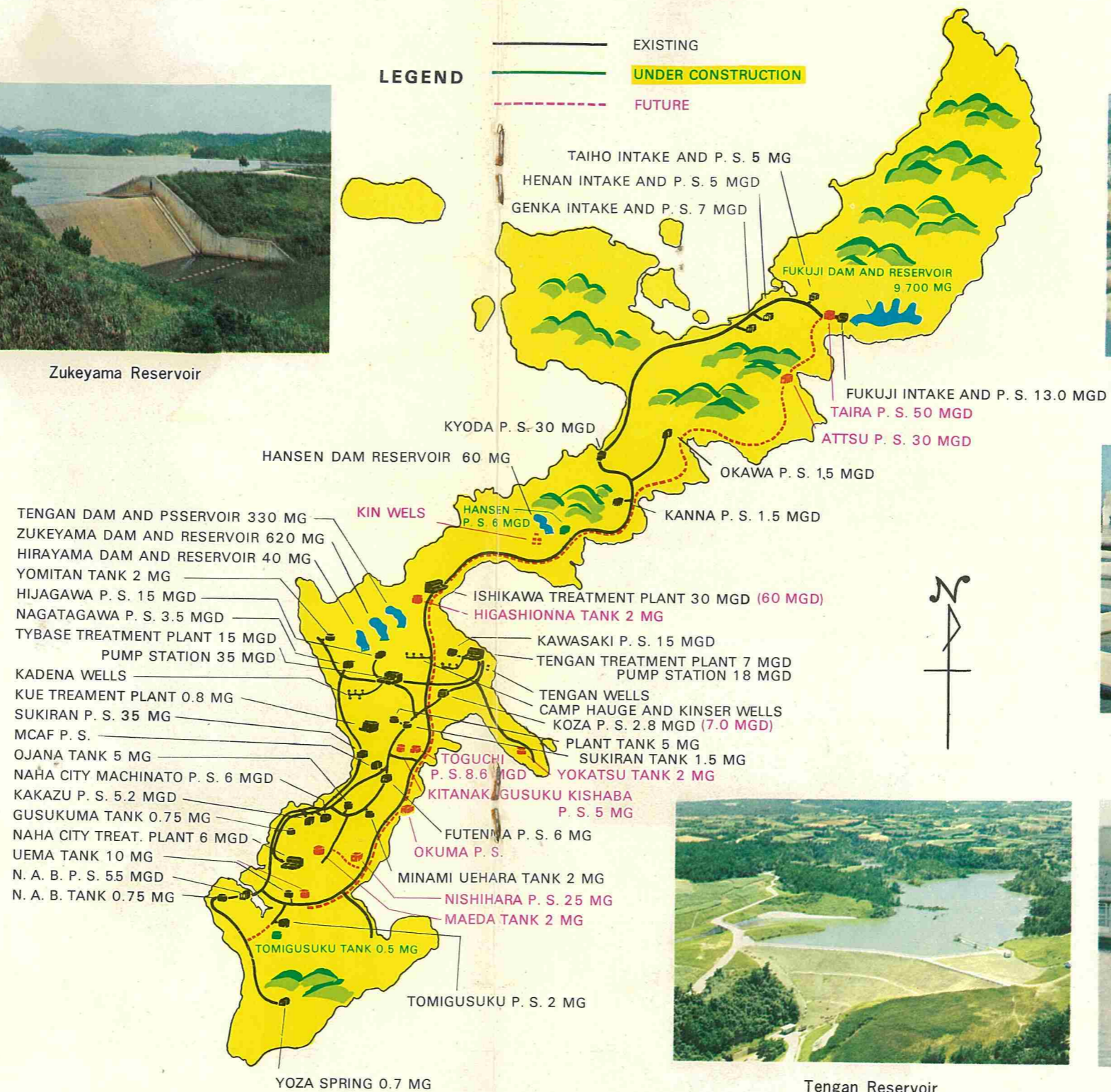
Zukeyama Reservoir



Bishigawa Pump Station



Kawasaki Pump Station



Ishikawa Treatment Plant



Tybase Treatment Plant



Tengan Reservoir



Tengan Treatment Plant

Construction

During the reporting period, 14 construction projects were completed. Contracts for 6 projects totalling about \$2.3 million were awarded. At the end of the Fiscal Year 1969, 7 major projects were under construction.

Completed Projects:

1. Modification to Zukeyama Dam (July 1968)
2. Henan Pump Station (Aug 1968)
3. Genka Pump Station (Aug 1968)
4. Ufu to Taiho Raw Water Main (Sept 1968)
5. Modification to Tybase High Lift Pump Station (Sept 1968)
6. Central Feeder System, Stage I and II (Oct 1968)
7. Yomitan South Water Line and 2MG Storage Tank (Oct 1968)
8. Tengan Check Dam (Nov 1968)

9. 5 MG Storage Tank at Ojana Route 34 (Nov 1968)
10. Taiho-Fukuji Pipeline & Taiho Pump Station (Dec 1968)
11. Agena to White Beach Pipeline (Jan 1969)
12. Tengan to Koza Pipeline (Mar 1969)
13. Central Feeder Extension Stage I (Hwy 5, Shuri) (May 1969)
14. Kyoda Booster Pump Station (Jun 1969)

Projects under Construction:

1. Well Development (Stage III) (86%)
2. Modification to Tengan High Lift Pump Station (95%)
3. Camp Hansen Pump Station (24%)
4. Tomigusuku Pipeline (92%)
5. Tomigusuku Booster Pump Station and 0.5 MG Storage Tank (60%)
6. Fukuji Pump Station (97%)
7. Fukuji Dam and Reservoir, Phase I (0)

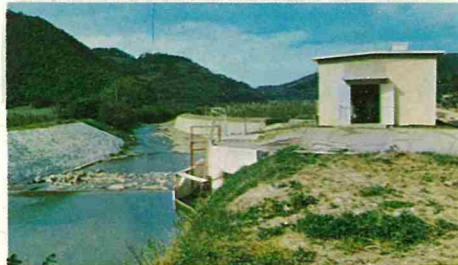
Completed Projects



← Taiho Pump Station



Henan Pump Station →



← Genka Pump Station



Ojana 5 MG Storage Tank →

Under Construction



← Fukuji Pump Station



Tengan High Lift Pump Station →

A LOOK AT THE FUTRE

Water demand continues to grow at predicated rates. It reached a peak of 51 million gallons per day during 1969 compared with a 1968 peak of 45 million. Actual and projected water demands and supply are depicted in the chart. To meet the growing requirements for water in the heavily populated southern and central Okinawa, the Corporation has programmed essential projects as outlined below.

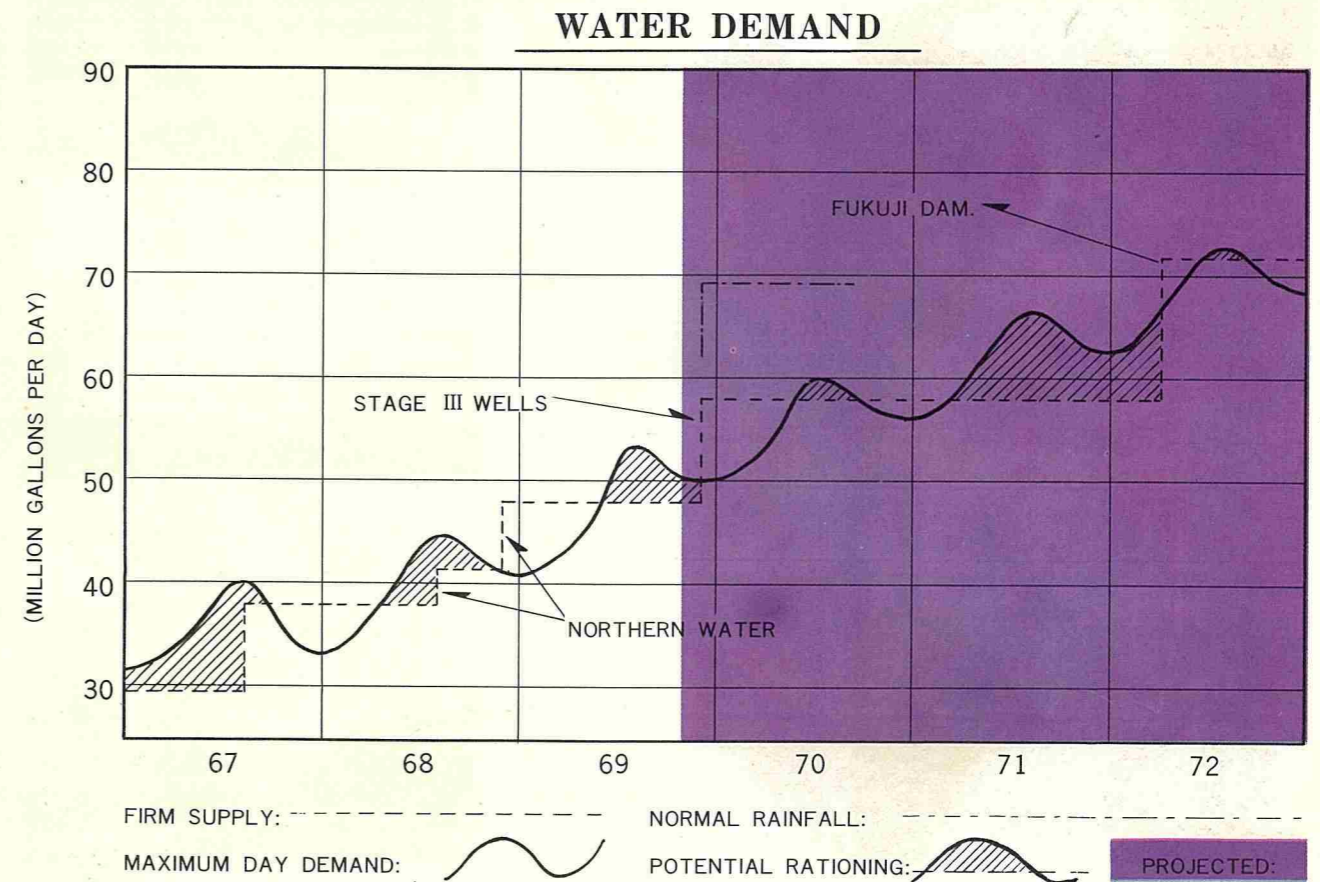
Phase I construction of Fukuji Dam was initiated at a cost of \$1.4 million in June 1969 and will be completed in April 1970. Phase II construction will commence in April 1970 at an estimated cost of \$8.8 million. Completion is scheduled in April 1972.

In addition, the Corporation is planning to install a raw water transmission pipeline along the east coast from Fukuji Dam to Ishikawa Water Treatment Plant to increase the treatment capacity of the Ishikawa Plant and to construct another

treated water transmission line from Ishikawa to the proposed 10 MG Naha Tank No. 2.

In FY 1970, \$8.8 million from USACAR General Fund and \$1.2 million from retained earnings are programmed for the following projects:

1. Fukuji Dam and Reservoir, Phase II, Construction.
2. 10 MG Naha Tank No. 2, Construction
3. 2 MG Yokatsu Tank, Construction
4. 1.5 MG Tengan Tank, Construction
5. Taira Pump Station, Phase I, Design
6. Well Development, Stage IV
7. Others



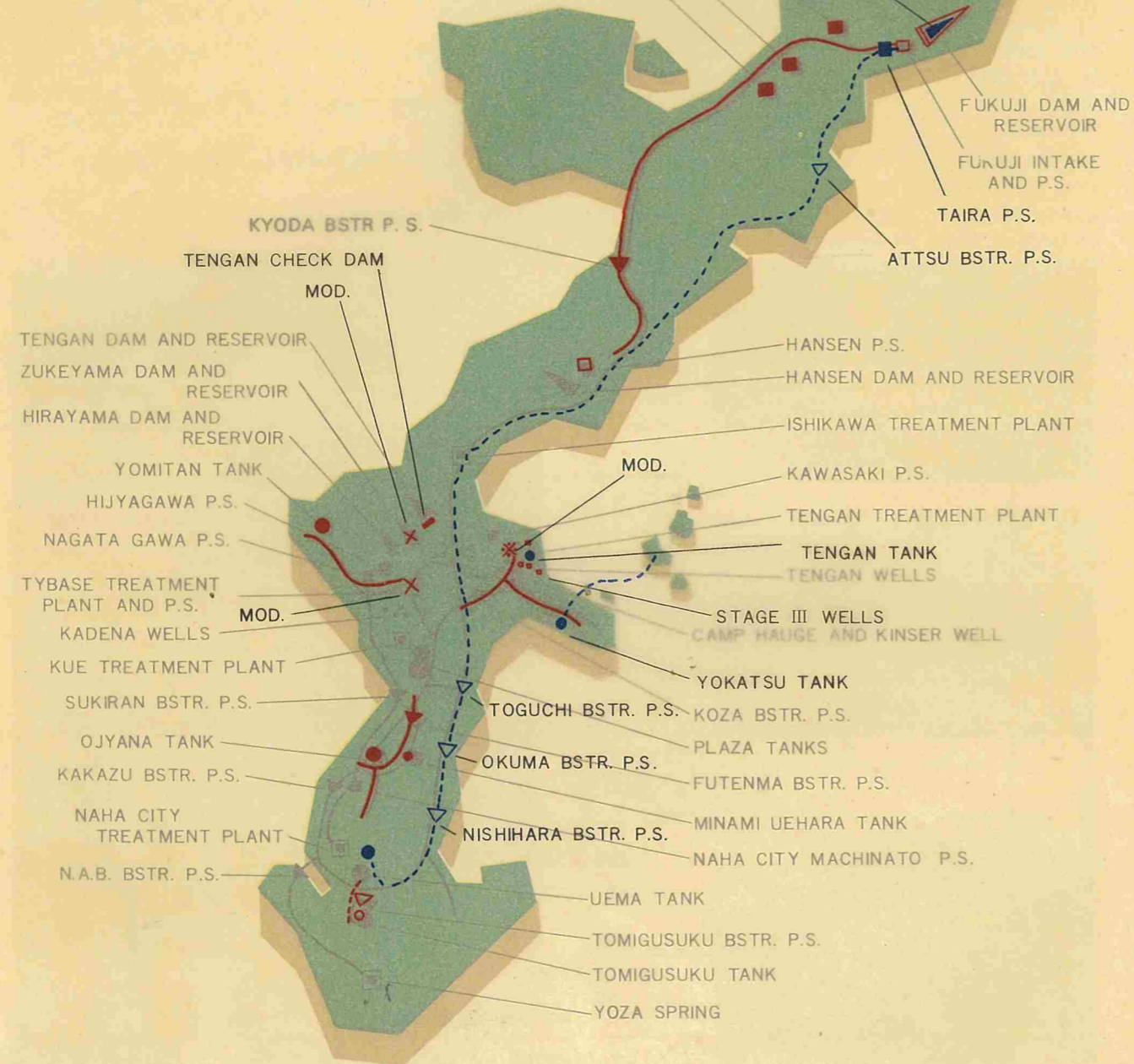
INTEGRATED WATER SYSTEM

FY 69 AND FUTURE PROJECTS

LEGEND

- COMPLETED IN FY'69 : ■▲○—X
- UNDER CONST. : □△○▷ * ---
- FY'70 PROJECTS : ■●▶
- FUTURE PROJECTS : △---

- FUKUJI DAM STAGE II
- TAIHO INTAKE AND P.S.
- HENAN INTAKE AND P.S.
- GENKA INTAKE AND P.S.



FINANCIAL REVIEW

Summary

Decrease in Net Income

Although water sales in Fiscal Year 1969 increased 25 percent, net income decreased by 40 percent due to a decrease in interest income from time deposits.

The balance of the time deposits and the interest earned thereon compared with the previous year are shown below:

	FY 1969	Decrease	Percentage
Balance of time deposits end of fiscal year	\$2,037,860	\$2,193,062	52%
Interest on time deposits	143,386	235,038	62%

Capital Investment

There have been three sources of funds for capital investment of RDWC: the USCAR General Fund, the ARIA appropriation (Administration Ryukyu Islands, Army) and the retained earnings of the Corporation.

from prior year General Fund contributions and RDWC retained earnings.

During the reporting period, the Corporation has expended more than \$4.8 million for the development of northern water resources and expansion of central and southern water facilities. Of this amount, \$1.5 million was derived from FY 1969 contribution from the USCAR General Fund and \$3.3 million

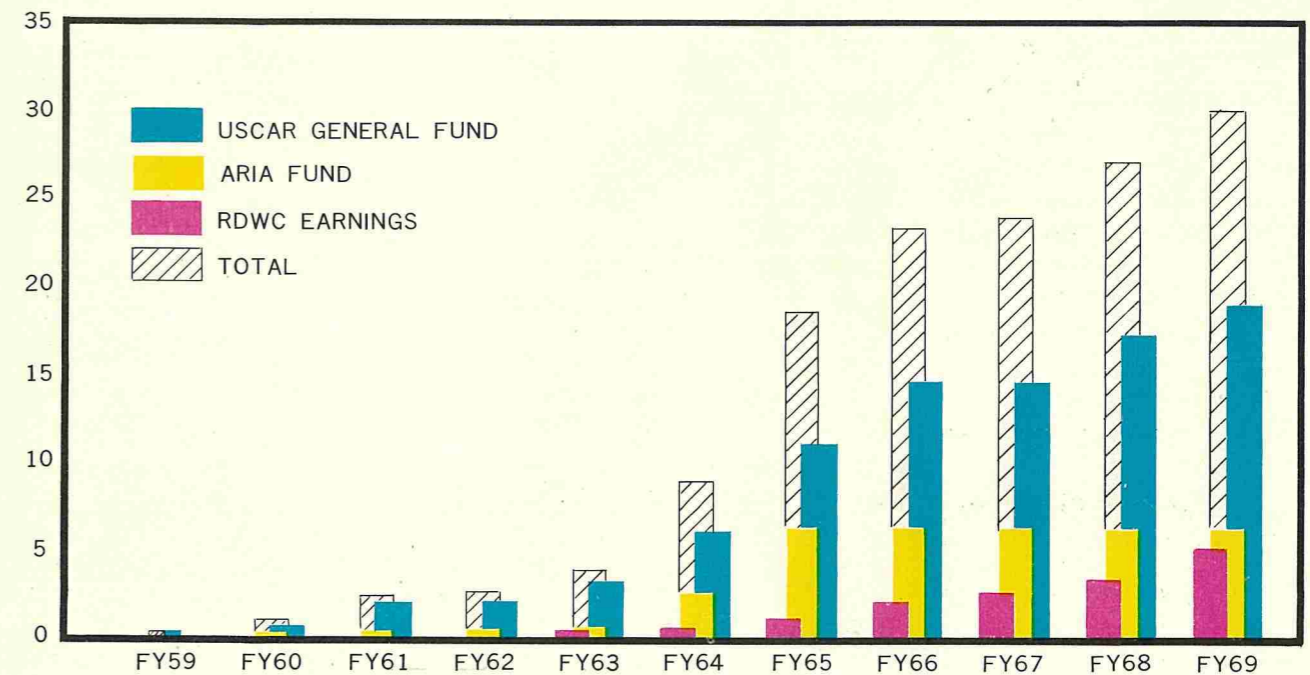
Contribution from the USCAR General Fund and ARIA appropriations since 1959 are \$18.6 million and \$6.5 million respectively. Retained earnings budgeted in the capital investment program for the same period are \$5.1 million. An additional \$1.1 million has been allocated from the USCAR General Fund and will be provided when needed.

The following chart shows accumulative growth of capital investment by source of funds from FY 1959 through FY 1969:

Accumulative Growth of Capital and Earnings

MILLIONS OF DOLLARS

FY 1959 THROUGH FY 1969



Ryukyu Domestic Water Corporation
Comparative Balance Sheet

	June 30	
ASSETS	1969	1968
Utility plant:		
Utility plants - (Note 1)	\$24,924,948	\$16,097,855
Less: Accumulated depreciation	(1,428,513)	(936,246)
Construction work in progress	<u>3,532,292</u>	<u>7,537,206</u>
Total utility plant	<u>\$27,028,727</u>	<u>\$22,698,815</u>
Current and accrued assets:		
Cash - (Note 2)	\$ 2,050,152	\$ 4,248,624
Accounts receivable	169,283	140,664
Accrued interest receivable	60,930	290,626
Plant materials and supplies - (Note 3)	126,614	296,309
Prepaid expenses	4,677	4,027
Miscellaneous asset	1,000	-
Total current and accrued assets	<u>\$ 2,412,656</u>	<u>\$ 4,980,250</u>
Total assets	<u>\$29,441,383</u>	<u>\$27,679,065</u>
LIABILITIES AND CAPITAL		
Proprietary capital:		
Capital - (Note 4)	\$25,440,452	\$23,637,558
Retained earnings - (Note 7)	<u>3,503,447</u>	<u>3,508,592</u>
Total proprietary capital	<u>\$28,943,899</u>	<u>\$27,146,150</u>
Current and accrued liabilities:		
Accounts payable - (Note 5)	\$ 453,933	\$ 508,298
Customers' deposits	<u>860</u>	<u>865</u>
Total current and accrued liabilities	<u>\$ 454,793</u>	<u>\$ 509,163</u>
Operating reserves:		
Separation and other reserves	<u>\$ 42,691</u>	<u>\$ 23,752</u>
Total liabilities and capital	<u>\$29,441,383</u>	<u>\$27,679,065</u>

The accompanying notes to financial statements are an integral part of this statement.

Ryukyu Domestic Water Corporation
Comparative Statement of Income and Retained Earnings

	Year ended June 30	
	1969	1968
Operating revenue:		
Sales of water - (Note 6)	\$ 1,731,990	\$ 1,384,432
Operating expenses:		
Cost of water purchased	\$ 846,803	\$ 690,884
Administrative and general salaries	113,969	83,278
Office supplies and other expenses	16,478	11,085
Property insurance	2,767	1,789
Injuries and damages	583	3,592
Rents	51,844	16,908
Payroll tax	2,124	1,588
Miscellaneous general expense	2,328	2,112
Maintenance of general plant	4,378	3,422
Field maintenance expense	3,822	5,612
Stream gauging expense	73,896	-
Property losses	1,568	-
Depreciation expense - (Note 1)	<u>486,132</u>	<u>492,466</u>
Total operating expenses	<u>\$ 1,606,692</u>	<u>\$ 1,312,736</u>
Utility operating income	\$ 125,298	\$ 71,696
Other income:		
Interest income	\$ 143,380	\$ 378,419
Miscellaneous income	<u>1,051</u>	<u>427</u>
Total other income	<u>\$ 144,431</u>	<u>\$ 378,846</u>
Net income	\$ 269,729	\$ 450,542
Adjustment to retained earnings:		
Correction of prior years' income - (Note 7)		
Add: Prior years' purchase refunds	\$ 86,498	-
Less: Prior years' stream gauging expense and extraneous losses	<u>(361,372)</u>	<u>(27,630)</u>
Net increase (decrease) in the retained earnings	(\$ 5,145)	\$ 422,912
Retained earnings at beginning of year	<u>3,508,592</u>	<u>3,085,680</u>
Retained earnings at end of year	<u>\$ 3,503,447</u>	<u>\$ 3,508,592</u>

The accompanying notes to financial statements are an integral part of this statement.

Ryukyu Domestic Water Corporation
Notes To Financial Statements
For the Year ended June 30, 1969

1. Utility plant (fixed assets) and depreciation:

Additions and deductions of the utility plant during the year under review are as follows:

a) Original cost:

Plant	Balance July 1, '68	Addition	Deduction	Balance June 30, '69
1) Source of supply	\$ 5,190,340 ✓	\$ 5,333,764	\$ 7,587	\$10,516,517 ✓
2) Pumping plant	467,909 ✓	1,369,150	-0-	1,837,059 ✓
3) Water treatment	3,512,182	29,984	-0-	3,542,166 ✓
4) Transmission	6,854,407	2,080,989	1,413	8,933,983 ✓
5) General plant	73,017	25,305	3,099	95,223 ✓
Totals	<u>\$16,097,855</u>	<u>\$ 8,839,192</u>	<u>\$ 12,099</u>	<u>\$24,924,948 ✓</u>

b) Accumulated depreciation:

Plant	Balance July 1, '68	Addition	Deduction	Balance June 30, '69
1) Source of supply	\$ 390,907 ✓	\$ 224,821	\$ 7,587	\$ 608,141
2) Pumping plant	105,749 ✓	75,798	-0-	181,547
3) Water treatment	79,530 ✓	58,072	-0-	137,602
4) Transmission	340,149 ✓	136,922	1,413	475,658
5) General plant	19,911 ✓	8,753	3,099	25,565
Totals	<u>\$ 936,246 ✓</u>	<u>\$ 504,366</u>	<u>\$ 12,099</u>	<u>\$ 1,428,513 ✓</u>

Provision for depreciation have been computed at the following annual composite straight-line rates:

1) Source of supply	2.43% (41 years)
2) Pumping plant	5.95% (17 years)
3) Water treatment	1.67% (60 years)
4) Transmission and distribution	1.75% (57 years)
5) General plant	12.59% (8 years)

Due to the material changes in the component assets of each plant the annual composite straight-line rates were revised during the year under review.

2. Cash:

Cash and accrued interest receivable at June 30, 1969 consist of the following:

	Cash	Accrued interest
a) Petty cash and change fund	\$ 200	-0-
b) Demand deposits	12,092	-0-
c) Interest-bearing time deposits	2,037,860	\$ 60,930
Total	<u>\$2,050,152</u>	<u>\$ 60,930</u>

3. Plant and materials and supplies:

Inventories at June 30, 1969 consist of the following:

a) Plant materials for Master Water Plan projects stated at first-in, first-out cost	\$ 23,852
b) Materials and supplies for maintenance stated at first-in, first-out cost	102,762
Total	<u>\$126,614</u>

4. Capital:

During the year under review \$1,533,894 was provided by the USCAR General Fund and Camp Hansen Dam and Reservoir of \$269,000 was transferred from U. S. Marine Corps.

5. Accounts payable:

Accounts payable at June 30, 1969 consist of the following:

a) Cost of water purchased from Post Engineer and Composite Service Group for April through June 1969	\$ 72,517
b) Retained percentage on various projects owed to contractors	120,711
c) Accrued construction cost	103,744
d) Accrued salaries and wages for June 1969	30,234
e) Materials and services purchased and accrued	126,727
Total	<u>\$453,933</u>

6. Sales:

Sales for the year review consist of the following:

	M/Gallons	Amount
a) Treated water:		
Municipalities	7,377,694	\$1,609,355
Retail customers	109,048	36,578
Sub-total	7,486,742	\$1,645,933
b) Raw water:		
Naha City and others	1,099,395	85,883
Total water sales	8,586,137	\$1,731,816
c) Miscellaneous services		174
Total sales		<u>\$1,731,990</u>

7. Retained earnings:

Adjustments to the retained earning during the year are as follows:

a) Additions:—	
(1) Power purchase refunds for the prior years	\$ 80,495
(2) Raw water refund and other	6,003
Total	<u>\$ 86,498</u>
b) Deductions:—	
(1) Stream gauging expense for the prior years	\$ 342,019
(2) Land rentals for the prior years	14,938
(3) Cancelled project	4,415
Total	<u>\$ 361,372</u>

8. Taxes:

The corporation is exempt from all taxes.



AUDIT REPORT

*Board of Directors
Ryukyu Domestic Water Corporation
P.O. Box 375, Naha, Okinawa
Ryukyu Islands*

I have examined the balance sheet of the Ryukyu Domestic Water Corporation as of June 30, 1969 and the related statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheet and statement of income and retained earnings present fairly the financial position of the Ryukyu Domestic Water Corporation at June 30, 1969 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Kanwa Hokama
Kanwa Hokama
Certified Public Accountant

Naha, Okinawa
August 15, 1969

HIGHLIGHTS

The Dedication Ceremony of the Northern Water Facilities

High Commissioner F. T. Unger cuts the ribbon during dedication ceremony for Ishikawa Water Treatment Plant on 4 September 1968.



The visitors touring the Ishikawa Water Treatment Plant.

The 1st "All-Ryukyu Water Week"

The 1st "All-Ryukyu Water Week" was held on the first week of September 1968.

Visitors receiving an explanation of the Ishikawa Water Treatment Plant, RDWC.



RDWC-A

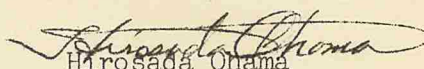
February 14, 1970

Gentlemen:

I am pleased to present to you FY 1969 Annual Report of the Ryukyu Domestic Water Corporation.

Hoping the report may be of any assistance to you,

Sincerely yours,



Hirotsada Onama

President

Ryukyu Domestic Water Corporation