

**PRINCEVILLE UTILITIES CO. TO ADDRESS ORGANIC CHEMICAL
FINDINGS
BY REPAIRING WATER TANK**

*Water Remains Safe for Drinking As System Undergoes Cleaning, Testing;
Utility Asks Customers to Help Conserve Water During Repair Work*

PRINCEVILLE, Hawai'i (March 16, 2013)—Princeville Utilities Company, Inc. (PUCI), an investor-owned utility on Kaua'i, today announced that the company will install a temporary bypass system so that its 1.5-million-gallon main tank can be taken off line, repaired and tested to remove the organic chemical found in the main tank's caulking, and possibly its lining. Extensive laboratory testing by PUCI and by the Hawai'i Department of Health (DOH) confirmed that the system's water remains safe to drink, and does not pose a health threat.

PUCI plans to take the main tank off line and replace it with three smaller, temporary tanks, which will be delivered, installed and tested within the next several weeks. PUCI also asks for the cooperation of its customers in conserving water during the repair process, so as not to excessively burden the temporary bypass system.

"We're committed to making these repairs as thoroughly and quickly as practicable, and we plan to update our customers and the public on our progress," said Michael Loo, PUCI's manager. "Also, we're asking our customers to conserve water by restricting irrigation. If you must irrigate, we ask that you do it between the hours of 11 p.m. and 5 a.m."

"We're working closely with the DOH, and remain committed to the reliable delivery of safe drinking water to our customers," Loo said. "To date, our water supply is in compliance with drinking water standards.

"Although we can't yet give a specific date for completion of the repair work, which we anticipate requires the approvals of multiple government agencies, we will work as quickly as practicable, and will continue to provide safe drinking water to the public," Loo added.

PUCI has hired AECOM, a leading global environmental engineering consultant firm with extensive experience throughout Hawai'i and the Pacific in environmental investigation and remediation, to advise the company in identifying and removing the organic chemical that was detected.

As previously announced by DOH in December 2012, an oily sheen containing the chemicals Aroclor 1254, and possibly Aroclor 1260, both polychlorinated biphenyls (PCB), were found during the testing of PUCI's main water tank. While the source of the sheen remains undetermined, and is being further investigated, test results strongly suggest that it is due to caulking commonly used in the early 1970's, when the main water tank was first installed.

PCBs are a group of organic chemicals formerly used in the United States in hydraulic fluids, plasticizers, adhesives, fire retardants, and de-dusting agents. The federal and state Maximum Contaminant Levels for PCBs is 0.5 parts per billion (PPB) at the compliance sampling point. The standard is set to avoid health risks based on a lifetime of consuming water containing that level of PCBs.

About Princeville Utilities Company, Inc. (PUCI)

PUCI is an investor-owned utility company that is regulated by the State of Hawai'i Public Utilities Commission. We are a provider of drinking water and wastewater services to Princeville and surrounding areas on the north shore of Kaua'i. We are dedicated to providing an efficient, reliable service to our customers while we act as good stewards of our environment. For more information, please visit www.princevilleutilities.com.

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