

MINUTES

REGULAR MEETING OF THE BOARD OF WATER SUPPLY

April 22, 2013

At 2:03 PM on April 22, 2013 in the Board Room of the Public Service Building at 630 South Beretania Street, Honolulu, Hawaii, Board Chair Miyashiro called to order the Regular Meeting.

Present: Duane R. Miyashiro, Board Chair
Mahealani Cypher, Vice Chair
Theresa C. McMurdo
Kaulana H. R. Park
Ross S. Sasamura

Also Present: Ernest Lau, Manager and Chief Engineer
Ellen Kitamura, Deputy Manager and Chief Engineer
Tracy Burgo
Alex Ubiadas
Daryl Hiromoto
Barry Usagawa
Karen Tom
Paul Kikuchi
Jason Takaki
Ron Wada

Others Present: Krishna Jayaram, Deputy Corporation Counsel
Marilyn Ushijima, Deputy Corporation Counsel
Donna Leong, Corporation Counsel
Russell Stepp, Stepp Consulting

Absent: Glenn M. Okimoto
Adam C. Wong

APPROVAL
OF MINUTES

Approval of the Minutes of the Regular Meeting held on March 25, 2013

MOTION
TO APPROVE

Mahealani Cypher and Theresia McMurdo motioned and seconded, respectively, to approve the Minutes of the Regular Session Meeting of March 25, 2013. The motion was unanimously carried.

"April 22, 2013

AUTHORIZING
A PUBLIC
HEARING

Chairman and Members
Board of Water Supply
City and County of Honolulu
Honolulu, Hawaii 96843

Chairman and Members:

Subject: Authorizing a Public Hearing to Consider the Proposed
FY 2013 - 2014 Operating and Capital Improvement
Program Budget

We recommend that the Board authorize a public hearing to be held at 2:00 p.m. on Tuesday, May 28, 2013 to consider the resolution to adopt the proposed Operating and Capital Improvement Program Budget for the fiscal year beginning July 1, 2013 and ending June 30, 2014.

Attached is the draft of the "Notice of Public Hearing" to be published prior to the hearing date.

Respectfully submitted,

/s/ ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

Attachments"

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the BOARD OF WATER SUPPLY, CITY AND COUNTY OF HONOLULU, will hold a PUBLIC HEARING in the Board Room, Public Service Building, 630 South Beretania Street, on TUESDAY, MAY 28, 2013, at 2:00 p.m. or soon thereafter, where all interested persons shall be afforded the opportunity of being heard on the adoption of the Proposed FY 2013 – 2014 Operating and Capital Improvement Program Budget of the Board of Water Supply for the fiscal year July 1, 2013 to June 30, 2014.

Information to be discussed at this public hearing is available at Room 201 of the Public Service Building, Board of Water Supply, 630 South Beretania Street. All comments on or suggested changes to the proposed FY 2013 – 2014 Operating and Capital Improvement Program Budget of the Board of Water Supply should be filed in writing before the date of the public hearing or presented in person at the time of the hearing. Persons wishing to speak are requested to register by 1:00 p.m. with Alison Kawata, 748-5100, by providing your name, phone number, and subject matter of testimony. Testimony is limited to three minutes and shall be presented by the registered speaker only. Any questions, please call 748-5100. Any disabled person requiring special assistance who plans to attend the public hearing, may contact Ms. Alison Kawata at 748-5100, no later than May 21, 2013, so that appropriate accommodations can be provided.

BOARD OF WATER SUPPLY
CITY AND COUNTY OF HONOLULU

DISCUSSION: Manager Lau replied to Board Member Park's inquiry stating that it is normal procedure for the Board to authorize a Public Hearing. Following the Board's authorization, the Public Hearing would be held at the next Regular Session Board Meeting. Prior to the Public Hearing, the Department presents its budget and Capital Improvement Program to the Board Members at a budget workshop.

MOTION TO APPROVE A PUBLIC HEARING Chairman Miyashiro called for a motion to hold a Public Hearing on the proposed FY 2013-2014 operating and capital improvement program budget. Theresia McMurdo and Kaulana Park motioned and seconded, respectively, to approve a Public Hearing on the FY 2013-2014 proposed budget. The motion was unanimously carried.

AUTHORIZING A PUBLIC HEARING TO CONSIDER THE PROPOSED FY 2013-2014 OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGET WAS APPROVED ON 4/22/13			
	AYE	NO	COMMENT
DUANE R. MIYASHIRO	X		
MAHEALANI CYPHER	X		
THERESIA C. MCMURDO	X		
ADAM C. WONG			ABSENT
KAULANA H. R. PARK	X		
ROSS S. SASAMURA	X		
GLENN M. OKIMOTO			ABSENT

"April 22, 2013

TOPICS FOR
FUTURE BOARD
MEETINGS

Chairman and Members
Board of Water Supply
City and County of Honolulu
Honolulu, Hawaii 96843

Chairman and Members:

Subject: Topics for Future Board Meetings

We would like to take this time to allow the members of the Board to inform us of any topic or concern pertaining to Board of Water Supply operations that the Board would want addressed at future Board Meetings.

Respectfully submitted,

/s/ ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer"

DISCUSSION:

Mr. Lau would like to discuss in a future Board meeting, Resolution 13-62, Urging the Board of Water Supply to Implement a Billing Program that Does Not Increase Costs to Rate-Payers. This resolution was introduced into the Council by Councilmember Ikaika Anderson and will be heard on Wednesday, April 24, 2013. Mr. Lau explained that this Resolution urges the BWS to revert back to bi-monthly billing. After brief discussion by the Board, Mr. Lau agreed to accommodate the Board's requests by including in the future discussion the Memorandum of Agreement between BWS and the Department of Environmental Services, an update of customer complaints or issues resulting from the conversion to monthly billing, and how the issues were handled.

Board Member McMurdo requested for monthly updates on the Beretania Property Development. Mr. Lau suggested that the updates be done quarterly or on an as-needed basis (if there is any progress in the process).

Manager Lau welcomed new Board Member Ross Sasamura.

ITEM FOR INFORMATION NO. 1

BOARD OF WATER SUPPLY MASTER PLAN UPDATE

Russ Stepp from Stepp Consulting and Ron Wada from the BWS Information Technology Division gave a presentation to the Board. Mr. Stepp informed the Board that they have hired CDM Smith and issued the Notice to Proceed on March 14, 2013. Their sub-consultant, Pure Technologies, is a nationally recognized expert firm who offers new technologies such as the SmartBall and Sahara Device. Mr. Wada explained that the SmartBall is launched through a fire hydrant into a pipeline, which will look for leaks and air pockets using acoustical sounds. Mr. Wada replied to the Board Members' inquiries by explaining that this technology has been used elsewhere with a very high success rate, it is more reliable than the current leak detection tools since it listens for sounds inside the pipe rather than outside of the pipe, the SmartBall can go a great distance up to 25 miles, and since the SmartBall looks for leaks, it allows for proactive repairs which in turn helps to reduce main breaks. The other technology is called PipeDiver. This device would be used in Phase II and is primarily geared for the concrete cylinder pipelines.

Mr. Wada identified the three pilot locations where the initial testing will be done - the Waianae Coast from Lualualei to Waianae (a 20" concrete cylinder pipe), the Windward side in the Ahuimanu area (a 16" cast iron pipe), and the Palolo area from Palolo Avenue to the Wilhelmina 405 Reservoir (a 16" cast iron pipe). Board Member Cypher inquired if these are chronic main break areas and if there is a difference in testing on cast iron pipes versus concrete cylinder pipes. Mr. Wada responded that these are areas with history of main breaks and the SmartBall works on all different types of pipes such as cast iron, concrete cylinder and PVC.

Ms. Cypher inquired about the timeline for the entire project. Mr. Stepp replied that Phase I should be completed at the end of July 2013, Phase II would launch sometime in August or September 2013, and Phase III would launch in about October or November 2013. Mr. Lau replied to Mr. Park's inquiry stating that they will be periodically updating the Board on the project and there may be times when they may need to conduct special workshops to obtain the Board's direction on decision making. They will communicate with the Board, the customers, the Council and other stakeholders throughout the duration of the project.

Mr. Wada replied to Ms. Cypher's inquiry stating that water resource assessment will be done in Phase III. Mr. Lau ensured Ms. Cypher that the Water Resources Division evaluates all development project proposals to see if water is available and provides for adequate source, storage, transmission and fire protection requirements.

WATER FOR LIFE

Ka Wai Ola



Board of Water Supply
City and County of Honolulu

BWS Water Master Plan

April 22, 2013

Ron Wada / BWS Project Manager

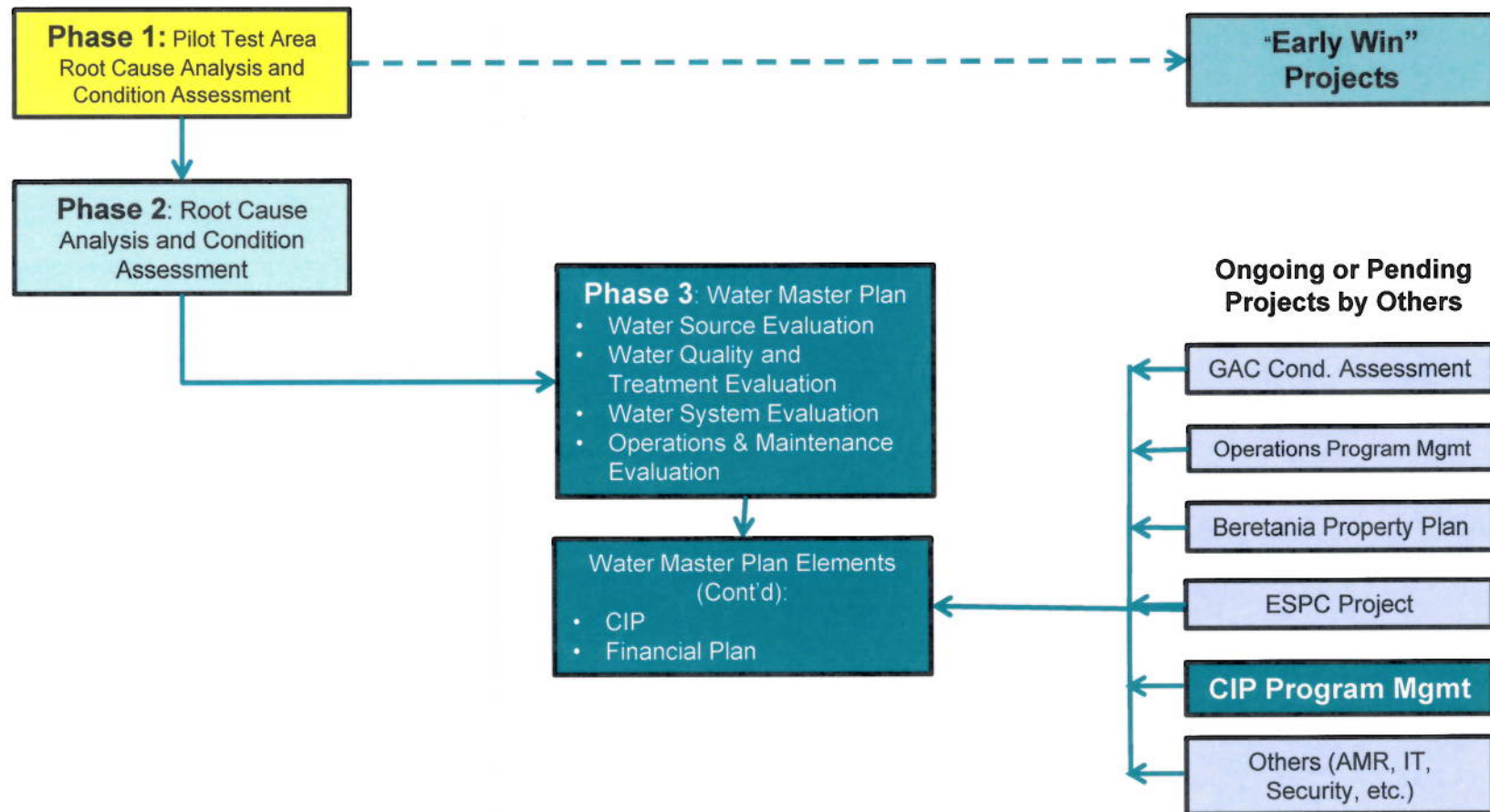
Russ Stepp & Dave Jochim / SCI



BWS Water Master Plan Objectives

1. Extend life of BWS infrastructure at an affordable cost
2. Reduce main breaks and service interruptions
3. Develop Long-Term CIP program
4. Develop resources to execute CIP on a sustainable basis
5. Knowledge transfer to BWS staff

BWS Water Master Plan





BWS Water Master Plan Current Status

- NTP Issued for CDM Smith: March 14, 2013
- CDM Smith: Extensive Master Planning experience (“A” Team)
- Condition Assessment sub consultant Pure Technologies recognized national leader
- Project Team located in BWS offices



Phase I – Condition Assessment & Root Cause Analysis

- Pilot locations identified
- Logistics and schedule under development
- Current pipeline failures being documented and analyzed



Phase I – Water System Assessment

- Facility site visits
- Coordination with Operations and Engineering staff
- Hydraulic Model Evaluation

WATER FOR LIFE

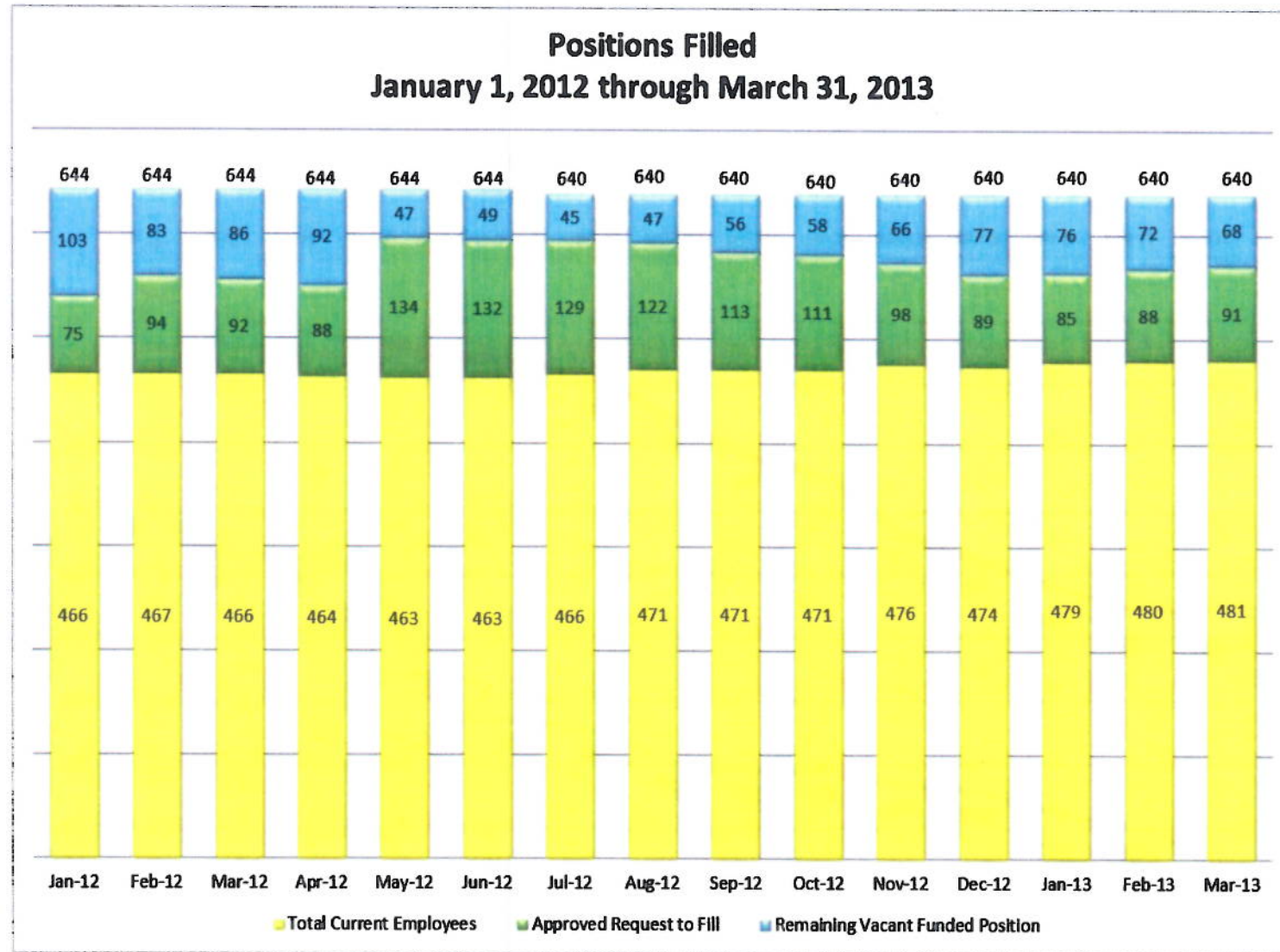
Ka Wai Ola



Board of Water Supply
City and County of Honolulu

Questions?

ITEM FOR INFORMATION NO. 2



Cumulative Totals **January 1, 2012 through March 31, 2013**



DISCUSSION:

Karen Tom from the Human Resources Office explained the two new graphs. Ms. McMurdo questioned why the number of vacant positions went up as high as 77 in December when it was as low as 45 in July. Ms. Tom replied that generally people retire in December and there are also separations that occur as well. Mr. Lau pointed out that even with the increase of vacancies, the number of total current employees have increased from January 2012 through March 2013. Ms. Cypher inquired if the 91 pending Form A's could be filled in the next six months. Ms. Tom explained that the number may not necessarily decrease significantly, as many of the Form A's are pending with the Department of Human Resources. She added that the number of pending Form A's may increase if the divisions request to fill more of the remaining vacant funded positions.

Ms. Tom clarified that the number shown for total current employees increases only if positions are filled externally and does not increase when positions are filled internally. Ms. McMurdo asked Mr. Lau what he felt the ideal number of employees should be. Mr. Lau responded that his guess is that it should be about the high 500 to low 600 range. This is just a guess when considering that service area has grown, the number of facilities has increased and the number of treatment systems has increased. Mr. Lau stated that to help accomplish this 500-600 range, the department is working on improving its recruitment process. They will also work on documenting policies and procedures to help with succession planning so that when employees retire and new people come in, they will have documents to start off with instead of having no knowledge at all.

Mr. Lau commented that the BWS has some successful programs such as the apprenticeship program, internship program and the summer student program. These programs give young people the opportunity to gain knowledge and experience on the job, and if they perform adequately and are qualified, they become good candidates for permanent civil services hires at BWS.

ITEM FOR INFORMATION NO. 3

"April 22, 2013

GROUNDWATER
LEVELS

Chairman and Members
Board of Water Supply
City and County of Honolulu
Honolulu, Hawaii 96843

Chairman and Members:

Subject: Status Update of Groundwater Levels at All Index
Stations

There are three aquifer index wells within low groundwater status for the production week that ended on April 6, 2013. Punaluu and Kaimuki are in alert status, and Kaluanui is under a caution status. The weekly production average for the period was 129.53 million gallons per day.

The Board of Water Supply rainfall index for the month of March was 63 percent of normal, with a 5-month moving average of 84 percent. As of April 2, 2013, the U. S. Drought Monitor site reports unchanged D0 (abnormally dry) and D1 (moderate) conditions along the leeward coast. The National Weather Service is forecasting below normal precipitation amounts through June 2013. Head level recovery throughout the winter season has been modest; however, with lower rainfall and hotter summer temperatures, individual aquifers are expected to show the effects from higher pumpage.

Respectfully submitted,

/s/ ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

Attachments"

The foregoing was for information only.

DISCUSSION:

Ms. McMurdo inquired about the capacity of the water supply and whether it will sustain all of the development in various areas. Water Resources Program Administrator Barry Usagawa referred to the first table on Page 2 of the Weekly Pumpage, Head and Rainfall report, which shows that the authorized use for the Honolulu water use district was 45.27 mgd and the pumpage was 34.66 mgd. Honolulu imports half of its water from Pearl Harbor, which shows the authorize use as 92.66 mgd and the pumpage as 52.05 mgd. The authorized total for all six water use districts is 191.71 mgd and the pumpage is 129.53 mgd. The five year average during the summer is about 150 mgd and during the winter about 140 mgd. The pumpage compared to the authorized use of 191.71 mgd, provides an estimate of the amount of excess capacity there is on the island. Mr. Usagawa was careful to point out that the authorized use is based on 12-month moving averages and the pumpage numbers were weekly averages.

Also, each individual reservoir system within the water use districts will have different excess capacities.

Mr. Usagawa replied to Ms. McMurdo's inquiry by stating that there is enough water for Ewa's growth. BWS is currently developing an Ewa Watershed Management Plan, looking at different water use scenarios to ensure that there is enough water supply before providing water commitments and building permit approvals. Agriculture, military, and private water are also included in this plan that will balance groundwater and surface water among the major water user categories, while preserving forests and watersheds.

Ms. Cypher requested a presentation on the Ewa Watershed Management Plan. Mr. Lau stated that they are working on the Board's previous request for a presentation on the low groundwater plan and will broaden the presentation to include information on water resources in general for the island and how the BWS is ensuring that developments will have enough water.

Ms. Cypher commented that Ewa was a recharge area, but now that subdivisions are covering the land, there's more runoff. Mr. Usagawa concurred and stated that BWS sources are more mauka and will not be impacted by urban development in Ewa. Recharge occurs in areas with annual rainfall of greater than 50 to 60 inches, which is the evapo-transpiration rate. Since Ewa receives only about 20 inches annually and gets most of its recharge from sugar cane irrigation, there's not enough natural rainfall to recharge the underlying non-potable Ewa caprock aquifer. The State Water Commission factored in the City's land use plans for Ewa and Central Oahu when they reduced the Pearl Harbor sustainable yield in 2008.

Board Member Sasamura inquired about desalination and how far away BWS is from turning to this as an option. Mr. Usagawa explained that they are currently planning for desalination; however, they are trying to defer this option as far into the future as possible because of the high operating costs. With desalination, there are some land conditions. When BWS obtained the Kalaeloa seawater desalination plant site as a public conveyance from the Federal Government when they closed Barbers Point Naval Air Station, conditions were put into place that BWS had to use the land by a certain date. BWS got an extension to 2020 and provides them annual reports showing water demands and system capacity. When pumpage gets close to capacity, currently 32 mgd, BWS will need another source, which may be desalination. However, if an alternative source is not needed by 2020 and BWS is not granted another extension, BWS may have to proceed with the use of the site sooner than necessary. Mr. Lau informed the Board that rather than lose the land, they are having discussions about developing a small desalination plant to supply the Campbell Industrial Park area.

Mr. Sasamura questioned if the old State demonstration plant is still operating. Mr. Lau replied that BWS acquired this plant, however, it is not operating and there is no usable equipment there.

Ms. McMurdo inquired if BWS is identifying other locations for desalination. Mr. Usagawa replied that they haven't been looking for locations for desalination purposes, but rather their focus has been to look for possible sites to install treatment facilities and/or booster stations. Mr. Miyashiro asked if BWS has the authority to ask the developer to contribute towards infrastructure. Mr. Usagawa replied that in the master plan process, developers are required to install a new water system if there is no system in that area. If desalination is included, BWS could require the developer to pay their proportionate share of the capital costs.

PUMPAGE, HEAD, AND RAINFALL REPORT

Week of 3/31/13 to 4/06/13

STATION	MGD	HEAD	STATION	MGD	HEAD	STATION	MGD	HEAD		MGD	HEAD
METRO			WINDWARD			EWA-WAIAANAE (CONT)			PH (CONT)		
KULIOUOU	0.00					MAKAHA IV	0.00		PEARL CITY II	1.07	
WAILUPE	0.00		WAIMANALO II	0.26		MAKAHA V	0.20		PEARL CITY III	0.35	
WAIALAE-IKI	0.00		WAIMANALO III	0.11		MAKAHA VI	0.00		WAIU	1.78	
AINA KOA	0.42		KUOU I	0.67		MAKAHA SHAFT	0.37	10.15	NEWTOWN	1.40	
AINA KOA II	0.62		KUOU II	0.08		KAMAILE	0.00		KAONOHI I	0.79	
WAIALAE SHAFT	0.00		KUOU III	0.58		WAIAANAE I	0.14		WAIMALU I	0.00	
MANOA II	1.06		LULUKU I	1.04		WAIAANAE II	0.46		AIEA	0.00	
PALOLO	1.11		HAIKU	0.28		WAIAANAE III	0.00		AIEA GULCH 497	0.42	
KAIMUKI HIGH	2.47	21.68	IOLEKAA	0.01		MAKAKILO	0.25		AIEA GULCH 550	0.23	
KAIMUKI LOW	2.01		KAHALUU	0.49		HONOULIULI I	0.46		HALAWA 277	0.00	
WILDER	7.47		WAIHEE	0.00		HONOULIULI II	7.15		HALAWA 550	0.00	
BERETANIA HIGH	3.09	23.03	KAHANA	0.73		SUBTOTAL:	10.47		KAHUMANU MTR(-)	0.00	
BERETANIA LOW	1.58		PUNALUU I	0.00	15.95	IMPORT FROM PH			KAAMILO FLO MTR (-)	0.00	
KALIHI HIGH	1.55	22.29	PUNALUU II	1.02		KAPOLEI LINE BSTR	1.15		KUNIA I	5.05	18.74
KALIHI LOW	1.05		PUNALUU III	1.20		HONOULIULI LB FLOW	13.31		KUNIA II	1.84	
KAPALAMA	1.50		KALUANUI	1.29		EWA BEACH FLOW	3.46		KUNIA III	1.36	
KALIHI SHAFT	8.36		MAAKUA	0.67		HONOULIULI I (-)	-0.46		HOAEAE	6.13	
MOANALUA	1.50	19.13	HAUULA	0.10		HONOULIULI II (-)	-7.15		EWA SHAFT	0.00	
SUBTOTAL:	33.78					SUBTOTAL:	10.31		WAIPAHU INTCON. (-)	-1.70	
			KAHUKU	0.41					EWA-WAIAANAE (-)	-10.31	
IMPORT FROM PH			OPANA	1.00		PEARL HARBOR			PH LOCAL USE:	24.99	
HALAWA SHAFT	6.61	16.64	WAIALEE I	0.08		WAIHAWA	2.70		TOTAL SUBURBAN:	58.77	
KAAMILO	0.00		WAIALEE II	0.00		WAIHAWA II	0.00				
KALAUAO	8.12	17.09	SUNSET BEACH	0.00		MILILANI I	2.43		KALAUAO SPRINGS	0.39	
PUNANANI	9.46		SUBTOTAL:	10.04		MILILANI II	0.00		BARBERS POINT (NP)	1.23	
KAONOHI II	0.00					MILILANI III	0.69		GLOVER TUNNEL (NP)	0.54	
WAIMALU II	0.00	15.07	WIND. EXPORT	0.50		MILILANI IV	1.60				
KAHUMANU	1.04					WAIPIO HTS.	0.43		HEAD CONDITION		
HECO WAIU	2.82		HALEIWA-WAIALUA			WAIPIO HTS. I	0.19		CAUTION	ALERT	CRITICAL
MANANA	0.02		HALEIWA	1.13		WAIPIO HTS. II	0.33		Kaluanui	Kaimuki	
KAHUMANU FLOW MT	0.00		WAIALUA	2.34		WAIPIO HTS. III	0.73			Punaluu	
KAAMILO FLOW MTR	0.00		SUBTOTAL:	3.47		WAIPAHU	1.70	18.40			
TOTAL IMP/EXP WAI. INT:	1.70					WAIPAHU II	0.52				
IMPORT FRM WIND:	0.50		EWA-WAIAANAE			WAIPAHU III	1.44				
SUBTOTAL:	30.26		MAKAHA I	0.34		WAIPAHU IV	3.24				
			MAKAHA II	0.25		PEARL CITY SHAFT	0.00	14.81			
TOTAL METRO:	64.04		MAKAHA III	0.84		PEARL CITY I	0.56				

CWRM PERMITTED USE FOR BWS POTABLE SOURCES						PUMPAGE	2013	2012	GRAVITY	2013	2012
	A	B	C	D	E	SUBURB.	58.77	59.05	SUBURB.	6.33	9.20
WATER DISTRICTS	PERMITTED USE	2013	DIFF. B-A	YEAR/ DATE	DIFF. D-A	METRO	64.04	66.07	METRO	0.38	0.37
HONOLULU	45.27	34.16	-11.10			TOTAL:	122.81	125.12	TOTAL:	6.71	9.57
WINDWARD	25.21	13.09	-12.12						Manoa	0.17	
NORTH SHORE	4.08	3.83	-0.25			NUUANU #5			Palolo	0.21	
WAIHAWA	4.27	2.70	-1.57			(rainfall)	1.22"	0.47"	Waim. I&II	0.22	
WAIAANAE	4.34	3.45	-0.89						Waim. III&IV	0.19	
EWA-KUNIA	15.88	7.86	-8.02						Waihee incl.	0.96	
PEARL HARBOR	92.66	62.35	-30.31						Waihee tun.	1.45	
TOTAL:	191.71	127.45	-64.25						Luluku	0.10	
									Haiku	0.00	
									Kahaluu	1.74	
									Waia. C&C	1.37	
									Waia plant.	0.31	

DROUGHT STATUS REPORT
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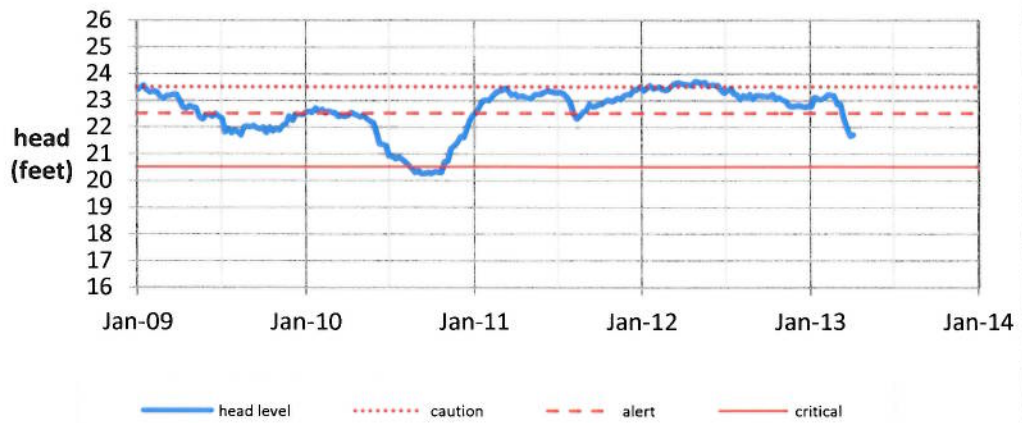
WATER USE DISTRICT	AUTHORIZED USE	2012	3/24-3/30 2013	2012	3/31-4/06 2013				
HONOLULU	45.27	30.49	33.94	31.60	34.66				
WINDWARD	25.21	13.53	15.48	15.28	12.70				
NORTH SHORE	4.08	3.25	4.45	3.35	4.96				
WAHIAWA	4.27	2.92	2.56	3.03	2.70				
EWA-WAIAANAE	20.22	22.41	20.49	21.60	22.46				
PEARL HARBOR	92.66	56.89	50.29	59.82	52.05				
TOTAL	191.71	129.50	127.22	134.69	129.53				

Accounts for in-district pumpage and transfers

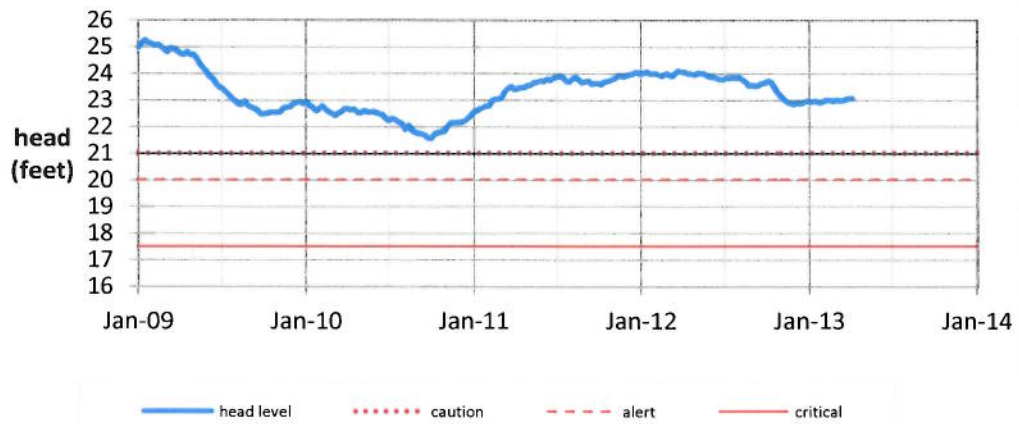
HEAD IN FEET

		2012	3/24-3/30 2013	2012	3/31-4/06 2013				
HONOLULU									
KAIMUKI		23.59	21.65	23.57	21.68				
BERETANIA		24.03	23.03	24.03	23.03				
KALIHI		23.09	22.30	23.02	22.29				
MOANALUA		19.48	19.05	19.40	19.13				
PEARL HARBOR									
HALAWA		17.00	16.61	16.87	16.64				
KALAUAO		17.50	17.04	no data	17.09				
PEARL CITY		15.28	14.87	15.23	14.81				
WAIPAHU		19.10	18.43	18.90	18.40				
KUNIA		19.36	18.76	19.26	18.74				
EWA-WAIAANAE									
MAKAHA		14.46	10.06	14.38	10.15				
WINDWARD									
PUNALUU		17.02	15.96	16.85	15.95				
KALUANUI		17.69	15.67	17.52	15.76				
NORTH SHORE									
WAIALUA		11.17	11.21	11.15	11.20				

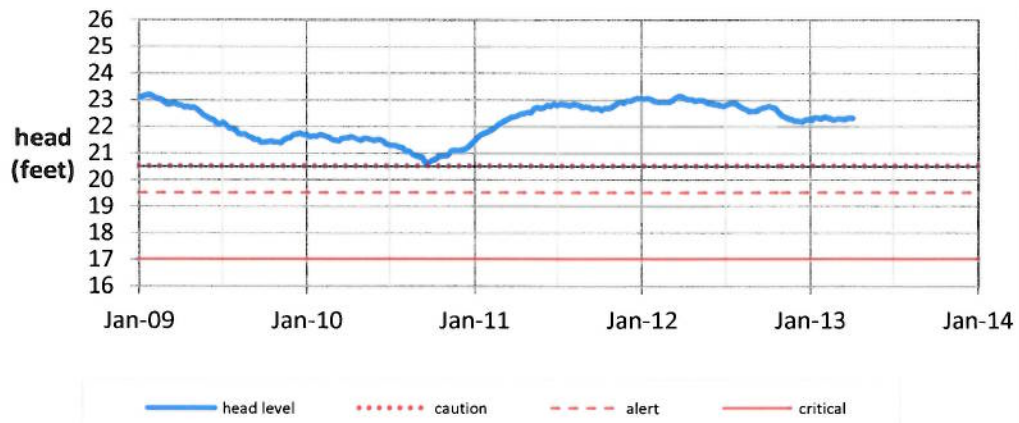
Kaimuki



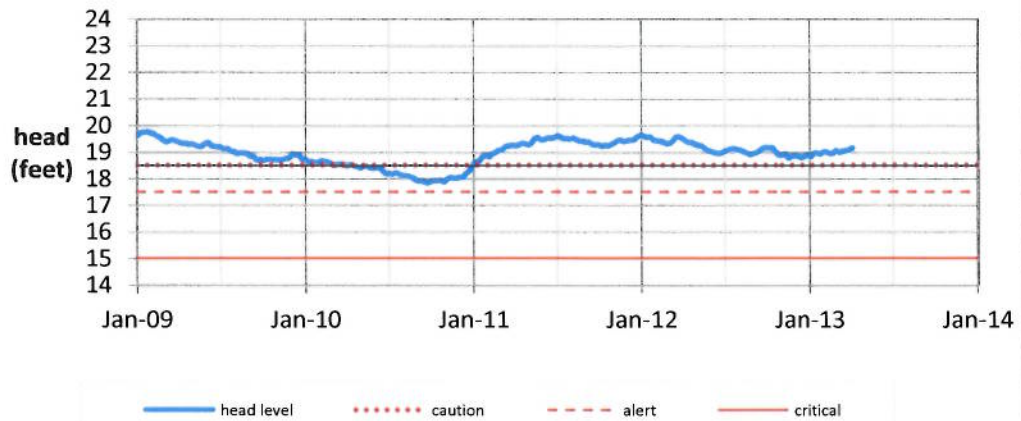
Beretania



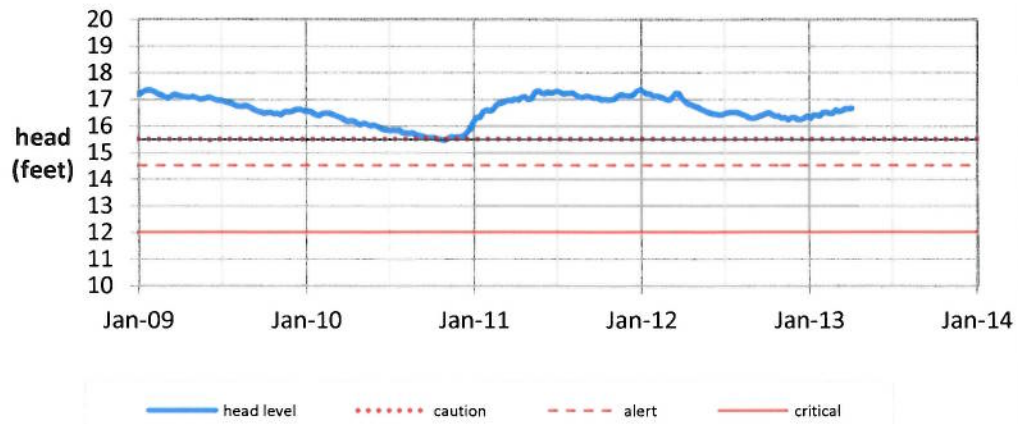
Kalihi



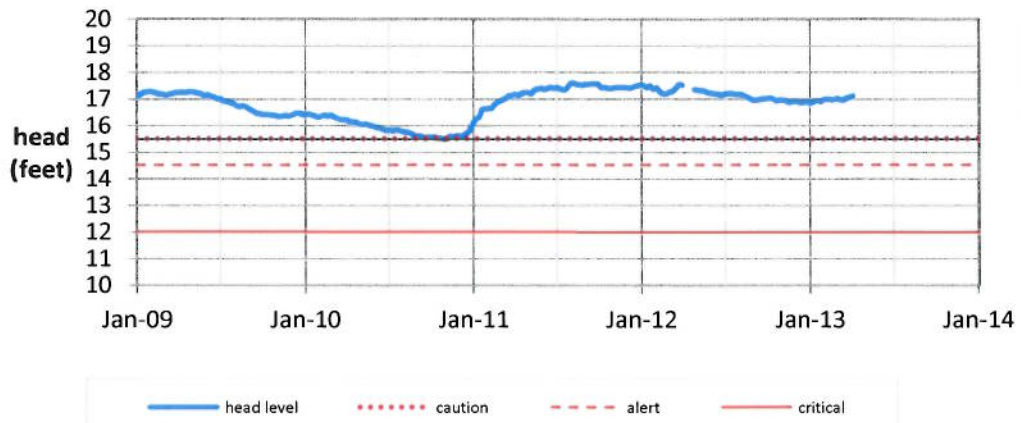
Moanalua



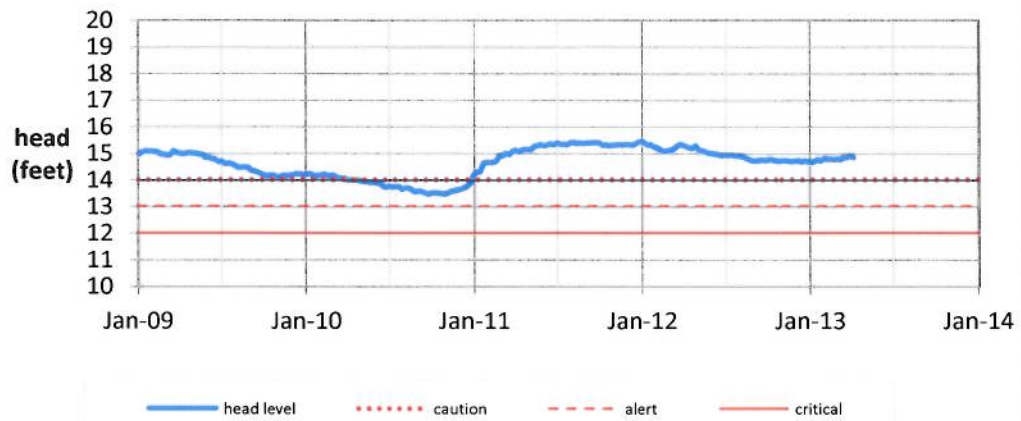
Halawa



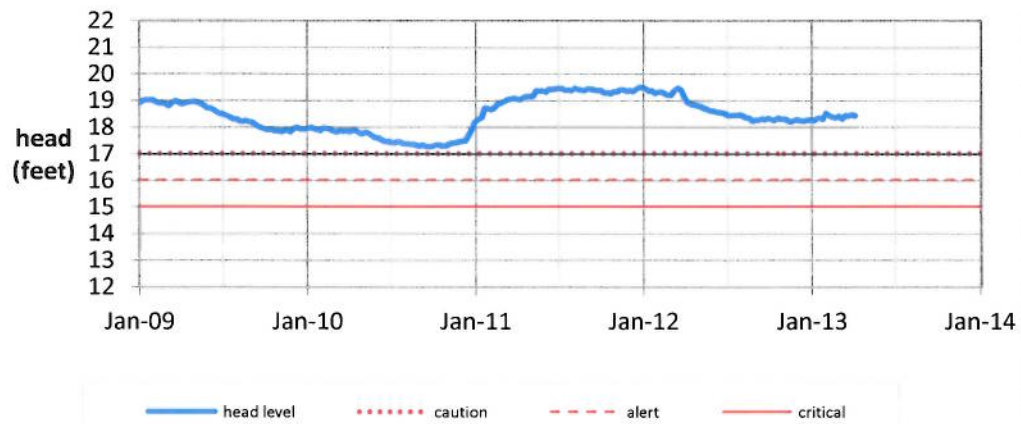
Kalauao



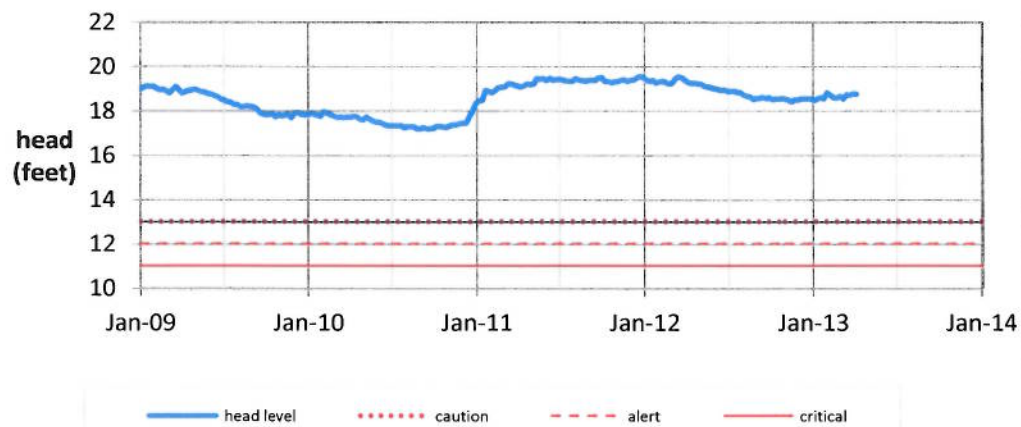
Pearl City



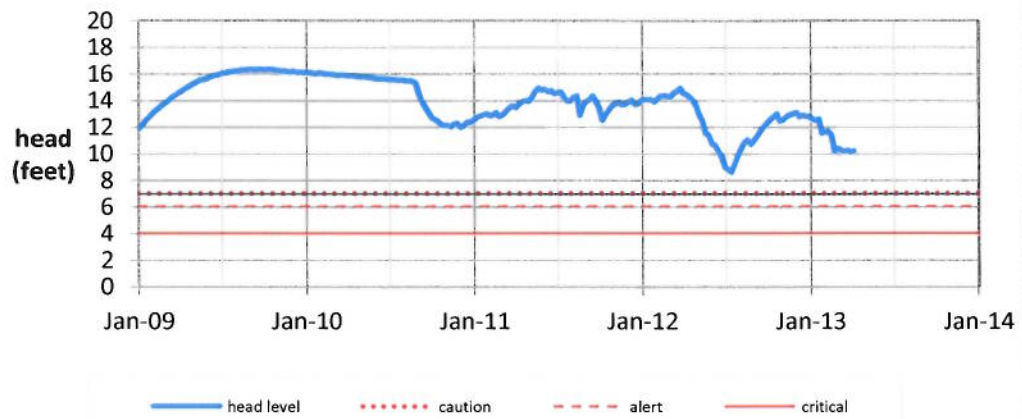
Waipahu



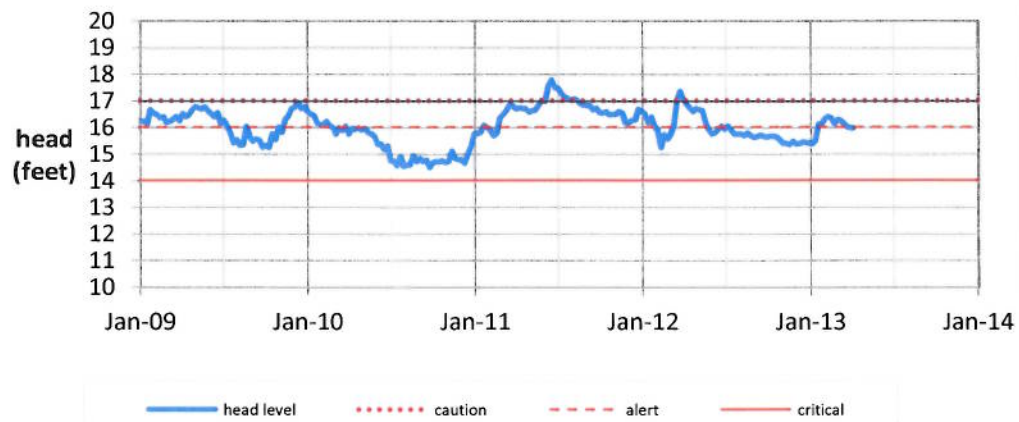
Hoeaee-Kunia



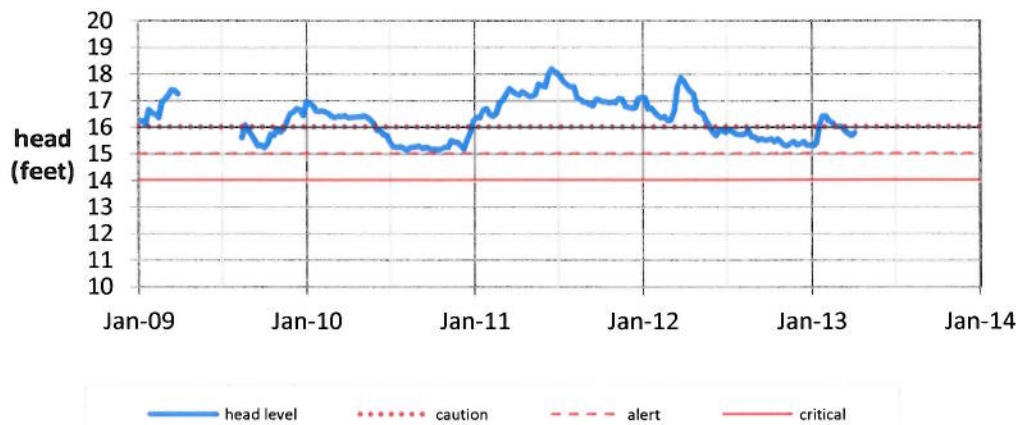
Makaha



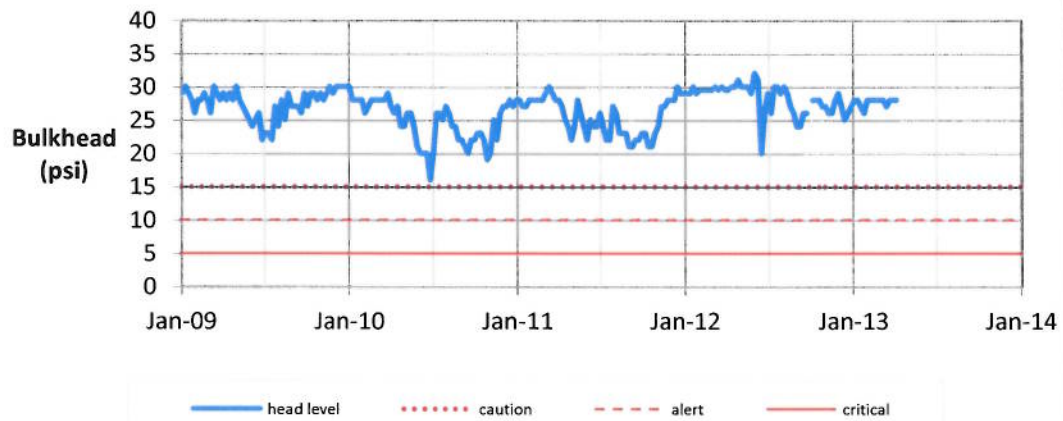
Punaluu



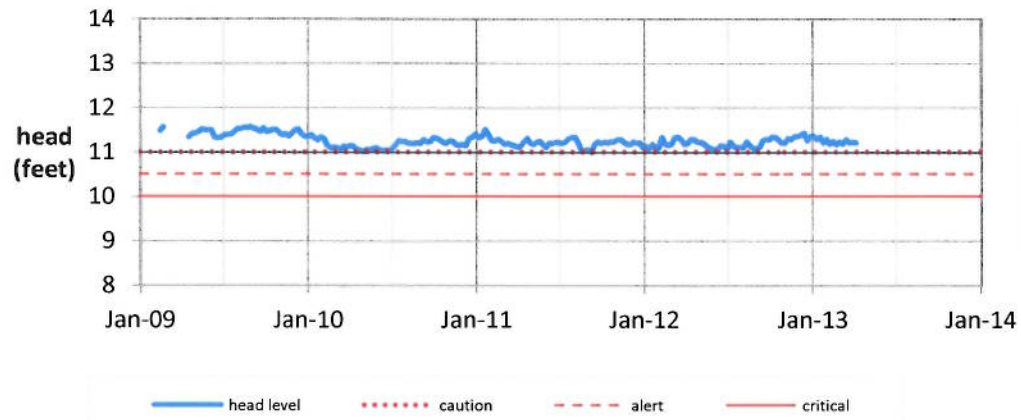
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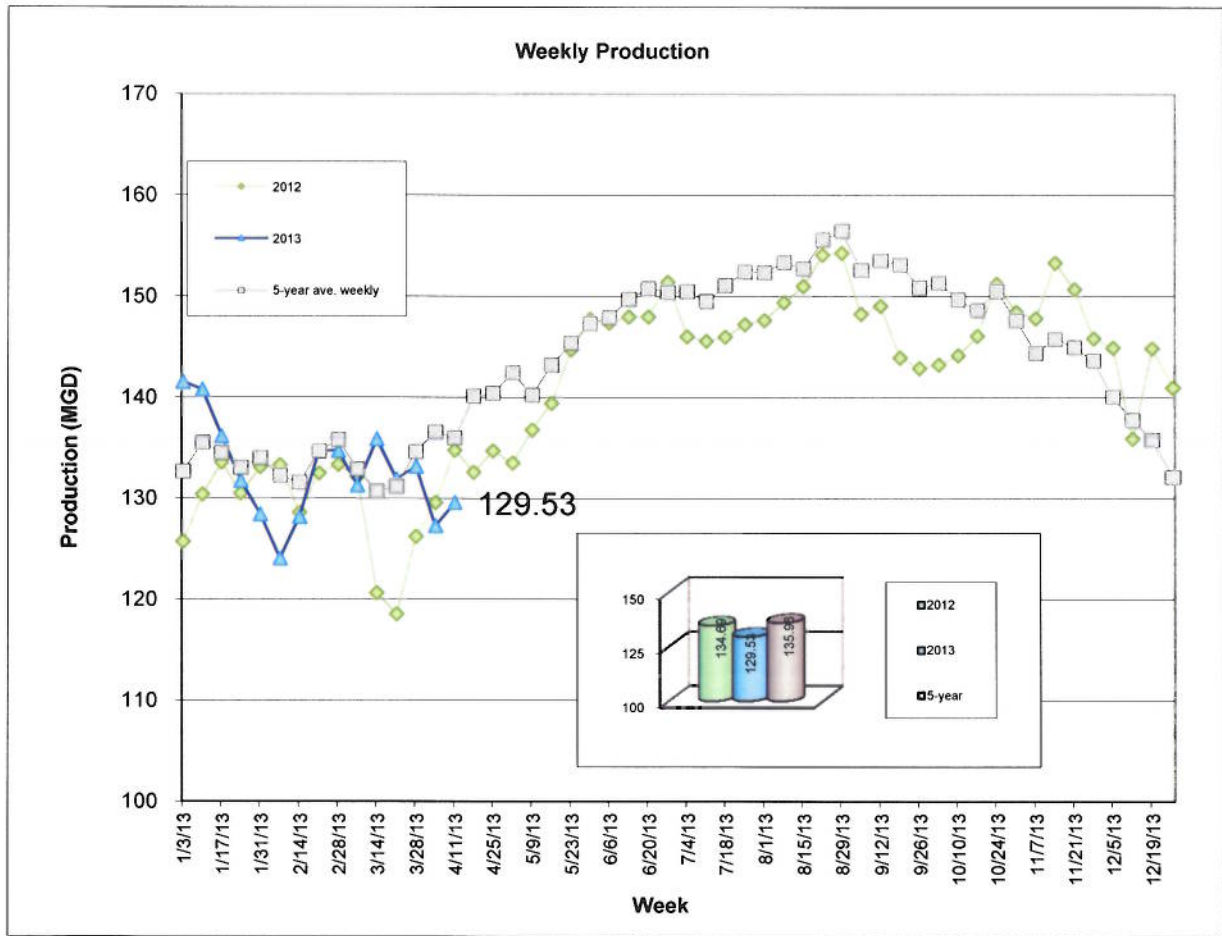
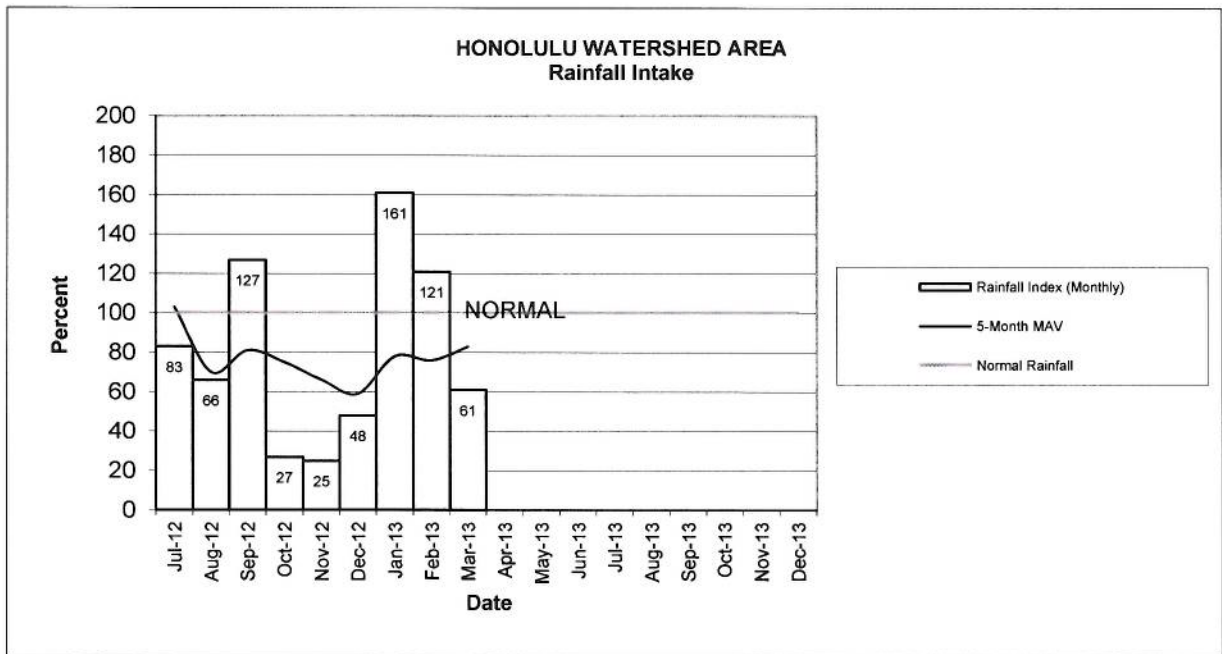


Waihee Tunnel



Waialua





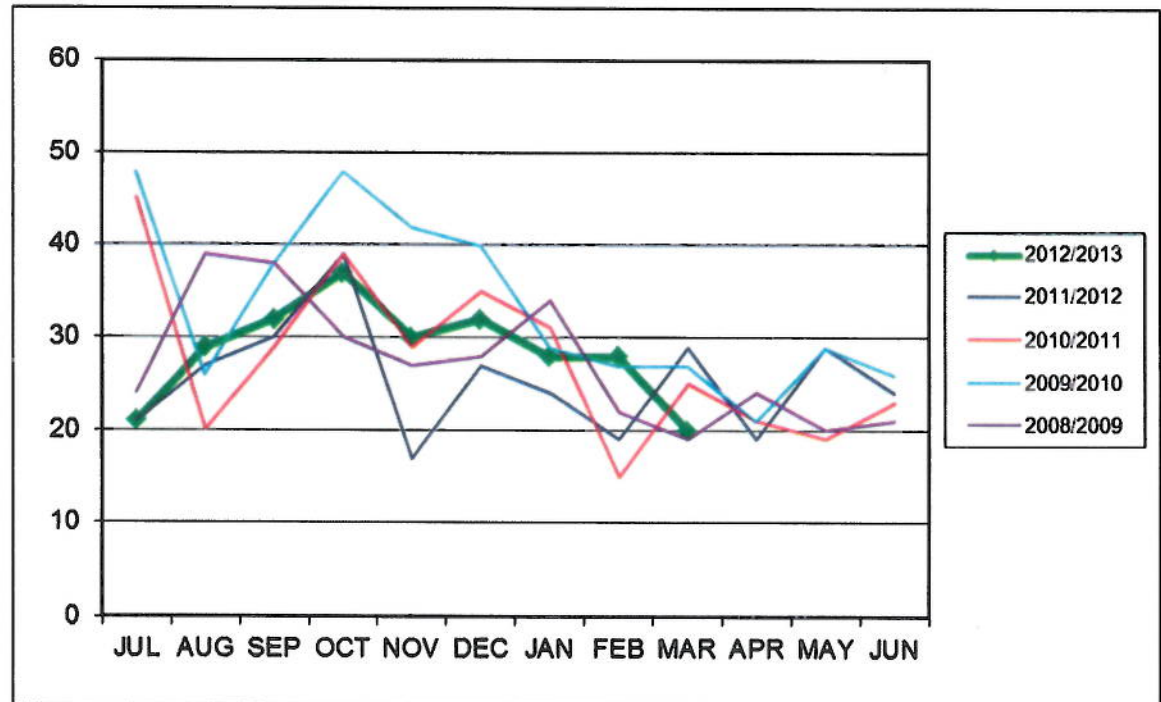
Chair Miyashiro acknowledged and welcomed Corporation Counsel Donna Leong in the audience.

ITEM FOR INFORMATION NO. 4

WATER MAIN REPAIR REPORT for March 2013

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total
2012/2013	21	29	32	37	30	32	28	28	20				257
2011/2012	21	27	30	39	17	27	24	19	29	19	29	24	305
2010/2011	45	20	29	39	29	35	31	15	25	21	19	23	331
2009/2010	48	26	38	48	42	40	29	27	27	21	29	26	401
2008/2009	24	39	38	30	27	28	34	22	19	24	20	21	326

<u>Date</u>	<u>Address</u>	<u>Size</u>
3/3	2751 Booth Rd.	8" C.I.
3/5	1934 Lusitana St.	12" C.I.
3/7	91-235 Fort Weaver Rd.	8" C.I.
3/7	*92-807 Moaka St	8" C.I.
3/8	87-189 Kulaaupuni St.	8" P.V.C.
3/9	46-395 Kahuhipa St.	4" C.I.
3/12	974 Apokula St.	8" C.I.
3/12	92-604 Akaula St.	8" C.I.
3/14	770 Wiliwili St.	6" C.I.
3/14	732 Pumehana St.	8" D.I.
3/14	2831 Coconut Ave.	6" C.I.
3/15	91-151 Hailipo St.	8" C.I.
3/18	746 Auahi St.	8" D.I.
3/19	555 University Ave.	8" C.I.
3/19	2502 Henry St.	6" C.I.
3/20	Pier 1--Forrest Ave.	12" C.I.



3/20	99-865 Aiea Heights Dr.	4" C.I.
3/23	94-338 Kipou Pl.	8" C.I.
3/25	121 Hauoli St.	4" C.I.
3/26	2331 Pauoa Rd.	6" C.I.

Bold * - Pro-active Leak
Repair

25 miles of pipelines were surveyed by the Leak Detection Team
in the month of March

DISCUSSION: Field Operations Program Administrator Daryl Hiromoto stated that although there were some higher profile breaks, the amount of main breaks were fairly normal.

ITEM FOR INFORMATION NO. 5

"April 22, 2013

FINANCIAL
UPDATE FOR
THE QUARTER
ENDED
MARCH 31, 2013

Chairman and Members
Board of Water Supply
City and County of Honolulu
Honolulu, Hawaii 96843

Chairman and Members:

Subject: Financial Update for the Quarter Ended
March 31, 2013

The following Board of Water Supply's financial reports and graphs are attached:

- Budget vs Actual Revenue and Expense Totals
- Statement of Revenues, Expenses and Change in Net Assets
- Balance Sheet
- Budget vs Actual Appropriation Budget – Total BWS Summary
- Graph of Budget vs Actual Expenses from Capital Projects
- Graph Representing Operating Expenditures by Category
- Graphs of Total Budgeted Operating Expenditures and Total Budgeted Operating Revenues

Respectfully submitted,

/s/ ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

Attachments"

The foregoing was for information only.

DISCUSSION:

Chief Financial Officer Paul Kikuchi briefed the Board on the financial reports. Ms. McMurdo inquired about the increase of last year's repair and maintenance cost of \$1.69 million compared to this year to date's cost of \$3.07 million. Mr. Kikuchi replied that the increase is primarily due to the costs associated with the Automatic Meter Reading program.

Ms. McMurdo inquired about the decrease in cost for the miscellaneous employees' benefits. Mr. Kikuchi explained that the decrease was due to the fact that the amount set aside for employee benefits was less due to the amount assessed by the Employer-Union Health Benefits Trust Fund.

Budget vs. Actual
Revenue and Expense Totals
As of March 31, 2013

	YTD Actuals	YTD Budget	Favorable/ (Unfavorable) Variance
Revenues	138,819,000	138,074,000	745,000
Operating Expenses	(102,208,000)	(123,348,000)	21,140,000
Net Revenues (expenditures)	<u>36,611,000</u>	<u>14,726,000</u>	<u>21,885,000</u>

Board Of Water Supply
Statement of Revenues, Expenses And Change In Net Assets
For the Nine Months Ending March 31, 2013

Current Month Actual	% Revenue	Last Year Actual	% Revenue	Description	Year to Date Actual	% Revenue	Last Year to Date Actual	% Revenue	% Change
REVENUE									
12,616,082.93	100.00	15,269,653.78	100.00	OPERATING REVENUE	137,631,570.62	100.00	116,510,313.34	100.00	18.13
12,616,082.93	100.00	15,269,653.78	100.00	REVENUE	137,631,570.62	100.00	116,510,313.34	100.00	18.13
OPERATING EXPENSES									
2,094,266.81-	16.60	2,100,305.90-	13.75	LABOR COSTS	19,892,077.71-	14.45	20,572,320.19-	17.66	3.31-
902,674.57-	7.15	959,089.50-	6.28	SERVICES	6,931,633.59-	5.04	6,404,864.73-	5.50	8.22
474,558.43-	3.76	560,815.37-	3.67	SUPPLIES	2,279,484.20-	1.66	2,189,814.84-	1.88	4.09
11,942.75-	.09	7,913.29-	.05	EDUCATION & TRAINING	60,896.05-	.04	98,946.36-	.08	38.46-
3,611,770.91-	28.63	1,914,417.20-	12.54	UTILITIES	21,431,152.44-	15.57	20,728,094.60-	17.79	3.39
370,929.64-	2.94	180,020.06-	1.18	REPAIR AND MAINTENANCE	3,071,078.58-	2.23	1,691,501.53-	1.45	81.56
909,278.85-	7.21	1,193,014.55-	7.81	MISC	12,221,141.21-	8.88	12,603,177.69-	10.82	3.03-
1,171,741.73-	9.29	1,116,868.92-	7.31	RETIREMENT SYSTEM CONTRIBUTIO	12,453,083.70-	9.05	13,460,818.47-	11.55	7.49-
150,928.31-	1.20	18,472.01	.12	MISC EMPLOYEES' BENEFITS	73,073.37-	.05	329,185.51	.28	122.20-
9,698,092.00-	76.87	8,013,972.78-	52.48	OPERATING EXPENSES	78,413,620.85-	56.97	77,420,352.90-	66.45	1.28
1,158,702.53-	9.18	909,870.36-	5.96	NON OPERATING REVENUE AND EXPE	6,638,003.99-	4.82	5,933,707.48-	5.09	11.87
843,879.77	6.69	1,206,883.65	7.90	CONTRIBUTION IN AID	11,405,671.87	8.29	7,617,601.98	6.54	49.73
7,240,684.65-	57.39	4,561,796.53-	29.87	OTHER EXPENSES	43,791,396.74-	31.82	40,217,117.32-	34.52	8.89
4,637,516.48-	36.76	2,990,897.76	19.59	Change In Net Assets	20,194,220.91	14.67	556,737.62	.48	3,527.24

Board Of Water Supply
Balance Sheet
As of March 31, 2013

Description	Amounts			Change	
	Current	Last Month End	Last Year End	This Month	This Year
ASSETS					
CURRENT ASSETS	42,444,966.83	40,961,787.77	29,929,783.03	-3,176,276.17	1,614,515.54
RESTRICTED ASSETS	2,793,498.08	2,462,240.95	15,265,512.23	966,825.86	-13,461,276.92
INVESTMENTS	195,377,149.45	195,377,149.45	177,147,005.65	5,727,684.42	10,684,816.57
OTHER ASSETS	8,590,508.37	9,292,303.99	12,241,142.86	353,112.24	-441,873.58
PROPERTY / PLANT	1,132,183,176.12	1,137,228,278.07	1,146,384,229.53	1,240,451.66	-2,556,570.51
TOTAL ASSETS	<u>1,381,389,298.85</u>	<u>1,385,321,760.23</u>	<u>1,380,967,673.30</u>	<u>5,111,798.01</u>	<u>-4,160,388.90</u>
LIABILITIES					
CURRENT LIABILITIES	11,469,619.86	10,616,806.50	23,812,976.19	581,426.83	-15,037,939.79
OTHER LIABILITIES	28,893,584.88	28,959,254.31	30,179,563.60	-86,971.32	-468,090.02
BONDS PAYABLE, NONCURRENT	<u>291,911,415.12</u>	<u>291,993,503.95</u>	<u>298,052,675.43</u>	<u>-1,136,757.76</u>	<u>-1,748,007.76</u>
LIABILITIES	332,274,619.86	331,569,564.76	352,045,215.22	-642,302.25	-17,254,037.57
NET ASSETS					
RETAINED EARNINGS	358,093,926.56	355,837,089.32	431,878,292.93	2,256,837.24	
FUND BALANCE	594,633,831.66	594,633,831.66	594,633,831.66		
RESERVE FOR ENCUMBRANCES	76,192,699.86	78,449,537.10		-2,256,837.24	
CURRENT YEAR CHANGES TO FU	<u>20,194,220.91</u>	<u>24,831,737.39</u>	<u>2,408,333.49</u>	<u>3,273,196.94</u>	<u>13,093,648.67</u>
NET ASSETS	1,049,114,678.99	1,053,752,195.47	1,028,920,458.08	3,273,196.94	13,093,648.67
TOTAL LIABILITIES AND NET ASSETS	<u>1,381,389,298.85</u>	<u>1,385,321,760.23</u>	<u>1,380,965,673.30</u>	<u>2,630,894.69</u>	<u>-4,160,388.90</u>

Budget vs Actual Appropriation Budget - Total BWS Summary

(\$000's)

CIFIS 13820-3021

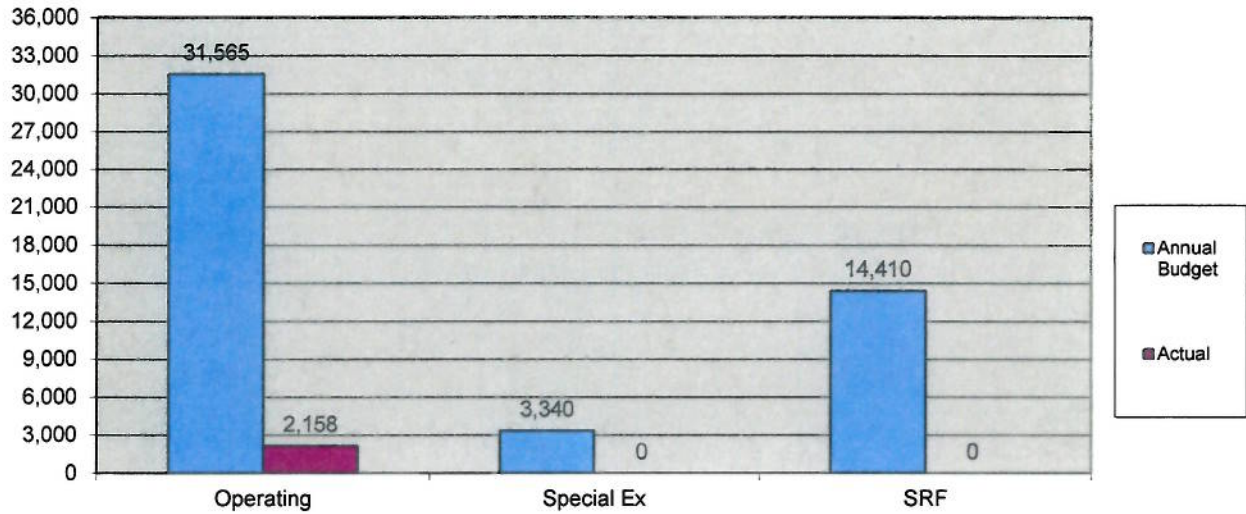
AS OF 3/31/2013

OPER UNIT ALL

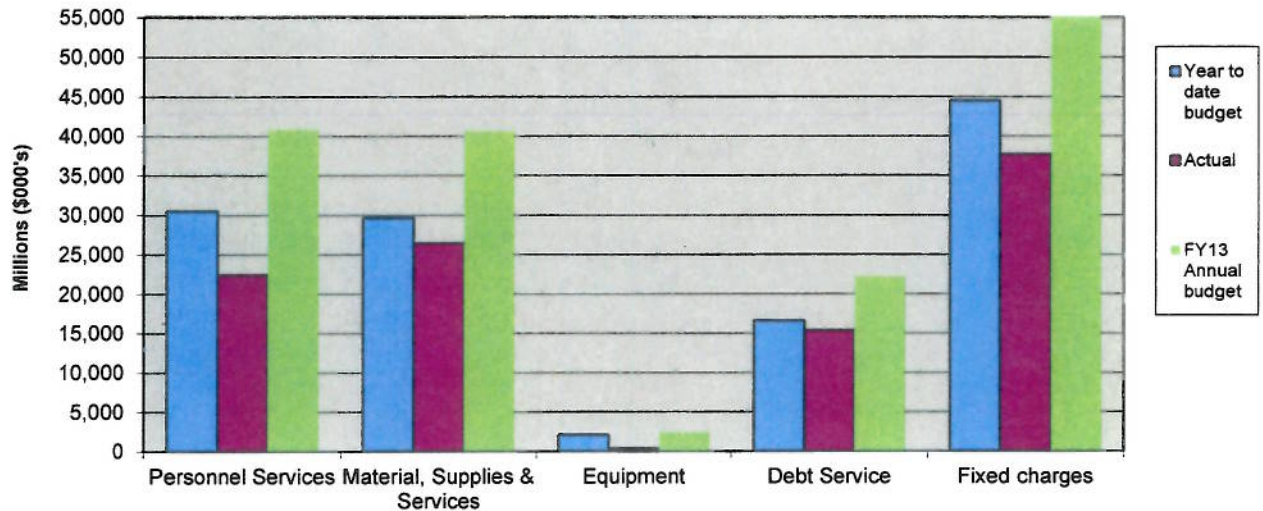
BUSINESS UNIT ALL

YTD-TO-DATE				FOR THE FISCAL YEAR					
YTD Actuals	YTD Budget	Avail/ (Over)	%	Object Description	Revenues/ Expend	Open Encumb	Annual Budget	Avail/ (Over)	%
138,819	138,074	(745)	.54-	REVENUE	138,819		184,103	45,284	24.60
OPERATING EXPENSES:									
22,457	30,493	8,036	26.35	Personnel Services	22,457		40,803	18,346	44.96
MATERIALS AND SUPPLIES									
11,272	11,881	609	5.13	Services	4,374	6,898	15,642	4,370	27.94
5,849	5,849			Supplies	5,173	676	7,897	2,048	25.93
68	295	227	76.95	Education & Training	68		435	367	84.37
	8	8	100.00	Utilities			10	10	100.00
2,098	3,904	1,806	46.26	Repairs & Maint	1,762	336	5,306	3,208	60.46
7,109	7,692	583	7.58	Misc	6,644	465	11,264	4,155	36.89
353	2,105	1,752	83.23	Equipment	275	78	2,328	1,975	84.84
15,372	16,642	1,270	7.63	Debt Service	15,372		22,189	6,817	30.72
FIXED CHARGES:									
21,893	24,454	2,561	10.47	Utilities	21,893		32,606	10,713	32.86
2,475	2,475			Case Fees	2,475		3,300	825	25.00
5,000	5,310	310	5.84	Retirement System Contribution	5,000		7,080	2,080	29.38
8,262	12,240	3,978	32.50	Misc Employees' Benefits	8,175	87	16,320	8,058	49.38
102,208	123,348	21,140	17.14	TOTAL OPERATING EXPENDITURES	93,668	8,540	165,180	62,972	38.12
36,611	14,726	(21,885)		NET REVENUES (EXPENDITURES)	45,151	(8,540)	18,923	(17,688)	

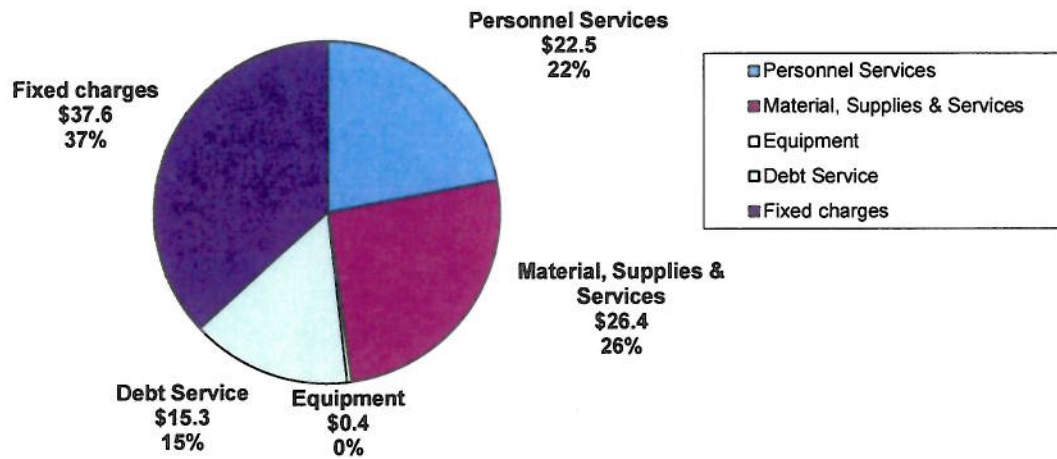
FY 2013 Capital Program (Annual Budget vs. Actual Expenditures and Encumbrances)
as of March 31, 2013 (millions of dollars)



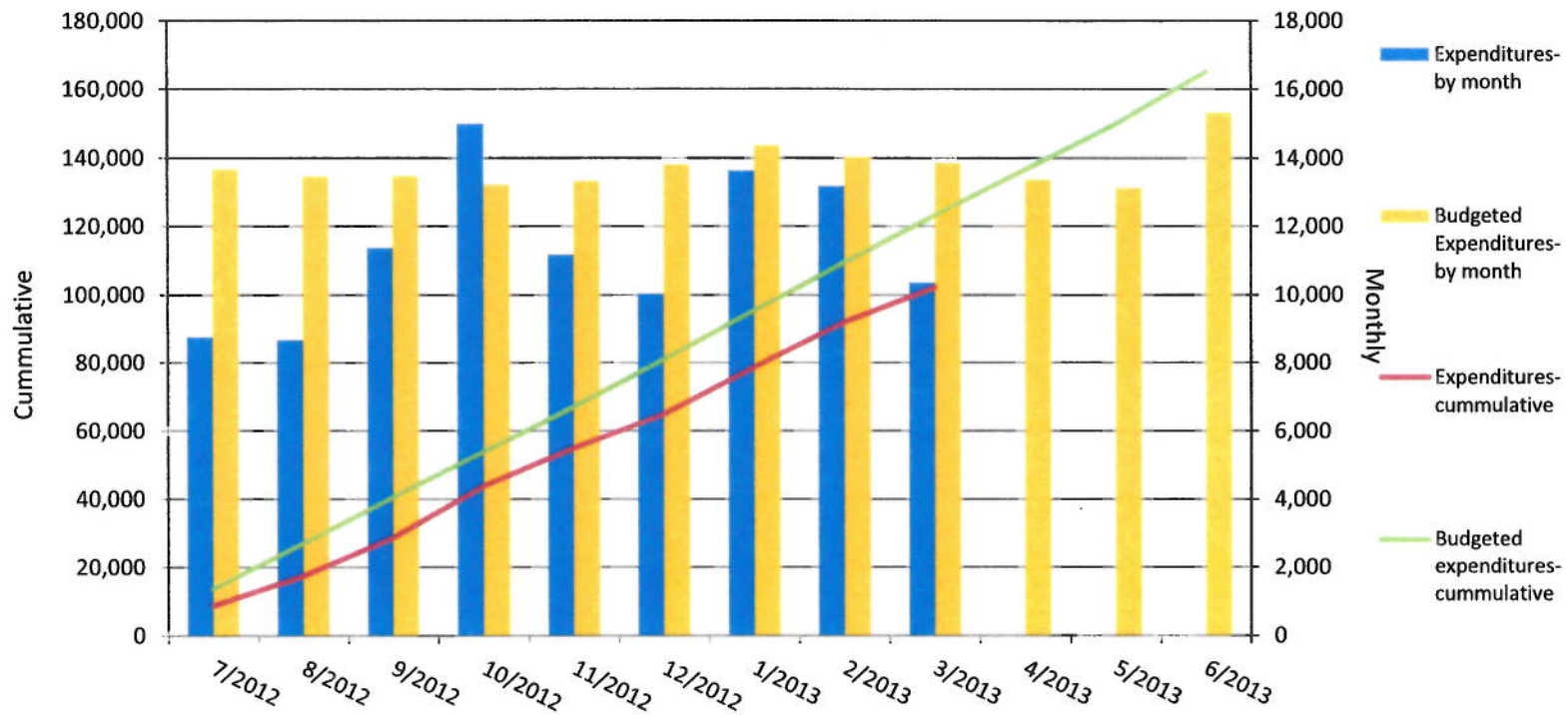
Operating Expenditures by Category (Budget vs. Actual Expenditures and Encumbrances)
as of March 31, 2013 (millions of dollars)



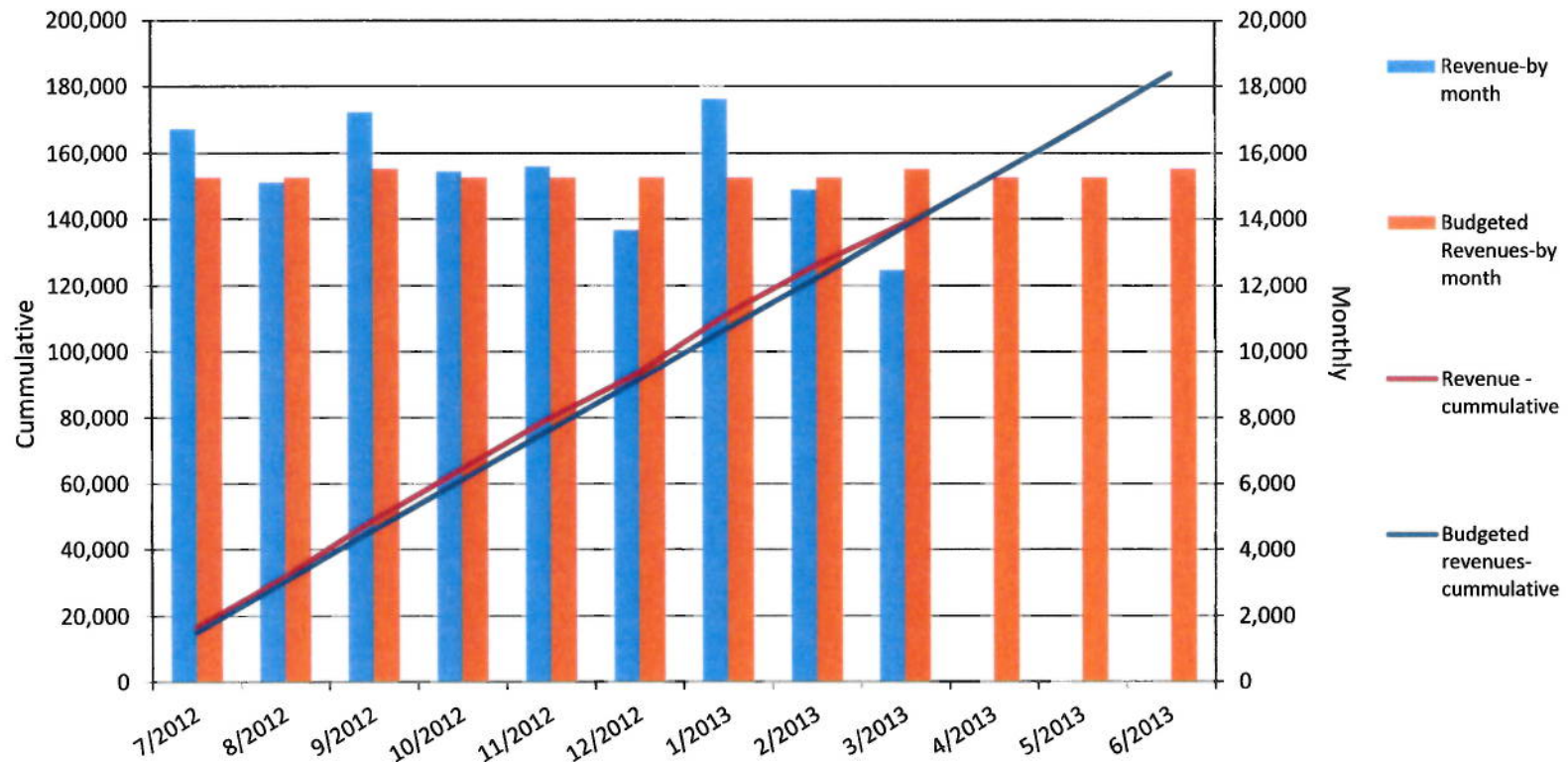
Total Operating Expenditures -\$102.2
As of March 31, 2013
(millions of dollars)



BUDGETED OPERATING EXPENDITURES FY 2013



BUDGETED OPERATING REVENUES FY 2013



ITEM FOR INFORMATION NO. 6

Quarterly Capital Improvement Program Status Report
Capital Projects Division

Quarter	JUL-SEPT	OCT-DEC	JAN-MAR	APR-JUN	Total Budgeted	Awarded to Date
Design Contracts Awarded (\$)	\$0.00	\$0.00	\$36,568.38		\$4,373,400.00	\$36,568.38
Construction Contracts Awarded (\$)	\$0.00	\$572,530.00	\$2,046,350.00		\$26,805,150.00	\$2,618,880.00
Design Contracts Completed (\$)	\$1,650,565.16	\$4,642,047.17	\$117,056.00			
Construction Contracts Completed (\$)	\$135,300.00	\$0.00	\$1,983,012.70			

On Going Design Projects (#)	117
On Going Design Projects (\$)	\$28,353,830.55
On Going Construction Projects (#)	61
On Going Construction Projects (\$)	\$142,932,734.43

DISCUSSION:

In response to a previous request by Mr. Park, Capital Projects Program Administrator Jason Takaki stated that they project that by the end of this fiscal year, they will award a total of \$5.3 million in design contracts and \$22.2 million in construction contracts. This, added to the total contracts previously awarded of \$2.6 million, would total to \$30.1 million, which is about 97 percent of the budgeted total for the Capital Projects Division. Mr. Takaki added that this is based on construction cost estimates, which they will not know for sure until bids are opened.

ITEM FOR INFORMATION NO. 7

BERETANIA PROPERTY DEVELOPMENT PROJECT UPDATE

Mr. Lau informed the Board that a Request for Proposal was issued on March 15, 2013 for the development of the Beretania property to seek a qualified developer. On April 12, a pre-proposal meeting was held with about 17 people in attendance. There were about 6 developers' representatives. The deadline for submission of written questions is April 29, and BWS's deadline for response to those questions is May 13.

Part I, qualification proposals from developers, is due on June 12. The evaluation committee will evaluate proposals, rank them by score and select around July. The top three will be asked to move on to Part 2, which is to seek technical price proposals. The deadline for this would probably be around January 2014. As part of the solicitation in Part 2, a second round of questions will probably be allowed from the top three developers. This solicitation complies with 103D, the Hawaii State Procurement Code, which is a very formal process. The evaluation committee will make recommendations to the Chief Procurement Officer, then the Chief Procurement Officer will make recommendations to the Manager who will then bring the recommendation to the Board.

Ms. Cypher inquired if they would be receiving an outline of the types of benefits that the Department would be getting from any of the proposals. Mr. Lau replied that compliance with the State Procurement Code requires that proposals be kept confidential until an award is made. Mr. Lau ensured Ms. Cypher that stipulations were included in the RFP to make sure that the Department would benefit from this development. Ms. Cypher inquired if the award will require Board's approval. Mr. Lau replied that the award will require both the Board's and City Council's approvals. Once all approvals are in place, then a development contract would be executed where the developer would proceed with the project and obtain all titles. The execution of a formal lease would again come before the Board and City Council for approval.

Mr. Lau offered a CD that contains the development contract and a form of the ground lease to all the Board Members. Ms. McMurdo requested a CD and Ms. Cypher requested to view the hard copy.

Mr. Lau responded to Mr. Miyashiro's inquiry by stating that he needs to check if a list can be disclosed of who responded or who picked up CD's. He added that during this period, he has no direct contact with interested developers since they were instructed to go through the formal process of working directly with the Procurement Office.

MOTION TO
RECESS INTO
EXECUTIVE
SESSION

Upon unanimously approved motion, the Board Recessed into Executive Session Pursuant to [HRS § 92-5] at 3:27 PM to Consult with the Board's Attorney and to Consider Issues Pertaining to Matters Posted for Discussion at an Executive Session.

OPEN
SESSION

The Board reconvened in open session at 4:50 PM.

Deputy Corporation Counsel Krishna Jayaram announced that no action was taken and no decision was made during Executive Session.

MOTION TO
ADJOURN

There being no further business Chair Miyashiro at 4:50 PM called for a motion to adjourn the Open Session. Ross Sasamura so moved; seconded by Kaulana Park and unanimously carried.

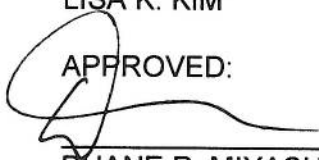
THE MINUTES OF THE REGULAR SESSION BOARD MEETING ON APRIL 22, 2013 WERE APPROVED AT THE MAY 28, 2013 BOARD MEETING			
	AYE	NO	COMMENT
DUANE R. MIYASHIRO	X		
MAHEALANI CYPHER	X		
THERESIA C. MCMURDO	X		
ADAM C. WONG	X		
KAULANA H. R. PARK	X		
ROSS S. SASAMURA	X		
GLENN M. OKIMOTO	X		

Respectfully submitted,



LISA K. KIM

APPROVED:


DUANE R. MIYASHIRO
Chairman of the Board

MAY 28 2013

Date