

# MINUTES

## REGULAR MEETING OF THE BOARD OF WATER SUPPLY

March 28, 2011

At 2:01 PM on March 28, 2011, in the Board Room of the Public Service Building at 630 South Beretania Street, Honolulu, Hawaii, Chairman Chung called to order the Regular Meeting of the Board

Present: Randall Y. S. Chung, Chair  
Denise C. De Costa  
Theresa C. McMurdo (arrived 2:06 p.m.)  
Adam C. Wong  
Westley K. C. Chun  
Glenn M. Okimoto

Also Present: Dean Nakano, Deputy Manager  
Brendan Bailey  
Darwin Ching  
Marc Chun  
George Gusman III  
Daryl Hiromoto  
Erwin Kawata  
Paul Kikuchi  
Tracy Kitaoka  
Jan Kemp  
Brian McKee  
Scott Muraoka  
Jonathan Suzuki  
Jason Takaki  
Karen Tom  
Kurt Tsue  
Alexander Ubiadas  
Susan Uyesugi  
Wayne Yoshimura

Others Present: Jennifer Waihee, Deputy, Corporation Counsel  
Milton Imada

Absent: Anthony R. Guerrero, Jr.  
Wayne Hashiro, Manager and Chief Engineer

Chairman Chung introduced new board members Denise Mahealani Cypher De Costa and Ex-Officio, Westley K. C. Chun. Ms. De Costa and Mr. Chun both shared their professional and educational backgrounds with the Members of the Board.



**BOARD OF WATER SUPPLY**  
CITY AND COUNTY OF HONOLULU

RESOLUTION NO. 811,2011

**WILLIAM K. MAHOE**  
IN APPRECIATION FOR SERVING AS A MEMBER OF THE  
BOARD OF WATER SUPPLY

**WHEREAS**, WILLIAM K. MAHOE has ably served as a member of the Board of Water Supply, City and County of Honolulu, since March 2009; and

**WHEREAS**, MR. MAHOE's experience and work as Treasurer in the Operating Engineers Local Union No. 3, the largest construction trades local in the United States, have made him a valuable asset to the Board and brought additional recognition and respect for the Board; and

**WHEREAS**, MR. MAHOE's proficiency in operational and administrative matters that he gained as an assistant district representative for District 17 Honolulu office, and prior to that, as a business agent/organizer, have made him a beneficial resource that lent to his credibility in Board discussions regarding construction and union matters; and

**WHEREAS**, MR. MAHOE has supported and encouraged initiatives that improved efficiency in overall Departmental operations; and

**WHEREAS**, as a Board member, MR. MAHOE has volunteered his time and expertise to help effect business and policy decisions for the Board that will impact the direction and operations of this Department for many years to come; and

**WHEREAS**, MR. MAHOE's service is a testament to his commitment to maintaining a municipal water system worthy of trust from the public it serves; and

**WHEREAS**, WILLIAM K. MAHOE has recently notified the BWS Board of Directors of his intent to step down from his Director position; now, therefore,

**BE IT RESOLVED** by the Members of the Board of Water Supply, City and County of Honolulu, that we do hereby express to WILLIAM K. MAHOE our deep appreciation and gratitude for his committed service to this Board and Department; and

**BE IT FURTHER RESOLVED** that the Members of this Board extend to WILLIAM K. MAHOE our sincere aloha and best wishes for continued success in all his future endeavors; and

**BE IT FINALLY RESOLVED** that this Resolution be presented to WILLIAM K. MAHOE.



/s/

Adopted this 28th day of March, 2011  
Board of Water Supply, Honolulu, Hawaii  
Randall Y. S. Chung  
RANDALL Y. S. CHUNG  
Chairman of the Board

MOTION TO  
ADOPT

Westley Chun motioned to Adopt Resolution No. 811, 2011,  
William K. Mahoe - In Appreciation for Serving as a Member of the  
Board of Water Supply. The motion was seconded by Denise  
De Costa and unanimously approved.

ADOPTED AT THE 03/28/2011 BOARD MEEETING - RESOLUTION 811, 2011 – WILLIAM K. MAHOE, - IN APPRECIATION FOR SERVING AS A MEMBER OF THE BOARD OF WATER SUPPLY			
	AYE	NO	COMMENT
RANDALL Y. S. CHUNG	X		
DENISE M. C. DE COSTA	X		
ANTHONY R. GUERRERO, JR.			ABSENT
THERESIA C. MCMURDO			ABSENT
ADAM C. WONG	X		
WESTLEY K.C. CHUN	X		
GLENN M. OKIMOTO	X		

Mr. Mahoe was unable to attend, so a copy of his Resolution will be delivered to him.

APPROVAL  
OF MINUTES

Approval of the Minutes of the Regular Meeting held on  
January 24, 2011

MOTION  
TO APPROVE

Adam Wong and Glenn Okimoto motioned and seconded,  
respectively, to approve the Minutes of the Regular Session Meeting  
Minutes of January 24, 2011. The motion for approval was  
unanimously carried.



"March 28, 2011

FINANCIAL  
UPDATE

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

Chairman and Members:

Subject: Financial Update for the Periods Ended  
January 31, 2011 and February 28, 2011

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

- Budget vs Actual Revenue and Expense Totals
- Statement of Revenues, Expenses and Change in Net Assets
- Balance Sheet
- Budget vs Actual Appropriate Budget – Total BWS Summary

Respectfully submitted,

/s/ Wayne M. Hashiro  
WAYNE M. HASHIRO, P.E.  
Manager and Chief Engineer

Attachments"

The foregoing was for information only.

DISCUSSION

The Board requested a breakdown of what is included in the operating expenses service and miscellaneous categories. Chief Financial Officer, Paul Kikuchi, will email the board members a copy.

The Board is also concerned about the vacancies and the need to fill as many of them as soon as possible.

Budget vs. Actual  
Revenue and Expense Totals  
As of January 31, 2011

	YTD Actuals	YTD Budget	Favorable/ (Unfavorable) Variance
Revenues	96,250,000	98,072,000	(1,822,000)
Operating Expenses	(68,357,000)	(87,225,000)	18,868,000
Net Revenues (expenditures)	<u>27,893,000</u>	<u>10,847,000</u>	<u>17,046,000</u>

Board Of Water Supply  
Statement of Revenues, Expenses And Change In Net Assets  
For the Seven Months Ending January 31, 2011

Current Month Actual	% Revenue	Last Year Actual	% Revenue	Description	Year to Date Actual	% Revenue	Last Year to Date Actual	% Revenue	% Change
				REVENUE					
12,557,373.24	100.00	13,244,028.17	100.00	OPERATING REVENUE	93,392,970.52	100.00	92,264,588.76	100.00	1.22
12,557,373.24	100.00	13,244,028.17	100.00	REVENUE	93,392,970.52	100.00	92,264,588.76	100.00	1.22
				OPERATING EXPENSES					
2,636,697.74-	21.00	2,694,201.18-	20.34	LABOR COSTS	16,972,003.18-	18.17	18,459,290.31-	20.01	8.06-
809,658.61-	6.45	845,627.73-	6.38	SERVICES	5,630,021.57-	6.03	4,907,572.54-	5.32	14.72
178,921.27-	1.42	330,170.91-	2.49	SUPPLIES	1,328,275.28-	1.42	1,443,435.82-	1.56	7.98-
10,481.29-	.08	12,900.88-	.10	EDUCATION & TRAINING	39,935.55-	.04	51,647.56-	.06	22.68-
1,721,635.80-	13.71	1,601,330.16-	12.09	UTILITIES	11,958,228.77-	12.80	10,185,742.64-	11.04	17.40
186,157.36-	1.48	332,388.18-	2.51	REPAIR AND MAINTENANCE	1,180,543.36-	1.26	2,039,457.99-	2.21	42.11-
1,594,209.77-	12.70	908,468.71-	6.86	MISC	8,432,188.61-	9.03	7,693,530.32-	8.34	9.60
1,174,672.41-	9.35	1,181,405.50-	8.92	RETIREMENT SYSTEM CONTRIBUTIO	7,217,964.92-	7.73	7,330,192.66-	7.94	1.53-
88,508.04-	.70	26,936.60	.20	MISC EMPLOYEES' BENEFITS	230,018.24-	.25	155,466.25-	.17	47.95
8,400,942.29-	66.90	7,879,556.65-	59.50	OPERATING EXPENSES	52,989,179.48-	56.74	52,266,336.09-	56.65	1.38
206,700.04-	1.65	199,948.99	1.51	NON OPERATING REVENUE AND EXPE	3,612,683.44-	3.87	2,887,877.48-	3.13	25.10
2,104,374.49	16.76	2,068,215.30	15.62	CONTRIBUTION IN AID	9,065,919.29	9.71	9,802,991.15	10.62	7.52-
4,159,775.25-	33.13	3,425,930.49-	25.87	OTHER EXPENSES	26,139,131.27-	27.99	26,684,000.18-	28.92	2.04-
1,894,330.15	15.09	4,206,705.32	31.76	Change In Net Assets	19,717,895.62	21.11	20,229,366.16	21.93	2.53-

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Board Of Water Supply  
Balance Sheet  
As of January 31, 2011

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*****		Amounts		*****		*****		Change	*****	
Description	Current	Last Month End	Last Year End	This Month	This Year					
ASSETS										
CURRENT ASSETS	36,489,513.10	36,527,927.66	27,312,344.23	38,414.56-	9,177,168.87					
RESTRICTED ASSETS	5,299,428.08-	2,607,744.46	15,688,225.22	7,907,172.54-	20,987,653.30-					
INVESTMENTS	178,745,681.78	176,251,656.12	164,564,855.54	2,494,025.66	14,180,826.24					
OTHER ASSETS	2,256,295.45	2,903,543.46	4,865,245.84	647,248.01-	2,608,950.39-					
PROPERTY / PLANT	1,160,042,881.27	1,159,226,244.82	1,158,272,860.97	816,636.45	1,770,020.30					
ASSETS	1,372,234,943.52	1,377,517,116.52	1,370,703,531.80	5,282,173.00-	1,531,411.72					
LIABILITIES										
CURRENT LIABILITIES	10,676,394.23	15,255,423.18	25,107,428.03	4,579,028.95-	14,431,033.80-					
OTHER LIABILITIES	21,901,045.04	23,939,352.57	24,538,737.49	2,038,307.53-	2,637,692.45-					
BONDS PAYABLE, NONCURRENT	322,799,262.80	323,358,429.47	323,917,020.45	559,166.67-	1,117,757.65-					
LIABILITIES	355,376,702.07	362,553,205.22	373,563,185.97	7,176,503.15-	18,186,483.90-					
NET ASSETS										
RETAINED EARNINGS	402,506,514.17	402,506,514.17	402,506,514.17							
FUND BALANCE	594,633,831.66	594,633,831.66	594,633,831.66							
RESERVE FOR ENCUMBRANCES										
CURRENT YEAR CHANGES TO FU	19,717,895.62	17,823,565.47		1,894,330.15	19,717,895.62					
NET ASSETS	1,016,858,241.45	1,014,963,911.30	997,140,345.83	1,894,330.15	19,717,895.62					



## Budget vs Actual Appropriation Budget - Total BWS Summary

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CIFIS 11820-3021

AS OF 1/31/2011

OPER UNIT ALL

BUSINESS UNIT ALL

YTD-TO-DATE				Object Description	FOR THE FISCAL YEAR				
YTD Actuals	YTD Budget	Avail/ (Over)	%		Revenues/ Expend	Open Encumb	Annual Budget	Avail/ (Over)	%
<u>96,250</u>	<u>98,072</u>	<u>1,822</u>	<u>1.86</u>	<u>REVENUE</u>	<u>96,250</u>		<u>162,512</u>	<u>66,262</u>	<u>40.77</u>
OPERATING EXPENSES:									
18,112	25,335	7,223	28.51	Personnel Services	18,112		43,549	25,437	58.41
MATERIALS AND SUPPLIES									
6,279	8,140	1,861	22.86	Services	3,614	2,665	13,653	7,374	54.01
2,695	3,081	386	12.53	Supplies	1,949	746	5,779	3,084	53.37
34	252	218	86.51	Education & Training	34		433	399	92.15
	8	8	100.00	Utilities			13	13	100.00
1,117	3,471	2,354	67.82	Repairs & Maint	778	339	7,357	6,240	84.82
4,799	5,235	436	8.33	Misc	4,623	176	10,118	5,319	52.57
81	1,010	929	91.98	Equipment	66	15	2,704	2,623	97.00
12,202	14,104	1,902	13.49	Debt Service	12,202		24,178	11,976	49.53
FIXED CHARGES:									
12,668	13,778	1,110	8.06	Utilities	12,668		23,619	10,951	46.37
1,925	1,925			Case Fees	1,925		3,300	1,375	41.67
3,921	4,441	520	11.71	Retirement System Contribution	3,921		7,614	3,693	48.50
4,524	6,445	1,921	29.81	Misc Employees' Benefits	4,513	11	13,548	9,024	66.61
<u>68,357</u>	<u>87,225</u>	<u>18,868</u>	<u>21.63</u>	<u>TOTAL OPERATING EXPENDITURES</u>	<u>64,405</u>	<u>3,952</u>	<u>155,865</u>	<u>87,508</u>	<u>56.14</u>
<u>27,893</u>	<u>10,847</u>	<u>(17,046)</u>		<u>NET REVENUES (EXPENDITURES)</u>	<u>31,845</u>	<u>(3,952)</u>	<u>6,647</u>	<u>(21,246)</u>	

Budget vs. Actual  
Revenue and Expense Totals  
As of February 28, 2011

	YTD Actuals	YTD Budget	Favorable/ (Unfavorable) Variance
Revenues	105,356,000	108,510,000	(3,154,000)
Operating Expenses	(77,881,000)	(100,515,000)	22,634,000
Net Revenues (expenditures)	<u>27,475,000</u>	<u>7,995,000</u>	<u>19,480,000</u>

Board Of Water Supply  
Statement of Revenues, Expenses And Change In Net Assets  
For the Eight Months Ending February 28, 2011

Current Month Actual	% Revenue	Last Year Actual	% Revenue	Description	Year to Date Actual	% Revenue	Last Year to Date Actual	% Revenue	% Change
				REVENUE					
8,848,117.66	100.00	9,821,963.80	100.00	OPERATING REVENUE	102,241,088.18	100.00	102,086,552.56	100.00	.15
8,848,117.66	100.00	9,821,963.80	100.00	REVENUE	102,241,088.18	100.00	102,086,552.56	100.00	.15
				OPERATING EXPENSES					
2,269,522.86-	25.65	2,441,823.67-	24.86	LABOR COSTS	19,241,526.04-	18.82	20,901,113.98-	20.47	7.94-
999,300.06-	11.29	646,335.74-	6.58	SERVICES	6,629,321.63-	6.48	5,553,908.28-	5.44	19.36
178,947.65-	2.02	135,177.86-	1.38	SUPPLIES	1,507,222.93-	1.47	1,578,613.68-	1.55	4.52-
1,718.00-	.02	23,584.54-	.24	EDUCATION & TRAINING	41,653.55-	.04	75,232.10-	.07	44.63-
1,401,402.69-	15.84	1,613,780.35-	16.43	UTILITIES	13,359,631.46-	13.07	11,799,522.99-	11.56	13.22
316,627.86-	3.58	530,169.86-	5.40	REPAIR AND MAINTENANCE	1,497,171.22-	1.46	2,569,627.85-	2.52	41.74-
1,177,882.18-	13.31	1,964,742.38-	20.00	MISC	9,610,070.79-	9.40	9,658,272.70-	9.46	.50-
2,270,409.17-	25.66	822,471.42-	8.37	RETIREMENT SYSTEM CONTRIBUTIO	9,488,374.09-	9.28	8,152,664.08-	7.99	16.38
8,639.15	.10	7,400.32	.08	MISC EMPLOYEES' BENEFITS	221,379.09-	.22	148,065.93-	.15	49.51
8,607,171.32-	97.28	8,170,685.50-	83.19	OPERATING EXPENSES	61,596,350.80-	60.25	60,437,021.59-	59.20	1.92
1,193,842.47-	13.49	749,549.18-	7.63	NON OPERATING REVENUE AND EXPE	4,806,525.91-	4.70	3,637,426.66-	3.56	32.14
11,162,769.16	126.16	3,132,713.33	31.89	CONTRIBUTION IN AID	20,228,688.45	19.79	12,935,704.48	12.67	56.38
5,610,963.11-	63.41	4,890,086.21-	49.79	OTHER EXPENSES	31,750,094.38-	31.05	31,574,086.39-	30.93	.56
4,598,909.92	51.98	855,643.76-	8.71	Change In Net Assets	24,316,805.54	23.78	19,373,722.40	18.98	25.51

Board Of Water Supply  
Balance Sheet  
As of February 28, 2011

		***** Amounts *****		***** Change *****	
Description	Current	Last Month End	Last Year End	This Month	This Year
ASSETS					
CURRENT ASSETS	31,954,434.34	36,489,513.10	27,312,344.23	-4,535,078.76	4,642,090.11
RESTRICTED ASSETS	-3,956,455.98	-5,299,428.08	15,688,225.22	1,342,972.10	-19,644,681.20
INVESTMENTS	179,470,248.12	178,745,681.78	164,564,855.54	724,566.34	14,905,392.58
OTHER ASSETS	1,875,137.10	2,256,295.45	4,865,245.84	-381,158.35	-2,990,108.74
PROPERTY / PLANT	1,167,195,147.51	1,160,042,881.27	1,158,272,860.97	7,152,266.24	8,922,286.54
TOTAL ASSETS	<u>1,376,538,511.09</u>	<u>1,372,234,943.52</u>	<u>1,370,703,531.80</u>	<u>4,303,567.57</u>	<u>5,834,979.29</u>
LIABILITIES					
CURRENT LIABILITIES	12,153,222.90	10,676,394.23	25,107,428.03	1,476,828.67	-12,954,205.13
OTHER LIABILITIES	21,130,951.51	21,901,045.04	24,538,737.49	-770,093.53	-3,407,785.98
BONDS PAYABLE, NONCURRENT	<u>321,797,185.31</u>	<u>322,799,262.80</u>	<u>323,917,020.45</u>	<u>-1,002,077.49</u>	<u>-2,119,835.14</u>
LIABILITIES	<u>355,081,359.72</u>	<u>355,376,702.07</u>	<u>373,563,185.97</u>	<u>-295,342.35</u>	<u>-18,481,826.25</u>
NET ASSETS					
RETAINED EARNINGS	347,063,954.30	344,814,927.79	287,900,588.78	2,249,026.51	59,163,365.52
FUND BALANCE	594,633,831.66	594,633,831.66	594,633,831.66		
RESERVE FOR ENCUMBRANCES	55,442,559.87	57,691,586.38	114,605,925.39	-2,249,026.51	-59,163,365.52
CURRENT YEAR CHANGES TO FU	<u>24,316,805.54</u>	<u>19,717,895.62</u>	<u></u>	<u>4,598,909.92</u>	<u>24,316,805.54</u>
NET ASSETS	<u>1,021,457,151.37</u>	<u>1,016,858,241.45</u>	<u>997,140,345.83</u>	<u>4,598,909.92</u>	<u>24,316,805.54</u>
TOTAL LIABILITIES AND NET ASSETS	<u>1,376,538,511.09</u>	<u>1,372,234,943.52</u>	<u>1,370,703,531.80</u>	<u>4,303,567.57</u>	<u>5,834,979.29</u>



## Budget vs Actual Appropriation Budget - Total BWS Summary

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OPER UNIT ALL

CIFIS 11820-3021

BUSINESS UNIT ALL

AS OF 2/28/2011

YTD-TO-DATE				Object Description	FOR THE FISCAL YEAR				
YTD Actuals	YTD Budget	Avail/ (Over)	%		Revenues/ Expend	Open Encumb	Annual Budget	Avail/ (Over)	%
<u>105,356</u>	<u>108,510</u>	<u>3,154</u>	<u>2.91</u>	<u>REVENUE</u>	<u>105,356</u>		<u>162,512</u>	<u>57,156</u>	<u>35.17</u>
OPERATING EXPENSES:									
20,557	28,921	8,364	28.92	Personnel Services	20,557		43,549	22,992	52.80
MATERIALS AND SUPPLIES									
6,986	9,045	2,059	22.76	Services	4,338	2,648	13,653	6,667	48.83
3,150	3,623	473	13.06	Supplies	2,553	597	5,779	2,629	45.49
43	282	239	84.75	Education & Training	43		433	390	90.07
	9	9	100.00	Utilities			13	13	100.00
1,340	4,866	3,526	72.46	Repairs & Maint	978	362	7,357	6,017	81.79
5,789	6,141	352	5.73	Misc	5,607	182	10,118	4,329	42.79
81	1,123	1,042	92.79	Equipment	66	15	2,704	2,623	97.00
13,945	16,118	2,173	13.48	Debt Service	13,945		24,178	10,233	42.32
FIXED CHARGES:									
14,034	15,746	1,712	10.87	Utilities	14,034		23,619	9,585	40.58
2,200	2,200			Case Fees	2,200		3,300	1,100	33.33
4,473	5,076	603	11.88	Retirement System Contribution	4,473		7,614	3,141	41.25
5,283	7,365	2,082	28.27	Misc Employees' Benefits	5,278	5	13,548	8,265	61.01
<u>77,881</u>	<u>100,515</u>	<u>22,634</u>	<u>22.52</u>	<u>TOTAL OPERATING EXPENDITURES</u>	<u>74,072</u>	<u>3,809</u>	<u>155,865</u>	<u>77,984</u>	<u>50.03</u>
<u>27,475</u>	<u>7,995</u>	<u>(19,480)</u>		<u>NET REVENUES (EXPENDITURES)</u>	<u>31,284</u>	<u>(3,809)</u>	<u>6,647</u>	<u>(20,828)</u>	

"March 28, 2011

2010-2011  
CAPITAL  
PROGRAM  
BUDGET  
AMENDMENT  
NO. 1

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

Chairman and Members:

Subject: Revision of the 2010-2011 Capital Program Budget –  
Amendment No. 1

We recommend that the current Capital Program (CP) Budget be amended as described below:

	<u>Appropriation</u>	
	<u>Present</u>	<u>Proposed</u>

**1. Delete the appropriation for the following CP projects:**

Item No. 2 KALAWAO STREET 8-INCH MAIN

OPERATING FUND	CONST	830,000	0
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This project was funded in fiscal year 2010 but also funded in fiscal year 2011 as there was uncertainty on the ability to make a timely award under a new procurement process. The contract was successfully executed in fiscal year 2010 and the funds budgeted in fiscal year 2011 are not needed.

Item No. 5 KONA STREET 8-INCH MAIN

OPERATING FUND	CONST	3,850,000	0
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This construction project, in the vicinity of Ala Moana Center, will be deferred as it is within the secured area proposed for the Asia-Pacific Economic Cooperation conference in November 2011. As construction will not begin until 2012, this project will be re-budgeted in fiscal year 2012.

Item No. 8 PUMP REPAIR AND MAINTENANCE

OPERATING FUND	CONST	2,000,000	0
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All pump projects will be funded by the appropriation for pump replacement (Item No. 9) and these funds will not be expended in the current fiscal year.

Item No. 13 NUUANU RESERVOIR NO. 4 DAM IMPROVEMENTS

OPERATING FUND	CONST	1,500,000	0
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The design for these improvements will not be completed, with all permitting in place, in time to execute a contract in the current fiscal year. The construction will be re-budgeted in fiscal year 2012.

Item No. 14 BERETANIA EMERGENCY GENERATOR SYSTEM UPGRADE

OPERATING FUND	CONST	1,600,000	0
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To ensure the reliability of the improvements under this project, a decision was made during design to expand the scope of work to include replacement of the second feeder line. The project will be deferred to fiscal year 2012 to allow for completion of the expanded design and to increase the construction appropriation.

Item No. 20 GAC FACILITY IMPROVEMENTS

OPERATING FUND	CONST	500,000	0
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These funds will not be expended in the current year pending a comprehensive needs assessment to be conducted in fiscal year 2012.

Item No. 34 MAUNAWILI PRESSURE REDUCING VALVE REPLACEMENT

OPERATING FUND	P&E	50,000	0
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The design of the required improvements was accomplished by in-house staff. As a result, this appropriation to hire a design consultant will not be needed.

Item No. 35 KAAHUMANU CONTROL VALVE ADDITION

OPERATING FUND	P&E	150,000	0
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Water Systems Planning requested additional time to complete a thorough hydraulic analysis of the system interconnection. The project design will be deferred until fiscal year 2012.



**2. Increase the appropriation of the CP Contract Adjustment Account:**

OPERATING FUND	3,580,000	14,060,000
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Prior years' Capital Program projects were awarded using the Improvement Fund. Since the issuance of bonds is not being contemplated at this time, the Improvement Fund has a negative fund balance and does not have sufficient bond proceeds to finance these projects. However, the Operating Fund does have a sufficient fund balance to finance these projects. Accordingly, we recommend that the source of funds for these projects be changed from the Improvement Fund to the Operating Fund.

The appropriate pages of the current CP budget will be revised for distribution.

Respectfully submitted,

/s/ Wayne M. Hashiro  
WAYNE M. HASHIRO, P.E.  
Manager and Chief Engineer"

The foregoing was for information only.

**DISCUSSION**

The Board inquired as to the criteria for pipeline replacement. Deputy Manager, Dean Nakano, explained they look at the age of the pipeline, soil conditions, main break records, fire protection improvement and project coordination with other city agencies.

It was requested that a main break report and update on current projects be presented to the Board periodically.



"March 28, 2011

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 Index Stations

Two index wells are under low groundwater conditions for the production condition. The weekly production average for the period was 121.15 million gallons per day.

The February Board of Water Supply rainfall index was 110 percent of normal with a 5-month moving average of 115 percent. Aquifer head levels are continuing on an increasing trend. The Climate Prediction Center extended forecast indicates a probability of above average rainfall to June 2011.

Respectfully submitted,

/s/ Wayne M. Hashiro  
WAYNE M. HASHIRO, P.E.  
Manager and Chief Engineer

Attachments"

The foregoing was for information only.

# PUMPAGE, HEAD, AND RAINFALL REPORT

Week of 3/6/11 to 3/12/11

STATION	MGD	HEAD	STATION	MGD	HEAD	STATION	MGD	HEAD		MGD	HEAD
METRO			WINDWARD			EWA-WAIAANAE (CONT)			PH (CONT)		
KULIOUOU	0.00		WAIMANALO I	0.00		MAKAHA IV	0.00		PEARL CITY II	1.41	
WAILUPE	0.00		WAIMANALO II	0.01		MAKAHA V	0.07		PEARL CITY III	0.00	
WAIALAE-IKI	0.00		KUOU I	0.70		MAKAHA VI	0.00		WAIAU	0.55	
AINA KOA	0.04		KUOU II	0.09		MAKAHA SHAFT	0.00	13.15	NEWTOWN	0.76	
AINA KOA II	0.38		KUOU III	0.34		KAMAILE	0.00		KAONOH I	0.74	
WAIALAE SHAFT	0.00		LULUKU I	1.09		WAIAANAE I	0.13		WAIMALU I	0.00	
MANOA II	0.00		HAIKU	0.25		WAIAANAE II	0.70		AIEA	0.65	
PALOLO	1.49		IOLEKAA	0.05		WAIAANAE III	0.47		AIEA GULCH 497	0.39	
KAIMUKI HIGH	3.10	23.42	KAHALUU	0.58		MAKAKILO	0.16		AIEA GULCH 550	0.22	
KAIMUKI LOW	0.20		WAIHEE	0.00		HONOULIULI I	1.25		HALAWA 277	1.48	
WILDER	7.29		KAHANA	0.64		HONOULIULI II	7.88		HALAWA 550	0.00	
BERETANIA HIGH	3.51	23.29	PUNALUU I	0.00	16.61	SUBTOTAL:	11.07		KAAHUMANU MTR(-)	0.00	
BERETANIA LOW	0.45		PUNALUU II	1.68		IMPORT FROM PH			KAAMILO FLO MTR (-)	0.00	
KALIHI HIGH	2.77	22.21	PUNALUU III	1.09		KAPOLEI LINE BSTR	4.30		KUNIA I	0.00	19.21
KALIHI LOW	0.94		KALUANUI	0.00		HONOULIULI LB FLOW	7.24		KUNIA II	1.69	
KAPALAMA	1.38		MAAKUA	0.00		EWA BEACH FLOW	1.88		KUNIA III	2.79	
KALIHI SHAFT	8.04		HAUULA	0.11		HONOULIULI I (-)	-1.25		HOAEAE	4.87	
MOANALUA	1.38	19.19				HONOULIULI II (-)	-7.88		EWA SHAFT	0.00	
SUBTOTAL:	30.99		KAHUKU	0.37		SUBTOTAL:	4.30		WAIPAHU INTCON. (-)	-1.87	
			OPANA						EWA-WAIAANAE (-)	-4.30	
IMPORT FROM PH			WAIALEE I	0.00		PEARL HARBOR			PH LOCAL USE:	24.41	
HALAWA SHAFT	7.54	16.91	WAIALEE II	0.28		WAHIAWA	1.27		TOTAL SUBURBAN:	49.10	
KAAMILO	1.32		SUNSET BEACH	0.00		WAHIAWA II	1.57				
KALAUAO	8.96	16.99	SUBTOTAL:	7.28		MILILANI I	2.13		KALAUAO SPRINGS	0.66	
PUNANANI	10.30					MILILANI II	0.00		BARBERS POINT (NP)	0.50	
KAONOH I	0.00		WIND. EXPORT	0.50		MILILANI III	0.00		GLOVER TUNNEL (NP)	0.28	
WAIMALU II	0.00	15.72				MILILANI IV	1.48				
KAHUMANU	0.48		HALEIWA-WAIALUA			WAIPIO HTS.	0.94		HEAD CONDITION		
HECO WAIAU	0.67		HALEIWA	0.00		WAIPIO HTS. I	0.56		CAUTION	ALERT	CRITICAL
MANANA	0.98		WAIALUA	2.53		WAIPIO HTS. II	0.19		Kaimuki		
KAHUMANU FLOW MT	0.00		SUBTOTAL:	2.53		WAIPIO HTS. III	0.40		Punaluu		
KAAMILO FLOW MTR	0.00					WAIPAHU	1.87	19.01			
TOTAL IMP/EXP WAIP. INT:	1.87		EWA-WAIAANAE			WAIPAHU II	0.89				
IMPORT FRM WIND:	0.50		MAKAHA I	0.07		WAIPAHU III	0.00				
SUBTOTAL:	32.62		MAKAHA II	0.04		WAIPAHU IV	2.37				
			MAKAHA III	0.30		PEARL CITY SHAFT	0.87	14.98			
TOTAL METRO:	63.62					PEARL CITY I	0.48				

CWRM PERMITTED USE FOR BWS POTABLE SOURCES						PUMPAGE	2011	2010	GRAVITY	2011	2010
WATER DISTRICTS	A	B	C	D	E	SUBURB.	49.10	64.27	SUBURB.	8.06	9.24
	PERMITTED USE	2011	DIFF. B-A	YEAR/ DATE	DIFF. D-A	METRO	63.62	64.40	METRO	0.37	0.37
						TOTAL:	112.71	128.67	TOTAL:	8.43	9.61
HONOLULU	45.27	31.36	-13.90						Manoa	0.17	
WINDWARD	25.21	12.89	-12.32			NUUANU #5			Palolo	0.20	
NORTH SHORE	4.08	3.18	-0.90			(rainfall)	1.92"	1.51"	Waim. I&II	0.15	
WAHIAWA	4.27	2.84	-1.43						Waim. III&IV	0.19	
WAIAANAE	4.34	3.59	-0.75						Waihee incl.	1.00	
EWA-KUNIA	15.88	9.29	-6.59						Waihee tun.	2.49	
PEARL HARBOR	92.66	57.99	-34.67						Luluku	0.31	
TOTAL:	191.71	121.15	-70.56						Haiku	0.00	
									Kahaluu	2.12	
									Waia. C&C	1.40	
									Waia plant.	0.41	



DROUGHT STATUS REPORT  
DRAFT IN MGD

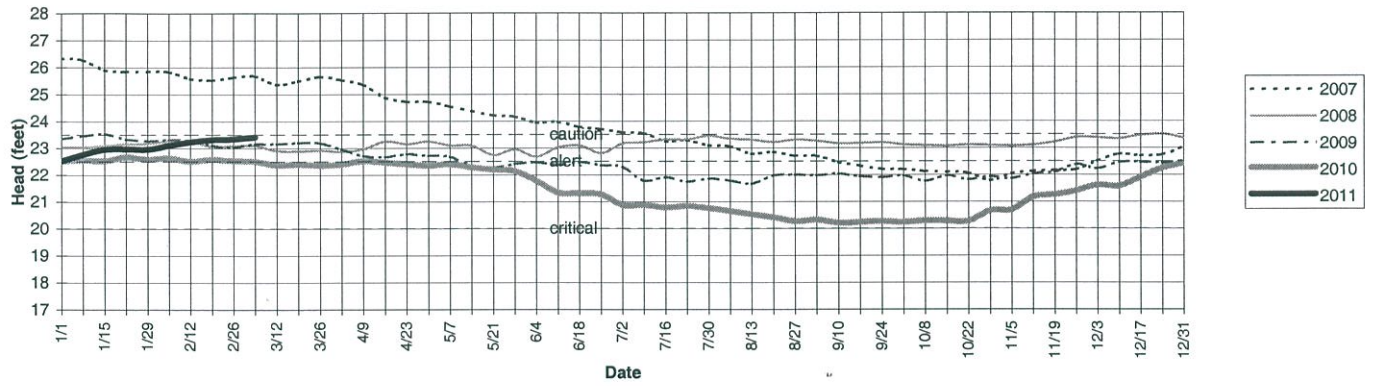
WATER USE DISTRICT	AUTHORIZED USE	2010	2/27-3/05 2011	2010	3/06-3/12 2011				
HONOLULU	45.27	36.84	32.02	35.24	31.86				
WINDWARD	25.21	16.40	11.85	16.63	12.39				
NORTH SHORE	4.08	3.47	3.27	3.07	3.18				
WAHIAWA	4.27	3.26	3.02	3.12	2.84				
EWA-WAIAANAE	20.22	19.41	17.77	21.45	17.18				
PEARL HARBOR	92.66	58.73	55.28	58.77	53.69				
TOTAL	191.71	138.11	123.21	138.28	121.15				

Accounts for in-district pumpage and transfers

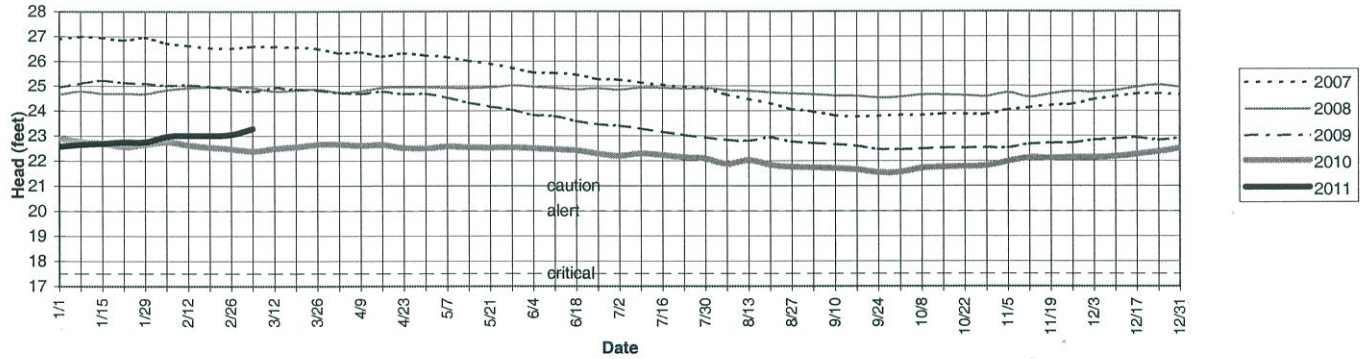
HEAD IN FEET

		2010	2/27-3/05 2011	2010	3/06-3/12 2011				
HONOLULU									
KAIMUKI		22.51	23.34	22.37	23.42				
BERETANIA		22.39	23.05	22.49	23.29				
KALIHI		21.46	22.13	21.44	22.21				
MOANALUA		18.49	19.06	18.52	19.19				
PEARL HARBOR									
HALAWA		16.37	16.84	16.32	16.91				
KALAUAO		16.30	16.94	16.25	16.99				
PEARL CITY		14.12	14.90	14.06	14.98				
WAIPAHU		17.78	18.95	17.84	19.01				
KUNIA		17.69	19.09	17.71	19.21				
EWA-WAIAANAE									
MAKAHA		15.85	12.86	15.83	13.15				
WINDWARD									
PUNALUU		15.72	16.46	15.96	16.61				

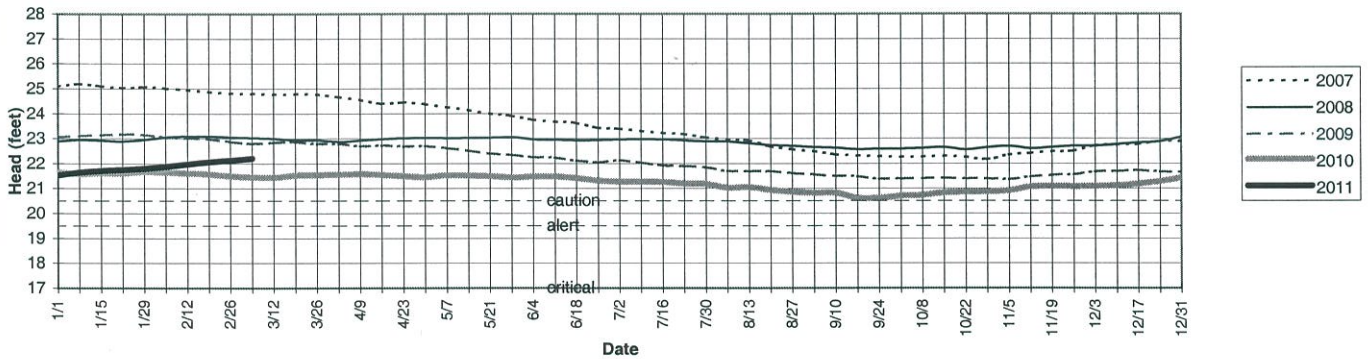
### KAIMUKI



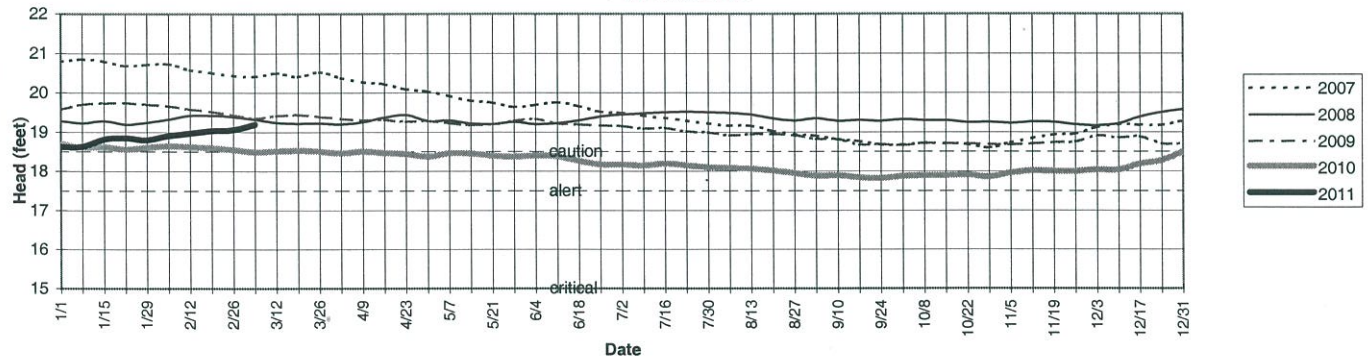
### BERETANIA



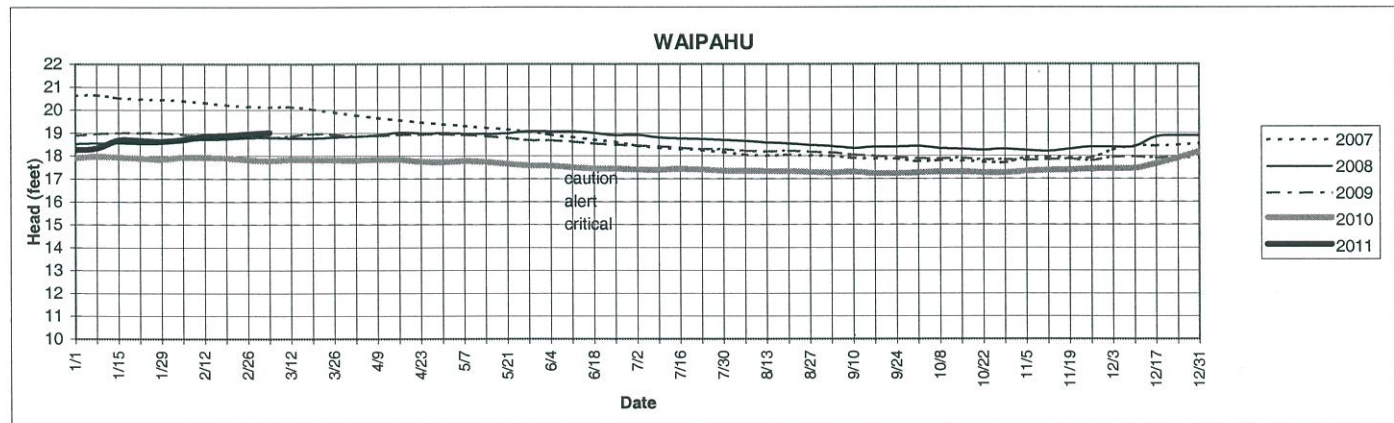
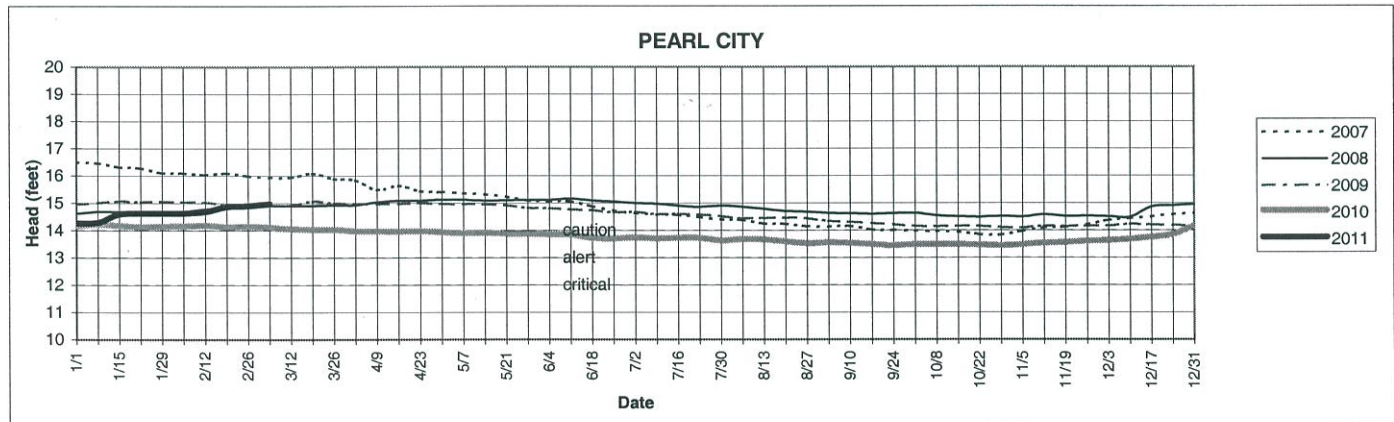
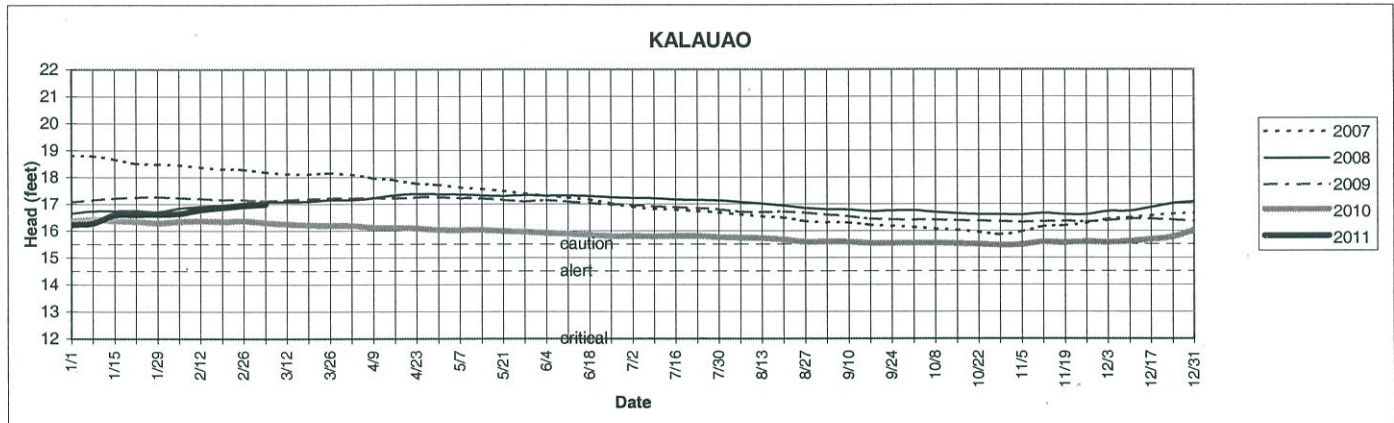
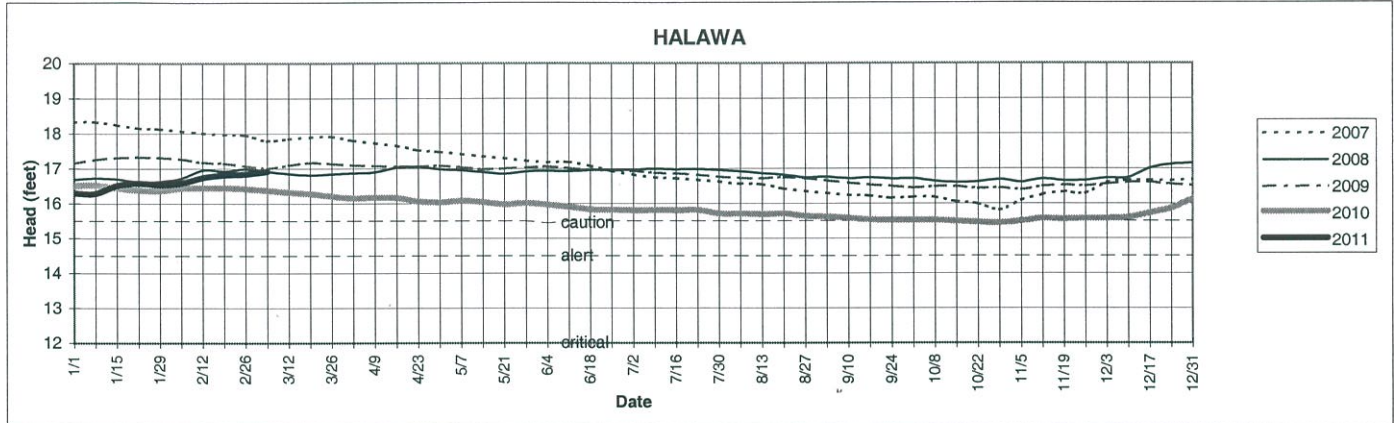
### KALIHI

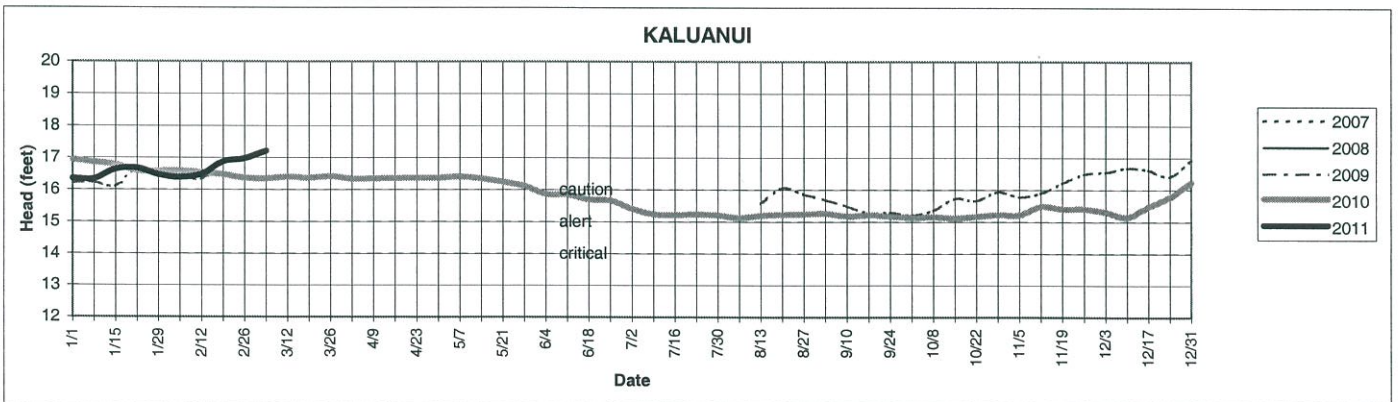
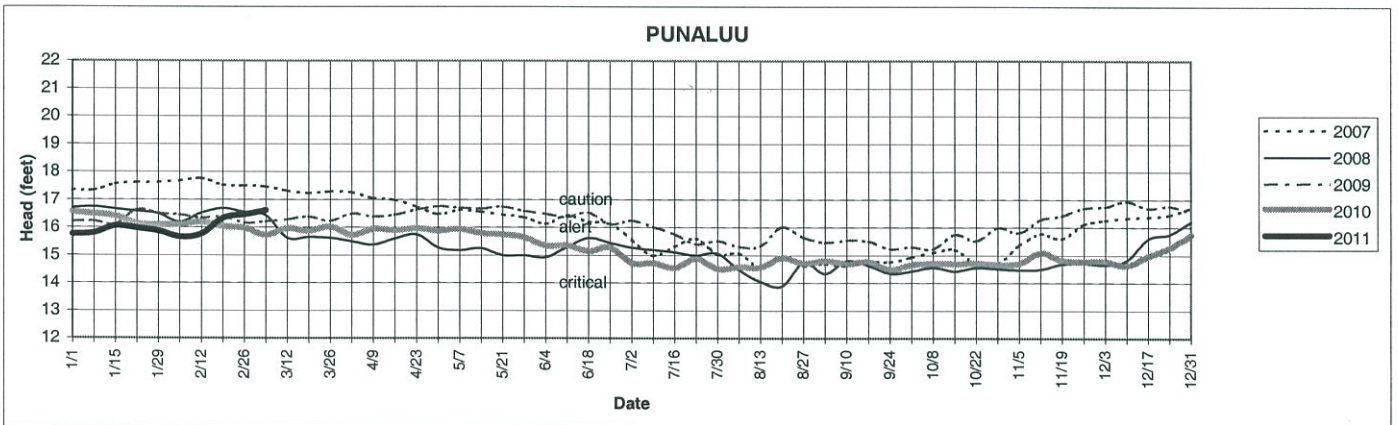
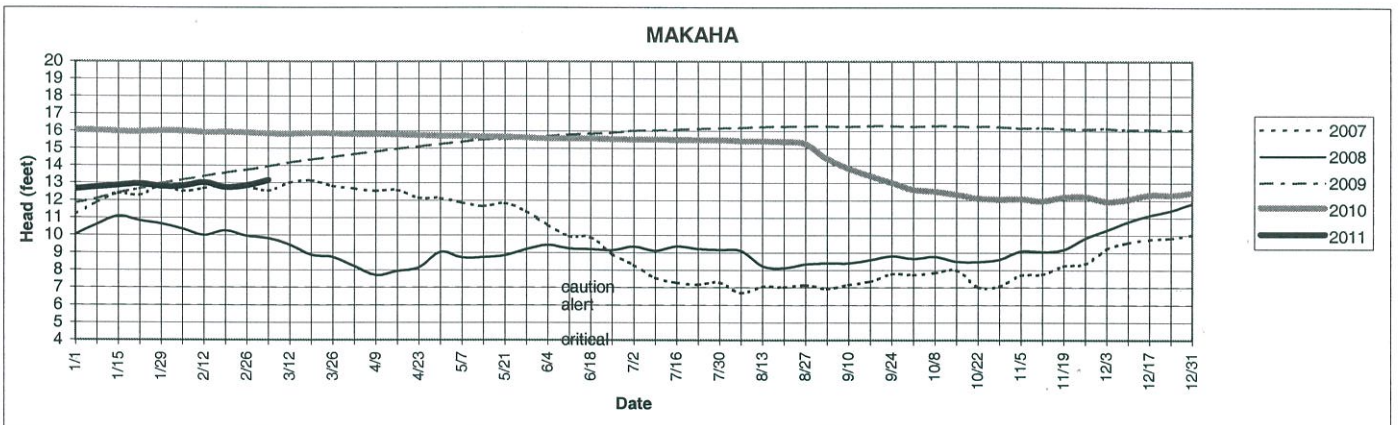
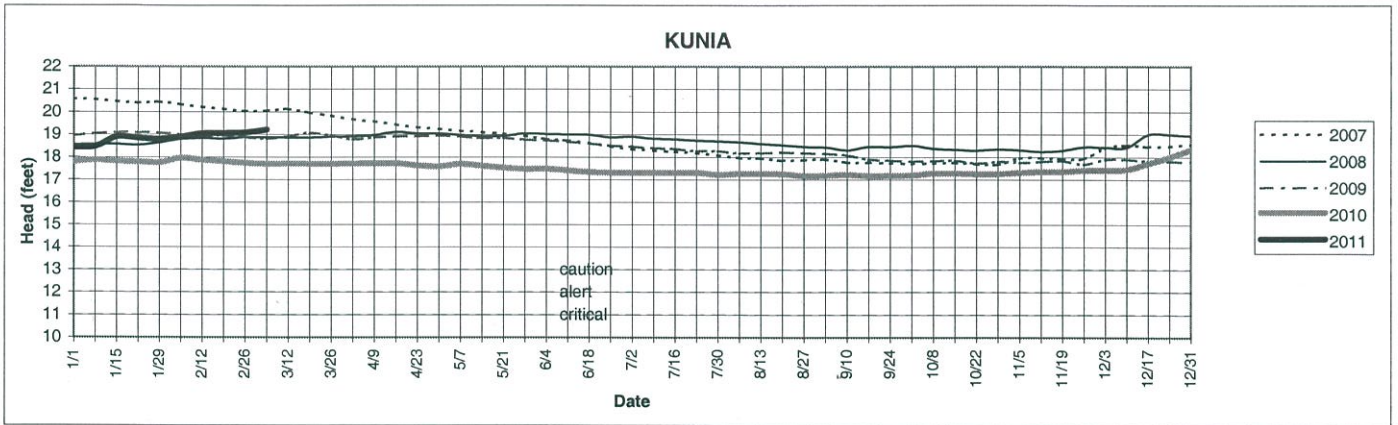


### MOANALUA



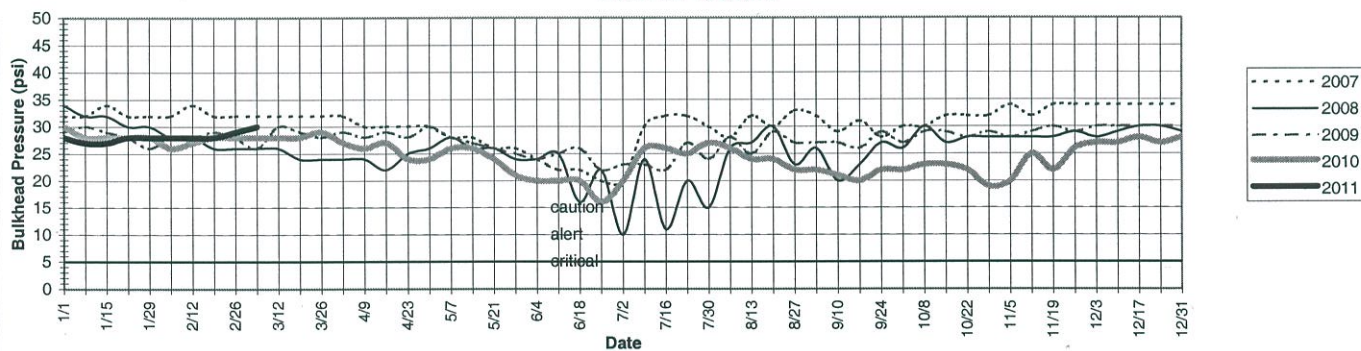




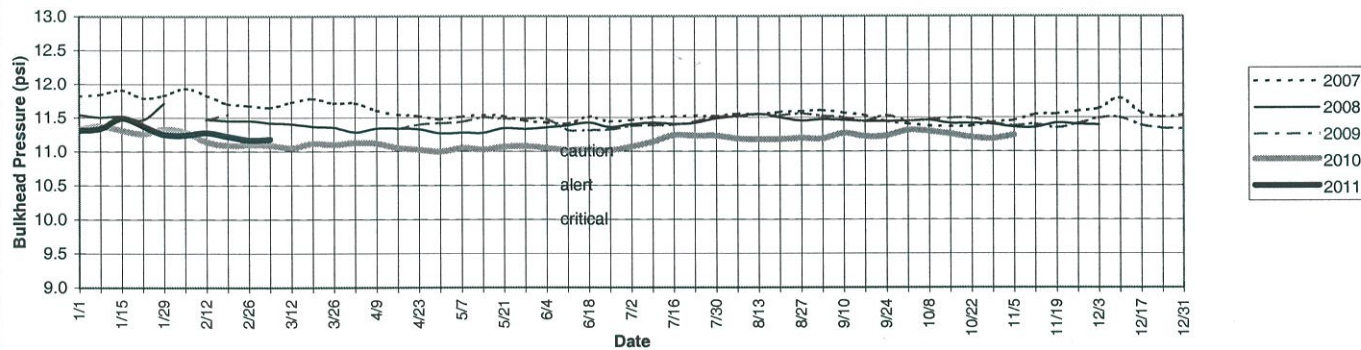


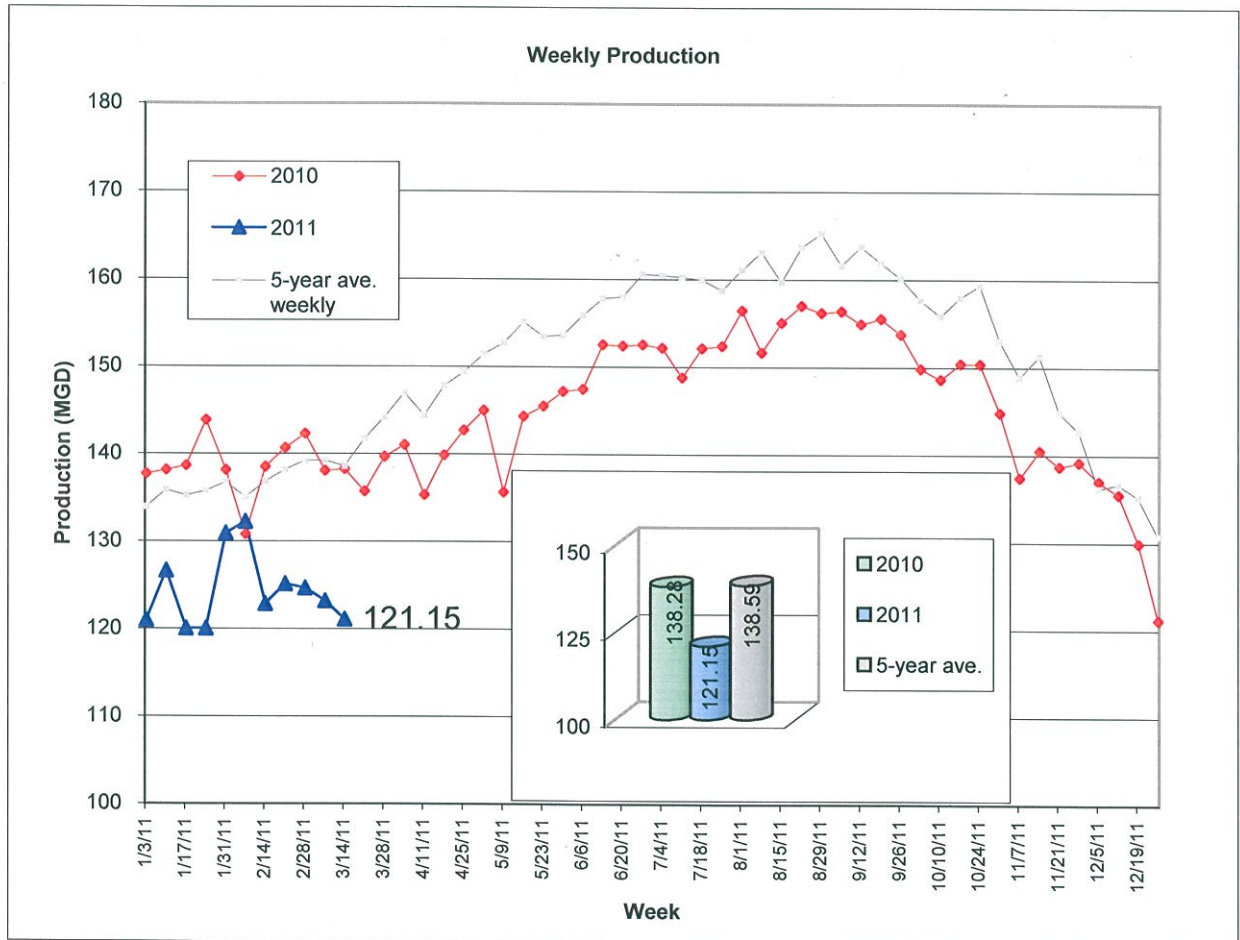
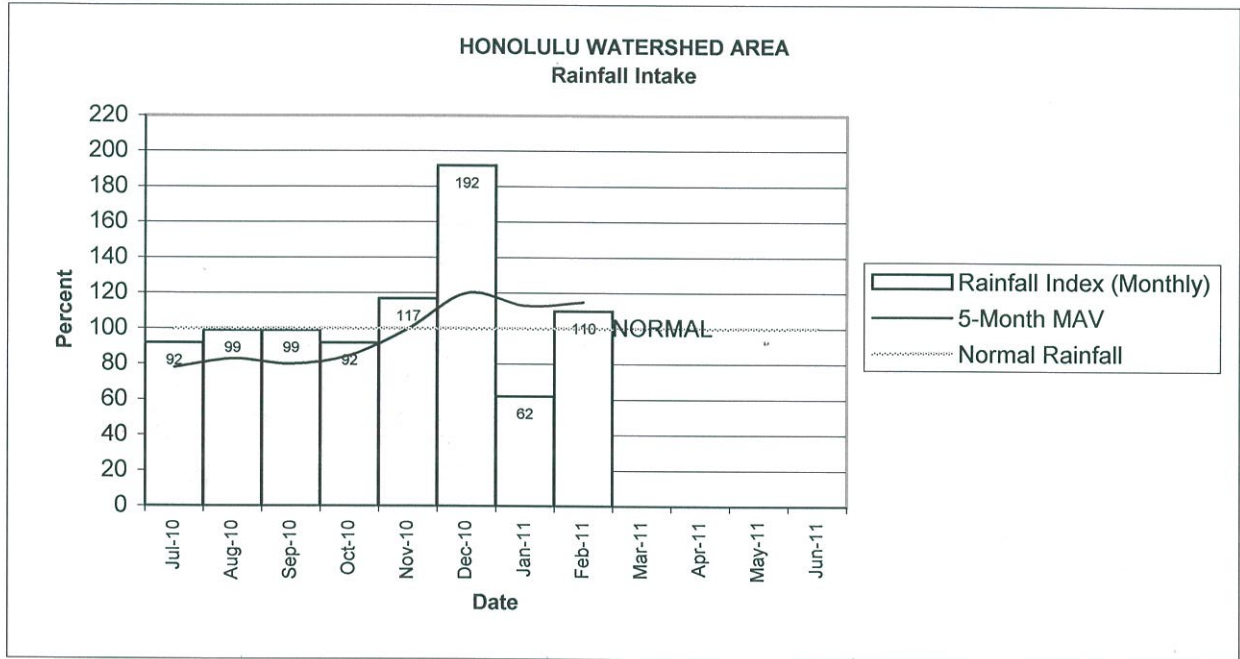


### WAIHEE TUNNEL



### WAIALUA







MOTION TO  
RECESS INTO  
EXECUTIVE  
SESSION

Upon unanimously approved motion, the Board Recessed into Executive Session Pursuant to HRS § 92-5 at 2:30 P.M. to Consult with the Board's Attorney on Questions and Issues Pertaining to the Matters Posted for Discussion at an Executive Session.

OPEN  
SESSION

The Board reconvened in open session at 3:43 P.M.

Chairman Chung announced the Executive Session will continue at a Special Session on April 7, 2011 at 2:00 P.M.

MOTION TO  
ADJOURN

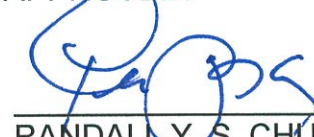
There being no further business, Chairman Chung at 3:45 P.M. called for a motion to adjourn the Open Session. Adam Wong so moved; seconded by Westley Chun and unanimously carried.

THE MINUTES OF THE MARCH 28, 2011 BOARD MEETING WERE APPROVED ON 04/25/2011			
	AYE	NO	COMMENT
RANDALL Y. S. CHUNG	X		
DENISE M. C. DE COSTA	X		
ANTHONY R. GUERRERO, JR.			ABSENT
THERESIA C. MCMURDO			ABSENT
ADAM C. WONG	X		
WESTLEY K. C. CHUN	X		
GLENN M. OKIMOTO	X		

Respectfully submitted,

  
NANCY TANO

APPROVED:

  
RANDALL Y. S. CHUNG  
Chairman of the Board

APR 25 2011

Date