



BOARD OF WATER SUPPLY

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(as of June 30, 2005)

POWERS, DUTIES AND FUNCTIONS

The BWS manages Oahu's municipal water resources and distribution system, providing residents with a reliable system and safe drinking water supply. Its operations and projects are financed with revenues generated by water sales, and does not rely upon income or property tax monies.

A seven-member Board of Directors presides over the semi-autonomous city agency and determines its policies. Five members are nominated by the Mayor and approved by City Council. The remaining two serve in their capacities as the Director of the State Department of Transportation and the Director and Chief Engineer of the City Department of Facility Maintenance.

The Board appoints the BWS Manager and Chief Engineer to oversee the Department's overall operations. The Manager appoints the Deputy Manager who supervises the Department's day-to-day business activities of the following support offices and divisions – Chief of Staff, Capital Projects, Communications, Customer Care, Finance, Human Resources, Information Technology, Legal Counsel, Operations, Security, and Strategic Development.

MISSION

The mission of the Board of Water Supply (BWS) is to improve the quality of life in our community by providing world-class water services. The Board's mission statement, "Water for Life – Ka Wai Ola", addresses the need to protect our most precious natural resource – water.

Three main strategic objectives emanate from this mission: resource, economic and organizational sustainability. Resource sustainability ensures our natural groundwater supplies are protected and managed efficiently. Economic sustainability calls for a diversity of financial resources to be employed to support system operating and capital needs, while keeping water rates affordable. Organizational sustainability calls for a sound, well structured, efficient organization with the tools and skills necessary to provide exceptional value to our customers, our community, and our watersheds.

HIGHLIGHTS

In support of the Department's mission, "Water for Life – Ka Wai Ola", the BWS focused its operations upon the three supporting strategic objectives:

- **Resource sustainability**, which ensures natural groundwater supplies are protected and managed efficiently, guided the following programs that the Department undertook in fiscal year 2005 and which will continue for years to come:
 - ◇ In August 2004, the BWS launched a year-round water conservation program, which was aimed at reducing water consumption by 10%. An aggressive media campaign was designed to reach out to the island-wide community to make conservation part of their everyday lives.
 - ◇ The BWS also developed an Internal Conservation program that focused on internal water conservation efforts. As part of this program, BWS personnel developed a leak detection program



Internal Conservation. Surveying and checking the more than 2,000 miles of underground water lines and mains for leaks and other problems have resulted in major water savings in unaccounted-for water use and loss due to leaks.

with the goals of proactively preventing main breaks, ensuring optimum customer service and system reliability, improving the plans for the repair and replacement of aging infrastructure, and internally preventing water loss. Leak detection efforts in the Windward district have resulted in an estimated savings of a little over one million gallons of water per day. In the calendar year 2004, the BWS's survey teams and field crews identified and repaired a total of 40 leaks, which saved an estimated 400 million gallons over the course of a year.

- ◇ Overall, the BWS saw a decrease in the number of main breaks during the past year. Field crews repaired 387 main breaks, 13 fewer than last year and well under the over-400 average of main breaks experienced in the 1990s. In addition to more efficient field operations, this decrease can also be attributed to the Internal Conservation program (see above item), and increased water main replacement and installation projects handled by the Capital Projects Division.
- ◇ The Department understands the importance of working with communities to preserve and protect not just water, but watersheds, and is engaged in an ambitious program working collaboratively with numerous communities on developing Watershed Management Plans. These plans will help ensure Oahu's watersheds are kept healthy for generations to come.
- The second strategic objective, **economic sustainability**, calls for a diversity of financial resources to be employed to support system operating and capital needs, while keeping water rates affordable. In support of this objective, the Department continued to pursue opportunities to expand its core business and revenue generating opportunities through a number of new initiatives:
 - ◇ The Department continued to pursue opportunities to own and/or operate military water systems.
 - ◇ The BWS initiated a comprehensive facilities master planning process to assess all of its real estate assets in an effort to maximize its potential value. BWS is currently studying the potential redevelopment of its headquarters at Beretania Street along with other sites, including base yards, as part of this master planning process.
 - ◇ The BWS is in the process of conducting a comprehensive rate study, which will provide valuable cost of service information. The BWS is carefully considering moderate rate increases for the first time in over a decade due to rising operation and maintenance costs, including fixed charges like electrical and annual increases in the costs of employee benefits; increases in the cost of materials, services and supplies; and increasing construction costs for improvements to and replacement of the Department's aging infrastructure.
- The following highlights represent ways the BWS is working to support its third objective, **organizational sustainability**, which calls for a sound, well-structured, efficient organization with the tools and skills necessary to provide exceptional value to customers, the community, and watersheds:
 - ◇ The BWS is currently working to roll out its successful Multi-Skilled Worker (MSW) Pilot Program that was launched in March 2004, to the rest of the Field Operations Branch. Although still in planning stages with both the United Public Workers and Hawaii Government Employee Association unions, the goals of the MSW program, as already demonstrated through its pilot efforts, are to encourage change in work practices, flexibility in work assignments, reduction in hierarchical layers, better communication, and team work. The benefits of the program include better and more efficient service for customers, expanded skill sets with concomitant compensation for employees, and effective work practices resulting in a more efficient organization.
 - ◇ The Department plans to implement a number of technology programs in the upcoming fiscal year, one of them being the enhancement of the Customer Information System, that will allow the BWS to realize continued efficiencies and effectiveness in its business and core operations.



- ◇ Lyann Okada, a civil engineer IV in the Water Resources Division, was named City Employee of the Year at the Mayor's Outstanding Employees Program held in November 2004. Okada envisioned and created the award-winning, world-class Honolulu Online Utilities (HONU) system, an easy-to-use web-based asset management program. Okada and Alan Hakoda, a drafting technician IV in Capital Projects Division, both represented the Board of Water Supply in the City competition.

Recognized for her outstanding work. BWS civil engineer Lyann Okada is named City Employee of the Year for 2004. Among her accomplishments, she is the creator and developer of a web-based asset management program called Honolulu ONLINE Utilities system (HONU).

DIVISIONAL HIGHLIGHTS

The Department's 11 support offices and divisions are tasked with implementing the BWS' mission and vision by effectively managing Oahu's groundwater sources and distribution system to ensure a sustainable resource that meets current water demands and future customers' needs. The following is a list of divisional highlights for the past year that illustrate how the Department continues to work towards improving the way it conducts business – to operate more efficiently, to respond to customer and community needs and concerns quickly and innovatively.

CAPITAL PROJECTS DIVISION

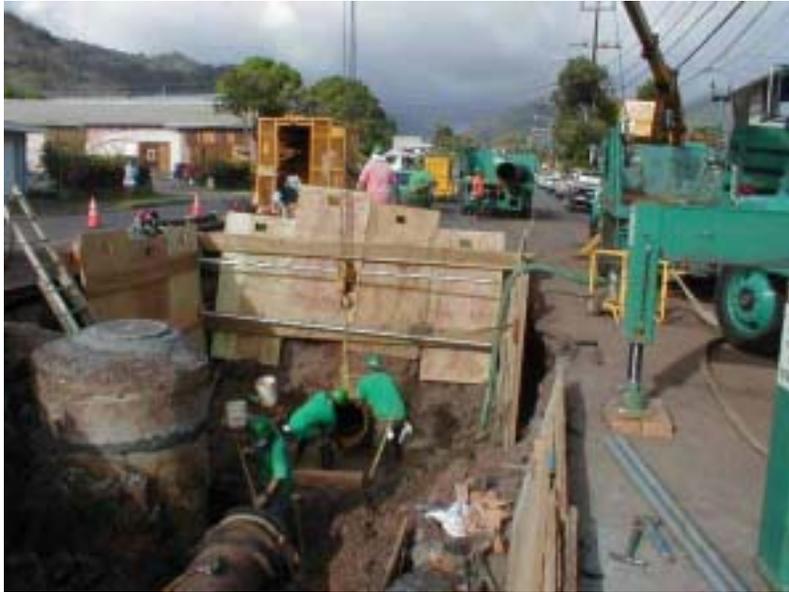
Previously known as Maintenance Unit-Engineering, the Capital Projects Division continues to ensure that all improvements to Oahu's municipal water system are designed and constructed in compliance with the BWS Water System Standards. This includes water system improvement projects that are proposed and designed by BWS engineers or consultants, water main replacements, and facility repairs and renovation projects.

One of the major functions of Capital Projects was to implement the Department's Capital Program, including the design and construction of new production, storage and treatment facilities, and new water mains; and the repair, maintenance and upgrade of aging water mains and facilities. More than \$35 million in construction contracts and over \$2.5 million in consultant contracts were awarded as of June 30, 2005.

Among the projects awarded and construction completed by the Department in the past fiscal year:

- Halawa Deep Monitor Well. This deep monitor well will monitor the condition of the fresh water lens in the Halawa area. Data from these wells help the BWS in the management of its groundwater resources.
- Use of Recycled Water. To ease the demands on Oahu's potable water system, the BWS continued to explore and promote the use of recycled water as an alternative water source. New recycled water mains in Ewa, Kapolei, and the Honouliuli area will be installed as part of the Department's plans to upgrade the recycled water infrastructure serving some of our large water users in Leeward Oahu.
- Nanakuli 242' Reservoir. This water tank will add 2.0 million gallons of water to the storage capacity in the Leeward system.

- Water Main Replacement Program. Aging and corroding water mains are systematically replaced throughout the municipal water system to improve system reliability and reduce main breaks, and to insure sufficient pressure during periods of peak demand. Projects also include installation of fire hydrants to upgrade and improve fire protection for these neighborhoods. Installed during this fiscal year were the Dillingham Boulevard transmission main and distribution mains in Haleiwa, Kahaluu, Kalihi, Makaha, Nanakuli, Pearl City, Wahiawa, Waiialae, and Waimanalo. Construction contracts were awarded for water main installations in Aiea, Ewa Beach, Kailua, Ala Moana, Downtown, Nuuanu, Liliha, Kamehameha Heights, Kalihi, Wilhelmina Rise, and Hawaii Kai.



Pipeline Replacement. The BWS spent more than \$35 million to replace aging water lines and facilities.

- Renovation Projects. Renovation projects ensure the dependable service and operational efficiency of the Department's facilities. This year, work was completed at Kalauao Wells, Kunia Wells I, Mililani Wells II, Wahiawa Wells I and II, Nuuanu Booster No.1, Nuuanu Line Booster, and the Beretania Control Station.
- Water Facility Improvements. This Division continued to identify and improve the integrity and appearance of BWS water facilities that show signs of deterioration. Improvements were completed at the Beretania Complex, Kalihi Corporation Yard, the Pacific Heights Booster Station and 578' Reservoir, Kahaluu Line Booster, and the reservoirs at Pearl City 865', Waiialae Iki 180', Waiua 285' and 550', Waimalu 217', and Wilhelmina Rise 405'.

COMMUNICATIONS OFFICE

The Communications Office, formerly known as the Community Relations Office, expanded its role within the organization to provide comprehensive strategic communications services and support to the Board. The focus for the Office was broadened to assist in moving the BWS forward in achieving long-term goals, and recognizes the important role that communication plays, both internally with employees and externally with customers.

The Office helped communicate the importance of the Department's "Water for Life" mission to the public and BWS employees through improved and expanded outreach efforts.

The Communications Office continued to educate BWS customers about Oahu's water supply through programs that promote personal stewardship of this finite natural resource and facilitate positive interaction between the Department, the community, and the news media.

Among the activities and projects administered and coordinated by this Office's staff:

- Public education programs. A variety of activities supported and reinforced the Office's efforts to raise consumers' conscientiousness about the role of BWS in the community and the importance of conserving water. Among these activities:
 - ◇ Ongoing media relations efforts helped provide valuable information to the public via television, radio and newspaper stories. These efforts increased the visibility of the Department in the community, helping to make water conservation top of mind for consumers.
 - ◇ An annual open house and plant sale at the Halawa Xeriscape Garden, and regular public hours, encouraged residents to learn about landscaping techniques and ideas, and how they can use water more efficiently at home.
 - ◇ Detect-a-Leak Week, observed in March, urged water users to check for and repair property leaks as an important part of water conservation. Dye tablets and informational materials were distributed to the public, as well as leak detection services for a number of limited residents.
 - ◇ Water conservation is urged year-round, but Water Conservation Week in May provided the Office an opportunity to reach out to children and their families. Elementary school children participated in the annual poster contest, which highlights this observance, and encourages children to artistically express their conservation ideas.
 - ◇ The tour program accommodated more than 4,000 school children, teachers, residents, and island visitors at the Department's Fred Ohrt Museum (Kalihi Pump Station), the Halawa Xeriscape Garden, and the Nuuanu watershed area.
 - ◇ The public education program reached out to several more thousand individuals with presentations at schools and other public venues. Throughout the year, the Department participated in a variety of events in the community, including Earth Day activities, the BIA Home Building and Remodeling Show, the Great Aloha Run Family Expo, Spring New Products Show, and Better Home and Garden Show.
- Community outreach program. The Office expanded its efforts to proactively reach out to the communities it serves.
 - ◇ The newly created community outreach program in the Communications Office ensures the BWS is communicating proactively with the communities it impacts during waterline repair and replacement projects. Office staff worked closely with BWS engineers to ensure communities were aware of and understood the importance of our efforts to provide the community with a safe and reliable drinking water supply.
 - ◇ The Cultural Consulting program continues to help the BWS respond appropriately to cultural concerns, primarily as it relates to the inadvertent discovery of iwi kupuna, or Hawaiian ancestral remains during construction projects. This program provides the BWS an opportunity to avoid and mitigate potential cultural problems prior to the commencement of a construction project, saving time and money. This proactive rather than reactive approach has been critical to the successful progress of numerous BWS projects over the past year.

CUSTOMER CARE DIVISION

With 166,445 active services in the BWS system, including 164,367 domestic and 2,078 fire services, the Customer Care Division handles the majority of the Department's contacts with consumers and takes care of the customers' business. This includes bill payment; delinquent bills; account inquiries, set-up and closing; water service investigations; building permits; and meter reading. All of its Sections – Investigations, Customer Service and Records, Collection and Credit, Revenue and Customer Accounting, Service Engineering, Project and Plan Review, and Meter Shop – and the Cross-Connection Control Unit received more than 100,000 calls during the past fiscal year from customers, covering a variety of trouble and assistance calls.

Members of the Division, combined with staff from other BWS offices and divisions, began developing a Call Center, a one-stop service to provide assistance to customers. It is part of the Department's effort to improve the way it conducts business, operating more efficiently and responding to customer needs and concerns quickly.

The Project and Plan Review Section staff began work to extend the Department's water service area to include the Navy's NC-TAMS (Naval Computer Telecommunications Area Master Station) facility in Helemano and the Mokuleia Beach lot community, which was previously served by the Mokuleia Land Company.



Annual Backflow Prevention Testing. The Cross-Connection Control Unit stepped up its public outreach efforts to inform and educate the general public and contractors about the importance of backflow prevention devices, and the need for annual testing and maintenance.

The Cross-Connection Control Unit (CCCU) focus is on the administration of the Cross Connection Control and Backflow Prevention Program. This program ensures that the customer's drinking water is not compromised or contaminated by substances from a nonpotable water system or an improperly installed cross-connection.

The CCCU staff accelerated the unit's efforts

in conducting field inspections and addressing consumers' concerns about annual testing requirements for cross-connection control and backflow prevention.

FINANCE DIVISION

The Finance Division provides support for all of the Board of Water Supply's financial and fiscal functions, including General Accounting, Payroll, Accounts Payable, Planning and Analysis, Inventory, Fixed Assets, Treasury, and Purchasing.

During this fiscal year, several manual processes were replaced with automated solutions under the Networked Automated Ledger for Utilities (NALU) system, as the Division continued to explore the system's functionality. A bar coding solution for its store-room inventory of water meters, pipes, fittings, and other maintenance related materials was implemented.

Benefits gained from the new system conversion are the increased transparency and timeliness of financial data. Extensive system training to Finance staff will enhance the Division's ability to provide more meaningful information and reports to management, and to better analyze the financial feasibility of the Department's new initiatives.

This Division is also actively involved in a comprehensive study of the Department's cost of service, which will help management in reviewing and recommending changes to water usage rates and water systems facilities charges that are levied against all new developments and residential properties requiring water from the BWS system.

HUMAN RESOURCES OFFICE (HR)

The Human Resource Office administers and manages the human resources program, including training and development, labor relations, classification and compensation, benefits administration, and contract negotiations for 551 regular, full-time Board of Water Supply employees.

The driving principle for this office is that human resources, or the employees of an organization are the means through which government does its work, meets its fiduciary responsibilities, and serves the needs of the public. Office staff provided innovative and creative HR solutions to help further the Department's ongoing efforts to re-invent the way it does business to better serve the public and meet its mission. Staff continues to evaluate, develop and implement a comprehensive and effective HR program for the Department.

Understanding that employee development and training is essential to achieving effective and efficient operations, improving employee morale, preparing for succession planning, and ensuring technical/supervisory/executive competencies, HR staff developed and implemented a wide range of training and development programs for BWS employees. These programs touched on topics from job-related skills and supervisory management, to retirement and financial planning.

HR staff assisted Field Operations in expanding its Multi-Skilled Worker (MSW) Experimental Modernization Project (EMP) by negotiating supplemental union agreements. In addition, the Office continues to be involved in other EMP programs, including Strategic Project Management, Customer Care innovation, and Plant Operations MSW, that strive to re-invent the work of the BWS while providing opportunities for employees to engage in leadership opportunities that would not normally be available.

INFORMATION TECHNOLOGY DIVISION (IT)

The IT Division provides complete computer, telephone, and network related services to the Department. Among this Division's activities during the past year:

- Computerized Maintenance Management System (CMMS). This system was designed to support the Multi Skilled Worker (MSW) Pilot Program in the Field Operations Branch of Operations by handling all preventive and corrective maintenance,

job scheduling, job costing, asset tracking, parts and materials, and labor costs; and feeds work history to the Time and Attendance system. IT will continue to improve the system and deploy added capabilities for the MSW program rollout to all BWS field personnel.

- KRONOS automated time and attendance system improvements. An 'Earn and Burn' capability, which will properly deduct leave and sick time as it is accrued during the calendar month, and modules that provide workflow notification and accurate pay calculations for insufficient rest category were also added to the system.
- Consumer Confidence Report. Also known as the Water Quality Report, it was printed and mailed to all BWS customers by the July 1st deadline mandated by the Federal Environmental Protection Agency.
- Networked Automated Ledger for Utilities (NALU) system. IT staff provided ongoing configuration, patches, enhancements and support of this new J.D. Edwards financial package, which handles all of the Department's purchasing, payroll, job costing, inventory, Human Resources, cash management, general ledger, accounts payable, fixed assets, and budget record keeping.
- Honolulu Online Utilities (HONU) system. Phase III of this award-winning GIS (Geographic Information System) application commenced during this fiscal year. HONU acts as a 'front end' to link data from many diverse systems together within a mapped environment, saving hundreds of man-hours a week and simplifying the work of over 200 personnel daily.

LEGAL COUNSEL OFFICE

Formerly known as the Compliance Office, Legal Counsel Office was created in 2004 to provide legal counsel and advice to the BWS, its officers and employees; and ensures compliance with federal, state and local laws, the recognition of best practices, and the limitation of exposures and liabilities of the BWS.

Legal Counsel also administered and oversaw the Office of Risk Management, which assesses BWS's risk exposure, determines the appropriate risk-financing program, and manages claims filed against the Department.

The Driver Improvement Coordinator continued to train employees in the safe operation of vehicles and equipment, with an emphasis on the driver improvement program and specialized training for the Multi-Skilled Worker (MSW) team. Random tests for drugs and alcohol were performed as part of the Drug and Alcohol Program, and in conformance with federal Commercial Drivers License requirements.

During the past fiscal year, the Safety Manager focused on the establishment of a health and safety program for the Department, and continued to emphasize compliance with the requirements of the Hawaii Occupational Health and Safety laws and other similar state and federal laws. His work covered maintaining all necessary safety records, investigating accidents, and reviewing all accident or injury reports. Annual safety inspections of all BWS facilities made employees more aware of safety hazards in the workplace.

OPERATIONS DIVISION

The Operations Division now reflects a broader base of water system responsibilities, incorporating the Field Operations Branch (previously housed in the Maintenance Operating Unit) and the Plant Operations Branch. The Plant Operations Branch includes



Water Quality, Automotive, and Mechanical/Electrical Engineering. The Division's responsibilities for the municipal water distribution system range from the maintenance and repair of water lines and facilities, and the pumpage and furnishing of drinking water, to the monitoring of the quality and safety of that water, and the ability of BWS personnel to respond quickly to emergencies and day-to-day business.

The Field Operations Branch ensured continuous water flow to the Department's roughly 164,000 services. Responsibilities included repairing line leaks; performing scheduled preventive maintenance of fire hydrants and waterline valves; installing, replacing and enlarging water service lines; facility grounds and buildings maintenance; and 24-hour response to trouble calls and service requests. Those 24-hour trouble calls included investigation of leaks, water service closure for repairs, and service turn-ons. Other support services provided by this Branch include masonry, carpentry, and welding work.

Emergency Repair Work. The number of main breaks decreased during the fiscal year, due to increased maintenance of water lines, an internal conservation program that flagged out leaks and potential trouble water lines, and an ongoing water main replacement program.

Significant main breaks the past year included:

- August 28, 2004 – A 16-inch cast iron transmission main break along Kamehameha Highway near the intersection with Joseph P. Leong Highway affected the North Shore water system, prompting a call for water conservation measures.
- September 20, 2004 – Traffic on Kapiolani Boulevard between Keeaumoku and Kaheka Streets, near Ala Moana Center, was affected by repairs to a broken 12-inch water main.
- October 20, 2004 – Water conservation measures were initiated due to a 16-inch cast iron transmission main break near Haleiwa Beach Park on Kamehameha Highway, which affected the North Shore water system.
- October 27, 2004 – Numerous underground traffic light utility lines complicated the repair of a 12-inch main break at the intersection of Kalakaua Avenue and Ala Wai Boulevard.
- May 29, 2005 – Water service to residents in upper Nuuanu Valley and along Pali Highway was interrupted due to a 12-inch pulled 'S' joint at the BWS's Nuuanu Booster facility on Pali Highway between Hinalo Place and Pulelehua Way.
- June 9, 2005 – Although a broken 12-inch main on Waialae Avenue, between 11th and 12th Avenues, caused minimal water service disruption to area customers, this length of street was closed to vehicular traffic because of extensive road damage. A private contractor was hired to repair and resurface the damaged roadway after water main repairs were completed.



Main Break Repairs. BWS crews need to excavate and expose the pipe before leaks or breaks in the water main can be repaired. It continues to be a top priority with the BWS and its employees to ensure the prompt repair of all broken pipes and to restore water service to affected customers.

BWS employees represented the Hawaii Section of the American Water Works Association (AWWA) in both the men's and women's competitions of the National AWWA Pipe Tapping Contest held in San Francisco, California, in mid-June 2005. The BWS teams had successfully competed against other utility teams in a State competition for the honor to represent the Hawaii Section.

Pipe person Andrew Freitas, tappers Aaron Asato and Glenn Ah Yat, and coach Derrick Tsukuda, all from Field Operations, comprised the men's team and did well in the national competition with a best time of 1 minute, 36.06 seconds (1:36.06). However, the men's title went to the team from Birmingham, Alabama, with a time of 1:20.15.

The women's team – Na Wahine O Ka Wai (The Women of Water) – placed first in the women's competition with a best time of 1:50.41. Pipe person Anna Tanaka, tappers Carolyn Sawai and Danielle Ornellas, and coach Gary Fernandez also won the National Championship in 2001. All are members of Field Operations except for Sawai who is a civil engineer in Water Resources and Tanaka who is a water meter mechanic in Customer Care.

The Plant Operations Branch monitored and operated the Department's diverse water system, maintaining its pump, booster, and reservoir facilities around the island; and responding to emergency situations affecting the distribution of water to the community.

The high demand for water, caused by record drought conditions of the past six years, eased when rainy weather conditions returned towards the end of 2004. While the rain resulted in reduced pumping of water from BWS sources, providing aquifers with much needed opportunity to recover, it did not eliminate the need for continued conservation measures by the community.

Despite the return of wet weather, this Branch saw an increase in the average daily pumpage of water from 146.5 million gallons daily (mgd) in fiscal year 2004 to 150 mgd in fiscal year 2005.

A new granular activated carbon (GAC) treatment plant at Hoaeae Wells was placed in service this fiscal year, bringing the total number of GAC contactors in the BWS water system to 82. These GAC treatment plants are in Districts 1 (covering



Na Wahine O Ka Wai, 2005 American Water Works Women's Pipe Tapping Champions. L-R, AWWA President Kathryn McCain presents championship plaque to Danielle Ornellas, Carolyn Sawai, Gary Fernandez, and Anna Tanaka. In front, Ornellas' daughter, Nohelani.

Leeward Oahu from Waipahu to Makaha) and 2 (covering from Mililani to the North Shore and through Windward Oahu) and treat the water supplies in these communities to ensure that they are safe to drink.

Plans to implement a Multi-Skilled Worker (MSW) program, similar to the one housed in Field Operations, were initiated for Plant Operations. It is believed that this MSW program will increase the productivity of the workforce in this Branch.

The Water Quality Section monitors the Department's water supplies for compliance with all Federal and State safe drinking water regulations, and any upcoming changes in the regulations. The Section also performs technical reviews on the Department's new and replacement water treatment and system projects, and manages special water quality studies and research projects.

The Laboratories collected and analyzed several thousand water samples from the Department's water sources, distribution system, and water treatment facilities to ensure that all water served is safe to drink.

Automotive personnel provided maintenance and repair services for the BWS vehicle and equipment fleet to ensure that BWS employees could respond quickly and efficiently to the Department's day-to-day operations and to all emergency calls.

To be more environmentally responsible, this Branch added the first hybrid gas-electric vehicle to the fleet and implemented the use of bio-diesel fuel at the Kalihi Yard fueling station for the Department's diesel powered vehicles and equipment.

PROCUREMENT OFFICE

The Procurement Office was created this past fiscal year to handle the Department's procurement of all materials, supplies, equipment, and services using all source selection methods as appropriate for the Board of Water Supply. This Office also processed construction and consultant contracts; assisted BWS personnel in developing proposal documents and contract documents; and provided technical assistance on various aspects of Chapter 103D, Hawaii Revised Statutes, including handling contract controversies, soliciting price lists, and awarding contracts and projects to vendors.

SECURITY OFFICE

During the past fiscal year, the Security Office continued to implement and develop the Department's high-priority initiatives to protect the water supply from potential terrorist acts and responded to other emergencies. It continued to work with various BWS divisions to review, rewrite and rehearse the Department's plans for emergency response, evacuation and infrastructure protection; and joined forces with the Honolulu Police and Fire Departments, and City and State Civil Defense to frame prompt and effective responses to various crises.

The security council that was formed last fiscal year in partnership with this Office continued to develop comprehensive strategies to protect the water system and limit negative effects resulting from a serious incident.

STRATEGIC DEVELOPMENT DIVISION

This Division was established during the past fiscal year to develop and design the Department's strategic plans to improve its organizational effectiveness and to align its direction with its mission and vision. Business Development and Water Resources were placed within this Division to ensure that key business initiatives and projects, and critical resource planning are properly managed and administered.

The Business Development Branch researches and pursues opportunities to expand and market the department's water utility business.

The Department also continued its discussions with the Army to own and operate the Army's water systems on Oahu as part of the Department's long-term water resource management and expanded services strategic initiatives.

The Water Resources Branch conducted the long-range water resource and capital planning for Oahu to ensure adequate water supplies for current and future customers. Water Resources also monitors Oahu's hydrology and manages the land and watershed assets of the Department, protecting the long-term viability of Oahu's water resources and enhancing the environment.

Water Resources launched the regional watershed management plans, a community-based planning effort that will provide a holistic approach to Oahu's watersheds, recognizing the strong inter-relationship with water and land use. The action-oriented plan ties in water use and development with protection, conservation, and traditional and customary water practices. Starting with the Waianae and Koolauloa districts, the watershed management plans follow the sustainable community land use plans adopted by the City as a guide for water resource management. The community, landowners, and agencies are very supportive of this new ahupuaa approach.

The long-range watershed plans provide the overall guiding framework for the long-range capital planning program and the management of BWS watershed lands. Water Resources conducted a needed evaluation of sustainable water supplies, operating capacities and regulatory uses, called the "Water For Life Summit" (WFLS), in response to the impacts experienced from six years of drought from 1998-2003. The findings of the WFLS have provided the basis for the Department to manage Oahu's water supplies and system operations to achieve long-term resource sustainability. Various planning scenarios were also developed that will help the BWS anticipate future uncertainty.

In alignment with the "Water For Life" principle, Water Resources plans for the diversification of the Department's water supplies – conservation, potable groundwater, and recycled water to meet a growing population while protecting the natural environment. Conservation and recycled water systems are planned to be expanded in the future.